ICAN unveils new Logo and Identity

Government Needs New Approaches In Budget Design And Implementation To Navigate Fiscal Crisis In The Country,
In the pursuit of excellence we constantly take on new challenges, a rebirth, re-invention or a raise of standard, because excellence is not a destination. ICAN...You can too.
It was indeed a historical transition on June 1, 2021 when, in the 56 years of establishment of The Institute of Chartered Accountants of Nigeria (ICAN), a female succeeded another female as its President. After the eventful Presidential Year of Dame Joy Onome Adewuyi, FCA as the 56th President, Joy was succeeded by Comfort as the 57th President, in person of the elegant Mrs Comfort Olu. Eyitayo, CFA, CFE, mni, FCA. As one of the topmost Professional Accountancy Organizations (PAOs) in Africa, ICAN had been led by 56 Presidents out of which seven (7) were females. Mrs Eyitayo’s tenure as the 8th Female President of the Institute indeed signaled a new and refreshing beginning.

The memorable investiture was attended by distinguished individuals from all walks of life, including members of the political class, the traditional institutions, Past Presidents of the Institute, Partners of the Big-4 firms and other firms, Managing Directors/Chief Executive Officers of financial institutions, Heads of governments’ Ministries, Departments and Agencies (MDAs) as well as the distinguished members of the Institute, who either participated physically or online. Goodwill messages were delivered by various dignitaries including His Excellency, Mr Babajide Sanwo-Olu, the governor of Lagos State who was represented by Dr Rabiu Olowo, FCA, the Honourable Commissioner for Finance and His Excellency, Prince (Dr) Dapo Abiodun, MFR, the governor of Ogun State.

The Acceptance Speech of the 57th President, delivered with passion and great candour, was laced with practicable steps towards sustaining the towering image of the Institute as well as strategies for Making ICAN Great Again Through Visible Impact. Recognizing that we operate in a Volatile, Uncertain, Complex and Ambiguous (VUCA) world, Mrs Eyitayo’s speech at engendering the much-desired improvement in social, provided unconventional model for moving ICAN towards our vision of becoming a truly global professional body. She reiterated in her seminal Address the renewed commitment of ICAN to work with stakeholders in the economy financial and economic status of the nation. In this edition of our quarterly journal, you would not only be privileged to have another refreshing look at the 57th President’s Acceptance Speech but you would equally enjoy the captivating moments that were captured during the Investiture. Let me add that we are wasting no time in the pursuit of the agenda for the Presidential Year as we swung fully into action immediately.

Esteemed readers, we remain true to our commitment to ensure that this journal continues to satiate your professional thirst for knowledge as well as provide you with up-to-date developments in the Institute and the profession at large. We are mindful that as Chartered Accountants, we operate in a highly competitive, dynamic and rapidly changing environment. We have featured articles that you would not only relate with but they address topical subjects and issues that you probably face or would face as you serve your clients and act in the public interest.

On August 9, 2021, we celebrated the 102 years of impactful life of the Doyen of the Accountancy Profession, Mr Akintola Williams, CBE, OFR, B.Comm., FCA. Our sincere wishes will continue to be with Pa Williams who has impacted several generations through his adherence to high professional conduct and impeccable integrity.

Sadly, we lost one of the highly revered Past President of the Institute, Otunba Samuel Olufemi Deru, FNIM, JP, FCA, which sad event took place on July 10, 2021 at the age of 82 years. We sympathies and condolences are with the family of Otunba Deru and pray that the Almighty God would give us all the courage to bear this irreplaceable loss.

On September 1, 2021, we celebrated our great Institute’s 56 years of excellent accounting services to nation. This is indeed worth celebrating considering the immense contributions of the over 53,000 Chartered Accountants to national growth and development.

I encourage our esteemed members and readers to explore the pages of yet another stimulating, educating and informative edition of the Nigerian Accountant. I am sure you would be glad you did.

Have an interesting read!
The 57th President of the Institute, Mrs. Comfort Olujumoke Eyitayo CFE, CFA, mni, FCA did not become a Chartered Accountant by chance. She actually planned to become one, having been inspired by one of the founding fathers of ICAN, late Chief Adeoyin Olayide Ogunde, FCA who also hailed from her hometown and her elder Sister, Mrs. M.O. Onasanya, FCCA, FCA. According to her, she admired their great accomplishments and opted to study accounting so as to be like them one day.

Mrs. Eyitayo sat for her West African School Certificate at Lagos City College, Yaba, Lagos, in 1973 and proceeded to the prestigious University of London School of Economics where she obtained her Advance Diploma in Economics, from 1980-1981. She also attended Hammersmith & West London College from 1978-1980 where she obtained her HND in Accounting. She was also at Sheffield City Polytechnic for her ACCA Level II, PAA Poly. Assc. in Accountancy (1982); London School of Accountancy (1983) and Students PYE (1987). After her academic and professional training, she worked with KPMG Peat Marwick and KPMG MCINTOCK – UK at different times. She was also with the United Bank for Africa Plc.

She is a member of the National Institute for Policy and Strategic Studies (NIPSS) Kuru, Jos, having successfully attended the Senior Executive Course in 2009. Mrs. Eyitayo has attended numerous training courses both in Nigeria and overseas. In her interview with The Nigerian Accountant team comprising of Bunmi Owolabi (Editor) and Muyiwa Dare (Deputy Editor), the President was firm and explicit in her answers to the questions.

She spoke extensively on national issues, especially about the economy and security challenges facing our country. She also expressed her desire to do her best to for Institute. She also spoke on budget design and implementation, debt profile, revenue generation, inflation, under-utilisation of government assets etc.

Meanwhile, four months into her assumption of office, Mrs. Eyitayo fulfilled one of the various goals set for herself, which is the rebranding of the Institute. On Wednesday, September 29, 2021 a new official logo and identity was unveiled for ICAN. Apart from this, an online programme tagged “ICAN on Air” was debuted on Thursday, September 29. The focus of the programme is to dissect economic issues as they enfold to enlighten members. The programme runs on Facebook, Instagram and Youtube every Tuesday and Thursday at 6pm. The details of this event are published for your reading delight.

You will also read in this edition interesting articles such as: Common Reporting Standard Compliance in Nigeria: What next to consider?; Four Ways Chartered Accountants Can Encourage Diversity; The CEO Imperative: Rebound To More Sustainable Growth; Unlocking the Flexible Organization : Organizational Design for An Uncertain Future; Using Analytics Successfully To Detect Fraud etc. Under the health column, we publish an extensive report on pregnant women immune system and Covid-19.

Your comments on the various articles, news and other items published in this edition are welcome. Please write to: editor@ican.org.ng or aoowolabi@ican.org.ng.
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JOINT AUDITORS
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UHY Maaji Co. (Chartered Accountants)
It is with a great delight, sense of responsibility and immense gratitude to the Almighty God that I accept my election and formal investiture as the 57th President of our noble Institute, the Institute of Chartered Accountants of Nigeria (ICAN). This is one of the greatest and happiest days in my life as it marks the fulfilment of my dream of becoming the flag-bearer of the Accountancy Profession in Nigeria since I took the bold step in 1979 (i.e. 42 years ago) to study Accountancy at the Hammersmith and West London College, UK. Pursuant to this dream, I subsequently qualified as a chartered accountant in 1988. Since then, I have had my hands on the plough and have not looked back. With all modesty, today's achievement is the zenith of my professional career and undoubtedly, the hallmark of professional excellence.

TRIBUTE

1. Sincerely I owe a great depth of gratitude to all my predecessors in office who charted this path of honour for us to tread. Indeed, the credit for this ingenious, annual rancour-free succession process must be given to our revered body of past presidents (BOPP) who collectively laid this enviable tradition. The stability, growth and towering stature of ICAN bear the signature of their collective wisdom and deliberate strategic effort to build this global brand. Not a few bodies are enamoured by our success and sustainability in a volatile, uncertain, complex and ambiguous (VUCA) world. In these unusual times, the challenge of efficient resource utilization and value creation in Nigeria is made more difficult not only by the climate change and COVID-19 pandemic but also, by disruptive technology and insecurity.

2. Permit me also to seize this opportunity to express immense gratitude to my colleagues on the governing Council of the Institute and its numerous committees for their selfless services which collectively account for the success story of today, the enviable heights we have attained and the stature of the Institute in the local and international space. My election to Council for the first time in 2007 and subsequent elections every three years thereafter, implied that members, inside and outside Council, had great confidence in my leadership qualities and ability to make a difference. My unanimous election by Council for April 1, 2021 is therefore a great honour which I do not take for granted. I assure you all that I will not disappoint. I will live up to the ICAN ideal of providing excellent services for the common good with great ethical disposition. As primus inter pares, I hope and trust that you will avail me your usual support and invaluable counsel so that we can achieve the goals well-articulated in the Institute's Strategy Plan for this Presidential year.

CLARION CALL TO SERVICE

3. Providing leadership in a VUCA World

Distinguished ladies and gentlemen, the office of the ICAN President is actually a call to service, a call to confront and overcome challenges facing the members, Institute, the accountancy profession and the national economy through focused and purposeful leadership. Pursuant to this, let me assert that, today, humans and corporate entities are confronted with the challenge of survival and sustainability in a volatile, uncertain,
Accountancy Organisation in order to reposition it for competitive advantage. Like our revered past presidents, we must lead with ideas. In it lies our strength and success code.

Visible Role in the Management of National Economy

6. As the foremost professional accountancy organization in the sub-region, we must take on the challenge of setting a new agenda for national rebirth which will include achieving sustainable development for this generation without impairing the capacity of future generations to enjoy nature’s abundant resources. As financial experts we will lend our voices to the call by patriotic Nigerians that the trend towards borrowing to finance consumption should be discouraged notwithstanding the fact that the debt to gross domestic product (GDP) ratio is within acceptable fiscal and economic limits. In any case, what does the gross domestic product mean to the common man when inflation is over 18% and he cannot afford three square meals? For the nation to survive economically, it cannot continue to spend over 70% of its revenue on debt servicing. As a body, we would take on the advocacy role and collaborate with government to review the planning, budgeting and financing mechanics. We would also liaise with standard setters and regulators to review the nation’s corporate reporting framework such that sustainability metrics are mandatorily required of listed entities.

Poverty, Hunger and Crimes

7. As Professionals and expert risk managers, we are aware of the causal relationship between poverty, hunger and crimes. The hunger and anger of the unemployed and poor citizens, are manifesting in increased crimes and criminality. Therefore, as stakeholders, the Institute will collaborate with the government to evolve better strategies to address the underlying causes of insecurity, than the mere distribution of material and financial palliatives. We must teach Nigerian youths how to fish rather than give them fish, for the economy to tide over these challenges in the shortest possible time. To this end, the Institute will engage the government and critical stakeholders with a view to resolving the crucial issues of state and the economic malaise of under development.

8. Entrepreneurship Initiatives

As we are all aware, the Nigerian Bureau of Statistics recently released its report in which it said that about 23m Nigerian youths are currently unemployed. There is no reason to believe that the situation will improve in the near term neither can we also pretend that chartered accountants are not part of this unemployed army of Nigerian youths. Indeed, many of our young members are unable to secure paid employment not because they are not brilliant but because they cannot find any place to acquire practical training. In essence, their competences need to be reijged. Although the competence framework in our qualifying examinations have been reviewed, the Council under my leadership will create an Entrepreneurship Centre where these young members will be given practical or hands-on training to enable them set up their businesses and become employers of labour. Pursuant to this, we have opened discussions with relevant public and private sector agencies with a view to leveraging their experiences and resources to establish an Entrepreneurship Centre for the Institute to be located at the Amuwo Centre. To ensure the success of the initiative, the Institute will launch an Entrepreneurship/Endowment Fund to assist graduands of the Centre to embark on projects and productive activities for which regular funding sources may not readily support. I court your support as we pursue this initiative.

9. THOUGHT LEADERSHIP

The world, inclusive of Nigeria, now revolves around data on all aspects of human endeavours. Governments, entities and individuals who are able to convert these data to information and from information to business intelligence, lead in proactive decision making which is key to value creation and prosperity. This is the focus of thought leadership which the Institute desires to represent in the environment. During the year, the Institute will strengthen its Research and Technical Directorate so that it can emerge as the most authoritative source of information, intelligence analysis and dissemination of news in respect of accounting, economic and financial issues at the sub-national, national and International space. To reinforce this, the Institute will continue to sponsor research studies, regularly publish findings in journals, memoirs and technical papers. To deepen the research and collaboration capability of the Institute, the Council under my leadership will press forward with the existing strategy on sabbatical appointments to augment in-house capacity while the Institute’s academic conferences will be indexed, thereby driving credibility and attracting increased interest, respect and global recognition.

10. Specialisation and Capacity Building Initiatives

One implication of the various emerging disruptive technologies on the Accountancy Profession is the need for professional accountants to continually reskill themselves in order to stay relevant. These learning, unlearning and relearning are crucial if they desire to remain drivers of change. Thus, Council will enhance the learning content of its Mandatory Continuing Professional Development programme as well as comprehensively review the syllabi of its various Faculties’ certification programmes.

We are persuaded that only qualitative and excellent value-driven performance will make our members remain the preferred professional partners in business, commerce, industry and public governance.

THE CIVIL/PUBLIC SERVICE AND PROFESSIONALISM

11. Abolition of Entry level of Professionals into the Civil/Public Service

As we celebrate this investiture milestone in the Institute’s history, I dare say that these are not the best of times for the Accountancy Profession. nay, for professionals in Nigeria. We are challenged not only by the harsh economic circumstances of our nation, but also, by pieces of regulations designed to
diminish the importance of professionalism in public governance. As you are aware, the Office of the Head of Service of the Federation on April 12, 2021 issued a circular (HCSF/SPSO/ODO/NCE/CND.100/S.10/III/104) to all Ministries, Departments and Agencies (MDAs) stopping the use of professional qualifications as entry qualifications into the Civil/Public Service of the Federation with immediate effect. The circular affirmed that professional qualifications will only be an added advantage, in the interim, if a civil servant is to be promoted from Salary Grade Level 13 to 14. The implications are unsavoury.

a. First, the children of the poor who could not obtain formal education due to financial challenges but decided, out of determination, to pursue professional qualifications through private studies are barred from working in government.

b. Second, fewer professionals would now be desirous of making careers in the public sector due to the avoidable barrier. Indeed, the door is shut against them.

c. Third, young Nigerians would be dissuaded from pursuing professional education since the premium placed on its qualifications by the government has been whittled down.

12. In the midst of this ill-advised policy, the nation expects to continue to attract more foreign direct investments and grants from donor agencies. This expectation belies the report of a recent study by MOSAIC (Memorandum of Understanding to Strengthen Accountancy and Improve Collaboration), in particular GAVI and The Global Fund (GF). The study identified the lack of quality accountancy skills, in the public sector, as a challenge in disbursing funds at the national level through country systems implying that there is a relationship between professionalism, quality of corporate reporting, ability to attract foreign direct investment and grants from donor agencies. In essence, the public sector needs more, not less, professionals. It is therefore an irony that the nation is unwittingly discouraging the building of capacity by professional bodies through this policy, even when a body like ICAN does not receive any funding from the government!

13. To accept a post-primary qualification for entry into the civil/public service and disparage professional qualifications as not an acceptable qualification for same purpose, is to hold in contempt the Acts of Parliament which set up the various professional bodies. In our view, this is not healthy for national development. I dare say that Professionalism, nay, the Accountancy Profession is now an endangered profession. Under this scenario, the Council under my leadership cannot be fluent in silence. During this Presidential Year, therefore, the Council under my leadership will raise the banner of advocacy to stem this ugly tide for the benefit of all stakeholders of the Accountancy Profession: We will speak and leverage Council’s network of professionals, especially under the auspices of the Association of Professional Bodies in Nigeria (APBN) to engage the government with a view to revisiting the policy. The Council will lead the crusade for the rebirth of the new Accountancy Profession pervasive in demand because of its value-driven offerings. Reclaiming its lost glory is a battle cry for this and future generations.

MARKETING OF ACCOUNTING SERVICES

14. Rebranding the Institute

Since its establishment in 1965, the Institute has continued to use a crest and other symbols which look like school badge whereas its contemporaries have undergone several changes. As the house of integrity, its symbols must depict the message it seeks to portray. During this Presidential year, the rebranding initiative will be implemented to recreate the image of ICAN as a leading professional accountancy organisation in Africa.

15. Aggressive Marketing of the services of members, Institute & Profession

In order to create more awareness about the value that professional accountants bring to businesses, public governance and other economic activities, the Council will commence a phased-aggressive marketing of the services of members to all stakeholders both in the public and private sectors. The initiative will help reposition ICAN Professional Qualifications as the pre-eminent qualifications for the study of Accountancy and the provision of the highest level of professional accounting services. Furthermore, the Council will strive to improve its brand presence, particularly in major local and international events on nation building and development of the accountancy profession. The Council will create a dedicated team within Secretariat that would be actively promoting and publicizing the Institute’s events, publications and activities in the social media. Also, as part of this marketing strategy, the Institute will explore the possibility of commencing an Accountancy Television series in any of the leading Television Station in the country in order to create a platform for the discussion of emerging accounting, corporate reporting and economic issues to enrich public policies.

Accountancy Nationalism

16. The point also must be made that the time for Accountancy nationalism as envisaged by the Nigerian Content and Related Acts of Parliament, is now. What this means is that all accounting services in government projects and joint venture partnerships should be carried out by Nigerian professional accountants. Besides helping to build capacity, boosting employment opportunities and save foreign exchange, the legitimacy of such entities will be enhanced. The Council, under my leadership, will liaise and engage the relevant government agencies to ensure compliance to the provisions of the law on local content.

DEVELOPMENT OF THE PROFESSION

17. Enhancing the Capacity of SMPs

As I noted above, the quality of financial reporting plays a great role in the direction of flow of foreign direct investments. Capital flows to high trust societies driven by confidence in corporate reports and compliance to best corporate governance practices. Evidence has shown that the small and medium practices (SMPs) represent the weak link in the corporate reporting chain. It was to strengthen their capacity and raise the quality of their accounting practices and reporting that, in the outgoing year,
the Council commenced the mentoring initiatives for SMPs by the Big 4 Firms. The feedback received indicate the propriety and usefulness of the initiative and the need for its continuance. Accordingly, this mentoring and capacity building strategy will be continued during the year. Considering the benefits of this initiative to SMP performance and public perception of the services of professional accountants, the Council will invite the Big 4 firms to continue this capacity building programme as part of their corporate social responsibility. We will also encourage them to embrace the joint audit practice as part of this mentoring process such that the knowledge gained through training can be reinforced by practical exposure. Let me seize this opportunity to also encourage SMPs to strive to merge, based on distinct competences, in order to reap the benefits of synergy. To make the merger process easier, the Institute has developed a template which can be downloaded from its website. We look forward to seeing local practices that will merge based on diverse competences of partners and create a brand that will become a key player in the Nigerian market.

18. Mentoring Programme for PAOs in the Subregion

Part of the Institute’s responsibility as an IFAC member is that it is required, like other leading professional accountancy organisations (PAOs), to mentor fledgling PAOs in their sub-region in order to raise the standard of accountancy practices worldwide. In addition to mentoring and sponsoring ANAN to become a member of IFAC, the Institute has mentored the Liberian Institute of Certified Public Accountants (LICPA) to satisfy its IFAC Statements of Membership Obligations (SMOs). It is currently mentoring the Gambia Institute of Chartered Accountants (GICA) under a World Bank sponsored arrangement. During the year, we would hold discussions with other PAOs in the sub-region that are yet to be IFAC members. This will help not only the beneficiary PAO but also reposition and improve the attractiveness of ICAN Professional Qualifications to students across the West African sub-region.

Mutual Recognition Agreements

19. Furthermore, the Institute is currently holding discussions with Institute of Chartered Accountants of Ghana (ICAG) and the Institute of Chartered Accountants of Sierra Leone (ICASL) with a view to signing mutual recognition agreements with both PAOs. This will enhance the mobility of professional accountants across West Africa. During the year, the reciprocity agreements will be signed with both of them. The agreement with ICASL is particularly significant because, it will create a window for its AAT holders to register with and write the ICAN Professional examinations. This will help expand both the Institute’s student base and the market available to ICAN members. In essence, we are repositioning ICAN to be able to lead locally and to compete internationally.

20. Celebration of the Accountancy Profession

Annually, the global Accountancy Profession celebrates its day on November 10, a day which coincides with when Rev. Father Luca Pacioli published, Summa de Arithmetica in 1494 making it the first published work on double-entry system of Accounting. The practice in Nigeria is just to issue press releases and carry advertorials in newspapers to commemorate the day. This year, the celebration will be more elaborate as persons and institutions that represent the ideals of the profession will be honoured at a colourful ceremony. This is to draw attention to the role of Accountancy Profession in value creation and national development. The Council will provide more information on this as the plans are concretised.

SECRETARIAT

21. The Secretariat is the engine room for the achievement of the plans I have just articulated. Accordingly, the Council will press forward with its strategy to develop and build capacity within the Management by attracting the best people, establishing the best processes and deploying the latest technology to empower continuous positive change. In this respect, the ongoing rejigging of the Institute’s information technology infrastructure will be pursued to its logical conclusion such that stakeholders will receive timely and qualitative services. The staff will also be trained in line with the approved capacity building programme and their welfare taken as paramount.

CONCLUSION

22. Finally, let me observe in the words of Mother Theresa that, “I alone cannot change the world, but I can cast a stone across the water to create many ripples”. With the projects and plan of actions articulated here, we plan to take the Institute to its next level of greatness barring all odds. We will strive to do common things uncommonly well to deliver value to our stakeholders and make the desired impact. The future is bright and pregnant with good tidings. As Eleanor Roosevelt said, “the future belongs to those who believe in the beauty of their dreams”. We have unswerving faith in our dreams and we trust that God will empower us to realize them.

23. The days and months ahead call for statesmanship in the face of trials. Therefore, as leaders, irrespective of our sphere of influence, it is imperative for us to rededicate ourselves to the cause of a united, caring and strife-free Nigerian nation inspired by love, justice, equal opportunity, commitment to service and democratic values. We require these minimum values to achieve the Nigeria of our dream. On my part, I pledge to use the instrumentality of this office to promote the public good. As I commence the 12-month journey, I earnestly covet your support and prayers. By His grace, we would succeed, in Jesus Name.

24. Thank you all, may God bless you, bless ICAN and bless Nigeria.

Mrs. Comfort Olujumoke Eyitayo, CFA, CFE, mni, FCA

57TH President
June 1, 2021
The Institute of Chartered Accountants of Nigeria (ICAN) has elected new officers to run its affairs for the 2021/22 Presidential year. Mrs. Comfort Olu Eyitayo CFA, CFE, mni, FCA emerged as the 57th President. Her investiture took place after an election on Tuesday, June 1, 2021 at the Institute’s Secretariat in Victoria Island, Lagos.

Also elected are: Vice President, Mallam Tijjani Musa Isa, BSc, MIoD, FCA while Dr. Innocent Okwuosa, PhD, FCA and Mallam Haruna Yahaya mni, BSc, MBA, FCA were elected 1st and 2nd Deputy Vice Presidents respectively. Mr. Oluwatobi Abiola, HND, BSc, MBA, FCA became the Institute’s Honorary Treasurer.

The President, Mrs Comfort Olujumoke Eyitayo, obtained a Higher National Diploma (HND) in Accounting from the famous Hammersmith and West London College in 1980, same year she also bagged her Advanced Diploma in Economics from the University of London School of Economics. In 1982 she obtained a Polytechnic Associateship in Accountancy (PAA) – a Post Graduate Diploma from Sheffield City Polytechnic (now, Sheffield University, UK).

She was at the London School of Accountancy while preparing for her ACCA professional qualifying examinations. Afterwards, she returned to Nigeria and subsequently registered, obtained the relevant exemptions and sat for the ICAN Final level examinations. She qualified in 1988 and was admitted into membership of ICAN in 1989. The President diligently trained and prepared for an outstanding and flourishing career in Accountancy which has lasted almost 4 decades. She commenced her working career in the Banking sector as an Accounts Officer with United Bank for Africa PLC in 1976 before proceeding abroad for further studies. On her return, she secured employment and trained with one of the Big 4 Firms, the then KPMG Nigeria. During her article-ship, she was seconded to KPMG, Mcintock, UK, (an International Firm of Chartered Accountants) for two years training as one of the pioneer staff of the Computer Audit Department of KPMG Nigeria.

She trained and worked with KPMG Nigeria between 1984 and March 1993 with responsibility for Auditing, Tax, Management, Computer Auditing Assignment and Computer Training. She retired voluntarily from KPMG in 1993 to set up her own Professional Practice, Comfort Olu. Eyitayo & Co. (Chartered Accountants), a firm of Financial/Management Accountants and Tax Practitioners where she serves as Senior Partner. She also set up a Consulting arm of the firm, known as COE Consulting with strength in Business Advisory, Training on Business Strategies, Information Technology, Security and Internal Controls.

Mrs. Eyitayo, FCA, is an astute professional and chartered accountant with rare leadership and managerial qualities. Her uniqueness lies in her ability to multitask and effortlessly combine such diverse roles as wife, mother and caregiver with professional duties as an Assurance Services provider, IT ICON, Trainer, Business Woman, Entrepreneur, Author, Scholar and Teacher.

She is a Certified Forensic Accountant and a Certified Fraud Examiner (ACFE), USA. She is an alumnus of the prestigious National Institute for Policy and Strategic Studies (NIPSS), Kuru-Jos (2009)

On the international scene, she holds the following positions: Member, International Federation of Accountants (IFAC) Council, President, Association of Accountancy Bodies in West Africa (ABWA) a 16-member Association of Professional Accountancy organisations in the West African sub-region, Former Treasurer, Association of Accountancy Bodies in West Africa (ABWA) and Board member, NEPAD Business Group Nigeria 2020 – To Date.

Mrs Eyitayo is married with Children and Grand Children.
The Vice President, Mallam Tijjani Musa Isa, BSc, MIoD, FCA, holds a degree in Accounting from Ahmadu Bello University, Zaria in 1978. He qualified for ACCA in 1998 and became its fellow 2003. In 2008 he became a fellow of ICAN. He became a Member of the Institute of Directors (MIoD) in 2001.


He has attended numerous professional courses, seminars and conferences in and outside the country including the Columbia Business School, Executive Education Programme, in December, 2018.

He joined ICAN Council in 2009 and served in different Committees as member and Chairman at different times.

Mallam Isa is engaged in public service as member, Governing Council, Federal University, Lafia; The Tertiary Education Trust Fund (TETFund), Board of Trustees, Representing North West Geopolitical Zone and; The Federal Tax Appeal Tribunal, Federal Commissioner.

He has worked in several organizations including Obiora Monu & Company, Chartered Accountants; Bank of the North Limited as an Officer Trainee 1979/80; Muhtari Dangana & Co. as Senior Accountant 1, 1987/90; SCOA Nigeria Limited Plc as Head of Internal Audit, 1990/92; Kaduna Furniture and Carpets Company Limited (KFCC), 1995/96; Nigerian Unity Line Plc as AGM, Finance, 1996/98; Intercellular Nigeria Limited as AGM, 1998/2001; Unity Line Plc as AGM, Finance, 1996/98; Inter cellular Nigeria Limited as AGM, 1998/2001; Sada, Idris & Co. (Chartered Accountants), Managing Partner, 2001; Tijjani Musa Isa & Co. (Chartered Accountants), Managing Partner, 2002 till date. He is happily married with Children.

The 1st Deputy Vice President, Innocent Okwuosa, BSc, MSc, PhD, FCIB, FCA, holds a BSc in Accounting and an MSc in Banking & Finance and another MSc in International Accounting and Finance from University of Stirling, Scotland; a PhD in Accounting from the prestigious Henley Business School, University of Reading, UK. He also has a PGCert in Teaching and Learning in Higher Education, UK and is a Fellow of Higher Education Academy, UK.

Dr Okwuosa is currently an Associate Professor of Accounting and Head of Department of Accounting, Finance & Taxation, Caleb University, Imota, Lagos, a position he has held since 2019.

Dr Okwuosa was first elected into the Governing Council of the Institute of Chartered Accountants of Nigeria (ICAN) in 2011. He has served the Institute in various capacities including Chairman Examinations and Syllabus Review Committee among several others before his election as the 2nd Deputy Vice President.

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Dr Okwuosa started his career at the then Nigerian Industrial Development Bank, now Bank of Industry and rose to become Senior Accountant and Head of Accounts and Management Information Unit within the Finance Division. He later trained with Horwarth Dafinone & Co (Chartered Accountants) where he acquired practical accountancy and audit experience. He was a co-founder of a leading professional accountancy tuition house, Safe Associates with responsibility for training staff of KPMG, PriceWaterhouse Coopers, Ernst and Young and Deloitte among others for their professional accountancy education. To this end, he distinguished himself lecturing Financial Accounting and Reporting. It was while lecturing in Safe Associates that he authored the popular Group Accounts and Advanced Financial Accounting Manual which was widely used by professional accountancy and tertiary institution students.

As an expert in International Financial Reporting with Entop Consulting Ltd, Dr Okwuosa carried out IFRS implementation for many listed and private companies and delivered corporate training on IFRS. He is a fellow of the Chartered Institute of Bankers of Nigeria and the pioneer Chairman Chartered Institute of Bankers, UK Branch. He has been a regular member of ICAN delegate to UNCTAD ISAR conferences.

Dr Okwuosa sits at the board of African Integrated Reporting Council and is the Chairman of Nigerian Integrated Reporting Committee as well as a member of the Industry Working Group, Sustainability Accounting Standard Board (SASB), US. He is also a member of IFAC International Panel on Accounting Education (IPAE), New York. He was President of Matori Lions Club from 2004 to 2005.

He is happily married with children.
The 2nd Deputy Vice President, Mallam Haruna Nma Yahaya, mni, BSc, MBA, FCA is a product of the famous Bayero University, Kano from 1982 to 1986 where he obtained BSc Accounting with Second Class Upper Division. He also attended Obafemi Awolowo University, Ile Ife, 1988-1989 for his Post Graduate Diploma in Computer Science. He proceeded to Ahmadu Bello University, Zaria from 1996 to 1999 for his Master of Business Administration (MBA). He was also at the National Institute for Policy and Strategic Studies in 2018 (SEC 40/2018) where he obtained Member of National Institute (mni).

Apart from academic qualifications, Yahaya has attended various workshops, seminars, training both within and outside Nigeria including RIPA International, London and Harvard University, Boston, Chicago USA.

Mallam Haruna is a member of various professional organizations which include the following: Fellow of The Institute of Chartered Accountants of Nigeria (ICAN); Fellow of Chartered Institute of Taxation of Nigeria (CITN); Fellow of Institute of Management Consultants; Member, Institute of Directors (M.IoD); Fellow of Chartered Institute of Management Accountants for over thirty years, formed at the Federal Polytechnic, Ilaro in June 1990.

Haruna has worked in various organizations both Private and Public Sector, including Banks. He was in Pannell Kerr Forster & Co. (PKF) Kaduna from 1993 to 1996 as Audit Manager. He worked with FSB International Bank Plc where he became Assistant General Manager AGM/Financial Controller before leaving to establish his own Audit Firm, Haruna Yahaya & Co. (Chartered Accountants) in 2001. Ever since, he has been the Managing Partner/CEO with offices in Minna, Abuja, Kaduna, and Lagos.

He has taken the firm to international arena by being a member of global accounting network known as MGI Worldwide which has presence in 260 Countries with more than 5,200 Professionals. His clientele base cut across Private Companies, International Donor Agencies, Ministries, Departments and Agencies (MDAs).

He has been a member of Governing Council of the Institute of Chartered Accountants of Nigeria (ICAN) since 2011 and has served on many ICAN Committees either as Chairman, Deputy Chairman or member at various times.

He is a member of Board of Directors of various Companies and Government Agencies which includes the following: Member, Board of Trustees and Governing Council, Edusoko University, Bida, Niger State; Board Member, Suleja Smart City Company Limited; Board Member, Niger State Water and Sewage Corporation; Board Member/Chairman (2012 to Date), Edumana Micro Finance Bank Limited; - Chairman (2013 to Date), Weightlifting Association of Niger State and Resource Person/Facilitator to the Institute of Directors (IoD) - (2015 to Date). He is happily married and blessed with children.

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He started his working career in the Firm of Mojibola Oluwa & Co (Chartered Accountants) in 1993 from where he joined the Federal Inland Revenue Service (FIRS) in 2005.

At the FIRS, prior to his position as the Head of Investigation (Lagos), he was Ag. Director (Technical). He has held the following positions: Head, Special Tax Audit; Chairman, Special Reconciliation and Review Committee (SRRC) with responsibility for the Southwest which include Lagos; FIRS representative on Micro, Small and Medium Enterprise (MSME), Office of the Vice President; Head, Domestic Tax Payers, Tax Investigation and Special Enforcement Division amongst others.

Abiola is also a Fellow of the Chartered Institute of Taxation of Nigeria (CITN).

He is currently the Lead Doyen of the Joint Minds Club International, a club breeding Chartered Accountants for over thirty years, formed at the Federal Polytechnic, Ilaro in June 1990.

Abiola believes in charity. He is a Paul Harris Fellow of the Rotary International, fighting polio in every part of the world. He loves reading, traveling, meeting people, watching sports such as football and lawn tennis. He is happily married and blessed with children.
President with council members present at the investiture

From left: Oba Babatunde Ajayi, FCA Akarigbo of Remo land, Gov. Dapo Abiodun MFR of Ogun state, President Mrs Comfort Eyitayo, Dr. Rabiu Olowo, Lagos state Commissioner of Finance and Oba Adesesan Oguntayo FCA, Ajalarun of Ijebu-Ife at the Investiture Ceremony

President with past presidents present at the investiture
The 57th President of the Institute, Mrs. Comfort Olujumoke Eyitayo, CFA, CFE, mni, FCA did not just stumble into Accounting as a profession. According to her, her sojourn in the profession was highly influenced by the fact that it was a noble profession in vogue and by two people. These are: one of the founding fathers of ICAN, late Chief Adedoyin Oluyide Ogunde, FCA who also hailed from her hometown and her elder Sister, Mrs. M.O. Onasanya, FCCA, FCA. Eyitayo explained that she was inspired by their carriage, demeanour and great accomplishments, hence her choice of Accounting as a profession.

In this interview, she spoke extensively about the nation’s economy, the future of accounting profession, government, inflation and anti-corruption war of the government. She also reeled out her plans for the Presidential year:

**You were recently elected President of ICAN, what are the programmes that ICAN under your leadership intends to achieve?**

The Institute is built on a legacy of continuity and, in this Presidential Year, we are determined to tread this well-entrenched path. The agenda for the year is in line with the overall mandate of the Institute to continuously produce future-ready Chartered Accountants who act in public interest. Although the overall objective is to sustain ICAN as a truly global professional body, the changing market dynamics would require that we revisit the approach with which we pursue the vision.

Hence, it is imperative that we establish an Entrepreneurship Centre/Fund to produce Chartered Accountants who would be job creators and not just job seekers; strengthening of the Research and Technical Directorate of the Institute would be prioritised so that it can emerge as a veritable and authoritative source of information, intelligent analysis and dissemination of news in respect of accounting, economic and financial issues at the sub-national, national and International space; we would re-strategize and champion the rebirth of the Accounting Profession through adequate investment in time and material resources; we would enhance the learning content of the Institute’s Mandatory Continuing Professional Development programme as well as comprehensively review the syllabi of various Faculties’ certification programmes; we are rebranding the Institute to create the image of ICAN as a leading Professional Accountancy Organisation (PAO) in Africa; we would sign more Reciprocity Agreements with renowned PAOs across the globe; and the continued mentoring of fledgling PAOs in the African sub-region in order to raise the standard of accountancy practice worldwide would be one of the top agenda for the Presidential Year.

**There have been concerns about the length of the tenures of ICAN Presidents. With just a year to lead the Institute, how do you want to achieve the identified programmes within the period?**

The one year tenure of each President of the Institute is not a concern. ICAN has a rolling plan and a well-established continuity process. The structure of the Institute devolves power to its different Committees that comprise experienced members of the Institute with each of the Committees chaired by a Council Member. This affords us the opportunity to seamlessly run the Institute, build on past legacies and chart a new course for the future. Also, the nimble ICAN Secretariat, comprising experts in the relevant areas of our operations, implements our various programmes and initiatives. In summary, ICAN’s organizational structure allows for a smooth functioning of the Institute in order to achieve its mandate.

**As the President of ICAN, what are your short-term and long-term plans?**

The Institute’s firm foundation is structured in a way to build on past legacies while the present administration is also expected to chart new courses, as desirable, in the overall interest of the
of the Institute, its members and the society at large. My Inaugural speech has catalogued both the short-term and long-term plans of this Presidential Year. In summary, our plans are to provide the required leadership in a volatile, uncertain, complex and ambiguous (VUCA) world. We would play visible role in the formulation of economic policies of the country and contribute significantly to tackling the economic and social malaise bedeviling us as a nation. Also, we are focusing on building the entrepreneurship capacity of our members through the establishment of an Entrepreneurship Centre. We would equally provide thought leadership on harnessing data in the profession and economy which is necessary in arriving at informed decisions.

During your Inaugural Speech, you stated that there were efforts to weaken the profession. Please expatiate on that.

You will recall that in my Inaugural speech, I enunciated the circular issued by the Office of the Head of Service of the Federation on the abolition of entry level of professionals into the Civil/Public Service. The implication of this is not just for the noble accounting profession, but it has grave consequences on professionalism in the public sector. Lack of professionalism in the public sector, which the circular portends, would negatively and indirectly impact on quality of corporate reporting, ability to attract foreign direct investment and grants from donor agencies. In essence, the public sector needs more, not less, professionals. It is therefore an irony that the nation is unwittingly discouraging the building of capacity by professional bodies through this policy.

What are the changes you would like to see in the accounting profession, especially in Nigeria?

The accounting profession is structured in a way that its adherents should act in the public interest. How can these changes be addressed?

Many have said Nigeria’s problem is more of spending than revenue generation, going by the kind of interventions and expenditures recorded daily. How can these challenges be addressed?

I would rather say it is both spending and revenue-generation problems. Targeted spending is good for the economy, but Nigeria has gained popularity for frivolous spending not directly targeted to projects that can aid growth and development. When such funds are claimed to be targeted to developmental projects, they are usually mismanaged or poorly utilized. It is crucial that we religiously commit to blocking all financial loopholes in the country as well as hold public office holders accountable for projects executed, in terms of expenditure incurred and the quality of output. As I earlier noted, performance-based tracking is critical and operators of the economy must be held accountable for every Naira spent. On the revenue side, we engage closely as an Institute with revenue-generating agencies like the Federal Inland Revenue Services (FIRS). The sole purpose is to ensure that we support the revenue-drive of the country through our technical expertise as Chartered Accountants. We have advocated deliberate efforts to bring into the tax net the large number of commercial activities that are initiated and consummated in the cloud. Most of these business outfits do not have physical offices but they transact virtual businesses worth several millions of Naira. If we do not have the capacity to track these businesses, for tax purposes for instance, we may be losing a gold mine.

Looking at the country’s debt ratio, do you see the current debt level and proposed borrowings as sustainable?

It is time we changed the discussion from the sustainability of the debt profile to its reasonability. Even if sustainable, is it a path to perpetually follow as a sovereign nation? If the borrowings are well-managed, they can be deployed into projects that positively impact long-term development of the country. If this is achieved, then these borrowings should translate to a better economic outcome in the medium to long term, which would make borrowing unlikely in the future. But is this the case in the country? That is a food for thought for us as a people.

The present inflation appears to have defied all forms of interventions. As a professional, what measures do you suggest can be deployed to check the trend?
As I have always said, we should celebrate small wins of the various governments’ interventions on the economy. Imported inflation is one of the main reasons the various interventions to address the rising inflation in the country appear to have failed. Our primary reliance on foreign goods and services as well as raw materials with the depreciating value of Naira to Dollar makes a mince meat of any intervention on the inflation crisis. The country must make deliberate efforts at improving local industries and create the enabling environment for business growth. We must ingrain in the mindset of Nigerians the need to embrace local content by consuming locally-produced goods and services. Another way to address inflation, especially food inflation, is to tackle the security challenges in the country which has disrupted farming activities across major food-producing States.

Apart from the government under-utilising some assets, are there some sources of public funds wastage that you have identified within this administration that needs to be plugged?

It is not about this administration but there is the need for a new governance orientation across all tiers. We should further entrench probity and transparency in the management of public financial resources as well as other assets of the country.

Despite the fact that the Federal Government said the country had come out of economic recession, do you agree with that position, especially when you look at economic indices like the high unemployment rate, rise in food prices, among others?

Based on the data available to us, Nigeria has exited recession and nobody can debate that. However, we must understand the exact indices captured in the calculation of a country’s Gross Domestic Product (GDP) which is used to define whether an economy is in recession or not. The GDP is an aggregate value of goods and services produced in an economy over a period of time. The debate is ongoing whether GDP growth naturally translates to improved welfare or the equitable distribution of economic resources in an economy. Nigeria has exited recession but the truth is that we still have a lot of grounds to cover in translating GDP growth to economic welfare for an average citizen.

In your inaugural address, you mentioned ‘ICAN will work closely with governments at all levels on the challenge of setting a new agenda for national rebirth’. How do you intend to do that?

Before now, we have championed a number of initiatives of national interest including the globally acknowledged ICAN Accountability Index (ICAN-AI). We have over the years ensured the positioning of ICAN for great impact on the economy through strategic relationship with governments and other stakeholders in the economy. Few weeks into the new Presidential Year of the Institute, we engaged political leaders at various levels where we had extensive discussion on the need for a national rebirth. Recently, we were at the National Assembly to meet with key actors in the upper and lower chambers on the need to promote healthy financial system in the country. We were unequivocal in our commitment to collaborate with the House and Senate Committees on Finance in the area of capacity building for their honorable members. The Institute had also opened discussion with the FIRS in a bid to consolidate the achievements already made by the Service in the country’s tax system. We are deepening our impact across all sectors of the economy, public and private. As an Institute that promotes accountability and transparency, we would be more deliberate in working with governments as well as private-sector actors to entrench probity, accuracy and integrity in our national consciousness.

Despite its wealth, many Nigerian citizens live in poverty. How do you think the country’s resources can be better managed?

It is a paradox that Nigeria has assumed the sad status of one of the poorest nations in the world in spite of her human and natural endowment. Currently, over 40% of the population lives in severe poverty. The major problem is in the mismanagement of our collective national wealth, lack of accountability and transparency, and a large portion of the population not benefiting from the growth and development strategies. When fiscal transparency is entrenched across all levels of government, Nigeria would have adequately arrested the recurring illegal leakages from the economy. The focus can then shift to using the dividends from the fiscal transparency to bring about inclusive growth by increasing the quality of life of those in the federal poverty level or poverty threshold. This is how we can change the narrative of poverty in the midst of plenty. One of our approaches to addressing this ugly occurrence of high poverty rate is to entrench a culture of accountability and transparency in public governance through the ICAN Accountability Index (ICAN-AI). We have also resolved to tackle, to the best of our ability, the poverty problem through the planned Entrepreneurship Centre to train our members to be self sufficient and become employers of labor, thereby making positive contributions to the Gross Domestic Product.

There is systemic brain drain in the accounting profession, with many brilliant accountants leaving the country in search of greener pastures. What do you think that portends for the
future of the profession and how can the trend be curbed?

The systemic brain drain is not peculiar to the accounting profession. It is a reflection of the general economic performances particularly low wages and poor purchasing power of our currency resulting in the migration of professionals and non-professionals to other seemingly promising societies. Hence, addressing this trend requires a revamping of the economy and aggressive national reorientation. It goes beyond what a single body or entity can effectively tackle. Let me also quickly state that the international mobility of our members, like other competitive professions, is an indication of the competitiveness of our certificate. Nevertheless, ICAN is embarking on deliberate efforts to ensure that the country is supplied with adequate number of Chartered Accountants who would meet the local demand for professional accountants.

What changes would you like to see in the accounting profession?

The accounting profession is designed to act in the public interest and actively participate in entrenching accountability and transparency in the economy. My desire is that government across all levels would ensure that relevant accounting and finance positions in the country occupied by Chartered Accountants. As an Institute, we would continue to explore the over 53,000 ICAN members to uphold Accuracy and Integrity and remain committed to the Institute’s code of professional conduct and to always act in the public interest.

With the disruption occasioned by the unfortunate arrival of the COVID-19, I would like to see the accounting profession less reactionary and more proactive in technological and financial innovations. We should lead in these and innovations not be at the mercy of whatever the foreign IT geeks come up with. These indigenous innovations will save Nigeria millions in out bound foreign exchange and we may even be able to get some in bound foreign exchange.

What are the challenges to achieving accountability in both private and public sectors, and to what extent can you say ICAN has contributed to solving them?

The lack of accountability in the country, whether in the public or private sector, is basically due to weak enforcement and poor compliance to regulatory guidelines. As already alluded to on several fora, Nigeria is not lacking in policies, programmes and laws imbed at promoting accountability and transparency in the jurisdiction. Unfortunately, the country has not fared well in ensuring the implementation of these laudable policies and programmes due to lack of commitment to businesses ethos.

How does ICAN structure its programmes to drive members’ participation across various sectors? How do such programmes address peculiar challenges that young accounting professionals face?

The Institute’s examinations and other capacity building programmes are structured to make our members fit for any sector of the economy. The Mandatory Professional Development training covers seventeen sectors of the economy including agriculture, oil and gas, telecommunications, Information Technology, finance and so on. We are also building the skills and competencies of members not just to be job seekers but job seekers but job creators through our entrepreneurship programmes. In this Presidential Year, we are raising the bar of our entrepreneurship programmes through the creation of an Entrepreneurship Centre and Entrepreneurship/Endowment Fund. The Endowment Fund would assist graduates of the Centre to embark on projects and productive activities for which regular funding sources may not readily support. Our goal is to produce future-ready Chartered Accountants who are equally equipped with the skills to face the demand of the present day market.

Strategic partnership with stakeholders in the public and private sector is very critical to national and economic development. What are the roles of Accountants in achieving this?

As an Institute, we engage with a wide spectrum of social and economic players in the country to reposition the nation on the path of sustainable growth and development. We use the engagements to inform stakeholders about the value that our members can add to business and to engage with the Federal Accounts Allocation Committee (FAAC) to report our findings on the ICAN Accountability Index (ICAN-AI), with the National Universities Commission (NUC),
National Board on Technical Education (NBTE), West African Examination Council (WAEC), National Examination Council (NECO) and Joint Admissions Matriculation Board (JAMB) to ensure that the accounting syllabi across the accounting education value chain is in line with present realities. We also collaborate with the National Assembly in the business of law making by making recommendations on the Appropriation Bill, participating in public hearings and submitting position papers on matters that affect the business and economy of the country. We also partner with the Judiciary in the investigation of professional misconduct, as the Institute’s Disciplinary Tribunal is equivalent to the Nigerian High Court and appeals from the Tribunal go to the Court of Appeal and thereafter the Supreme Court. This is just to mention a few.

Increasingly, technology is narrowing the space for professional practices across all sectors with its disruptive impact. How prepared is ICAN for this new normal?

Over the years, and more recently since 2004, ICAN has consistently developed the digital skills of its members through the Technology Competence Initiative (TCI). The TCI was introduced as a precondition for induction of new members to ensure that all ICAN members receive adequate grounding in Information Technology (IT). As a result, technological disruption is not negatively impacting the activities of our members. Rather, the digital disruption continues to enable more effective and efficient delivery of the services being provided by over 53,000 ICAN members. ICAN members are no doubt adequately prepared for this New Normal. As a result, it was not difficult for us as an Institute, together with our members, to quickly adapt to the disruption occasioned by the coronavirus (COVID-19) pandemic.

Coronavirus pandemic has greatly impacted organisations including ICAN. This has no doubt impacted operations. What measures have been put in place to overcome these challenges?

Our huge investment in technology in the Institute greatly assisted us in quickly adapting to the changes brought about by COVID-19 pandemic. As the New Normal evolves, we would remain at the forefront of building a truly digital Institute that leverages technology to provide bespoke services to our various clients.

What changes would you like to see in the accounting profession?

Accounting profession has gone a long way in positively influencing growth and development in the country. Over the years, the profession has undergone varying degrees of change and professional restructuring. Most importantly, in recent years, technology has played a major role in reshaping the profession. The disruption as a result of technology has motivated an appreciable increase in the interest of our members to embrace the emerging technologies. This is highly commendable. We expect that, in the next couple of years, we would have more professional accountants who are active innovators of technologies driving the profession under machine learning, Internet Of Things, robotics, Artificial Intelligence and data analytics. Also, I wish professional accountants would be accorded more opportunities, especially in the public sector of the economy, to positively impact the economy. By virtue of the training received by professional accountants, governments should take more advantage of our skills and competencies in the management of the nation’s scarce financial resources.

What inspired you to become an accountant?

My career pursuit in accounting was greatly influenced by one of the founding fathers of ICAN, late Chief Adegoyin Olayide Ogunde who also hailed from my hometown. His stature, demeanour and great accomplishments were a great inspiration to us. Indeed, because of his accomplishments and gait or carriage, Accountancy became the vogue. My elder sister, Mrs. M.O. Onasanya, FCCA, FCA, who, for several years served as ICAN Council member before voluntarily stepping aside in 2006 was also an inspiration to me to choose this noble profession.

You are the CEO of Eden Comfort Place. What stirred your interest in the hospitality business?

I was principally motivated by a sense of fulfilment I derive from one of my eclectic skills in hospitality. This prompted me to establish Eden Comfort Place to care for the welfare of tourists and persons who carry out activities in Ikeja and need a place of comfort to rest after the day’s hustles.

What advice do you have for career women, as regards combining and balancing their work and family?

None should be allowed to suffer professional relevance, we should never neglect the home front. A truly successful career woman is one that can be successful at home and at work. It is not easy, but the benefit is worth the cost.

You have been on the governing board of ICAN since 2007. As a member of the board, what are the notable contributions you made to the association?

In all humility and with a high sense of responsibility, I would say I have paid my dues as a member of the Governing Council of the Institute since 2007. I chaired several Council Committees including the Finance and General Purpose Committee, the Technical, Research and Public Policy Committee (TRPPC), the Professional Examinations Committee, the Annual Accountants’ Conference Committee amongst several others. During my Chairmanship of Ikeja and District Society of the Institute, I pursued vigorously and achieved the desire for the District to own its own building and thereby securing the first position as the Pace Setter District amongst the Committee of ICAN District Societies to have its self-funded building.
T he Institute as part of its resolve to continue to promote Accuracy and integrity in the Public Interest recently unveiled a new logo and Identity. Speaking at the event which was held in Lagos on September 29, the President of the Institute, Mrs Comfort Olu Eyitayo, mni, FCA said the new logo has launched the Institute into an era of greater dynamism and deeper inclusiveness across generations.

According to her, “In 56 years, ICAN has sustained its enviable status as the most influential and prestigious Professional Accountancy Organisation (PAOs) in Africa. Our unmatched contributions to national development are the unique selling point that has accorded the Institute its enviable position. The ICAN brand is not just the toast of employers, but the products of the Institute are distinguishing themselves across all sectors – public or private,” she added.

She disclosed that the ICAN logo is the identity of its members and represents their essence, adding that ICAN would not relent on its commitments and greater positive impact towards nation building.

In his speech at the occasion, the Deputy Governor of Lagos State, Dr. Obafemi Hamzat commended ICAN, saying that the new ICAN logo is a signal and renewal of commitment, dedication and professionalism. He advised the Institute to continue to expose its members to international best practices and modern accounting processes that can enhance socio-economic development in the country.

Earlier, the Chairman of the occasion and the Chairman Body of Past presidents of ICAN, Princess, Agnes Adeniran, FCA, commended members of the Governing Council of the Institute and the rebranding Committee for the tremendous effort and initiative.

**About the New Logo**

As one of the largest umbrella bodies of the accounting profession in Africa, the Institute is constantly leading the pack and evolving in response to market realities and the expectations of its stakeholders.

The predominant blue colour in the new logo evokes professionalism, trust, reliability, stability, depth and vibrancy of ICAN. The green stripe at the bottom represents vitality, freshness, growth and youthfulness.

The two white stripes evoke a feeling of dynamism, integrity, transparency and new roads leading to new places and horizons.

Our new identity in alignment with global trends is modern, innovative and professional. It is designed to work effortlessly across digital and physical channels.

This rebranding exercise offers the Institute the opportunity to deepen its differentiation, reach new target audiences and achieve the stimulation it requires to create new growth, in an ever-evolving market. It is also poised to preserve our legacy while keeping it young, fresh, trendy and dynamically at the top in the industry.

ICAN is continually evolving to keep it current and with a personality that appeals to our stakeholders.

The change is here to better reflect ICAN’s market-leading position, indelible footprints and quality service offerings.
Faces at the Unveiling ICAN New Logo in Lagos
Overview of Common Reporting Standard

As taxpayers approach another Automatic Exchange of Information (AEOI) – Common Reporting Standard (CRS) returns filing season, financial institutions in Nigeria would need to take note of their CRS reporting obligations as provided in the Income Tax (Common Reporting Standard) Regulations, 2019 (CRS Regulations) and the Income Tax (Common Reporting Standard) Implementation and Compliance Guidelines, 2019 (CRS Guidelines).

CRS is an information standard which provides a set of rules for the automatic exchange of financial account information relating to customers of Reporting Financial Institutions (RFIs) between tax authorities across the world. RFIs include depository institutions (such as commercial banks, savings and loan associations and credit unions), custodial institutions (e.g. custodian banks, stockbrokers), investment entities (portfolio and asset management companies) and specified insurance companies (e.g. life insurance companies). The purpose of the standard is to improve transparency, thereby making information of persons (i.e., individuals and entities) holding various investments across the world visible and available to tax authorities of relevant jurisdictions, with the ultimate aim of combating tax evasion.

Under the CRS regime, tax authorities of relevant jurisdictions are required to report certain categories of financial accounts that qualify as reportable accounts, such as: high-value accounts, lower value accounts, pre-existing accounts for entities, new accounts for individuals and entities and inflows (i.e., incomes/proceeds) to the tax authority in each CRS participating jurisdiction.

CRS obligations of RFIs

Generally, the CRS Regulations require all RFIs to obtain information from their account holders and report, on a yearly basis, certain information to the FIRS in an electronic format. The CRS Regulations also stipulates three (3) major compliance obligations required to be met by RFIs - due-diligence, reporting and record keeping.

RFIs are required to carry out due diligence on pre-existing accounts (i.e., entities and individuals accounts opened before 30 June 2019) and new accounts (i.e., entities and individuals accounts opened after 30 June 2019) to identify reportable accounts. Upon identification of reportable accounts, RFIs are required to report and file such reportable accounts in an electronic format through the AEOI-CRS portal provided by the FIRS, on or before 31 May of the year following the calendar year in which the returns relate to. Further, RFIs are required to keep record of steps taken and any evidence or records relied upon in performing the due diligence procedures in an electronically readable format for at least six (6) years.

According to the CRS Regulations, non-compliance with a duty or an obligation with respect to CRS, failure to file CRS information returns and failure to keep records attract a penalty of N10,000,000 in the first month and N1,000,000 for every subsequent months in which the failure continues.

Aftermath of CRS implementation in Nigeria

CRS implementation commenced in August 2019 and some of the RFIs have successfully filed the first set of CRS returns in 2020. Sequel to the filings, the FIRS recently notified selected RFIs of its intention to conduct a compliance monitoring exercise on the returns filed in 2020. According to the FIRS, the purpose of the monitoring exercise is to confirm the correctness and completeness of CRS returns filed and confirm that the due diligence procedures adopted on reportable accounts were in line with the CRS Regulations. The exercise is also to obtain feedback on the challenges encountered by RFIs during the last CRS filing cycle, including the ease of filing through the designated portal.

Challenges encountered during the first filing cycle of CRS returns

As with most new policies, the implementation of CRS came with challenges, some of which are highlighted below:

- RFIs were unable to obtain certain information from customers, making it challenging to complete due
diligence necessary to determine reportable accounts and submit accurate CRS returns. For instance, there were difficulties in retrieving information on tax residency of account holders and controlling persons. To aid the collection of information from account holders, the FIRS introduced the CRS self-certification forms which is to be administered by RFIs to their customers. However, this has not solved the issue of incomplete information as some account holders were unable to provide the required information and the RFIs have not been able to enforce compliance.

- Some RFIs are mindful of the additional documentation burden and are therefore yet to adopt the CRS self-certification forms in the collection of information from account holders. The issuance of the new set of self-certification forms designed by the FIRS also duplicates some information which the RFIs would have already obtained from the account holders.
- RFIs also faced some difficulties in filing their CRS returns as the AEOI-CRS’ online portal experienced several downtimes which may have been due to the high number of RFIs aiming to file before the deadline stipulated by the FIRS.

The next CRS reporting is due by 31 May 2021 and FIRS has notified RFIs of an upgrade to the version of the CRS template adopted for filing last year. FIRS has also advised RFIs to commence their CRS filings with the new template effective 1 April 2021 to ensure errors are effectively corrected with assistance of the FIRS’ AEOI team, before the filing deadline.

While the challenges noted above may not be resolved before the next CRS filing deadline, it is expected that FIRS will begin to put in place measures to manage these, such as:

- From the regulators perspective, it appears that awareness and compliance level of RFIs with respect to CRS obligations is still low. The FIRS had organised several web-based workshops/programmes to sensitise RFIs on their compliance obligations under the CRS Regulations. However, this appears not to have had the desired impact on compliance level of RFIs.
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The case for diversity and inclusion is stronger than ever. From dealing with data to increasing collaboration, we explore four key areas that can drive real progress and value within the workplace and change the future of the profession.

Chartered accountants have a growing role to play in ensuring that the thousands of decisions that senior leaders – whether in business or government – make every day dispel discrimination in all its forms.

This ranges from some of the more obvious activities – such as ensuring diversity and inclusion data is as accurate and useful as possible – to some where many chartered accountants will feel on less certain ground – such as understanding how some of the core tenets of their profession should be used to challenge the decisions of senior colleagues or clients.

1. Dealing with the different types of data

Data about D&I is different to the financial data that chartered accountants have dealt with their whole careers, argues Natalie Nicholles, a senior director at the Capitals Coalition who is co-leading the Accounting for a Living Wage project in collaboration with Shift, a non-profit organisation that advises on business and human rights. The key lesson is that the context of that data – how it is seen and discussed – is as vital as the data itself, she argues.

Nicholles says, “Whether it’s D&I or living wages, these are really tricky topics in the social and human arena. In natural capital, we’ve done much better at being able to value greenhouse gas emissions and biodiversity loss, even though that’s still difficult to do. But when it comes to people, our accounting models really exclude them; they’re just complete externalities.”

Gina Mills, Director at EY and leader of the firm’s LGBTQ network across Australia and New Zealand, agrees. She has worked with numerous colleagues on a project that supports social enterprises, and says that, for all of the businesses involved in that project, social impact is “their reason for being and it’s not all about profit.”

But this then means you have to tell another “story in a convincing way to a set of investors or to your bank or whomever. To demonstrate that you may not be making massive amounts of profit, but ‘Here’s what we’re also doing on the side.’”

She says that “that’s probably something that accountants of the future need to be thinking more about, because it’s not always going to be about profit anymore.”

In terms of the data you collect, one size doesn’t fit all, warns Mac Allonge, Founder and CEO of data-driven D&I consultancy The Equal Group. “We advise companies to collect s much data as possible – about representation, experience, progression, talent management – across all aspects of the recruitment process, even the makeup of your supply chain. The wider you can spread the data spoke, the more holistically you can look at things.”

2. Collaborating more effectively – especially with HR

Corporate activity on diversity, equality, inclusion and any other social issues will have traditionally resided within a company’s HR function. Although HR will always have a role to play, other functions and teams will also become more heavily involved as these issues become more important to the overall performance of a company. And Finance will take on a particularly big part here.

Phil Toohey is Chief Operating Officer of uFlexReward, a commercial spin-out from technology developed in-house at Unilever, one of the world leaders in measuring and monitoring social and people issues relating to its operations. From his time working with clients, he says, “It’s not something that HR or Finance can do on their own. Finance teams “need to broaden their horizons and take in other elements of data,” Toohey adds.

“It is that ability to be able to say, ‘Well, it’s not just the numbers, it’s what the numbers are saying. How comfortable are we in that? What should we present and what shouldn’t we present?’” says Toohey. “It’s a lot more judgemental, and you need to be aware, obviously, of not only the legislation and the guidance but also how that’s perceived across the market.”
3. Being aware of the arguments involved

Investors have become incredibly interested in diversity and inclusion over the past four to five years. Robert Walker, Managing Director and Global Co-Head of Asset Stewardship at State Street Global Advisors, one of the world’s largest asset managers, says, “Human capital and culture are a part of a company’s intangible assets.”

Social issues have “always been viewed as important, but the materiality of those issues – how you measure that – has been in flux”, he says. For Walker, the concept of “human capital in the next few years is going to become very important. It’s not going to go away”.

Walker points out that State Street is already telling its portfolio companies and the wider market that companies with “a good balance of gender and racial equity” will likely have a “lower risk profile”. Firms also need to manage diversity as an “emerging systemic risk”, he says.

4. Future roles

Finally, alongside the technical and collaboration considerations, chartered accountants could also take on a more fundamental task in the more distant future.

Jeremy Nicholls, director, a founder of “Social Value International”, and an ambassador to the “Capitals Coalition” argues that accountants could play a vital role by going back to the core tenants of the profession and applying them to issues of diversity and inclusion.

He believes that current accounting processes, standards and rules are set up to track, check and ask of management teams whether they are doing the best they can to provide a return for shareholders’ capital – but nothing more than that.

“Financial accounting says it will produce information for investors to make decisions about providing resources to a company in the expectation of financial returns. Now, that is therefore an expectation of financial returns, and with absolutely no interest in any other consequences.”

This appears increasingly mis-aligned with broader expectations of organisations. As studies have shown, considering performance from a purely financial point of view and missing social and environmental costs and implications may also harm financial returns over the longer-term.

As companies are seen to have obligations beyond just their shareholders, these are debates that will directly impact accountants, and may reshape the profession.

This article was culled from https://www.icaew.com/insights/Insights-specials/when-chartered-accountants-save-the-world/4-ways-that-chartered-accountants-can-encourage-diversity
Planning to rebound to an “old normal” is not an option. CEOs must reimagine their strategies for long-term value creation. Here’s how.

In brief

• CEOs should initiate a purpose-led strategic reset to capitalize on the upcoming economic rebound.

• While sector-specific issues vary, a purpose-led growth strategy can address critical issues of trust, trade, technology and sustainability while putting people at the center of every decision.

CEOs have a major question to address: how can you put your company back on track to growth, and at the same time create long-term, sustainable value for a broader set of stakeholders?

To tackle that question, you must first acknowledge that your new growth strategy cannot be built on the same assumptions and principles that drove results in the pre-pandemic era. Success will no longer be measured with profit and operational metrics alone. To rebound to sustainable growth, you need to reframe your strategic agenda not as a return to business as it once was, but as a new platform from which to create and protect value.

The CEO Imperative series, part of the Imperative Collection, addresses critical issues and actions to help CEOs reframe the future of their organizations.

Here, we’ll outline why you need to initiate a purpose-led reimagina
tion of your strategy to navigate a path to growth in the post COVID-19 business environment.

We’ll also identify the cornerstones on which such a purpose-led strategy should be built: trust, trade, technology, sustainability, with a fifth connecting element that stabilizes these foundations – people at the center of it all.

More than a year since the pandemic began, many countries are still affected by restrictions that are significantly curtailing business activity. But even in those countries and industries where economies are beginning to rebound, the pandemic has left an indelibly changed business environment. COVID-19 has shifted how businesses are viewed by their customers, employees, investors, and regulators, as well as wider society.

Over the past year, several transformative forces have intensified and converged to ignite a burning platform that’s forcing businesses to redefine how they create, deliver, and communicate value. These include:

• Geopolitics. A rapidly changing geopolitical, trade and regulatory landscape, with many governments moving to a more interventionist policy position.

• Environmental concerns. The increased focus on the climate emergency and environmental impact wrought by businesses themselves, has led many institutional investors to change their portfolio inclusion criteria. Assets under management with a focus on ESG impact (Environmental, Social and Governance) are projected to climb to US$53tn by 2025. The figure already stands at US$37.8tn, up from US$22.8tn in 2016.

• Changing customers. A growing consumer trust deficit has also surfaced, driven by rising customer expectations around business transparency and sustainability.

• Talent. Companies are facing increased competition to attract and retain a skilled workforce, exacerbated by employees campaigning on issues such as health and safety, and issues of diversity and inclusiveness.

The accelerated impact of these trends has created a strategic imperative for you to re-evaluate your organization’s purpose and create long-term value by addressing the expectations of a broader range of stakeholders.

In this environment, understanding your stakeholders’ demands and delivering value for your employees, customers, shareholders, and broader society will ultimately position your company to better adapt to changing market dynamics and drive greater financial value.

Reimagine, with purpose

There is a growing body of evidence that becoming a purpose-led organization – one that puts a purpose beyond financial
profit and at the center of its decision-making – helps attract and retain customers, and empowers employees to be more engaged and innovative. Furthermore, companies that score highly on ESG metrics can lower their cost of capital, as well as encourage longer-term investment.

To seize those competitive advantages, you will need a robust, consistent, and clearly articulated purpose-led strategy for sustainable growth. Laying the right foundations for that strategy to succeed will be crucial.

The cornerstones of purposeful, sustainable growth

- Laying the foundations of a purpose-led growth strategy and transformation.

While sector impact varies, from our conversations with many decision-makers, five industry-wide themes emerge as critical constituents of a purpose-led growth strategy. Focusing on these five themes will help leaders overcome the current challenges they face and propel their companies to the forefront of the economic rebound and onwards to long-term, sustained value creation. These themes are trust, trade, technology, and sustainability – with people firmly at the center of every aspect of the business and your decision making.

Trust – the fundamental currency of business

Trust has long been a key asset for any transaction or relationship. In a hyper-connected, increasingly virtual environment, trust matters more than ever. People want to have trust in the organizations they buy from, work for, and invest in.

Trust is also an important currency in a world where value is increasingly intangible – where brand equity, innovation and employee engagement are, in many cases, more valuable than physical assets. A recent study highlighted that intangible assets now make up over 90% of the market capitalization of the S&P 500, a five-fold increase from 17% in 1975.

Edelman Trust Barometer

80% of people expect brands to solve "society's problems". According to Edelman’s 2020 Trust Barometer, 80% of people expect brands to "solve society's problems." Meanwhile, in the United States, JUST Capital found that 89% of Americans agreed that the COVID-19 crisis "is an opportunity for large companies to hit reset and focus on doing right by their workers, customers, communities and the environment." In response, CEOs have been under increasing pressure to spearhead a re-evaluation of the point and purpose of business.

According to research by EY, 66% of European C-suite leaders and board members believe that COVID-19 has increased stakeholders' expectations that companies will drive societal impact, environmental sustainability, and inclusive growth and the need to measure and report on these issues.

The importance of trust highlights the need for CEOs and CFOs to reconsider corporate reporting: greater transparency now goes to the heart of how companies can build and strengthen trust with their stakeholders. While the nature of corporate reporting has not fundamentally changed for decades, the world has changed considerably in that time.

Today, businesses are under pressure from their stakeholders to be more transparent about what they do and how they do it. Yet, stakeholders do not necessarily trust that corporate reporting provides them with all the information they require.

This is forcing a shift in focus from short-term profit to a positive long-term impact on people, planet, and prosperity – measured by a wider set of standardized non-financial metrics, not just bottom-line figures.

It should be said, an organization’s ability to create long-term value cannot be disclosed by its balance sheet alone. Long-term value is also created from its culture, intellectual assets and use of technology - all non-financial assets.

Non-financial data that is clearly tied to the organization’s strategic priorities, and communicated cohesively, can help you address the trust gap that exists between current financial reporting and your stakeholders' expectations.

Companies need to find a more strategic way to measure their performance to meet the changing demands of a broader set of stakeholders. Currently, CEOs are under significant pressure from regulators, investors, and other stakeholders to increase disclosure around stakeholder impact and ESG issues.

Yet, you also need to consider how this reporting can be integrated into your strategy, how it affects operations, and what transformation projects might be required to reset the focus on a broad range of measures for success — financial and nonfinancial — while remaining agile and adaptive.

It is crucial to be robust about measuring performance against targets that are connected to your strategy, while using a range of metrics that encompass environmental, social, fairness and sustainability targets, as well as peer benchmarking.

By ensuring that those targets are defined with a purpose-led strategy in mind, CEOs can cohesively articulate the value they are creating (or protecting) for stakeholders and elevate the business above mere adherence to minimum regulatory compliance.

It also provides the mechanism for scrutinizing internal behaviors and holding yourself and your leadership team to account. This creates an iterative cycle of strategy, transformation, reporting and communication that leads to value creation or protection, while allowing you to be attuned to changing stakeholder behaviors and preferences that serve as inputs for the next round of strategy execution.

By using purpose as the lens through which to view all decisions, all assessments of value creation, and all reporting, you will help grow that most fragile and valuable commodity for your organization – trust.

Falco Weidemeyer is EMEIA EY-Parthenon Leader while Barry Perkins is EY Global Strategy and Transactions Lead Analyst
As the drumbeat of business disruption grows, organizations can become more adaptable by unlocking the power of networked teams. Today’s global operating environment is too unpredictable to rely on organizational structures devised over a century ago in order to adapt and respond to new challenges.

Businesses today operate in an environment that is far more complex and competitive than at any time in history. Markets are increasingly interconnected; businesses have become borderless; and technology continually disrupts business models. These and other factors make managing large enterprises more challenging than ever. Yet organizational structure has not kept up with the pace of change. In fact, businesses today are largely structured the same way they have been for a century. Most current organizational structures—from the functional designs of 19th century railway companies to more ‘modern’ matrix designs of post-war aerospace firms – are rooted in an efficiency paradigm that seeks to service predictable customer habits and known competitors. This model makes sense in a world where the primary business goal is to consolidate common resources into disparate functions that can produce repeatable outputs. Put another way, when you know what you are doing tomorrow, you can set about doing so in the most efficient way possible. Today’s ‘exponential organizations’ are not only putting competitors out of business, they are upending entire industries overnight.

In the 1950s, the average lifespan of an S&P 500 organization was around 60 years. Now, it’s about 15 years—and continues to decline. Lean start-ups are moving with purpose, speed and agility to reshape markets. By contrast, most major corporations are heavily layered, bureaucratic and stifled by complex webs of reporting lines that weigh-down leadership and smothers talent. In order to compete in this environment, organizational structure should evolve to unlock the potential within enterprises and unleash the latent power in networked teams. Under this new model, predictable efficiency gives way to rapid adaptability. Smaller is actually better. Focused teams, with resources, air-cover and real decision authority will generally be ‘faster to market’ than heavily structured groups that require approvals before each step.

We are not suggesting that an oil super-major or global consumer business giant needs to look like the latest start-up, but we are suggesting that the current designs of these massive organizations often crush the free-flowing energy and culture that makes teams of small disrupters so successful.

Four Steps To Unlocking Flexible Design

This paper explores the four main elements for building a flexible, team-based, and networked organization that is capable of competing effectively in a complex environment and adapting quickly to an uncertain future. The findings are based on our observations from our global client base and our experience reorganizing the world’s largest companies.

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In order to compete in this environment, we believe organizational structure must evolve to unlock the potential within enterprises and unleash the latent power in networked teams. Under this new model, predictable efficiency gives way to rapid adaptability. Smaller is actually better. Focused teams with resources, air-cover, and real decision authority will always be ‘faster to market’ than heavily structured groups that require approvals before each step.

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The scale of transformation required to create what we call the “flexible organization” should not be underestimated. Research shows that only one-third of large companies that embark on a major change effort accomplish their original goals. One of the main reasons is that any transformation effort must overcome fierce potential resistance.

To avoid this trap, a phased approach is recommended that incubates the new flexible design on the “edges” of the organization most threatened by disruption, while protecting the successful “core.” Incubation is a proven method for fostering change, especially for large organizations that want to hedge risk and use a skunk works approach to build momentum for transformation before incorporating it into the broader business. The key issue is to determine which “edge” to incubate. Organizational units facing the following challenges are potential candidates:

- Pronounced technology/market disruption
- Intense competition from both large players and new entrants aggressively trying to grab market share
- Discrete work that is sufficiently separate from broader business processes where incubation can actually work

**Unleash the networked teams**

Traditional functional organizational structures consolidate scarce talent in siloed teams and then sell access to that scarcity to the rest of the enterprise. Companies that make the decisions to disrupt at the edge should borrow a page from successful start-ups by adopting a new design—one that creates cross-functional, autonomous teams organized by specific outcomes.

These new networks of teams cannot be led by traditional managers. To be successful, team members must be inspired by confident, knowledgeable leaders who can provide cross-functional coaching and development with a focus on team dynamics to drive the desired outcomes. Instead of becoming another version of a tangled matrix organization, this new model of networked teams must be transparent, digitally aligned, scalable, and adaptable.

**Adopt a collaborative systems mindset**

One of the most promising ways of unlocking the latent power of existing social dynamics is by shifting organization design towards multidisciplinary teams that are empowered with the right skills, decision-making authority, and freedom to adapt to market developments without being forced to go up multiple “food chains” to obtain sign-off. In some respects, the era of the visionary leader, the heroic manager, and the perfect structure needs to give way to the well-oiled system that harnesses the power of many managers at once. This is the essence of utilizing a systems mindset in organizational design. Transformation efforts need to address the “whole” organization, rather than a myopic emphasis on adopting the latest design thinking within an individual function.

**Create the conditions for a flexible organization**

A new organisation design alone is not enough to achieve the flexibility today’s global companies need to compete. The network of teams must be empowered and supported through purpose, leadership, talent, technology, and processes:

- Purpose creates a common vision and shared culture
- New leadership mindset makes the model work
- The new workforce provides the right talent that scales
- Collaboration and technology platforms bring the new design to life
- Processes should allow for the opportunity to fail

**Next steps**

Building a flexible organization may seem an impossible feat, but our experience suggests there are immediate steps that can launch your transformation to becoming an adaptable organization.

1. Understand the formal and informal networks in your business.
2. Make organization design decisions based on systems thinking and avoid seeing your company as an organization chart.
3. Look for initiatives that would benefit from incubating at the edge.
4. Identify opportunities to break functional silos while organizing around outcomes and flattening your structure as much as possible.
5. Have a clear vision and vocal executive commitment to making the new model work, driving culture change.
6. Enhance transparency and empower employees to be autonomous to improve decision making.
7. Use data and tools to increase visibility to the networks of complex organization interactions.

The components of a flexible organisation exist in nearly every business. It takes a strong leader with a clear vision and an unwavering commitment to
unlock the power of networked teams and create a platform that allows the organisation to adapt in a complex, uncertain world.

**Begin to unlock the flexible organization**

Organizations have evolved in stages over time. Formal functional hierarchies gave way to matrices and then to culture-based models. The disruption caused by technological advances is accelerating the speed of this evolution. To be successful in today’s highly competitive, rapidly changing environment, organization must learn from failed businesses and leap-frog to the next stage of evolution. The flexible organization comprised of networks of teams that is agile enough to rise to new challenges, nimble enough to collaborate across functions, and powerful enough to adapt to constant change. Building a flexible organization may seem an impossible feat, but our experience suggests there are immediate steps that can launch your transformation to becoming an adaptable organization.

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4. **Identify opportunities to break functional silos while organizing around outcomes and flattening your structure as much as possible.**
5. **Have a clear vision and vocal executive commitment to making the new model work, driving culture change.**
6. **Enhance transparency and empower employees to be autonomous to improve decision making.**
7. **Use data and tools to increase visibility to the networks of complex organisation interactions.**

The components of a flexible organisation exist in nearly every business. It takes a strong leader with a clear vision and an unwavering commitment to unlock the power of networked teams and create a platform that allows the organisation to adapt in a complex, uncertain world.
Begin to unlock the flexible organization

Organizations have evolved in stages over time. Formal functional hierarchies gave way to matrixes and then to culture-based models. The disruption caused by technological advances is accelerating the speed of this evolution. To be successful in today’s highly competitive, rapidly changing environment, organization must learn from failed businesses and leap-frog to the next stage of evolution: The flexible organization comprised of networks of teams that is agile enough to rise to new challenges, nimble enough to collaborate across functions, and powerful enough to adapt to constant change. Building a flexible organization may seem an impossible feat, but our experience suggests there are immediate steps that can launch your transformation to becoming an adaptable organization.

- Understand the formal and informal networks in your business.
- Make organization design decisions based on systems thinking and avoid seeing your company as an organization chart.
- Look for initiatives that would benefit from incubating at the edge.
- Identify opportunities to break functional silos, while organizing around outcomes and flattening your structure as much as possible.
- Have a clear vision and vocal Executive commitment to making the new model work and driving culture change.
- Enhance transparency and empower employees to be autonomous to improve decision-making.
- Use data and tools to increase visibility to the networks of complex organization interactions. The components of a flexible organization exist in nearly every business. It takes a strong leader with a clear vision and an unwavering commitment to unlock the power of networked teams and create a platform that allows the organization to adapt in a complex, uncertain world.

Trevor Page is a partner in Deloitte’s Human Capital consulting practice in Africa

MANAGEMENT
In this article we examine factors behind the low detection rate of fraud using analytics, and ways that companies can build greater confidence in the effective use of analytics to combat fraud. In looking at the analytics-related aspects explored in KPMG’s Global profiles of the fraudster, the article offers perspective on the positive implications for businesses when trust is carefully managed in an anti-fraud analytics program.

Fraud is a very damaging facet of business life that companies often suffer from. To detect fraudsters, companies often deploy data & analytics to search for suspicious transactions. If a detection program is going to succeed, it must have access to reliable data and be trusted to perform according to the company's expectations. Executives must have confidence the analytics will work as intended and must trust each other to use them properly. Find out more about the elements of an effective, anti-fraud analytics process and how companies may benefit from a carefully managed program of fraud detection.

Can analytics build trusted customer relationships in banking?

In this installment of the Trusted Analytics series, KPMG’s John Hall and Mitch Siegel explore the symbiotic relationship between customers, trust and analytics in banking and find that banks may need to reassess the way they ensure trust in analytics.

Trust has always been central to the relationship between a bank and its customers. And today, data and analytics offer banks an inherent opportunity to create value and build trust. Yet as analytics moves from the back office to the front line, banks will need to ensure that they trust their analytics to ‘do the right thing’ for customers, shareholders and regulators.

Indeed, just as banks need their employees to act with integrity, they also need their decision engines and algorithms to act with integrity. “Analytics are typically treated as a ‘black box’ whereas, in reality, organizations need to start thinking about their analytics as independent entities unto themselves as critical intermediaries between the stakeholders and the organization.”

Christian Rast is Global Head of Technology & Knowledge KPMG International
Preamble

In what appears a seminal judgment on the case between the Attorney General of Rivers State and the Federal Inland Revenue Service and the Attorney General of the Federation, the High Court ruled in favour of Rivers State in respect of power to collect Value Added Tax (VAT). Essentially, the court gives power to Rivers State to collect VAT as against the Federal Inland Revenue Service (FIRS). This judgment has been greeted with mixed reactions.

Given the rapid development of events since the judgment there is the need to guide our members, share our view with policymakers and educate the public and other stakeholders on the possible implications.

Historical perspective

Prior to the introduction of VAT in Nigeria in 1993, some States in Nigeria administered sales tax. However, the VAT Law replaced the sales tax effective from 1994. The law empowered the FIRS to collect the tax which is to be shared among the three tiers of government – 15% to the Federal Government, 50% to States, and 35% to Local Governments.

There have been a series of legal cases against the National VAT law, its administration by FIRS and powers of states to enact similar laws such as sales or consumption tax which was enacted by Lagos state in 2009. Subsequently, other states have enacted similar laws including Kano, Edo, Ogun, Rivers and Yobe state. The consumption tax is often described as Hotel Occupancy and Restaurant Consumption Tax or Entertainment Tax.

In Registered Trustees of Hotel Owners and Managers Association of Lagos v. Attorney General of Lagos State and Federal Inland Revenue Service, the Supreme Court held that the VAT Act, being an enactment of the National Assembly, has covered the field on matters relating to sales or consumption tax, and prevails over any similar tax law of the state. The case however did not address the constitutionality of the National VAT Act.

Various cases addressing issues pertaining to VAT, power to collect and possible overlap with other forms of consumption taxes include:

1. Attorney General of Lagos State v. Eko Hotels Limited & Federal Board of Inland Revenue where the Supreme Court held that VAT covered the field over Sales Tax introduced by Lagos State

2. A.G. Ogun State v. Aberuagba

3. Nigerian Soft Drinks Limited v. A.G. Lagos where the courts held that the Sales Tax Law in Lagos imposed on persons, was valid, unlike the Ogun State Sales Tax which imposed tax on goods brought into the state.

The Rivers State VAT Law 2021

A cursory look at the Rivers State VAT law indicates that it was fashioned after the extant VAT Act. While the rate is 7.5%, taxable persons are to register for the tax within 6 months of the commencement of the law or 6 months of commencement of business whichever is earlier. This means businesses which have been in business for at least 6 months are to register immediately while new businesses have up to 18 February 2022 to register.

Monthly remittance and returns are due by the 21st of the succeeding month in a manner specified by the Rivers State Internal Revenue Service. This means
Implications

While the move by the Rivers State government seeks to promote the principle of fiscal federalism, we are of the view that the matter should be approached carefully to achieve a win-win outcome for all stakeholders and address the following areas of concern:

a. Impact on the Ease-of-Doing Business – if the position is sustained and replicated by other states, it will increase the cost and time required for compliance by businesses in addition to the complexity of administering VAT at the subnational level such as treatment of international and inter-state transactions.

b. Multiplicity of Taxes – Many states still have various taxes which are similar in nature to consumption tax including the Hotel Occupancy and Restaurant Consumption tax, Entertainment Tax etc. Administering VAT at the state level may add to the myriad of taxes across different levels of government many of which are targeted at the same tax base.

c. Capacity of Tax Administration – Collection of VAT by States may be more demanding, especially in the short to medium term, in the aspect of VAT skills and knowledge, dealing with digital transactions, VAT audit, and dispute resolution.

d. Impact on Vulnerable Households and Small Businesses – In the absence of exemption threshold for small businesses and limited list of exempt goods and services, there may be adverse effect on the masses in Rivers State especially poor households and SMEs.

Conclusion

We implore the government of Rivers State and the Federal government to seek an amicable resolution of this issue sooner rather than later. It should not be allowed to degenerate given the country’s precarious tax revenue position and the general business environment. It is important to protect the taxpayers and provide certainty to businesses. We believe that this development presents an opportunity to us to re-examine our fiscal federalism and leverage on the ongoing Constitutional review to fashion out the most suitable fiscal structure for the country in a manner that strengthens the subnational level of government while ensuring uniformity of treatment as much as possible. This process should include a review of the VAT law, its administration and revenue sharing formula.
ICAN’S POSITION PAPER ON THE PETROLEUM INDUSTRY ACT

UNDERSTANDING AND MITIGATING IMPLEMENTATION CHALLENGES
PART I – GOVERNANCE AND INSTITUTIONS

EXECUTIVE SUMMARY/INTRODUCTION

The Institute of Chartered Accountants of Nigeria (ICAN) congratulates the President of the Federal Republic of Nigeria for expeditiously assenting to the Petroleum Industry Bill recently passed by the National Assembly after almost 20 years of deliberations. Expectedly, Nigerians have received the enactment of the Petroleum Industry Act ('PIA' or 'the Act') with mixed reactions. Irrespective of the perspective, the eventual outcome would depend on how well the Act is implemented.

Section 3 (1g & 1h) empowers the Minister of Petroleum Resources to grant and revoke upstream licenses on the recommendation of the Commission. Other responsibilities of the Minister include representing Nigeria at international organisations on petroleum matters, reporting developments in the petroleum industry to the government, negotiating treaties or other international agreements on matters pertaining to petroleum on behalf of the Government amongst other responsibilities. Given the Act’s largely competitive and balanced provisions, The Institute of Chartered Accountants of Nigeria believes that it represents a good foundation which can be improved upon with the passage of time. With faithful implementation and strong will to enact any necessary amendment(s), the nation can look forward with hope that a roadmap for a responsible exploitation, development and production of other mineral resources in Nigeria will be initiated; and an accelerated enactment and implementation of an energy transition plan will be vigorously pursued bearing in mind the global shift from fossil-based to carbon-neutral by the second half of this century.

The Governance and Institutions contributions of the Institute recognizes the following implementation issues: power of the Minister, responsibilities of the Commission and the Authority, appointments, funding, meritocracy in appointments, to mention a few.

Implementation issues around governance and institutions are further expanded:

IMPLEMENTATION ISSUES – GOVERNANCE AND INSTITUTIONS

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<td>1.</td>
<td>Section 3 (1g &amp; 1h) empowers the Minister of Petroleum Resources to grant and revoke upstream licenses on the recommendation of the Commission. Other responsibilities of the Minister include representing Nigeria at international organisations on petroleum matters, reporting developments in the petroleum industry to the government, negotiating treaties or other international agreements on matters pertaining to petroleum on behalf of the Government amongst other responsibilities.</td>
<td>The Minister wields significant influence and power that can be used to sack any member of the Commission’s Board. Carrying out all the functions of the Minister will require appropriate delegation, given that currently the President may double as the Minister of Petroleum. The Act, contrary to its intended objectives of fostering transparency and accountability in the oil and gas sector, disproportionately confers enormous powers and authority on the Minister of Petroleum Resources over policy, regulatory and operational matters. It also gives the Minister exclusive responsibility for issuing regulations in the sector. The powers can therefore be easily abused by any serving Minister.</td>
<td>The disproportionate and enormous powers and authority conferred on the Minister of Petroleum Resources over policy, regulatory and operational matters should be balanced. The Commission’s Board should be saddled with the responsibility of granting and revoking licences. This would ensure proper delegation of powers to avoid abuse.</td>
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| 2. | Section 9(4 & 5) state that there shall be maintained a Frontier Exploration Fund. Also, NNPC Limited shall transfer the 30% of profit oil and profit gas under section 9(4) to the Frontier Exploration Fund escrow account dedicated for the development of frontier acreages and utilize the funds to carry out exploration and development activities in the frontier acreages. Fossil fuel may, in the long run, lose its allure as research and development deepen towards clean and environmentally-friendly energy sources, such as renewable energy. Also, under the Act, frontier acreages are not clearly defined but it is stated that it would be as defined by a Regulation Commission. The benefit of the frontier basin exploration should be hinged towards more gas finds than oil. That is, Gas and not oil should be the target hydrocarbon resource exploration. Ultimately, as the global economy significantly transitions to clean and renewable energy, Nigeria will need to look inward for more viable and sustainable energy sources. Whilst significant investment in renewable energy is required, gas will however likely remain a sustainable and viable energy source in Nigeria owing to the country’s large gas reserves. The Institute recommends that the country could in the medium term, restructure and deploy the 30% Frontier Fund as follows:  
   a. funding gas gathering facilities (12.5%) which will assist in reducing gas flaring by operators;  
   b. investments in renewable energy (12.5%); and  
   c. exploring viable gas fields (5%). Funding to acquire associated gas gathering facilities has always been a challenge because gas gathering facilities are very expensive. Hence, the need for the Commission to invest in this area. There is also the need for a clear definition of what frontier acreages are to avoid misinterpretation and misappropriation. The Commission should avoid being entangled in the perception of whether the development of acreages is for those domiciled in the North or South. It should be for Nigeria in general.  
| 3. | Section 10 (b) states that the Commission shall have power to seal up any premises, pursuant to section 217 of this Act, including any facility or plant engaged in upstream petroleum operations, where there has been a contravention of this Act or any regulations made under this Act. The challenge here is that this and Section 217 makes the Commission and the Authority the accuser and the judge, which can be abused. Sealing up premises is a harsh response to infractions and does not accord with civility. The Institute recommends that the accused should be guaranteed the right to defend itself before an independent court. We suggest the creation of an Oil & Gas Industry Ombudsman to facilitate possible resolution of issues that may arise between the Commission and the operators.  
| 4. | Section 11 (1 & 2) state that there is established a Governing Board that consists of the Chairman and others, including two executive commissioners, one of which is responsible for Finance and Accounts. The appointment of these Board members may not be on merit as past experiences have shown. Where meritocracy is not encouraged, outcome may differ from implementation expectation. The Institute recommends that the appointment should be based on merit. Specifically, the Institute suggests that those to handle Finance and Accounts should be those with experience in finance and accounts such as professional accountants. Since the CEO’s function is that of the Chief Accounting Officer, the Institute suggests that only those with industry experience as well as deep knowledge in finance and accounts, such as professional accountants, should be engaged.  
| 5. | Section 18 (1 & 2) state that the Commission Chief Executive is the accounting officer and shall be responsible for the administration of the Commission while there will be six executive commissioners one of which would be responsible for Finance and Accounts. See the implementation challenge in item (4) above. See our recommendation in item 3 4 above.  

6. **Section 24 (1 & 2) and Section 47 (1 & 2)** state that the Commission/Authority shall maintain a Fund (the Commission Fund/the Authority Fund) into which money accruing to the Commission/Authority shall be paid and all expenditures of the Commission/Authority shall be subjected to appropriation by the National Assembly. The Act allows for various sources for the Commission Fund/Authority Fund including money appropriated by the National Assembly for the Commission. **Fees charged by the Commission for services rendered to licensees**, leases, permit holders and other authorizations issued by the Commission/Authority amongst other sources.

The Act allows for one of the sources of the fund to the Commission/Authority to be from fees earned from services rendered to licensees. This is of concern, given the reputation of Nigeria on incidences of rent seeking by government officials, and issues of conflict of interest as well.

The Institute recommends strict monitoring and whistle blowing policy that will discourage rent seeking and conflict of interest.

The Institute believes that the Commission/Authority has been saddled with the responsibility of changing the negative perception that many stakeholders have regarding accountability and transparency in the public sector.

The Commission/Authority should be positioned as a model of transparency and accountability in the Nigerian public sector.

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7. **Section 34 (1 & 2)** state that there is established a Governing Board (the “Board of the Authority”) which shall have a Chairman and others, including two other executive directors one of which will be responsible for Finance and Accounts.

Making the appointment of the Board members to be on merit, given past experiences.

The Institute recommends that the appointment should be based on merit. Specifically, the Institute suggests that those to handle Finance and Accounts should be Professional Accountants.

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8. **Section 42 (1 & 2)** state that the Authority Chief Executive is the accounting officer and shall be responsible for the administration of the Authority while there will be six executive commissioners one of which will be responsible for Finance and Accounts.

See implementation challenges in item 7 above.

See our recommendation in item 7 above. Since the CEO’s function is that of the Chief Accounting Officer, the Institute suggests that only those with industry experience as well as deep knowledge in finance and accounts, such as Professional Accountants, should be appointed to this position.

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9. **Section 53 (1 & 3)** state that the Minister shall within 6 months from the commencement of this Act, cause to be incorporated under the Companies and Allied Matters Act, a limited liability company, which shall be called Nigerian National Petroleum Company Limited (NNPC Limited).

Also, ownership of all shares in NNPC Limited shall be vested in the Government at incorporation and held by the Ministry of Finance Incorporated and the Ministry of Petroleum Incorporated in equal portions on behalf of the Federation.

NNPC Limited would be a commercial business entity established by the Act to carry out petroleum operations on a commercial basis. This implies that NNPC Limited will be a commercially viable entity, which is expected to reduce the level of interference prevalent in that sector when it was both a regulator and a player.

The Institute also supports the setting up of an implementation committee for the transition of NNPC to NNPC Limited. However, the Institute’s concern is about ensuring proper structure(s) are in place towards achieving this in a timely and sustainable manner.

Based on the Act, the existing staff are expected to achieve the PIA vision and mission. However, these staff may not have the necessary skills to actualize this vision and mission.

Non-adherence to the stipulated transition timelines for NNPC Limited could clog the wheel of the implementation process.

The ownership, currently domiciled in two entities – Ministry of Finance Incorporated and Ministry of Petroleum Incorporated, could be a challenge. Although government is expected to act right, the Institute is afraid that the actual implementation may not go as expected.

The Institute believes that the Commission/Authority has been saddled with the responsibility of changing the negative perception that many stakeholders have regarding accountability and transparency in the public sector.

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The Commission/Authority should be positioned as a model of transparency and accountability in the Nigerian public sector.
The Institute commends the President for signing this Act. A review of the Act has generated discussion and simulation of the possible challenges in the interest of global best practices. The Institute serves the public interest in its recommendations. A few of the recommendations are:

a. Strict adherence to implementation timelines;

b. Adoption of meritocracy in the staffing and appointment of key personnel;

c. Reliance on professionals with the requisite skills in sensitive positions;

d. Proper governance of the office of the Minister to ensure the avoidance of the abuse of power;

e. Training of the staff of the NNPC Limited to ensure that they have the competence to carry out the functions assigned by the Act;

f. Allocation of some of a percentage of the shares of the new NNPC Limited to the public to enhance patriotism and economic welfare; among others.

The Institute is disposed to support the Government in ensuring the transition necessary to achieve the goals of the Act is seamless by allocating qualified professionals in whatever area the Government may need assistance.

CONCLUSION/RECOMMENDATIONS – GOVERNANCE AND INSTITUTIONS

Section 55 (1 & 4) state that the Minister shall upon incorporation of NNPC Limited, consult with the Minister of Finance to appoint NNPC Limited as agent of NNPC for the purpose of managing the process of winding down the assets, interests and liabilities of NNPC. Also, the cost of winding down the assets, interests and liabilities of NNPC shall be borne by the Government.

Winding up process is a highly technical area that can better be handled by trained practitioners. Past experience shows experts are not usually engaged in such sensitive assignments and, sometimes, government resort to engaging foreigners who may not fully understand the peculiarities of our environment. These foreigners eventually engage local professionals to execute such jobs.

The Institute recommends that local experts, such as Professional Accountants, who have winding up experience and are familiar with our local environment, should be engaged to carry out this assignment. This is an area where accounting firms have distinguished themselves over the years.
Background

The Institute of Chartered Accountants of Nigeria (ICAN) applauds and supports the Central Bank of Nigeria’s plan to issue the e-Naira. There is an obvious gap in the market for this form of money going by the citizens’ growing interest in digital currency and the global trend in digitisation of currency.

Global trend in the digitisation of Currency

Over the past decade, there have been rapid innovations in how people make payments, and COVID-19 accelerated these innovations. Existing research shows that:

a. Eighty-Five (85) countries are exploring Central Bank Digital Currency (CBDC);

b. Five (5) countries that have now fully launched digital currency include the Bahamas, Antigua and Barbuda, Grenada, Saint Kitts and Nevis and Saint Lucia;

c. Fourteen (14) other countries, including major economies like Sweden and South Korea, are now in the pilot stage with their CBDCs and are preparing a possible full launch;

d. Sixteen (16) countries, including Nigeria, are at the developmental stage of issuing e-currency and;

e. Ecuador and Senegal have cancelled plans to issue e-currency.

The CBN proposes a two-tiered model for its e-Naira carving out a distribution and validation roles for deposit money banks. The e-Naira is not a crypto currency which is private sector driven initiative. The e-Naira is a liability of Central Bank of Nigeria, and this distinguishes it from crypto-currency.

Benefits of e-Naira

Some benefits of e-Naira as identified by the CBN are: improved cashless economy; lower cash processing costs; reduced cost of printing and destroying money; increased cross border trade; accelerated financial inclusion; cheaper and faster remittance inflow; easier targeted social interventions; improvement in monetary policy efficiency; improved payment system efficiency; and improved tax collection. Low transaction cost; revolutionize the payment system.

Challenges of the e-Naira system in Nigeria

Some challenges that the e-Naira may encounter given the peculiar circumstances of the country are:

(i) Reliance on a foreign third party for the fintech required to power e-Naira calls for caution given sovereignty, and need for local content policy of government;

(ii) The low level of literacy in the country may mean that the formalization of the informal sector expected from the introduction of e-Naira may not materialize;

(iii) Accelerated financial inclusion may not materialize if adequate awareness is not created given the level of illiteracy in the country;

(iv) There is uncertainty about what action users of e-Naira will take to stop further payment when held under duress;

(v) There is uncertainty about what action users of e-Naira will take to stop further payment when held under duress for example when held for ransom given the speed and privacy of the e-Naira;

(vi) Restriction of transfer from e-Naira to physical cash may discourage some members of the public who would want this aspect to be incorporated as part of the e-Naira transaction. This may therefore impact the uptake of e-Naira generally, and reduce expected improvement in financial inclusion;

(vii) Although there is clarity of how e-Naira will reduce cash processing cost for both the CBN and deposit money banks, it is not clear whether e-Naira will result in lower or higher transaction costs to e-Naira customers.

(viii) Similarly, it is not clear whether there are charges and commissions to be earned by deposit money banks on e-Naira transactions, given their role in the e-Naira value chain.

(ix) It is not clear who takes responsibility for financial loss due to fraud arising from e-Naira system. The guideline simply talks about deposit money banks investigating, submitting a detailed report for CBN to determine the next line of action. This is not helpful.

(x) With respect to e-Naira dispute resolution, for tiers zero and one user categories who do not have BVN or bank account, it is unclear how the process will be concluded. The guideline only makes reference to customers that select deposit money banks as preferred banking partner during onboarding;

(xi) The assumption that deposit money banks are not required to capture e-Naira in their books may pose accountability problem for the banks, especially when there is need to take responsibility for financial loss due to fraud arising from e-Naira system.

(xii) The proposed CBN capacity building and training on e-Naira for deposit money banks’ staff if not properly handled may mean that implementation will be challenged. It is not clear whether such training will be ongoing given speed of technological advancement and who bears the cost.

Recommendations

Based on the above, the Institute of Chartered Accountants of Nigeria hereby recommends that the CBN should:

(1) Address the likely impact that the low level of literacy could have on e-naira uptake by communicating more effectively its benefits to the public;

(2) Provide more clarity on how e-Naira could assist in foreign remittances and exchange rate fluctuations, and

(3) Consider the caution given by the International Monetary Fund (IMF) to countries seeking to issue digital currency, to ensure that all the associated risks are mitigated drastically.

(4) Address all the other challenges in the e-Naira system which we have raised above.
ICAN President, Mrs. Comfort Eyitayo and her team with the Lagos state Governor Mr. Babajide Sanwoolu and Deputy Governor Dr. Hamzat Obafemi during a courtesy visit to the Lagos state government state house.

NNPC Group Managing Director, Mr. Mele Kyari presenting a souvenir to the President
Eyitayo Harps on Accountancy’s Central Role in Economic Development

ICAN President Mrs. Comfort Olu. Eyitayo as described the accounting profession has a critical pillar to the economic development of the nation.

Speaking when she led a delegation of the Institute on a stakeholders visit to the Chairman, Senate Committee on Finance Senator Olamilekan Solomon Adeola, FCA, she said the central role of the profession in economic development calls for special attention on its activities.

She commended the Senate Committee on Finance for its role in restoring sanity to the country’s financial system”.

Eyitayo expressed ICAN’s willingness to continue to support the activities of the Senate Committee on Finance in the areas of capacity development especially in the area of professional accounting education for the Senators and the aides.

“We shall continue to support the National Assembly in the delivery of its statutory functions”, she assured.

The Senator in his response urged the Institute to be closer to the senate committee especially in providing technical inputs to its activities for the good of the nation.

ICAN Commends NDIC for Ensuring Financial System Stability

The Institute has commended the Nigerian Deposit Insurance Corporation (NDIC) for its invaluable contributions to the stability of the financial system in Nigeria.

Speaking during a courtesy call on the Managing Director and Chief Executive of the Corporation, Mr. Bello Hassan, FCA, the President, Mrs. Comfort Olu Eyitayo FCA said “the corporation has successfully enshrined an efficient financial services industry and a working economy, by deepening the depositors’ trust and confidence in the deposit banks.

She said the successful execution of the NDIC mandate in the last 32 years has injected more capital into the formal financial system and reduced the occurrence of bank run among other advantages in the sector.
Members of the Institute have been advised to be at the frontiers of knowledge in the emerging areas of the profession.

Eyitayo gave the admonition in her welcome address at the opening ceremony of the 4th Southern Zonal Accountants’ Conference on Wednesday, August 11, 2021 in Yenagoa, Bayelsa state. The theme of the conference was “The Future of Accounting Profession in the Face of Multiple Challenges”.

She described the emerging areas as cloud computing, data science, analytics, finance and investors’ relations as well as the soft skills of creativity and emotional intelligence among several others.

According to her, doing that would facilitate Chartered Accountants’ productive relationship with their clients, adding that the competences would give them leverage as accountants now and in the future.

She pointed out that in the last few decades, the business landscape had witnessed overwhelming changes. The beliefs and business models once held tightly have been changed.

“There has been an unprecedented blurring of the lines between the physical, biological and digital worlds. Advances in technology have reshaped all professions and raised the urgent need for professionals across all fields to rethink their value propositions. Failure to do this may result in the high risk of professional irrelevance, or at the extreme, professional extinction,” she stated.

She concluded that the profession had seen an interesting shift from the traditional roles to more strategic, business analytic, drawing top-level decisions from data and legal compliance functions, adding that professional accountants are now in a unique position to provide strategic leadership that would result in commercial and financial success of the organizations they work for or the clients they serve.

The Deputy Governor of Bayelsa State, Senator Lawrence Ewhrudjakpo who declared the conference open charged the Institute to maintain the high standards it is noted for no matter the challenges posed by competition, while always innovating to remain in its number one position in the Country.

He urged the Institute to consider the effects of the Economy, Executive interference, Security challenges in the nation and Cyber security threats on the profession and proffer a workable solution to ensure its practitioners are able to perform their roles creditably.

He concluded that the Institute should continue to mentor the younger ones into the profession to ensure its continued existence, attract and retain multi-talented individuals into the Profession.
The 57th President of the Institute, Mrs. Comfort Eyitayo, has called for unconventional models in addressing the seemingly intractable national problems and challenges facing the country.

Eyitayo stated this at the ICAN mid-year Economic Discourse titled “X-raying the Nigerian Economy: Problems and Prospects” held virtually on Monday, August 16, 2021.

She explained that the distortions in social, political and economic dynamics and the security challenge was assuming a worrisome dimension daily, adding that the volatility in the foreign exchange market was impacting businesses negatively.

She expatiated further that high inflation rates were making nonsense of investors’ decisions, as low-level of budget implementation and monitoring have resulted in poor living standards. According to her, proffering feasible recommendations is the responsibility of all stakeholders in the country.

In his keynote address, the Head, Innovation and Technology Policy, Nigerian Institute of Social and Economic Research (NISER), Professor John Adeoti, stated that Nigeria is endowed with vast natural and human resources needed for economic transformation. He maintained that the country has been plagued by different forms of macroeconomic instabilities, which has not only distorted sustained economic growth but also make growth with depth elusive.

He said appropriate measures were needed to be put in place to ensure the nation taps into potentials and maximizes the opportunities for economic transformation. One important measure according to him is breaking away from the shackles of overdependence on primary commodity (crude oil) exports.

“The Nigerian economy needs to be diversified such that all sectors of the economy contribute substantially to aggregate output and exports. The “Diversification will also help facilitate forward and backward linkages among the sectors of the economy and ensure economic competitiveness at the global stage,” he said.
The President of the Institute, Mrs. Comfort Eyitayo has called for the Practice Direction on tax matters, handed to High Court, to be extended to the Court of Appeals and Supreme Court.

Mrs Eyitayo who spoke during a stakeholder engagement with the Executive Secretary of Federal Inland Revenue Service (FIRS), Mr. Muhammad M. Nami lauded FIRS for the successful implementation of the Practice Direction which became effective June 1, 2021 as it aims to ensure speedy determination of tax matters in the courts.

She also lauded the FIRS for extending the deadline for filing of company income tax returns by taxpayers with December 31, 2020 accounting year-end from June 30 to July 31, 2021. She pledged the Institute’s continued support to the FIRS through the creation of greater awareness among its members on the initiatives of the Service as well as collaborating on capacity building for accountants and other finance professionals in the Service.

She commended the FIRS boss for the agency’s efforts to ensure that taxpayers enjoy seamless tax filing process through its recent initiatives such as the TaxPro Max and the Practice Direction. She noted that the extension and the upgrade of the TaxPro Max platform would facilitate higher tax compliance by taxpayers.

She also commended the FIRS boss for Institute of Taxation of Nigeria (CITN) over who is qualified to practice taxation in the country. She described the manner in which the issue was resolved.

She commended the FIRS boss for resolving the differences in perspective between ICAN and the Chartered as professional and commendable.
ICAN President Mrs. Comfort Olu Eyitayo has decried the high rate of poverty in the country describing it as a paradox considering the vast human, natural and material resources.

Speaking when she paid a courtesy visit to the Managing Director/Chief executive of Bank of Industry (BOI) during the week Mrs. Eyitayo said that reducing poverty would require measures to stimulate socio-economic transformation to generate employment through micro, small and medium scale enterprises and creating a healthy industrial base in the country.

"Indeed, creating a sustainable production regime holds immense prospects for reducing the high unemployment and under-employment rates in the country. It would also lead to productive engagements of the youthful population, boost foreign exchange earnings in the country and ultimately contribute to addressing the increasing security threats in the nation", she asserted.

She explained that a recent x-ray of the problems and prospects of the Nigerian economy conducted by ICAN concluded that the country should improve its macro-economic indices and also enhance its industrial base to engender and deepen production of local goods and services.

She expressed ICAN's desire to collaborate with BOI on relevant areas including capacity building for accounting and finance professionals in the services of the Bank in order to improve its operational effectiveness.

In his response, the BOI boss Mr. Pitan said the bank was ready to partner with ICAN on the Entrepreneurship centre as such project is in line with the Bank’s objective of promoting industrial development.

Mrs. Eyitayo explained that the overall objective of the centre is to build entrepreneurial capacity of ICAN members and non-members for self-reliance and employment generation.
The Institute has concluded arrangements to collaborate with the Tertiary Education Trust Fund (TETFUND) in promoting accountability and transparency across all sectors of the economy. This was disclosed by the 57th ICAN President, Mrs Comfort Olu Eyitayo during her courtesy visit to the Executive Secretary of TETFUND, Professor Suleiman Elias Bogoro in his office in Abuja.

According to Eyitayo, ICAN was enthused with the uncommon show of integrity, candour and forthrightness Professor Bogoro had introduced to public service.

“Your rare adherence to unimpeachable ethical conduct and probity was illustrated when, for the first time in the history of public service in the country, you were reinstated as the Executive Secretary in 2019 by His Excellency President Muhammadu Buhari, having been investigated and cleared of all allegations against you. Without mincing words sir, you are a beacon of hope in a society that is ridden with sharp practices and unethical conduct,” Eyitayo said.

Speaking further, her visit to TETFUND office was part of the Institute’s stakeholders’ engagement since her assumption of office as the 57th President of the Institute, adding that ICAN had planned to open discussion on the areas that the Institute and TETFUND could collaborate to further enhance the activities of the two institutions.

“ICAN and TETFUND have a long standing history of human capital development for the Nigerian economy. It is noteworthy that a number of our members in academics have benefited from the funding provided by TETFUND in a bid to expand the frontiers of knowledge in accounting and finance. The Fund has equally assisted in providing enabling learning environments in public tertiary institutions across the country,” she expatiated.

She disclosed that ICAN has over the years embarked on very similar mandate of enhancing human capital in the country as it has constructed lecture theatres across tertiary institutions and provide learning materials to libraries of departments of accounting in the country.

“We award PhD grants to qualified members of the Institute who are undergoing their doctorate degrees in any university across the globe. ICAN also commissioned research grant awarded to researchers to expand the frontiers of knowledge in identified areas and the Professorial Inaugural Lecture Grant to Chartered Accountants who have reached the peak of their career and are preparing for their inaugural lectures,” she added.

Furthermore, Eyitayo disclosed that there is the Mutual Cooperation Agreement with Tertiary Institutions (MCATI) of ICAN which is a specialized programme targeted at few selected accounting departments in the country. The objective of the MCATI is to make those few institutions who meet the stringent criteria to become centres of excellence in accounting education.

However the Institute implored TETFUND to collaborate with it in the areas of part sponsoring future Academic Conferences of the Institute; awards to the Best Paper Presenters, or the Best Doctoral Colloquium Paper at the Academic Conferences or to best students in various categories of the Institute’s Professional Examinations; Funding of a project targeted at employment generation etc.
The President decorating Mr. Toba Dada FCA as the new Chairman of Canada and District Society, with them is the Registrar/Chief Executive.

From left.. PP Razak Jaiyeola, Chief Oye Akinsulire, Prince Tony Adeyemo, ICAN USA Chairman, the President Mrs Comfort Eyitayo, Nigerian Consul General in USA, Ambassador Lot Egopija, ICAN Vice President, Alh. Tijjani Musa Isa, Mr. Tobi Abiola, Hon. Treasurer and the Registrar/CEO Prof. Ahmed Kumshe at the 8th ICAN USA International Accountants' Conference.

The President and some ICAN officials with the Deputy Governor of Kaduna State Hadiza Sabuwa Balarabe at the opening ceremony of the 16th Northern Zonal Conference in Kaduna.
The Institute has finalized arrangements with two Health Management Organizations to provide affordable Medicare services to members at a negotiated rate as part of membership benefits from January 1st, 2021.

**BENEFITS TO MEMBERS**
1. Reduced healthcare expenditure;
2. Provides access to emergency medical care;
3. Reduces administrative burden;
4. Flexibility in the payments of Premium
5. Access to quality health care and professionals nationwide 24/7.

**PREMIUM**
**Individual:** N17000 - N20000 per annum  
**Family:** N90,000 - N133,000 per annum

Interested members should visit the website for more details.

**Prof. Ahmed M. Kumshe FCA**  
Registrar/Chief Executive
The International Federation of Accountants (IFAC) published a framework for implementing global sustainability standards at the local level, focusing on the building blocks approach published in May 2021. IFAC believes that jurisdictions must begin examining how global standards that the International Sustainability Standards Board (ISSB) intends to develop, starting with climate, can fit together with sustainability-related reporting requirements set at the jurisdictional level.

“As work to establish the ISSB advances, PAOs, firms, and professional accountants in business should be engaging now with their policymakers to consider what mechanisms may need to be established to make forthcoming reporting requirements effective in their jurisdiction,” said IFAC CEO Kevin Dancey. “IFAC’s framework sets out various pathways for local implementation of the IFRS initiative that can all lead to the global and harmonized corporate reporting system we need for investors, capital markets, and stakeholders.

IOSCO’s Sustainability-related Issuer Disclosures report proposes a timeline for the ongoing work of the IFRS Foundation—with the ISSB climate standard expected to be completed by June 2022. Jurisdictions that begin engaging with policymakers now will be able to capitalize on the forthcoming standards—and therefore serve the public interest—as soon as they are finalized.

IFAC urges its member organizations to continue their support for the IFRS initiative, to engage now with local policymakers, and to provide feedback on the framework for making global sustainability standards local.
IFAC defined two key actions for G20 leaders to focus on as COVID-19 persists: supporting the IFRS Foundation’s initiative on sustainability standards, and championing public financial management. Commitment to these two actions, which build on the four priorities laid out in IFAC’s 2020 G20 Call to Action, is central to building a better future.

“For society to transition out of the COVID-19 pandemic in a more sustainable, inclusive, and prosperous position than we entered it, we need a concerted effort from global policymakers and the accountancy profession,” said CEO Kevin Dancey. “To seize these opportunities, we must act now.”

To strengthen global economies, societies, and the environment, as well as tackle challenges resulting from the COVID-19 pandemic, IFAC calls on G20 leaders to:

1. **Support the IFRS Foundation Initiative on Sustainability Standards:**
   Achieving a more sustainable and inclusive economy with the necessary speed requires mobilizing the private sector and governments to work together. The G20 Finance Ministers and Central Bank Governors have identified the critical role of high-quality and comparable data and disclosures in mobilizing sustainable finance. The B20 Finance & Infrastructure Task Force recognizes the same. Momentum is growing around developing a global baseline of sustainability standards, with the IFRS Foundation poised to deliver. IFAC strongly supports this crucial work.

2. **Champion Public Financial Management:**
   At the heart of public sector transparency and integrity - and prosperity for all individuals—is public financial management (PFM). A robust PFM system means that resources are appropriately allocated against public policy objectives that are in the public interest. Governments must endeavor to achieve the most with the resources they have, while minimizing loss through waste, fraud, or corruption - high quality PFM makes this happen. IFAC calls on the G20 to set an example for all jurisdictions worldwide in championing a continued focus on high-quality PFM.
In preparation of its 3rd Research Forum, which will be co-hosted by Comparative International Governmental Accounting Research Network (CIGAR) at its June 2022 conference, the IPSASB is calling for scholarly contributions from the academic community.

Coordinated through the Academic Advisory Group, which includes independent scholars from all parts of the world, as well as the IPSASB members who have an academic background, IPSASB is offering a grant of USD 1,500 for selected scholarly papers submitted covering three research areas with up to six grants available in total.

The research areas of interest are:

**Research Area 1:**
Research on Practical IPSAS Implementation Challenges
- Differential Reporting
- Discount Rates

**Research Area 2:**
Research on Adoption and Implementation of Specific IPSAS
- IPSAS 31, Intangible Assets
- IPSAS 33, First-Time Adoption of Accrual Basis IPSAS

**Research Area 3:**
Broad Future Focused Research
- Climate Change and Public Sector Financial Reporting Related to Sustainability
- Financial Reporting Impacts of Digitization in the Public Sector

The grant recipients, as well as other scholars, will present the first drafts of their full papers at the 2022 Research Forum (date TBD).

To continue to drive engagement and solicit feedback on its public consultation on a proposed new standard for audits of financial statements of less complex entities (LCE), the IAASB has published a targeted outreach plan. This plan details the IAASB’s focused efforts to facilitate feedback from different stakeholder groups through roundtables, presentations and other related activities. The plan is expected to evolve and will continue to be updated as events and activities are added or confirmed.

The landmark proposed new standard for audits of financial statements of less complex entities responds to demands to have a set of high-quality audit requirements tailored for the needs of less complex entities. The proposed new standard aims to provide a globally consistent approach at a time where several jurisdictional-specific less complex entities standards or related initiatives are arising.

The IAASB strongly encourages all interested stakeholders to provide their feedback on the proposed standard by January 31, 2022. The standard is relevant to users of financial statements, owners, management and those charged with governance of entities, preparers of financial statements, legislative or regulatory authorities, relevant local bodies with standard-setting authority, professional accountancy organizations, academics, regulators and audit oversight bodies, and auditors and audit firms, among others.
The International Auditing and Assurance Standards Board (IAASB) published an exposure draft of its new, stand-alone standard for audits of financial statements of less complex entities. This landmark new draft standard responds to demands to have a set of high-quality requirements tailored for the needs of less complex entities (LCEs).

The new standard for audits of financial statements of LCEs will provide a globally consistent approach at a time where several jurisdictional-specific LCE standards or related initiatives are arising.

The release of the exposure draft is part of a broader effort to reduce complexity, improve understandability, and make International Standards on Auditing (ISAs) more scalable and proportionate to circumstances of audited entities.

“Smaller, less complex entities play a vital role in the world’s economy. The IAASB has prioritized addressing the needs of stakeholders representing these entities over the last eighteen months,” said IAASB Chair Tom Seidenstein.

“Our new proposed standard’s objective is appropriately focusing the work of auditors through requirements designed to be proportionate to the typical nature and circumstance of less complex entities. We are not compromising on the quality of the audit.”

The IAASB strongly encourages all interested stakeholders to provide their feedback by January 31, 2022. The standard is relevant to users of financial statements, owners, management and those charged with governance of entities, preparers of financial statements, legislative or regulatory authorities, relevant local bodies with standard-setting authority, professional accountancy organizations, academics, regulators and audit oversight bodies, and auditors and audit firms, among others.
Financial services executives must develop workforce strategies to adapt to digital labour’s automation and technology disruption.

Some finance services executives are already preparing for a future in which technology surpasses humanity, and humans answer to machines. With a mix of optimism and pessimism about the impact of digital labor on the banking industry, bank executives are navigating change that will greatly impact how they do business today and in the future.

Banking automation shifts financial services workforce

The days of customers relying on personal bankers to help with their day-to-day transactions are fading fast. As technology improves and machines become smarter, faster and cheaper, it’s possible to imagine a future in which other easily automatable parts of a financial institution follow a similar path, with current human employees training their robotic replacements to take their jobs.

However, the adoption of new technology in the workplace can, according to some experts, actually be beneficial to overall job growth and productivity. In this new era, known as the Fourth Industrial Revolution, financial institutions are now developing chatbots and other smart assets which gather client, economic, social and other internal data to formulate customized marketing and service recommendations. Banks are even exploring opportunities to leverage artificial intelligence assets enabled with natural language processing to provide banking services.

Experts see a series of potentially positive outcomes, as financial institutions and employees reconfigure and redesign their workforces. We see two key drivers that will manifest change:

• Cognitive automation drivers
• Leveraged professionals - lower qualified professionals who, through technology, can provide the same output as a fully qualified professional in the same field.

o Connected workers – providing all workers in a specific group or business function with access to all of the same materials so that everyone has access to the best information available.

• Cognitive processing and robotic automation drivers
• Working at the speed of thought – augmented professionals working faster and with much greater productivity.
• Digital workers – complete replacement of human workers with robotics and other technologies that can perform tasks more efficiently.

Banks prepare workforce for impact of digital labor

While the influx of new, automated technology will most likely displace workers in the lower and middle tiers of an organization, the responsibility for implementing these changes should fall to change leaders and decision makers at a financial institution’s highest level. For example, banks may create a new C-suite position, the Chief Automation Executive, who would be tasked with sourcing the technology to modernize the organization, own the change process and work out organizational dilemmas created by the implementation.

To that end, financial institutions will need to answer key questions, such as:

• What will our future workforce look like?
• How can we successfully integrate digital and human labor?
• How does this change redefine what “career” means within our organization?
• How will we have to change our operating model to remain relevant and competitive?
• How do we grow and retain employees in an environment where job security is increasingly threatened?

Financial institutions that answer these questions successfully can steer their organizations toward a “preferable future state” in which they can proactively determine how existing human resources will be retrained and repurposed to manage and oversee the machines.

What’s more, companies must look at the training required by their next-generation employees. While it is difficult to define what specific skills will be the most valued in a future workforce, there are key human traits that robots and technology can never replicate, no matter how advanced they become. Because of this, companies – and the education system – may begin to place more importance on creative thinking, innovation, and problem solving in uncertain and unclear situations where set rules

The Future of Digital Labour in Banking

- Robert Bolton
and protocols may not always provide an answer or address a specific problem.

Since this type of seismic shift in thinking and training doesn’t happen quickly or easily, business and finance leaders who want their organizations to thrive in the newly automated future should craft plans to assess and prepare for the impact digital labor on their workforces.

Opportunities in integrating digital and human labor strategies

Companies that take proactive steps to prepare for the coming technological changes to their industries, may realize that the disruption caused by advanced robotics and artificial intelligence can help to drive the growth of new, better paying jobs.

As robots and other advanced technologies become a more significant part of the workforce, they become cheaper. And, as we use more of them, worker productivity will rise, as will wages.

It is quite possible that the adoption of these technologies will drive a new wave of innovation across organizations, leading to the creation of new products and services that will need talented and trained human resources (people) to build, lead, market, and maintain them. By embracing these changes early, financial services companies can better determine what their future workplace will look like and ensure they have a trained and dedicated workforce ready to help them compete and succeed.

Robert Bolton is the Head of Global People & Change Centre for Excellence, KPMG International
The Role of Regulators in a Depressed Economy

There is no doubt that our economic challenges, as a nation, are multifaceted and require strategic regulatory interventions which may not be assessed independent of governance variables.

On 31 August 2016, the National Bureau of Statistics (NBS) announced that Nigeria had entered into a recession. According to the NBS, Gross Domestic Product declined by -2.06%, annual inflation rose to 17.1% in July from 16.5% in June, and food inflation rose to 15.8% from 15.3%.

The impact of the challenges posed by the recession is being felt both at the macro and micro levels. Nigeria, being largely import dependent, has witnessed a continuous depletion of its foreign exchange reserves.

Also at the micro level, many organizations are unable to cope with rising operating costs, and are, therefore, compelled to scale down on their operations, leading to loss of jobs and income. There is no doubt that our economic challenges, as a nation, are multifaceted and require strategic regulatory interventions which may not be assessed independent of governance variables.

However, our regulators must rise to the occasion and embrace multi-dimensional and carefully coordinated initiatives in getting the nation out of its current predicament.

Below are some suggested actions for our regulators. These actions will help with the stabilization of the ailing economy in the short term and achieve the much-needed sustainable economic growth in the medium term:

**Embrace Collaborative Policy Making**

The policies of the various regulators and ministries, departments and agencies of government should complement each other and should be targeted towards the same goal. For example, the monetary policy directives of the Central Bank of Nigeria must complement the fiscal policies initiatives of the Ministry of Finance and vice versa.

There must be a consistent story around the policies of various regulators which should tie into the overall policy thrust of the government. Government must never be seen to be reversing itself due to policy inconsistencies, else investor confidence will continue to erode and the nation will be worse-off for it.

**Create a Competitive Business Environment**

Regulators need to consider the competitiveness of the global economic landscape in the formulation of policies. Consequently, our policies should be targeted at making the Nigerian business environment competitive to attract long-term foreign investment. Over the past six months, quite a few businesses have moved their regional hubs out of Nigeria owing to our business environment. We need to quickly stem this tide and work to attract more Foreign Direct Investment into the country.

**Formulate Pro-Business Policies**

Regulators need to be guided by the fact that businesses need to survive and indeed grow for the nation to emerge from recession.

Therefore the policies of the regulators especially during this period of recession need to be specifically designed to stimulate and support businesses activities.

This is the time to offer incentives, waivers and other forms of sweeteners for business who are ready to make long term investments in Nigeria amidst the current challenges.

**Manage the Revenue Generation Drive**

Owing to the recession, most regulators are now working hard to be self-funding or, at the least, support the subvention received from the government.

Regulators, however, need to strike a healthy balance between the drive for revenue generation for government spending (which is encouraged during recession) and over levying the businesses that generate the revenue.

The policy decisions of our regulators, especially our tax authorities as seen over the past few years, show a tendency for inconsistencies and controversies in the interpretation of the tax law. This is coupled with an aggressive revenue drive which clearly impacts negatively on the business climate. Regulators therefore need to adopt effective and efficient strategies to improve compliance levels and generate additional revenue without adversarial consequences.

Our review of reforms, particularly tax reforms around the globe point to the need for our regulators to adopt a “risk-based approach” to compliance management, as the necessary solution to this challenge.

Based on the above, regulators definitely have an important role to play in getting the nation out of recession. Regulators must rise to this challenge and work as a team in leading the nation out of recession.

*Culled from the website of Bureau of Statistics www.nigerianstats.gov.ng*
The pandemic spurred many health and human services providers to embrace digital. Now action is needed to maintain progress.

In brief

• Pre-pandemic, many health and human services providers were slow to embrace digital, due to lack of funds, regulatory restrictions and risk aversion.
• COVID-19 swept away many of these barriers, leading to the rapid adoption of digital solutions and transforming ways of working and service delivery.
• To capture ongoing benefits for service users, organizations need to embed new technologies and practices for the long term.

The COVID-19 pandemic put providers of health and human services (HHS) under immense strain. But it also prompted the rapid development and adoption of digital solutions, reaping a wide range of benefits for both service users and practitioners. Can the innovative spirit seen during 2020 be sustained beyond the crisis, and pave the way for lasting change?

Our survey revealed that, before the outbreak of COVID-19, just 18% of HHS organizations had successfully embedded digital tools in the way they work. More than half reported they had made little progress in implementing such solutions. Challenges included:

• Lack of funding. HHS organizations found it hard to justify investing in digital solutions due to lack of access to adequate financial resources an issue cited by 16% of respondents.
• Restrictive regulation. Stringent government regulations that HHS organizations were obliged to follow was mentioned as a key barrier by 9% of respondents.
• Staff resistance. Digital transformations were seen as undermining necessary relationships and skills. Practitioner concerns included loss of human interactions with service users (cited by 18%) and reliance on data insights over professional judgment (10%).
• Technology issues. Siloes and an absence of standardization inhibited innovation.

The ability of organizations to cope was hampered by the fact that HHS is among the least progressive areas when it comes to digital technology, even compared with other public services, let alone the private sector. Prior to the pandemic, the sector couldn’t afford to experiment because the costs of getting it wrong – including failures in service delivery and poorer outcomes for vulnerable groups — were seen as unacceptable.

Our respondents mentioned lack of...
DIGITALIZATION

interoperability between IT systems (18%) and difficulties in adapting existing IT systems (15%) as key barriers. Meanwhile, 12% were concerned about protecting individuals’ identity and personal data.

• There is no doubt the barriers to digital transformation were substantial. But the extraordinary circumstances of the pandemic swept many of these away, enabling HHS organizations to get rapid traction on potential new solutions and to pursue these without fear of failure.

• All over the world, organizations made the leap to embrace solutions that would enable them to continue caring for patients and vulnerable citizens. Our survey reveals that 62% increased the use of digital technologies.

• For staff, the shift to home working necessitated by social distancing was supported by an increase in the deployment of desktop or laptop computers (from 58% to 80%) and the use of mobile solutions for remote access to organizational networks (37% to 67%). The most dramatic change, however, was in the adoption of video conferencing platforms, which soared from 27% to 73%.

• For service users, some of the most common solutions supported the shift from in-person services to remote consultations. Phone appointments were offered by 81% of organizations, up from 39% pre-pandemic, while video consultations were provided by 71%, up from 22%.

• Many governments created digital information portals, AI chatbots, mobile apps and social media platforms to connect directly with people and help them protect themselves and their families from the virus. User-support tools also became much more prevalent, including service-user portals, online self-assessment, self-help and patient engagement tools.

The pandemic also changed attitudes toward data sharing, not just between HHS providers, but with community groups and voluntary organizations. The use of new digital tools boosted both the quality and quantity of user-generated and routine administrative data which HHS providers could then leverage to improve service delivery and outcomes.

• Where jurisdictions had already established clear data sets and data-sharing mechanisms, they were able to use these to monitor risk and need, analyze the likely progress of the pandemic and build rapid responses. Where this infrastructure was lacking, most jurisdictions swiftly put it in place. Many moved closer to real-time intelligence sharing: South Australia’s Vulnerable Persons’ Board, for example, reviewed real-time data on a weekly basis – using a range of child protection, health, police and other indicators – to inform statewide service responses and planning.

So what helped with such rapid progress in digitalization after years of slow progress? Factors cited by our survey respondents included:

• Increased demand from service users (16%)
• Rapid development of a strategic plan for digital (14%) and realigning of priorities (14%)
• Improving digital literacy of staff (14%)
• Emergency funding to purchase tools, technologies and equipment (12%)
• Alleviation of practitioner concerns around loss of human interaction (12%)
• Rapid leadership buy-in (12%)

Many countries and local authorities also temporarily eased restrictions on privacy and data protection to accelerate the implementation of digital and data solutions to combat the pandemic.2 For example, the UK introduced regulations requiring the NHS, other public health organizations, GPs and local authorities to share any confidential patient information that could help control the spread of COVID-19. Some regulators also fast-tracked procurement processes to expedite digital purchases and implementations. Partnerships with the private sector – for instance, in developing test and trace applications – further drove rapid adoption of these solutions.

The surge in digital transformation has revealed many benefits for HHS service users and practitioners alike. The majority of respondents to our survey believe that the use of digital technologies and data solutions since the outbreak of COVID-19 has been very or somewhat effective in improving:

• Quality of experience (63%). One-third of respondents reported phone and video consultations among the most impactful tools. And 58% agreed that these solutions had proved effective substitutes for face-to-face contact.

• Access to care (64%). For example, through research conducted for a client organization, we found that virtual contact with social care organizations was well received by some vulnerable families, who found it more convenient and less intimidating than a home visit.

• Productivity of staff (64%). In some areas, physicians were able to schedule more appointments, while social workers spent less time traveling and more time online with clients.

Respondents also reported mostly positive experiences of using digital technologies and data solutions, with 66% agreeing that their staff had quickly adapted to the new tools. This is an indication that practitioner concerns have been allayed and digital literacy issues overcome – an encouraging sign that gaining workforce buy-in for future projects may be more straightforward than in the past. Sixty percent of our respondents said they had experienced an improvement in cross-organization collaboration – something that will be essential to understanding and addressing increasingly complex user needs in the coming months and years. And 59% reported that operating models had become more efficient, another critical success factor as HHS organizations are
DIGITALIZATION

required to do more with less in the face of rising care needs and the inevitable post-crisis squeeze on public spending.

Forty-eight percent of respondents say their organization is planning to continue to invest in technology in the next three years, with 33% expecting a significant (more than 50%) increase in investment and 19% expecting a substantial (more than 100%) increase in investment. Respondents’ top objectives for future digital investment were: improving quality of care, reducing the administrative load, enabling better communications and streamlining work processes.

However, 47% of our respondents think the introduction of digital and data solutions was a temporary measure to address challenges during the pandemic.

There will undoubtedly be forces – for instance, a dwindling of political and financial support – that could slow the momentum as the emergency subsides. Many governments are on the verge of a financial crisis, with the economic downturn threatening to reduce revenues in an environment where ageing populations were already putting HHS provision under pressure.

It is also true that the quality of some services can suffer when provided remotely. For example, social workers may miss red flags that they would have picked up during in-person contact. Organizations face the challenge of ensuring that much-needed human interaction is returned to these services as soon as it is safe to do so to avoid compromising long-term service quality and user well-being.

The rapid deployment we have witnessed also creates some risks and uncertainties regarding the effectiveness and sustainability of digital tools. For example, the fast-tracking of digital technologies to save lives during the crisis may risk allowing solutions to reach the market before they have been adequately trialed and tested. Many decisions were made in haste, and trade-offs in service quality, access or oversight that were necessary during the crisis will not be acceptable in the longer term.

These issues notwithstanding, the majority of respondents indicated that their organizations are likely to continue using all of the digital technologies and data solutions they have used during the pandemic to some degree, particularly phone and video consultations. Tools that give users direct access to self-help or care information look set to proliferate, as do remote monitoring tools that complement and support remote care.

The majority of respondents also indicated that they are likely to continue using all staff-facing digital technologies and data solutions to promote flexible or remote working, reduce the burden of administrative tasks, and make assessment of needs quicker and more efficient.

It seems that COVID-driven changes have made significant improvements to people’s everyday working lives, and this is likely to help secure employee support for any future tools that organizations may wish to introduce.

We have identified five key ways for HHS organizations to ensure that the benefits of pandemic-driven progress are not lost once the crisis is behind us.

1. Create the business case for adequate funding and payment incentives

Many HHS providers received emergency funding for new digital or analytical solutions throughout the pandemic, but in future they will have to compete with other government priorities. In the past, it has often been hard to make the business case for digital investment in HHS. However, the use of digital solutions during the pandemic has helped to prove the financial business case for further investment through improved staff productivity and lower-cost delivery models.3 Many smaller, localized initiatives have quickly shown positive results and strengthened the understanding of the potential of digital.

Reimbursement also needs to be addressed. A recent survey of 284 healthcare, life science, and digital health professionals in the US revealed that 60% of respondents believed that “strongly entrenched business and reimbursement models make it difficult to bring digital health products to market.”4 A solution was found during the pandemic, as many services delivered virtually or through digital solutions were temporarily approved for reimbursement. In the US, for instance, the Centers for Medicare & Medicaid Services reimbursement for 80 types of telehealth services during the crisis. However, in normal times, only 20% of US states required equal payment levels for in-person and telemedicine services.

Unless governments and payers adjust payment incentives to promote digitally supported services and solutions, these will not be sustainable, even if they deliver equivalent service quality at a lower cost. Germany’s new Digital Healthcare Act, which entitles all individuals covered by statutory health insurance to reimbursement for certain digital health applications, could provide interesting lessons for other countries.

2. Focus on user needs

Service users have become much more comfortable with using digital technologies and analytical solutions during the pandemic, meaning they are likely to be more amenable to these once the crisis ends. EY Global’s recent Connected Citizens program involved a multi-country survey of 12,000 citizens in 12 countries. It found that 64% of respondents believed technology would change healthcare services “a great deal” or “a fair amount” for the better, and that 52% would be fairly or very likely to replace a routine doctor’s visit with a video call.5 Citizens are likely to opt for technologies which are easy to use and decrease wait times. Therefore, solutions which focus on speed and convenience are most likely to stick.

But there is still a lot to learn about the impact of these technologies on patients, service users and practitioners. Governments should evaluate where and when remote care is appropriate, rather than taking a one-size-fits-all stance. This will require HHS organizations to adopt the private sector’s customer-centric approach to better understand the needs and preferences of service users and to use this insight to design and deliver services.

Governments must also ensure that the benefits of digital technologies and data solutions reach across the population, particularly to vulnerable groups with limited digital access, such as rural populations, low-income groups, and the elderly. Countries that do not make sufficient investments in infrastructure and digital literacy risk increasing inequities in access to services.
3. Support provider adoption and buy-in

Our survey found that the need to train practitioners to adapt to new ways of working was the top priority for organizations planning for the future. Accordingly, solutions should be user-friendly and incorporate seamlessly into existing workflows, rather than creating an additional administrative burden. At the Hong Kong Hospital Authority, for instance, new digital tools are designed to be intuitive – requiring no training for staff. Tools that need significant staff up-skilling may be more difficult to sustain in the long term.

Many employees will have acquired new digital literacy skills and confidence during the pandemic, but some, including front-line practitioners, will need further support in using new service delivery approaches such as virtual consultations. Communication skills should also be a key focus as practitioners support patients, carers and families virtually, while collaboration skills will help them work more effectively with colleagues and enable cross-agency working. And IT teams must acquire the necessary capabilities to deploy and support new applications and the integration of systems.

4. Promote interoperability and data sharing to unlock actionable insights

The ability to collate and share high-quality data generated by health and social care systems will be ever more important as HHS organizations explore machine learning and AI as a way to deepen insight and deliver new benefits.

Interoperability is a major issue across this fragmented landscape, a problem that is often exacerbated when solutions are rapidly implemented without rigorous testing.7 Currently, many systems require intermediary solutions to allow disparate applications to communicate and share data.

A decentralized and networked infrastructure, built on common data standards and structures, could unify disparate information from multiple sources and make integration seamless.8 Estonia, for instance, has a digital innovation platform that integrates all health and social care across the country, thereby eliminating interoperability issues. If organizations make a concerted effort to develop national or regional strategies and infrastructures to support digital solutions and data standardization, they will be much better placed to derive the full benefit.

5. Rethink attitudes to risk

The environment for continual innovation must be consciously designed and nurtured to ensure progress is maintained. HHS organizations need to find ways to safely embrace innovation and experimentation. This requires a culture where risk taking is accepted and mistakes are viewed as part of a learning journey. As a counterbalance, however, there must be sufficient protocols in place to ensure risk management and service-user safety are considered. This is particularly the case as emerging technologies such as AI become more prominent.

The actions of regulators, payers, service providers, vendors, and service users over the coming months will further affect the use of digital technology and analytical tools within HHS organizations across the world. It is imperative that these parties work together to address the challenges and maximize the potential benefits of these solutions to deliver improved services to all citizens.

Summary

After an intense period of innovation during the pandemic, health and social service organizations have proved the power of digital technologies to deliver better, more efficient services. Governments need to act now to ensure these benefits are secured once the crisis is past.

McQueen is Lead Analyst with deep knowledge in public sector and social research, strategy and thought leadership at EY-Global.
The United States Centers for Disease Control and Prevention (CDC) has announced new recommendations that strongly urge pregnant women to get the COVID-19 vaccine. “Pregnant and recently pregnant people are more likely to get severely ill with COVID-19 compared with non-pregnant people,” the CDC says in its recommendation.

The guidelines come just weeks after the American College of Obstetricians and Gynecologists (ACOG) updated its guidance to make a “strong recommendation” that pregnant people get vaccinated against COVID-19.

A big question many pregnant women have is…why? While the CDC has strongly urged all Americans over the age of 12 to get vaccinated against COVID-19, it particularly stresses how important it is for people who are immune-compromised to get the shot.

Does the new guidance mean that pregnant women are immune-compromised? It’s actually a little more complicated than most people realize. Here’s what you need to know.

What happens to your immune system when you’re pregnant?

During pregnancy, certain parts of your immune system are enhanced while other parts are dampened to allow you to grow and protect a fetus inside you.

“During pregnancy, there are many immunological and physiological changes that occur,” women’s health expert Jennifer Wider, MD, tells Health. “The immune system is often in flux and as a result, pregnant women may be more vulnerable to infections, including viral respiratory infections like COVID-19.”

These immune changes are perfectly timed to help protect both you and your baby, while allowing you to carry the baby to term, suggests a small study from 2017 published in the journal Science Immunology. Experts back the study results up. “The maternal immune system adapts and changes, depending on what stage of the pregnancy you’re in,” Christine Greves, MD, ob-gyn at the Winnie Palmer Hospital for Women and Babies in Orlando, Florida, tells Health.

What does it mean to be immune-compromised?

A person who is immunocompromised has a weakened immune system, according to the National Cancer Institute (NCI). These people have a lowered ability to fight infections and other diseases, which can be caused by certain diseases or conditions like AIDS, cancer, diabetes, malnutrition, and certain genetic disorders. Immunosuppression can also be caused by some medicines or treatments, including radiation therapy, organ transplant, and anti-cancer drugs.

So are pregnant women immune-compromised?

Not exactly. “It’s kind of nuanced,” David F. Colombo, MD, a
Michigan-based ob-gyn and division chief of maternal fetal medicine at Spectrum Health, tells Health. “The answer is no, but with an asterisk. Your immune system just works differently when you’re pregnant.”

“I don’t think we should officially call pregnant women ‘immunocompromised’—as for example, women who have cancer and are getting chemotherapy, or folks who are born with immunodeficiency diseases,” Mary Jane Minkin, MD, a clinical professor of obstetrics and gynecology and reproductive sciences at Yale Medical School, tells Health. “However, many folks think of pregnant women as somewhat immunocompromised because they are ‘tolerating’ a foreign presence in their uterus.” A baby has genes from a totally different person as well, Dr. Minkin points out, and a pregnant person’s immune system system has to be able to tolerate that on an immunological level.

“Pregnant women are considered to be a ‘special population group’ due to the state of the immune system during pregnancy,” Dr. Wider says. But while pregnant women aren’t immunocompromised per se, “a pregnant person’s body is undergoing immune system changes and is not operating the same way a non-pregnant person’s is,” Dr. Wider explains. As a result, she adds, “her body cannot defend against infections in the same way.”

In terms of COVID-19, Dr. Minkin says that pregnant people are susceptible to serious illness for reasons outside of their immune response. “One problem with COVID and related illnesses that has nothing to do with the immune system is that pregnant women have this ‘thing’ in their abdomens that pushes up the diaphragm, so lung space is compromised,” she explains. “If a pneumonia sets in, they will mechanically have worse problems ventilating.”

Pregnancy also causes a “tremendous strain” on your cardiovascular system, with pregnant women pumping an increased volume of blood. If a woman has an underlying heart condition on top of pregnancy and then develops COVID-19, “she will be in a very bad way,” Dr. Minkin says.

What can pregnant women do to stay healthy?

Dr. Colombo stresses the importance of getting vaccinated against COVID-19. “The biggest risk to pregnant women right now is catching COVID,” he says. “The vaccine is safe; COVID is not.”

There’s also this to consider, per Dr. Minkin: “Besides protecting the woman, there is evidence that [the mom] will pass on some antibodies to her baby.”

It’s also important to wear a mask when you’re indoors in areas where there is a substantial or high rate of COVID-19 spread, wash your hands, and practice social distancing, Dr. Wider says. “Taking these precautions will go a long way in keeping a mom and her baby safe,” she adds.

Overall, Dr. Greves says she advises patients to be “as careful as possible, because there are other infections floating around other than COVID-19 or the flu.” But, Dr. Greves says, pregnant women also shouldn’t panic over this. “Recognize that you’re doing all you can do and try not to be too anxious about it,” she says. “If you’re doing all you can, enjoy your life and the beautiful baby growing inside. Culled from www.health.com
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