

# **An Address**

by

**Mr. Adedoyin Idowu Owolabi, BSc (Econs), MILR, MNIM, FCA**

*The 48<sup>th</sup> President,*

*The Institute of Chartered Accountants of Nigeria*

at the

**PAST PRESIDENTS' LUNCHEON**

held on

**Wednesday, January 30, 2013**

**The Doyen**  
**Chairman, Body of Past President,**  
**My Revered Past Presidents**  
**The Vice President,**  
**Deputy Vice Presidents**  
**Acting Registrar/Chief Executive**

**Preamble**

1. I am delighted to welcome our revered Past Presidents to this luncheon which is our first formal meeting in this New Year. Permit me therefore to use this opportunity to wish you all a wonderful, prosperous and blissful 2013. May I crave your indulgence to request that we please observe a minute silence in honour of a member of this august body, Chief Oluwole Alani Adeosun, FCA (PP), Membership No. 00638, who passed on to glory in September 2012.

May his gentle soul and indeed the souls of all nine (9) members, and Senior Manager, ICAN Abuja Liaison Office who died in the ill-fated Dana Airline that crashed in the Iju area of Lagos on June 3, 2012, continue to rest in perfect peace. Amen.

2. Let me thank, most profoundly, all my revered past presidents here present for honouring my invitation to this Luncheon which, in the tradition of our Institute, is designed to enable me apprise members of this august Body of my mid-term stewardship report. Accordingly, I wish to begin this stewardship report by noting with all sense of responsibility, that I have enjoyed the unalloyed support of this Body, since my assumption of office on May 30, 2012 as the 48<sup>th</sup> President of our great Institute. I cannot but admit that your invaluable advisory role has greatly eased the challenge of leadership thrust on me by my unanimous election. I therefore thank you all most sincerely for your unwavering support, words of wisdom, wise counsel, and indeed, for finding time within your very busy schedules to honour our invitations to the Institute's various activities that were held in the period under review. I pray the Almighty God to lengthen your days, bless you with good health and continue to use all of you for the greater glory of this Institute, the Accountancy Profession and the nation at large. May I also express my

appreciation for the mind rubbing session you had with me, when the Chairman of your body invited me to join you at lunch earlier in this presidential year. Your pieces of advice have been very useful in guiding me and in the last eight months, the Institute has made significant progress that I wish to bring to your kind attention.

#### **Courtesy Call on the Doyen**

3. Immediately after the Investiture ceremony on Wednesday, May 30 2012, I paid a courtesy call (with members of my Presidency, the RCE and a few Council members) on the Doyen of Accountancy, Mr. Akintola Williams, CBE, CFR, B.Comm, FCA, both to express our appreciation to him for his faith in us, patience, guidance, advice and to reassure him of our commitment to the ideals of the Institute, in spite of the Governing Council's perceived inadequacies. I assured the Doyen that the conflict that engulfed the Institute then had been fully resolved with a promise that the Institute will expeditiously mend fence with its supervisory Minister and the Federal Ministry of Education officials. As a statesman, he congratulated the Council for the steps it has taken to permanently resolve the crisis and further encouraged us to be more active in the global accountancy profession in order to raise the quality of the profession in Nigeria. In addition to stressing the need to monitor the activities of members, whether in practice or employment, the Doyen charged us to get closer to the big 4 firms and encourage their senior members to show better interest in the Institute. I wish to thank this Body for the role it played which led to the resolution of the crisis. It is by such actions that statesmen are distinguished.

#### **4. Courtesy Call on the Minister of Education**

Pursuant to the frosty relationship between the Institute and the Federal Ministry of Education caused by the avoidable dispute over the composition of the members of the governing Council early last year (which had now been resolved), I paid a courtesy, fence-mending visit to the Honorary Minister of Education, Professor (Mrs.) Ruqayyatu Ahmed Rufa'I on Monday July 23, 2012. I was accompanied by the Vice President, the 2<sup>nd</sup> DVP and two Council members: Mallam Ismaila Zakari and Lady Ngozi Okonkwo. I conveyed the position of this Body to the Minister that the Institute's highest decision making body is the Council and not this august body which operates in advisory but invaluable capacity. The Honorable Minister was assured of the Institute's loyalty and to

demonstrate this, her nominees had been sworn-in as she directed. I pledged that henceforth, the Minister and the ministry would be recognized in all the Institute's activities. In her response, she congratulated me on my election and the Council for the way it managed and resolved the avoidable crisis. While commending the Institute's commitment to the sustenance of the technical quality of its members and their welfare, the Minister encouraged the Institute to continually do its best to reachout to all its publics, orient its members to better the image of the country and impact the economy positively. She noted that it was great to know that ICAN was a team that she could work with and thereafter, offered the cooperation of her Ministry to the Institute. As a further demonstration of this renewed cordiality, the Institute was represented at the launching of *almajiri* schools in Sokoto state which took place in August, 2013. The Minister is the champion of this initiative.

Permit me to note that one of the Government nominees, Mr. G. O. Sanni had subsequently resigned his appointment to the Council. Fresh recommendations were made to the Honorable Minister of Education to fill this vacancy and those created by the election of a former Government Nominee at the last Council election and the passage of one of the Government nominees before the resolution of the impasse. Approval of the Minister is being awaited.

#### **5. Whistleblower's Protection Bill**

As I promised during my investiture, the Institute has commenced, in earnest, the process of sponsoring a Whistleblower's Protection Bill at the National Assembly as part of its contributions to the anti-corruption crusade of the government. Pursuant to this, we have created a Whistleblower's Protection Fund into which persons and organisations are encouraged to donate in support of this worthy course. A team of legal luminaries drawn from the Institute's Committees and Legal Department was put together to prepare the draft bill for the consideration of Council. The draft Bill is now ready for submission. As conceptualized, when passed into law, the Act will give legal protection to persons who provide useful information to anti-graft agencies on any act of impropriety or corruption that occurs in their organisation and are being victimized for so doing. On every visit I have made to governors, ministers, top government functionaries, friends of the Institute and other stakeholders, I sought their cooperation in order for the bill to successfully sail

through at the National Assembly. Considering the pervasive and negative impact of corruption on national development and the welfare of the citizens, we cannot afford to be indifferent as a professional body. We must continue to be champions of integrity and foes of deceit and sharp practices. I humbly enjoin revered members of the body of past presidents to wholeheartedly support this noble cause.

#### **42<sup>nd</sup> Annual Accountants' Conference**

6. The year 2012 Annual Accountants' Conference of the Institute was held at the International Conference Centre and the Abuja Sheraton Hotel and Towers between October 15-19, 2012 with the theme, **“Building Enduring Institutions for National Development”**. The theme was carefully chosen to underscore the inextricable relationship between strong institutions and the pace of national development. The 4-day Conference, which was attended by 4,050 delegates (out of which 3800 were fee-paying), was declared open by Dr Goodluck Ebele Jonathan, GCFR, President, Commander-In-Chief of the Armed Forces of the Federal Republic of Nigeria, who was ably represented by Mr. Jonah Ogunniyi Otunla, FCA, Accountant General of the Federation. It is also worthy of note that five serving state Executive Governors –Dr Kayode Fayemi (Ekiti), Alhaji Ibrahim Dankwambo, FCA, OON (Gombe), Owelle Rochas Okorochoa (Imo), Mr. Babatunde Raji Fasola, SAN (Lagos) and Senator Ibikunle Amosun, FCA (Ogun) graced the occasion with their esteemed presence. There were also presentations by resource persons from the World Bank and the Institute of Chartered Accountants in England and Wales. The resultant communiqué has been published and circulated to major stakeholders. Let me also seize this opportunity to express my profound appreciation to the past presidents for their contributions towards the success of the conference.

#### **World Bank Grant and Twining Arrangement with ICAEW**

7. As members of this august body are aware, the Institute against the backdrop of similar requests from member bodies of IFAC was given a grant of US\$499,030 by the World Bank to strengthen its capacity building initiatives.

The World Bank project, which is to bring the Institute's processes in line with the requirements of IFAC's Statements of Membership Obligations (SMO) and enhance the

capacity of the Institute's Professional Qualification to enjoy reciprocity from leading professional accounting bodies round the world, consists of three components, thus:

- i. Enhancement of Governance Capacity;
- ii. Improving the Institute's Professional Qualification; and
- iii. Strengthening Audit Quality and Regulation

The bid was won by The Institute of Chartered Accountants in England and Wales (ICAEW). Pursuant to the implementation of the grant, consultants from ICAEW visited Nigeria between September 26, 2012 to October 5, 2012 as part of the project inception mission. During the visit, they had extensive meetings with members of the Executive Coordinating Committee of Council, top management staff and other major stakeholders: the Big 4 practicing firms, Financial Reporting Council (FRC) of Nigeria, Nigerian Stock Exchange (NSE), Accounting Department of the University of Lagos, various accredited tuition houses and some small and medium-sized practices, etc. The Project Inception Report has been submitted and forwarded to the World Bank. A two-man specialist team of ICAEW again visited the Institute to discuss, in greater detail, the syllabus and examination processes between October 26 and November 5, 2012. During the visit, they had some workshop sessions for examiners and tuition providers. Their proposals on the new syllabus are being awaited. The ultimate deliverables from this initiative include a new examination syllabus, new study packs, new practice manual, enhanced disciplinary processes, improved skills of staff, examiners and tuition providers and a Memorandum of Understanding (MoU) on reciprocity to be signed with ICAEW. We expect the syllabus to be ready before the end of this year while examination on it will commence with the May 2014 diet.

### **Five Year Strategic Plan**

8. One of the main activities I started out with as 48<sup>th</sup> President is the development of a five-year strategic plan that will drive the Vision and Mission of the Institute. Given the dynamics in the business environment and the fierce competition facing the Institute and its products in the market place, it would be foolhardy to expect success when the Council continues to react, rather than being proactive. We are determined to make the ICAN

brand the best and preferred one by students, users of the services of chartered accountants and employers of labour. Accordingly, a series of retreats, facilitated by a renowned external consultant, Oladimeji Alo, Ph.D, were held with the Council and Management of the Institute which produced a five-year strategic plan covering the period 2012-2017. The document has been approved by the Council. As the Council continues to implement the various strategies designed to reposition the Institute, adjustments will be made where necessary.

### **Symposium on the FGN 2012 Budget**

9. In line with its established tradition, the Institute, through its Technical, Research, and Public Policy Committee, organized a very successful symposium on the Federal Government 2012 budget. The need to conduct post-budget review activity, such as this, finds justification not only because it provides a veritable platform for gauging and appraising the extent of budget implementation, its overall performance and by extension, the economic and political success of the government, but also because it helps to identify areas of challenge that need to be addressed in order to achieve optimal budget performance. Held at the NICON Luxury Hotel Abuja, the symposium was attended by 819 chartered accountants while the following four topics were discussed by carefully selected eminent resource persons:

- **Overview of budgeting in Nigeria-** Mr. Bode Augusto of Augusto & Co;
- **Nigeria's Revenue Profile, Cost of Governance and National Development -** Dr. Ayo Teriba, Economic Associates, Lagos;
- **Impact of Successive Budgets on National Development-**Dr. Olufemi Saibu, Department of Economics, University of Lagos ; and
- **Deficit Budgeting, Government Borrowing, Borrowing Cost, Fiscal and Monetary Stability -** Prof. Mike Kwanashie, Department of Economics, Ahmadu University, Zaria.

All the sessions were chaired by Prof A.R. Anao, FCA, former Vice Chancellor, University of Benin. The resultant communiqué was widely circulated.

### **Comment on Public Policy Initiatives-₦5000 Denomination**

10. As you are all aware, part of the Institute's mandate as a professional body is to provide direction on policy initiatives through, for example, the making of commentaries on proposed policies. It was in line with this perspective that the Institute reacted to the August 23, 2012 Press Statement by the Governor of the Central Bank of Nigeria (CBN), Mallam Sanusi Lamido Sanusi in which he apprised the nation of the apex bank's plan to restructure the existing profile and redesign the Nigerian currency for the sum of ₦40billion. In our statement, which was well received, the Institute commended the initiative to redesign the security features of the nation's currencies with a view to reducing the huge annual royalties paid to foreign interests and also make the currencies extra secure. We noted that such measure will reduce currency counterfeiting and enhance the confidence of Nigerians in the medium of exchange. However, we noted that at a time when the size of government deficit was about 2.8% of GDP (although within acceptable limit), the intention to spend ₦40billion for this exercise appeared to be both a waste of scarce public resource and misplacement of priority as the proposed expenditure of ₦40billion will add little or no value to wealth creation. We observed that the subsisting budget deficit, financed largely with domestic borrowing at an unsustainable rate, and therefore crowding out available credits to the economy, can further be reduced by this huge expenditure of ₦40billion, if redirected to the funding of infrastructural development. In our view, the introduction of ₦5000 note will eventually alter the pricing structure of products in the market leading ultimately to the permanent disappearance of the 5, 10, 20 & 50 Naira notes (and even the proposed new coins) from circulation. The extinction of these smaller denominations, we argued, will negatively impact the buying capacity and habits of low-income earners and the poor as goods and services will be priced above their levels. Sustained increases in prices may be the unintended consequence. We therefore urged the CBN to work towards strengthening the purchasing power of the Naira through policy consistency and jettison the proposed policy on higher denomination. The Institute's position, along with similar contributions from other notable Nigerians and other pressure groups, resulted in the suspension of the proposal by the government. All past Presidents who were at the last Annual Conference will recall that the CBN Governor took exception to the statement of ICAN on this matter, a position for which we offered no apology.

#### **Foundation Laying Ceremony of the ICAN South-East Regional Office**

11. Part of the strategies approved by the Council for increasing the visibility of the Institute in the country is the establishment of Regional Offices in the six geo-political zones. Such offices and other facilities are to be housed in structures facilitated by the Institute in such locations. To flag off this initiative, the foundation stone laying ceremony of the ICAN South-East Regional office was performed by me in Enugu on Tuesday, August 14, 2012. On completion, the edifice will have an examination hall, library, office space for the District Society and recreation centres. We urge prominent members of the region to donate towards this worthy cause and in return, parts of the edifice (e.g., the hall, library, etc) will be named after them.

### **Special Control Unit on Anti-Money Laundering**

12. Since the unfortunate incident of September 11, 2001 in USA, the world has increased its focus on money laundering and terrorism financing. The nation passed its Money Laundering Act in 2004 which was revised in 2007. One agency for the enforcement of this Act is the Special Control Unit on Anti-Money Laundering (SCUML), an arm of the Economic and Financial Crimes Commission (EFCC). To give life to its activities, it operates through the National Advisory Council currently headed by a distinguished member of this Body, revered Past President H. A. Agbebiyi, FCA. Although the Institute has been sensitizing its members on the need to register with this body, not much success has been achieved because of the requirements that members must pay to register and that they will be submitting their reports every seven days to the body. It was in an effort to resolve these issues that a delegation of SCUML led by Ms Folake Bello, representing the Director of SCUML, visited the Institute to confer with its leadership. The team sought the Institute's cooperation in getting compliance from its members regarding registration with the body and submission of Cash Transaction Reports (CTRs) and Suspicious Transaction Reports (STRs) as required by law. The body also expressed its desire to forge a partnership with the Institute that will include joint capacity building initiatives and creation of awareness. Although the team was requested to forward to the Institute a documented request on areas of cooperation, Past President Agbebiyi, who was at the meeting, informed the officials of SCUML that ICAN had since been sensitizing its members on SCUML, ascertaining that the Institute is familiar with the body's existing rule but pointed out that the major issue is how to get all stakeholders to cooperate. The

team was also informed that information about SCUML was already on the Institute's website and it had been enlightening its members. It is instructive to mention that many professional bodies, elegantly described as designated non-financial institutions (DNFIs), are affected by the requirements of SCUML. Very recently, many banks have been publishing information on know your customer (KYC) criteria expected of DNFIs. I would like to express my appreciation to Past President Agbebiyi for the good work he is doing in that body.

### **Institute's Image**

13. Over the years, the Institute has maintained very visible and cordial relationship with members of the fourth estate of the realm with positive impact on its image. Since my assumption of office, I have sustained this longstanding relationship such that all our activities were given adequate publicity. This strategy has made it easier for us to reach out to our members nationwide and helped very significantly to sustain the towering image of Chartered Accountants in the comity of professionals. In the months ahead, we intend to continue with this strategy as well as press forward with aggressive marketing of the Institute and its members.

### **Forum of Firms**

14. The 2012/2013 edition of the Institute's Forum of Firms was held at the ICAN Secretariat Annexe, Ebute Meta, Lagos on August 16, 2012. This edition reviewed the International Financial Reporting Standards (IFRS) and challenges being encountered in its implementation. The views of the participants shared at the event were noted and incorporated into the topics lined up for subsequent seminars to be conducted by the ICAN faculty.

### **Courtesy Call on the Financial Reporting Council (FRC) of Nigeria**

15. Since the passage of the Financial Reporting Council (FRC) of Nigeria Act 2011, there have been a lot of issues arising from its implementation prime of which is the registration of chartered accountants with the body. The huge fees of ₦17, 500 set for registration is an issue bordering a lot of our members. Accordingly, I led a delegation of the Institute to the corporate headquarters of FRC on Friday, July 27, 2012 at Alausa, Ikeja, Lagos.

During the visit, I congratulated the Executive Secretary/Chief Executive Officer of the Council, Mr. Jim. O. Obazee, FCA on his appointment and for being the first Executive Secretary/Chief Executive Officer of the body. Thereafter, I stressed the fact that the visit was both to show support for the Council and to seek clarification on grey areas of the roles/powers of the body including who should register with the Council: firms or individuals, only members in practice or all members of the Institute, essence of registration fees when members had paid their subscriptions to ICAN, etc. In his response, Mr. Obazee welcomed me, stating that the visit will foster greater collaboration between the two bodies and promote the Government's transformation agenda. He explained that all chartered accountants are required to register with the body and that such register will be done for only financial members of the Institute. He also added that firms of chartered accountants are required to register with the Council for effective control of the profession. He promised to continue to collaborate with the Institute. Furthermore, he took questions and answers from members of the President's entourage and took time to clarify the grey areas of the Act establishing the Council. Efforts are on to improve relationships between the Institute and the Financial Reporting Council of Nigeria. Two members of the Institute- Mr. Olutayo Phillips and Dr. Etofolam Osuji have been nominated to represent the Institute on the Governing Board of the Council.

All issues raised with respect to the Institute's 2012 financial reports have been addressed and agreed with the Council.

### **Growth of Membership**

16. During the Induction ceremonies held in November, 2012, a total of 1,096 newly qualified young men and women were admitted into the disciplined Accountancy Profession. At the end of the ceremonies, (which included technical paper presentations and formal admission), the membership of our Institute rose to 36,890. We are proud of this regular contribution to capacity building in the country. I must thank all past presidents who were able to grace the occasion with their esteemed presence.

### **Association of Accounting Technicians**

17. Similarly, the membership of the AAT rose to 15,972 following the admission of 1,042 newly qualified young men and women into the fold in June and December 2012. As Past

Presidents would recall, the Accounting Technicians' Scheme now operates under the auspices of the Association of Accountancy Bodies in West Africa (ABWA). The implication of this is that the examinations under the ATS are now conducted at the same time across the ECOWAS sub-region. This is expected to enhance the acceptability of the AAT certificate across West Africa as well as facilitate reciprocity among the accountancy bodies in the sub-region. These twin advantages are expected to assist to raise the enrolment rate for the ATS which has been on the decline for some time now. Again, I express my profound gratitude to Past Presidents who graced the occasion with their presence.

### **Council Decision on Special Candidates' Course**

18. Permit me to reverently reiterate Council's decision to stop the conduct of Special Candidates' Course forthwith in response to the need to ensure uniform standards for all members of the Institute. This will also address the issue of some students of some foreign professional accountancy bodies adopting the policy of buying one and getting one free. Therefore, all qualified members of foreign professional accountancy bodies will have to sit and pass four papers: Law, Taxation, Public Sector Accounting & Finance and Advanced Taxation to meet the requirements for membership of ICAN.

### **Zonal Accountants' Conferences**

19. The Zonal Accountants' Conference has become the second most important interactive forum for members of the Institute after the Annual Accountants' Conference. These District Conferences serve as fora for members to exchange ideas about professional and national issues which can impact their various practices and businesses. The 7<sup>th</sup> Eastern Zonal Districts Conference was successfully held at Matho Crystal, Hotel, Imiringi Road, Yenagoa, Bayelsa State from Sunday, July 15 to Friday, July 20, 2012. The Deputy Governor of Bayelsa State, Rear Admiral John Jonah Gboribiogha (rtd) declared the conference open while I declared the event closed.

I am pleased to inform you that the 7<sup>th</sup> Western Zonal Districts' Conference is to be hosted by Ado-Ekiti and District Society in Ekiti State between Monday, February 11,

2013 and Thursday, February 14, 2013. I would be delighted to play host to as many members of this Body that would be willing and able to attend.

### **Visits to District Societies**

20. As part of the strategies for keeping myself abreast of the performance and adherence to the ethics of our profession, I have so far visited 12 (twelve) local district societies. Such visits have also made it easier for me to ascertain, first hand, the challenges facing our members in their various callings. It has also helped to bridge the information gap subsisting between the Institute and its members and students located in all nooks and crannies of the country. I intend to visit some more district societies within the next four months.

### **Visits to the Big Four Practicing Firms**

21. As part of the Council's initiatives to raise the quality of public practice and financial reporting in the country, I reached out to the big four accounting firms namely Akintola Williams Deloitte, PricewaterhouseCoopers (PwC), Ernst and Young and KPMG Professional Services, with a view to seeking their technical support not only for the Institute's programmes but also for small and medium-sized firms who are daily faced by rapid changes in standards and regulations and increased sophistry of the clients. They affirmed their readiness to partner with the Institute through participation in committee meetings and training programmes. I am pleased to report that some of their technical staff are actively involved in the various certification and training programmes of the Institute and they also supported the institute by sponsoring their staff and made financial donations towards the 2012 Annual Accountants' Conference.

### **Visits to Tertiary Institutions**

22. Let me note with all sense of responsibility that the future of the Institute is inextricably tied to how well it can continue to attract new entrants into the profession. This attraction can best be driven by the creation of awareness among students. Thus, in order to catch them young, I have so far visited fourteen (14) tertiary institutions in the country. In the course of these visits, I had various discussions with Students, Vice-Chancellors, Rectors and management of the Institutions on how the Institute can partner with them. Text

books, desk top computers and cash donations for maintenance and purchase of consumables were donated by the Institute to these tertiary institutions.

**23. Visit by Association of Tuition Houses**

Representatives of the Association of Tuition Houses paid a courtesy call on me on Tuesday, October 23, 2012 at the Secretariat, Victoria Island, Lagos. The team led by the chairman of the Association, Mr. Adeniyi Adeniji, FCA, congratulated me for successfully hosting the 2012 Accountants' Conference and made very useful suggestions to improve the Institute's examination process particularly because the quality of students being produced by the Institute had fallen. In particular, he called for the reintroduction of apprenticeship/articleship and forging of closer ties with tuition houses and accredited tertiary institutions.

In my response, I apprised them of the various initiatives of Council to remedy the issues listed such as: the review of the syllabus to incorporate IFRS; scrupulous enforcement of the practical training requirements and effective monitoring of articleship of prospective members in practice; "catch them young" programmes being introduced to secondary schools; beefing up of the accreditation process, etc. While thanking them for the visit, I assured them that the Council will look into all their suggestions. I promised to pay visits to some of the Tuition Houses before the end of my tenure. I also suggested that the association should meet with the Institute every other month for updates on goings-on at Tuition houses.

**Visit of Association of National Accountants of Nigeria**

24. The President of the Association of National Accountants of Nigeria (ANAN) and her entourage paid me a condolence and courtesy call on Monday, June 18, 2012 at the Institute's Secretariat, Victoria Island, Lagos. ANAN President and Chairman of Council, Hajiya Maryam Ladi Ibrahim, FCNA, FIMCA condoled with us on the loss of members and staff of the Institute in the recent Dana Air crash. She informed the President that ANAN also lost two of its members in the crash. In her address, Hajiya Ibrahim apologised for not being able to attend my Investiture and offered her congratulations. In

addition, she thanked the Institute for recommending the Association to IFAC and PAFA and also for sending its members to check the Association's journals and practice in a bid to prepare them for becoming a member of IFAC.

25. She commended the Institute for working in the best interest of the profession, stating that her Association will continue to seek the advice of ICAN as regards best practices and how to remedy the lapses observed in the Association's practices. She expressed ANAN's willingness to work with the Institute and reminded the Institute that the Association was yet to receive a response as regards its membership of ABWA. Hajiya Ibrahim suggested that all accounting professionals in the country should come together to contribute and develop the economy adding that they should form a common front and reject some policies working against the profession in the country. She stated that every accountant in the country, irrespective of the body it belongs, should speak with one voice on issues concerning the profession.
26. In my response, I condoled with ANAN on the loss of its members that died in the plane crash while also thanking the Association for the visit. I reassured the Association that there was no going back on progress made so far between the two bodies and commended the ANAN Council on the body's full membership of PAFA, and Associate membership of IFAC. I assured the Association that both bodies will continue to work together in the best interest of the profession. I appealed to the Council of ANAN not to compromise the good things it was known for and that the Institute was happy with the standard the Association had attained after reviewing the report submitted by those that were given the assignment to look through their practices. I also assured the Association of the Institute's willingness to support it on technical issues and in any other area where ICAN's support is needed.

### **2<sup>nd</sup> Annual Public Lecture of Chartered Accountants in Lagos State Public Service**

27. As part of programmes aimed at building bridges of understanding between public sector leaders and chartered accountants involved in the financial reporting chain, the 2<sup>nd</sup> Annual Public Lecture organized by Chartered Accountants in the Lagos State Public Service was held at the Sheraton Hotel & Towers, Ikeja, Lagos on Thursday, June 14<sup>th</sup>, 2012. I was

invited as the Chief Host of the event. The theme of the well attended and very successful lecture was “Accounting & Accountability in the Oil and Financial Sectors.

### **Visits to State Governors**

28. During the period under review, I paid courtesy visits to the Executive Governors of Ogun, Osun, Ekiti and Enugu States to solicit for the employment of more chartered accountants in their various State Civil Services. The Executive Governors commended members of the Institute in the employ of their states and they promised to engage more. I was assured by the State Governments that more members would be sponsored to benefit from capacity building programmes organised by the Institute. They also expressed their readiness to partner with the Institute in areas that would be of immense benefit to both parties and the society at large.

### **COURTESY CALL BY THE EXECUTIVE MANAGEMENT OF SIAO FIRM OF CHARTERED ACCOUNTANTS**

29. The firm of SIAO led by its Managing Partner, Pastor Ituah Ighodalo, FCA, paid a courtesy call on me on Friday, August 23, 2012 at the Secretariat, Victoria Island, Lagos. Stating the reasons for the visit, Pastor Ighodalo informed me of the full support of the firm for the Institute and suggested that the Institute:

- Drive the accounting profession more aggressively
- Grow the local accounting firms and build a broader base of capable accounting firms
- Employ more chartered accountants and encourage employers of labour as per the advantages of employing them.
- Encourage government to be more strict about auditing, make stronger legislation for tax and better appreciate the accounting profession
- Pressure all levels of government to give local accounting firms more respect and encouragement and end discrimination against them
- Help to create a free, unbiased competitive environment for local firms and thus minimise sharp practices caused by fear of being edged out of getting jobs

- Should play a bigger role in the nation's economy by reviewing the budget, commenting more on national issues and supporting the government in every way possible.

In my response, I assured the firm that the Institute was mindful of the issues raised and apprised them of the steps being taken by ICAN, IFAC and the World Bank to address these issues such as mentoring of small firms, sponsoring the Whistle Blowers' bill, quality control/peer review and programmes designed to improve the technical knowledge of members, amongst others. I thank them for their unsolicited suggestions which were borne out of their love for the Institute and profession.

## **DEFENCE OF THE ICAN ACT**

### **ICAN Vs. CITN Case**

30. The appeal instituted against the judgment entered in favour of CITN by the Lagos High Court is still subsisting at the Court of Appeal. The Council has no intention whatsoever to discontinue the case. We are informed that the Court of Appeal will deliver its judgement on February 18, 2013.

However, the ECC received in audience a delegation of the Body of Past Presidents of the Association of Professional Body of Nigeria on Wednesday, January 16, 2013. Their mission was to seek an out of court settlement between ICAN and CITN. While we were not averse to settlement, we laid our cards on the table: chartered accountants must continue to practice taxation without becoming members of CITN; Chartered accountants will not write examinations to become members of CITN if they choose to join the body. They promised to engage the leadership of CITN to reach an amicable resolution of the avoidable impasse. Although they requested for a joint meeting of ICAN/CITN/APBN to resolve the issues before February 18, 2013 when the Appeal Court is expected to give its judgement, we were non-committal on date of meeting.

### **31. Review of the ICAN Act**

No positive development had occurred in the last eight months on the draft bill on main ICAN Act which is currently before the National Assembly. We are currently making

informal consultations with our members in the National Assembly on the best way forward. We would appreciate the support of members of this august body in this regard.

## **PUBLIC SERVICE**

### **32. Liaison with Government**

Since my assumption of office, I have considered it necessary to reach out to government functionaries in order to continue to build bridges of understanding between the Institute and the government. Pursuant to this, I visited key government officials including the Honorable Minister of Education, The Auditor General of the Federation, The Accountant General for the Federation and the Acting Executive Chairman, Federal Inland Revenue Services. Besides the warm reception received in all the places visited, ideas on how to move the accountancy profession and the national economy issues forward were exchanged. They all expressed their desire to sustain the relationship existing between their agencies and the Institute.

### **Invitation to Presidential Retreat For Civil Society Organizations And Professional Associations Held At The State House, Abuja**

33. The Institute was also represented at Presidential Retreat for Civil Society Organizations and Professional Associations organised by the Office of the Secretary to the Government of the Federation, Government House, Abuja which was held at the Banquet Hall, State House, Abuja on Thursday, September 6, 2012. The retreat was organized to obtain stakeholders contributions to the proposed amendments to the Nigerian Constitution.

### **Inauguration of the Intergovernmental Relations Committee (IGRC) in Abuja**

34. To further strengthen the relationship of the Institute with government, I inaugurated the revamped Inter Governmental Relations Committee of the Institute at the Sheraton Hotel, Abuja on September 17, 2012. The reconstituted committee has since been making significant inroad into hitherto difficult sectors of the government.

## **INTERNATIONAL ACTIVITIES**

### **Mentoring of Other Professional Bodies**

35. The processing of the applications of the Institutes of Chartered Accountants (ONECCA) of Burkina Faso and Mali for membership of IFAC are in progress. This was made possible by the mentoring activities given to these bodies by ICAN. Members of this body will recall that the Institute was nominated for this public interest service by ABWA. Teams were sent to the two Institutes last year to provide the technical support they need to complete the application forms and other documentation required by IFAC.

### **ACCA Visit to the Secretariat**

36. The representatives of the Association of Chartered Certified Accountants (ACCA) in Nigeria led by its country manager, Mrs. Oluwatoyin Ademola paid a courtesy call to the Secretariat. Arrangements are being made to review the existing MoU between ACCA and ICAN and also consider other areas of partnership like joint training in IFRS to enable their members who are also ICAN members to fulfill their MCPE requirements.

### **PAFA-PHCFC Meeting in Johannesburg**

37. I led a delegation of the Institute comprising the Immediate Past President, Vice President and the Registrar/Chief Executive to the first meeting of the Pan African Federation of Accountants on Planning Human Capital & Finance Committee (PAFA-PHCFC) which was held at the PAFA office in Johannesburg in South Africa from Saturday, July 28-Thursday, August 2, 2012.

### **IFAC and PAFA Meetings at Cape Town**

38. The Institute was ably represented at the IFAC Council meeting and the World Bank Stakeholders Forum organized to help PAFA improve. Both meetings were held in Cape Town, South Africa from November 10 - 21, 2012. Issues confronting the global accountancy profession were extensively discussed at this meeting.

### **Visit to USA and UK District Societies**

39. In line with the Institute's tradition and as part of efforts to monitor the welfare of members abroad, I visited the USA & District Society of the Institute where the Special Candidates' Course was held for seventeen (17) candidates and Induction ceremony for twenty (20) candidates. Five (5) candidates were conferred with the Institute's Fellowship status. I also used the opportunity to visit and hold discussions with the Presidents of sister professional bodies in the USA. I also attended the Annual Charity Dinner & Dance of the UK District. It is my pleasure to inform this body that new District Bye Laws were launched in the USA and UK districts during the visit. The harmonized Constitution and Bye-Laws were adopted to standardize operations of District Societies and reduce incidences of friction amongst members. This will also enhance the ability of District Societies to deliver on their mandate.

### **Visit to Malaysian Institute of Accountants**

40. I also visited the Malaysian Institute of Accountants from November 25-28, 2012 as part of our participation at the MIA's International Conference. The occasion afforded me an opportunity to discuss issues that were of mutual benefits to the two professional bodies. Exploratory discussions were also initiated with officials of the UUM, one of the leading Universities in Malaysia for recognition of ICAN certificates for admission into various courses offered by the University.

### **Joint UNCTAD-ISAR IFRS Foundation Accounting Education Forum In Geneva**

41. As part of Council's effort to be abreast of developments in accounting education particularly in this IFRS-reporting age, I led a delegation of the Institute comprising the Vice President and Registrar/Chief Executive to attend the Joint UNCTAD-ISAR and IFRS Foundation Accounting Education Forum in Geneva which was held from Saturday, October 27 to Thursday, November 2, 2012. The seminar was very revealing. Our report will provide further input into the review of the professional examination syllabus.

### **SECRETARIAT**

42. **Retirement of the Registrar/Chief Executive**

On May 18, 2012, that is, towards the end of last Presidential year, Mr. Olutoyin Adeagbo Adepate, FCA, OON, erstwhile Registrar/Chief Executive gave notice of his voluntary retirement from the services of the Institute after 21 years of meritorious service. The Council accepted his retirement. His retirement has since taken effect, while the Council has appointed one of the two Deputy Registrars, Mr. Olusoji O. Odukoya (Deputy Registrar, Admin Services) in acting capacity while the firm of PwC has been contracted to assist with the recruitment of a substantive Registrar/Chief Executive. The two Deputy Registrars were not precluded from applying. We hope that the exercise will be concluded before the end of February, 2013.

#### **Conduct of Examination and Interview for Secretariat Staff**

43. In order to raise the quality of the Staff manning various positions at the Secretariat, a new performance appraisal system which includes written examinations and interview was introduced. To be promoted, you must be recommended by Management, be successful at both the written and oral interview sessions and there must be vacancy for the new post. The Financial Institutions for Training Centre (FITC) in Lagos conducted the first set of the examination and interview for Secretariat Staff. Those that excelled had been promoted to fill the available vacancies.

#### **Staff Audit**

44. In response to some issues that came up during the Council-Management retreat, a staff audit was commissioned to evaluate Management effectiveness and application of available human resources to the needs of the Institute. Most of the recommendations from the exercise, approved by the Council, have been implemented.

#### **Staff Welfare and Capacity Building**

45. The Institute purchased a new coaster bus to ameliorate the transportation problems of Secretariat Staff within Lagos metropolis. Also, staff of the Institute were sent for training in prominent institutions to expose them to global best practices and sharpen their management skills. This trend will continue in the New Year to enhance the quality of services provided by our staff.

### **Peaceful Labour/Management Relations**

46. There has so far been a peaceful industrial atmosphere in the Secretariat during this presidential year. I have also adopted an open door policy with all secretariat staff.

### **Institute's Property Amuwo-Odofin and Abuja**

47. The ICAN centre in Amuwo Odofin has continued to attract patronage and also used for majority of the Institute's activities thereby increasing the income base and saving cost. The Akintola Williams House in Abuja is functional and is being strategically used for the Institute's businesses in the nation's seat of Government. The second phase of the office will soon commence.

### **Conclusion**

48. Let me end this mid-term stewardship report by thanking all of you, once again, for finding time to honour my invitation to this luncheon. I particularly feel greatly honoured to have been given the opportunity to bear the Institute's mantle of leadership for the 2012/2013 presidential year. I assure you that I will continue to defend and uphold the high standards and cherished values of our noble Institute.

49. Thank you and God bless.

**Mr. Adedoyin Idowu Owolabi, BSc (Econs), MILR, MNIM, FCA**

**48<sup>th</sup> ICAN President**

**January 30, 2013**