

THE NIGERIAN **ICAN** Accountant

JOURNAL OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA

Annual Report as a Strategic Investor Relations Tool



ISSN: 0048-0371



2024 ATSWA Examinations

September Diet

REGISTRATION NOW OPEN

The Examination will hold from
Tuesday, 24 to Wednesday 25,
September, 2024

To Register, Log on to:

<https://icanportal.org/ats/examinations>

Registration date:

May 30 - September 19, 2024

Payment for Registration closes:

Thursday, September 19, 2024

Lanre Okasunkanmi, Ph.D, FCA
Registrar / Chief Executive



For Further Enquiries, please call:

Tel: 02016309354, 017100311, 015200430
09053847512, 09053847528

Email: contactcentre@ican.org.ng,
atsexam@ican.org.ng



@ICAN



ICAN-ng



ICANNgr



ican_ng



ICAN_NGR

www.icanig.org



EDITORIAL BOARD

Jude S. Egbo, mni, FCA

CHAIRMAN, COMMUNICATIONS AND PUBLIC RELATIONS COMMITTEE

CHAIRMAN EDITORIAL BOARD

Adeyemi Sheriff Sanni PhD, FCA

MEMBERS

Gbenga Omidiji FCA

Seyi Olanrewaju FCA

Oladele Oladipo FCA

Lucy Okena FCA

Mbang Joy Esu, FCA

Ayansola Monsurat, FCA

Stephen Ndili, FCA

Adelowo Amao, FCA

Onitolo Muritala, FCA

Nwachukwu Chinedu Maryrose, FCA

Oluwafunmike Opawale, FCA

Dr. Abubakar Umar Faruq, FCA

Bamgboye Adeniyi, FCA

MANAGING EDITOR

Muyiwa DARE

EDITOR

Nkemakolam Jacob

LAYOUT & DESIGN

Onwunali Chiamaka

Aishat Kayode

Correspondence should be addressed to:

Corporate Communications Directorate

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA (ICAN)

Plot 16, Professional Centre Layout, Idowu Taylor Street, Victoria, Island Lagos

P. O. Box 1580, Tel: 0905384710, 09053847511

Email: info.ican@ican.org.ng

Website: www.icanig.org



The Annual Report as a Strategic Investor Relations Tool



January - March 2024, Volume 57, No. 1

THE NIGERIAN Accountant
JOURNAL OF THE INSTITUTE OF CHARTERED ACCOUNTANTS



Are you in need of affordable co-working spaces? Then visit the ICAN-BOI Innovation Hub

Facilities include:



24/7 Power Supply



Training Rooms & Meeting Rooms



Fast & Reliable Internet



State-Of-The-Art Facilities

ICAN Annex, 82, Murtala Mohammed Way, Ebute Metta, Lagos.

Rates:

- Co-working space N2,000 (Daily)
- Co-working space N25,000 (Monthly)
- Co-working space dedicated N30,000 (Monthly)
- Private Office N150,000 (Monthly)
- Training Room N10,000 (Per Hour)
- Meeting Room N3,000 (Per Hour)

For more information please contact: Odunayo Adebayo
0706 970 0050 | obadebayo@ican.org.ng



CONTENT // **JANUARY - MARCH 2024**

FROM THE REGISTRAR	4	NEWS & EVENTS	35
EDITOR'S NOTE	5	HEALTH AND WELLNESS	46
FINANCE	7		
COVER	11		
TRIBUNAL	20		
INTERVIEW	32		

The NIGERIAN Accountant Jan- March 2024, Vol. 57, No. 1 (ISSN: 0048 - 0371) is published quarterly by THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA

HEAD OFFICE: Plot 16, Idowu Taylor Street, Victoria Island, Lagos.

Telephone: 09053847510, 09053847511 E-mail: info.ican@ican.org.ng Website: www.icanig.org

ANNEXE OFFICE: 82, Murtala Mohammed Way, Ebute Metta, Lagos. Telephone: 09053847513

* The views expressed by correspondents or contributors in this journal are not necessarily those of the Institute. By making submissions to The Nigerian Accountant, the contributors undertake that the contributions are original and have not been accepted or submitted elsewhere for publication.

* The Institute reserves the right to refuse, cancel, amend or suspend an advertisement or insertion and no liability can be accepted for loss arising from non-publication or late publication of any advertisement or insertion. All articles are subject to editing.

* © No part of this publication may be reproduced without the prior written permission of the publisher.

FROM THE REGISTRAR



As the crisp energy of the new year invigorates us, I welcome you to the first edition of the Nigerian Accountant. The beginning of a year signifies fresh starts, new goals, and a renewed commitment to excellence. Globally and nationally, Professionals regardless of their industries and areas of competence have looked forward to the new year with renewed hope, after the vast socio-economic challenges which had Nigeria's inflation rate at 28.92% at the close of Q4, 2023.

The economic orchestra is tuning its instruments, with new regulations setting the tempo, and technological advancements introducing fresh melodies. This symphony of progress creates a dynamic environment, and ICAN remains relentless in ensuring our members are equipped to play their part flawlessly.

In this quarter, the Nigerian economy grappled with dwindling foreign exchange rates due to the ripple effect of Government policies, and Global Economic conditions. With higher import prices and reduced purchasing power, the business landscape now must deal with challenges that pose huge risks to businesses.

Equally, marking a significant step towards increased transparency and environmental, social, and governance (ESG) accountability, Nigeria became the first African nation to adopt the International Financial Reporting Standards (IFRS) Sustainability Standards 1 and 2. Effective January 1, 2024, companies in Nigeria must disclose sustainability-related information in their annual reports.

ICAN remains steadfast in its commitment to empowering our members. We recognize the importance of equipping you with the knowledge and expertise to navigate this new frontier. We also want to reassure all our members and stakeholders that in our unwavering commitment to our public interest mandate, we will not renege in lending our voice and proffering practicable solutions to the necessary quarters in solving the country's numerous challenges.

The Institute started the year with several impactful events in the first quarter. The ICAN-UK held its 11th International Accountants' Conference and Western and Eastern Zones in March. These conferences all explored the vital theme of "Economic Growth and Resilience," focusing on the critical role professional accountants play in building strong and adaptable economies.

Furthermore, the Institute's 9th Annual Academic Conference on Accounting and Finance (ACAF) was held in collaboration with Babcock University, Ilishan Remo, Ogun State at the University premises. Hosted at the university's premises, the conference centered on the theme "Building a Virile Economy through Industrial Revolution, Technology Advancement, and Creative Capacity Development." This year's ACAF proved to be an intellectually stimulating event, fostering the birth and refinement of cutting-edge research ideas.

I assure our highly esteemed readers that the carefully curated articles in this edition of The Nigerian Accountant will satisfy your hunger for knowledge on professional, economic, social, and health matters.

I hope you have an interesting read as you devour the pages of this informative publication!!

Thank you!!!

LANRE OLASUNKANMI, Ph.D, FCA
Registrar/Chief Executive's Desk

We welcome our readers to the first quarter edition of your favourite journal – The Nigerian Accountant. As usual, there's no gainsaying the fact that this edition is loaded and highly insightful as it brought out topical issues on the socio-economic welfare of the nation.

Our lead article is entitled **The Annual Report as a Strategic Investor Relations Tool**. In the article, the author described Investor Relations (IR) as a multi-disciplinary management function, focusing on a company's financial reporting and business communication.

He explained further that IR involves building and maintaining relationships with stakeholders such as stockholders, analysts, and consultants, adding that IR is responsible for communicating the value of the company to individuals and organizations that own or are interested in owning shares.

According to him, IR also plays a key role in disseminating information required by financial regulations and other relevant materials to enhance the company's image and performance and follows the principles of good corporate governance globally by utilizing the annual report as a strategic tool for corporate management goals.

In our usual way of satisfying the curiosity of our esteemed readers about the financial and economic wherewithal of the nation, our Institute in pursuance of her public interest mandate published a position paper and presented same to the government on the new minimum capital requirement for Banks in Nigeria.

It would be recalled that in response to evolving market dynamics, robust risk management practices and to strengthen the capital base and resilience of Nigeria's banking sector, the Central Bank of Nigeria (CBN) issued a landmark circular on March 28, 2024, stipulating a comprehensive framework for bank recapitalization.

The circular specifies the minimum capital requirements of N500 billion, N200 billion and N50 billion for commercial banks with international, national, and regional licences respectively.

It also stipulates N50 billion for Merchant banks while the capital requirements for non-interest banks were reviewed upward to N20 billion and N10 billion for national and regional licences respectively, with a timeline of 24 months for compliance, effective April 1, 2024.



In her position paper on the issue, the Institute analysed the challenges and prospects of the mandate before suggesting certain recommendations stating her position on the matter clearly.

Within the quarter, the Institute employed a new Registrar/Chief Executive after the retirement of the former acting Registrar, Mr. Mukaila Lawal, FCA. The new RCE, Musibau Lanre Olanunmi, Ph.D, FCA granted the Nigerian Accountant's Editors an interview. He spoke on his mission at the Institute and how he intends to take the Institute to the next level. The details are served you in this edition.

In recent times, health and wellness are nothing to be joked with. It is on this note we publish in our health column the causes, signs, symptoms of Job burnout. We titled it, Coping with Job Burnout.

You will also read our other regular columns like news and events. Your comments on the news items and articles published in this edition are welcome. Please, write to: editor@ican.org.ng or corporateaffairs@ican.org.ng.

Mr. MUYIWA DARE
Managing Editor

VISION STATEMENT
To be a leading global
professional body

MISSION STATEMENT
To produce world-class
chartered accountants,
Regulate and continually
enhance their ethical standards
and technical competence in
the public interest.

ICAN CENTRE

Plot 12 Kofo Kasumu Street,
Amuwo Odofin, Lagos

ICAN LIAISON OFFICES

ABUJA

Akintola Williams House
Plot 2048, Michael Okpara Way
Zone 7, Wuse, Abuja
Tel: 09-8722302, 07034520270
Email: icanabuja@ican.org.ng
ayuse@ican.org.ng

Contact Person- Mr Yusuf Adamu

KADUNA

3, Kanta Road, Alli Turaki House
Kaduna
Tel: 08036788275
Email: icankaduna@ican.org.ng
Contact Person- Mrs A. A. Adegoke

KANO

Murtala Muhammed Library Complex
Ahmadu Bello Way
P.O.Box11283, Kano
Tel: 08035900399
Email: icankano@ican.org.ng
ahumaru@ican.org.ng

Contact Person- Mr A. H. Umaru

ENUGU

Block C 38/39 C to C Plaza
Nkpokiti by Presidential Road, Enugu
Tel: 07030165884
Contact Person - Mrs. Ani Chekwube
Justina

OFFICERS AND COUNCIL MEMBERS

PRESIDENT

Innocent Iweka Okwuosa, Ph.D., FCA

VICE PRESIDENT

Davidson C. S. Alaribe (Chief) MA, FCA

1ST DEPUTY VICE PRESIDENT

Haruna Nma Yahaya (Mallam) mni, BSc, MBA, FCA

2ND DEPUTY VICE PRESIDENT

Queensley Sofuratu Seghosime mni, MBA, FCA

IMMEDIATE PAST PRESIDENT

Tijjani Musa Isa (Mallam) BSc, FCA

HONORARY TREASURER

Oluwatobi A. Abiola BSc, MSc, FCA

MEMBERS

Oye Akinsulire (Chief) Ph.D., FCA
Etofolam F. Osuji (Dr) mni, MSc, FCA
Nasiru Muhammad (Hon.) BSc, MSc, FCA
Tajudeen Adewale Olayinka BSc, MBF, FCA
Adedeji Abiodun Awobotu (Dr.), mni, FCA
Chibuzor Noel Anyanechi (Chief) BSc, MBA, FCA
Omehe Gaddafi P. Ekhonoragbon HND, FCA
Jude Sunny Egbo mni, MSc, FCA
Jamiu Adeyemi Olakisan BSc, FCA
Sylvester Nwanna MSc, MBA, FCA
Abubakar I. Adamu (Air Vice-Marshal) mni, BSc, FCA
Michael Foluso Daudu, FCA
Mathias J. Dafur MSc, MBA, FCA
Ezekiel A. Anagha (Chief) BSc, FCA
Njum Nnennaya Uma-Onyemenam (Dr.) FCA
Oladele Nuraini Oladipo, FCA
Francis Chavwuko Okoro BSc, MBA, FCA
Sheriff Adeyemi Sanni Ph.D., FCA
Oluseyi Oladimeji Olanrewaju (Dr.), MBA, FCA
David Olugbenga Omidiji Ph.D., FCA
Augustine Obiahu Irem B.Sc, FCA
Lucy Erhire Eguono Okena B.Sc, MBF, FCA
Olaitan Babatunde, FCA
Joy Mbang Okon Esu, FCA

REGISTRAR/CHIEF EXECUTIVE

LANRE OLASUNKAMI, Ph.D., FCA

JOINT AUDITORS

PriceWaterhouseCoopers (Chartered Accountants)
UHY Maaji Co. (Chartered Accountants)

THE NEW MINIMUM CAPITAL REQUIREMENTS FOR BANKS IN NIGERIA: OUR POSITION



Introduction

In response to evolving market dynamics, robust risk management practices and to strengthen the capital base and resilience of Nigeria's banking sector, the Central Bank of Nigeria (CBN) issued a landmark circular on March 28, 2024, stipulating a comprehensive framework for bank recapitalisation. The circular specifies the minimum capital requirements of N500 billion, N200 billion and N50 billion for commercial banks with international, national, and regional licences respectively. It also stipulates N50 billion for Merchant banks while the capital requirements for non-interest banks were reviewed upward to N20 billion and N10 billion for national and regional licences respectively, with a timeline of 24 months for compliance, effective April 1, 2024. In addition to outlining the capital targets, the circular also emphasizes the importance of prudent capital management practices, transparency, and accountability in ensuring the soundness and stability of the banking system.

The Institute of Chartered Accountants of Nigeria, in pursuance of her public interest mandate, hereby presents her position as a follow up to her previous position on this policy which the Institute had earlier published.

Prospects

This bold programme by the CBN has a number of prospects among which are the following:

- 1) Increased lending capacity: A larger capital base for banks enables them to provide lending to support Small and Medium Enterprises (SMEs) as well as finance major capital projects in the economy.
- 2) Enhanced international profile: Increased capital base for banks will position them to compete in the international scene as well as attract good ratings by global credit rating firms.
- 3) Efficacy of monetary policy decisions: One of the ways that banks are expected to raise capital is through the issuance of new shares. Indication from the capitalization strategies

submitted thus far, as well as investor sentiments, is that this will be the dominant approach. Such issuance of new shares would increase liquidity in the banking system, making it more effective for the CBN to implement its monetary policy decisions thereby contributing to achieving the nation's desired macro-economic objectives.

- 4) Reduction in cost of borrowing: An increase in shareholders' funds through new equity investment will reduce the cost of capital for banks, all things being equal. Subject to monetary policy decisions such as changes in the monetary policy rate, this may potentially reduce the interest rate that banks charge on borrowings, thereby potentially making it cheaper for businesses and individuals to borrow. Increased borrowing will improve economic activities and gross domestic product.
- 5) Boost in stock market activities: The attempt by many of the banks to raise fresh capital from the stock market either through offer for subscription or rights issue, as directed by the CBN,

will help to deepen the stock market through increased market capitalisation thereby enhancing the contribution of the capital market to the economy in general.

Challenges

A major concern of stakeholders with respect to the new minimum capital requirement has to do with the exclusion of the retained earnings from shareholders’ fund, and its possible impact on the recapitalization programme.

1. Decreased shareholders value: Excluding retained earnings means that existing shareholders may see a dilution of their ownership stake in the near term without any corresponding benefit leading to possible decrease in shareholders’ value.
2. Dampened investors’ confidence: Investors, particularly institutional investors, and foreign investors, may view this move as a negative signal about the

stability and attractiveness of Nigeria’s banking sector. This could lead to reduced investors’ confidence and reluctance to invest in Nigerian banks, which could impact the flow of capital into the country.

3. The exclusion of retained earnings may also send a wrong signal to the international community about the true state of IFRS adoption and enforcement in Nigeria.
4. Increased pressure on banks: The thirty-day period stipulated by the CBN for the banks to submit their implementation plan may not be realistic as it could further heighten the pressure on banks.
5. Possibility of immediate job losses: One of the options prescribed by the CBN for meeting the new minimum capital requirements is mergers and acquisitions. This could lead to consolidation within the banking sector, with larger banks acquiring smaller ones or

weaker players being forced out of the market, which could in turn lead to increased level of unemployment in the short term.

Our Position

Despite the concerns associated with the programme, the new minimum capital requirement is a welcome development that will help strengthen the country’s financial system. It has been long overdue as the last major recapitalisation of banks was done in 2005. In view of the naira devaluation following unification of exchange rates, the new calibrated minimum capital requirements seem appropriate, unlike the uniform capital base of N25 billion stipulated in 2005.

The Institute supports the plan to recapitalise banks in Nigeria, but will always speak from our public interest stand on any government policy. As accountants we stand in the knowledge that retained



earnings form part of equity of a bank. This knowledge is supported by Basel III, which defines Tier 1 capital as a bank's core capital that includes disclosed reserves which appear on the bank's financial statements and equity capital. This has always been seen as the core measure of a bank's financial strength from a regulator's point of view.

Recommendations:

Given the above, the following recommendations are made to ensure a successful implementation of the programme:

1. The CBN may consider allowing the inclusion of retained earnings on the condition that they are not impaired by losses, to make it easier for the banks to comply with the new capitalisation policy.
2. The two-year period allowed is considered sufficient to implement the programme. However, in view of the young age of non-interest banks in Nigeria, they should be allowed a longer period, probably three years, to meet the minimum capital requirements.

3. The Institute urges the CBN to extend the 30-day period it gave banks to come up with an implementation plan to 60 days given that it would take some time to obtain the consent of shareholders.

4. It is also important that the CBN provides some incentives to banks to facilitate the recapitalisation exercise as was done in 2005. This can take the form of tax incentives and ensuring that the overall cost of recapitalisation is low by seeking the cooperation of relevant stakeholder institutions such as the Federal Inland Revenue Service, the Securities and Exchange Commission, the Nigerian Exchange as well as the Federal Competition and Consumer Protection Commission given that banks have the option of raising funds via the Capital Market or through Mergers and Acquisitions.

5. The CBN should adequately supervise the banks to ensure that the costs of recapitalisation are not transferred to their customers by way of higher bank charges.

6. The CBN is advised to engage the Bankers Committee on measures to put in place to ensure adequate comisation programme embodies the CBN's unwavering commitment to fostering a resilient and dynamic financial sector that effectively supports Nigeria's economic aspirations. As banks embark on the journey towards achieving the prescribed capital requirements, collaboration between regulatory authorities, industry stakeholders, and market participants will be imperative to navigate the transition effectively, and sustainably strengthen the foundation of Nigeria's banking industry. The bank recapitalisation exercise requires careful management by both banks and CBN to mitigate potential risks and ensure the stability of the financial system.

To this end, the Institute of Chartered Accountants of Nigeria is available to partner with the CBN and banks in the implementation of this laudable programme.

**Innocent Okwuosa, Ph.D, CPFA, FCIB, FCA
59th President, ICAN**



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIAN
(Established by Act of Parliament No. 15 of 1965)



Our Help Centre

Our Help Centre: **07007004226**
(0700700ICAN) or
contactcentre@ican.org.ng Available
Monday to **Friday from 8am - 5pm**



Whatsapp

07037646360 (WhatsApp only)

Our CHATBOT

08074461842



THE ANNUAL REPORT AS A STRATEGIC INVESTOR RELATIONS TOOL



Introduction

Investor Relations (IR) has evolved into a multi-disciplinary management function, focusing on a company's financial reporting and business communication. It involves building and maintaining relationships with stakeholders such as stockholders, analysts, and consultants. IR is responsible for communicating the value of the company to individuals and organizations that own or are interested in owning shares. It also plays a key role in disseminating information required by financial regulations and other relevant materials to enhance the company's image and performance. IR follows the principles of good corporate governance globally and utilizes the annual report as a strategic tool for corporate management goals. According to Pierce (2010), Investor Relations refers to the ongoing communication between companies and the investment community. This communication encompasses both regulatory and voluntary activities. Investor Relations involves companies interacting with shareholders, potential investors, analysts, and journalists

in the stock market. Pierce argues that the communication tools used in Investor Relations aim to inform stakeholders about the company, allowing them to gain a better understanding of the company's business, governance, financial performance, and prospects. Pierce emphasizes that Investor Relations is a long-term, continuous responsibility rather than an occasional activity. Its role is to inform and update the investment community.

What Investor Relations Entail

According to the US National Investor Relations Institute (NIRI, 2003), Investor Relations is a strategic management responsibility that integrates finance, communication, marketing, and securities law compliance. Its goal is to enable effective two-way communication between a company, the financial community, and other stakeholders, ultimately contributing to a fair valuation of the company's securities. Similarly, Bursa Malaysia (2007) defines Investor Relations as the process through which a publicly listed company organizes and conducts effective, two-way

communication with its shareholders, the financial community, and other stakeholders. The objective is to accurately represent the company, achieve a fair market value for the company's securities, and reduce its cost of capital. In the UK, the Investor Relations Society (1997) provides another definition, which sees Investor Relations as the management of the relationship between a company with publicly traded securities and the holders or potential holders of such securities (Marston, 2004:2). These definitions highlight that Investor Relations aims to meet the information needs of current and potential stakeholders while rewarding the company as a crucial corporate communication strategy. They emphasize the importance of effective, two-way communication and accuracy.

Targets of Investor Relations Activities:

As mentioned earlier, the main targets of Investor Relations activities are members of the financial community, including institutional and private shareholders, influencers of share purchase decisions (such as analysts, media, and brokers), investment managers, and others. It also

regulatory authorities, both statutory and voluntary, such as the Stock Exchange, Securities and Exchange Commission, stock market associations for brokers, registrars, and other service providers, as well as the Central Bank.

institutional shareholders. The growth of financial institutions and the globalization of their portfolios after World War II increased the need for open communication with these proactive shareholders. This trend has persisted over the years. The global economic meltdown and subsequent battle for survival by companies and governments have further emphasized the importance of investor relations. Additionally, tighter regulation regarding the disclosure of price-sensitive information has highlighted the role of IR. As the world economy continues to recover, investor relations will become even more relevant and desirable for companies.

Evolutionary Stages of Investor Relations

The history of Investor Relations shows that it is a necessary development. Laskin (2009) identifies three distinct eras, starting from the post-World War II a period when specialization in the field began. These eras are the Communication Era (1945-1970), the Financial Era (1970-2000), and the Synergy Era after 2000.

Stage One - The Communication Era (1945-1970)

Modern Investor Relations originated in the USA after World War II. Ralph Cordiner, the chairman of General Electric in the 1950s, is credited with creating a job function responsible for shareholder communications. This action reflected the mindset of many American companies at the time, which focused on building a positive relationship with shareholders following the emergence of private/individual stockholders in the financial market. This marked a significant departure from the previous emphasis on institutional shareholders. The first companies to recognize this change were car manufacturers such as Ford, General Motors, and Chrysler, who began targeting consumers as shareholders.

During this stage, companies aimed their efforts at private shareholders, turning annual reports into glossy sales brochures showcasing the company's products while still providing financial data. Companies also offered free gifts or gift boxes with product samples to their shareholders, making annual general meetings (AGMs) popular events with high attendance.

The Investor Relations function was

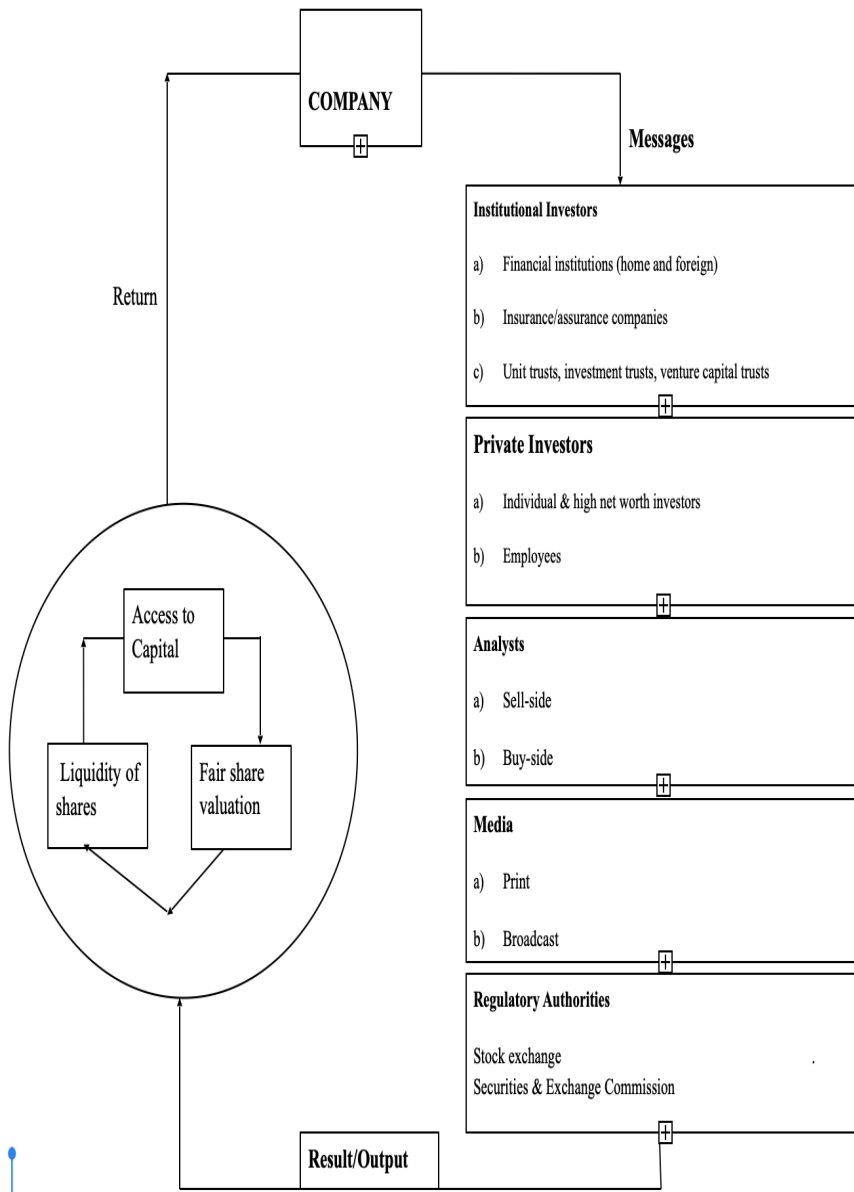


Fig. 1. Investor Relations Process Flow Adapted from London Stock Exchange's Guide (2010)

From figure 1 above a communication message from a company is delivered to five classes of financial stakeholders namely institutional investors, private investors, analysts, the media and regulatory authorities. The message reaches them simultaneously sometimes and at other times it may be staggered. If the message is effective it influences the stakeholders so that the objectives of investor relations activities are realised in terms of access to capital, liquidity and fair valuation of shares. The company continues the cycle if this is the case. But if the message does not have the desired impact it is reformed, amended and communicated again following the same route.

Development of Investor Relations

According to Ettredge & Gerdes (2005), investor relations emerged in response to corporate failures and hostile takeover bids in the 1970s and 1980s. During this time, directors recognized the importance of establishing relationships with their

often carried out by publicists and public relations professionals during this era, whose main focus was gaining media exposure for the company. This lack of strategic and managerial insight demonstrated that companies did not believe shareholders could have a significant influence on them. Companies did not conduct research to better understand their shareholder demographics, and feedback from shareholders was not collected for analysis. This indicates that information flow was primarily one-directional, from organizations to their publics. The limitations of this era motivated Investor Relations professionals to organize their own activities and eventually led to the formation of a professional institute in the US.

Stage Two - The Financial Era (1970-2000)

During this period, the focus shifted from private shareholders to institutional investors. Investor Relations responsibilities also shifted from communication specialists to accountants and financial professionals. In this era, Investor Relations activities primarily focused on providing financial disclosure to investors. The shareholder profile changed to well-educated professionals and financial analysts who no longer settled for glossy reports filled with product information. Instead, they demanded information about company strategies, sales, and research and development. The focus shifted from mass media to one-on-one meetings with institutional shareholders and financial analysts. The interpersonal nature of Investor Relations communication enabled two-way information streams, allowing for gathering feedback. However, this feedback was rarely used to modify corporation activities. Instead, it was used to create more persuasive messages in order to “sell” the organization. The “selling” approach aimed to increase the share price by supplying the financial audience with positive company news while tightly controlling negative information. Unfortunately, this led to manipulated communication, resulting in overvaluations, accounting fraud, and selective distribution of information. Consequently, numerous corporate scandals emerged during this time.

Stage Three - The Synergy Era (2000-present)

This era blends communication and financial expertise. It values both equally. The goal of Investor Relations

is to improve investor understanding through two-way communication. Feedback is actively gathered, evaluated, and implemented. The competition for capital has intensified, making Investor Relations crucial for company success. IR executives focus on helping investors understand the company’s business model and building trust. Information requirements now include messages about strategy, management team, mission, and vision. IR officers must possess financial expertise and strategic communication skills. However, this era has also seen corporate scandals, failures, and the dot-com bubble burst, leading to disclosure and financial reporting reforms.

Goals of Investor Relations

Scholars and practitioners such as Bragg (2012) and Pierce (2010) identify three major goals of Investor Relations:

1. Maintaining liquidity in the company’s stock: Investors want to have confidence that they can easily buy and sell the company’s stock. This requires a large and active market for the stock. By continuously projecting the company to the investment community, awareness is created, attracting more buyers and sellers. This increases the potential for higher trading frequency. However, this also depends on the availability of shares.
2. Obtaining a fair valuation of shares: If a company adopts a clear and understandable business story and manages expectations around it, it can achieve a reasonable stock price valuation. Communicating with the investment community allows the company to present its performance record and strategy using publicly disclosed information, which enhances price valuation.
3. Enhancing the company’s ability to raise capital cost-effectively: When investors are aware of a company’s capabilities and results, they may invest in it. The ability to raise capital and the ease with which it is raised are important measures of the success of a company’s Investor Relations efforts.

The Investor Relations function is responsible for the entire Investor Relations process. This involves establishing a consistent message about the company as an investment opportunity and presenting it to the investment community. Therefore, it is crucial for the officer

responsible for this function to have in-depth knowledge of the company’s operations, know how to network to obtain relevant information, manage the investment message, engage in strategic communications management, and generate, analyze, and implement feedback to management. Additionally, they must ensure the company adheres to disclosure requirements.

Investor Relations in Practice – the Eight Step Process

The London Stock Exchange (2010) has outlined an eight-step strategic approach to Investor Relations as follows:

1. Secure Board Commitment

Gain the commitment of the company’s Board of Directors to engage in a long-term, open, two-way dialogue with shareholders, potential investors, analysts, and the media. Investor Relations (IR) should be viewed and practised as a corporate policy.

2. Form the Investor Relations Team and Assign Responsibilities

Determine who will be part of the Investor Relations team and which responsibilities will be handled internally versus by external advisors. Typically, the Chief Executive and Finance Director are responsible for most of the company’s Investor Relations activities, with inputs from the company’s advisors and key communication officers, including the company secretary, corporate communications executive, and the Investor Relations Officer.

3. Identify Current and Future Shareholders

Identify the current shareholders and anticipate future shareholders. This analysis allows the IR executive to identify which segments of the investor community the company should focus more attention on.

4. Determine Your Investment Proposition

Conduct a thorough analysis of the company to provide a precise explanation of the company’s investment proposition. This includes evaluating the company’s current and future ability to provide shareholders with capital growth and/or capital returns, including their size and timing.

5. Select Your Communication Tools

Decide on the most effective communication tools to clearly convey your

investment proposition. Consider regulatory requirements, the size and characteristics of your current and target share register, as well as the level of analyst and media coverage you seek. Also, consider the time, resources, and budget available for the IR program. Without sufficient funding, manpower, and time, any IR program is likely to fail, regardless of good intentions.

6. Aim for a Level of Analyst and Media Coverage

Work with your advisors to determine the desired level of analyst and/or media coverage to raise awareness of your company within the investment community.

7. Set Your Financial Reporting Calendar

Establish a financial reporting calendar that adheres to regulations regarding the publication of full and half-year results, annual reports, and any other publicly available information sets.

8. Review Your Strategy

Regularly evaluate the success of your IR strategy against the objectives you have set. Identify areas for improvement or challenges that need to be addressed. Be aware that competition for investor, analyst, and media attention is fierce, so it is crucial to ensure that these audiences are aware of and understand your company. Remember that the LSE's eight-point IR process is not the definitive approach to Investor Relations strategy. It serves as a flexible guide that can be modified and implemented in a way that achieves the desired results.

The shareholder is an important business stakeholder.

In most countries with an open economic system, the law protects the interests of various stakeholders, including suppliers, customers, employees, the host community, government, environmentalists, and often the general public. While companies have legal obligations to all stakeholders, the shareholder's interests are often prioritized. This is because the law states that shareholders own the company, and corporate governance principles impose a fiduciary responsibility on the company to act in their best interest. As a result, shareholder engagement is a major focus of investor relations activities. According to MacDougall and Adamson (2011), shareholder engagement encompasses all forms of communication between

shareholders and the board of directors. Boards of directors typically consider different approaches to shareholder engagement and select methods that align with the company's needs and resources. These selected methods are then incorporated into the company's overall shareholder communications strategy.

Role of the Annual Report

The annual report is a yearly record of a publicly held company's financial condition. It includes a description of the firm's operations, balance sheet, income statement, and cash flow statement. According to SEC rules, it must be distributed to all shareholders (Harvey, 2012). The Annual Report has been a key financial communications tool for quoted companies for several decades. Companies use it to provide detailed data on their lines of business, financial structure, and operations. They also use the report to express their views on various topics. However, the primary function of the report remains as a marketing tool, building the company's image and providing product and financial data for analysts, customers, and investors. Rezaee and Grover (1993) argue that the main purpose of an annual report is to communicate relevant, useful, and reliable financial information about a company's financial position, results of its operations, and cash flows to stockholders, creditors, and other interested users. In other words, it is a crucial corporate communication tool that cannot be overlooked.

Contents of the Annual Report

The annual report is essential for companies to meet their legal obligations and provide information to stakeholders. It serves as the main source of information about the company, offering a comprehensive overview of its financial status and progress during the previous year.

Companies often use the annual report to enhance their credibility, establish their unique identity, and build investor confidence and support. It acts as a summary of the company's achievements and values, essentially becoming its calling card. Additionally, the annual report can serve as a valuable resource for financial advisers, editors, educators, and students. Companies may also utilize the annual report as a platform to advertise their products, recognizing the immense communication opportunity it presents.

A typical annual report includes various components such as an attractive cover, the chairman's address, financial highlights, the balance sheet and income statement, a business description, names and titles of top management, names and affiliations of outside directors, the location of plant, offices, and representatives, as well as the address, telephone numbers, and website of the corporate headquarters. It also encompasses a statement by the chief executive, a proxy form, auditors' reports, social responsibility reports, corporate governance reports, and various illustrations such as photographs, graphs, and charts. Overall, the annual report should provide a clear perspective on corporate earnings and indicate prospects for the upcoming year.

According to Herbert Rosenthal and Frank Paani, there are eight key elements of a "big league" annual report, which are highly valued by stakeholders. These elements include a visually appealing cover, a well-designed format, clear and understandable graphics, authentic photographs and artwork, comprehensive text, comparative figures, tasteful presentation of products, and stylish printing. However, it's worth noting that annual reports are now being produced electronically, rather than in print. Regardless of the format, the report must effectively communicate and establish a positive image of the organization among the financial community. It is crucial that the report is made available to shareholders, regulatory authorities, analysts, stockbrokers, and the media in a timely manner, accompanied by explanations if necessary.

The Annual Report as a Communications Vehicle

The strength of the annual report lies in its wide circulation and availability in different formats (printed, electronic, and online). It reaches thousands, and often millions, of readers, allowing IR professionals to shape the perceptions of various stakeholders, particularly shareholders and regulators. According to Goldstein (2004), the annual report is the most widely read document of an organization and provides an opportunity to address how the company is perceived in relation to trends and competitors. It also allows for the communication of a forward-looking story that reflects vision and direction.

Goldstein explains that it can enhance the company's image and have a significant impact on perception, reputation, and financial results. He emphasizes that the annual report is a central platform for communicating the overall strategic positioning of the company, the CEO's vision for the next three to five years, the direction the company is striving for, and the key messages used throughout the year. Therefore, the annual report serves as a foundation for multiple communication strategies, reinforcing a continuity of messages that can stand out amidst competition. Similarly, Larsen (2004) argues that annual reports should be the primary source of information for stakeholders, offering more than just a financial snapshot. They should provide clear insight into the company's values, strategy, vision, internal structures, and operational aspects.

In Nigeria there is an overwhelming deployment of annual report due to its strategic importance in stakeholder interactions. It is perceived to have high level importance. It also plays major role in enhancing stakeholder communication and financial reporting and is seen as a key strategic tool in a company's disclosure strategy.

Besides the annual report there are several other methods of carrying out IR including the annual general meeting, financial media, and shareholder groups briefings. Investors' forum, stockbrokers' briefings direct-one-to-one contact, the Internet and social media. However, IR in Nigeria emphasizes strategies that reach large, diversified audiences simultaneously. Annual report is thus one of the essential tools in reputation management allowing companies to enhance the way their stakeholders perceive them on all fronts.

CONCLUSION

In summary, the annual report communicates corporate values. It is used to build positive image of the organization. It enables the organization to tell its story in a controlled and persuasive manner with its diverse readers willingly accepting its contents as valid, true and legal. It is therefore an invaluable tool to engage stakeholders of a quoted company in a sustained manner. Whereas other tools are equally important, the annual report stands out because it has prolonged useful live, meets regulatory requirements and is usually designed to provide strong appeal.

This is an extract of a Ph.D seminal paper presented to the Department of Marketing, University of Nigeria, Enugu Campus.





ICAN Library E-Databases

Unlimited Access to ProQuest
(e-books) and EBSCOhost
(e-journals) for ICAN Financial
Members

SPECIAL SERVICES >

- > e -Literature Search
- > e-Document Delivery
- > e-Current Awareness Services
- > Book Borrowing

For Free Access to the e-databases, Contact:



Mobile: 07007004226/0700700ICAN

WhatsApp: 07040327465

Email: @contactcentre@ican.org.ng / library@ican.org.ng



Brief History of Banks' Recapitalisation in Nigeria

Analysts Perspectives



Introduction

On 28 March 2024, the Central Bank of Nigeria (CBN) issued a circular to all commercial, merchant and non-interest banks, and promoters of proposed banks on the upward review of minimum capital requirements for banks in Nigeria (the CBN Circular). The apex bank announced that it had introduced this upward review in furtherance of its statutory responsibility to promote a safe, sound, and stable banking system in line with Section 9 of the Banks and Other Financial Institutions Act (BOFIA) 2020.

Meaning of the Banks' Recapitalisation Programme

Recapitalisation is the process of injecting new equity into a company to strengthen its balance sheet. It involves bolstering a bank's long-term capital to meet regulatory requirements and safeguard shareholders' investments, often to enhance financial stability or restructure its financial framework. The CBN Banking Sector Recapitalisation Programme (the Programme) is a regulatory initiative of the CBN that requires banks to increase their minimum paid-

-in common equity capital to a specified amount according to their license category within a specified period of time. The Programme, which is designed to apply to commercial, merchant and non-interest banks, aims to ensure that each institution maintains adequate capital that is commensurate with the risk profile, scale, and scope of its operations. It must be noted that the Programme will not affect the day-to-day operations of the banks.

Brief History of Banks' Recapitalisation in Nigeria

The history of bank recapitalisation in the Nigerian banking system dates back to 1958 when the 1952 Banking Ordinance was reviewed and a new Banking Ordinance was enacted. Since then, the Nigerian banking sector has undergone numerous recapitalization programmes. In 2004 the then CBN Governor, Charles Soludo, announced the increase of the minimum capital requirements for banks from N2 billion to N25 billion, effective 31 December 2005. This resulted in the consolidation of banks, through mergers and acquisitions, bringing the total number of banks in Nigeria to 24.

Purpose of the CBN Banks' Recapitalisation

Following the previous recapitalization programme in 2004, the current capital requirements have become largely insufficient to cater for the demands and opportunities presented by Nigeria's expanding economy. The Programme therefore aims to ensure that banks have enough capital to absorb unexpected losses as well as capacity to contribute to economic growth and development. The overarching purpose of the Programme is to support the achievement of a US\$1 trillion economy by the year 2030, by developing strong and resilient banks with large capital bases.

Breakdown of the Minimum Capital Requirements

The Programme requires a minimum capital requirement of N500 billion for commercial banks with international authorisation, and N200 billion and N50 billion for banks with national and regional authorisations, respectively. Merchant banks with national authorisation are required to have a minimum capital of N50 billion. Non-interest banks

billion. Non-interest banks with national and regional authorisations require N20 billion and N10 billion minimum capital, respectively .

To meet these minimum capital requirements, banks may consider injecting fresh equity capital through private placements , rights issues , and/or offer for subscription . Other available options include mergers and acquisitions and/or upgrade or downgrade of licenses. It must be noted that, of all the stated options, only rights issues and a downgrade of licenses will not have a dilutive effect on the bank's shareholding structure. Although the CBN was specific about the options available for banks to inject fresh capital, this list is not exhaustive and other options open to banks include initial public offering (IPO) , issuance of fixed-interest securities , securitisations , etc.

For existing banks, only paid-up capital and share premium shall be considered for the purpose of meeting the new minimum capital requirements. Shareholders' fund, bonus issues, retained earnings, other reserves and additional tier 1 (AT1) capital shall not be considered. In taking this approach, the CBN aims to ensure that only funds directly injected into the economy are considered and not mere accounting entries. Despite the capital increase, banks are expected to ensure strict compliance with the minimum capital adequacy ratio (CAR) requirement applicable to their licenses. Banks that breach the CAR requirements shall, in line with extant regulations, be required to inject fresh capital to regularize their position. Banks have between 1 April 2024 and 31 March 2026.

In determining the new minimum capital requirements, the CBN considered the following factors: risk profile of banks; global and domestic headwinds and their potential impact on banks' balance sheets; impact of inflation; stress tests of banks' balance sheets, to gauge their resilience to absorb current and unexpected shocks. It is expected that the CBN will issue guidelines to regulate the approaches to meeting the new capital requirement.

As part of its obligations to monitor and ensure compliance with the new requirements, the CBN has requested all banks to submit an implementation plan (clearly indicating the chosen option(s) for meeting the new capital

requirements and timelines for implementation). The implementation plan will provide the CBN with a clear-cut view on how the respective banks plan to meet these requirements. The implementation plan is to be submitted not later than 30 April 2024.

Anti-Money Laundering Check/Fit and Proper Check

To prevent the use of illicit funds for the recapitalization process, the CBN has put in place robust anti-money laundering regulations which shall be strictly enforced in collaboration with relevant law enforcement agencies. Banks will also be required to ensure that appropriate anti-money laundering screening/checks, i.e. Know Your Customer, Customer Due Diligence, and Suspicious Transactions Monitoring, etc., are conducted. This is essential to curb any attempt to meeting this new minimum capital requirement through illegitimate funds.

Furthermore, the CBN will ensure strict enforcement of fit and proper checks for all prospective and significant shareholders, directors and senior management staff of banks. This is to prevent unfit persons assuming management positions of banks.

CBN's role in the Recapitalisation Process

The role of the apex bank in the recapitalisation process will be to monitor and supervise compliance with set guidelines. In doing so, the CBN will conduct on- and off-site reviews, verify capital, intervene periodically where necessary and conduct broad stakeholder engagements.

The CBN will also collaborate with the Nigeria Deposit Insurance Corporation (NDIC) to ensure that depositors' interests are protected during the Programme.

Finally, the CBN will enforce sanctions for non-compliance in line with the provisions of extant laws and regulations.

Conclusion

The prevailing macroeconomic issues in the national economy and the attendant economic challenges underscore the urgent need for banks' recapitalisation in Nigeria. The Programme is positioned to provide Nigerian banks with the much-needed resilience to withstand and absorb unexpected economic tremors and place them in

in a better position to contribute to the growth of the economy. However, the Programme may also present some shortcomings. For instance, the mergers of some banks, especially low-tier banks, that are unable to meet the new capital requirement

References/Endnotes

1. FreshBooks, 2003, Recapitalisation: Definition & How It Works <https://www.freshbooks.com/glossary/financial/recapitalization> Accessed on 30 March 2024
2. Business Day Newspaper, 29 March 2024, <https://businessday.ng/news/article/from-mas-to-capital-raise-what-to-expect-from-banks-recapitalisation/> Accessed 30 March 2024
3. The CBN: Circular to All Commercial, Merchant, and Non-Interest Banks; and Proposed Promoters of Bank. March 2024. Recapitalization_MARCH_2024.pdf (cbn.gov.ng) Pg. 4. Accessed 30 March 2024
4. International Research and Development Institute. 2009. Journal of Management and Enterprise Development. Vol. 6, No. 3 https://www.iasu.edu.ng/publications/management_sciences/sikiru_ashamu_ja_09.pdf Accessed 30 March 2024
5. The CBN Circular. Op Cit. at Pg. 4
6. Ibid. at Pp. 1, 4, and 5
7. A private placement involves a sale of equity or debt instruments to pre-selected investors such as Eligible Institutional Investors and High Net Worth Individuals, rather than on the open market.
8. A rights issue is a method through which a company can raise capital by offering existing shareholders the opportunity to purchase additional shares at a predetermined price, typically below the current market value. This strategy is commonly employed by companies seeking to recapitalise or bolster their financial position. This is an attractive means to recapitalise as it is a quick and efficient way to raise capital and, in addition, shareholders purchase new shares at discounted prices. The major disadvantage is the fact that there is a restriction on the maximum amount of capital that a rights issue can raise as it is usually tied to a company's equity value.
9. Offer for subscription involves an invitation to the general public to subscribe for new shares in a company.

for new shares in a company. This is different from offer for sale which involves shareholders selling part of their shares to the general public.

10. Mergers involve two or more entities coming together to become one stronger entity while acquisition involves a stronger entity (the acquirer) acquiring a

11. Especially for low-tier banks, we might experience situations where banks which are unable to meet the required minimum capital for their license authorisations downgrade to lower authorisations.

12. The CBN Circular. Op. Cit. at Pg. 2

13. An IPO is the process whereby a company publicly sells its stock for the first time.

14. Example is bond issuance where investors purchase bonds from the issuer by advancing money to the issuer in the form of loan and collecting periodic interest and principal upon maturity.

15. This is the conversion of illiquid assets usually mortgages, loans, etc. into marketable securities to be sold to investors for the purpose of raising immediate cash.

16. This is the amount of money received by a company from investors for shares sold on the primary market, usually through initial public offering (IPO). Paid-up capital can only be created when a company sells its shares to investors on the primary market. Sales amongst shareholders on the secondary market do not bring additional paid-up capital to the company as proceeds from such sales go to the selling shareholders rather than the company.

17. Share premium is the excess money received for issued shares above the par value.

18. AT1 capital are special type of bonds with no fixed maturity. They act like equity but are different, in that they are able to absorb losses prior to, or at the point of insolvency.

19. CAR is a means by which regulators determine capital adequacy for banks. A minimum CAR helps to ensure that banks have enough financial cushion to absorb a reasonable amount of losses before becoming insolvent. The CAR can be calculated by dividing a bank's capital by its risk-weighted assets.

20. The CBN Circular. Op. Cit. at Pg. 2



COURT VERDICT: THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA (ICAN) - COMPLAINANT AND MR. EMMANUEL O. EMENUWE

**IN THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA IN THE ACCOUNTANTS' DISCIPLINARY TRIBUNAL
HOLDEN AT VICTORIA ISLAND, LAGOS**

CHARGE NO: ICAN/LEG/DT/033701/22

BETWEEN:

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA (ICAN) - COMPLAINANT

MR. EMMANUEL O. EMENUWE (MN 017057)

RESPONDENT - JUDGMENT The Respondent was arraigned before this Tribunal on a two-count charge as follows:

COUNT 1

STATEMENT OF OFFENCE

INFAMOUS CONDUCT IN A PROFESSIONAL RESPECT contrary to paragraph 1.2.0 (e) and paragraph 1.2.5 of chapter 1 of the Professional Code of Conduct and Guide for Members of the Institute, 2009 and punishable under the said Rules and Section 12(1) (a) of the ICAN Act Cap 185 Laws of the Federation of Nigeria 1990.

PARTICULARS OF OFFENCE

That you MR EMMANUEL EMENUWE (M), a Chartered Accountant sometimes between 2017 and 2020 behaved without integrity and acted in a manner that discredits the profession when you converted various sums of money amounting to N138m belonging to your employer Chartered Insurance Institute of Nigeria by transferring the said total sum of money in several tranches from the various bank accounts and investment accountants belonging to your employer thereby committing an offence contrary to paragraph 1.2.0 (e) and 1.2.5 of chapter 1 of the Professional Code of Conduct and Guide for Members of the Institute and punishable under the said Rules and Section 12(1)(a) of the ICAN Act Cap 185 Laws of the Federation of Nigeria 1990.

COUNT 2

STATEMENT OF OFFENCE

PROFESSIONAL MISCONDUCT contrary to paragraphs 21.2.3 (a), 21.2.8 21.2.5 of Chapter 21 of the Professional Code of Conduct and Guide for Members of the Institute, 2009 and punishable under the said Rules and Section 12(1)(a) of the ICAN Act Cap 185 Laws of the Federation of Nigeria 1990.

PARTICULARS OF OFFENCE

That you MR EMMANUEL EMENUWE (M) a Chartered Accountant sometimes in March, 2021 and April, 2022, acted in a way disrespectful to the Institute of Chartered Accountants of Nigeria when you failed, refused and/or neglected to attend the proceedings of the Investigating Panel of October 19, 2021 February 25, 2022 and April, 2022 in the complaint of The Chartered Insurance Institute of Nigeria despite being served with notices and reminders and newspaper publications of the said meetings and having been warned and knowing fully well that your non-appearance shall amount to a disrespect to the Institute, thereby committing an offence contrary to paragraph 21.2.3 (a), 21.2.8 21.2.5 of chapter 21 of the Professional Code of Conduct and Guide for Members of the Institute and punishable under the said Rules and Section 12(1)(a) of the ICAN Act Cap 185 Laws of the Federation of Nigeria 1990.

The Respondent was arraigned in absentia before this Tribunal on October 18, 2023 and a plea of not liable was entered on his behalf owing to his absence. After several notices and invitations to appear before the Tribunal including a newspaper publication. This Tribunal observed that there was also a newspaper publication inviting him to appear before the Accountants' Investigating Panel, which he failed and refused to honour.

**Dr Innocent Iwaka Okwuosa PhD, CPFA, FCIB, FCA
CHAIRMAN, ACCOUNTANTS' DISCIPLINARY TRIBUNAL**

Trial commenced on October 18, 2023. The Prosecution called the Registrar/Chief Executive of the Chartered Insurance Institute of Nigeria and a member of the Panel that investigated the matter as witnesses (PW1 and PW2). The Respondent neither testified nor called any witness to testify on his behalf.

The brief facts of this case as can be gleaned from the Investigating Panel Report, documentary evidence tendered and admitted and the oral testimonies of the witnesses called at the trial are that the Respondent was employed by the Chartered Insurance Institute of Nigeria (CIIN) sometimes in 2016 as the Director of Finance. In September, 2020, he was directed to exit the employment of CIIN due to poor performance. Upon his exit, it was discovered through a forensic audit that between 2017 and 2020 he had diverted the sum of N340 million from the coffers of CIIN. In order to cover his tracks, he presented forged documents, letters and statements of account to CIIN. Specifically, the testimony of CIIN at the Tribunal was that he depleted CIIN's Building Fund to zero whereas the total sum which ought to be there was N107million. The Building Fund, the First Bank, Zenith Bank and Union Bank accounts of the Complainant were all tampered with by the Respondent.

He was reported to the Police by CIIN and all efforts to arrest him were abortive as he became dexterous in evading arrest. He was eventually declared wanted by the Police and he reached out to CIIN through his Solicitors, accepting that he misappropriated CIIN's funds but disputed the figure given by the forensic auditor. CIIN's witness testified that the Respondent put the amount he pilfered at N200million and pledged to refund same. He has since refunded the sum of N20 million through his lawyers but failed to show up from his hiding to follow through with his proposal for amicable settlement.

The Prosecution's second witness (PW2) also testified that when the complaint was brought to ICAN, the Investigating Panel invited the Respondent several times via emails and letters but he failed to attend the meetings of the Panel and that a newspaper publication was made in a national daily, inviting him to report to ICAN's Registrar/Chief Executive and he failed to do so. The Investigating Panel heard the oral representation of the CIIN representative and when the Respondent failed to appear to respond to the allegations against him, the Panel referred the Respondent to this honourable Tribunal.

Several documents were tendered by the Prosecution Witnesses such as the petition, the letters and statements forged by the Respondent purporting to emanate from ARM Pensions, Court processes, Police bulletin declaring the Respondent wanted, the Investigating Panel Report, newspaper publications, and minutes of the Investigating Panel meeting amongst other documents.

At the conclusion of the testimonies of the prosecution witnesses, the Respondent did not appear to cross-examine them, neither did he enter a defence. The case was thereafter adjourned for final address and same was adopted by the Prosecution at the February 5, 2024 Tribunal sitting.

The Prosecution in its Final Address dated January 31, 2024 submitted two issues for determination thus:

- (i) Does the conduct of the Respondent in converting the sum of N340million belonging to his employer for his personal use amount to infamous conduct in a professional respect?
- (ii) Whether the Respondent's failure to appear before the Investigating Panel of ICAN despite repeated invitations and a newspaper publication does not amount to disrespect to the Institute.

The Prosecution submitted that the above issues should be resolved by the Tribunal in the affirmative.

On the first issue, the Prosecution cited chapter 1 paragraph 1.2.0 (e) of the Professional Code of Conduct and Guide for Members of the Institute which provides thus:

"A Chartered Accountant should comply with relevant laws and regulations and avoid any action that discredits the profession. A member should conduct himself with courtesy and consideration towards all with whom he comes in contact with during the course of performing his work."

The Prosecution also cited paragraph 1.2.5 (a) which provides thus:

"The principle of professional behaviour imposes an obligation on Chartered Accountants to comply with relevant laws and regulations and avoid any action that may bring discredit to the profession. This includes actions which would make a reasonably informed third party conclude negatively about the good reputation of the profession."

According to the Prosecution, any conduct short of the standard set out in the above paragraphs, required of a Chartered Accountant amounts to infamous conduct in a professional respect. It referred to the decision of the Supreme Court of Nigeria in ITEOGU VS LEGAL PRACTITIONERS DISCIPLINARY COMMITTEE (2009) 12 MJSC PART 1 PAGE 1 where the apex Court frowned at infamous conduct in a professional respect vis-à-vis a Legal Practitioner as follows: -

"The conduct of the Appellant in this matter leaves much to be desired. It is, to put it mildly, rather unfortunate. Here is a legal practitioner in whom much trust was reposed but who failed to live up to expectation What would it have caused the Appellant to have given his law practice a human face? Nothing, but his failure to do so had proven to be very expensive indeed."

On what amounts to misconduct in a professional respect, the Prosecution referred to the case of NBA VS OLUWASEUN EDU- COMPLAINT No: BB/DCNB/063, (reported in The SQUIB Legal Weekly Magazine – June 4, 2008 at www.thesquib.com) where the Legal Practitioners Disciplinary Committee listed acts that amount to professional misconduct in the legal profession, which are imparimateria with acts that constitute professional misconduct in every other profession, including the accounting profession as follows:

“A charge of infamous conduct must be of a serious infraction of acceptable standards of behaviour or ethics of the profession. It connotes conduct so disreputable and morally reprehensible as to bring the profession into disrepute if condoned or left unpenalised. In *Re: Idowu*, this Court cited with approval the opinion expressed in the Australian case of *Ex Parte Medical Practitioners Act*, that the expression ‘infamous conduct in any professional respect’ refers to conduct which, being sufficiently related to the pursuit of the profession, is such as would reasonably incur the strong reprobation of professional brethren of good repute and competence.”

In the Prosecution’s submission, a consideration of documentary and oral evidence led in these proceedings show that the Respondent grossly betrayed the trust reposed in him as a Chartered Accountant by his employer (CIIN). According to the Prosecution, it is unrebutted evidence that he not only took various sums of money from the bank accounts of his employer, he forged various statements of accounts and email correspondences, fake websites and created non-existent employees particularly that of ARM Investment Managers with the intention of hoodwinking his employer and covering his dirty tracks.

Under examination-in-chief, the PW1, Mrs. Abimbola Tihamiyu, further testified that the Respondent was reported to the Police and that he failed to appear in person before the Police and that the Insurance Institute also commenced Court proceedings at the National Industrial Court, Lagos against the Respondent. The Respondent’s Solicitors in the Industrial Court case (Emakpor, Irikefe & Associates) reached out to CIIN through its solicitors (Abdul-Salaam Abbas & Co) and initiated amicable settlement. In pursuance of the amicable settlement, the Respondent accepted to refund to CIIN the sum of N120 million in full and final settlement. He refunded only the sum of N20 million. The Institute has through the use of the Police in placing lien of the Respondent’s bank accounts recovered some more money from the Respondent but that the total recovered is a far cry from the sum of money he converted. She testified also that the Police declared the Respondent wanted and the print out of the gazette Police bulletin was also tendered. Till date, the Respondent has not refunded to CIIN the money he misappropriated and the Police has not been able to apprehend him.

Solomon Idowu Owoeye (PW2) testified that the Petition and accompanying documents were sent to the Respondent both by email and as hard copies and that the Respondent failed to react in any way to the allegations leveled against him. He further testified that the Respondent failed to attend the meetings of the Investigating Panel despite several letters and reminders to attend, including a newspaper publication. He tendered the Minutes and Concluding Report of the Investigating Panel wherein the Panel referred the Respondent to the Disciplinary Tribunal.

The Prosecution submitted that marrying the facts of this case with the unchallenged testimonies of the two Prosecution Witnesses, there is no doubt that the conduct of the Respondent in this case amounts to infamous conduct in a professional respect. More so, the refund of the sum of N20 million by the Respondent is a direct admission of liability. The Prosecution therefore urged this Tribunal to find him guilty as charged.

On the second issue, the Prosecution stated that it is the uncontroverted testimony of PW1 and PW2 before this Tribunal that the Respondent failed to appear before the Institute’s Investigating Panel. Documentary evidence were tendered showing the several invitations and reminders both in hard copy and by email served on the Respondent to notify him of the pending complain against him. Further steps were taken to notify him by way of a newspaper publication and yet he failed to appear before the Panel. It is also on record that despite being notified of the pendency of proceedings against him before this Tribunal including another newspaper publication, he failed also to appear before the Tribunal.

The Prosecution submitted that the Respondent’s neglect, failure and refusal to appear before the Accountants’ Investigating Panel amounts to both disrespect to the Institute and infamous conduct in a professional respect, and such a conduct is punishable under paragraphs 21.2.3 and 21.2.8 of the Professional Code of Conduct and Guide for Members of the Institute. It urged this Tribunal to punish the Respondent accordingly.

The Prosecution further submitted that the law as to fair hearing has not changed. A person who is availed every opportunity to make his case heard but refuses to so do cannot complain that he is not given fair hearing. According to the Prosecution, this Tribunal adjourned this matter severally to enable the Respondent appear before the Tribunal and state his case or defend himself, but this he refused, failed and neglected to do, in spite of receiving all the notices of the Tribunal sittings on this matter as well as the newspaper publication inviting him to the Institute. It therefore submitted that the Respondent has been given ample opportunities to state his own side of the case but has refused to so do and therefore has been given fair hearing in this matter.

In conclusion, the Prosecution called on this Tribunal to rely on the cases of **MEDICAL AND DENTAL PRACTITIONERS DISCIPLINARY TRIBUNAL Vs. DR JOHN EMEWULU NICHOLAS OKONKWO** (*supra*); **ITEOGU VS LEGAL PRACTITIONERS DISCIPLINARY COMMITTEE** (*supra*); **NBA VS OLUWASEUN EDU** (*supra*), and find the Respondent liable as charged.

This Tribunal has identified two key issues for determination based on the Prosecution’s submissions and the facts of the case:

- (1) Whether the Respondent was provided with adequate opportunities by the Panel and the Tribunal to present a defence.
- (2) Whether the actions of the Respondent, as evidenced before this Tribunal and considering the circumstances of the case, amount to infamous conduct and disrespect.

This Tribunal concurs with the Prosecution’s argument that the Panel and the Tribunal extended sufficient opportunities to the Respondent for him to respond and defend himself. Regrettably, the Respondent failed, refused or neglected to utilize these opportunities.

In addition to the Institute’s efforts to contact the Respondent through the provided contact details, a publication was made by the Accountants’ Investigating Panel in the Guardian Newspaper of October 8, 2021, inviting the Respondent to appear before the Panel and provide a response to the allegations against him. Unfortunately, the Respondent did not honour the invitation from his Institute.

Furthermore, in order to ensure a fair hearing for the Respondent, this Tribunal ordered the publication of a notice in a national newspaper, requesting the Respondent's presence to address the case against him. Same was published in the Guardian Newspaper of Friday, October 27, 2023. Despite these measures, the Respondent never appeared before this Tribunal to defend himself.

It is worth noting that the Tribunal granted adjournments to enable the Respondent to attend this Tribunal, cross-examine the Prosecution Witnesses, and present his defence. However, the Respondent failed to seize any of these opportunities provided by the applicable laws and rules to present his case.

As a member of this Institute, the Respondent has an obligation to heed the Institute's invitations and respond to the allegations brought against him. Failing to do so not only raises concerns about his integrity as a Chartered Accountant but also suggests serious disregard for the Institute whose membership he parades. The provisions of the ICAN Act, as well as the Professional Code of Conduct and Guide for Members, are inviolable and remain binding on all members of the Institute.

Paragraph 21.2.4 of the Professional Code of Conduct and Guide for Members clearly states that disregarding the Investigating Panel's publication in a newspaper, which invites a member to respond to a complaint lodged against him or her with the Institute, constitutes an act of disrespect.

The Supreme Court of Nigeria in *ITEOGU VS LEGAL PRACTITIONERS DISCIPLINARY COMMITTEE* (Supra) at PAGE 1 frowned at infamous conduct in a professional respect vis-à-vis a Legal Practitioner as follows: -

"The conduct of the Appellant in this matter leaves much to be desired. It is, to put it mildly, rather unfortunate. Here is a legal practitioner in whom much trust was reposed but who failed to live up to expectation What would it have caused the Appellant to have given his law practice a human face? Nothing, but his failure to do so had proven to be very expensive indeed."

In *AKALONU VS OMAKORO* 2003 8 NWLR (Pt. 821) 190 at 206, the Court held that when evidence is not disputed or unchallenged, it should be admitted.

The conduct of the Respondent as a member of the highly esteemed Institute of Chartered of Accountants of Nigeria which prides itself in integrity and uprightness is quite condemnable. As a Chartered Accountant, the Respondent's professional calling forbids that he takes or uses money that does not belong to him without lawful authority to do so.

After thorough examination of all the facts and evidence presented, this Disciplinary Tribunal has reached a verdict on the two issues under consideration, deciding in favour of the Prosecution. Consequently, this Tribunal finds the Respondent liable as charged.

In *MEDICAL AND DENTAL PRACTITIONERS DISCIPLINARY TRIBUNAL Vs. DR JOHN EMEWULU NICHOLAS OKONKWO* (2001) 2 MJSC PAGE 67 at 78, it was held as follows: -

"A charge of infamous conduct must be of a serious infraction of acceptable standards of behaviour or ethics of the profession. It connotes conduct so disreputable and morally reprehensible as to bring the profession into disrepute if condoned or left unpenalised."

In *Re: Idowu*, this Court cited with approval the opinion expressed in the Australian case *Ex Parte Medical Practitioners Act*, that the expression "infamous conduct in any professional respect" refers to conduct which, being sufficiently related to the pursuit of the profession, is such as would reasonably incur the strong reprobation of professional brethren of good repute and competence."

All the evidences by PW1 and PW2 were unchallenged and uncontroverted, the Respondent having refused to appear before the Tribunal.

This Tribunal having considered all the evidences before it in respect of this matter is of the opinion that the Respondent's continued refusal to appear at the sittings of the Disciplinary Tribunal is an admission of guilt. There was evidence before this Tribunal that the Respondent was adequately put on notice of the pendency of the allegations against him at the Tribunal.

The law is that where evidence given by a party is unchallenged or uncontroverted, a Court of law must accept it and act on it unless it is palpably incredible. See *IYERE VS. B.F.F.M.* (2008) 18 NWLR (Pt. 1119) 300.

This Tribunal is of the view that since there is no view or opinion to contradict that of the Prosecution on the conduct of the Respondent, this matter should be resolved against the Respondent. See the case of *OKONJI Vs. THE STATE* (1978) NSCJ 291 at 302.

This Tribunal frowns at the conduct of the Respondent. This Tribunal has the duty of ensuring that members maintain the integrity of the Institute, thus protecting public interest against unwarranted actions by members against the public or their employees.

Having therefore considered all the facts and evidence before this Tribunal, the Tribunal finds the Respondent liable on the counts as charged. He acted in breach of paragraph 1.2.0 (e), paragraph 1.2.5 of Chapter 1 and paragraphs 21.2.3, 21.2.4 and 21.2.8 of Chapter 21 of the Professional Code of Conduct and Guide for Members of the Institute. He also did not show any remorse for his actions. He rather showed great disrespect for the Institute by not appearing at the Tribunal sittings.

Section 12(1)(a) of the ICAN Act empowers the Tribunal to administer and impose disciplinary sanctions on erring members of the Institute in order to protect, prevent and guide against arbitrary, unprofessional conduct and attitude of members. The Tribunal is bound to sustain and maintain the motto of the Institute by jealously shielding and guiding it from contempt, abuse and ridicule and to project its fame and name for accuracy and integrity.

The authority granted to the Accountants Disciplinary Tribunal by Section 12(1)(a) of the Institute of Chartered Accountants of Nigeria Act enables it to administer disciplinary measures and sanction members who engage in behaviours that are inconsistent with the standards expected of members in this reputed profession and our noble Institute.

This Tribunal hereby gives judgment as follows:

- (i) The Respondent is hereby removed from membership of the Institute.

- (ii) The Registrar/Chief Executive is hereby ordered to strike out the Respondent's name from the Register of members.
- (iii) The Respondent is hereby ordered to return his membership certificate and license to practice to the Institute of Chartered Accountants of Nigeria forthwith.
- (iv) If ever the Respondents applies to be reinstated as a Member of the Institute, he shall pay back to the Complainant the sum of N138m belonging to his employer, The Chartered Insurance Institute of Nigeria.
- (v) The Respondent shall pay a fine of N 1,0000,000.00 being the cost of the proceedings This shall be the judgment of this Tribunal and same shall be published in the Institute's Journal.

Dated this _____ day of _____, 2024

**Innocent Iweka Okwuosa, PhD, CPFA, FCIB, FCA
CHAIRMAN, ACCOUNTANTS DISCIPLINARY TRIBUNAL**



COURT VERDICT: THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA (ICAN) - COMPLAINANT AND PETER OSALOR

IN THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA IN THE ACCOUNTANTS' DISCIPLINARY TRIBUNAL

HOLDEN AT VICTORIA ISLAND, LAGOS

CHARGE NO: ICAN/LEG/D.T014882 /2023

BETWEEN:

**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA (ICAN) - COMPLAINANT
PETER OSALOR - RESPONDENT**

JUDGMENT The Respondent was charged before this Tribunal on three (3) counts as follows:

COUNT 1

STATEMENT OF OFFENCE

PROFESSIONAL MISCONDUCT contrary to paragraph 1.2.0 (e) and paragraph 1.2.5 (a) of Chapter 1 of the Professional Code of Conduct and Guide for Members of the Institute, 2009 and punishable under the said Code and Section 12(1)(a) of the ICAN Act Cap 185 Laws of the Federation of Nigeria 1990.

PARTICULARS OF OFFENCE

That you PETER OSALOR (M) a Chartered Accountant, sometime in 2020 audited the accounts of IBB International Golf and Country Club Abuja using the name of a limited liability company, POSAG Consult Services Limited (which limited liability company you have substantial and controlling shares in), knowing fully that such practice is contrary to the relevant laws and standards of accounting practice, thereby committed an offence contrary to paragraph 1.2.0 (e) and paragraph 1.2.5 (a) of Chapter 1 of the Professional Code of Conduct and Guide for Members of the Institute, 2009 and punishable under the said Code and Section 12(1)(a) of the ICAN Act Cap 185 Laws of the Federation of Nigeria 1990.

COUNT 2

STATEMENT OF OFFENCE

INFAMOUS CONDUCT IN A PROFESSIONAL RESPECT contrary to paragraph 1.2.0(a), 1.2.0 (c), 1.2.0(e) and paragraph 1.2.5 (a) of Chapter 1 of the Professional Code of Conduct and Guide for Members of the Institute, 2009 and punishable under the said Code and Section 12(1)(a) of the ICAN Act Cap 185 Laws of the Federation of Nigeria 1990.

PARTICULARS OF OFFENCE

That you PETER OSALOR (M), a Chartered Accountant sometime in December, 2020 acted without diligence and in total disregard to relevant laws, regulations and standards guiding Chartered Accountants when you conducted the audit of IBB International Golf and Country Club Abuja an association you are a full member of using your company, POSAG consult Services Limited without disclosing your interest in the said company knowing same to be unethical and unprofessional for a Chartered Accountant thereby committing an offence contrary to 1.2.0 (a), 1.2.0(c), 1.2.0(e) and paragraph 1.2.5 (a) of Chapter 1 of the Professional Code of Conduct and Guide for Members of the Institute, 2009 and punishable under the said Code and Section 12(1)(a) of the ICAN Act Cap 185 Laws of the Federation of Nigeria 1990.

**Dr Innocent Iweka Okwuosa PhD, CPFA, FCIB, FCA
CHAIRMAN, ACCOUNTANTS' DISCIPLINARY TRIBUNAL**

COUNT 3**STATEMENT OF OFFENCE**

PROFESSIONAL MISCONDUCT contrary to paragraphs 1.2.0 (a); 1.2.0 (e) and paragraph 1.2.5 (a) of Chapter 1 of the Professional Code of Conduct and Guide for Members of the Institute, 2009 and punishable under the said Code and Section 12(1)(a) of the ICAN Act Cap 185 Laws of the Federation of Nigeria 1990.

PARTICULARS OF OFFENCE

That you PETER OSALOR (M) a Chartered Accountant, sometime in 2020 acted in a manner unbecoming of a professional Chartered Accountant, without integrity, straightforwardness, truthfulness and in total disregard to relevant laws, regulations and standards guiding Chartered Accountants when you purchased the ICAN Stamp, affixed it on an audit report in which you conducted for IBB International Golf and Country Club Abuja using the name of Mike Osigbehme without the latter's knowledge and consent, thereby committed an offence contrary to paragraphs 1.2.0 (a); 1.2.0 (e) and paragraph 1.2.5 (a) of Chapter 1 of the Professional Code of Conduct and Guide for Members of the Institute, 2009 and punishable under the said Code and Section 12(1)(a) of the ICAN Act Cap 185 Laws of the Federation of Nigeria 1990.

At the August 18,2023 Tribunal sitting, the Respondent was absent and not represented by Counsel. He sent a letter stating that he was sick and in London for treatment. Thus, the case was adjourned to enable him to appear for arraignment and commencement of trial.

At the September 23,2023 Tribunal sitting, the Respondent was absent but represented by Counsel. The Respondent was arraigned in absentia and a plea of not liable was entered on his behalf on all counts. The matter was adjourned for commencement of trial.

At the November 7,2023 Tribunal sitting, the Respondent was absent but represented by Counsel. The Counsel informed the Tribunal that the Respondent wants to change his plea from "not liable to liable" on all the counts but is not able to appear physically due to ill health. He appealed to the Tribunal for leniency in the matter. Upon the Assessor's opinion, the matter was adjourned for the Respondent to personally change his plea.

At the December 6, 2023 sitting, the Respondent's Counsel was present whilst the Respondent joined online as he was still abroad. The Counsel again informed the Tribunal that the Respondent now pleads liable to all the counts. The Prosecutor thereupon read the charges to the Respondent who pleaded "liable". The Respondent's Counsel adopted what he said before this Tribunal at the last sitting. He pleaded with the Tribunal to let compassion reign in passing judgment or sentence on the Respondent. He stated that the Respondent's act was a very honest mistake and that to err is human.

The Respondent's Counsel drew the attention of this Tribunal to the fact that whatever had happened here was not in any way instigated by embezzlement which were infractions against the ICAN Code of Conduct. He stated that the practices of some professional bodies including Accountants are now done via limited liability companies though it is not a defence in Nigeria. He pleaded for leniency on the Respondent and assured the Tribunal that this kind of situation will not arise again.

Having viewed the documents and facts concerning this matter, this Tribunal frowns at the conduct of the Respondent, who did not adhere to the ethics of the profession as is expected of a Chartered Accountant. The Tribunal has the duty of ensuring that members of the Institute maintain ethical standards, thus protecting public interest against unwarranted and indefensible actions of members. A case in reference here is MEDICAL AND DENTAL PRACTITIONERS DISCIPLINARY TRIBUNAL VS. DR. JOHN EMEWULU NICHOLAS OKONKWO (2001) 2 M.J.S.C. PAGE 67 AT PAGE 78.

The Tribunal has however considered the remorse exhibited by the Respondent and the allocutus pleaded by his Counsel. The Tribunal Chairman is also aware of an email of November 5, 2023 sent by a Past President of the Institute forwarding the Respondent's plea for the Institute's forgiveness. Having taken cognizance of the Respondent's remorseful attitude, his age and current health condition, the Tribunal wishes to apply the time honoured maxim that "To err is human and to forgive, divine" in this matter.

The Respondent erred by auditing a company with a limited liability Company. This is against the Rule of auditing and the Respondent as a Chartered ought to the know the Rules. He also affixed a seal belonging to another Member without the Member's consent .

However, this Tribunal is mindful of the fact that the Respondent pleaded liable to the charge and made an allocutus urging the Tribunal to temper mercy with justice. He therefore did not waste the time of the Tribunal.

(ii) The Registrar/Chief Executive is hereby ordered to strike out the Respondent's name from the Register of members. Consequently, the Tribunal shall apply its discretion as is provided for under Section 12(1)(c) and the proviso thereof of the ICAN Act.

The Tribunal's judgment is as follows:

- (i) The Respondent is hereby suspended from membership of the Institute of Chartered Accountants of Nigeria for three (3) months from the date of this Judgment;
 - (ii) The Respondent is hereby ordered to pay a fine of N1,000,000 (One Million Naira) only to the Institute within three (3) months from the date of this Judgment;
 - (iii) The Respondent is at liberty to re-apply to this Tribunal for re-admission at the expiration of the suspension period;
 - (iv) Where the Respondent fails, neglects or refuses to pay the said fine after three (3) months from the date of this Judgment, the Respondent's suspension will automatically be extended to six (6) months.
- This shall be the Judgment of the Tribunal and the same shall be published in the Institute's Journal.

Dated this _____ day of _____, 2024

**Innocent Iweka Okwuosa, PhD, CPFA, FCIB, FCA
CHAIRMAN, ACCOUNTANTS DISCIPLINARY TRIBUNAL**





Re-shaping excellence.

ICAN

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA | *Accuracy and Integrity*

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.

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA

COURT VERDICT: THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA (ICAN) - COMPLAINANT AND OLUYEMI MOROLARI TOPE

PARTICULARS OFFENCE

That you Oluyemi Morolari Tope (m) between 8 June 2018 and 19 February 2019 refused, neglected, and failed to respond to the invitation of the Accountant's Investigating Panel to contact the Institute when you were invited by publication in The Punch newspaper to appear before the Panel in order to respond to the allegations that you falsified the Complainant's bank statement and failed to give an account of the sum of \$92,935 (Ninety Two Thousand Nine Hundred and Thirty-Five USD), an amount which by your employment you were responsible for its safe custody and which showed that you did not behave with integrity and uphold the high ethical standard required of members of the Institute, thereby committed an offense contrary to Paragraph 21.2.8 of the Professional Code of Conduct and Guide for Members and punishable under the said Code and Section 12(1) (a) of the ICAN Act, Cap.185, LFN 1990.

BRIEF BACKGROUND

This complaint was referred to this Tribunal by the Accountants' Investigating Panel (the Panel) via its Concluding Panel Report dated 31 May 2021. The Panel, similar with the Accountants' Disciplinary Tribunal, established by the Institute of Chartered Accountants of Nigeria Act, Cap 185, Laws of the Federation of Nigeria (LFN) 1990, is charged with investigating complaints against Chartered Accountant members of the Institute.

The background to the instant case was that one Vetiva Capital Management Limited (the Complainant Company) notified the Institute via letter dated 9 April 2018 that the Respondent was summarily dismissed from its employ for misappropriation of funds. The complaint was followed by an affidavit deposed to by one Ameze Osague-Iduh, the Head of Human Resources of the Complainant Company. In the affidavit, the Complainant Company alleged that between January 2018 and February 2018 when it reviewed its United States Dollars (USD) transactions, it discovered a shortfall of USD92,935 and that further investigation revealed that cash meant for deposit in the Complainant Company's bank account and cash vault were neither deposited in the bank nor accounted for. The Complainant Company further alleged that the bank statement provided by the Respondent for reconciliation of account was falsified as that independently obtained by the Complainant Company from its bank was markedly different.

The matter came up before this Honourable Tribunal for the first time on 12 January 2023. Following the Respondent's absence from the Tribunal sitting, the Prosecution prayed this Tribunal for an order to publish notice of the case against the Respondent in a national newspaper. The Tribunal granted the prayer, and the matter was consequently adjourned to the Tribunal's next sitting. At the next sitting of the Tribunal on 20 March 2023, the Respondent was again absent before the Tribunal. The Prosecution provided to the Tribunal, proof that the Tribunal's directive had been complied with through the publication of the notice on page 31 of the Daily Sun newspaper of Thursday 2 March 2023. Consequently, the Respondent was arraigned in absentia on a three-count charge with a plea of "not liable" entered on his behalf in respect of each of the counts.

Trial in the matter commenced on 28 April 2023 with the evidence-in-chief of PW1, one Opeyemi Bada of the Complainant Company's Legal Department. The matter was adjourned to 18 August 2023 for the cross-examination of PW1 by the Respondent. However, he failed to attend the proceedings of the Tribunal. The Prosecution thereafter prayed for the foreclosure of the right of the Respondent to cross-examine PW1 and for the discharge of the witness, which prayers were granted by this Tribunal. The matter came up next on 25 September 2023, but proceedings could not go on when the Prosecution informed the Tribunal that its second witness was unavoidably absent from the sitting of the Tribunal. The matter was again adjourned to 7 November 2023 when the evidence-in-chief of Mrs. Saheed Rashidat Abiola (PW2), a member of the Investigating Panel, was heard. On 6 December 2023, the Prosecution prayed for the foreclosure of the Respondent's right to cross-examine PW2, which was granted. At the instance of the Prosecution, this Tribunal further ordered the foreclosure of the Respondent's right of defence, the Respondent having repeatedly failed and defaulted to attend the sitting of the Tribunal despite several email invitations, reminders, and notices to him. The Tribunal then directed that parties' final written addresses be filed before the next adjourned date. The Prosecution's final address, being the only final address that was filed, was adopted on 5 February 2024 and the matter was reserved for judgment on the next adjourned date.

In addressing the Tribunal, the Prosecution in their final written address dated 31 January 2024 posed ten (10) "relevant issues raised during the trial to clarify the intent and ingredients of the offense or allegation proffered against the Respondent in the charges" to wit:

- 1.) Was there a formal charge preferred against the Respondent?
- 2.) Was there any omission or commission of the misconduct or disrespect made out against the Respondent?
- 3.) Were there any findings of the allegations against the Respondent?
- 4.) Did the Investigating Panel and the Tribunal give the Respondent adequate opportunity to know the offence/charges and allegations him?
- 5.) Was the Respondent given adequate notice, invitation and opportunity to defend himself at the trial of the case?
- 6.) Did the Respondent take any step or advantage given to him to appear, respond, clarify, or make himself available for the Investigating Panel and trial before the Tribunal?

- 7.) Were the intentions on the part of the Respondent to disrespect, or ignore the Panel and the Tribunal?
- 8.) Was the Respondent aware of the consequences of the offense committed?
- 9.) Did the conduct and behaviour of the Respondent depict contempt or/and professional misconduct for members of the Institute?
- 10.) Was there any findings confirming/affirming the allegations against the Respondent?

Whilst not discountenancing the above issues, it is the view of this Tribunal that the Prosecution's foregoing relevant issues can be summed up in a sole issue for determination to wit:

- A.) Whether from the evidence adduced before this Tribunal, the Respondent is liable as charged?

The testimony of PW1, a staff of the Complainant Company's legal department was as follows:

- (i) That the Respondent was employed by the Complainant Company sometime in July 2010 as a member of the finance team and was responsible for handling and processing United States Dollars (USD) deposits by Clients.
- (ii) That sometime in 2018 after the Respondent was moved to the internal control and audit department, the Company undertook a review of the USD transactions carried out during the period Respondent was in the finance department.
- (iii) That a shortfall of USD 92,935 was discovered which the Respondent could not account for or provide explanations for.
- (iv) That the Company further discovered that the bank statement of account which the Respondent had presented to the Company was different from the statement of account the Complainant Company independently obtained from its bankers.
- (v) That the Respondent admitted in writing via letters dated 1 February 2018 and 9 February 2018 to misappropriating the sum of USD35,000 (copies of which PW1 identified during her evidence-in-chief to be among the bundle of documents titled Concluding Report (dated 31 May 2021) which was admitted in evidence through PW2 and marked as Exhibit 1.
- (vi) That the Respondent failed to refund the misappropriated monies.
- (vii) That sometime after reporting to the Institute, representatives of the Company were invited to attend meetings of the Panel which the Respondent failed to honour.
- (viii) That the Panel subsequently directed that notice of the complaint against the Respondent be published in the newspaper, but the Respondent did not still show up to defend the complaint.

PW2 in her testimony, stated that:

1. The Institute passed for investigation, the complaint against the Respondent to the Panel which she was a member of.
2. The Panel invited both the Complainant Company and the Respondent to an interview meeting, but the Respondent did not attend. That before invitations were sent, the Respondent had failed three times to respond to the Institute's request to respond to the allegations against him in writing.
3. The Panel granted the Respondent some forbearance until it directed that publication be made in the newspaper notifying the Respondent of the case against him.
4. The Respondent still failed to respond to the allegations against him or attend the Panel meeting.

The charge against the Respondent concerning the first count fails on account that this particular head of the charge is provided for under Paragraphs 21.2.4 and 21.2.8 of the ICAN Professional Code of Conduct & Guide For Members (2009). The first count of the charge against the Respondent is anchored on a provision of the Code that has no nexus with the offense charged.

With regard to the second count, this Tribunal is of the view that the Prosecution has been able to establish through the uncontroverted and unchallenged evidence of PW1 and PW2, the malfeasance committed by the Respondent. The two letters dated 1 February 2018 and 9 February 2018 were identified by PW1 as the Respondent's admission of the misappropriation of the sum of USD35,000 being a fraction of the total sum of USD 92,935 which the Complainant Company alleged the Respondent misappropriated. These letters, which formed part of the bundle of the document titled Concluding Panel Report, were tendered and admitted in evidence through PW2, the Panel member.

It is also on record that the Respondent was given adequate opportunity to respond to and defend himself both at the Investigating Panel level and before the Tribunal. This Tribunal is satisfied with the email notices and reminders sent to the Respondent inviting him to attend each of the several sittings of the Tribunal. This Tribunal is inclined to accept the admission by the Respondent in the referenced letters, of the misappropriated funds belonging to the Complainant Company, his former employer. The Tribunal further notes PW1's evidence that despite the Respondent's admission and undertaking to refund the misappropriated monies, he failed to do so.

This Tribunal believes that the Prosecution has led unchallenged, uncontradicted, and uncontroverted evidence before the Tribunal touching on the essential ingredients that constitute the offences for which the Respondent is charged under this head of the charge against him. See the case of CHIME Vs CHIME (2001) 3 NWLR PART 701 PAGE 527 AT 554 PARAGRAPHS E-G (supra) This Tribunal frowns at the conduct of the Respondent, who was dishonest and did not exhibit integrity as is expected of a Chartered Accountant. The Tribunal has the duty of ensuring that members of the Institute maintain ethical standards, thus protecting the public interest against unwarranted and indefensible actions of members. A case in reference here is MEDICAL AND DENTAL PRACTITIONERS' DISCIPLINARY TRIBUNAL VS. DR. JOHN EMEWULU NICHOLAS OKONKWO (2001) 2 M.J.S.C. PAGE 67 AT PAGE 78.

The Respondent acted in breach of Paragraph 1.2.0 (a) of Chapter 1 of the Professional Code of Conduct and Guide for Members of the Institute, 2009 which provides as follows:

In the case of the third count, this Tribunal finds the Respondent liable for having failed to respond to the Panel's newspaper publication as contained on page 23 of The Punch newspaper of 3 September 2020 clearly in contravention of Paragraphs 21.2.4 and 21.2.8.

Consequently, the Tribunal shall apply its discretion as is provided for under 12(1) (a) of the ICAN Act.

The Tribunal's judgment is as follows:

- (i) The Respondent is hereby removed from membership of the Institute.
- (ii) The Registrar/Chief Executive is hereby ordered to strike out the Respondent's name from the register of members.
- (iii) The Respondent is hereby ordered to return his Membership Certificate to the Institute forthwith.
- (iv) This shall be the judgment of the Tribunal and the same shall be published in the Institute's Journal.

Dated the _____ day of _____ 2024

Innocent Okwuosa PhD, CPFA, FCIB, FCA
CHAIRMAN, ACCOUNTANTS' DISCIPLINARY TRIBUNAL



FACE TO FACE WITH ICAN REGISTRAR, LANRE OLASUNKAMI

New on the block: ICAN'S Registrar/ Chief Executive bares his mind on the Institute, the Accounting profession and the economy in this interview by the Nigeria Accountant Editors



Q. You recently resumed office as ICAN RCE, why come to ICAN and not any other organisation?

A. I will start by saying that ICAN needed a Registrar/Chief Executive. That's one. But beyond that I can attach my interest to how I perceive ICAN. The industry is where I have more than 75% of my professional experience – talking about a member-based organisation. I started my career in 2010 with the Chartered Institute of Taxation of Nigeria (CITN) where I worked as an Accountant. I was a Manager in the Finance Department. I worked with the professional institute for over five years before I left to have experience in the Public sector where I worked as Deputy Director, Fund Management at the Ekiti State Government. I returned to the Chartered Institute of Taxation years later as the Director of Finance & Accounts. My experience in the industry gave me that confidence that I would be able to fit in as RCE of ICAN. Secondly, coming here is in alignment with my career goal, which is to be the RCE of a well established professional institute in the country. God be the Glory, I was able to achieve that by coming to this great Institute. When I saw the advert that ICAN was hiring for the post of RCE, I applied and to God be the glory, it was a very transparent exercise. Later I got a call from the Institute that I have been appointed. So, going back to your question, it is because of my experience and alignment with my career goal. Also

Also considering the reputation and prestige of the Institute, I feel ICAN is the best place to go to contribute my quota as an accountant.

Q. What are your immediate priorities and approach to enhance the Institute-members' relationship as well as the Council-Management interaction?

A. Let me take it from the first one and I will say my approach would be to maintain an open communication channel. Members need information and it is important you give it to them timely. They need a first class information about the programmes and activities of the Institute. So, if you operate an open communication channel and have a good feedback mechanism obviously you will get a very good interaction with members. Feedback will enable you understand their desires, they need to know what you are doing, and they will tell you what you need to do more. For Council-Management interaction, we will also use open channel communication in addition to Council-Management engagement. Under the Council – Management relationship framework the management team meets regularly (that's what we have in place now). Whatever is the decision taken should get to the Council on any issue, I will have to deliver the feedback to management as soon as possible. Being the Secretary of Council, the RCE is in a privileged position to hear from both sides and deliver clear information

The Registrar has to inform management of Council decisions affecting them for management to discuss and take these issues to the next level. I will also enhance what I call recognition and appreciation not only for management staff but also for members of the institute.

Q. Competition in the accounting space is stiff, what do you intend to do to ensure ICAN remains on the leadership rung of the ladder in Nigeria and Africa?

A. Competition? The question is where is the competition coming from? When you hear the name ICAN in Nigeria, the environment shakes. ICAN has gotten to a point in the country whereby the name alone is a brand; a strong brand. There's a prestige that our forebearers have built over the years. All we need is to contribute our quota of taking it from the present stage to the next level. For ICAN, I can't see any major competition because we have a brand. The only thing we need to do is to make sure that the brand does not fall below where it is at the moment but to move higher in terms of brand equity and dominance. In order to do that we will keep enhancing our brand in key areas namely technology, quality assurance and ethics.

i. Technology Innovation – I am talking about leveraging more on technology than using the traditional way of doing things.

ii. Quality Assurance – I also look at quality assurance whereby if you mention ICAN anywhere people will believe in that quality and we want to keep working on this to ensure that the quality assurance standard does not fall below what people know about us. We need to keep promoting the brand as a key activity by technology innovation that I have spoken about and by collaboration with reputable international bodies. Under my leadership we will not be looking at the national side of the brand alone. At present ICAN is among the top five Professional Accounting Organisation in the Africa space. We want to take it to the next stage to become one of the top three in the global space. In order to do this, we need to leverage more on technology.

iii. To Ethical standard and governance – we also need to leverage more on our Ethical standard and governance. Once your ethical standard is high and you have a sound governance structure in place, people respect you. If we do these, the competition you talked about will not be there as we will keep our dominance in place.

Q. What should members expect from the Institute under your leadership in terms of services and service delivery?

A. My focus is to build a digitally savvy Institute. Everything is going IT. We want to enhance the utilization of IT in our operations. In recent past, the Institute introduced on-screen marking, which has contributed a lot to the cost reduction in the Institute. At the beginning some people thought it wouldn't work, but it is working perfectly now. The next thing is to take our full exam process to computer based testing (CBT). We are also looking at introducing more technology-based services, and activities in the Institute. A quick win in this area is the newly introduced Members' Digital Hub which was introduced to bring about a live engagement in quality service delivery. This platform was created as a channel where members can raise complaints, make inquiries and get feedback immediately. Also we can talk about the collaboration with research based organizations like Nigerian Bureau of Statistics (NBS), the Stock Exchange, etc. collaborating with them means that at any time we can have a handshake with their system to get information without wasting time. Organizations like Nigerian Bureau of Statistics (NBS), the Stock Exchange, etc. collaborating with them means that at any time we can have a handshake with their system to get information without wasting time.

Q. In trying times like this when the national economy is facing challenges, managing/ leading of organisations are very tasking. What do you intend to do to ensure optimal operation in the face of rising costs of key resources?


A. The economic situation is affecting every organization. But we thank God for ICAN and its resilience. The institute is a wonderful organization where transparency and accountability is very key. There is this thing we have in the Finance world called cost optimization. We need to look at it. The Institute is looking at it to determine where to channel much of our resources. Like closely I said earlier, leveraging on technology will reduce costs. I give you an example. Before 2020, if you asked staff to work from home they would tell you it was not possible as coming to the office seemed to be the best way to get things done. But Covid19 taught us a lesson - that we could achieve a lot of things with technology. So working with technology the Institute intends to get more optimal value with little resources. And I will also look at diversification of revenue stream which is another good area. Focus should not be on subscription alone. As it stands subscription is not a sustainable revenue source considering its size. It can't defray much of the costs required to keep the Institute running. We are already thinking about how to diversify to earn more ad revenue. The Institute is already doing something positive in this area and two initiatives have already been birthed. I am talking about the Entrepreneurship Development Centre (EDC) which ICAN partnered with First Bank to create and the ICAN BOI Technology Hub which we developed in partnership with the Bank of Industry. Similar initiatives are in the offing to help the Institute remain as prominent as it is supposed to be.

These initiatives are aimed to assist our members and the Institute to generate employment and revenue. We are also looking at partnership with development oriented international donor agencies that can assist in taking off some of our costs related assets. Leveraging on technology requires a lot of funds. We are thinking on collaborating with those who are ready to support our cause. The Institute has already produced a key Public Finance Management tool called the ICAN Accountability Index (ICAN AI). This could be fine tuned to be adopted by the public sector in Africa and the rest of the world and we could earn some form of patent from it. We will also enhance our monitoring and adaptation.

When the issue of online training was introduced, members protested, saying they preferred physical classes. But by introducing the online courses, we discovered we have been able to minimize our costs and are also able to hold many more courses than when everything was done face-to-face. Thereafter, a lot of our members now prefer online to physical courses. Enhanced stakeholders engagement will also help us in this area. This could be fine tuned to be adopted by the public sector in Africa and the rest of the world and we could earn they preferred physical classes. But by introducing the online courses, we discovered we have been able to minimize our costs and are also able to hold many more courses than when everything was done face-to-face. Thereafter, a lot of our members now prefer online to physical courses.

Enhanced stakeholders engagement will also help us in this area. The harsh economic environment is affecting everybody and every sector, but we must find cost-effective ways to keep our head above water. Drowning in the flood is not an option for us.

somebody – a trained accountant has to do it. The introduction of various accounting software has brought about customization. Once the chart of account of the organisation is set up properly, all you need to do is to key in the figures and the system will automatically run the backend for you. But if you don't understand the accounting software how will you leverage on such technology?



**The Man,
Lanre Olanreju Olasunkanmi**

Dr. Musibau Olanreju Olasunkanmi, FCA is a highly knowledgeable, experienced, and skilled professional in the fields of accounting, finance, and taxation. Not only is he versatile, but he is also a visionary leader. However, his expertise did not come by chance; it was the result of consistent improvement and adaptation over nearly two decades of professional practice and leadership roles in both the private and public sectors. He has worked with esteemed organisations such as the Chartered Institute of Taxation of Nigeria (CITN) and the Ekiti State Government. Starting from a low position, he climbed the ranks to reach the pinnacle of leadership.

Dr. Olanreju Olasunkanmi's impressive profile includes a wealth of academic qualifications, including a PhD in Forensic Accounting & Audit from Charisma University, Turks and Caicos Island, UK. He also holds an M.Sc in Accounting from Afe Babalola University, an MBA from the University of Lagos, and a B.Sc in Accounting from Adekunle Ajasin University. In terms of professional certifications, he is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN), the Chartered Institute of Taxation of Nigeria (CITN), the Association of Corporate Governance of Nigeria, the Association of Forensic Accounting Researchers, and the Association of Certified Fraud Examiners, USA. He is also an Associate Member of the Business Recovery & Insolvency Practitioners Association of Nigeria (BRIPAN) and the Institute of Chartered Economists of Nigeria (ICEN), among others.

Dr. Olanreju Olasunkanmi has a strong passion for continuous learning and professional development, which is evident in his participation in numerous capacity development programs both locally and internationally. He has also published articles and presented papers at various seminars, workshops, and conferences. In his free time, he enjoys listening to music, mentoring others, conducting research, and publishing.

Q. With technology most tasks currently performed by accountants will be eliminated or be carried out by non-accountants using Apps and templates. Do you think the job of chartered accountants is under serious threat and what will be ICAN's response?

A. The fear of technology taking over accounting jobs should not come into the mind of a chartered accountant. Technology can only do the computational aspect of accounting, but the judgment part of it, the analytical and review part of accounting is also necessary and will still be done by humans. What ICAN is doing is to see how members will be trained through our Mandatory Continuing Professional Development (MCPD) programmes to know more about this AI. The fear of AI comes in when you don't have knowledge and experience. As an accountant, you must understand the use of technology in your job and the Institute has already begun developing training in the relevant areas. Those who fail to understand technology and the role it plays in their job as accountant are technically at the risk of pushing themselves out of relevance. We are encouraging our members to engage in more training on the latest technological developments in the accounting world. Accounting is now going beyond the traditional way of debit and credit. It is no longer a requirement to carry, calculators and different colours of pens. You have to use technology to do the job but technology cannot do the job by itself; somebody – a trained accountant has to do it. We are the reference point in Africa. We are in the top five. We are a strong voice in PAFA. Our ICAN AI has been recommended to PAFA to be adopted as an Accounting tool in Africa. From there we want to take it to IFAC to see it as an accounting tool in the world.



The introduction of various accounting software has brought about customization. Once the chart of account of the organization is set up properly, all you need to do is to key in the figures and the system will automatically run the backend for you. But if you don't understand the accounting software how will you leverage on such technology? We just had an Accountek summit which exposed members to various areas technology interfaces with accounting. We will continue to work with tech companies to improve our member's knowledge in this area. Recently we signed an MoU with Google and we are working with Microsoft to come in to train our members on AI and how to leverage on it. We are doing these to ensure that our members are not behind in the AI world. Accountants need not fear AI, but they must train themselves to remain relevant.

ICAN is looking forward to being a digitally-savvy institute where members can get any service or information without needing to visit any of our offices or bank. AI is only going to add value to the job of the chartered accountant and not take it.

Q. What kind of Institute do you foresee ICAN will be in the next five years?

A. Like I said earlier a digitally-savvy institute, a global institute, the number one Institute in the whole world. Already

Q. In a nutshell what is unique about your management style?

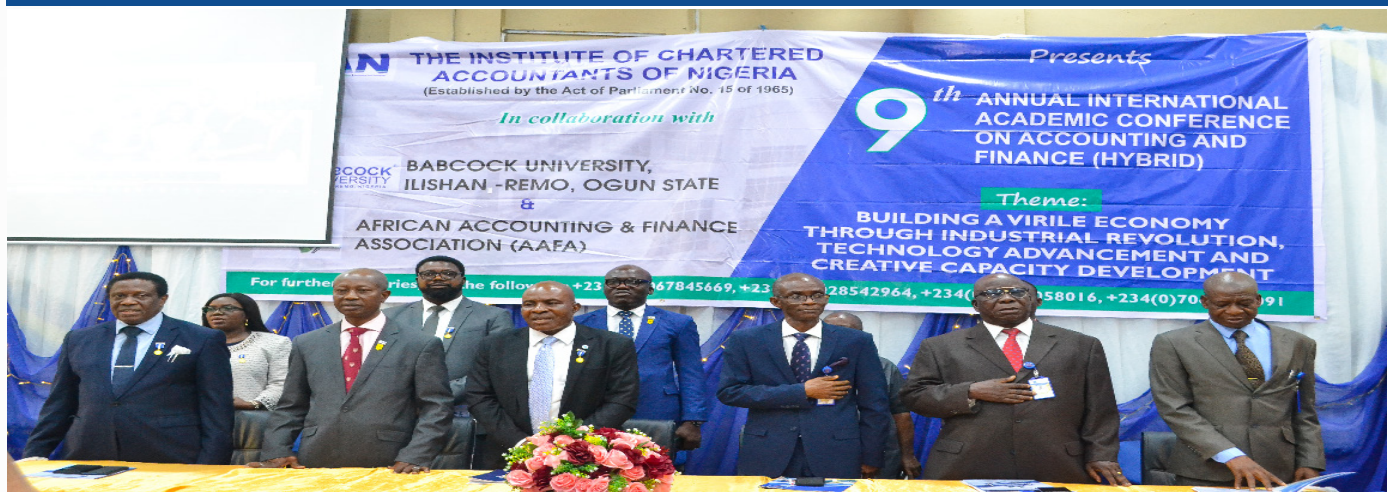
A. I thank God for what he has done for me. I am just one out of over 62,000 members. So it is a great privilege to be here as RCE. My intention from the word go was to try my possible best to influence the Institute positively. I have worked in several places where I gathered varying experiences of almost 20 years – private sector, public sector, quasi-sector, and none of these for less than five years. I learnt from these places that a leader gets results when he/she carries staff along. That comes back to open communication. You don't hide information required for tasks to be carried out. You need to provide the right empowerment in form of resources for jobs to be done. Above all, your staff need support to do their job. I have worked in somewhere before where information was not readily available and staff had to resort to grapevine. Grapevine is essentially rumour and more often than not could damage the organization.



INTERVIEW CONT..

Right from then I had it at the back of my mind that whenever I had the opportunity to lead even at the unit or departmental level, open communication must be there and problem solving must be there. I don't desire the downfall of any of my staff. That's why I try as much as possible to support them. I don't believe that there is a problem without a solution. I also believe there is no wrong ideas. All that is required to solve a problem is to gather and sift ideas and channel them towards solving the problem. I believe in problem solving. I also believe in teamwork. I don't believe it is your department's work. What I want to hear more often is "it is our work". We all need to contribute our own quota to deliver any project. I like to hear "we did it", rather than "I did it". So, among all leadership styles, I prefer to be seen as a transformational leader. It is a style of leadership that is necessary to transform (improve) whatever is on ground. Once you open my door, you don't go out without an idea of how the problem will be solved. Again, from problem solving, the key target is results. Above all, your staff need support to do So, I believe in results as well. Efforts are good but if they don't lead to results they are almost useless. Don't come to me with efforts. You must give me results.

9th Annual International Academic Conference on Accounting and Finance Ends at Babcock University



The 9th Annual International Academic Conference on Accounting and Finance took place at Babcock University, Illisan, Ogun State from February 13th to 15th. Scholars presented outstanding papers during the event.

Prof. Musa Mangena, Chair in Accounting at Nottingham University Business School, UK, presented the lead paper, which delved into the main theme of the conference, "Building a Virile Economy Through Industrial Revolution, Technological Advancement, and Creative Capacity Development."

Other contributors explored sub-themes such as "the Role of Accountants in Building a Virile Economy Through the Usage of Artificial Intelligence," "Innovative Human Capital Development and the Growth of an Economy", and "Digital Technologies, Cost of Governance and Virile Economy". There were also other topics such as "Integrating Digital Trust in Building a Virile Economy to Optimise Usage of Artificial Intelligence", "Power, Security and Virile Economy", as well as "Public Sector Accounting and Virile Economy".

ICAN's Vice President, Chief Davidson Chizuoke Alaribe, FCA, provided the opening remarks on behalf of ICAN's 59th president, Dr. Innocent Okwuosa, praising Babcock University for producing well-prepared accountants for today's changing economy. Alaribe encouraged delegates to engage in robust discussions that could lead to valuable outcomes.

In his keynote address, Prof. Ademola Tayo, President/Vice Chancellor of Babcock University Prof. Ademola Tayo, urged delegates to focus their discussions on actionable strategies that bridge the gap between theory and practice.

"Let us work towards a future where our collective wisdom reflects the potential of individuals, institutions, and the global financial ecosystem," he stated. Tayo emphasized the importance of establishing strong state institutions to advance progress in entrepreneurship, innovation, and good governance.

Cross River State Govt Pledges to Employ More Chartered Accountants



The Governor of Cross River State, His Excellency Bassey Otu, has pledged to employ more chartered accountants into the State government's workforce.

Speaking through his Deputy, Mr. Peter Odey, when the ICAN President, Dr. Innocent Iweka Okwuosa, FCA, paid a courtesy visit to the Government House in Calabar last week, the governor expressed satisfaction with the performance of chartered accountants in the state's public service.

The governor also committed to reviewing the land reallocation request from ICAN and exploring a more robust partnership with the Institute to enhance further, the productivity of chartered accountants in the State's service.

In his speech at the Government House in Calabar, Dr. Okwuosa expressed appreciation for the appointment of ICAN members to key roles in the State's civil service and urged the Governor to engage more chartered accountants.

The 59th President also asked the governor to sponsor members employed by the State to the Institute's training programs and to support the restoration of the ICAN study center in Calabar, which has been facing existential challenges.

Dr. Okwuosa also highlighted Cross River State's declining position in the ICAN Accountability Index, encouraging the government to ensure that the State's ranking in the Index significantly improves in the ongoing assessment.

Dr. Okwuosa Harps on Challenges of Education Sector



59th President, Dr. Innocent Iweka Okwuosa, FCA with the Minister of Education, Prof. Professor Tahir Mamman (r)

The President, Dr. Innocent Okwuosa, FCA, led an ICAN delegation on a courtesy visit to the Minister of Education, Professor Tahir Mamman SAN.

The President drew the Minister's attention to the challenges facing the education sector in Nigeria such as poor funding, inadequate infrastructure, and lack of access to education, among others.

Dr Okwuosa asserted that accountants can assist Nigeria to address the challenges of funding in the education system of the country through its public finance management tool, the ICAN Accountability Index (ICAN AI). He explained that ICAN has been at the forefront of advocating for better accountability and transparency in the management of public funds through this innovative tool.

"ICAN is of the view that if there is better accountability and transparency in the management of 1.54 trillion budgetary allocation in the 2024 budget, education system will witness an improvement compared to previous years", he said.

He called for collaboration between ICAN and the Ministry to address the challenge of accountability and transparency in the management of education funds including monitoring TETFUND projects.

The minister agreed with ICAN President on the challenges facing the education system and promised to collaborate with ICAN to resolve those within their purview.

ICAN, Microsoft to Partner for AI, Robotics Certification

The Institute is in discussion with global software giant Microsoft to begin Artificial Intelligence (AI) and Robotics certification strictly for chartered accountants.

ICAN President Dr. Innocent Okwuosa stated this in his opening remarks at the 18th Eastern Zonal Accountants Conference in Abakaliki, Ebonyi State, recently.

He said the partnership was informed by the increasing role of technology's impact on the training and practice of accounting globally.

The President highlighted the pivotal role that the AI and Robotics play both in the economy and the accountancy profession and urged professional accountants to uphold ethical standards in the deployment of AI and Robotics.

The 18th eastern zonal conference, characterized by a rich tapestry of plenary sessions featuring renowned thought leaders, was a forum for robust discussions and insightful discourse centered around the theme of AI and Robotics. True to its main objective the conference served as a beacon of intellectual engagement and visionary leadership, aimed at propelling societal progress and fostering innovation in the realms of finance, accountability, and technology.

ICAN President Calls for End to Illegal Mining

The 18th Western Zonal Conference has ended in Ibadan, Oyo State with the ICAN 59th President calling on government to address the twin challenges of illegal mining and oil theft squarely.

He noted that Illegal miners of solid minerals and oil thieves have continued to rob the nation of its legitimate income from her national assets in addition to causing insecurity.

He considered these a serious cause for concern as activities of these illegal operators have continued to deny the country much needed revenue for economic development.

In his opening remarks at the 18th Western Zonal Conference, the president called for a concerted effort by the Nigerian government to address the activities of the illegal miners and crude oil thieves from both local and international perspectives.

According to him, Nigeria must unveil the people engaged in the illegal harvesting and sell of her resources in the global market.

He said the theme for the 18th Western Zonal Conference, "Economic Resilience: Navigating the Bottlenecks," served as a very good reminder of the challenges and opportunities that shape Nigeria's economic landscape.

Dr. Okwuosa pointed out that the current economic era in the country calls for strategic measures as it is "marked by unprecedented complexities, structural impediments, regulatory hurdles, and global uncertainties".

He asserted that cutting the cost of governance, tackling inflation and interest rate as well as enhancing consumer purchasing power etc, are challenges that professional accountants can easily help to resolve.

President Performs Foundation Laying Ceremonies of ICAN Buildings at Ogbomoso.



The 59th ICAN President, Dr Innocent Okwuosa, FCA performed the foundation laying ceremonies for ICAN edifices in three locations namely Enugu, Ilorin and Ogbomoso. Construction works have continued in the three locations.

The building being constructed in Enugu is the Enugu Liaison office and would house the ICAN Resource Centre, offices and research library.

The buildings project in Ogbomoso and Ilorin are for Ogbomoso and District Society office and the Ilorin and District Society District office respectively.

Speaking at the symbolic events, the President noted that the projects were a significant milestones for the District Societies, emphasizing that they symbolize unity, generosity, and the steadfast commitment to advancing the noble accounting profession in Ogbomoso and Ilorin environs.

He noted that the legacy established by these landmark achievements will resonate for generations to come, fostering further expansion and impact of the Districts.

“I Admire the Quality Of Work of Your Members” - Unical VC

The Vice Chancellor of the University of Calabar, Prof. Florence Banku Obi, has commended the Institute of Chartered Accountants of Nigeria (ICAN) for the quality of work produced by its members. Prof. Obi made this commendation during a courtesy visit by the 59th President and other Council members of the Institute.

In her speech, the Vice Chancellor stated, “This is a highly esteemed professional body in the country. Many young people aspire to join, and I am pleased to see that many of our staff are members and are performing exceptionally well. This speaks to the high standards of your organization, of which we can be proud. I am impressed by the quality of work your members produce.”

Prof. Obi further praised ICAN for its significant support, including scholarships for members pursuing Ph.D. studies and financial support of one million naira for professors during their Inaugural Lectures.

The 59th President of ICAN, Dr. Innocent Okwuosa, expressed his delight with the University’s management for appointing ICAN members as Heads of some units and departments. Dr. Okwuosa explained that as a professional body, they were seeking opportunities for collaboration with the University.

He implored the Management of the university to reconsider granting recognition to students with the Accounting Technicians Scheme of West African (ATSWA) certificate for direct entry admission.

He also asked Unical to consider granting admission to ICAN members into its Ph.D. programmes.”



President, some Council members and some Principal officers of the University of Calabar.

Okwuosa Extols Ijewere's Virtues



The President, Dr innocent Okwuosa, Vice President Chief DCS Alaribe, FCA and 2nd Deputy Vice President Mrs Queensley Seghosime mni, FCA with the members of late past president Ijewere's family after a special council session in honour of Mr Ijewere.

The remains of the late 32nd President of the Institute Mr. Emmanuel Itoya Ijewere, FCA was laid to rest in Lagos early in the year.

At a Special Council Session in honour of Mr. Ijewere who was ICAN's 32nd President, the current President Dr. Innocent Iweka Okwuosa, described the late chartered accountant as a "luminary, a mentor, and a trailblazer" within the distinguished history of the Institute.

He said the passing of the revered past President, undeniably left an indelible void in the hearts of people in the accounting fraternity.

The President said Mr. Ijewere's life was marked by "unwavering dedication, exemplary leadership, profoundly compassionate and unyielding commitment to the ideals and progress" of the institute.

"He was unquestionably a symbol of greatness, a beacon of hope, and a visionary leader whose dedication, resilience, and steadfast belief in the potential of the Institute served as an exemplar of excellence, leaving an indelible mark on our collective consciousness and the very fabric of the profession", Dr. Okwuosa said.

The President said Mr. Ijewere would be sorely missed as he was a pillar in the practice of accounting, who continued to render invaluable services to the Institute and the profession until his death. Dr. Okwuosa described PP Ijewere as a man who lived an exemplary life and remained a leader and warrior to the end, adding that Mr. Ijewere was irreplaceable.

ICAN Eastern Zonal Conference Holds in Abakaliki



Dr. innocent Okwuosa with resource persons at the conference.

18th ICAN Western Zonal Conference Holds in Ibadan



(L-R) 1st Deputy Vice President, Mallam Haruna Nma Yahaya, mni, FCA; Vice President, Chief Davidson C. S. Alaribe, FCA; 59th President, Dr. Innocent Iweka Okwuosa, FCA; Oyo State Deputy Governor, Mr. Adebayo Adeleke Lawal; Past President, Dame Onome Joy Adewuyi, FCA and 2nd Deputy Vice President, Hajia Queensley S. Seghosime, mni, FCA at the opening ceremony of 18th Western Zonal Conference in Ibadan.



The President, Dr. Innocent Iweka Okwuosa, FCA being welcomed by the Deputy Governor of Cross River State, Mr. Peter Odey, who stood in for the Governor, when the President paid a courtesy visit to the Cross River State Government House.



The President was received by the new Kogi State Governor, Ahmed Usman Ododo FCA (r) shortly after his swearing in.



The President and the Deputy Governor of Borno State, Umar Usman Kadafur during the commissioning ICAN North East Liason Office.

The president and Chief Executive Officer (CEO) of the Association of Chartered Certified Accountants (ACCA), Ms. Helen Brand, paid a courtesy visit to the 59th President Dr. Innocent Okwusa, FCA on March 1.



L-R: ICAN Council member, Dr. Oluseyi Olanrewaju, FCA; Ms Helen Brand; Dr. Okwuosa and Council Member, Mrs. Lucy Eguono Okena, FCA and Registrar/ Chief Executive, Dr Lanre Olasunkanmi, FCA during the ACCA chief's visit.



Ms. Brand receiving copies of the ICAN Accountability Index (ICAN - AI) from Dr. Okwuosa.



Are you prepared to comply with the requirements of ISQM?

From **15 December 2022**, ISQM 1 must be applied by all firms that provide the following services (in addition to audits and other assurance services):

- Independent reviews in terms of ISRE 2000 – 2699
- Related services (ISRS 4000 – 4699), which include agreed-upon procedures engagements and compilation engagements.



Caseware has introduced a brand new app, SQM. Whether you are a small accounting firm or a global audit leader, SQM provides an efficient solution to design, operate, monitor and evaluate your system of quality management. SQM empowers firms with a proactive and efficient cloud-based system to manage their SoQM, whilst assisting them in complying with the requirements of the International Standard on Quality Management 1 (ISQM 1).



Contact your local sales representative, Taiwo Olatubosun for a demo today!



taiwo.olatubosun@adaptit.com
+234 803 843 3802

Scan the code to find out more



Find us in Lagos!

10th Floor, Standard Chartered Head Office Building, 142 Ahmadu Bello way, Victoria Island, Lagos, Nigeria

Coping with Job Burnout

— By Dore De Gray



You dread climbing out of bed and going to work. After arriving, you coast along un-enthusiastically, doing the bare minimum. Yet at the end of the workday, you feel drained and used up.

If this emotional exhaustion sounds familiar, you may be burned out by your job. Burnout is signaled by a loss of the desire to work and of feeling trapped in a no-win situation. No one is immune. Any person, in any profession, at any level, can become a victim of job burnout.

Job burnout does not occur overnight. It begins with small warning signals. If unheeded, these symptoms can progress until you dread going to work. Even worse, burnout tends to spread to all aspects of your life. It is rare to find a person that is burned at work, yet energized and enthusiastic at home. Before this happens to you, take charge of the situation.

Symptom 1: Loss of motivation

Motivation is like fire: it gets hotter when it's fanned by forces that feed it. But without nourishment, it diminishes and you stop performing to par. This leaves you feeling that your work is meaningless.

Solution: Learn self-management. Manage your motivation to get yourself moving and to keep the momentum going. Take on a project you can feel enthusiastic about. Set a goal for yourself – this will provide you with a target, instead of leaving you feeling like you're going around in circles. Give yourself rewards for good work done.

Symptom 2: Demoralising work situation

Whether it's ambiguity, a critical boss, incurable clients, lack of recognition, tasks without end or work overload, these situations will leave you angry or frustrated. You may also begin to feel that you can't be bothered with people or that you're an outsider.

Solution: Know what is expected of you. Know what the scope of your job is, what direction you are expected to go in, how your function fits with overall organizational goals, and what those organizational goals are. Get a review with your boss if necessary to get these questions answered.

Symptom 3: Physical breakdown

Common signs of burnout are health problems (especially headaches and backaches), negative emotions, and substance abuse.

Solution: Make an effort to take care of yourself. Get plenty of rest, some daily exercise (even a light walk at lunchtime will do), and fresh air. Keep in contact with your friends, and don't hide in the house or become unsociable. Get a check up if you have not had one in the last year.



Your **ICAN Membership** offers you the following benefits.



Discount at Hotels:

- Protea Hotel, Kuramo, Lagos
- Orchid Hotel, Lagos
- Dover Hotel, Lagos
- Peninsula Hotel, Lagos
- La Campagne Tropicana
- Lagos Airport Hotel, Lagos
- Excellence Hotel, Lagos
- Ocean Hotel & Suites, Lagos
- Sheraton Hotel, Abuja
- Childa International, Abuja
- Angeles Hotel, Abuja
- Rockview Hotel, Abuja
- Premier Hotel, Ibadan
- Richton Hotel, Ogun



Insurance:

We provide Group Life Assurance with:

- Mutual Benefits Life Assurance
- Goldlink Insurance Company Ltd.
- Capital Express Assurance
- FBN Life Nigeria Ltd.
- A special Motor Insurance discount also available for members at Mutual Benefit Assurance.



Benevolent Fund:

Through the members' benevolent fund, we provide financial assistance to indigent members towards:

- Children's Education;
- Medical expenses; and
- Permanent disability.

Exclusive to
ICAN
Financial
Members.

UK Audit Qualification Rights to ICAN Members Underway



Financial
Reporting
Council

An ICAN delegation paid a historic visit to the UK Financial Reporting Council (FRC) as part of activities for the 11th ICAN UK International conference which held in March. The visit which was facilitated by the Association of Certified Chartered Accountants (ACCA), was the first time that ICAN would engage directly with UK FRC for the benefit of its members.

Dawn Dickson, the Director of Professional Bodies Supervision explained that the UK FRC focuses only on audit of listed and public interest companies and their auditors. She pointed out that firms not involved in the audit of listed and public interest companies are not supervised by the regulator.

However such firms are supervised by their own professional bodies through the delegation agreement the bodies signed with UK FRC.

In addition, such firms are not required to register with or pay registration fees to UK FRC. This aspect differs from the Nigerian FRC approach which requires sole audit practitioners that do not audit listed or public interest companies to register and pay annual registration fees to it.

In his address, the 59th President proposed for an MOU between ICAN and UK FRC that would enable ICAN members to obtain audit qualification rights in UK given that accounting and audit practice have become global. This would enable ICAN members engage in UK audit.

In her response, Dawn Dickson affirmed that UK FRC can grant audit qualification right to ICAN members after a rigorous evaluation process. She said that that such audit qualification right had already been extended to Australia and New Zealand, with South Africa under processing.

She expressed optimism that Nigeria can be given such right if ICAN can meet all the requirements set by UK FRC for this. Both parties then agreed that ICAN should submit its application so that the evaluation by UK FRC can begin.

Through Your Taxes The Government Is Able To Provide **Good Roads,** **Well-Equipped Hospitals and Schools,** And Other **Critical Infrastructure**



[facebook.com/FederalInlandRevenueServiceNG](https://www.facebook.com/FederalInlandRevenueServiceNG)
[@FIRSNigeria](https://twitter.com/FIRSNigeria) [@FIRS_Nigeria](https://www.instagram.com/FIRS_Nigeria) www.firs.gov.ng

It pays to pay your tax ...



Are you in need of **affordable co-working spaces**?
Then visit the **ICAN-BOI Innovation+ Hub**
Facilities include:



**24/7 Power
Supply**



**Training Rooms
& Meeting Rooms**



**Fast & Reliable
Internet**



**State-Of-The-Art
Facilities**

 **ICAN Annex, 82, Murtala Mohammed Way, Ebute Metta, Lagos.**

Rates:

- **Co-working space ₦2,000 (Daily)**
- **Co-working space ₦25,000 (Monthly)**
- **Co-working space dedicated ₦30,000 (Monthly)**
- **Private Office ₦150,000 (Monthly)**
- **Training Room ₦10,000 (Per Hour)**
- **Meeting Room ₦3,000 (Per Hour)**