



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA

(Established by Act of Parliament No. 15 of 1965)

www.icanig.org

2020

ANNUAL REPORT & AUDITED FINANCIAL STATEMENTS





Contents

| | |
|----|--|
| 2 | Notice of Meeting |
| 3 | Officers and Council |
| 4 | Past Presidents |
| 6 | President's Statement |
| 23 | Reports of Committees of Council |
| 55 | Honorary Treasurer's Report |
| 57 | Independent Auditor's Report |
| 60 | Statement of Comprehensive Income |
| 61 | Statement of Financial Position |
| 62 | Statement of Changes in Members' Funds |
| 64 | Statement of Cash Flows |
| 65 | Notes of Financial Statements |
| | Other National Disclosures |
| 93 | Statement of Value Added |
| 94 | Five-Tear Financial Summary |

VISION STATEMENT

To be a leading global professional body

MISSION STATEMENT

To produce world-class Chartered Accountants, regulate and continuously enhance their ethical standards and technical competence in the public interest



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

56th ANNUAL GENERAL MEETING

Notice is hereby given that the 56th Annual General Meeting of The Institute of Chartered Accountants of Nigeria (ICAN) will hold at the ICAN Centre, Plot 12, Kofo Kasumu Street, Lakeview Estate, Amuwo Odofin, Lagos and virtually on Friday, May 28, 2021 at 11:00am to transact the following business:

AGENDA

1. To Adopt the Minutes of The Annual General Meeting Held on May 31, 2020
2. To receive the Annual Report of Council, Financial Statements for the year ended December 31, 2020 and the External Auditors' Report thereon.
3. To appoint the Auditors and authorize Council to fix their remuneration.
4. To elect members of the Governing Council.



By Order of Council.

Dated this 4th Day Of May, 2021

Prof. Ahmed M. Kumshe FCA
Registrar/Chief Executive.



LIST OF OFFICERS & COUNCIL MEMBERS 2020/2021

PRESIDENT

Onome J. Adewuyi (Dame) BSc, MSc, FCIB, FCA

VICE PRESIDENT

Comfort Olu Eyitayo (Mrs) mni, FCA

1ST DEP. VICE PRESIDENT

Tijjani M. Isa (Mallam) BSc, M.IoD, FCA

2ND DEP. VICE PRESIDENT

Innocent Okwuosa BSc, MSc, PhD, FCIB, FCA.

IPP

Nnamdi A. Okwuadigbo (Mazi) BSc, FCA

HONORARY TREASURER

Oluwatobi A. Abiola HND, BSc, FCA

Abubakar I. Adamu (Air Vice Marshal) HND, BSc, MSS, mni, FCA

Titilola A. N. Akibayo (Mrs) MBA, FCTI, FCA

Oye Akinsulire (Chief) MSc, MBA, FNIM, FCA

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

Ezekiel A. Anagha (Chief) BSc, FCA

Chibuzor Noel Anyanechi BSc, MBA, FCA

Adedeji Abiodun Awobotu (Hon) M.IoD, FCA

Ada C. Chidume-Okoro (HRM) BSc, MSc, FCA

Mathias J. Dafur MSc, MBA, FCA

Michael Folusho Daudu FCA

Samson Adewale Disu (Revd) BSc, MSc, CFA, FCTI, FCA

Jude Sunny Egbo MBA, ACTI, MNIM, FCA

Omehe Gaddafi P. Ekoragbon HND, FCA

Nasiru Muhammad (Hon.) BSc., MSc., FICA, FCTI, CPFA, FCA

Sylvester Nwanna PGDE, MSc, MBA, MCIM, FCA

Seun Oderinde FCA

Ngozi Monica Okonkwo (Lady) MSc, ACIB, FCA

Jamiu Adeyemi Olakisan HND, BSc, ACS, FCA

Tajudeen Adewale Olayinka BSc, MBF, FCA

Etofolam F. Osuji (Dr) mni, MSc, FCTI, FCA

Hilda O. Ozoh (Mrs) MBA, FCA

Queensley Sofuratu Seghosime (Mrs.) mni, MBA, FCA

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

REGISTRAR/CHIEF EXECUTIVE

Ahmed Modu Kumshe (Prof.) FCA

PAST PRESIDENTS

THE ASSOCIATION OF ACCOUNTANTS IN NIGERIA (The Forerunner of the Institute)

| | |
|-------------|---|
| 1960 – 1961 | Akintola WILLIAMS , CBE, CFR, B.Com., FCA |
| 1961 – 1962 | Akintola WILLIAMS , CBE, CFR, B.Com., FCA |
| 1962 – 1963 | Frank Cuthbert Oladipo COKER , CFR, B.Com., FCA (Deceased) |
| 1963 – 1964 | Frank Cuthbert Oladipo COKER , CFR, B.Com., FCA (Deceased) |
| 1964 – 1965 | Frank Cuthbert Oladipo COKER , CFR, B.Com., FCA (Deceased) |

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA

| | |
|-------------|--|
| 1965 – 1966 | Frank Cuthbert Oladipo COKER , CFR, B.Com., FCA (Deceased) |
| 1966 – 1967 | Ephraim Adekunle OSINDERO (Otonba), MON, FCA (Deceased) |
| 1967 – 1968 | Herbert William BOND , FCA (Deceased) |
| 1968 – 1969 | Zacchaeus Oludayo OSOSANYA , FCA (Deceased) |
| 1969 – 1970 | Alfred EHREN , FCA |
| 1970 – 1971 | Felix Bankole CARDOSO , FCA (Deceased) |
| 1971 – 1972 | Emmanuel Ayodele ODUKOYA (Archdeacon), FCA (Deceased) |
| 1972 – 1973 | Musliu Olaiya ANIBABA (Chief), FCA |
| 1973 – 1974 | Vincent Obajimi Adebisi OGUNBA , FCA (Deceased) |
| 1974 – 1975 | Julius Akinyokun OWOSEN (Chief), FCA (Deceased) |
| 1975 – 1976 | Michael Adepoju ADEYEMO (Prof.), MSc (Econs.), FCA (Deceased) |
| 1976 – 1977 | Cecil Oyeniyi Olurotimi OYEDIRAN , BSc (Econs.), MFR, FCA |
| 1977 – 1978 | Anthony Asuquo ANI (Chief), MON, FCA |
| 1978 – 1979 | Arthur Christopher Izuogunam MBANEFO (Chief, Amb.), (Odu III), MFR, CON, FCA |
| 1979 – 1980 | Joseph Akintunde Alaba ADEBAYO (Prince), FCA |
| 1980 – 1981 | John Adepoju BALOGUN (Sir), FCA (Deceased) |
| 1981 – 1982 | Idris Onaolapo SULAIMON (Alhaji), FCA (Deceased) |
| 1982 – 1983 | Olusola FALEYE (Chief), FCA (Deceased) |
| 1983 – 1984 | Dolanimi Babafemi Olabamidele OGUTUGA , FCA |
| 1984 – 1985 | Johnson Kayode Osiyemi OSINAIKE , FCA (Deceased) |
| 1985 – 1986 | Adedoyin Olayide OGUNDE (Otonba), FCA (Deceased) |
| 1986 – 1987 | Samie Aremu WILLIAMS , FCA (Deceased) |
| 1987 – 1988 | Johnson Olaobaju Olabisi OMIDIORA (Balogun), BSc, OON, FCA (Deceased) |
| 1988 – 1989 | Ebenezer Folorunsho OKE (Chief), BSc, FCA (Deceased) |
| 1989 – 1990 | Bola KUFORIJI-OLUBI (HH, Otonba Ayora, Dr.) BSc, OON, FCA (Deceased) |
| 1990 – 1991 | Michael Ayodeji ONI , BSc, FCA |
| 1991 – 1992 | Cornelius Oladipupo Sunday OSENI , BSc, FCA (Deceased) |
| 1992 – 1993 | Oluwale Alani ADEOSUN (Chief), BSc, OON, FCA (Deceased) |
| 1993 – 1994 | Ismaila USMAN (Mallam), FCA |
| 1994 – 1995 | Olutoyin Olusola OLAKUNRI (Chief, Mrs.), OFR, FCA (Deceased) |
| 1995 – 1996 | Simeon Olusola OGUNTIMHIN (High Chief, Sir), OON, FCA |
| 1996 – 1997 | Emmanuel Itoya IJEWERE , FCA |
| 1997 – 1998 | Agnes Adenike ADENIRAN (Princess), FCA |
| 1998 – 1999 | Ike NWOKOLO (Dr., Sir, Chief), OFR, KSC, ATII, FCIT, FIMC, CMC, FBR, FCA (ICAEW), FCA |
| 1999 – 2000 | Adeboye Olugboyega BADEJO (Chief), FCA |
| 2000 – 2001 | Herbert Adewole AGBEBIYI , KJW, FCA |
| 2001 – 2002 | Ugochukwu Stephen NWANKWO (Chief), MON, FCA (Deceased) |
| 2002 – 2003 | Felix Kolawole BAJOMO (Senator, Chief), mni, FCA |
| 2003 – 2004 | Jaiye Kofolaran RANDLE (Bashorun), CFR, FCA |
| 2004 – 2005 | Ibironke Mojisola OSIYEMI (Mrs.), FCA |
| 2005 – 2006 | Abdul Lateef Adebayo OWOYEMI (Alhaji, Otonba), FCA |
| 2006 – 2007 | Catherine Ginikanwa OKPAREKE (Chief, Dr., Mrs.), mni, B.A, MBA, D(Lit.), MNIM, FCA |
| 2007 – 2008 | Adebajo Abiodun BABINGTON-ASHAYE (Prince), FCA (Deceased) |
| 2008 – 2009 | Elizabeth Omeresan ADEGITE (Chief, Mrs.), BSc, MBA, FCA |
| 2009 – 2010 | Sebastian Achulike OWUAMA (Major-General ret'd.), BSc, FCA |
| 2010 – 2011 | Francis OJAIDE (Professor), MSc, PhD, OON, FCA |
| 2011 – 2012 | Adedoyin Idowu OWOLABI , BSc, MILR, FNIM, FCA |
| 2012 – 2013 | Kabir Alkali MOHAMMED (Alhaji), mni, FCIS, CGMA, MFR, FCA |
| 2013 – 2014 | Chidi Onyeukwu AJAEGBU , FCS, MBF, FCA |
| 2014 – 2015 | Samuel Olufemi DERU (Otonba), FNIM, JP, FCA |
| 2015 – 2016 | Titus Alao SOETAN (Deacon), FCA |
| 2016 – 2017 | Isma'ila Muhammadu ZAKARI (Mallam), mni, BSc, FBR, FCA |
| 2018 – 2019 | Alhaji Razak A. JAIYEOLA , BSc., ACFE, CRISC, FCA |





Onome Joy Adewuyi (Dame) BSc, MSc, FCIB, FCA
ICAN PRESIDENT



ICAN President, Dame Onome Joy Adewuyi and her entourage with Deputy Senate President, Senator Ovie Omo-Agege

PRESIDENT'S STATEMENT

INTRODUCTION

The 2020/2021 Presidential Year of our great Institute began at the time that the entire world was apprehensive due to the spread and depth of the coronavirus (COVID-19) pandemic. It was at the peak of this apprehension that I assumed the leadership of the over 53,000 Chartered Accountants. Emboldened by the solid foundation laid for the Institute by our founding fathers, the robust institutional framework and our knowledge of the Institute's workings, the Governing Council remained undaunted by the challenges caused by the pandemic. We were very clear on our agenda to Reposition ICAN for Greater Visibility. In retrospect, I give the Almighty God all the glory for the resounding success we recorded in the Presidential Year, in spite of the COVID-19 crisis. I also wish to thank my colleagues on the Governing Council for the camaraderie that guaranteed the achievements of the agenda we set at the beginning of the year. We were able to prove to the world that, with steely determination for success and impact, challenges only bring out the ingenuity in people.

I wish to particularly acknowledge the over 53,000 members of the Institute for your understanding and support during the pandemic. We had to make drastic choices to ensure that our mandate to act in the public interest

and build capacity of Chartered Accountants were not compromised. We appreciate you all for your understanding and support that ensured the smooth transition of most of our activities online. The pandemic challenged us but did not impact negatively on our commitment to continue to provide world class services to the Institute's stakeholders. We were able to sustain the ICAN brand as a truly global professional body.

AN OVERVIEW OF THE ECONOMY

It is trite to state that the year 2020 was a peculiar year in many respects. It was the year the whole world battled the COVID-19 pandemic which unfortunately decimated lives and livelihoods in the developed and less developed countries. As at date, over 150 million



Dame Onome Joy Adewuyi FCA, taking her oath of Office as the 56th ICAN President

have contracted the disease globally while about 3 million have died from it. In Nigeria, 170,000 have tested positive with over 2,000 deaths! These are not just statistics but human beings. We would forever mourn and remember the memories of those we lost to COVID-19 and pray that their gentle souls rest in perfect peace. Evidently, no nation was immune from the virus' devastating effects! Thankfully though, the development of vaccine against the virus is yielding the desired result as the number of cases and deaths are now on the decline.

The growth projections in the country were reviewed several times during the year under review. At the beginning of the year 2020, the World Bank estimated a 2.1% growth for the country. As at the end of the 1st quarter of 2020, the growth rate was 1.87% while by the 3rd quarter of the year, the country had witnessed two quarterly negative growth rates of 6.1% and 3.2% in Q2 and Q3 respectively. This led to the official declaration of the country plunging into its worst recession in years. The country however remained resilient as it came out of the recession in the 4th quarter with a modest growth of 0.11%.

The inflation rate as at January 2020 was 12.13% and the year ended with an inflation rate of 15.75%, the highest in three years. Some of the factors attributed to the increase in the inflation rate include difficulty in accessing foreign exchange, operational difficulties in Nigeria's ports, insecurity disrupting farming activities, protracted civil crisis between the Fulani herdsmen and farmers among others. The National Bureau of Statistics reported that as at 4th quarter 2020, unemployment increased to 33.3% in the country in sharp contrast to the 27.1% in the 2nd quarter of the same year. According to Proshare, the misery index of the average Nigerian household went up in 2020. The index is calculated by adding the seasonally adjusted annual rate of unemployment and the annual rate of inflation.

The revenue generation potential of the country was largely and negatively impacted as the COVID-19 pandemic paralyzed most business activities. Worldwide, the demand for crude oil fell rapidly as governments closed businesses and restricted travel due to the pandemic. In April 2020, an oversupply of oil led to an unprecedented collapse in oil prices, forcing price to plummet from \$18 a barrel to around - \$37 a barrel. By the end of the year, optimism over the

possible rollout of multiple COVID-19 vaccines improved the crude oil market performance with prices hovering around \$43 a barrel.

In spite of the decline in revenue generation potentials, government rolled out various palliatives to cushion the effect of the pandemic on citizens. Some of the palliatives for businesses include extension of moratorium on all principal repayments of its intervention facilities for one year; reduction of interest rates on all Central Bank of Nigeria (CBN) intervention facilities from 9% to 5% per annum; creation of a N50 billion targeted credit scheme for households and small- and medium-sized enterprises that have been particularly hard hit; provision of N1 trillion in loans to boost local manufacturing and production across critical sectors; extension of the due date for filing of companies' income tax returns;



ICAN President, Dame Onome Joy Adewuyi FCA, with Lagos State Governor, Babajide Sanwo-olu during a courtesy visit to the governor in his office at Alausa, Lagos

among others.

It was in the midst of this pandemic and its inevitable disruptions and turbulence that the Institute operated. In line with government approved protocols, the modus operandi of the Institute had to change remarkably. Notwithstanding the unusual challenge which no one could have predicted, the Council under my leadership made significant progress. I am therefore pleased to present the account of our stewardship for the 2020/2021 Presidential Year.

1. REGULATION OF THE ACCOUNTANCY PROFESSION

a. Review of Syllabus and Training Curricula of the Institute

The world is changing rapidly and so are the skills and competences required by professional accountants to meet the needs of their diverse stakeholders and to add value. Thus, as a proactive professional body and in line with the Institute's statutory responsibility of setting standards and regulating the accountancy profession in Nigeria, the Council resolved to review its syllabus more frequently than the previous five-year review cycle in order to sustain the relevance and competitiveness of the ICAN certificate. Pursuant to this, the Council carried out a review of the subsisting



The Head of National Office, Nigeria, West Africa Examination Council (WAEC), Mr Patrick Ehidiamen Areghan receiving the reviewed syllabus and curriculum of WAEC from the ICAN President Dame Onome Joy Adewuyi FCA

Institute's professional examination syllabus and training curricula which has been in use since 2018 because of the fundamental changes that have occurred in our environment. The review of the professional examinations syllabus was completed and launched on September 25, 2020.

Let me add that the new syllabus now incorporates a body of knowledge in emerging technologies which are impacting the profession, such as Blockchain Technology, Artificial Intelligence, Machine Learning and Internet of Things. It also contains pieces of legislation that have significant implications for the Profession like the Finance Act, 2020, the Companies and Allied Matters Act (CAMA) 2020 as well as the Institute's Accountability Index (ICAN-AI). Examinations under the new syllabus will commence in November 2021 to allow for a hitch-free transition and the revision of the relevant study texts. The Council is committed to producing future-ready chartered accountants who will continue to fly the ICAN brand with distinction in their respective spheres of influence.

b. Review of Syllabi of Tertiary Institutions

As part of its obligation of raising the quality of accountancy education, the Institute undertook a review, pro bono, the syllabi of the National Universities Commission (NUC), National Board for Technical Education (NBTE), West African Examinations Council (WAEC), National Examinations Council (NECO) and the Joint Admissions and Matriculation Board (JAMB). One of our findings, for instance, indicated that the NBTE curriculum was reviewed last in 2004. We also discovered that some of the courses currently being taught in the various tertiary institutions are no longer relevant to accounting practice today. We presented these findings and our recommendations to the leadership of these bodies and they expressed their delight at the proactive initiative of the Institute and their willingness to further collaborate in deepening the quality of accounting education in the country.

c. Computer Based Testing (CBT)

The Institute initiated discussions with stakeholders to facilitate the commencement of Computer Based Testing (CBT) policy. Pursuant to this, we had a virtual meeting with the leadership of the Indian Institute in August 2020 to learn from their experiences in the conduct of online examinations. The President of the Indian Institute and his team gladly shared their experiences with the Institute's team. As we explore this opportunity, the Council is encouraging and supporting its accredited Tuition Centres to become centres of excellence in the delivery of online preparatory classes against the backdrop of the demand for physical distancing arising from the COVID-19 pandemic. We are persuaded that a transition to online examinations would enable Nigerians in diaspora to sit for the Institute's examinations irrespective of the time zone difference.

d. Conduct of Examinations

Despite the aforementioned challenges of COVID-19, the Council successfully conducted its usual two diets of the Accounting Technicians Scheme West Africa (ATSWA) and Professional Examination. This feat was not easy to achieve as the Institute had to engage the government and its agencies to obtain the permission of the Presidential Task Force (PTF) on COVID-19 to conduct the examinations after satisfying the requirements of the Protocols. However, the plan to

commence the conduct of three diets had to be put on hold because of the pandemic. It is very important to note that the on-screen marking model was the greatest tool that made it possible for us to conduct all the planned exams despite the COVID-19 disruptions.

2. GROWTH IN MEMBERSHIP

Within the period under review, the Council held induction ceremonies to admit students who successfully completed the qualifying examinations and satisfied the other requirements for membership of the Institute and the Accountancy Profession. The total membership strength of the Institute as at May 2021 is 52,532 from a modest beginning of 250 in 1965. During the Presidential Year, a total of 629 new members were admitted into the AATWA family bringing its membership to 25,737 as at May 2021.

3. SMALL AND MEDIUM-SIZED PRACTICES (SMPs)

As part of the strategies to enhance the quality of professional practices especially by Small and Medium-sized Practices (SMPs) in the country, Council directed the SMP Committee to engage these practitioners with a view to addressing their challenges.

We issued Guidance Notes to our members in SMPs to assist them in manoeuvring this unique time in history. The special COVID-19 Resources hub on the website warehouses relevant materials for different sizes of firms. The Volume 2 Number 3 September 2020 edition of the Technical Bulletin focused on Entrepreneurship and SMEs – Bookkeeping, Taxation and Relevant Laws. The Bulletin provided the necessary guidance to practitioners in the SMPs on these areas of accounting.

The Entrepreneurship Committee held two seminars within the year to train and mentor members on the acquisition of entrepreneurial skills. The virtual seminars were successful and had over 1000 participants each.

4. PRACTICE MONITORING

In line with IFAC's Statement of Membership Obligations, the issue of quality control through practice monitoring is germane to rebuilding and sustaining the confidence of stakeholders in corporate reports and integrity of professional accountants in practice. Due to restrictions to physical distancing, the Practice Monitoring subcommittee had to re-

strategise, and consider the possibility of virtual monitoring. The process is still ongoing.

We have lifted the temporary suspension on the practice monitoring programme and engaged experienced practice reviewers to refine the modalities and update the practice review documents. The Practice Monitoring subcommittee



ICAN President Dame Onome Adewuyi FCA, presenting a copy of the reviewed Curriculum of the accounting programmes of Nigerian Universities conducted by ICAN to the Executive Secretary of National Universities Commission, Prof. Abubakar Rasheedmni, MFR

wrote to twenty (20) firms and the review exercise has started in Lagos.

5. FOREIGN EMBASSIES AND MEMBERS IN DIASPORA

It is common knowledge that many members have migrated to other countries in quest for sustainable greener pasture. In response, the Council established District Societies in UK, USA, Canada, Cameroon and Malaysia to cater for their professional needs.

Council, under my leadership, followed up on collaborations with foreign embassies by approving a Strategy Document for the Institute with a delineated five-year plan to placing the Institute more prominently in the public view. Also, an Advocacy Framework, approved by Council, itemized actions required to productively engage these embassies. We endeavoured to consolidate the Institute's relationships with the foreign embassies in order to assist our members in Diaspora with their immigration challenges, should they require assistance in their countries of Residence.

6. ICAN UNIVERSITY PROJECT

The idea to establish an ICAN University has been in

the strategic plan of the Institute for quite some time. Although an Adhoc Committee was set up to midwife the initiative in 2017, not much was achieved. Based on credible information that the National Universities Commission (NUC) has not started accrediting full online university which the Institute had desired, the Council sought the opinions of experts who advised it to apply for a specialized university licence and thereafter, decide on the model of delivery of the courses. Pursuant to this, Council set up a Planning and Implementation Committee (PIC) on the

is to begin to equip ICAN to bid for the hosting of World Congress of Accountants Conference (WCOA) soon.

8. ICAN RESOURCE CENTRES

As part of the strategies to make accounting education accessible to potential members across the country, the Institute initiated the ICAN Resource Centre policy. This involves the provision of N25 million counterpart fund by a donor while ICAN will provide similar amount to build and furnish the resource centre.

I am delighted to report that this initiative has received great fillip from prominent members of the Institute. It is worthy of mention that Alhaji Awa Ibraheem, FCA provided the counterpart fund in the sum of twenty-five (25) million Naira for the building of Awa Ibraheem ICAN Resource Centre, Offa. The groundbreaking ceremony took place on July 7, 2020. In attendance at the ceremony were the donor, Alhaji Awa Ibraheem, FCA; HRM, Olofa of Offa, Oba Mufutau Esuwoye II; Members of



ICAN team with the Principal Officers at the Nigeria Police Academy, Kano

proposed specialised university. The mandate of the Committee, which comprised respected Professors of Accounting, was to put in place strategies that would enable the Institute obtain the requisite NUC licence for the specialized university and commence operations by September 2021.

I am pleased to report that arrangements have reached an advanced stage to secure the NUC licence for the university. On May 22, 2021, we had the groundbreaking ceremony of the proposed university and the commissioning of the temporary site for the proposed university.

7. PROPOSED ICAN INTERNATIONAL CONFERENCE CENTRE

In one of our stakeholders' engagements with the FCT Minister and Director of Land Administration of the FCT, we requested for the award of 30 hectares of land in a choice place in the FCT to serve as the ICAN International Conference Centre. We have submitted the necessary documents and are hopeful that this request would be granted.

The office of the Director of Land has subsequently requested that the Institute identify a suitable location. If approved, the Institute will develop an International Conference Centre on this land. The idea

ICAN Presidency and Council; Past Presidents Oyediran FCA and Alhaji Razak Jaiyeola, FCA; Captains of Industry and Members of Offa & District Society. Very soon, the edifice, which would have several cutting-edge facilities, would be commissioned.

Similarly, in addition to his previous support in Aba, our revered Past President, Mr. Chidi Onyeukwu Ajaegbu, FCA also provided the counterpart sum of twenty-five (25) million Naira for a Resource Centre to be located in Umuahia. The commissioning of the Chidi Onyeukwu Ajaegbu ICAN Resource Centre, Umuahia was conducted on February 1, 2021. On behalf of Council, I express my profound appreciation to these great and generous members for their invaluable contributions to the development of the Institute and Accountancy Profession in Nigeria.

Let me also add, with all sense of humility, that on December 3, 2020, I performed the groundbreaking ceremony of Dame Onome Joy Adewuyi ICAN Resource Centre, Warri in my home State of Delta. I provided the required counterpart fund and the Resource Centre was commissioned on May 19, 2021.

9. CONTRIBUTIONS TO THE NATION

a. ICAN BOPP Economic Discourse

As prodigious stakeholders in the national economy, the revered Body of Past Presidents (BOPP) of the Institute organised an Economic Discourse christened, "Nigeria's 60th Independence Anniversary: The Way Forward", as part of its contributions to the ongoing discussion on how to overcome the nation's economic recession and rejig it for accelerated development. Held on October 17, 2020, the session beamed its searchlight on the challenges facing the nation with a view to evolving solutions.

The resultant communique was sent under confidential cover to the leadership of the National Assembly and the Executive Arm through the Secretary to the Government of the Federation, Mr. Boss Mustapha. I commend the BOPP most heartily for this unwavering predisposition to the course of the

their various messages, these bodies commended the initiative and also pledged to continue to work with ICAN to fulfil its public interest mandate as well as ensure that the Index is widely adopted across the African continent. It is noteworthy that some State governments have adopted the Index as benchmark for measuring the performances of their MDAs.

c. Involvement in Legislative activities

In the tradition of the Institute, we contributed to relevant bills and law reviews from the National Assembly. For instance, the Institute's position on the draft 2021 Appropriation Bill was routed through the Association of Professional Bodies of Nigeria (APBN) to government for it to harmonise and present the position of professional bodies. The Institute also

submitted its memoranda on the Review of the 1999 Constitution and the draft Banks and Other Financial Institutions Bill to the National Assembly. In one of our visits to the leadership of the National Assembly, we informed them of ICAN's readiness to work with its Public Accounts Committee (PAC) as part of our strategy to promote accountability and transparency in governance. We assured them that the Institute would continue to

avail the PAC of its invaluable professional support because of the Committee's ombudsman role in the public sector.

d. 2021 Budget Symposium/Economic Discourse

The virtual 2021 Budget Symposium/Economic Discourse of the Institute was held on Monday, February 22, 2021 with the theme 2021 Budget: Roadmap for Economic Recovery. A total of 2459 participants attended the Symposium. The Chairman of the Session was a revered Past President of the Institute, Dr Emmanuel Itoya Ijewere, FCA while the Keynote Speaker was Dr Biodun Adedipe, Chief Consultant, B. Adedipe Associated Limited. The Panelists at the Symposium were Mr Ben Akabueze, FCA, Director-General, Budget Office of the Federation; Mr Taiwo Oyedele, FCA, Fiscal Policy Partner & Africa Tax Leader, PwC; Mr Yomi Olugbenro,



Unveiling the ICAN Accountability Index

Accountancy Profession and the nation. Through this well publicised maiden discourse, I dare say that the BOPP constructively started a revolution and made a statement that the survival of the nation is a collective responsibility. The communique was also widely circulated to our members through our social media channels.

b. Publication of the 2019 ICAN-AI Report

As a key merchant of trust, the Council of the Institute reinforced its commitment to the ideals of integrity and accountability as bedrock for economic growth and development by publishing the 2019 Report of the ICAN Accountability Index. During the virtual and physical public presentation of the Report, the Institute received goodwill messages from the World Bank, IFAC, PAFA, ABWA, the Public Expenditure and Financial Accountability (PEFA), BudgIT and Socio-Economic Right and Accountability Project (SERAP). In



ICAN President, Dame Onome Joy Adewuyi presenting the ICAN Accountability Index to Edo State Gov. Mr Godwin Obaseki



ICAN President, Dame Onome Joy Adewuyi presenting the ICAN Accountability Index to Oyo State Gov. Engr. Seyi Makinde

FCA, Partner & West Africa Tax Leader, Deloitte; Dr Dikko Umaru Radda, Director General/Chief Executive Officer of Small and Medium Enterprises Development Agency of Nigeria (SMEDAN); Chief Solomon Vongfa, President, Nigerian Association of Small Scale Industrialist (NASSI). The Communique of the symposium was published in the Punch Newspaper.

10. ADVOCACY VISITS

a. To Governors

One initiative which we promised to pursue with vigour during the year is that of advocacy aimed at creating visibility for the ICAN Brand. Pursuant to this, I led a delegation of the Institute to visit the Governors of Delta, Edo, Kwara, Lagos, Ondo, and Oyo States. We used the opportunity of the visits to invite the Governors to use more of the services of professional accountants if they are desirous of efficiently managing their scarce resources and delivering the dividend of democracy to the people. We also promised to assist the States to build their human capacity for better service delivery. The Institute's message was well received. I am delighted to report that the Governor of Oyo State, His Excellency, Engr. Seyi Makinde, in his magnanimity, supported Ibadan & district Society with a donation of N10 million Naira towards the building of the District's Secretariat. The Edo State Governor agreed to place Chartered Accountants in their correct positions in the Civil Service and donated towards the Benin & District Society secretariat building. The Lagos State Governor pledged to engage more Chartered Accountants and

also supported the Golden Jubilee Annual Accountants' Conference. We mandated the District Societies in such States to leverage the gains of the visit to enhance their professional activities and services to the government. Indeed, but for COVID-19, we would have visited more State Governors.

b. Regulators

As the business environment is changing, the government through its various agencies are enacting different laws and regulations especially to enhance the ease of doing business in the country and attract more investors. These emerging laws and regulations



ICAN President, Dame Onome Joy Adewuyi with Deputy Senate President, Senator Ovie Omo-Agege

have implications for members of the Institute and their stakeholders. Since Chartered Accountants operate within the ambit of the law, it is imperative

for the Institute to reach out to bodies statutorily established to monitor and enforce compliance to these laws. So, during the period under review, I led a delegation of the Institute to visit and have extensive discussions with the leadership of the Federal Inland Revenue Service (FIRS), the Securities and Exchange Commission (SEC), the Debt Management Office (DMO), NUC, NBTE, WAEC, NECO and JAMB. The discussions were very fruitful as they indicated interest in partnering with the Institute as they strive to achieve their statutory mandates.

c. Legislature, Ministries, Departments and Agencies

In the course of the Presidential Year, we paid courtesy visits to a number of political appointees and heads of government Ministries, Departments and Agencies including the Secretary to the Government of the Federation (SGF), the leadership of the National Assembly, Ministers, the National Youth Service Corps (NYSC), the World Bank and the Nigerian Police Academy, Wudil, Kano. We also encouraged the District Societies to similarly engage public office holders at the State and Local government levels. The warm reception and support we received everywhere we went attest to the towering goodwill of the Institute which must be leveraged to enhance the image of chartered accountants, the Institute and Profession at large.

It is instructive to mention that our visit to the SGF on Nov 3, 2020 was very productive. During the visit, Mr Boss Mustapha advised ICAN to revisit and suggest ways of addressing the multiple charges which deposit money banks impose on their customers. He also commended the Institute for its desire to set up a university and assured that its request for allocation of 30 hectares of land in Abuja for the purpose of the ICAN International Conference Centre, will be treated with much priority.

Also, during our visit to the Nigerian Police Academy, Kano, the Institute signed a memorandum of understanding (MoU) with the degree-awarding institution on capacity building in the area of Forensic Accounting. The Academy was greatly enthused by the Agreement and offer of assistance by ICAN.

d. Council Members' Engagement with their representatives in the National Assembly

As part of the initiatives to enhance the Institute's image and visibility in the public sector, members of Council and Council standing Committees were mandated to engage their representatives at the National Assembly on the central role that the accounting profession plays in national development. To facilitate this, letters introducing the Council and Committee members were written to their representatives. The Council was convinced that through such engagements, members of the National Assembly would be better informed not only about the invaluable contributions of ICAN and its members to public sector governance but also, the willingness of the Institute and its members to continue to avail the government the benefits of their professional expertise. To consolidate the engagement of Council and Committee members with the Legislators, we had a dinner with some members of the National Assembly in Abuja on February 23, 2021. We used the opportunity of the Dinner to apprise members of the National Assembly on ICAN's invaluable contributions to national growth and the danger of commercializing professionalism in the country.

e. Visits to Financial Institutions

We paid virtual visits to lead ambassadors of the Institute in the banking sector such as Mr. Ebenezer Onyeagwu, FCA, CEO, Zenith Bank; Dr. Adesola Adeduntan, FCA, CEO, First Bank and Mr Elias Igbinakenzua FCA, MD/CEO Globus Bank. We used the opportunity of the virtual visits to commend them and also asked for their continued support for the Institute's various initiatives and programmes. They all pledged to support the Institute not only by sponsoring their staff to attend ICAN programmes but also assist the Secretariat to build capacity. To this end, the First Bank Limited had seconded a staff to our Secretariat to work with our Internal Audit Department on a pro bono basis for a period of one year. Zenith Bank also donated N10,000,000:00 (Ten Million Naira only) to the Institute for the recruitment of a staff for one year to help build a Strategy Department for the Secretariat.

f. The Big 4 Accounting Firms

During the period, we held virtual meetings with the Big 4 Accounting firms namely Deloitte, PwC, KPMG Professional Services and EY during which we apprised them of Council's programmes for the

Presidential year and the need for them to continually support their Institute through technical and human capacity building in the Secretariat, provision of Audit quality support to SMPs and strong IT infrastructure to the Secretariat. They all promised to support the Council to raise the quality of professional practice in the country. All the Big-4 firms participated actively in the Institute's syllabus review being a major stakeholder in the quality of Chartered Accountants produced by ICAN. KPMG is putting together a "Transformation Agenda" for the Institute to bring her operations to world class standards.

EY has identified, engaged and is currently training the staff that will work with our IT team to build Capacity in the new Technology areas that directly impact our profession. In addition to the above they are also training some of our IT staff. Deloitte developed the model for scoring our District Societies in conjunction with our Strategy & Advocacy Committee. In view of the tragic and painful loss of Mr Tola Ogundipe, FCA, a distinguished Council member and Deputy Country Senior Partner, PwC, the Council decided not to move forward with the plans we had with PwC.

11. DEFENCE OF THE ICAN-ACT

a. In the defence of our Act, we took advantage of every opportunity to educate public-spirited individuals on the danger of commercialising professionalism in the country. We would continue to engage the government and National Assembly to resist the temptation of giving legitimacy to quackery, in the name of satisfying some "altruistic" interests. The further fragmentation of our profession is a recipe for weakness, quackery and incompetence and must be resisted at all cost.

b. Probe Reports/Financial Statements of MDAs

As part of its contributions to the anti-corruption crusade of government, the Council observed some anomalies with the probe and financial reports of MDAs and wrote a letter under confidential cover to the Secretary to Government of the Federation (SGF), Honourable Boss Mustapha. The following were the Agencies affected:

- Economic Financial and Crimes Commission (EFCC)
- Niger Delta Development Commission (NDDC)
- Nigerian National Petroleum Corporation (NNPC)

The Honourable SGF, Boss Mustapha acknowledged the receipt of the letters. Copies of the letters were also sent to the President of the senate and the Speaker of the House of Representatives for their

attention.

c. Enforcement of Professional Ethics

We promised at the beginning of the Presidential Year that the Council would preserve the integrity and sanctity of the noble accounting profession by assuming a zero-tolerance for any errant member. The various disciplinary channels of the Institute remained alive to their responsibilities and actively discharged their duties. The Disciplinary Tribunal sat as scheduled during which it considered the several cases which have remained undecided for long, due



Director-General of NYSC, Brig-Gen Shuaib Ibrahim, with ICAN President, Dame Onome Joy Adewuyi at the NYSC Headquarters in Abuja

to technical legal delays put up by respondents.

Let me add that Council gave adequate publicity to the judgments of the Accountants' Disciplinary Tribunal in order to assure the public that appropriate actions are being taken by the Institute on unethical practices by its members that are brought to its notice. We would continue to encourage members and other stakeholders to report erring colleagues as the task of ridding the profession of bad eggs and preserving the Institute's hard-earned reputation, is our collective responsibility.

12. RELATIONSHIP WITH THE MEDIA

Over the years, the Institute had maintained very cordial relationship with members of the Fourth Estate of the Realm, the Press. In the Presidential Year, we held several press conferences, had interactive sessions with gentlemen of the Press, both in the electronic and print media, to espouse the Institute's position on topical national issues such as corruption, taxation, poverty alleviation, economic growth, etc.

Also, all the Institute's social media handles were active and regularly used to disseminate information to stakeholders.

13. VISIT TO THE MINISTER OF EDUCATION

On October 7, 2020, I led a delegation of the Council to meet with the Institute's supervisory Minister, the Minister of Education, Mallam Adamu, Adamu. During the visit, we presented to him our request for the Ministry's approval of Government Nominees into



Ondo State Governor, Mr. Rotimi Akeredolu making a presentation to the ICAN President during her courtesy visit to the Governor's office in Akure



Delta State Governor, Sen. Ifeanyi Okowa receiving a souvenir from the ICAN President during her courtesy visit to the Governor's office in Asaba

Council and also briefed him about the review of NUC accounting curriculum for Universities ICAN reviewed pro-bono. We also used the opportunity to inform him of the Institute's desire to establish an International Conference Centre in Abuja.

14. EXTERNAL / INTERNATIONAL RELATIONS

a. Meeting with APBN

We held a meeting with the representatives of APBN on the lingering ICAN/CITN impasse on which it successfully intervened in 2015 as a mediator. The meeting, which was at the instance of APBN, was to obtain ICAN's position on the matter with a view to resolving the resumed legal hostilities between both bodies. After the interactive session and the Institute's submission, APBN promised to meet with CITN and revert. The Institute is still awaiting their position. It is important to recall that the resumed legal hostilities was caused by the letter written by FIRS to the effect that Chartered Accountants would require the seal and stamp of CITN to be able to file tax returns, a provision that is not supported by its enabling Act. During our visit to the office of the new Chairman of FIRS, Mr Muhammed M. Nami, we invited him to respond to the ICAN's mail of January 2020, in which the Council sought confirmation that a Chartered Accountant can act as a tax consultant for the purpose of filing tax returns provided they affix the stamp and seal of the Institute of Chartered Accountants of Nigeria. At another meeting on January 13, 2021, the Executive Chairman asked that we prepare another letter on the issue to him. This letter was forwarded to him on January 19, 2021. We are hopeful that FIRS will respond to our request positively but we continue to admonish our members not to be discouraged in carrying out their tax advisory services as Chartered Accountants.

b. Assumption of Leadership of ABWA

As a foundation and active member of the Association of Accountancy Bodies in West Africa (ABWA), the Institute has continued to make its mark in the sub-region. In appreciation of this, the Institute was elected as the President of ABWA in December 2019. However, due to the COVID-19 pandemic, physical Council meeting, scheduled for March, 2020 in Monrovia, Liberia, could not be held for the Institute to formally take over the mantle of leadership of the body. I am delighted to report that, at the 87th ABWA Council meeting held virtually on August 7, 2020, the Institute formally took over from ICAG as President. In other words, ICAN will be in the saddle between August 2020 and July 2022.

c. Mentoring of the Gambia Institute of Chartered Accountants

As part of its contributions to capacity building of PAOs in the West African sub-region, the Institute



From left, ICAN Vice President Mrs. Comfort Eytayo FCA, Akwa Ibom Gov. Mr. Udom Emmanuel FCA, Hon. Minister of Finance Hajiya Zainab Ahmed, and ICAN President Dame Onome Adewuyi at the Conference

mentored the Gambia Institute of Chartered Accountants (GICA). The initiative ended in December 2020 and it is hoped that GICA will be able to apply to become a member of IFAC under our sponsorship. We also expect that she will continue to participate in ATSWA harmonisation processes.

15. PAFA Meetings

As one of the foundation members of PAFA, the Institute has remained very active in the continental body. We attended the PAFA Council meeting held in Nairobi, Kenya during which the decision to revisit the date for the 6th ACOA Congress to be hosted by Mozambique was taken. Again, in view of COVID-19 pandemic, the ACOA event earlier scheduled for June/July 2021 was postponed to November 24-26, 2021. The theme of the Congress is “Embracing the 4th Industrial Revolution”. To ensure the preparedness of ICAN and its members to participate in the event, a Local Organising Committee under my leadership was set up by Council. The Institute plans to sponsor part of the Congress, nominate resource persons for the technical sessions as well as have an exhibition stand during the event to further market the Institute.

16. IFAC Meetings

As you are probably aware, ICAN is currently serving on the Board of IFAC and some of its other Committees. Beyond the international exposure, the meetings have afforded our representatives the opportunity to market the ICAN Brand as a key player on the African continent. We attended IFAC meetings held virtually on November 11 and 12, 2020 and that of November

16, 2020 held specifically between ICAN and IFAC. Indeed, the IFAC team was excited to have a general overview of how ICAN was coping with the COVID-19 Pandemic especially as it relates to relationship status with stakeholders, crisis management and sustainability plans. The Institute is also currently engaged in discussions with IFAC, World Bank, PAFA and ABWA on the possibility of introducing the West African Accounting Technicians’ Qualification to the whole of Africa.

17. INAUGURATION OF DISTRICT SOCIETIES

In addition to the growth in the Institute’s membership strength, I am delighted to report that the Council of the Institute saw the creation of seven (7) District Societies which were successfully inaugurated as follows:

| S/N | NEW DISTRICT SOCIETY | DATE OF INAUGURATION | STATE |
|-----|----------------------|----------------------|-----------|
| 1 | Eket | Oct. 16 – 17, 2020 | Akwa Ibom |
| 2 | Akoko | Oct. 30 – 31, 2020 | Ondo |
| 3 | Nyanya-Maraba | Nov. 7, 2020 | Nassarawa |
| 4 | Ilupeju/Gbagada | Jan. 16, 2021 | Lagos |
| 5 | Afikpo | Feb. 6, 2021 | Ebonyi |
| 6 | Epe | Apr. 17, 2021 | Lagos |
| 7 | Bonny | May 15, 2021 | Rivers |

With these inauguration ceremonies, the Institute now has 67 District Societies spread across Cameroon, Canada, Malaysia, Nigeria, UK and USA. It is Council’s expectations that these District Societies, especially those in Nigeria, will continue to support the Institute’s objective to increase both the Professional and ATS Examinations candidature from their areas of influence, monitor compliance to practice regulations, perform due diligence on behalf of the Professional Practice Department as well as create networking opportunities with members of the Legislature in their states. We also visited over 15 District Societies in the course of the Presidential Year including Abraka, Amuwo, Akoko, Akure, Asaba, Benin, Calabar, Eket, Ibadan, Ilupeju-Gbagada, Ikeja, Ikorodu, Kaduna, Kano, Lagos, Lagos Mainland, Maraba, Mowe, Nyanya, and Warri and District Societies.

18. 50TH ANNUAL ACCOUNTANTS’ CONFERENCE, ZONAL CONFERENCES AND ICAN ACADEMIC

CONFERENCE

a. 50th Annual Accountants' Conference

The 50th Annual Accountants' Conference of the Institute was held between April 5 and 9, 2021 due to the COVID-19 pandemic that made the September 2020 conference date unachievable. The Conference was declared open by His Excellency, President Muhammadu Buhari represented by the Minister of Finance, Budget and National Planning, Hajia Zainab Ahmed and had in attendance about 5000 physical and virtual delegates. The theme of the Conference was The 4th Industrial Revolution: Boom for the Accounting Profession and Panacea for Pandemic. The dignitaries at the Conference include the IFAC President, Mr Alan Johnson, the Presidents of other Professional Accountancy Organizations (PAOs) in Africa, Governors, government representatives as well as members of the Diplomatic Community. The programme afforded participants the opportunity to examine the 4th Industrial Revolution and how it is impacting the accounting profession and global economy. The Communique issued at the end of the Conference was widely publicized using different media channels.

b. The ICAN Canada Conference

I led a delegation of the Council to virtually attend the two-day 5th Canada & District International Accountants' Conference held between December 10 -11, 2020. The theme of the Conference which was, "The Evolving Roles of Accountants in Governance, Risks and Compliance" afforded the members the opportunity to critically re-appraise their continued relevance in the social, economic and political management of both government and private entities.

c. ICAN-USA Conference

I also led a delegation of the Institute to virtually attend the 7th ICAN-USA District International Accountants' Conference organised by USA & District Society. I used the opportunity of my Keynote address to urge participants to use the occasion of the Conference to review not only the future of the accounting profession but also the individual Chartered Accountant's position in the New Normal. The two-day programme also included Induction and Conferment of Fellowship ceremonies.

d. ICAN-UK Conference

The 8th UK & District Society's Conference was held

virtually between March 4 and 5, 2021. The theme of the Conference was "The Global Economy in the Post Pandemic and Digitally Transformed World". In my message at the Conference, I reiterated the fact that the post pandemic economy would significantly differ from past experiences and stakeholders in global economic value chain would have to make some tough decisions.

e. ICAN Malaysia Conference

The 3rd Malaysian & District Society's Conference was held virtually between March 24 and 25, 2021. The Conference with the theme "Economy and Business Resilience in the Pandemic Era: A Drive for Digital Transformation" had in attendance practitioners and academics. In my message at the Conference I noted that the global dynamics necessitate a regular and continuous discussion on business resilience and digital transformation.

f. Northern Zonal Conference Kano

The 15th Northern Zonal Conference was held in Kano between December 16 and 17, 2020 with the theme, "Imperatives of Accounting Profession for the Sustainable Development of the Post Covid-19 Nigerian Economy". The Conference, which was well attended physically and virtually, afforded participants the opportunity to interact and discuss COVID-19-induced challenges as well as develop solutions to facilitate post-pandemic economic recovery.

g. The 3rd Southern Zonal Conference

The 3rd Southern Zonal Conference took place in Calabar, Cross River State between October 9 and 10,



ICAN President presenting a souvenir to the Executive Chairman of the FIRS Mr. Muhammed Nami during the 50th Annual Conference

2020 and was well attended by several participants despite the Covid-19 pandemic. Before the commencement of the Conference, I led a delegation of the Council to pay courtesy visits to the Obong of Calabar, Edidem Ekpo Okon Abasi Otu V and the Acting Vice Chancellor of Cross River University of Technology, Professor Augustine Oko Angba. I also visited a radio station in Calabar to propagate the procedure and benefits of becoming a Chartered Accountant. The Conference was very successful.

h. The 15th Eastern Zonal Conference

The 15th Eastern Zonal Conference took place in Aba, Abia State between February March 8 -11, 2021. The conference was well attended and we used the opportunity to pay courtesy visits to His Royal Majesty Prof. S. I. Owuala, Obasi 1 of Umuobasi.

I. The 15th Western Zonal Conference

The 15th Western Zonal Conference took place in Mowe, Ogun State between March 8 and 11, 2021. The conference was well attended and we used the occasion to also celebrate female Chartered Accountants on the occasion of the 2021 International



ICAN President presenting the overall best candidate Miss Daramola Olaitan with her prize at the 67th Induction ceremony

Women's Day. We also paid courtesy visit to His Royal Highness, Oba (Dr) Festus Oluwole Makinde, the Olu of Igbein Land during the Conference.

j. The 6th Annual International Academic Conference on Accounting and Finance

The 6th Annual International Academic Conference on Accounting and Finance was held between April 20 and 21, 2021 in collaboration with the University of Ilorin. It was a hybrid Conference with both local and international participants. The Conference was

declared open by His Excellency Abdulrahmon Abdulrazak, the Governor of Kwara State represented by the Secretary to the State Government, Prof. Mamman Saba Jibril. In attendance at the Opening Ceremony were Prof. Sulyman Age Abdulkareem, the Vice Chancellor, University of Ilorin represented by the university Bursar, Mr Olalekan Hakeem Sonde, FCA and some members of ICAN Council. Over 350 people participated at the Opening Ceremony including undergraduate students, postgraduate students, staff of the University of Ilorin Accounting Department, delegates, members of the Local Organising Committee and some members of the 6th Academic Conference sub-committee. The conference boosted a keynote paper and two workshop sessions, and the Ph.D Colloquium. Over seventy (70) papers were presented at the Conference.

19. SERVICE TO MEMBERS AND STUDENTS

a. Survey on Service Delivery

To fully understand members' expectations and improve the Institute's responsiveness to their needs, the Council conducted a service delivery survey at the beginning of the Presidential Year. The responses were analysed, and the findings and recommendations have been incorporated into the overall strategic plan of the Presidential Year and beyond. The Council is already implementing several the suggestions, among which are aggressive media engagements, the peculiar challenges facing Chartered Accountants as they strive to discharge their public interest mandate as well as the need to create the enabling environment for businesses to thrive for the benefit of professionals and all Nigerians.

In the spirit of COVID-19 Palliative, the Council approved a 10% discount on 2021 membership subscription as a relief towards their dues. This has been very well received by all members.

b. Members' Salary Survey

The Institute also conducted a Members' Salary survey across sectors of the economy. This initiative was informed by complaints by members that they are not well remunerated by employers and clients. Hence, the survey is to apprise and equip our members with salary information as they make career moves either within or across sectors. The report of the survey which would soon be finalized will be given wide publicity. The Council plans to incorporate a

dashboard where members can supply real-time information on changes in their salaries anonymously.

c. Medicare for Members

The COVID-19 pandemic has significantly impacted the disposable income and healthcare expenditure of members negatively. To mitigate this challenge, the Institute, in addition to its life assurance scheme for members, has negotiated health insurance scheme to reduce members' healthcare expenditure, provide access to emergency medical care 24/7 and allow flexibility in the payment of premium. We encourage members to take advantage of this opportunity. Interested members are to register individually with any of the approved HMOs and pay premiums at the negotiated rates to enjoy the agreed benefits.

d. Nomination of a member to attend the National Institute of Policy and Strategic Studies (NIPSS)

The Council received a request for the nomination of an ICAN member to attend the next Executive Course of the National Institute of Policy & Strategic studies (NIPSS), Jos. Mr Jude Egbo, FCA, an elected member of Council, was nominated to attend the Course.

e. Award of ICAN Scholarships, PhD and Commissioned Research Grants

Over eighty (80) students have so far benefitted from the Institute's scholarship scheme in this Presidential Year. These are scholarships designed to enable beneficiaries to sit for ICAN examinations at various levels. Within this period also, the Council awarded three (3) PhD grants and approved two (2) grants for Commissioned Research to deserving researchers who are all our members. The winners of the Commissioned Research Grant are at various stages on the research and when finalized, the outcome would impact positively on the activities of the Institute, the profession and economy as a whole.

f. Accreditation and Recognition Awards to Tertiary Institutions and Tuition Centres

The award of Certificates of Accreditation and

Recognition ceremony was held at the National Secretariat Annex, Ebute-Metta on April 22, 2021. A total of 63 tertiary institutions and tuition centres made up of 23 Universities, 14 Polytechnics and 26 Tuition Centres were presented with the awards/certificates.

g. Signing of Mutual Cooperation Agreement with Tertiary Institutions

In a bid to deepen the quality of accountancy education in the country, we signed additional six (6) Mutual Cooperation Agreement with Tertiary Institutions (MCATI) with the following tertiary institutions: Adeleke University, Ede; Federal Polytechnic, Nekede; Delta State University, Abraka; Delta State Polytechnic, Utefe-Oghara; Delta State Polytechnic, Ozoro and; Rufus Giwa Polytechnic, Owo, Ondo State. This brought the total number of tertiary institutions on the MCATI scheme to twenty-six (26).

h. Inauguration of Young Accountants Networking Committee

In the Presidential Year, we inaugurated the Young Accountants' Networking Committee, an initiative designed to bridge information gap as well as provide networking opportunities for young Chartered Accountants. Such interactions would also create opportunities for learning and relearning as they exchange practice and business experiences.



ICAN President presenting a plaque to Past President Ismaila Zakari at the 25th AAT induction.

I. Donation to NUASA/

NAPAS of Accredited Tertiary Institutions

The Institute extended financial support of one hundred thousand Naira (N100,000.00) each to three (3) tertiary institutions' accountancy associations in the course of the Presidential Year.

20. SWAN PRESIDENTIAL LUNCHEON

In line with its tradition, the Society of Women Accountants of Nigeria hosted me to Presidential Luncheon at the Golden Gate Restaurant, Ikoyi on 12th December 2020. The event was glamorous as

female Chartered Accountants gathered to celebrate my modest achievements as the 56th President. I sincerely thank members of SWAN, The EXCO and all the grand patrons of the body for the honour done to me.

21. LAYING OF WREATH AT THE GRAVE SIDE OF LATE PROF M.A. ADEYEMO, FCA – 11TH ICAN PRESIDENT

On October 30, 2020, I led a delegation of the Council to inaugurate the newly created Akoko & District Society at Akungba-Akoko, Ondo State. On our arrival for the ceremony, I paid courtesy calls on the Governor of Ondo State, Arakunrin Rotimi Akeredolu, SAN, at Alagbaka Akure, the Acting Vice Chancellor of Adekunle Ajasin University at Akungba Akoko, Prof Olugbenga Ige as well as HRM, Alale of Akungba Akoko.

In appreciation of the immense pioneering contributions of the 11th ICAN President, late Prof M.A. Adeyemo (PP) FCA to the Institute and the Accountancy Profession, I seized the opportunity to visit Irun Akoko to lay a wreath on his grave. Members of the Adeyemo Family were ably represented at both the brief church service and formal wreath laying ceremonies. The good people of Irun Akoko who came out in large number, were greatly enthused about the Institute's gesture and remembrance of one of their late sons. On their behalf, Reverend Adeyeye Philip Adeyemo, FCA delivered a welcome address in which he announced that the Irun and Ijebi Communities were pleased to donate six plots of land for the establishment of ICAN house and other

developmental projects by the Institute. We accepted and thanked them for the donation.

22. INVESTMENT IN INFORMATION TECHNOLOGY

In the light of the New Normal, we promised to revamp the Institute's internal information technology architecture to further reposition and bring it to world class standard. I am delighted to report that we have transited to online platforms for majority of the Council meetings, Council Committee meetings and other meetings of the Institute. Also, the training programmes are now a hybrid of physical and virtual and members have encouragingly embraced this hybrid format. To reinforce the above, the staff of the Research & Technical Department and the IT department are currently understudying the CYPHER which is the software driving the ICAN Accountability Index project of the Institute. Presently, the software is managed by an external consultant with the ultimate plan to hand it over to the Institute's IT department and Research & Technical Department to manage.

23. INFORMATION TECHNOLOGY CONFERENCE

The Information Technology department held a widely attended IT Conference on November 24, 2020. The Conference was organised in collaboration with key players in the technology space, especially those with specialities in accounting technology like blockchain technology, robotics, artificial intelligence, and machine learning. The Information Technology and Consulting Faculty also held a well-attended Accounting Technology (Accountteks)



ICAN President presenting the ICAN Award in Member's category to a Past President of the Institute, Major-General Sebastian Owuama (rtd)

Conference from May 25 - 26, 2021. The objective was to ensure that members remain at the cutting-edge of technology to ensure the services they provide meet global best standards. It afforded participants the opportunity to hone their knowledge on relevant accounting technology skills and place them on the frontlines of knowledge in these areas.

24. WELFARE AND CAPACITY BUILDING FOR SECRETARIAT STAFF

The Secretariat staff remains our most valuable asset in carrying out our mandate as the foremost Professional Accountancy Organisations (PAOs). During the Presidential Year, and in spite of the challenges imposed by COVID-19, we employed a total of nine (9) new staff to function in specialized and strategic roles in the Institute. This is to further strengthen and reposition the Institute to meet the needs of our growing members. This is in addition to the discussion we had with various renowned organizations to assist the Institute in the area of more capacity building initiatives for the staff. As earlier mentioned, some of the organizations we approached have fulfilled their promises while we are following up on the others.

It is also noteworthy that two staff of the Institute are currently on secondment to IFAC for knowledge transfer and eventual improvement in the capacity of the Secretariat Staff.

Let me also mention that we recognized and awarded thirty-one (31) staff of the Institute during the long service awards and celebrated three former staff who



Director, Special Control Unit Against Money Laundering at EFCC, Mr. Daniel Isei during his courtesy visit to ICAN Secretariat in Lagos

retired from the services of the Institute after putting in several years of service. This is in appreciation of the

fact that the Staff are our most valuable asset.

25. CELEBRATIONS

a. During the period, the Institute joined all well-wishers to celebrate the 101st birthday of the Doyen of the Accountancy Profession in Africa, Mr. Akintola Williams, B.Comm., CBE, CFR, FCA (FM000014) on August 9, 2020. We pray that God will continue to spare his life and grant him good health.

b. On November 15, 2020, I led a delegation of the Institute to attend the 80th birthday celebration of our revered Past President Princess Agnes Adenike Adeniran, FCA, the Chairman of the Body of Past Presidents of the Institute.

26. 2021 ANNUAL DINNER AND AWARDS

The 2021 Annual Dinner and Awards of the Institute took place on May 1, 2021. Among the awardees were two distinguished Past Presidents of the Institute - Major General (Rtd) Sebastian Achulike Owuama, FCA and Alhaji Kabir Mohammed, mni, FCA. Other awardees in the members' category were Mr Fola Adeola, Otunba Olusola Adekanola and Mr Albert Folorunsho. For the non-members' category, the awardees were Mr Boss Mustapha, Secretary to the Government of Federation and Emeritus Prof. Godwin Sogolo. We also awarded two corporate bodies, BUA Group and Presco Plc, at the 2021 Dinner and

27. THE PASSAGE OF A COUNCIL MEMBER, MR TOLA OGUNDIPE, FCA AND THE DIRECTOR, STUDENT AFFAIRS DEPARTMENT, MRS FOLAKE OLAWUYI

I want to end this address on a rather sad note. We lost one of the finest members of the Governing Council in the person of Mr Olutola Ogundipe, B.Eng, FCA, Deputy Managing Partner, PwC, on Monday, September 7, 2020. Tola's death was a great shock to the Institute but we took solace in the omniscient God. Also, the Institute lost one of its longest serving members of staff, Mrs Folake Olawuyi, on February 21, 2021. We want to use this opportunity to also commiserate with the families of other members of the Institute who lost their loved ones in the course of the Presidential Year. Our hearts are always with the families they left behind and we pray that the Almighty God would continue to console them on these irreplaceable losses.



Members of ICAN Presidency with the Essay Competition Winners at the 50th Conference Gala Dinner

28. APPRECIATION

Once again, I wish to sincerely appreciate the confidence reposed in us by the over 53,000 members of our great Institute in the last twelve (12) months. This is an opportunity I would forever cherish as it afforded us the opportunity to contribute in our humble way to the growth of the accounting profession.

I also acknowledge the support of my colleagues on the Governing Council of the Institute and the entire Secretariat of the Institute who were our foot soldiers in achieving the modest success we recorded.

Finally, I sincerely extend my heartfelt gratitude to all our stakeholders who opened their doors to us and lent their words of encouragement, financial support and professional advice in the course of the



The President and other dignitaries at the ground breaking ceremony of the permanent site of the proposed ICAN University Kwali, Abuja.

MEMBERSHIP AFFAIRS

ANNUAL ACCOUNTANTS' CONFERENCE COMMITTEE

The 50th Annual Accountants' Conference earlier scheduled for October 12 - 16, 2020 had to be postponed to April 5 – 9, 2021 due to lockdown arising from Corona-19 Pandemic.

INDUCTION CEREMONIES

A total of 2,450 qualified candidates were admitted as Associates of the Institute at the May and December 2020 ceremonies compared with 3,377 admitted in 2019. Whereas the May ceremony was held virtually for 1,213 inductees, that of December was held physically for 1,237 inductees at the ICAN Centre, Amuwo-Odofin, Lagos. In addition, 13 eligible members of IFAC recognised PAOs were admitted as Registered Accountant; compared with 11 in 2019. Four (4) were admitted in May, while Nine (9) were admitted in December.

As at December 2020, the membership of the Institute was as follows:

| MEMBERSHIP | NOS |
|--|--------|
| Fellows | 14,968 |
| Associates | 36,556 |
| Registered Accountants under Section 8 (2) of the ICAN Act | 4 |
| Total Membership as at 31st December 2020 | 52,569 |

Change of Name & Exemption from payment of Annual Subscription

| | DESCRIPTION | NOS |
|----|---|-----|
| a) | Marital Ground | 116 |
| b) | Other Ground such as religion, tradition, personal etc. | 33 |
| c) | Exemption from Subscription | 170 |

LIST OF DECEASED MEMBERS IN 2020 - 2021 PRESIDENTIAL YEAR
In the year 2020 – 2021, reports of demise of sixty-seven (67) members were received as follows:

| S/N | MEMBERSHIP NO | SURNAME | FIRST NAME | MIDDLE NAME |
|-----|---------------|-----------|------------|-------------|
| 1 | MB004017 | OLAOFE | EMMANUEL | OLUGBEMIGA |
| 2 | MB036125 | BAMGBOPA | GBENGA | SEUN |
| 3 | MB01302 | OROKPO | SUNDAY | JOLLY |
| 4 | MB022364 | ADEOGUN | SAMSON | OLUKAYODE |
| 5 | MB019304 | IDODE | ESIEMOGIE | PATRICK |
| 6 | MB009057 | JIMOH | RAUF | MUIDEEN |
| 7 | MB018679 | ONWUMERE | IGNATIUS | |
| 8 | MB040722 | OPARA | MARCEL | |
| 9 | MB004519 | OBASA | ERNEST | OLAYEMI |
| 10 | MB012513 | OKOROWU | CHIDI | CHRISTOPHER |
| 11 | MB013504 | OYEDEJI | ADEREMI | LAWRENCE |
| 12 | MB048932 | ASOKOMHE | JAFARU | |
| 13 | MB010297 | OJIAKO | EDWIN | CHIMEZIE |
| 14 | MB005066 | OLIWO | TAJUDEEN | OLUSHOGA |
| 15 | MB021348 | BELLO | AYISAT | ADEBOLA |
| 16 | MB015120 | OKOKURO | FRANCIS | EDET |
| 17 | MB005270 | OLUDIPE | SAMUEL | OLUGBENGA |
| 18 | MB022636 | BELLO | GARBA | |
| 19 | MB015003 | BAYO | IGE | |
| 20 | MB000424 | OSIBERU | ZACCHEAUS | OLAFENWA |
| 21 | MB027919 | ODEGBENRO | JOHNSON | OLUDELE |

LIST OF DECEASED MEMBERS IN 2020 - 2021 PRESIDENTIAL YEAR
 In the year 2020 – 2021, reports of demise of sixty-seven (67)
 members were received as follows:

| S/N | MEMBERSHIP NO | SURNAME | FIRST NAME | MIDDLE NAME |
|-----|---------------|------------------|---------------|-------------|
| 22 | Mb017571 | LAHU | DAVID | ELISHA |
| 23 | MB028597 | ADEJONPE | ANTHONY | OLAYINKA |
| 24 | MB010293 | USANGA | EFFIONG | ENAM |
| 25 | MB000876 | OLUBODUN | RICHARD | KOLAWOLE |
| 26 | MB002656 | SIPE | LAYO | UMAR |
| 27 | MB000718 | ANENI | AYE | ANTHONY |
| 28 | MB008148 | FANIMOKUN | STEPHEN | OLUMUYIWA |
| 29 | MB010669 | AJAYI | JOHN | OLUWATOYIN |
| 30 | MB016716 | OGUNNAIKE | BAMIDELE | SAMUEL |
| 31 | MB006264 | JAMES | PIUS | OKON |
| 32 | MB019594 | OJO | EZEKIEL | |
| 33 | MB001098 | OKPARA | SIMON | OKECHUKWU |
| 34 | MB015743 | EBONG | IBORO | SUNDAY |
| 35 | MB000586 | IBRAHIM | MUHAMMADU | AMINU |
| 36 | MB050008 | OWOOLA | AYODEJI | SUNDAY |
| 37 | MB012754 | SATIMEHIN | TOMOMEWO | |
| 38 | MB002129 | OLURINDE | STEPHEN | OLUWAFEMI |
| 39 | MB023220 | OSAGIE | SAMSON | OSARO |
| 40 | MB000619 | AKINLEYE-MARTINS | CHARLES TAIWO | MOFOLORUNSO |
| 41 | MB018679 | ONWUMERE | IGNATIUS | |
| 42 | MB040722 | OPARAH | MARCEL | |
| 43 | MB015136 | OLANREWAJU | RASAQ | ALABI |
| 44 | MB002689 | ESENE | ISAAC | EHICHOYA |
| 45 | MB038796 | KEHINDE | YEMISI | MARY |
| 46 | MB002387 | OGUNWOLU | TAORIDI | ADEOLA |
| 47 | MB030677 | OBI | VERONICA | EBERE |
| 48 | MB007054 | OLUYEMI | FUNSO | OLUWAFEMI |
| 49 | MB009617 | ABAH | JOHN | MONDAY |
| 50 | MB011334 | SONUBI | ISOKEN | IROWA |
| 51 | MB007281 | IGHALO | MONDAY | IMONITE |
| 52 | MB007210 | OHIZU | NNAMDI | EUGENE |
| 53 | MB016378 | OGUNDELE | JOSHUA | AKANFE |
| 54 | MB040121 | OKOH | JAMES | IGOMU |
| 55 | MB008079 | OYEDARE | TIMOTHY | FEMI |
| 56 | MB008866 | OLUTOLA | OGUNDIPE | |
| 57 | MB032025 | JAMES | AMOS | AKEJI |
| 58 | MB013344 | OLUGBODE | OLUSEGUN | TAIWO |
| 59 | MB011608 | EBOJELE | EROMOSELE | VICTOR |
| 60 | MB016277 | IRABOR | OSAZUWA | GODSWILL |
| 61 | MB033806 | OFAGBON | CHINEDU | KINGSLEY |
| 62 | MB012985 | ALEGE | SUNDAY | ISAAC |
| 63 | MB002971 | AMINU | JONATHAN | OLAJIDE |
| 64 | MB005087 | ABIOLU | SAMUEL | OLADELE |
| 65 | MB010350 | AKPAN | SOLOMON | AMOS |
| 66 | MB001098 | OKPARA | SIMON | OKECHUKWU |
| 67 | MB019594 | OJO | EZEKIEL | |

ASSOCIATION OF ACCOUNTING TECHNICIANS WEST AFRICA (AATWA)

AATWA INDUCTION CEREMONY

Two induction ceremonies were held in July and December, 2020, respectively, for 385 and 244 ATSWA graduates who were admitted AATWA into the Association's membership. The total membership strength of the Association as at December 2020 was 25,737.

At both inductions, thought-provoking papers were presented by erudite speakers.



ICAN President, Dame Onome Adewuyi presenting a plaque to Past President Otunba Abdulateef Owoyemi, after his paper presentation at the ATSWA Induction in December 2020.

AATWA ANNUAL GENERAL MEETING

The Annual General Meeting of the Association was held on Monday, December 14, 2020 at the ICAN Centre, Plot 12, Kofo Kasumu Street, Amuwo Odofin, Lagos. The meeting was held before the commencement of the Annual Conference where 602 members were in attendance.

Five (5) members of the Executive Committee retired in accordance with rule 12 of the Constitution and Bye Laws of the Association. All the five vacancies created were filled through an election process in line with rule 10 of the Association's Constitution and Bye Laws. Details of the results are contained in the minutes of the 2020 Annual General Meeting of the Association.

AATWA ANNUAL CONFERENCE

The AATWA 25th Annual Conference was also held on Monday, December 14, 2020 at the ICAN Centre, Amuwo Odofin, Lagos. The Conference theme was "NIGERIA @ 60: OPPORTUNITIES FOR THE ACCOUNTING PROFESSION IN THE NEW NORMAL". The resource person, Dr. Oluseyi O. OLANREWAJU, PhD, FCTI, FCCA, CGMA, FCMA, FCA Country Chief Financial Officer, Mixta Africa, presented a paper on the topic, "ENHANSING ENTREPRENEURSHIP SKILLS

WITH EMERGING TECHNOLOGY IN THE NEW NORMAL" The session was chaired by the Institute's Past President, Mr Chidi Onyeukwu AJAEGBU, MBF, FCS, Dip in Polygraph (USA) FCA. A total of 602 members attended the Conference.

DELISTING AND SUSPENSION OF MEMBERS WITH OUTSTANDING SUBSCRIPTION

Due to increasing outstanding subscriptions owed the Institute, the Institute delisted from its records members owing subscriptions for more than three (3) years, while those with unsettled subscriptions from four (4) months up to three (3) years were suspended, effective January 1, 2020. This was sequel to Council's decisions on the above after the expiration of the December 31, 2019 deadline given to defaulting members to reconcile and make good their financial status.

The procedure for payment of outstanding debt, conditions for re-admission and lifting of suspension are available on the Institute's website www.icanig.org

INFORMATION TECHNOLOGY



The activities of the Information Technology committee focused on the under listed

1. Microsoft Dynamics Navision and CRM Enterprise Resource Planning (ERP) Review

The committee conducted a post implementation review of the Microsoft Dynamic NAVISION and CRM project by administering online questionnaire using google form, to conduct interview and direct observations on the use of the applications.

The review focused on the following area:

- Individual Impact – whether it empowered users to be more efficient and improve their productivity.
- Organization Impact – whether it promoted the image of the Institute
- User Satisfaction – internal and external – the perception of the institute staff, members, and other external stakeholder
- Users Training – whether the training provided is sufficient and adequate to support the system
- Software Operational Manual developed and delivered by the consultant
- System Quality & effectiveness of implemented modules
- Information quality generated from the application
- Quality of Technical Support to the application
- Existing System Bugs

- Continuous process improvement plan

- Existence of system controls

- Integration with other applications like Institute Portal and pay direct

2. Review of the Website/ Technical helpdesk platform

The Committee reviewed the Institute website and their observations in respect of optimizing the search and chat functionalities were worked on by the Information Technology directorate. Members and Students can now access information from the website seamlessly through the search session.

3. Information Technology Conference

The committee conducted a maiden Information Technology Conference on November 20, 2020 with the following details:

Theme: Accelerating Safe Digital Transformation

Sub-Themes:

- The Future is Now: Emerging Technologies - the New Normal for Accountants
- Effects of Technology on Accounting
- Achieving Business Success with Accounting Technologies

• Role of Accountants in Organisation's Digital Transformational initiatives

The Conference was held virtually with 143 participants in attendance

4. E-voting Vendor Selection

The Committee reviewed the services of the e-voting service provider as directed by the Council of the Institute, and invited 3 additional service providers to make presentations on the features of their e-voting portal. At the end of the exercise, recommendations on areas of improvement, etc. were made to Council for review and approval.

5. Electronic Document Management System

Several interactions/meetings were held with six vendors who responded to the call for the submission of bid in respect of the implementation of the Electronic Document Management for the Institute. The Institute is currently running a Proof of Concept with one of the selected vendors.

6. Contact Center

The implementation of a contact center for the Institute under an outsourced arrangement was completed within the 2019/2020 presidential year IT committee. Members and students have been interacting with the Institute through the center. This has helped to streamline the flow of information between the Institute and its various stakeholders. The contact center phone numbers are 07050180122 and 016309354. Instant interaction can also be done via WhatsApp number: 07040327465.

7. Automation of Contestants Form for May 2021 Election into Council

Contestants' form is now online thus eliminating the manual completion of the form.

The manual processes and cost associated with the processing/validation of contestants' form such as manual checking of subscription, MPD credit status for contestants and their sponsors were completely eliminated. The system carries out these checks at the point of filling the form online.

8. Automation of Reference to Inductees, Practice Licence Applicants

The under listed are now carried out online on the

members portal:

1. Provision of reference by members to Inductees and applicants for Practice Licence.
 2. Provision of Letter of Good Standing by District Societies to applicants for Practice Licence.
 3. Attestation by Supervisors and Sponsors to Inductees and applicants for Practice Licence
- The portal as part of the automation, checks for compliance with the MPD Credit points and Financial Status requirements.

9. Enhancement of Online Payments Process and Options

The Institute currently has the under listed Channels for payment to the Institute:

- 1.) WebPay - Debit cards;
- 2.) QuickTeller - Debitcards, Mobile Banking App;
- 3.) Bill payment on Internet Banking;
- 4.) PayDirect - at any commercial bank nationwide;
- 5.) QuicktellerPayPoints/Kiosks;

Members financial records are updated instantly with a maximum lag time of 10minutes after payment and an email with an updated financial status in pdf format sent as an attachment to members.

10. Paperless Office/Operations

a.) Towards a complete paperless operation, students can now upload all documents required by the Institute for processing of their Registration, Exemption, and Induction. This eliminates the submission of hardcopy forms/documents to the Institute and facilitates instant review, approval and assignment of registration number.

b.) The process of providing reference to students and members by other members can now be done on the members portal.

11. Compliance with Protocols and Operations in a Pandemic

The deployment and enhancement in technology as listed above and the use of Video Conferencing, Webinars, as well as Cloud and Internet Services made it possible for the Institute to stay unruffled and manage efficiently its operations in a pandemic with its associated Protocols and Compliance requirements.

MEMBERS' PROFESSIONAL DEVELOPMENT



1. Disruption by COVID-19

Prior to the COVID-19 pandemic, the Institute relied significantly on physical in-person classroom system of training which usually commences in March yearly. The pandemic disrupted the training programmes of the Institute for the year 2020. The impact was significant and threw up several challenges such as the need to maintain physical distance, Inter-state movement restrictions, to mention a few. The Institute had to consider and propose alternatives to face-to-face training system. The challenge enabled the Institute retool and refocus in order to survive the challenges of new normal.

2. Training offerings

The Institute had four categories of training offerings in 2020:

- Mandatory Continuing Professional Development (MCPD)
- Continuing Development Programme (CDP)
- Executive Mandatory Continuing Professional Development (EMCPD)

In-House programmes for organisations

3. Schedule of 2020 programmes

The year 2020 programmes (proposed and actual) are shown in the Table below:

| PROGRAMME | LOCATION | PROPOSED NO. OF SLOTS | ACTUAL SLOTS COMPLETED |
|---------------|-----------------|-----------------------|-----------------------------|
| MCPD | Lagos | 21 | 03 (physical) |
| | Outside Lagos | 20 | 16 (virtual) |
| CPD | Lagos | 04 | 01 (virtual) |
| EMCPD | Lagos | 04 | 01 (physical)+02 (virtual) |
| In-House | Lagos & outside | 25 | 01 (physical) +11 (virtual) |
| Accreditation | Lagos & outside | 60 | 50 (virtual) |

4. Virtual training system

The New Normal unveiled the challenges in the previous method using the model in 4 above. A proposal was sent to the proposal to Council proposing alternative scenarios. Switching to virtual training became imperative but it was not to foreclose the classroom setting.

The Council approved the use of webinar for the Members Professional Development to facilitate trainings. Consequently training commenced June 17, 2020.

5. Commencement of virtual (webinar) training.

Virtual training commenced with the following 5 sectors:

- i. Tax practice;
- ii. Accountancy, Audit and Insolvency;
- iii. Entrepreneurship;
- iv. Consulting; and
- v. General Management.

7. Summary of training carried out in 2020 and attendance at various programmes

The MPDD trainings in 2020 were mostly virtual due to COVID-19.

Below is the summary:

| TRAINING OFFERING | NO OF RUNS PER MODE | | ATTENDANCE AT PROGRAMMES | |
|----------------------|---------------------|---------|--------------------------|---------|
| | Physical | Virtual | Physical | Virtual |
| Mode | | | | |
| MCPD | 03 | 16 | 594 | 3,239 |
| CPD | 0 | 1 | 0 | 116 |
| EMCPD | 01 | 2 | 14 | 247 |
| In-House | 01 | 11 | 15 | 1,008 |
| Accreditation/others | 0 | 50 | NA | NA |
| Total | 5 | 30 | 623 | 4,610 |

8. In-House programmes' clientele in 2020

Below is a list of the Institute's the In-House clientele for year 2020

- i. Asset Management Corporation of Nigeria (AMCON);
- ii. Ernst & Young;
- iii. Federal Inland Revenue Services;
- iv. Lafarge Cement Plc;
- v. Nigerian Deposit Insurance Corporation (NDIC);
- vi. PwC; and
- vii. Society for Family Health.

9. E-learning platform-

The Institute is still working on achieving this goal to give more members the opportunity to participate in the Institute's training programmes from the comfort of their homes or offices.

10. Development of questionnaires for Local Government Authority

One of the Terms of Reference of the Committee is to collaborate with and provide training support to Governmental Agencies, Ministries and Parastatals charged with specific responsibilities that have accounting knowledge undertone in their obligation to stakeholders of the Nigerian Economy.

In view of the above, the Committee engaged in the development of questionnaires to be administered to all the Local Government Authorities in Nigeria. The essence of the questionnaires is to identify areas of training needs in order to design appropriate training for them.

11. The benefits of the Training offerings

The benefits of the training offerings are as follows

- Provide the knowledge, skills, values, ethics and attributes required for life-long learning with focus on outcomes;
- Help participants identify areas of development which are relevant to and support their careers;
- Provide effective skill renewal through continuous formal training;
- Provide the avenue for continuous update of technical and soft skills of Chartered Accountants;
- Enhance the productivity, efficiency and social responsiveness of participants;
- Re-assure employers and the public that members keep themselves abreast of current developments and employ an ethical approach and due care to their duties;
- Facilitate access, monitor and ensure relevant, measurable and verifiable compulsory professional development activities;
- Provide participants with an accessible range of services that will help them maintain and develop their expertise;
- Provide members with veritable networking opportunities; and
- Provide members with the opportunity to comply with the International Federation of Accountants (IFAC) Statement of Membership Obligation 2 (International Education Standards for Professional Accountants and other pronouncements issued by the International Accounting Education Standards Board, IAESB), and International Education Standards, IES 7, Continuing Professional Development (Revised).

To sustain the above benefits, each course has been designed to generate in-depth, highly interactive and practical sessions to cater for members' professional needs.

12. Credit Hour requirements, Compliance and Sanctions

In order to maintain professional competence, relevance and ensure the exercise of due care at all times, a Chartered Accountant is required to fulfill the requirements of, and participate in, the Institute's learning activities that are relevant to his or her current and future work and professional responsibilities.

Members of the Institute are required to obtain a minimum of thirty (30) verifiable credit hours within a calendar year. This could be obtained solely from structured seminars or a combination of structured and unstructured seminars. The structured seminars or active learning involves interactive and participatory-based study such as: Mandatory Continuing Professional Development (MCPD), Continuing Professional Development (CPD), and Executive Mandatory Continuing Professional Development (EMCPD), the Annual Accountants' Conference, World Congress of Accountants, Academic Conference of Accounting and Finance (ACAF), ICAN Zonal Accountants' Conferences, Pan African Federation of Accountants (PAFA) Congress, and Accountancy Bodies in West Africa (ABWA) Congress. Credits hours can also be earned by programme accessed on the Institute's e-learning platform.

The unstructured programmes include other activities of the Institute such as Council and Committee meetings, District Society meetings, Annual Dinner, Annual General Meeting, Symposia, Examination exercises (invigilation, marking, extraction and pool setting), Retreats, Publications in the Institute's journals, facilitation at training programmes, and so on.

The Council of the Institute had approved sanctions for members who are deficient in their required Credit hours. Members in deficit of the required credit hours will be denied the following privileges:

- Sponsorship for students for registration, exemptions, examinations and registration for induction into membership;

- Sponsorship of graduate members for the Institute's membership;
- Elevation to Fellowship;
- Obtaining and Renewal of Practice Licences;
- Membership of Committees;
- Voting at Council elections;
- Contesting Council Elections; and
- Occupying any executive position in a District Society.

13. Guidelines for individuals' request for accreditation of Seminars/Workshops
Members seeking accreditation for seminars/workshops attended in order to earn credit hours will follow the below procedure:

- Write an Application addressed to the Members' Professional Development Department;
- Pay of Ten Thousand Naira (N10, 000.00) only accreditation fee;
- State clearly the duration of the course (that is, Contact Hours);
- State clearly the Course Programme, reflecting the duration of each paper;
- Forward the Seminar papers for evaluation;
- Clearly indicate the theme of the programme /course outline/topics;
- Provide the contact details of the course organiser; and
- The maximum credit point obtainable under this category is ten (10). Please note: Assessment of seminar is to take place not later than (6) six months after attendance.

14. Guidelines for Corporate Organisations' request for accreditation of Seminars/Workshops
Corporate organisations seeking accreditation for In-House programmes or other training modules should follow these application procedure:

- Application letter addressed to the Members' Professional Development Department;
- Theme of the programme/course outline/topics including allocation of time clearly stated in the application letter;
- Target Audience and expected participants clearly stated;
- Date and venue of the programme;
- Payment of Fifty Thousand Naira (N50, 000.00) only accreditation fee and provision of evidence of such payment;

- Forward seminar papers to the Members' Professional Development Department for evaluation three weeks before the date of the seminar;
- Provision of evidence of original attendance of participants through attendance sheets signed by participants;
- Detailed profile of Resource Persons; and
- For programmes outside of Lagos, the organizer(s) will provide transport, accommodation and feeding

for the Institute's monitor.

All requests for local and international accreditation must comply with the above criteria for the purpose of assessment before credit hours can be allocated to such seminars or workshops.



MEMBERS' BENEVOLENT & EDUCATIONAL TRUST FUND

ICAN Members Benevolent & Educational Trust Fund was established by the Council of the Institute of Chartered Accountants of Nigeria (ICAN) in 1998 with the following objectives:

- To promote and invest in Research and Educational development.
- To give financial assistance to needy members.
- To support families and dependants of needy members who have passed on.

CONDITIONS FOR ELIGIBILITY

The Management Committee evolved the eligibility conditions listed below for an Applicant to qualify for the grant. The Applicant:

- Must be a financial member of the Institute;
- Must have paid his/her annual subscription to at least the preceding year before his/her incapacitation;
- The mishap occasioning the request must not be from crime or negligence like arson, murder, manslaughter, use of hard drugs, etc;
- There must be proof that the member cannot afford his/her immediate needs; and
- Must route his/her request through his/her District Society.

CURRENT BENEFITS

The minimum amount of benefit to applicant members shall be a sum of Five Hundred Thousand Naira (N500,000.00); while the maximum shall be a sum of Two Million Naira (N2,000,000.00).

Procedures for Disbursement of Fund to Applicants:

a) An application received from a prospective beneficiary must state the estimate of his/her needs. Such an application must be endorsed by the

Chairman of the District Society of the Applicant;

b) For an application to be validly considered by the Management Board, the application will be considered and treated at any meeting where at least (2) two members of the Board are present;

c) The Secretary shall be responsible for processing and issuance of cheque for the amount approved;

d) All cheques shall be crossed and made payable only to the account of the payee or made payable to the beneficiary through his/her District Society unless otherwise decided by the Board and;

e) All failed/rejected applicants will be informed of the reason for failure/rejection.

ACTIVITIES OF THE FUND'S MANAGEMENT BOARD IN YEAR 2020

The major activities of the Management Board were fund raising and management of the Fund's investments. Funds so generated were invested and the incomes from the investments were disbursed to members in need and families that were distraught. Since inception, the fund had assisted members and families of dead members.

SOURCES OF INCOME

The main source of funding the Trust is through:

- i) Annual subvention from the Institute – by way of 3% of the Gross income from the Annual Accountants' Conference.
- ii) Income from investment of the Trust's Seed Funds
- iii) Donations from Members and other interested individuals.

ASSISTANCE GRANTED TO MEMBERS IN 2020

In 2020, Fourteen (14) applications were received, Twelve (12) were granted as tabulated below:

| S/NO | BENEFICIARIES' DISTRICT/LOCATION | PURPOSE | AMOUNT GRANTED |
|------|----------------------------------|--|----------------|
| 1 | Ikorodu & District Society | Ailment | N2,000,000.00 |
| 2 | Amuwo & District Society | Ailment | N2,000,000.00 |
| 3 | Akure & District Society | Educational support | N500,000.00 |
| 4 | Lagos & District Society | Ailment | N2,000,000.00 |
| 5 | Ikeja & District Society | Ailment | N2,000,000.00 |
| 6 | Ado Ekiti & District Society | Ailment | N500,000.00 |
| 7 | Abia & District Society | Educational support for children of a Distressed Member. | N275,000.00 |
| 8 | Osun & District Society | Ailment | N2,000,000.00 |
| 9 | Ikorodu & District Society | Ailment | N650,000 |
| 10 | Ogbomosho/oyo & District Society | Ailment | N1,500,000 |
| 11 | Minna & District Society | Ailment | N2,000,000 |
| 12 | Abuja & District Society | Educational support for the children of a late indigent member | N500,000 |
| | | | N16,925,000 |

We hereby wish to inform members to endeavour to continue to assist in creating awareness about the purpose and benefits of ICAN Members' Benevolent & Educational Trust Fund among the members of their respective district societies. This is important so as to aid the Fund's Management Board in its repeated appeal to members for donations. It will also facilitate the Trust's desire to touch more lives and make its assistance more effective.

We seize this opportunity to inform indigent members in need of financial assistance not to hesitate to approach the Fund's Management Board through the

Chairmen of their respective District Societies for appropriate assistance.

APPRECIATION

The Board of Trustees and Management Board hereby express sincere appreciation to High Chief (Sir) Oguntimehin Simeon Olusola OON,FCA (PP) for his invaluable services to the Trust Fund Since its inception.

High Chief (Sir) Oguntimehin was the Chairman of the Board of Trustees since the inception. He retired from the Board on 9th December 2020.

INTERGOVERNMENTAL RELATIONS COMMITTEE (IGRC)

Members of the committee met twice during the period.

The committee organised a dinner for the members of National Assembly. The event took place on the February 23, 2021 at the Sheraton Hotels & Towers Abuja.

The dinner was considered important because it brought the ICAN council and some members of the National Assembly together to interact with each

other and share ideas.

The dinner also gave the Institute the opportunity to interact with the National Assembly members on how ICAN can support the work of the National Assembly.



TECHNICAL, RESEARCH AND PUBLIC POLICY (TRPPC) COMMITTEE

The Technical Research and Public Policy Committee (TRPPC) of the Institute has the mandate to extend the frontiers of knowledge in the various fields of accounting, finance and other allied disciplines. The Committee also handles the various technical issues and positions issued by ICAN on different subjects and to diverse audiences. In order to make the activities of the Committee seamless, the former ten (10) sub-committees of the TRPPC were reduced to four (4) in the Presidential Year. The TRPPC successfully implemented the following initiatives of the Institute through its various sub-committees:

Ph.D Research Grant

To support scholarship among its members, ICAN established the Ph.D research grant to provide funding assistance to its members pursuing their doctoral degrees in Accounting from any recognized tertiary institutions in the world. In the 2020/2021 Presidential Year, the Institute awarded three (3) Ph.D research grants of the outstanding applications from the 2019/2020 Presidential year. In addition to these, about forty (40) past awardees of the grant who are at various stages of their Ph.D programmes were monitored and funding support provided to them in tranches based on their level of progress as specified in the grant’s funding criteria.

Commissioned Research Grant

The Commissioned Research grant of the Institute is focused on funding of selected topical research areas in the fields of accounting, finance and other allied

disciplines. The Institute increased the funding from one million Naira (N1,000,000) to two million, five hundred thousand Naira (N2,500,000) in the 2019/2020 Presidential Year. In this Presidential Year, the Institute awarded two Commissioned Research making it the highest number of Commissioned Research grants that would be awarded in a single Presidential Year. The awardees have received the first tranche of the payment of the grant and are at various stages on the research. The findings from those two research are expected to deepen ICAN’s contributions to accounting practice and the general economic well being.

Academic Conference

As members would recall, the 6th Annual International Academic Conference on Accounting and Finance could not hold as earlier scheduled for April 2020 due to the outbreak of the corona virus (COVID-19) pandemic. The postponed Conference however held between April 20 – 21, 2021 in collaboration with the University of Ilorin. The Conference took place in the University premises and had over 140 participants in attendance. The Lead Paper was delivered by Professor Emeritus Abhulimen R. Anao, FCA while a total of ... articles were presented and critiqued. Ph.D Colloquium also featured at the Conference where young researchers received constructive feedback on their theses.

Exposure Drafts and Public Hearings

We sustained our tradition of submitting our positions to the various Exposure Drafts issued by the

International Federation of Accountants (IFAC) and the International Financial Reporting Standard (IFRS). The TRPPC responded and reviewed a total of twenty (20) exposure drafts/agenda decisions in the Presidential Year. These are:

1. IFRS taxonomy 2020
2. Exposure draft - tentative agenda decision and comment letters supply chain financing arrangements—reverse factoring
3. Exposure draft - general presentation and disclosure
4. Exposure draft - comprehensive review of the IFRS for SMES standard
5. Business Combinations—Disclosures, Goodwill and Impairment
6. Consultation Paper on Sustainability Reporting
7. IFRS Taxonomy 2020 Proposed Update 4
8. Exposure draft 70, revenue with performance obligations
9. Exposure draft 71, revenue without performance obligations
10. Exposure draft 72, transfer expenses
11. Classification of Debt with Covenants as Current or Non-current (IAS 1)
12. Attributing Benefit to Periods of Service (IAS 19)
13. Hedging Variability in Cash Flows Due to Real Interest Rate (IFRS 9)
14. Configuration or Customization Costs in a Cloud Computing Arrangement (IAS 38)
15. Tentative Agenda Decision and comment letters: Costs Necessary to Sell Inventories (IAS 2)
16. Tentative Agenda Decision and comment letters: Preparation of Financial Statements when an Entity is No Longer a Going Concern (IAS 10)
17. Lease Liability in a Sale and Leaseback Proposed amendment to IFRS 16
18. Post-Implementation Review (IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities)
19. Proposed Revisions to the Definitions Of Listed Entity and Public Interest Entity in the Code
20. Exposure Draft (ED) 75—Leases

During the year, the Institute received requests for input and contributed to relevant bills and law from the National Assembly. For instance, the Institute's position on the draft 2021 Appropriation Bill was routed through the Association of Professional Bodies

of Nigeria (APBN) to government for it to harmonise and present the position of professional bodies. The Council also submitted its memoranda on the Review of the 1999 Constitution and the draft Banks and Other Financial Institutions Bill to the National Assembly.

Technical Bulletin

The ICAN Technical Bulletin is a quarterly publication that addresses technical issues that members face as they discharge their professional responsibilities. In the course of the year, we issued four editions of the Bulletin on topical issues including 2020 3rd quarter edition – “Responsibility Accounting and the Burden of Leadership” & “COVID-19 and Corporate Valuation in Nigeria”; 2020 4th quarter edition – “IFRS 17, Insurance Contract – A Quick Summary”; 2021 1st quarter edition – “Entrepreneurship and SMEs: Bookkeeping, Taxation, and Relevant Laws” and; 2021 2nd quarter edition – “Financial Services: Creating awareness on the CBN Monetary Guidelines”

Budget Symposium/Economic Discourse

The 2021 Budget Symposium/Economic Discourse , with the theme 2021 Budget: Road Map for Economic Recovery, was held virtually on Monday, February 22, 2021. A total of 2,459 participants attended the session chaired by our revered Past President, Dr Emmanuel Ijewere, FCA. The Keynote Speaker was Dr Biodun Adedipe, Chief Consultant, B. Adedipe Associates Limited while the panelists include Mr Taiwo Oyedele, FCA, Partner & West Africa Tax Leader, PricewaterhouseCoopers Nigeria; Mr Yomi Olugbenro, FCA Partner & West Africa Tax Leader, Deloitte; Dr Ben Akabueze, FCA, Director-General, Budget Office of the Federation; Dr Dikko Umaru Radda, Director General/Chief Executive Officer of Small and Medium Enterprises Development Agency of Nigeria (SMEDAN); Chief Solomon Vongfa, President, Nigerian Association of Small Scale Industrialist (NASSI).

Library

In the Presidential Year, the library acquired books for donation to some selected Tertiary Institutions and Tuition Houses. The following Institutions were the beneficiaries:

- Delta state polytechnic Ogwashi Uku
- Delta state university Anwai Campus

- Obafemi Awolowo University
- Redeemer's college of Technology Lagos Ibadan Express
- Adeleke University Osun State
- Speedy Success Professional Old Ota Road Satellite town Lagos

Members' Salary Survey

Due to the paucity of information on salary scales of members of the Institute employed in both public and private institutions around Nigeria, it is difficult for the Institute to regulate, intervene or guide its members on salary-related matters. As a result, the TRPPC constituted a Workgroup to conduct a survey on the salaries of ICAN members across various sectors of the economy, both public and private. The objective of the survey was to provide the Institute with adequate information when engaging the various stakeholders and employers of labour on appropriate remuneration for ICAN members. It is also expected to assist members seeking employment to have a fair idea on what to negotiate for with the prospective employers.

The report of Workgroup is currently being considered for approval by the Council. After approval, it would be hosted on the Institute's website and serve as a guide in our discussion with employers of labour when the Institute is advocating competitive salaries and other employment benefits for its members. It would also be useful to employers in their decision on the average salaries of Chartered Accountants in the different sectors and guide them on what to offer employees across various cadres.

STRATEGY, ADVOCACY AND PERFORMANCE TRACKING COMMITTEE

The Strategy, Advocacy and Performance Tracking (SAPT) Committee of the Institute is saddled with the responsibility of reviewing and formulating strategies for the long-term development of the Institute and make recommendations to Council. The Committee is also in charge of studying the ICAN Act regarding regulating the Accountancy Profession and formulate modalities for accomplishing, sustaining and strengthening its oversight/regulatory functions as provided in the Act.

During the Presidential Year, the Committee concluded the 2017 – 2022 Strategic-Intent Document of the Institute which was approved by the Governing

Council. The Document detailed the strategic focus of the Institute in 2017 – 2022 Financial Years: These are:

- Visibility of the ICAN Brand and advocating for members
- Creation of opportunities for members
- Refocusing the activities of the District Societies for greater involvement of Members and the leadership of the District Societies in the affairs of the Institute
- Relevance to the society and championing conclusions on all accounting and related matters in Nigeria
- Proactively influencing relevant government policies by maintaining a professional relationship with government
- Becoming the Institute of choice for appointments into critical accounting functions in all levels of government
- Repositioning ICAN so that it is able to lead locally and to compete favorably internationally
- Actively and proactively participate in IFAC's programmes showing interest in activities such as Standards development and setting.

The Committee also developed and secured Council's approval of the Advocacy Framework for the Institute. The Framework addresses the need to proactively promote the interest of the Institute and its members and also raise awareness on the role of the accounting profession in the economy through the various contributions of the Institute to national development

A District Societies' Performance Tracking model was also developed by the Performance Tracking sub-committee of the SAPT Committee. This model, approved by the Governing Council, is now being used to evaluate the performance of District Societies and subventions to these Districts are purely based on performance. The sub-committee also developed and got Council's approval on the framework for evaluating committees members' performance. The outcome of the evaluation is now adopted for re-appointment of members into committees.

ICAN ACCOUNTABILITY INDEX (ICAN-AI) STEERING COMMITTEE

The ICAN Accountability Index (ICAN-AI) continues to elicit the interest of players in the economy, particularly in the public sector. The Index has been

adjudged as a timely intervention towards achieving an efficient and effective Public Financial Management (PFM) practices in the country.

The public presentation for the 2019 report was held on December 9, 2020 at a well-attended programme. Goodwill messages were received from the World Bank, IFAC, PAFA, ABWA, the Public Expenditure and Financial Accountability (PEFA) and BudgIT. These bodies commended the initiative and also pledged to continue to work with ICAN to fulfil its public interest mandate as well as ensure that the Index is widely adopted across the African continent. It is noteworthy that some State governments have adopted the Index as benchmark for measuring the performances of their MDAs.

AD-HOC COMMITTEE ON THE ESTABLISHMENT OF ICAN UNIVERSITY

By the mandate of the 56th President, the ad-hoc committee on the establishment of ICAN University revived the erstwhile proposal of the Institute to establish the International University of Management, Nigeria (IUMN). Renowned members of the Institute who are academics were engaged to develop the modalities for achieving this goal. After an extensive scanning of the tertiary education space in the country, the Institute agreed that there was a gap to be filled by establishing a specialized university that would focus start with postgraduate studies in the management sciences. The process for securing the National Universities Commission's (NUC) licence for the university is ongoing. The Institute envisages that the university would commence operations in September 2021.

AD-HOC COMMITTEE ON RECIPROCITY WITH ACCA

The ad-hoc Committee on Reciprocity with the Association of Certified Chartered Accountants (ACCA) and other Professional Accountancy Organizations (PAOs) has submitted a report to Council for consideration. Council is presently reviewing the report.

MUTUAL COOPERATION AGREEMENT WITH TERTIARY INSTITUTIONS

During the Presidential Year, the Mutual Cooperation Agreement with Tertiary Institutions (MCATI) set up three (3) new sub-committees. These are the Handbook Review, Monitoring and Implementation

and Marketing sub-committees. In order to ensure that the MCATI Handbook continues to meet the changing dynamics and the Institute's syllabus, the



Handbook was reviewed to incorporate recent developments in the profession and the Institute's current syllabus.

During the Year, six (6) tertiary institutions were signed on the MCATI scheme bringing the total number of institutions under MCATI to 26. Some of the institutions due for monitoring were also monitored and the reports of the monitoring exercise communicated to the tertiary institutions with ICAN's recommendations for improvement, where necessary

FACULTIES

The Institute, with a long history of serving the public interest, created the Faculties in 2001, as the millennium was set to unfold. One key objective for creating these Faculties is to help the Institute regulate the practice of special branches of accountancy in which some members operate as well as open more channels of communication between the Institute and its members that perform various specialized functions in the economy.

Faculties facilitate networking amongst Chartered Accountants such that their unique needs can be identified, collated and satisfied; provide professional information that enhances the efficiency and technical competence of members in their workplaces; register, train, and issue certificates to their members as evidence of proficiency and authority in their specialized skills. Faculties are therefore, post-qualification programmes designed to train and certify the specialist skills of members. Above all, the Faculties continuously strive to educate members on their peculiar statutory duties and responsibilities such that a culture of best practice is evolved in each specialist area of practice.

The underlisted are the Faculties established by the Institute to perform functions mentioned above:

- 1) Audit, Investigations and Forensic Accounting;
- 2) Corporate Finance Management;
- 3) Corporate Reporting (Formerly Financial Reporting);
- 4) Information Technology and Consulting (Formerly Consultancy and Information Technology);
- 5) Insolvency and Corporate Re-Engineering;
- 6) Public Finance Management; and
- 7) Tax and Fiscal Policy (Formerly Taxation and Fiscal Policy Management)

The year 2020 activities of the Faculties were not spared from the effect of the Covid-19 pandemic. In spite of this, the Faculties were able to engage members using Webinar and Zoom meeting as alternative learning platforms, because they were more interactive – offering opportunities for



participants to ask questions from facilitators and chat with one another.

1. Audit, Investigations and Forensic Accounting Faculty

The Faculty commenced its programme for the year under review with an “In-house” training for PK Professional services. In addition, certification training sessions in Forensic Accounting (Modules 1-6) were held three (3) times in Lagos only. A total of 38 participants attended the events in the year under review. A webinar for members was also held virtually with 191 members in attendance. Moreover, strictly observing Covid-19 protocols, moot court session was held in Lagos physically on Tuesday December 3, 2020 with a total number of 19 candidates in attendance. The session exposed participants to simulated court scenarios with a view of grooming them towards becoming expert witnesses. Qualifying examination and viva were held on December 4, 2020 in Lagos.

As at the 12th induction ceremony held on March 2, 2020, a cumulative total of 689 members have been inducted as Certified Forensic Accountants of Nigeria (CFAN).

2. Corporate Finance Management Faculty

The Faculty is a large network of corporate finance professionals with members from professional

service firms, companies, banks, venture capital, brokers etc. The Faculty helps professionals adapt to emerging issues in an environment of constant change. Membership of the Corporate Finance Faculty also gives members access to the latest developments on emerging issues in corporate world, best practice guidance and professional expertise to enhance their work. In furtherance of the Faculty’s mandate to train and certify its members for proficiency and authority in specialized skill, Certification training sessions in Corporate Finance Management was held in Lagos in the year under review.

A seminar on Forum of Members with the theme: Organizational Risks Management and Business Strategies was also held virtually with 96 members in attendance. To date, the Faculty has awarded 20 members with Certificate of Proficiency in Corporate Finance.

3. Corporate Reporting Faculty

The Faculty which was formerly referred to as Financial Reporting has been renamed “Corporate Reporting” in line with current development to accommodate Sustainability and Integrated Reporting. The name change is also intended to refocus the Faculty in order to deliver on its mandates.

The Faculty continued its certification training programme for members and the general public on International Financial Reporting Standards (IFRS). Therefore, during the year under review, due to the Covid-19 pandemic, the Faculty trained only fifty three (53) members on IFRS in Lagos. It also conducted IFRS examination in Lagos for eligible candidates in December 2020. A one-day Seminar was held virtually twice during the year with the theme: Impacts of Covid19 on IFRS 9: Expected Credit Loss of Financial Institutions and Sustainability Reporting. A total of one hundred and forty seven (147) participants participated in the webinars. To date, three hundred and thirty three (333) Members have been awarded with ICAN Certificate of Proficiency in International Financial Reporting Standards (IFRS).

4. Information Technology & Consulting Faculty

The 2nd Accountants’ Technology Conference (ACCOUNTX) for West Africa earlier scheduled to hold in year 2020 was postponed due to Covid-19 pandemic. However, the Faculty held three (3) webinars with the following main themes: Cyber

Fraud and Blockchain Technology, 4th Industrial Revolution: How Emerging Technology Clusters are Changing the Consulting Industry. The first and second run recorded a total of three hundred and twenty four (324) participants.

Meanwhile, the Faculty has reevaluated its certification training programme curriculum in line with current realities to include Artificial Intelligence, Blockchain Technology, Cyber Fraud, Data Analytics, etc. The reviewed curriculum shall become operational in the third quarter of 2021. Successful participants of the Certification training programme shall be awarded Certified Financial and IT Consultants (CFICs) certificate.

5. Insolvency and Corporate Re-Engineering Faculty

The Insolvency & Corporate Re-Engineering Faculty was established to help with industry focused information and guidance. The Faculty continued its capacity building and development programmes for Members to ensure that they effectively perform their specialized function in the economy. It conducted its two-part certification training programme for the award of Certified Insolvency



Practitioner (CIP) during the year in Lagos only. A total of eight (8) members were trained during the year, while three (3) members passed the certification examination, bringing the number of Certified Insolvency Practitioners to one hundred and seven (107).

In line with the Faculty’s terms of reference to organize Seminars on trending issues, the Faculty held two (2) fee paying webinars in the year under review with the theme: Business Rescue Mission – CAMA 2020: Professional Perspectives and Corporate

Restructuring in Challenging Times. This is in addition to a non-fee paying webinar organized by the Faculty in collaboration with Nigerian Association of Chambers of Commerce, Industry, Mines, and Agriculture (NACIMA) with the theme: Business Rescue Post Covid-19: the role of Insolvency Practice. A total of five hundred and forty (540) participants attended this virtual seminar.

6. Public Finance Management Faculty

The Public Finance Management Faculty was created primarily to equip members with skills needed to deliver excellent public financial management and develop the strategic forward-thinking public sector accountants that the nation needs. The foregoing is being achieved by the Faculty through various Seminars, workshops and capacity building initiatives of the Faculty.



Thus, the Faculty continued to sensitize members and key players in the public sector on the adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). To this end, a-three (3) day training programmes with the theme Accrual basis IPSAS Practical Conversion Masterclass was held physically in Lagos and Abuja with Covid-19 protocols fully observed. A two (2) day accrual basis IPSAS workshop was also held virtually. A total of one hundred and twenty five (125) Members and Non-ICAN Members participated in these IPSASs trainings. As part of its awareness programmes, the Faculty organized forum of members with the main theme: "Covid-19 Lockdown – Mitigating the Impacts on State & Federal Governments' Revenue and Budgetary Allocation" and sub themes The Importance of National Chart of Account in Accrual IPSAS Reporting and Adoption of E-procurement Techniques to Enhance Integrity of Public Procurement Process. The forum, held virtually,

recorded seventy-four (74) members in attendance, thus bringing the number of participants recorded for the year under review to one hundred and ninety nine (199).

7. Tax and Fiscal Policy Faculty

Membership of Tax Faculty assists members to be on top of the ever-evolving world of tax with timely material, guidance and support. This is because the world of tax is fast moving and ever changing, so keeping up to date with compliance and regulatory matters can be hard. In the light of this, the Faculty held one (1) physical seminar in Lagos and repeated it in Abuja and Port Harcourt during the period under review before the Covid-19 lockdown. Two virtual Seminars were held during the lockdown. The theme of the physical seminar was: Implications of Finance Act 2019 & Tax Outlook for 2020. The theme of the webinars were:

- a) Covid-19 Fiscal Policy Responses and Tax Measures: Implications for Stakeholders; and
- b) Contemporary Tax Mobilization Measures.

A total of six hundred and two (602) participants were recorded for the above mentioned seminars and webinars. In the year under review, the Faculty also released newsletters on Tax matters such as reports from Tax Appeal Tribunal and topics of professional significance.

PROFESSIONAL EXAMINATIONS

A. ICAN CONDUCTED PROFESSIONAL EXAMINATIONS AMIDST COVID 19 PANDEMIC

The Institute was able to conduct Two (2) diet Professional Examinations for the year 2020 amidst the outbreak of Covid 19 pandemic. The Examinations were conducted in Fifty Two (52) centres in various parts of Nigeria under strict compliance with Covid-19 guidelines successfully.

B. SUSPENSION OF THREE (3) DIETS PROFESSIONAL EXAMINATIONS DUE TO COVID 19 PANDEMIC

The Council approved the suspension of the three (3) diets professional examinations and reverted to two (2) diets examinations. This is because of the prevailing COVID-19 pandemic wherein there are concerns of second wave and the increasing number of new cases. The Institute will be conducting two diets professional examinations (May and November) pending when the situation returns to normal and feasible to conduct 3 diets examinations.

C. NON FINANCIAL STUDENT MEMBERS NOT ELIGIBLE TO REGISTER FOR EXAMINATIONS

The Council of the Institute approved that henceforth; Non financial Student Members of the Institute would no longer qualify to write the Institute's examinations and therefore, will not be allowed to register for the examinations. Students are required to pay their outstanding subscriptions and update their financial status before proceeding to pay and register for the Institute's examinations.

D. REPORTS OF MARCH/JULY AND NOVEMBER 2020 DIETS PROFESSIONAL EXAMINATIONS

Professional examinations for March/July and November 2020 diets were held successfully amidst strict adherence and observance of the Covid 19 protocols. The number of candidates that wrote the examination was 16,605. The November 2020 diet was held between December 8th and 10th, 2020. A total of 12,598 candidates wrote the examinations.

The breakdown of the candidates for March/July and November 2020 diets examinations are stated below:

| LEVEL OF EXAMINATIONS | MARCH/JULY 2020 |
|-----------------------|-----------------|
| FOUNDATION | 2,409 |
| SKILLS | 7,014 |
| PROFESSIONAL | 7,182 |
| TOTAL | 16,605 |

| LEVEL OF EXAMINATIONS | NOVEMBER 2020 |
|-----------------------|---------------|
| FOUNDATION | 1,500 |
| SKILLS | 5,284 |
| PROFESSIONAL | 5,814 |
| TOTAL | 12,598 |

MARCH/JULY 2020 DIET MERIT PRIZES FOUNDATION

| NAME | EXAMINATION NO. | REGISTRATION NO. | AWARD |
|-------------------------------|----------------------|------------------|-------|
| Lapite Olumide Moses | 20201/102084/f/1345 | 221952 | 1st |
| Dada Oluwatimilehin Zaccheaus | 20201/101716/f/134 | 242053 | 2nd |
| Nwoye Ijeoma Chidinma | 20201/102107/f/12345 | 244092 | 3rd |

SKILLS

| NAME | EXAMINATION NO. | REGISTRATION NO. | AWARD |
|-----------------------------|----------------------|------------------|-------|
| Aderibigbe Oluwabunmi Grace | 20201/205173/S/1345 | 240475 | 1st |
| Sanu Oluwadamilare Samson | 20201/203780/S/1345 | 242391 | 2nd |
| Onuoha Uchenna Charles | 20201/205095/S/12345 | 239154 | 3rd |

PROFESSIONAL

| NAME | EXAMINATION NO. | REGISTRATION NO. | AWARD |
|--------------------------|----------------------|------------------|-------|
| Asipa Oluwaseye Ibukun | 20201/303679/P/12345 | 233006 | 1st |
| Adefusi Oluwaseun Praise | 20201/302366/P/12345 | 239401 | 2nd |
| Aro Azeez Adebayo | 20201/306116/P/124 | 222360 | 3rd |

SUBJECT PRIZES

| SUBJECT | PRIZE DONOR | WINNER |
|---|--|--|
| FOUNDATION | | |
| Financial Accounting | Late Sir John A. Balogun | 20201/101716/F/134 242053 DADA OLUWATIMILEHIN ZACCHEAUS |
| Business Law | Late Alhaji I. O. Sulaimon and Princess A. A. Adeniran | 20201/101790/F/12345 237964 AJAH GRACE UGOCHI |
| Economics & Business Environment / Business & Finance | M. B. Taiwo J. A. Owoseni | 20201/100931/F/12345 243030 OMAGA SUMAILA |
| Taxation | Late Z. O. Ososanya | 20201/102084/F/1345 221952 LAPITE OLUMIDE MOSES 20201/100152/F/134 242709 ELEBEKE AMARACHUKWU CYNTHIA |
| Management Information | Late Chief E. F. Oke and Late Prof. M. A. Adeyemo | 20201/101181/F/134 243416 RAHMAN DAMILOLA FATIAT |

SKILLS

| | | |
|---|-----------------------------|---|
| Auditing & Assurance | N. L. Westgarth | 20201/201317/S/123 235695 OSOTEKU SAMUEL ADEDAYO |
| Performance Management | G. J. Burk | 20201/205853/S/12345 239833 ADEGBEMILE SIMILOLUWA TAIWO |
| Financial Reporting | S. B. Baylis-Smith | 20201/203592/S/1345 243781 ADEDEJI OLUWADAMIPE PRINCESS |
| Corporate Strategic Management & Ethics | PriceWaterHouseCoopers | 20201/205095/S/12345 239154 ONUOHA UCHENNA CHARLES |
| Public Sector Accounting & Finance | Late Balogun J. O. Omidiora | 20201/203780/S/1345 242391 SANU OLUWADAMILARE SAMSON |

PROFESSIONAL

| | | |
|--------------------------------|--|---|
| Corporate Reporting | Arthur Young, Osindero & Moret | 20201/303679/P/12345 233006 ASIPA OLUWASEYE IBUKUN |
| Advanced Audit & Assurance | J. M. T. Morris & KPMG | 20201/302778/P/124 235247 SOLOMON MOREMI OMOTOLANI |
| Strategic Financial Management | Late Bola Kuforiji-Olubi Late Elder M. E. Daniels | 20201/303233/P/1345 195574 TALABI ADEYEMI AMOS 20201/304813/P/135 231937 ADEKUNLE ABDULLAH OPEYEMI |
| Advanced Taxation | Akintola Williams & Co. Olushola Adekanola | 20201/304637/P/12345 231442 SODIMU OLUWATOMI OLUWADAMILOLA |
| Case Study | KPMG | 20201/304310/P/125 228921 SAID RUMAISIA AMEEN |

SPECIAL PRIZES

SWAN Prize for the best qualifying female candidate for the diet.

| Name | Examination Number | Registration Number |
|--------------------------|----------------------|---------------------|
| Adefusi Oluwaseun Praise | 20201/302366/P/12345 | 239401 |

Akintola Williams Deloitte and Touche Prize for the best qualifying candidate in a diet.

| Name | Examination Number | Registration Number |
|------------------------|----------------------|---------------------|
| Asipa Oluwaseye Ibukun | 20201/303679/P/12345 | 233006 |

NOVEMBER 2020 DIET MERIT PRIZES
FOUNDATION

| NAME | EXAMINATION NO. | REGISTRATION NO. | AWARD |
|----------------------------|----------------------|------------------|-------|
| Nwadike Osmond Chukwuebuka | 20202/100350/F/12345 | 246862 | 1st |
| Okeke Chiamaka Maryrose | 20202/100687/F/1345 | 247011 | 2nd |
| Abegunde Taiwo Ogooluwa | 20202/100518/F/12345 | 247253 | 3rd |

SKILLS

| NAME | EXAMINATION NO. | REGISTRATION NO. | AWARD |
|-------------------------|---------------------|------------------|-------|
| Moshood Moyosore Mariam | 20202/202333/S/1345 | 247560 | 1st |
| Olabode Noimot | 20202/203405/S/1345 | 241690 | 2nd |
| Oladejo Halimah Olawumi | 20202/202087/S/1345 | 247577 | 3rd |

PROFESSIONAL

| NAME | EXAMINATION NO. | REGISTRATION NO. | AWARD |
|--------------------------------|-----------------------|------------------|-------|
| Daramola Oluwadamilola Olaitan | 20202/301261/P/12345 | 225591 | 1st |
| Abdulsalam Tajudeen Alaburo | 20202/303613/P/12345 | 241589 | 2nd |
| Ajao Abimbola Josephine | 20202//304818/P/12345 | 240198 | 2nd |
| Akpan Rosemary Abasekwere | 20202/305307/P/124 | 226878 | 3rd |

SUBJECT PRIZES

| SUBJECT | PRIZE DONOR | WINNER |
|---|--|--|
| FOUNDATION | | |
| Financial Accounting | Late Sir John A. Balogun | 20202/100659/F/134 245256 Olujide Taofeek |
| Business Law | Late Alhaji I. O. Sulaimon and Princess A. A. Adeniran | 20202/100449/F/1345 245398 Adun Celestine Osahenrumwen |
| Economics & Business Environment / Business & Finance | M. B. Taiwo J. A. Owoseni | 20202/100518/F/12345 247253 Adebemile Similoluwa Taiwo |
| Taxation | Late Z. O. Ososanya | 20202/100350/F/12345 246862 Nwadike Osmond Chukwuebuka 20202/101089/F/1345 246782 Alabi Olanrewaju Joseph |
| Management Information | Late Chief E. F. Oke and Late Prof. M. A. Adeyemo | 20202/100350/F/12345 246862 Nwadike Osmond Chukwuebuka |

SKILLS

| | | |
|---|-----------------------------|---|
| Auditing & Assurance | N. L. Westgarth | 20202/200312/S/125 242494 Ekeyi Amaka Eberechi 20202/204745/S/234 221023 Sakanwi Godwin Obarijimah |
| Performance Management | G. J. Burk | 20202/202333/S/1345 247560 Moshood Moyosore Mariam |
| Financial Reporting | S. B. Baylis-Smith | 20202/200850/S/1345 247603 Cookey Ruth Ese |
| Corporate Strategic Management & Ethics | Price WaterHouse Coopers | 20202/201538/S/1345 246182 Iheanacho Stanley Uchechukwu 20202/203463/S/1345 228927 Shuaibu Rilwanu |
| Public Sector Accounting & Finance | Late Balogun J. O. Omidiora | 20202/203345/S/1345 245720 Arowolo Mariam Ayobami |

PROFESSIONAL

| | | |
|--------------------------------|--|---|
| Corporate Reporting | Arthur Young, Osindero & Moret | 20202/304818/P/12345 240198 Ajao Abimbola Josephine 20202/302586/P/124 220245 Chima Daniel Ifeanyi |
| Advanced Audit & Assurance | J. M. T. Morris & KPMG | 20202/301911/P/124 235513 Kawedo Fumnaya Joel |
| Strategic Financial Management | Late Bola Kuforiji-Olubi Late Elder M. E. Daniels | 20202/302394/P/12345 238706 Okpala Henry Nnaemeka |
| Advanced Taxation | Akintola Williams & Co. Olushola Adekanola | 20202/300211/P/245 228928 Sulaiman Jamiu Jimoh |
| Case Study | KPMG | 20202/303701/P/145 241627 Ijagbemi Patience Osekafore |

SPECIAL PRIZES

SWAN Prize for the best qualifying female candidate for the diet.

| Name | Examination Number | Registration Number |
|--------------------------------|----------------------|---------------------|
| DARAMOLA OLUWADAMILOLA OLAITAN | 20202/301261/P/12345 | 225591 |

Akintola Williams Deloitte and Touche Prize for the best qualifying candidate in a diet.

| Name | Examination Number | Registration Number |
|--------------------------------|----------------------|---------------------|
| DARAMOLA OLUWADAMILOLA OLAITAN | 20202/301261/P/12345 | 225591 |

Akintola Williams Prize for the best qualifying candidate in a year.

| Name | Examination Number | Registration Number |
|--------------------------------|----------------------|---------------------|
| DARAMOLA OLUWADAMILOLA OLAITAN | 20202/301261/P/12345 | 225591 |



LEGAL

ACCOUNTANTS' INVESTIGATING PANEL

The Investigating Panel considered a total of forty nine (49) matters.

a) PENDING CASES

A breakdown of matters pending before the Investigating Panel is as follows:

- Misappropriation of Funds - 12
 - Unethical Practice with regards to audit work - 7
 - Unethical Conduct as a staff - 3
 - Financial Dispute - 1
- Total = 23

b) CASES REFERRED FROM THE INVESTIGATING PANEL TO THE DISCIPLINARY TRIBUNAL

In the period under review, three (3) cases were referred to the Accountants' Disciplinary Tribunal.

c) CONCLUDED CASES

Twenty (20) cases were concluded, three (3) were set aside for not complying with the condition precedent for commencement of investigations i.e. submission of affidavit evidencing complaint.

2. DISCIPLINARY TRIBUNAL

The Accountants' Disciplinary Tribunal had five (5) sittings (both physical and virtual) in 2020. A total of fourteen (14) matters were heard with one Judgment delivered in a matter. Two of the fourteen (14) matters commenced newly.

(a) PENDING CASES

There are thirteen (13) matters pending at various stages of hearing, which have not been concluded.

The cases are classified as follows:

- Unethical Practice with regards to audit work - 3
 - Misappropriation of Funds - 2
 - Financial dispute - 3
 - Infamous conduct - 5
- Total = 13

(b) CONCLUDED CASE

Judgement was delivered on one matter in 2020. The Covid-19 Lockdown and other circumstances affected Tribunal sittings and pending matters within the period.

3. STUDENTS' INVESTIGATING COMMITTEE

The Students' Investigating Committee met four times in 2020 and considered a total of fourteen (14) cases.

a) PENDING CASES

The Students' Investigating Committee currently has one (1) pending case of alleged unethical conduct.

b) CONCLUDED CASES

The Students' Investigating Committee concluded fourteen (14) cases of examination misconduct and malpractices. The Committee also further reviewed the Institute's Examination Offences and Disciplinary Measures, which have been approved by Council.

4. AAT INVESTIGATING COMMITTEE

There is no pending matter currently before the AAT Investigating Committee.



FINANCE & GENERAL PURPOSES COMMITTEE (F&GPC)

FORMULATION OF NEW INVESTMENT POLICY FOR THE INSTITUTE

The Committee recommended and got Council's approval for a new Investment policy for the Institute with the following objectives:

- Preserve the Investment Principal
- Generate capital appreciation
- Generate risk adjusted return
- Diversify investment to minimize concentration risk
- Maintain appropriate liquidity

EFFECTIVE AND EFFICIENT WORKING CAPITAL MANAGEMENT

The Committee ensured good working capital management through prudent resource allocation to the varying needs of the Institute resulting in the surplus achieved at year end notwithstanding the negative impact of COVID-19 pandemic on Income generation.

STRICT ADHERENCE TO BUDGETARY PROVISIONS

The year 2020 Budget was approved by Council in November 2019 and implementation commenced in January 2020. There was strict adherence to budget provisions in allocation of funds.

SUBSCRIPTION RECOVERY DRIVE

The Subscription received from members increased by N99.697million from 2019 to 2020.

This is attributed to the snowballing effect of suspension and delisting of erring members as at December 31, 2019. Delisting and suspension activities were suspended in 2020 due to the negative effects of COVID-19 pandemic on members' income.

Members were granted 10% rebate on year 2021 Subscription to further cushion the effect.

F&GPC EXPLORING WAYS TO MAKING THE INSTITUTE RESPONSIVE TO MEMBERS' NEEDS

A survey on members' needs was administered and collated responses from members to be addressed by the President at the bi-annual media chat. The survey will subsequently be carried out on a quarterly basis.

ENHANCEMENT OF STAFF WELFARE

The Committee during the year ensures training of staff albeit virtually due to COVID-19 pandemic. Payment of salary and employers contribution to pension funds were done as at when due.

FINANCIAL MEMBERS' AS AT DECEMBER 31, 2020

| | |
|-------------------------------|---------------|
| Number of Retired Members | 222 |
| Number of Exempted Members | 1,027 |
| Members who paid Subscription | 32,337 |
| TOTAL | 33,586 |



PROFESSIONAL PRACTICE

Small and Medium-sized Practice (SMP)



TERMS OF REFERENCE

The terms of reference of the Small and Medium-Sized Practice Committee are:

1. Develop a mentoring programme for the SMPs and identify the roles of the “Big firms” and other Medium-sized firms to actualize the programme;
2. Set up a platform for SMPs to draw technical support from;
3. Develop a practical training programme for capacity building for SMPs (for both Partners and Staff) which could be implemented by SMP Committee or transferred to either MPD or Audit Faculty for implementation;
4. Develop an awareness campaign programme to encourage SMPs to merge their practices; and
5. Create a platform to assist and encourage SMPs that want to merge their practices to do so seamlessly.

IMPLEMENTATION OF ICAN HELP DESK AND PRACTITIONERS’ PORTALS

The trial run of operations of the “Help Desk” and “Practitioners’ portal” is still in progress. The objective is to provide support for the SMPs on practical and technical matters in the course of their professional practice.

ICAN SMP ACADEMY

The ICAN SMP Academy will run its first series of seminars on Small and Medium Sized practices in the six geopolitical zones before the end of 2021.

TEMPLATE FOR MERGER OF SMALL AND MEDIUM SIZED FIRMS

The committee is still reviewing the “Template for Merger of Small and Medium - Sized Firms”.

CAPACITY BUILDING IN THE BIG FIRMS

To ensure better service delivery by Small and Medium Sized practitioners, arrangements have been concluded to have some members of the Small and Medium-Sized firms to participate in “Capacity Building in the Big firms”.

REPORT OF PROFESSIONAL PRACTICE COMMITTEE (PPC)

TERMS OF REFERENCE

The terms of reference of the Professional Practice Committee are:

- a. To monitor ICAN members that provide audit services and ensure delivery of quality services while complying with relevant accounting and auditing standards.
- b. To ensure that every firm and partner is reviewed on a rotational basis within a reasonable period.
- c. To provide practical help and guidance on technical matters to members with a view to enhancing the efficiency of members’ performance.
- d. To make recommendations to the Council on desirable changes to the Institute’s Rules and Regulations regarding professional practice.
- e. To issue practice licence to qualified members of the Institute.

For effective realization of her Terms of Reference, the Committee was divided into two sub

committees namely:

A. SUB COMMITTEE ON PRACTICE LICENCE AND RELATED MATTERS

TERMS OF REFERENCE

Main purpose is to ensure that due process is followed in granting practice licence to qualified members of the Institute and other related matters.

RETRIEVAL OF UNTENURED/EXPIRED LICENCES

All Practitioners are required to hold a practice licence with expiry dates. The licence is renewable yearly. The Committee has mapped out plans to achieve this objective.

AUTOMATION OF PRACTICE LICENCE PROCESS

The Committee is working on automating the entire licensing process (both fresh and renewal).

All the process stages had been reviewed vis a vis their associated controls, the demo version would be tested to assess the technical functionalities. We hope to deliver the project before the end of the year.

REVISED CONDITIONS AND PROCEDURES TO OBTAIN THE INSTITUTE'S PRACTICE LICENCE

Within the presidential year, the conditions and procedures for application for fresh licences were reviewed to include the following:

- i. Sponsors/Managing Partners' must be in good financial standing;
- ii. Sponsors' must be MCPD compliant; and
- iii. Sponsors' must have a valid Practice Licence.

Hence fresh licence applicants are encouraged to verify the status of their respective sponsors before applying for the Institute's practice licence. The revised Conditions/Procedures had been hosted on the Institute's website.

B. SUBCOMMITTEE ON PRACTICE MONITORING AND IFAC MATTERS

TERMS OF REFERENCE

The main purpose is to oversee the machinery that will conduct inspections and review of Firms and Partners. More specific objectives are:

REVIEW OF AUDIT ENGAGEMENT PARTNERS AND FIRMS

The subcommittee on practice monitoring and IFAC matters proposed to carry out practice review on 20 selected medium size audit firms in Lagos and the exercise is proposed to tentatively commence before the end of the year. Experienced Partners and Senior

Managers from big firms will be engaged pro-bono. The plan is to pair Secretariat staff with experienced reviewers for the purpose of knowledge transfer and capacity building.

The Secretariat has communicated to the selected firms requesting for information about their engagements and 17 firms have responded with the required information.

REVIEWERS' FORUM

The Committee has seventy two (72) volunteer reviewers. The Reviewers' Forum is scheduled to hold before the end of 2021.

CLAUSE ON ACCESS TO CLIENTS' INFORMATION AND PARTNERS' AUDIT WORKING PAPERS

This clause is intended to facilitate and empower the Institute to conduct effective practice monitoring, have unrestricted access to the client's working paper and review the audit assignments carried out by the engagement partners who are members of the Institute.



SANITIZATION OF PROFESSIONAL PRACTICE

The Institute is collaborating with regulators such as the Financial Reporting Council of Nigeria (FRCN), The Nigerian Stock Exchange (NSE) and the Securities and Exchange Commission (SEC) with the view to sanitizing the system and ensure practitioners deliver quality audit services to the public and curb all manners of fraudulent practices.

In addition, due diligence on practitioners is ongoing to ensure that the Institute's Practice Licences are issued to only qualified practitioners in full time audit practice.

SUBMISSION OF ICAN STATEMENTS OF MEMBERSHIP OBLIGATIONS (SMOs) ACTION PLANS AND REVIEW OF ICAN DASHBOARD REPORT

IFAC has hosted the Institute's SMOs and Dash Board Report (DBR) with a commendation on the Institute's sustained SMO fulfillment. The Institute, based on previous years' performance rating, has been given official permission to submit her SMO once every four years instead of every two years.

DEVELOPMENT OF AUDIT MANUAL AND CHECKLIST ON IFRS FOR SMALL AND MEDIUM ENTERPRISES PRACTITIONERS

Both the Audit Manual and Checklist on IFRS for Small and Medium-sized Practices had been approved by the Council and subsequently hosted on the Institute's website for the benefit of Members.

REVIEW OF ISA 500 – PROJECT FROM IAASB

During the period under review, the International Audit and Assurance Standards Board (IAASB) requested input from the Institute on ISA 500 (Audit Evidence). The Institute provided her position within the stipulated time.

IFAC REQUEST FOR BROADER DEFINITIONS OF "PIES" AND LISTED ENTITIES

This request which received the Institute's timely response was also received during the period under review.

FRCN EXPOSURE DRAFT ON AUDIT REGULATION

A request for the review of the Financial Reporting Council of Nigeria Exposure Draft on Audit Regulation was received during the period under review and the Committee responded with a total of twenty seven (27) comments, suggestions and amendments.

PRACTITIONERS' OFFICE VERIFICATION

The proposal for Practitioners' office verification has been sent to all subcommittee members after deliberations. Practitioners' Office Verification Exercise is designed to enhance due diligence and effective practice monitoring exercise. It is a process that assures the Institute that all members with its practice licences have offices where they operate from.

PUBLICATIONS & IMAGE

THE INSTITUTE'S IMAGE

In spite of the Covid-19 pandemic that ravaged the whole world in the year under review, the Publications and Image Committee (PIC) of the Institute pursued its mandate of maintaining and disseminating information to the public, members, stakeholders and the users of accounting services to ensure that the Institute's image continues to improve.

The dissemination of information to the Institute's internal and external publics was very robust, effective and timely as all activities of the Institute were widely and adequately covered and reported by the print, electronic and social media.

THE INSTITUTE'S PUBLICATIONS

The quarterly journals of the Institute, The Nigerian Accountant, for members and the ICAN Students' Journal as well as the ICAN e-Newsletter and Annual Report & Financial Statements were timely produced. The soft copy of each edition of the journals and the Annual Report and Financial Statements were also hoisted on the Institute's website, while same were also sent via email to financial members and students. Copies of the publications were also used by the President as part of Public Relations items packaged for dignitaries during Presidential tours of ICAN District Societies and other official visits to further sensitize stakeholders about the Institute.

SOCIAL MEDIA UNIT

The Institute's Social Media Unit which was established some years ago, was highly improved and has helped in boosting our online presence and making the Institute more accessible to our stakeholders wherever they may be. All the institute's activities were streamed on the social media.

ANNUAL DINNER & AWARDS

The Annual Dinner and Awards was held on May 1st 2021 at Oriental Hotel, Victoria Island, Lagos. The event brought together members of the Institute and other invited guests both from private and public sectors of the economy. Awards were given to some outstanding individuals and corporate bodies for the impact they have made on the Institute and the society in general.

The recipients in the different categories are:

- a) Members category
 - Mr. Albert Folorunso, FCA
 - Mr. Fola Adeola, FCA
 - Major-General Sebastian .A. Owuama, FCA (Rtd.) (PP)
 - Alh. Kabir Alkali Mohammed, mni, MFR, FCIS, CGMA, FCA (PP)
 - Otunba Olusola Adekanola, mni, FCA
- b) Non-Members Category
 - Emeritus Prof. Godwin Sogolo of the National Open University
 - Mr. Boss Mustapha, Secretary to the Government of the Federation.
- c) Corporate Body Category
 - Presco Plc.

2021 ELECTION INTO COUNCIL

In line with International best practices, the 2021 Election to Council was conducted strictly electronically (e-voting).

Six vacancies were declared in Council – Four (4) of the existing vacancies are for members-in-practice and two (2) are for members-not-in-practice.

Nominations were received from members. The following people were nominated for election in the two categories:

MEMBERS IN PRACTICE CATEGORY

- i) Alaribe Davidson Chizuoke Stephen (Chief)
- ii) Ayamba Kelly Kejuo (Mr.)
- iii) Badejo Adegbenga Olufemi (Mr.)
- iv) Sunday Abayomi Bammeke (Mr.)
- v) Oladipo Oladele Nuraini (Mr.)
- vi) Okoro Francis Chavwuko (Mr.)
- vii) Olakisan Jamiu (Mr.)

MEMBERS NOT IN PRACTICE CATEGORY

- i) Awobotu Adedeji Abiodun (Mr.)
- ii) Allison Amachree Rollins (Mr.)
- iii) Chidume-Okoro Adaku Chilaka (HRM)
- iv) Oluseyi Oladimeji Olanrewaju (Dr.)
- v) Uma-Onyemenam Njum Nnennaya

Members voted via the ICAN website and the results were downloaded and collated by the Scrutineers appointed by Council. The results of the Election will be announced at this Annual General Meeting.

STUDENTS' AFFAIRS COMMITTEE

1. REGISTRATION / EXEMPTION

A total of Six Thousand, Five Hundred and One (6,501) students were registered during the year under review. This brings the total number of registered students to Two Hundred and Thirty-Five Thousand, Four Hundred and Seventy-Nine (235,479) as at December 2020 while Four Thousand, Two Hundred and Eleven (4,211) were granted exemptions from various levels of the Professional Examination from January to December 2020.

Two Thousand, Seven Hundred and Fifty-Seven (2,757) students were registered for the Accounting Technicians Scheme West Africa (ATSWA) during the year under review, bringing the total number of registered ATSWA students to One Hundred and Thirty-Thousand, Six Hundred and One (130,601) while Three Hundred and Seventeen students (317) were granted exemption from various levels of ATSWA.

2. ACCREDITATION

In view of the prolonged nature of the COVID-19 pandemic lockdown that affected the educational sector in the country, three (3) Universities, six (6) Polytechnics which met the necessary educational requirements of the Institute were accorded full accreditation status during the year while two (2) Tuition Centres were granted full recognition as approved training centres for the Institute's examination. The Institutions are as listed below:

Universities

- i. Crescent University, Abeokuta, Ogun State.
- ii. Mountain Top University, Ibafo, Ogun State.
- iii. Chrisland University, Abeokuta, Ogun State.

Polytechnics

- i. Captain Elechi Polytechnic, Port Harcourt, Rivers State
- ii. D.S. Adegbenro ICT Polytechnic Eruku-Itori, Ogun State

Tuition Houses

- i. Brentwood Tuition Centre, Port Harcourt Rivers State.

ii. Top Professional Solutions, Port Harcourt, Rivers State.

iii. Crest Professional Tutors Surulere, Lagos.

iv. First Choice Accurate Success Link Limited, Ketu/Mile 12 Lagos.

v. Platinumgold 360o Solutions Opebi Ikeja Lagos.

vi. Career Intelligent Professional, Mararaba, Nasarawa State

3. ICAN SCHOLARSHIP SCHEME

The Institute's scholarship scheme was set up as one of its corporate social responsibility initiatives, designed to make the accountancy profession more attractive to the brightest scholars from all universities and polytechnics in the country.

A total of one hundred and thirty-seven (137) students benefitted from the Scholarship Scheme by sitting for various levels of the Professional Examination during the March/July and November 2020 diets, bringing the total number of beneficiaries to seven hundred and ninety-seven (797).

Five (5) students benefitted under the ATSWA (Silver) category in the March and September 2020 diets.

Detailed information on the Scheme for all interested and qualified students are available on the Institute's website.

4. CATCH THEM YOUNG PROGRAMME

The Catch Them Young Programme is an initiative designed to:

- Create awareness among students about the career opportunities available to them through the Institute of Chartered Accountants of Nigeria's platform.
- Take ICAN to the grassroots with a view to "catching them young".
- Promote the sense of self-employment/entrepreneurship, future prospects and personal interest among the students.
- Create a sense of commitment to excellence among students and teachers of commercial subjects in secondary schools.
- Enhance the quality of commercial education in

our Secondary Schools.

? Promote a platform for socio-academic interaction among the commercial Secondary School students.

The programme is to boost the candidature of the Accounting Technicians' Scheme West Africa (ATSWA) and eventually, the Professional Examinations membership of the Institute.

The Institute had run the programme in twenty five (25) states of the country, including the six (6) Educational Districts in Lagos State since inception in 2014 and is still counting. However, due to the restrictions engendered by the advent of COVID-19, the programme could not hold in the various Districts as planned for the presidential year. Nevertheless, some district societies leveraged on technology to organise the programme for students in upper secondary school (SSS1 to SS3) drawn from various schools and secondary school leavers awaiting UTME/WASCE results.

In 2020, the programme was held in 4 (four) locations only, namely:

1. Lagos and District Society - September 03, 2020 (virtual)
2. Ikeja & District Society - January 15, 2021 (virtual)
3. Oyo & District Society - February 16, 2021 (virtual)
4. Ota & District Society - January 27, 2021 (physical)

5. NYSC ORIENTATION CAMP

The 56th President, Onome Joy Adewuyi (Dame), BSc, MSc, FCIB, FCA, led the ICAN team on a courtesy visit to the National Youth Service Corp (NYSC) secretariat on Tuesday, January 12, 2021, where she presented, amongst others, the request of the Students Affairs Committee to have access to its various orientation camps all over the country in order to create awareness for the various ICAN programmes.

As a result, the Institute was given a one-off permission to visit the Lagos and Abuja orientation camps on February 3, 2021.

The Alimosho & District and Abuja District Societies represented the Institute at both camps and presented the message of the Institute to the Corp members, emphasizing the various programmes of ICAN and its different initiatives aimed at bolstering human capital development in the country.

SYLLABUS REVIEW COMMITTEE

The Syllabus Review Committee, formerly a committee of Council, was upgraded to a standing committee at the Council meeting held on May, 27, 2020 with the following Terms of Reference:

1. To undertake annual update of the ICAN Professional Examination Syllabus in conjunction with the Students' Affairs and Examination Committees. Make recommendations and amendments thereto as may be considered necessary taking into consideration national and international changes that affect the accounting and finance profession, specifically:

- Development in digital and technological disruptions
- Soft Skills that the Chartered Accountant requires to cope with global changes in the future workplace.
- Developments and legislative pronouncements that affect the field of accounting, auditing and taxation.
- Incorporating developments in IFAC, IASB, IPAE international education standard (IES)
- Contemporary issues and development in business, accounting and finance profession

2. Preparing future ready accountants in line with IFAC's aspirations and objectives.

3. To influence and participate in the development of accounting curriculum of secondary and Tertiary Institutions, working with WAEC, NECO, JUPEB, IJMB, JAMB, NUC, NBTE and NCCE.

In addition, the reviewed 2020 Professional Syllabus of the Institute was launched on September 25, 2020. It is scheduled for implementation during the November 2021 diet.

ICAN BUILDING PROJECTS

In the year under review, Council approved the construction of the following District office buildings:

- 1) Chidi Ajaegbu ICAN Resource Centre, Umuahia, Abia State (Completed and commissioned)
- 2) Awa Ibraheem ICAN Resource Centre, Offa, Kwara State (Ongoing)
- 3) Dame Onome Adewuyi ICAN Resource Centre, Warri, Delta State (Ongoing)
- 4) Benin and District Society (Yet to Commence)
- 5) Ijebu-Ode and District Society (Yet to Commence)

Chidi Ajaegbu ICAN Resource Centre, Umuahia which commenced in July 2020 was commissioned on February 1, 2021 by the 56th President, Dame Onome Joy Adewuyi BSc, MSc, FCIB, FCA. The building is the second such project sponsored by Mr Chidi Onyeukwu Ajaegbu FCS, MBF, FCA since the commencement of the scheme. The first project he sponsored was Chidi Ajaegbu ICAN Resource Centre, Aba. Each District Building is named after the counterpart fund donor who must have donated 50% of the cost of the building which thus far has been N25m since the Council approved N50m as the cost of the District buildings.

The construction of Awa Ibraheem and Dame Onome Adewuyi ICAN Resource Centres, sponsored by Alhaji Awa Ibraheem FCA and Dame Onome Joy Adewuyi FCA respectively, is ongoing and the buildings are expected to be completed before the end of this Presidential year.

The Council has approved the construction of District office buildings in Benin and Ijebu-Ode District



ICAN President performing the ground-breaking ceremony of Dame Onome Adewuyi ICAN Resource Centre, Warri

Societies of the Institute respectively but work is yet to commence on the projects.

The construction of the Institute's Port Harcourt Regional office building in Port Harcourt, Rivers State is ongoing and it is expected to be completed before the end of the year. The building will serve as a Centre for the conduct of the Institute's examination, MCPD/Faculty programmes and an event Centre for the general public. While the District Offices are counterpart-funded projects, the Port Harcourt project being a Regional office is being funded 100% by the Institute.

Request for office buildings from other Districts are being lined up as approved by Council for subsequent years subject to availability of donors' counterpart funds.



Commissioning of Dame Onome Adewuyi ICAN Resource Centre, Warri



STUDENTS' SPECIAL PROJECT

Chartered Accountants Produced By Each Centre To Date

Despite the hardships foisted on the nation by the ravages of COVID-19, the Students Special Project (SSP) has continued to produce more Chartered Accountants. So far One thousand five hundred and sixty five (1,565) Chartered Accountants have been produced since inception. The project was established by the Institute primarily to address the dearth of Chartered Accountants in the educationally less developed parts of the country.

The figures indicating the increase from November 2019 to November 2020 are as follows

| CENTRE | TOTAL AS AT NOV 2019 | TOTAL AS AT NOV 2020 | TOTAL PRODUCED IN THE COVID ERA |
|---------|----------------------|----------------------|---------------------------------|
| Kaduna | 367 | 399 | 32 |
| Ilorin | 335 | 365 | 30 |
| Kano | 314 | 341 | 27 |
| Uyo | 75 | 97 | 22 |
| Calabar | 193 | 204 | 11 |
| Gombe | 40 | 47 | 7 |
| Yenagoa | 112 | 112 | 0 |

This was made possible due to the cooperation of stakeholders, dedication of the staff at the centres and the commitment of the members of the respective District Societies who sacrificed their time to lecture at the various centres.

NEWLY APPROVED SSP CENTRES

The Borno State and Niger State Governments have expressed interest in establishing SSP Centres in their States and the Council constituted a committee to work it out. However, the centres have not yet been established.

At the November 5, 2020 Council Meeting, the following new Centres were approved:

- a. Ozoro SSP Centre (The location is the furnished accommodation donated by Delta State Polytechnic, Ozoro)
- b. Enugu SSP Centre (The location is the furnished accommodation donated by the Institute of Management Technology, Enugu)
- c. Aba SSP Centre (The location is ChidiAjaegbu ICAN Resource Centre, Aba).

Arrangements are ongoing to ensure the running of these centres.

PARTNERS ON THE PROJECTS SO FAR

New Nigeria Development Company Ltd. through which the following centres were established:

- NNDC/ICAN Study Centre, Kaduna;
- NNDC/ICAN Study Centre, Kano;
- NNDC/ICAN Study Centre, Ilorin.

The Bayelsa State Government through which BYSG/ICAN Study Centre, Yenagoa was established. The centre is currently administered by the Yenagoa and District Society.

The Cross River State Government through which CRSG/ICAN Study Centre, Calabar was established. The centre was officially handed over to the Cross River State Government in February 2013.

The Gombe State Government through which GSG/ICAN Study Centre, Gombe was established. The centre is currently administered by the Gombe and District Society.

The Akwa Ibom State Government through which AKSG/ICAN Study Centre, Uyo was established and is being administered.

OBJECTIVES OF SSP

The objectives of the Students' Special Project are:

- To identify areas and indigenous students of educationally less developed parts of the country;
- To expand studentship in educationally less developed parts of the country;
- To facilitate establishment of standard tuition centres in these areas;
- To create awareness in these areas about the availability of such a scheme;
- To encourage States, Local Governments, Private- and Public Sector-Institutions to provide facilities for standard tuition centres, grant scholarships, bursary awards and other assistance to deserving indigenous students in educationally less developed areas of the country; and
- To encourage and assist indigenous students in educationally less developed parts of the country to take the Institute's Examinations with a view to rapidly producing a desirable number of Chartered Accountants there from.

In the last twelve years, the SSP Committee anchoring the project, which comprises members from different parts of the country, has worked assiduously towards attaining the foregoing objectives.

TO MEMBERS OF THE INSTITUTE

I have the privilege and honour to present to you the year 2020 Audited Financial Statements which were considered and recommended by the Council at its meeting of April 29th, 2021 for your consideration and approval.

Below are the highlights of the 2020 Financial Statements:

| | YEAR 2020 | YEAR 2019 | INCREASE/ (DECREASE) | INCREASE/ (DECREASE) |
|--------------------------------------|-----------|-----------|-------------------------|-------------------------|
| | N'000 | N'000 | N'000 | % |
| TOTAL ASSETS | 4,831,120 | 4,671,951 | 159,169 | 3% |
| TOTAL LIABILITIES | 377,770 | 390,948 | (13,178) | (3%) |
| TOTAL FUNDS AND RESERVES | 4,453,350 | 4,281,003 | 172,374 | 4% |
| TOTAL INCOME | 2,975,187 | 3,550,890 | (575,703) | (16%) |
| TOTAL EXPENDITURE | 2,802,781 | 2,573,533 | 229,249 | 9% |
| TOTAL SURPLUS/(DEFICIT) FOR THE YEAR | 172,406 | 977,357 | (804,952) | (82%) |

COMMENTS ON THE OPERATING RESULTS AND MAJOR BALANCE SHEET ITEMS

The Institute recorded a surplus of N172million (N977million in 2019). The performance is majorly as a result of a drop in the income from Self Financing activities by 46% from N3.96billion in 2019 to N2.12billion in year 2020.

The low income from Self Financing activities was occasioned by the outbreak of COVID -19 pandemic which impacted negatively on candidature (2020:29,203, 2019: 40,666)

Precisely, this performance is an overall drop in income of 1.84billion. Some of the activities that contributed to the performance are:

- The income from Self-financing activities was N2.1billion as against N3.9billion in Year 2019 due to COVID- 19 impact. The total income for the year 2020 dropped by 32% from N5.5billion to N3.8billion.

- There was no Annual Accountants Conference in year 2020.

- Reduction in Investment income from N52.53million in 2019 to N16.72million in 2020 due to effect of COVID -19 pandemic on the usage of Amuwo Odofin ICAN Centre.

Total Assets as at 31 December 2020 were N4.83billion, an increase of N159 million on the 2019 position (2019: N4.67billion) owing to an increase in

WIP arising from ongoing District buildings in Offa, Warri and Portharcourt and mobilization fees(Prepayments) for 50th AAC materials.

During year 2020, the non-current assets rose slightly to N2.84 billion from N2.82 billion in 2019. The current assets increased by N14million from N1.85 billion to N1.99 billion as at 31 December 2020. Current liabilities were N336million (2019: N349million). Cash and cash equivalents ended the year at N1.22billion, (2019:N1.29billion) reflecting net cash outflow of N70million in the year.

The Institute continues to comply with the two new IFRSs that became operational from January 1, 2018 i.e. IFRS 9 which deals with impairment using expected credit loss (ECL) model and IFRS 15 that bothers on impact assessment of revenue from contracts with customers. This is to ensure comparability of information between year 2019 and 2020.

In the same vein, the Institute continued the implementation of the Accountability Index to improve accountability in the public sector in accordance with the International Federation of Accountants' regulations.

As founding members of IFAC, PAFA, CAW and ABWA,

the Institute plays prominent roles in these International Bodies and adequately met its financial obligations to these bodies during the year under review. The total amount incurred was N98 million (N187 million in Year 2019)

It must be put on record, the contributions of the Finance directorate team who worked assiduously to ensure enforcement and monitoring of the year's budget. This tempo must continue for more value creation for the institute.

Finally, I thank God Almighty for the grace and opportunity given to me to be of service to our esteemed Institute as the Honorary Treasurer.



A handwritten signature in black ink, appearing to read 'Oluwatobi Abiola'.

Oluwatobi Ayodele Abiola HND, BSc, FCA
Honorary Treasurer



To the Members of The Institute of Chartered Accountants of Nigeria
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, The Institute of Chartered Accountants of Nigeria, ("the Institute's") financial statement give a true and fair view of the financial position of the Institute as at 31st December 202, and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards and the requirements of the Institute of Chartered Accountants of Nigeria Act.

What we have audited

The Institute of Chartered Accountants of Nigeria's financial statements comprises:

- * the statement of financial position as at 31st December 2020;
- * the statement comprehensive income for the year then ended;
- * the statement of changes in members' funds for the year then ended;
- * the statement of cash flows for the year then ended; and
- * the notes to the financial statements, which include a summary of significant accounting policies

Basis for opinion

We conducted our audit in accordance with International Standards on auditing (ISAs). Our responsibilities under those standards are further described in the Author's responsibilities for the outfit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Institute in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), i.e. the IESBA Code Issued by the International Ethics Standards Board for Accountants. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other information

The Council is responsible for the other information. The other information obtained at the date of this auditor's report are Value Added Statement and Five-Year Summary, but does not include the financial statement and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

PricewaterhouseCoopers Chartered Accountants, Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria

Responsibilities of the Council and those charged with governance for the financial statements

The Council is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the Institute of Chartered Accountants of Nigeria Act and for such internal control as the Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the council is responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council either intended to liquidate the Institute or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Institute's financial reporting process.

Auditor's responsibilities for the audit for the audited of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due or fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- * Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design, and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- * Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control.
- * Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- * Conclude on the appropriateness of the Council use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on this Institute's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the institute to cease to continue as a going concern.
- * Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



For: PricewaterhouseCoopers
Chartered Accountants
Lagos, Nigeria
7 May, 2021

Engagement Partner: Udochi Muogilim
FRC/2013/ICAN/00000003209

For: UHY Maagi
Chartered Accountants
Lagos, Nigeria
7 May 2021

Engagement Partner: Gabriel Idahosa, FCA
FRC/2014/ICAN/00000009524

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

| | Notes | 31 December 2020 N'000 | 31 December 2019 N'000 |
|--|-------|------------------------------|------------------------------|
| Income | | | |
| Fees and subscriptions | 4 | 1,637,998 | 1,540,207 |
| Operating activities | 5(a) | <u>2,123,217</u> | <u>3,971,183</u> |
| | | 3,761,215 | 5,511,390 |
| Operational expenditure | 5(b) | <u>(922,955)</u> | <u>(2,182,735)</u> |
| Surplus of income over expenditure | | 2,838,260 | 3,328,655 |
| Investment income | 6(a) | 16,716 | 52,533 |
| Interest income | 6(c) | 42,889 | 30,824 |
| Other income | 6(b) | <u>77,322</u> | <u>138,878</u> |
| Total income | | 2,975,187 | 3,550,890 |
| Non operational expenditure | 7 | 98,072 | 187,843 |
| International affiliation costs | 8 | 212,055 | 257,233 |
| Depreciation and amortisation | 9 | 947,123 | 1,111,107 |
| General and administrative expenses | 10 | 1,170,835 | 1,046,993 |
| Personal Cost | 11(a) | 212,499 | 419,580 |
| Other non operational expenditure | 11(b) | <u>162,200</u> | <u>(449,223)</u> |
| Impairment charge/(reversals) | | <u>2,802,781</u> | <u>2,573,532</u> |
| Surplus for the year | | 172,406 | 977,358 |
| Other comprehensive income: | 15 | | |
| Items that will not be reclassified to profit or loss: | | | |
| Loss in financial assets fair value through other comprehensive income | | <u>(58)</u> | <u>(7,827)</u> |
| Total comprehensive income for the year | | <u>172,348</u> | <u>969,531</u> |

The notes on pages 8 to 34 are an integral part of these financial statements.

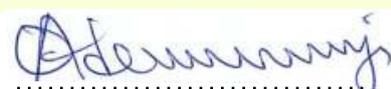
STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2020

| | Notes | 31 December 2020 N'000 | 31 December 2019 N'000 |
|------------------------------------|-------|------------------------------|------------------------------|
| Non-current assets | | | |
| Property, plant and equipment | 13 | 1,068,889 | 1,054,414 |
| Investment property | 14 | 1,715,000 | 1,715,000 |
| Financial assets FVOCI | 15 | 43,366 | 45,042 |
| Financial assets at amortised cost | 16(b) | 13,115 | 5,572 |
| Total non-current assets | | 2,840,370 | 2,820,028 |
| Current assets | | | |
| Members' subscription receivables | 29 | 153,241 | 69,575 |
| Financial assets at amortised cost | 16(b) | 21,869 | 37,643 |
| Inventories | 17 | 189,982 | 299,383 |
| Other receivables | 18 | 105,043 | 77,009 |
| Prepayment | 19 | 297,076 | 75,297 |
| Deferred expenses | 20 | 3,411 | 3,411 |
| Cash and cash equivalents | 21 | 1,220,128 | 1,289,605 |
| Total current assets | | 1,990,750 | 1,851,923 |
| Total assets | | 4,831,120 | 4,671,951 |
| Funds and reserves | | | |
| Accumulated fund | 25(a) | 2,111,341 | 2,138,288 |
| Other charitable and trust funds | 25(b) | 2,343,157 | 2,143,804 |
| FVOCI reserves | | (1,148) | (1,089) |
| Total funds and reserves | | 4,453,350 | 4,281,003 |
| Non-current liabilities | | | |
| Contract liabilities | 24 | 41,224 | 41,235 |
| Total non-current liabilities | | 41,224 | 41,235 |
| Current liabilities | | | |
| Accounts payable | 23 | 336,546 | 349,713 |
| Total current liabilities | | 336,546 | 349,713 |
| Total liabilities | | 377,770 | 390,948 |
| Total I reserves and liabilities | | 4,831,120 | 4,671,951 |

The notes on pages 8 to 34 are an integral part of these financial statements.

The financial statements were approved and authorised for issue by council on April 29, 2021.. and signed on its behalf by:



Onome Joy Adewuyi
President

FRC/2014/ICAN/00000006958



Ahmed Modu Kumshe
Registrar/Chief Executive
FRC/2020/ICAN/00000206859



Oluwatobi Ayodele Abiola
Honorary Treasurer

FRC/2020/ICAN/00000021823

STATEMENT OF CHANGES IN MEMBERS' FUNDS

FOR THE YEAR ENDED 31 DECEMBER 2020

OTHER CHARITABLE AND TRUST FUNDS

← Other

| | FVOCI reserves N'000 | Accumulated fund N'000 | Development fund N'000 | Tuition House Support N'000 | Whistleblower Fund N'000 |
|-----------------------------------|----------------------------|------------------------------|------------------------------|-----------------------------------|--------------------------------|
| Balance at 31 December 2018 | 6,738 | 924,148 | 1,463,316 | 50,000 | 50,000 |
| Surplus for the year | - | 077,358 | - | - | - |
| Utilisation from fund | - | 344,960 | - | - | - |
| (Transfer from)/receipt into fund | - | (108,177) | - | - | - |
| Movement in funds | - | - | - | - | - |
| Equity investment | (7,827) | - | - | - | - |
| Total comprehensive income | (7,827) | 1,214,141 | - | - | - |
| Balance at 31 December 2019 | (1,089) | 2,138,289 | 1,463,316 | 50,000 | 50,000 |
| Surplus for the year | - | 172,406 | - | - | - |
| Utilisation from fund | - | 1,521 | - | - | - |
| (Transfer from)/receipt into fund | - | (200,875) | - | - | - |
| Equity investment | (58) | - | - | - | - |
| Total comprehensive income | (58) | (26,948) | - | - | - |
| Balance at 31 December 2020 | (1,148) | 2,111,341 | | 50,000 | 50,000 |

The analysis of reserves is presented in Note 26

STATEMENT OF CHANGES IN MEMBERS' FUNDS

FOR THE YEAR ENDED 31 DECEMBER 2020

OTHER CHARITABLE AND TRUST FUNDS CONT'D

charitable and trust funds →

| Prizes fund N'000 | Benevolent Fund N'000 | Library fund N'000 | Accountancy Research fund N'000 | Study text revolving fund N'000 | Student development & support fund N'000 | Total N'000 |
|----------------------|-----------------------------|-----------------------|---------------------------------------|---------------------------------------|---|----------------|
| 10,550 | 225,018 | 19,690 | 145,469 | 394,305 | 22,239 | 3,311,473 |
| - | - | - | - | - | - | 977,358 |
| (2,324) | (230) | (10,046) | - | (243,193) | (89,167) | - |
| - | 26,845 | - | - | 81,332 | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| (2,324) | 26,615 | (10,046) | - | (161,861) | (89,167) | 969,530 |
| 8,226 | 251,633 | 9,644 | 145,469 | 232,444 | (66,928) | 4,281,003 |
| - | - | - | - | - | - | 172,406 |
| (1,354) | - | - | - | - | (167) | - |
| 25,127 | - | - | - | 128,282 | 47,477 | - |
| - | - | - | - | - | - | (58) |
| 23,773 | - | - | - | 128,282 | 47,299 | 172,348 |
| 31,999 | 251,633 | 9,644 | 145,469 | 360,726 | (19,629) | 4,453,351 |

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

| | Notes | 31 December 2020 N'000 | 31 December 2019 N'000 |
|---|-------|------------------------------|------------------------------|
| Cash flows from operating activities | | | |
| Cash used in operating and fund activities | 28(a) | (93,513) | 1,275,805 |
| Cash generated from funding activities | 28(b) | 199,354 | (236,783) |
| net cash generated from operating activities | | <u>105,841</u> | <u>1,039,022</u> |
| Cash flows from investing activities | | | |
| Acquisition of property, plant and equipment | 13 | 226,534 | (283,053) |
| Proceeds from disposal of property, plant and equipment | 6(b) | 5,033 | 884 |
| Proceeds from disposal of equity investments | 16 | 1,618 | 6,405 |
| Interest received | 6(c) | 42,889 | 30,824 |
| Net cash used in investing activities | | <u>(176,995)</u> | <u>(224,942)</u> |
| Cash flows from financial activities | | | |
| Net cash generated from financing activities | | (71,154) | 794,081 |
| net increase in cash and cash equivalents | | 1,678 | 737 |
| Foreign exchange gain on cash and cash equivalents | | <u>1,289,605</u> | <u>494,787</u> |
| Cash and cash equivalents at the beginning of the year | | <u>1,220,128</u> | <u>1,289,605</u> |
| Cash and cash equivalents at the end of the year | | | |

NOTES TO THE FINANCIAL STATEMENTS

1. General Information

The Institute of Chartered Accountants of Nigeria (ICAN) is a body established by Act of Parliament No. 15 of 1965 to:

- i) determine what standards of knowledge and skill are to be attained by persons seeking to become member of the accountancy profession and to raise those standards from time to time as circumstances may permit;
- ii) secure in accordance with the provisions of the Act, the establishment and maintenance of the registers of fellows, associates and registered Accountants entitled to practice as Accountants and Auditors and to publish from time a list of those persons;
- iii) perform, through the Council of the Institute, all other functions conferred on it by the Act.

The Institute is an accountancy body in Nigeria recognised by the International Federation of Accountants (IFAC) as the foremost professional accountancy body in the West African sub-region. The Institute, in 1982, initiated and contributed significantly to the formation of the Association of Accountancy Bodies in West Africa (ABWA). The Institute is also a pioneer member of Pan-African Federation of Accountants (PAFA) and indeed produced its pioneer president.

HEAD OFFICE

Plot 16, Idowu Taylor Street,
Victoria Island, Lagos, Nigeria
P. O Box 1580, Lagos
e-mail: info@ican.org.ng
website: www.ican-ngr.org

VISION

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.

MOTTO

Accuracy and Integrity

FINANCIAL REPORTING REGISTRATION NO:

FRC/2013/000000017

JOINT AUDITORS

PricewaterhouseCoopers (PwC)
Chartered Accountants
Landmark Towers
5B Water Corporation Road
Victoria Island
Lagos.

UHY Maaji & Co Chartered Accountants

22 Town Planning Way
Ilupeju
Lagos

1. GOING CONCERN

The Institute has consistently been generating funds through the members' subscriptions and students' exams fee. The Council members believe that there is no intention or threat from any source to curtail significantly its membership and students enrolment in the foreseeable future. Thus, these financial statements are prepared on going concern basis.

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies

2.1 Introduction to summary of significant accounting policies

The principal accounting policies applied in the preparation of those financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.2 Basis of preparation

The financial statements of the Institute of Chartered Accountants of Nigeria have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board ("IASB").

The financial statements comprise the statement of comprehensive income, the statement of financial position, the statement of changes in members' funds, the statement of cash flows and the notes to the financial statements.

The financial statements have been prepared in accordance with the going concern principle under the historical cost concept. All values are rounded to the nearest thousand, except when otherwise indicated. The financial statements are presented in Nigerian Naira.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Institute's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and that the Institute's financial statements, therefore, present the financial position and results fairly. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statement are disclosed in Note 2.3.

2.2.1 Going Concern

The Institute has consistently been generating funds through its member's subscriptions and student's exams fees. The Council believes that there is no intention or threat from any source to curtail significantly its membership and students enrollment in the foreseeable future. Thus, these financial statements are prepared on going concern basis.

2.2.2 Changes in accounting policies and disclosures

(a) New standards, amendments and interpretations adopted by the Institute

There were new standards adopted by the Institute for the first time for the financial year beginning on or after 1 January, 2020.

2.2.3 Financial assets

(a) Classification and measurement

It is the Institute's policy to initially recognise investments and other financial assets at fair value plus transaction costs.

Classification and subsequent measurement is dependent on the Institute's business model for managing the asset and the cash flow characterisation of the asset. On this basis, the Institute may classify its financial instruments at amortised cost, fair value through profit or loss and at fair value through other comprehensive income (FVTOCI)

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Institute has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Institute's equity investments are classified at FVTOCI. Other financial assets satisfy the conditions for classification at amortised cost under IFRS 9.

NOTES TO THE FINANCIAL STATEMENTS

(a) Classification and measurement (cont'd)
Financial assets (cont'd)

The Institute's financial assets at amortised cost at the reporting date include staff loans, loans and receivables and receivables from district societies. Other financial assets at amortised cost include cash and cash equivalents, membership subscription receivables, and other receivables. They are included in current assets, except for those with maturities greater than 12 months after the reporting date.

Interest income from these assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in finance income/cost.

Equity Investments

The Institute's policy is to subsequently measure all quoted investments at FVTOCI. Fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Dividends from such investments continue to be recognised in profit or loss as other income when the Institute's right to receive payments is established.

Financial Liabilities

Financial liabilities of the Institute are classified and measured at fair value on initial recognition and subsequently at amortised cost net of directly attributable transaction costs.

Fair value gains or losses for financial liabilities designated at fair value through profit or loss are accounted for in profit or loss except for the amount of change that is attributable to change in the Institute's own credit risk which is presented in other comprehensive income. The remaining amount of change in the fair value of the liability is presented in profit or loss. The Institute's financial liabilities include accrued expenses and other account payables. The Institute does not have any financial liabilities at fair value through profit or loss.

(b) Impairment of financial assets

Recognition of impairment provisions under IFRS 9 is based on the expected credit loss (ECL) model. The ECL model is applicable to financial assets classified at amortised cost and contract assets under IFRS 15: Revenue from Contracts with Customers. The measurement of ECL reflects on unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date, about past events, current conditions and forecasts of future economic conditions.

The simplified approach is applied to membership subscription receivables while the general approach is applied to all financial assets at amortised cost.

The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables. This involves determining the expected loss rates using a provision matrix that is based on the Institute's historical default rates observed over the expected life of the receivable and adjusted for forward-looking estimates. This is then applied to the gross carrying amount of the receivable to arrive at the loss allowance for the period.

The three-stage approach assesses impairment based on changes in credit risk since initial recognition using the past due criterion and other qualitative indicators such as increase in political concerns or other macroeconomic factors and the risk of legal action, sanction or other regulatory penalties that may impair future financial performance. Financial assets classified as stage 1 have their ECL measured as a proportion of their lifetime ECL that results from possible default events that can occur within one year, while assets in stage 2 or 3 have their ECL measured on a lifetime basis.

Under the three-stage approach, the ECL is determined by projecting the probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each aging bucket and for each individual exposure. The PD is based on default rates determined by external rating agencies for the counterparties. The LGD is determined based on management's estimates by adopting the average recovery rules for corporate senior unsecured loans in emerging economics. The EAD is the total amount of outstanding receivable at the reporting period. These three components are multiplied together and adjusted for forward looking information, such as inflation and interest rate, to arrive at an ECL which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate of an approximation thereof.

Loan allowance for financial assets measured at amortised cost are deducted from the gross carrying amount of the related financial assets and the amount of the loss is recognised in profit or loss.

(c) Significant increase in credit risk and default definition
Significant increase in credit risk

The Institute assesses the credit risk of its financial assets based on the information obtained during period review of publicly available information, industry trends and payment records. Based on the analysis of the information provided, the Institute identifies the assets that require close monitoring. The Institute has considered various quantitative and qualitative criteria in determining significant increase in credit risk.

NOTES TO THE FINANCIAL STATEMENTS

Classification and measurement (cont'd)

Financial Liabilities

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires). When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised immediately in the statement of comprehensive income.

(d) Write-off police

The Institute writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. Indicator that there is no reasonable expectation of recovery includes ceasing enforcement activities.

(e) Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position. Offsetting can be applied when there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

The legally enforceable right is not contingent on future events and is enforceable in the normal course of business, and in the event of default, insolvency or bankruptcy of the institute or the counterparty.

2.2.4. Revenue recognition from contracts with customers

Revenue is measured at the fair value of the consideration received or receivable for services, in the ordinary course of the Institute's activities. "The Institute recognises fees and subscriptions to depict the transfer of promised services to members and students in an amount that reflects the consideration to which it expects to be entitled in exchange for those services".

A valid contract is recognised as revenue after;

- * The contract is approved by the parties
- * Rights and obligations are recognised.
- * Collectability is probable.
- * The contract has commercial substance.
- * The payment terms and consideration are identifiable.

The probability that a customer would make payment (collectability criteria) is ascertained based on the evaluation done on the members as stated in the credit management policy at the inception. The historical performance of members are considered when determining collectability of the revenue.

The Institute is the principal in all its revenue arrangement and recognises revenue from the following activities:

- * Fees and subscription
- * Qualification and fellowship
- * Regulation, education and discipline
- * Conferences and courses
- * Seal and stamps.

Revenue for providing these services are recognised in the accounting period in which the services are provided. Each of the services are a separate performance obligation. Fees and subscription are recognised over time as the service is provided while all other revenue are recognised at a point in time.

2.3 Critical accounting estimates and judgments

The preparation of the Institute's historical financial statements in accordance with IFRSs requires the use of certain accounting estimates which, by definition, will seldom equal the actual results. Management also exercises judgement and assumptions in applying the Institute's accounting policies.

This note provides an overview of the areas that involve a higher degree of judgement or complexity, and major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year. Detailed information about each of these estimates and judgements is included in the related notes together with information about the basis of calculation for each affected line item in the financial statements.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Institute based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future development may change due to market changes or circumstances arising that are beyond the control of the Institute. Such changes are reflected in the assumptions when they occur.

NOTES TO THE FINANCIAL STATEMENTS

2.3 Critical accounting estimates and judgements (cont'd)

(a) Critical estimates

Estimates applied in measuring the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortized cost and PVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 3.2 which also sets out key sensitivities of the ECL to change in these elements.

(b) Critical judgements

i. Judgements applied in measuring the expected credit loss allowance

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- * Determining criteria for significant increase in credit risk;
- * Choosing appropriate models and assumptions for the measurement of ECL;
- * Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL
- * Establishing groups of similar financial assets for the purposes of measuring ECL

ii. Judgements applied in recognising revenue from contracts with customers.

The Institute applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers;

Definition of Customers

A customer is a party that has contracted with the Institute to use the profession membership license issued by the Institute or become a member of the Institute.

The contracts between the Institute and its customers have commercial substance, and both parties have the intent and ability to uphold their respective obligations.

Identification of performance obligation

The identification of performance obligations is a crucial part in determining the amount of consideration recognised as revenue. This is because revenue is only recognised at the point or over the period in which the performance obligation is fulfilled. At inception, the Institute assesses the services promised in the contract with a customer to identify the performance obligations.

The performance obligation of the Institute to its members is the provision of membership and protecting licences to its members.

Other performance obligations of the Institute to its members include conducting examinations, organisation of conferences and courses and sale of seal and stamps.

Timing of revenue recognition

Membership subscription which includes faculty, licences and membership subscriptions are recognised over time as the service is provided while all other streams like examination fees, organisation of conferences and courses and sale of stamps and seals are recognised at a point in time.

Estimates of revenue or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

Collectability assessment on whether consideration is probable

The Institute has applied judgement in assessing whether collectability is probable. For membership subscription, the Institute has assessed that collectability is probable for only members that have been active within the last three (3) years. This means that even though these active members may not have paid the membership fees for or in the current period, the likelihood of payment is more than 50%. This pattern of revenue recognition aligns with the Institute's recent stance to delist all members that have not been active after 3 years. Delisting signifies a break in contract between the Institute and delisted members. Therefore, no revenue is recognised for delisted members.

3. Significant accounting policies

3.1.1 Dividend income

Dividend income from investment is recognised when the Institute's right to receive payment is established.

NOTES TO THE FINANCIAL STATEMENTS

3. Significant accounting policies (Cont'd)

3.1.2 Investment Income

Investment income is recognised in the statement of comprehensive income as it accrues by using the effective interest rate method. Fees and commission that are integral part of the effective yield of the financial asset or liabilities are recognised as adjustment to the effective interest rate of the financial instrument.

3.1.3 Rental Income

Rental income relates to income from the use of Amuwo Odofin building for social activities and rent collected from Akintola Williams House, Abuja. Both property are classified as investment property. Rental income is recognised on accrual basis.

3.1.4 Donations to the Institute

The Institute receives donations from its members and other stakeholders, which are generally non-reciprocal transfers, involve transfers from entities other than the owners and these contributions are voluntary. These donations whether cash or asset (e.g. Property, Plant and Equipment) shall be recognised as income in the period it is received or receivable when and only when all the following conditions have been satisfied:

- (a) There is irrevocable commitment from the donor to the Institute
- (b) it is probable that the economic benefits arising from the donation will flow to the Institute and
- (c) the amount of the donation can be measured reliably.

Donations by the Institute to institutions and others

The Institute from time to time as a way to increase its awareness among Nigerian students which in turn would increase students' enrolment of its examination and as part of its corporate social responsibility (CRS) donates by way of non-reciprocal transfers in form of cash and/or assets (e.g. property, plant and equipment). In either way donation by cash or asset shall be accounted in the Institute's financial statement as follows:

- (a) Donation by way of cash transfers shall be expensed during the year.
- (b) Donations by way of assets. On completion this will be capitalised to the property, plant and equipment accounts and subjected to a depreciation rate of 25% (four years) before being fully handed over to the recipients.

3.1.5 Inventories

Inventories are stated at the lower of cost and net realisable value after making adequate provision for obsolescence and damage items. Cost comprises suppliers' invoice, prices and other cost incurred to bring the stocks to its present location and condition. Cost is determined using the first-in, first-out (FIFO) method.

3.1.6 Investment properties

Investment property are property held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment property are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property are measured at fair value and it is the Institute's policy to perform this every three years as this will result in a more appropriate subsequent measurement at fair value. Gains or losses arising from changes in the fair value of investment property are included in statement of comprehensive income in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

3.1.7 Property, plant and equipment

All categories of property plant and equipment are stated initially at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Institute and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

3.1.8 Depreciation

Depreciation of assets commences when assets are available for use. Depreciation is provided on all property, plant and equipment, other than leasehold land which is not depreciated, at rates calculated to write-off the cost or valuation, of each asset on a straight-line basis over its expected, useful life, as follows:

- * Freehold property - Not depreciated
- * Buildings - 2%
- * Lecture theatres - 25%
- * Motor vehicles - 33%
- * Office furniture and fittings - 25%
- * Computer hardware equipment - 25%
- * Plant and machinery - 25%
- * Library books - 25%

NOTES TO THE FINANCIAL STATEMENTS

3. Significant accounting policies (Cont'd)

3.1.9 Impairment of financial assets

At each balance sheet data, the Institute reviews the carrying amounts of its financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset. The Institute estimates the recoverable amount of the cash-generating unit to which the asset belongs. An impairment loss is charged to the statement of comprehensive income immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

3.1.10 Intangible assets and Impairment

Expenditure on research activities is recognised as an expense in the period in which it is incurred. a separately acquired intangible assets arising from ICAN's development projects is recognised only if all the following conditions are met:

- i. it is technically feasible to complete the product so that it will be available for use,
- ii. the intention is to complete the product for internal use or to sell it,
- iii. it is probable that the asset created will generate future economic benefits, and
- iv. the development cost of the asset can be measured reliably.

where no separately acquired intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred. Directly attributable costs that are capitalised include development project consultant costs and an appropriate portion of relevant overheads. Development expenditures previously recognised as an expense are not recognised as an asset in a subsequent period. Separately acquired intangible assets are amortised over their estimated useful lives, which are usually no more than five years. Amortisation begins when the intangible asset is available for use.

Impairment of non-financial assets

Intangible assets which are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. an impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

3.1.11 Foreign currency translation

For the purpose of these financial statements, the results and financial position of this Institute are expressed in Naira, which is the functional currency of the Institute, and the presentation currency for the financial statements.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at exchange rates of monetary assets and liabilities denominated in currencies other than the institute's functional currency are recognised in Statement of comprehensive income within other income. Monetary items denominated in foreign currency are translated using the dosing rate as at the reporting date.

3.1.12 Defined Contribution plan

The Institute operates a defined contribution based retirement benefit scheme for its staff, in accordance with the Pension Reform Act of 2014 with employee contributing 10% and employee contributing 10% each of the employees relevant emoluments. Payments to defined contribution retirement benefits plans are recognised as an expense when employees have rendered the service entitling them to the contributions.

3.1.13 Contract assets/liabilities

Subscriptions, interest and conference income received in advance are deferred to the period it relates. Interest expenses paid in advance on car loans to staff using effective interest rate is deferred to the period it relates.

3.1.13 Provisions

Provisions are recognised when the Institute has a present obligation (legal or constructive) as a result of a past event, it is probable that the Institute will be required to settle the obligation and a reliable estimate can be made of the amount of the obligations.

The amount recognised as a provision is the best estimate of the consideration required to settle present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimate to settle present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS

3.1.14 Investment properties

Investment properties, principally freehold office buildings, are held for long-term rental yields. They are carried at fair value. Changes in fair values are presented in profit or loss as part of other income. The Institute obtains independent valuations for its investment properties at least every three years.

3.2 Financial risk management

3.2.1 Introduction and overview of the Institute's risk management

This note presents information about the Institute's exposure to financial risks and the Institute's management of capital.

Credit risk

Credit risk is the risk of suffering financial loss, should any of the Institute's members, students or market counterparties fail to fulfil their contractual obligations to the Institute. Credit risk arises mainly from cash and cash equivalent, membership subscription receivable and credit exposures to other parties (i.e. other receivables).

Credit risk is the single largest risk for the Institute's business, management therefore carefully manages its exposure to credit risk.

(a) Credit risk management

The Institute's risk management policies are established to identify and analyse the risks faced by the Institute, to set appropriate risk limits and controls, to monitor risks and adherence to limits, the Institute regularly monitors and reviews its exposure with key banking and investment manager, suppliers and for deposits, only independently rated banks and financial institutions with a minimum rating of 'A' are used. The Institute's trade receivables relate substantially in member's and students' fees and subscriptions.

The credit risk analysis below is presented in line with how the Institute manages the risk. The Institute manages its credit risk exposure based on the carrying value of the financial instruments as this represents its maximum exposure.

The maximum exposure to credit risk as at the reporting date is:

| | Note | Maximum Exposure | |
|---|------|---------------------------|---------------------------|
| | | 31 December 2020 N'000 | 31 December 2019 N'000 |
| Financial assets at amortised cost | 16 | 34,984 | 41,950 |
| Other financial assets at amortised cost: | | | |
| Members subscription receivable | 29 | 1,340,660 | 1,195,430 |
| Other receivables | 18 | 561,794 | 309,758 |
| Cash and cash equivalent | 21 | 183,087 | 161,225 |
| Total assets bearing credit risk | | 2,120,525 | 1,708,364 |

Financial assets at amortised cost

The financial assets include staff loans and advances, the Institute assessed the balances as at December 2020, the balances were deemed to be insignificant.

Membership subscription receivables

The Institute applies the IFRS 9 simplified approach in measuring the expected credit losses (ECL) which uses a lifetime expected losses allowances for all trade receivables. Trade receivables represent amounts receivable from a large number of customers spread across diverse industries.

The expected credit loss rate for this receivable is determined using a provision matrix. The provision matrix used is based on the Institute's historical default rates observed over the expected life of the receivable and is adjusted for forward-looking estimates.

An expected loss rate was calculated as the percentage of the receivable that is deemed uncollectible during a particular period. The expected loss rates as at 31 December 2020 and 31 December 2019 are as follows:

| | 31 December 2020 | | | | Total N'000 |
|-----------------------|------------------|----------------------------------|-----------------------------------|---|----------------|
| | Current N'000 | 30-120 days past due N'000 | 120-360 days past due N'000 | More than 360 days past due N'000 | |
| Gross carrying amount | - | - | 119,566 | 442,227 | 561,794 |
| Default rate | - | - | 46.46% | 79.83% | |
| Lifetime expected ECL | - | - | (55,545) | (353,008) | (408,553) |
| Total | - | - | 64,021 | 89,219 | 153,241 |

NOTES TO THE FINANCIAL STATEMENTS

3.2 Financial risk management (Cont'd)

| | 31 December 2019 | | | | Total N'000 |
|-----------------------|------------------|----------------------------------|-----------------------------------|---|----------------|
| | Current N'000 | 30-120 days past due N'000 | 120-360 days past due N'000 | More than 360 days past due N'000 | |
| Gross carrying amount | - | - | 36,943 | 272,816 | 309,758 |
| Default rate | | | 41.03% | 82.48% | |
| Lifetime expected ECL | - | - | (15,157) | (225,027) | (240,183) |
| Total | - | - | 21,786 | 47,789 | 69,575 |

Other receivables

This includes receivables from special projects, MCPE receivables and other debtors. The Institute applies the IFRS 9 general model for measuring expected credit losses (ECL). This requires a three-stage approach in recognising the expected loss allowance for financial assets held at maturity.

The ECL recognised for the period is a probability-weighted estimate of credit losses discounted at the effective interest rate of the financial assets. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Fund in accordance with the contract and the cash flows that the Institute expects to receive).

The following analysis provides further detail about the calculation of ECLs related to these financial assets. The Institute considers the model and the assumptions used in calculating the ECLs as key sources of estimation uncertainty.

| | 31 December 2020 | | | | Total N'000 |
|-----------------------|-----------------------------------|----------------------------------|----------------------------------|--|----------------|
| | State 1 12 Months ECL N'000 | State 2 Lifetime ECL N'000 | State 3 Lifetime ECL N'000 | | |
| Gross carrying amount | 109,693 | | 73,394 | | 183,087 |
| Loss allowance | (4,652) | | (73,394) | | (78,046) |
| Net EAD | 105,041 | - | - | | 105,041 |

| | 31 December 2019 | | | | Total N'000 |
|-----------------------|-----------------------------------|----------------------------------|----------------------------------|--|----------------|
| | State 1 12 Months ECL N'000 | State 2 Lifetime ECL N'000 | State 3 Lifetime ECL N'000 | | |
| Gross carrying amount | 30,040 | 52,893 | 78,292 | | 161,225 |
| Loss allowance | (2,146) | (3,778) | (78,292) | | (84,216) |
| Net EAD | 27,894 | 49,115 | - | | 77,009 |

Roll forward movement in loss allowance

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

- * Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments derecognised in the period;
- * Discount unwind within ECL due to passage of time, as ECL is measured on a present value basis;
- * Financial assets derecognised during the period and write-off of receivables and allowances related to assets.

The following tables explain the changes in the loss allowance between the beginning and end of the annual period due to these factors:

| | 31 December 2020 | | | Total |
|---|--------------------------|-------------------------|-------------------------|---------|
| | Stage 1 12 months ECL | Stage 2 Lifetime ECL | Stage 3 Lifetime ECL | |
| Loss allowance as at 1 January 2020 | 2,146 | 3,778 | 78,292 | 84,216 |
| Movements with profit or loss impact | | | | |
| New financial assets originated or purchased | 2,233 | (4,059) | | (1,826) |
| Derecognised financial assets | - | - | (4,898) | 4,898 |
| Unwind of discount | 273 | 281 | - | 554 |
| Total net profit or loss charge during the period | 2,506 | (3,778) | (4,898) | (6,170) |
| Loss allowance as at 31 December 2020 | 4,652 | - | 73,394 | 78,046 |

| | 31 December 2019 | | | Total |
|---|--------------------------|-------------------------|-------------------------|----------|
| | Stage 1 12 months ECL | Stage 2 Lifetime ECL | Stage 3 Lifetime ECL | |
| Loss allowance as at 1 January 2020 | 2,003 | - | 124,412 | 126,415 |
| Movements with profit or loss impact | | | | |
| New financial assets originated or purchased | - | 3,478 | - | 3,478 |
| Derecognised financial assets | (83) | - | (46,120) | (46,203) |
| Unwind of discount | 226 | 300 | - | 526 |
| Total net profit or loss charge during the period | 143 | 3,778 | (46,120) | (42,199) |
| Loss allowance as at 31 December 2020 | 2,146 | 3,778 | 78,292 | 84,216 |

NOTES TO THE FINANCIAL STATEMENTS

Credit risk exposure

the table below contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised using the general model. The gross carrying amount of financial assets below also represents the Institute's maximum exposure to credit risk on these assets.

3.2 Financial risk management (Cont'd)

(i) Other receivables

| | 31 December 2020 | | | | 2019 |
|-----------------------|------------------|--------------|--------------|----------|----------|
| | Stage 1 | Stage 2 | Stage 3 | Total | Total |
| | 12-month ECL | Lifetime ECL | Lifetime ECL | | |
| | N'000 | N'000 | N'000 | N'000 | N'000 |
| Speculative grade | 109,693 | - | - | 109,693 | 82,933 |
| Default | - | - | 73,394 | 73,394 | 78,292 |
| Gross carrying amount | 109,693 | - | 73,394 | 183,087 | 161,225 |
| Loss allowance | (4,652) | - | (73,394) | (78,046) | (84,216) |
| Carrying amount | 105,041 | - | - | 105,041 | 77,009 |

b) Measuring ECL Explanation of inputs, assumptions and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or Lifetime basis depending on whether a SICR has occurred since initial recognition or whether an asset is considered to be credit-impaired. ECLs are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

* The PD represents the likelihood of a party defaulting on its financial obligation (as per "Definition of default and credit-impaired") either over the next 12 months (12MPD), or over the remaining lifetime (Lifetime PD) of the obligation.

* EAD is based on the amounts the Institute expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD).

* Loss Give Default (LGD) represents the Institute's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in on earlier month) This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

c) Estimation uncertainty in measuring impairment loss

In establishing sensitivity to ECL estimates for membership subscription receivables, other receivables and cash and cash equivalents, four variables (GDP growth rate, unemployment rate, Inflation and US exchange rate) were considered. The Institute's receivables portfolio reflects greater responsiveness to GDP growth rate and inflation rates.

the tables below shows information on the sensitivity of the carrying amounts of the Institute's financial assets to the methods, assumptions and estimates used in calculating impairment losses on those financial assets at the end of the reporting period. These methods, assumptions and estimates have a significant risk of causing material adjustments to the carrying amounts of the Institute's financial assets.

Sensitivity of estimates used in IFRS 9 ECL

In establishing sensitivity to ECL estimates, the Institute's membership subscription receivables and other receivables reflect greater responsiveness to GDP growth rate and Inflation rates.

The table below shows information on the sensitivity of the carrying amounts of the receivables to the assumptions and estimates used in calculating impairment losses at the end of the reporting period.

a) Simplified approach:

Significant unobservable Inputs

Expected cash flow recoverable from membership subscription receivables

The table below demonstrates the sensitivity to a 10% change in the expected cash flows from trade receivables, with all other variables held constant.

| | Effect on Surplus/loss for the year 2020 N'000 | Effect on Surplus/loss for the year 2019 N'000 |
|---|--|--|
| (Increase)/decrease in estimated cash flows | | |
| +10% | 40,855 | 24,018 |
| -10% | (40,855) | (24,018) |

NOTES TO THE FINANCIAL STATEMENTS

3.2 Financial risk management (Cont'd)

Sensitivity to macroeconomic variables

This table shows the sensitivity of the expected credit loss to a 10% inverse and positive change to each forward-looking macro variables, with all other variables held constant:

| | | 2020 | | |
|----------------|-----------|-----------------|-----------|----------|
| | | GDP Growth Rate | | |
| | | [10%] | No change | [-10%] |
| | | N'000 | N'000 | N'000 |
| Inflation rate | [+10%] | 11,560 | (3,407) | (18,373) |
| | No change | 14,966 | - | (14,966) |
| | [-10%] | 18,373 | 3,407 | (11,560) |

| | | 2019 | | |
|----------------|-----------|-----------------|-----------|----------|
| | | GDP Growth Rate | | |
| | | [10%] | No change | [-10%] |
| | | N'000 | N'000 | N'000 |
| Inflation rate | [+10%] | 16,820 | (32) | (16,884) |
| | No change | 16,852 | - | (16,852) |
| | [-10%] | 16,884 | 32 | (16,820) |

b) General approach - Other receivables

Significant unobservable Inputs

The table below demonstrates the sensitivity to movements in the probability of default (PD) for financial assets, with all other variables held constant

| | | 2020 | 2019 |
|---|--|--------------|--------------|
| | | Effect on | Effect on |
| | | Surplus/loss | Surplus/loss |
| | | for the year | for the year |
| | | N'000 | N'000 |
| (Increase)/decrease in estimated cash flows | | | |
| +10% | | (917) | (592) |
| -10% | | 917 | 592 |

Sensitivity to Loss Given Default

The table below demonstrates the sensitivity to movement in the loss given default (LGD) for financial assets, with all other variables held constant

| | | 2020 | 2019 |
|---|--|--------------|--------------|
| | | Effect on | Effect on |
| | | Surplus/loss | Surplus/loss |
| | | for the year | for the year |
| | | N'000 | N'000 |
| (Increase)/decrease in Loss Given Default | | | |
| +10% | | (1,085) | (1,716) |
| -10% | | 1,085 | 1,716 |

Sensitivity to macroeconomic variables

This table shows the sensitivity of the expected credit loss to a 10% inverse and positive change to each forward-looking macro variables, with all other variables held constant:

| | | 2020 | | |
|----------------|-----------|-----------------|-----------|--------|
| | | GDP Growth Rate | | |
| | | [10%] | No change | [-10%] |
| | | N'000 | N'000 | N'000 |
| Inflation rate | [+10%] | 259 | 336 | (413) |
| | No change | (77) | - | (77) |
| | [-10%] | (413) | (336) | (259) |

| | | 2019 | | |
|----------------|-----------|-----------------|-----------|--------|
| | | GDP Growth Rate | | |
| | | [10%] | No change | [-10%] |
| | | N'000 | N'000 | N'000 |
| Inflation rate | [+10%] | 138 | 216 | 295 |
| | No change | (78) | - | 78 |
| | [-10%] | (295) | (216) | (138) |

NOTES TO THE FINANCIAL STATEMENTS

33.2 Financial risk management (Cont'd)

3.2.3 Liquidity risk

Liquidity risk arises from Institute's management of working capital. It is the risk that the Institute will encounter difficulty in meeting its financial obligations as they fall due. The Institute manages its liquidity risk by ensuring that it has adequate fund. The Institute receives the majority of its income as subscriptions in the first quarter of the year, or as examination fees, exemption fees, relating to two examination sessions each year. Cash not required for short-term operating purposes is invested to maximise return with an acceptable level of risk. In addition to its own bankers, the institute uses specialist investment advisers to invest cash surpluses with major banks of suitable credit standing to spread the risk, a maximum of 20% obligor limits is maintained per bank. Cash surpluses are invested in interest bearing fixed and call financial instrument and Federal government Treasury Bills. At the balance sheet date the Institute held N138 million (2019: N267 million) in term deposits, N523 million (2019: N520 million) in Treasury Bills and N549 million (2019: N503 million) in call accounts. Liquidity is managed to ensure investments are liquidated in a timely manner to meet operating requirements.

3.2.4 Market risk

Market risk arises from Institute's use of interest bearing, tradable and financial instruments. It is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

Interest rate risk relates to the risk of loss due to fluctuations in both cash flows and the fair value of financial assets and liabilities due to change in market interest rates. The Institute invests surplus cash in the short-term and in doing so exposes itself to the fluctuation in interest rates that are inherent in such a market.

Currency risk relates to the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in foreign exchange risk. The Institute operates nationally and internationally in affiliation with foreign professional bodies such as IFAC, ABWA and FPAFA. It also has foreign District Societies: (USA, Cameroun, Malaysia and UK) and is exposed to foreign currency exchange risk arising from the transfer of foreign currency to these bodies. The Institute mitigates the risk with regards to income because all fees and subscriptions charged by it are in Naira. At the balance sheet date 100% of the Institute's cash and cash equivalents were held in various Nigeria banks (2019: 100%).

Other price risk relates to the risk of changes in market prices of the available-for-sale investments. The Institute invests surplus cash in a managed fund operated by fund managers and in doing so exposes itself to the fluctuations in price that are inherent in such a market. The Institute's Finance and General Purposes Committee has given Fund Managers discretionary management of the funds.

The table below demonstrates the sensitivity to a 10% change in the expected cash flows from equity investments, with all other variables held constant:

| | Effect on 2020 N'000 | Effect on 2019 N'000 |
|---|----------------------------|----------------------------|
| (Increase)/decrease in estimated cash flows | | |
| +10% | 5,927 | 5,927 |
| -10% | (5,927) | (5,927) |

2.3.4 Trade payables

Trade payables classified as financial liabilities are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Other payables that are within the scope of IAS 39 are subsequently measured at amortised cost. Others are measured in respect to their applicable standards.

3.2.5 Investment risk

Budgets are prepared on a prudent basis and income from investments is not relied on for ICAN's ongoing activities. Investments are reviewed on a regular basis

3.2.6 Capital

The Institute considers its capital to be its accumulated and charitable and trust funds and fair value reserve. Council's financial objective is to generate operating position, to build and maintain reserves at a sustainable level, taking into account the various competitive risks. The Institute also aims to achieve additional long-term growth in reserves through the active management of the investment portfolio. A five-year financial plan has been developed which, over the period of the plan, targets an agreed level of accumulated fund. The finance and General Purposes Committee reviews the financial position of the Institute of each committee meeting. The Institute is not subject to any material externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

3.2 Financial risk management (Cont'd)

3.2.7 Critical judgement and estimates

Collectability assessment on whether consideration is probable

The Institute has applied judgement in assessing whether collectability is probable. For membership subscription, the Institute has assessed that collectability is probable for only members that have been active within the last three (3) years. This means that even though these active members may not have paid the membership fees for or in the current period, the likelihood of payment is more than 50%. This pattern of revenue recognition aligns with the Institute's recent stance to delist all members that have not been active after 3 years. Delisting signifies a break in contract between the Institute and delisted members. Therefore, no revenue is recognised from demand notices (Invoices) sent to delisted members. However, revenue is recognised when delisted members are readmitted by the Institute. The revenue from delisted members is recognised when cash is received in the period they are readmitted.

NOTES TO THE FINANCIAL STATEMENTS

| | 31 December 2020 N'000 | 31 December 2019 N'000 |
|---|------------------------------|------------------------------|
| 4. Fees and subscriptions | | |
| 4.1 Members: | | |
| Admission fees | 24,500 | 33,880 |
| Annual subscriptions | 755,371 | 655,673 |
| Practicing licence and renewal | 42,001 | 38,453 |
| Faculty registration and subscription | 93,942 | 71,774 |
| Re-admission fees | 20,853 | 1,153 |
| Registration of firms | 2,960 | 3,180 |
| Development levy | 1,751 | 19,994 |
| Graduate membership subscription | <u>1,079</u> | <u>773</u> |
| | <u>942,457</u> | <u>824,880</u> |
| 4.2 Professional students: | | |
| Subscriptions | 130,778 | 156,054 |
| Registrations | 49,832 | 79,448 |
| Exemption fees | 481,975 | 423,573 |
| | <u>662,584</u> | <u>659,075</u> |
| 4.3 ATS students: | | |
| Subscriptions | 6,157 | 10,337 |
| Registrations | 15,756 | 26,784 |
| Exemption fees | 11,044 | 19,131 |
| | <u>32,957</u> | <u>56,252</u> |
| Total fees and subscriptions | <u>1,637,998</u> | <u>1,540,207</u> |
| 5(a) Operating activities | | |
| Qualifications and fellowship | | |
| Professional examinations | 1,290,787 | 1,939,678 |
| ATS examinations | 190,424 | 244,551 |
| Fellowship and award conferment | 173,026 | 144,342 |
| New members' induction | 159,250 | 231,665 |
| | <u>1,813,487</u> | <u>2,560,236</u> |
| Regulations, education and discipline | | |
| Faculties | 35,012 | 97,913 |
| MCPE | 125,314 | 249,191 |
| | <u>160,325</u> | <u>347,104</u> |
| Conferences and courses | | |
| Annual Accountants' conference | - | 894,848 |
| Annual dinner and Institute merit award | 1,250 | 10,381 |
| UK-USA-CANADA conference | 7,420 | 9,222 |
| | <u>8,670</u> | <u>914,451</u> |
| Publications and stamps | | |
| Institute members' seal and stamps | 139,320 | 149,023 |
| Students' study text | 1,416 | 369 |
| | <u>140,735</u> | <u>149,392</u> |
| Total operating activities | <u>2,123,217</u> | <u>3,971,183</u> |

NOTES TO THE FINANCIAL STATEMENTS

| | 31 December 2020 | 31 December 2019 |
|---|---------------------|---------------------|
| | N'000 | N'000 |
| 5(b) Operating expenditure | | |
| Qualifications and fellowship | | |
| Professional examinations | 604,921 | 979,302 |
| ATS examinations | 193,655 | 244,500 |
| Fellowship and conferment | 7,648 | 28,434 |
| New members' induction | 28,764 | 79,219 |
| | <u>834,988</u> | <u>1,331,455</u> |
| Regulation, education and discipline | | |
| Faculties | 21,059 | 72,107 |
| MCPE | <u>41,265</u> | <u>124,008</u> |
| | <u>62,324</u> | <u>196,115</u> |
| Conferences and courses | | |
| Annual Accountants' conference | - | 546,263 |
| Annual dinner and Institute merit award | 678 | 22,733 |
| UK-USA-CANADA conference | <u>19,355</u> | <u>79,594</u> |
| | <u>20,033</u> | <u>648,590</u> |
| Publications and stamps | | |
| Institute members' seal and stamps | 5,610 | 6,575 |
| | <u>5,610</u> | <u>6,575</u> |
| Total operational expenditure | <u>922,955</u> | <u>2,182,737</u> |

| | GROSS INCOME N'000 | GROSS EXPENDITURE N'000 | NET INCOME/ (EXPENDITURE) N'000 |
|---|-----------------------|-------------------------------|---------------------------------------|
| 5(c) Analysis of operational activities | | | |
| Year ended December 31, 2020 | | | |
| Qualifications and fellowship | | | |
| Professional examinations | 1,290,787 | (600,845) | 689,942 |
| ATS examinations | 190,424 | (193,336) | (2,912) |
| Fellowship and conferment | 173,026 | (7,648) | 165,378 |
| New members' induction | <u>159,250</u> | <u>(28,764)</u> | <u>130,486</u> |
| | <u>1,813,487</u> | <u>(830,593)</u> | <u>982,894</u> |
| Regulation, education and discipline | | | |
| Faculties | 35,012 | (21,059) | 13,953 |
| MCPE | <u>125,314</u> | <u>(41,265)</u> | <u>84,049</u> |
| | <u>160,325</u> | <u>(62,324)</u> | <u>98,002</u> |
| Conferences and courses | | | |
| Annual dinner and Institute merit award | 1,250 | (678) | 572 |
| UK-USA-CANADA conference | <u>7,420</u> | <u>(19,355)</u> | <u>(11,935)</u> |
| | <u>8,670</u> | <u>(20,033)</u> | <u>(11,363)</u> |
| Publications and stamps | | | |
| Institute members' seal and stamps | 139,320 | (5,610) | 133,710 |
| Students' study text | <u>1,416</u> | <u>(4,397)</u> | <u>(2,981)</u> |
| | <u>140,736</u> | <u>(10,007)</u> | <u>130,729</u> |
| Total net surplus from operational activities | <u>2,123,218</u> | <u>(922,955)</u> | <u>1,200,262</u> |

NOTES TO THE FINANCIAL STATEMENTS

| 5(d) Analysis of operational activities | GROSS INCOME | | GROSS EXPENDITURE | | NET INCOME/ (EXPENDITURE) | |
|--|------------------|--|--------------------|--|---------------------------|--|
| | N'000 | | N'000 | | N'000 | |
| Year ended December 31, 2019 | | | | | | |
| qualifications and fellowship | | | | | | |
| Professional examinations | 1,939,678 | | (979,302) | | 960,376 | |
| ATS examinations | 244,551 | | (244,500) | | 51 | |
| Fellowship award conferment | 144,342 | | (28,434) | | 115,908 | |
| New members' induction | 231,665 | | (79,219) | | 152,446 | |
| | <u>2,560,236</u> | | <u>(1,331,455)</u> | | <u>1,228,781</u> | |
| Regulation, education and discipline | | | | | | |
| Faculties | 97,913 | | (72,107) | | 25,806 | |
| MCPE | 249,191 | | (124,008) | | 125,183 | |
| | <u>347,104</u> | | <u>(196,115)</u> | | <u>150,989</u> | |
| Conferences and courses | | | | | | |
| Annual Accountants' conference | 894,848 | | (546,263) | | 348,585 | |
| Annual dinner and Institute merit award | 10,381 | | (22,733) | | (12,351) | |
| UK-USA-CANADA conference | 9222 | | (79,594) | | (70,373) | |
| | <u>914,451</u> | | <u>(648,590)</u> | | <u>265,862</u> | |
| Publications and stamps | | | | | | |
| Institute members' seal and stamps | 149,023 | | (6,575) | | 369 | |
| Students' study text | 369 | | - | | 142,816 | |
| | <u>149,392</u> | | <u>(6,575)</u> | | <u>142,185</u> | |
| Total net surplus form operational activities | <u>3,971,183</u> | | <u>(2,182,735)</u> | | <u>1,788,187</u> | |
| 6(a) Investment income | | | 31 December | | 31 December | |
| Investment income | | | 2,020 | | 2,019 | |
| Rental income | | | N-000 | | N-000 | |
| | | | <u>6,024</u> | | <u>1,228</u> | |
| | | | <u>10,691</u> | | <u>50,805</u> | |
| | | | <u>16,716</u> | | <u>52,533</u> | |
| 6(b) Other income | | | | | | |
| Income from sale of store items | | | 6,147 | | 2,909 | |
| Accreditation fees | | | 1,255 | | 2,102 | |
| Contractors' registration fees | | | 1,504 | | 2,131 | |
| Insurance commission | | | 1,237 | | 1,369 | |
| Advertisement income | | | 260 | | 915 | |
| Insurance claims | | | 2,205 | | 382 | |
| Profit on disposal of property, plant and equipment | | | 5,033 | | 882 | |
| Transcripts fees | | | 21,202 | | 26,062 | |
| E-Library/web service | | | - | | 66 | |
| SSPC management fee | | | 529 | | 922 | |
| University of Lagos-endowment fund | | | 3,302 | | 2,677 | |
| Reissue of certificate | | | 289 | | 222 | |
| Research seminar | | | 50 | | 135 | |
| Hire of vehicles | | | 50 | | 160 | |
| Examination results/scripts | | | 157 | | 549 | |
| Change of name | | | 247 | | 795 | |
| Group internet | | | 51 | | 116 | |
| Academic conference | | | 1,082 | | 2,847 | |
| Replacement of ID cards/others | | | 2,639 | | 3,490 | |
| Investment Property Revaluation | | | - | | 77,000 | |
| Donations received | | | <u>10,010</u> | | <u>13,146</u> | |
| IT conference | | | 620 | | - | |
| Exchange loss/(gains) | | | <u>19,454</u> | | <u>-</u> | |
| | | | <u>77,322</u> | | <u>138,878</u> | |
| 6(c) Interest income | | | | | | |
| Interest income from bank deposit and treasury bills | | | 42,889 | | 30,842 | |

NOTES TO THE FINANCIAL STATEMENTS

| | 31 December 2020 N'000 | 31 December 2019 N'000 |
|---|------------------------------|------------------------------|
| 7 International affiliation costs | | |
| International Federation of Accountants: | | |
| Subscription | 25,593 | 26,085 |
| Travelling and other meeting expenses | 13,593 | 35,621 |
| | <u>39,185</u> | <u>61,706</u> |
| Association of Accountancy Bodies in West Africa: | | |
| Subscription | 24,442 | 26,111 |
| Travelling and other meeting expenses | 2,747 | 13,630 |
| | <u>27,189</u> | <u>39,741</u> |
| Pan African Federation of Accountants: | | |
| Subscription | 9,063 | 38,187 |
| Travelling and other meeting expensing | 17,226 | 20,062 |
| | <u>26,329</u> | <u>58,249</u> |
| Chartered Accountants Worldwide: | | |
| Subscription | 5,368 | 5,385 |
| African Congress of Accountants expenses | - | 22,762 |
| Total International Affiliation costs | <u>98,072</u> | <u>187,843</u> |
| 8 Depreciation and amortisation | | |
| Depreciation of property, plant and equipment | 212,055 | 244,859 |
| Amortisation of intangible asset | - | 12,374 |
| | <u>212,055</u> | <u>257,233</u> |
| 9 General and administrative expenses | | |
| General repairs and maintenance | 105,236 | 108,853 |
| Council and committee meeting expenses | 116,525 | 107,227 |
| Annual general meeting expenses | 19,103 | 37,169 |
| Insurance | 36,208 | 28,779 |
| Local and overseas tours and other activities | 90,055 | 126,781 |
| Co-ordination of district societies | 64,788 | 74,494 |
| Subscription and donations | 49,651 | 47,369 |
| Advertisements and publicity | 9,487 | 16,305 |
| Printing, photocopy and stationery | 37,616 | 14,701 |
| Telephone and postages | 52,935 | 64,910 |
| Vehicle running costs | 48,819 | 58,990 |
| Travelling expenses | 43,560 | 75,507 |
| Library expenses | 58 | 10,047 |
| Refreshment at meetings | 16,936 | 36,846 |
| Industrial Training Fund | 20,044 | - |
| Computer expenses | 15,257 | 28,301 |
| Audit fees | 13,000 | 13,000 |
| Bank charges | 7,979 | 13,150 |
| Exchange (gains)/loss | - | 2,663 |
| Receivable write-off/(writeback) | - | 230,010 |
| Other expenses | 16,885 | 16,005 |
| Academic conference expenses | 1,482 | - |
| Help desk related expenses | 4,300 | - |
| Marketing expenses | 236 | - |
| IT Subscription/Licence fees | 17,082 | - |
| Defence of ICAN ACT | 2,500 | - |
| Tuition House Expenditure | 75 | - |
| ICAN university | 10,128 | - |
| IT Conference | 320 | - |
| Obsolate stock | 18,611 | - |
| Benevolent expenses | 128,250 | - |
| | <u>947,123</u> | <u>1,111,107</u> |

NOTES TO THE FINANCIAL STATEMENTS

| | | | |
|-----|---|------------------|------------------|
| 10 | Personal cost | | |
| | Basic salary | 455,224 | 411,611 |
| | Defined contribution cost | 73,853 | 63,427 |
| | other allowances and related costs | 641,758 | 571,955 |
| | | <u>1,170,835</u> | <u>1,046,993</u> |
| 11a | Other non operational expenditure | | |
| | Contribution to students special project (SSP) | 10,576 | 24,089 |
| | Institute members' welfare scheme | 69,839 | 53,611 |
| | Professional charges | 30,127 | 45,501 |
| | Accreditation and visitation expenses | 6,591 | 27,087 |
| | Catch Them Young awareness programme | 5,877 | 29,872 |
| | Scholarship Scheme | 20,060 | 18,730 |
| | Education and training expenses | 5,477 | 57,098 |
| | The Nigerian Accountant Journal | 2,888 | 2,720 |
| | Research grants and expenses | 44,091 | 100,934 |
| | Subscription to professional bodies | 4,020 | 7,956 |
| | research journal | 1,476 | 7,723 |
| | ICAN students' Journal | 643 | 689 |
| | Syllabus review | 10,480 | 41,201 |
| | Prizes-Students | - | 2,364 |
| | PPMC Monitoring Activities | 356 | - |
| | | <u>212,499</u> | <u>419,580</u> |
| 11b | Impairment charges | | |
| | Imparment (reversal) on other receivables (Note 18c) | (6,170) | (42,199) |
| | Impairment charge/(reversal) on members subscription receivables (Note 29c) | 168,370 | (407,024) |
| | | <u>162,200</u> | <u>(444,223)</u> |
| 12 | Activities result | | |
| | The activities result includes the following | | |
| a. | Salaries and related costs | | |
| | The costs of employing staff during the year were as follows: | | |
| | Staff costs | 455,224 | 411,611 |
| | Defined contribution costs | 74,853 | 63,427 |
| | Other allowances | 641,758 | 571,955 |
| | | <u>1,170,835</u> | <u>1,046,993</u> |
| b. | Depreciation and amortisation | | |
| | Depreciation of property, plant and equipment | 212,055 | 244,859 |
| | Amortisation of Intangible asset | - | 12,374 |
| | | <u>212,055</u> | <u>257,233</u> |
| c. | Auditors' remuneration | | |
| | Fee payable to joint auditors | 13,000 | 13,000 |
| | | <u>13,000</u> | <u>13,000</u> |

NOTES TO THE FINANCIAL STATEMENTS

13 Property, plant and equipment

| | Land | Buildings | Motor vehicles | Plant and machinery |
|----------------------------------|--------|-----------|----------------|---------------------|
| | N'000 | N'000 | N'000 | N'000 |
| Cost | | | | |
| Balance at 1 January 2019 | 26,203 | 750,359 | 438,483 | 75,556 |
| Additions | - | 3,201 | 85,095 | 72,321 |
| Disposals | - | - | (48,090) | - |
| Balance at 31 December 2019 | 26,203 | 753,560 | 475,488 | 147,877 |
| Balance at 1 January 2020 | 26,203 | 753,560 | 475,488 | 147,877 |
| Additions | - | - | 60,175 | 30,429 |
| Disposals | - | - | (17,629) | (8,954) |
| Balance at 31 December 2020 | 26,203 | 753,560 | 518,034 | 169,352 |
| Accumulated depreciation | - | 183,648 | 279,366 | 75,551 |
| Balance at 1 January 2019 | - | 13,669 | 73,534 | 4,525 |
| Depreciation charge for the year | - | - | (31,688) | - |
| Disposals | - | 197,317 | 321,212 | 80,076 |
| Balance at 31 December 2019 | - | 183,648 | 279,366 | 75,551 |
| Balance at 1 January 2020 | - | 13,555 | 91,416 | 22,670 |
| Depreciation charge for the year | - | 13,555 | 91,416 | 22,670 |
| Disposals | - | - | (17,629) | (8,954) |
| Balance at 31 December 2020 | - | 210,872 | 394,999 | 93,792 |
| | 26,203 | 556,243 | 154,276 | 67,801 |
| | 26,203 | 542,688 | 123,035 | 75,560 |

NOTES TO THE FINANCIAL STATEMENTS

| Furniture and equipment | Library books | Lecture theatres | Work-in-Progress | Total |
|-------------------------|---------------|------------------|------------------|-----------|
| N'000 | N'000 | N'000 | N'000 | N'000 |
| 614,880 | 55,004 | 354,272 | 9,478 | 2,324,235 |
| 52,937 | 2,487 | 10,333 | 56,679 | 283,053 |
| - | - | - | - | (48,090) |
| 667,817 | 57,491 | 364,605 | 66,157 | 2,559,198 |
| 667,817 | 57,491 | 364,605 | 66,157 | 2,559,198 |
| 10,945 | 65 | - | 124,920 | 226,534 |
| (3,118) | - | - | - | (29,701) |
| 675,644 | 57,556 | 364,605 | 191,077 | 2,756,031 |
| 467,771 | 42,104 | 243,173 | - | 1,291,613 |
| 74,223 | 6,550 | 72,358 | - | 244,859 |
| - | - | - | - | (31,688) |
| 541,994 | 48,654 | 315,531 | - | 1,504,784 |
| 55,481 | 4,825 | 24,108 | - | 212,055 |
| (3,118) | - | - | - | (29,701) |
| 594,357 | 53,479 | 339,639 | - | 1,687,138 |
| 125,823 | 8,837 | 49,074 | 191,077 | 1,054,414 |
| 81,287 | 4,077 | 24,066 | 191,077 | 1,068,889 |

NOTES TO THE FINANCIAL STATEMENTS

| | 31 December 2020 N'000 | 31 December 2019 N'000 |
|---|------------------------------|------------------------------|
| 14 Investment property | | |
| Akintola Williams building, Abuja | 871,000 | 871,000 |
| Amuwo-Odofin building, Lagos | 844,000 | 844,000 |
| | <u>1,715,000</u> | <u>1,715,000</u> |
| 14b Gain on fair valuation of investment property | | |
| balance at 1 January 2020 | 1,715,000 | 1,638,000 |
| Gains during the year | - | 77,000 |
| balance at 31 December 2020 | <u>1,717,000</u> | <u>1,717,000</u> |

The investment valuation was carried out by Ubosi Eleh + Co. is a firm of Estate Surveyors & Valuers registered in Nigeria in accordance with the rules and regulations of the Nigerian Institution of Estate Surveyors and Valuers (NIESV)

The investment properties are valued every three years in accordance with the Institute's policy. the property was last valued in the year 2019 income generated from both property in 2020 was N4.67m (2019: N51m). the Institute is only occupying about 10% of the property

| | | |
|--|---------------|---------------|
| | 45,042 | 59,274 |
| Disposal | (1,618) | (6,405) |
| Loss charged to other comprehensive income | (58) | (7,827) |
| At 31 December 2020 | <u>43,366</u> | <u>45,042</u> |
| Historical cost of tradable investment | <u>66,958</u> | <u>68,576</u> |

Financial assets FVOCI are fair valued annually at the close of business on the date of the financial position. Whenever possible, fair value is determined by reference to stock exchange quoted bid prices. financial assets FVOCI are classified as non-current assets unless they are expected to be realised within twelve months of the balance sheet date.

Financial assets FVOCI are denominated in Naira. The Institute monitors its exposures by way of regular reports from the Fund managers who have discretionary management of the investment portfolio. None of these financial assets are impaired.

| | | |
|--|---------------|---------------|
| 16(a) Financial assets at amortised cost | | |
| Staff loans | 34,493 | 37,643 |
| Staff advances | 491 | 5,572 |
| | <u>34,984</u> | <u>43,215</u> |
| 16(b) Financial assets at amortised cost | N'000 | N'000 |
| Non-current | 13,115 | 5,572 |
| Current | 21,869 | 37,643 |
| | <u>34,984</u> | <u>43,215</u> |

The non-current financial assets at amortised cost represents the long term portion of the car loans granted to staff.

NOTES TO THE FINANCIAL STATEMENTS

| | 31 December 2020 N'000 | 31 December 2019 N'000 |
|---|------------------------------|------------------------------|
| 17 Inventories | | |
| Stationery | 13,537 | 13,237 |
| Electrical parts | 280 | 672 |
| Diesel | 2,876 | 3,343 |
| Students' study text | 154,043 | 243,044 |
| Other sellable items | 19,246 | 28,650 |
| | <u>189,982</u> | <u>299,383</u> |
| 18 Other receivables | | |
| bayelsa ICAN students' Special Project (SSP) | 12,218 | 12,218 |
| NNDC/ICAN Students' Special Project (SSP) | 63,998 | 52,893 |
| Cross river/ICAN Students' Special Project (SSP) | 6,695 | 9,703 |
| gomber State/ICAN Students' Special Project (SSP) | 35,674 | 35,666 |
| Warri District Office | 10,414 | - |
| MCPE receivables | 6,515 | 6,990 |
| Federal Treasury Academy | 10,255 | 10,255 |
| Heritage Capital | 4,281 | 4,281 |
| University of Lagos-endowment fund | 22,072 | 18,769 |
| Other debtors | 6,060 | 5,544 |
| owerrri District society | 840 | 840 |
| Minna District Society | 1,000 | 1,000 |
| Ilorin District Society | 3,066 | 3,066 |
| Impairment allowance for doubtful receivables | (78,046) | (84,216) |
| | <u>105,042</u> | <u>77,009</u> |
| Impairment allowance of N78million includes provision for Federal Treasury Academy, district societies and receivables from students' special projects. | | |
| 18(a) Other receivables | | |
| Other receivables | 183,088 | |
| Impairment on other receivables net other receivables | (78,046) | |
| | <u>105,042</u> | |
| 18(b) Reconciliation of other receivables | | |
| At 1 January | N'000 | N'000 |
| Additions during the year | 161,225 | 153,075 |
| Receipts for the year | 23,079 | 27,313 |
| Gross carrying amount | (1,216) | (19,163) |
| less impairment provision' | 183,088 | 161,225 |
| At 31 December | (78,046) | (84,216) |
| | <u>105,042</u> | <u>77,009</u> |
| 18(c) Reconciliation of impairment allowance another receivables | | |
| Loss allowance as at 1 January | 84,216 | 126,415 |
| Reversal in expected credit loss. | (6,170) | (42,199) |
| Loss allowance as at 31 December | 78,046 | 84,216 |
| 19 Prepayment | | |
| Group life insurance - ICAN members | 21,322 | 28,467 |
| Group life insurance - ICAN staff & council | 16,495 | 14,817 |
| Motor vehicle, fire and burglary insurance | 4,415 | 4,696 |
| Annual Accountants' conference - Hall | 12,420 | 12,420 |
| Annual Dinner/Investiture - Hall | 4,500 | 5,000 |
| RM Assessor (Professiona/ATSWA) | 57,542 | - |
| Supply of Bags for the 50th Golden AAC | 165,763 | - |
| ATS pool setting/harmonisation | - | 9,897 |
| Supplier Advance | 14,620 | - |
| | <u>297,076</u> | <u>75,297</u> |

NOTES TO THE FINANCIAL STATEMENTS

| | | | |
|----|---------------------|-------|-------|
| 20 | Deferred expenses | | |
| | At 1 January | | |
| | Charge for the year | 3,411 | 4,371 |
| | At 31 December | - | (960) |
| | | 3,411 | 3,411 |

Deferred expenses represent unamortised balance at the reporting date of the difference between the initial amount disbursed and fair value of car loans to staff

| | | | |
|----|--------------------------------|-----------|-----------|
| 21 | Cash and cash equivalents | | |
| | Treasury bills | 523,564 | 519,782 |
| | Dedicated funds - Bank deposit | 138,493 | 266,653 |
| | Other short term bank deposit | 555,241 | 498,886 |
| | Cash at bank and in hand | 2,830 | 4,284 |
| | | 1,220,128 | 1,289,602 |

The effective interest rate on short term bank deposits was 2020: 2.7% (2019: 9.3%)

22 Employees
The average number of persons employed by the Institute during the period was as follows:

| | 31 December 2020 Number | 31 December 2019 Number |
|-------------------------------|-------------------------------|-------------------------------|
| Senior managers and directors | 43 | 46 |
| Managers and junior staff | 158 | 154 |
| | <u>201</u> | <u>200</u> |

| | 31 December 2020 N'000 | 31 December 2019 N'000 |
|--------------------|------------------------------|------------------------------|
| Staff cost | | |
| Wages and salaries | 1,096,982 | 983,566 |
| pension costs | 73,853 | 63,427 |
| | <u>1,170,835</u> | <u>1,046,993</u> |

Remuneration of key management personnel (KMP)

The Registrar/Chief Executive is the key management personnel (KMP) of the Institute. he has responsibility for implementing Council's policies and drives the secretariat in promoting the ICAN brand. the KMP has no business relationship with the institute. The remuneration of the key management personnel of the Institute is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

Registrar/Chief Executive:

| | | |
|------------------------------|---------------|---------------|
| Short-term employee benefits | <u>22,340</u> | <u>22,340</u> |
| | <u>22,340</u> | <u>22,340</u> |

The number of employees of the Institute whose total earnings were more than N300,000 in the year was:

| | | | Number | Number |
|-----------------------|----|-------------|--------|--------|
| N300,000 | TO | N900,000 | 12 | 13 |
| N900,001 | TO | N1,00,000 | 6 | 7 |
| N1,000,001 | TO | N1,100,000 | - | - |
| n1,100,001 | TO | N1,200,000 | 4 | 3 |
| N1,200,001 | To | N1,400,000 | 8 | 7 |
| N1,400,001 | TO | N1,600,000 | 5 | 4 |
| N1,600,001 | TO | N2,000,000 | 14 | 14 |
| N2,000,001 | TO | N2,100,000 | 3 | 3 |
| N2,100,001 | To | N2,200,000 | 2 | 1 |
| N2,200,001 | TO | N2,500,000 | 12 | 12 |
| N2,500,001 | TO | N2,600,000 | 5 | 5 |
| N2,700,001 | TO | N2,800,000 | 8 | 8 |
| N2,800,001 | TO | N2,900,000 | 5 | 5 |
| N2,900,001 | TO | N4,000,000 | 26 | 30 |
| N4,000,001 | TO | N4,600,000 | 42 | 31 |
| N4,600,001 | TO | N5,200,000 | - | 25 |
| N5,200,001 | TO | N6,100,000 | 27 | 7 |
| N6,000,001 | TO | N6,400,000 | 3 | 3 |
| N6,400,001 | TO | N7,300,000 | 5 | 6 |
| N7,300,001 | TO | N7,800,000 | 2 | 2 |
| N7,800,001 | TO | N8,100,000 | 2 | - |
| N8,100,001 | TO | N8,300,000 | - | - |
| N8,300,001 | TO | N9,400,000 | - | 1 |
| N9,400,001 | TO | N9,500,000 | 1 | 3 |
| N9,500,001 | TO | N10,100,000 | - | 3 |
| N10,600,001 | TO | N10,700,000 | 1 | 1 |
| N10,900,001 | TO | N11,600,000 | 1 | - |
| N11,600,001 | TO | N12,900,000 | 2 | - |
| N12,900,001 and above | | | 5 | 6 |
| | | | 201 | 200 |

NOTES TO THE FINANCIAL STATEMENTS

| | 31 December 2020 N'000 | 31 December 2019 N'000 |
|---|------------------------------|------------------------------|
| 23 | | |
| Accounts payables | 103,885 | 158,239 |
| Sundry payables | - | 19,116 |
| AAT account balance | 232,660 | 172,358 |
| Accrued expenses | <u>336,546</u> | <u>349,713</u> |
| 23(a) | | |
| Sundry payables | | |
| ICAN staff pension fund | 10,015 | 5,894 |
| Withholding tax | 33,900 | 29,271 |
| Board of Internal Revenue/NASU | 1,228 | 1,341 |
| National Housing Fund | 7,126 | 27,429 |
| Akwa Ibom State Government | 7,935 | 21,887 |
| Offa District Society | 9,085 | - |
| Umuahia District Society | 7,115 | - |
| Warri District Society | - | - |
| Advance Interest | 3,609 | 32,012 |
| Conference Income received in advance | - | 7,070 |
| Payable to districts | 1,925 | 30,442 |
| Others | 21,947 | 2,893 |
| | <u>103,885</u> | <u>158,239</u> |
| 23(b) | | |
| Accrued expenses | | |
| AAT outstanding bill | 10,290 | - |
| Examination processes | 5,580 | 60,860 |
| Audit fees | 13,000 | 13,000 |
| Advance Rent | 1,787 | - |
| Insurance Claims | 4,143 | 4,693 |
| AFN | (4,075) | - |
| Advance Insurance Commission | 1,411 | - |
| PAFA subscription | - | 9,000 |
| ABWA subscription | - | 11,619 |
| Syllabus Review | 599 | - |
| Payable to benevolent | 21,883 | - |
| District Office | 42,758 | - |
| ITF | 25,419 | - |
| Insurance premium | 7,460 | - |
| Staff advance payable | 5,353 | - |
| Staff promotion arrears | 21,752 | 8,383 |
| Scholarship | 10,560 | - |
| Un-Earned Income | 46,248 | 37,796 |
| Exit package | 18,491 | 27,007 |
| | <u>232,660</u> | <u>172,358</u> |
| 24 | | |
| Contract liabilities | | |
| Subscription income | 41,227 | 41,235 |
| | <u>41,228</u> | <u>41,235</u> |
| Contract liabilities relates to subscriptions in advance received from members. | | |
| 25 | | |
| Funds | | |
| a | | |
| Accumulated fund | 2,111,341 | 2,138,288 |
| b | | |
| Other charitable and trust funds: | | |
| Development fund | 1,463,316 | 1,463,316 |
| Accountancy research fund | 145,469 | 145,469 |
| Benevolent fund | 251,634 | 251,634 |
| Prizes fund | 32,000 | 8,227 |
| Student development and support fund | (19,630) | (66,928) |
| Study text revolving fund | 360,725 | 232,443 |
| Library fund | 9,643 | 9,643 |
| Tuition house support fund | 50,000 | 50,000 |
| Whistleblower fund | 50,000 | 50,000 |
| | <u>2,343,157</u> | <u>2,143,804</u> |

NOTES TO THE FINANCIAL STATEMENTS

26. The analysis of funds and other reserves

(a) Library fund

The contribution to Library fund is to obtain all the resources needed for the use of the Institute's members. This is in line with the Council decision of the need to provide a befitting library facility to help students and members turn information into knowledge. This fund helps fill the gap by providing high quality library facility, necessary materials and equipment. 3% of the Institute's annual gross income is to be transferred to library development. No transfer were made in 2020 (2019: NIL).

(b) Benevolent fund

the ICAN members' Benevolent and Educational Trust Fund was established by Council of the Institute of Chartered Accountants of Nigeria to assist persons in need who are or have been ICAN members and/or their families and dependants. It is also aimed at promoting and supporting educational/research in accountancy, financial management, taxation and related subjects. The fund is managed by a five man Board of Trustees. The major activities of the management board are fund raising and management of investments. 3% of the Annual Accountants' Conference gross income is credited to the fund annually. The fund generated are invested and it is the income from the investments that are disbursed to members in need and families that are distraught. Since inception, the fund has been used to assist members and families of dead members. This include members who had renal (kidney) failure, blindness, stroke, spinal cord injuries, disaster (fire/flood/accident) victims, children's education, etc. The minimum amount of benefit to applicants is fifty thousand naira (N50,000) only: while the maximum shall be a sum of Five Hundred Thousand Naira N500,000) only.

(c) Accountancy Research fund

Transfers to this fund is based on Council's resolution. The fund is made available to meet expenditure on research on specialised area of accountancy. The fund is invested in fixed deposit and any interest accrued there from is credited to the fund.

(d) Professorial Chair Endowment

Transfers to this fund is based on Council's resolutions. The fund is made available to meet expenditure on professional chair endowment in selected universities. The fund is invested in fixed deposit and any interest accrued there from is credited to the fund.

(e) Developmental fund

Transfers to this fund based on council's resolution. the fund is made available to meet expenditure on the Institute's infrastructural development. The fund is invested in fixed deposit and any interest accrued therefrom is credited to the fund.

(f) Prizes fund

This is funded by donors of each prize. The Fun dis made available to meet expenditure on the award of prizes to deserving outstanding students in the Institute's examinations. The Fund is invested in fixed deposit and any interest accrued there from is credited to the fund.

(g) Study Text Revolving fund

This is to be funded by a portion of the amount realised from the sale of study text to students. The fund is available to meet expenditure on development, printing and distribution of study text to students. The fund is invested in fixed deposit and any interest accrued therefrom is credited to fund.

(h) Students development and Support fund

This is to be funded by surplus realized from the sale of study text and is to be applied to the development and support of students writing the Institute's examination.

(i) FVOCI reserves

FVOCI reserves represents the excess of unrealised gains and losses on financial assets fair value through other comprehensive income over their historic costs.

(j) Accumulated fund

The accumulated fund represent the excess of income over expenditure which have been accumulated over the years.

NOTES TO THE FINANCIAL STATEMENTS

27 Related party transactions

Council members as office bearers

Adeyemi Onome Joy (Mrs) (President)
 Eytayo Comfort Olujumoke (Mrs) (Vice President)
 Tijani Musa Isa (Mallam) (1st Deputy Vice President)
 Innocent Okwuosa (2nd Deputy vice President)
 Okwuadigbo Anthony Nnamdi (Immediate Past President)
 Oluwatobi Ayodele Abiola (Honorary Treasurer)

Other Council Members

Davidson Chizuoke Stephen ALARIBE (chief),
 Deji Awobodu (Hon. Dr). Oluwole Seun Oderinde,
 Adaku Chilaka chidume-Okoro (HRM), titilayo Ariyike Nurat Akinbayo (Alhaja)
 Tijani Musa Isa (Mallam), Olakisan, Jamiu Adeyemi
 Ngozi Monica Okonkwo (Lady), Tajudeen Olawale Olayinka, Etofolam Felix Osuji (Dr.),
 Innocent Okwuosa, Abiuola Ayodele Oluwatohi
 Sam Ogundipe Olutola (Deceased), Ekhoragbon Gbadaffi Peter
 Hilda Ofure Ozoh (Mrs), Chibuzor Noel Anyanechi
 Queensley Sofuratu Seghosime (Alhaja), Egbo Sunday Jude, Haruna Nma Yahaya (AKIhaji)
 Disu, Samson Adewale

Non Council members

Prof, Ahmed Kumshe (Registrar/Chief Executive), Ben Ukaegbu (Deputy Registrar, Technical Services) and Mukalia A. Lawal (Deputy Registrar, Corporate Services).

No member of the Council receives payment in respect of services to ICAN. In line with Council travel and expenses policy. Council members are reimbursed for any expenses which they say directly incur on behalf of the Institute as part of their role as a Council members. No loan is granted to related parties.

| | Note | 31 December 2020 N'000 | 31 December 2019 N'000 |
|--|------|------------------------------|------------------------------|
| 28 Cash flow statement | | | |
| a Cash generated from activities: | | | |
| Surplus for the year | | 172,406 | 977,357 |
| Adjustments for: | | | |
| Interest received | | (42,889) | (30,824) |
| Movement in accumulated fund | 6c | (199,354) | 236,783 |
| Exchange gain /(loss) | | 1,654 | (737) |
| Depreciation on property, plant and equipment | | 212,005 | 244,859 |
| Amortisation of intangible asset | 13 | - | 12,374 |
| Profit on disposal of property, plant and equipment | | 5,033 | 15,517 |
| Gain on valuation of investment property | | - | (77,000) |
| Changes in working capital (excluding the effects of exchange difference): | | | |
| Decrease/(Increase) in inventory | | 109,401 | (179,393) |
| Decrease/(Increase) in loans and receivables | | 15,774 | (1,265) |
| (Increase)/decrease in prepayments | | (221,779) | 36,401 |
| Increase in other receivables | 6(b) | (49,016) | (50,349) |
| Decrease in contract assets | | - | 960 |
| (Decrease)/Increase in trade and other payables | | (13,167) | 63,393 |
| Increase in contract liabilities | | 11 | 22,201 |
| (Decrease)/Increase in members subscription receivable | | (83,666) | 5,527 |
| Cash used in operating activities | | (93,513) | 1,275,805 |
| b Cash from funding activities: | | | |
| Decrease/(Increase) in prizes fund | | 23,773 | (2,324) |
| Increase in benevolent fund | | - | 26,615 |
| Decrease in library fund | | - | (10,046) |
| Increase/(decrease) in study text revolving fund | | 128,282 | (161,861) |
| Increase/(Decrease) in student development and support fund | | 47,299 | (87,167) |
| Decrease in development fund | | - | (100,000) |
| Increase in tuition house support fund | | - | 50,000 |
| Increase in Whistleblower fund | | - | 50,000 |
| | | 199,354 | (236,783) |

NOTES TO THE FINANCIAL STATEMENTS

| | | |
|---|----------------|---------------|
| 29 Members' subscription receivables | 31 December | 31 December |
| | 2020 | 2019 |
| | N'000 | N'000 |
| Subscription receivables | 561,794 | 309,758 |
| Allowance for credit loss | (408,553) | (240,183) |
| Net receivables | <u>153,241</u> | <u>69,575</u> |

| | | |
|--|----------------|----------------|
| 29(b) Reconciliation of members' subscription receivables | 2020 | 2019 |
| | N'000 | N'000 |
| At 1 January | 309,758 | 722,309 |
| Additions during the year | 681,360 | 572,320 |
| Receipts for the year | (429,324) | (754,861) |
| | <u>561,794</u> | <u>539,768</u> |
| Write off receivables | - | (230,010) |
| Gross carrying amount | 561,794 | 309,758 |
| Less Impairment provision | (408,553) | (240,183) |
| At 31 December | <u>153,241</u> | <u>69,575</u> |

| | | |
|--|----------------|------------------|
| 29(c) Reconciliation of impairment allowance on members' subscription receivables | 2020 | 2019 |
| | N'000 | N'000 |
| Loss allowance as at 1 January | 240,183 | 647,207 |
| Movements during the year: | | |
| Increase in impairment loss | - | 230,010 |
| Increase/(reversal) in expected credit loss on trade receivables | 168,370 | (407,024) |
| Write off of receivables | - | (230,010) |
| Total impairment charge into P/L during the year | <u>168,370</u> | <u>(407,024)</u> |
| Loss allowance as at 31 December | <u>408,553</u> | <u>240,183</u> |

The increase in impairment of N168.37 million is due to the increase in the gross carrying amount of the membership subscription receivables in the current year compared to the prior year. Writeoffs were made for receivables that the Institute deemed as unrecoverable.

30 Contingent liabilities and commitments

There were no contingent liabilities or capital commitments as at the reporting date (2020: Nil)

31 Events after statement of financial position date

There were no significant developments since the statement of financial position date which could have had a material effect on the state of affairs of the Institute as at 31 December 2020 and the surplus for the year ended on that date, which gave not been adequately recognized.

32 Evaluation of the impact of COVID 19

In the first quarter of 2020, there was a COVID-19 outbreak which spread globally. The outbreak was declared a Public

32 Members subscription Receivable

This is the total outstanding dues from Members Subscription, Faculties and Practising Licenses as at 31 December, 2020

33 Members subscription impairment provision

Full Provisions is made for Members that recorded no transaction in their records in the last ten years
Impairment charges on subscription above ten years

This is additional impairment or otherwise on members that are owing Subscriptions, Faculties and Practising Licenses in the year

STATEMENT OF VALUE ADDED

| | 31 December 2020 N'000 | % | 31 December 2019 N'000 | % |
|----------------------------|------------------------------|------------|------------------------------|-----|
| Income | 3,761,215 | | 5,511,390 | |
| Other income | <u>136,926</u> | | <u>222,234</u> | |
| | 3,898,142 | | 5,733,625 | |
| Purchase of services-Local | (2,342,904) | | (3,459,868) | |
| Value added | <u><u>1,555,237</u></u> | 100 | <u><u>2,273,756</u></u> | 100 |

DISTRIBUTION:

| | | | | |
|--|-------------------------|------------|-------------------------|-----|
| To pay employees | | | | |
| Salaries and benefits | 1,170,835 | 75 | 1,046,993 | 46 |
| To provide for enhancement of assets and growth | | | | |
| Depreciation of property, plant and equipment | 212,055 | 14 | 257,233 | 11 |
| Surplus for the year | <u>172,348</u> | 11 | <u>969,530</u> | 43 |
| Value added | <u><u>1,555,237</u></u> | 100 | <u><u>2,273,756</u></u> | 100 |

This statement represents the distribution of the wealth created through the use of the Institute's assets by its own employees' efforts.

FIVE-TEAR FINANCIAL SUMMARY

| | 31 December 2020 N'000 |
|---|------------------------------|
| ASSETS EMPLOYED | |
| Property, Plant and equipment | 1,068,889 |
| Intangible assets | - |
| Investment property | 1,715,000 |
| Financial assets FVOCI | 43,366 |
| financial assets at amortised cost | 13,115 |
| net current assets | 1,654,204 |
| | <u>4,494,574</u> |
| FINANCED BY | |
| Non-current liabilities | 41,224 |
| Funds and reserve | 4,453,350 |
| | <u>4,494,574</u> |
| COMPREHENSIVE INCOME | |
| Income | 3,761,215 |
| Surplus of income over expenditure | 2,838,260 |
| Surplus/(Deficit) for the year | 172,406 |
| Gain/(lose) in fair value of available-for-sale investments | - |
| Items that will not be reclassified to profit or loss: | |
| Loss in financial assets fair valued through other comprehensive income | (58) |
| Total comprehensive income/(loss) for the year | 172,348 |

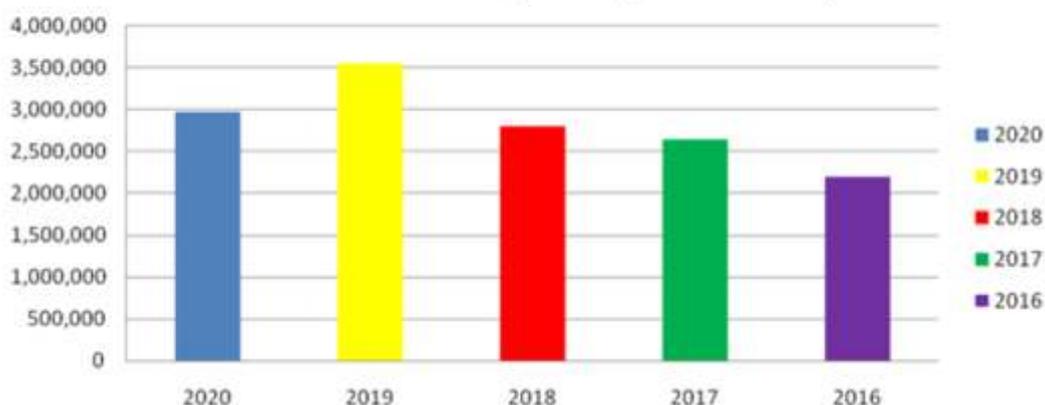
FIVE-TEAR FINANCIAL SUMMARY

| 31 December 2019 N'000 | 31 December 2018 N'000 | 31 December 2017 N'000 | 31 December 2016 N'000 |
|------------------------------|------------------------------|------------------------------|------------------------------|
| 1,054,414 | 1,032,621 | 937,778 | 985,943 |
| - | 12,374 | 24,744 | 37,114 |
| 1,715,000 | 1,638,000 | 1,638,000 | 1,638,000 |
| 45,042 | 59,274 | 138,757 | 71,877 |
| 5,572 | 18,575 | 16,793 | 21,957 |
| 1,502,210 | 569,663 | 762,210 | 1,169,020 |
| 4,432,238 | 3,330,507 | 3,518,282 | 3,923,911 |
| 41,235 | 19,034 | 11,416 | 5,687 |
| 4,281,002 | 3,311,473 | 3,506,866 | 3,918,224 |
| 4,322,237 | 3,330,507 | 3,518,282 | 3,923,911 |
| 5,511,390 | 4,837,491 | 4,225,983 | 3,563,750 |
| 3,328,655 | 2,664,135 | 2,459,205 | 1,995,385 |
| 977,358 | (176,179) | 184,921 | 59,673 |
| - | - | 66,880 | (9,2390 |
| (7,827) | (49,348) | - | - |
| 969,350 | (225,527) | 184,921 | 59,673 |

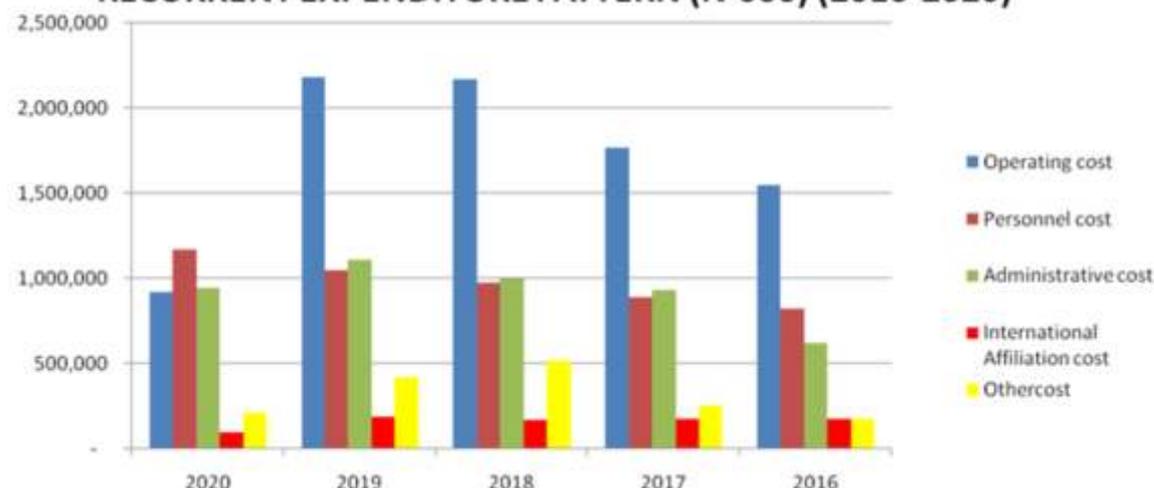
FIVE-TEAR FINANCIAL SUMMARY

FS 2020 GRAPH

INCOME TRENDS (N'000) 2016 -2020



RECURRENT EXPENDITURE PATTERN (N'000) (2016-2020)





**THE INSTITUTE OF CHARTERED
ACCOUNTANTS OF NIGERIA**

(Established by Act of Parliament No. 15 of 1965)

Plot 16, Idowu Taylor Street, Victoria Island, Lagos.

Tel: 09053847510, 09053847511

E-mail: info.ican@ican.org.ng

www.icanig.org