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FINANCIAL REPORTING COUNCIL OF NIGERIA

FRC NEWSLETTER

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FRC Launches National Repository For Financial Statements

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PRESIDENT TINUBU APPOINTS JUMOKE ODUWOLE AS FMITI MINISTER

DR. OLOWO APPOINTED CHAIR OF THE 41ST SESSION OF UNCTAD/ISAR

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FINANCIAL REPORTING COUNCIL OF NIGERIA

... the Conscience of Regulatory Assurance

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EXECUTIVE

SECRETARY/CEO'S CORNER

It is with great pleasure that I welcome you to Volume 2, Issue 2 of The FRC Newsletter — a platform that not only showcases our progress but also celebrates the shared commitment to building a resilient, transparent, and accountable financial reporting ecosystem in Nigeria and across Sub-Saharan Africa.

Having marked one year in office, I am proud to highlight some of the transformative achievements we have recorded under the DOSE Framework — Digitisation Operational Excellence, Stakeholder Engagement and Enforcement. These accomplishments are not just milestones but markers of our collective resolve to elevate the FRC into a globally respected regulatory institution.

Among our notable strides are the adoption of IFRS S1 and S2 Sustainability Standards, endorsed by His Excellency, President Bola Ahmed Tinubu, and the former Honourable Minister of Industry, Trade and Investment, Dr. Doris Uzoka-Anite. We also launched the National Roadmap for Sustainability Reporting, created two new functional Directorates — Valuation Standards and Actuarial Standards, and inaugurated the Sustainability Reporting Unit to anchor Nigeria's leadership in ESG disclosures.

Other key milestones include:

- The Audit Quality Reviews (AQR) of firms nationwide.
- Issuance of exposure drafts for the Public Sector and Not-for-Profit Governance Codes.
- Formation of strategic Technical Working Groups, including the Nigerian Actuarial Development Programme (NADP) — a visionary step in strengthening actuarial capacity locally.
- Establishment of Nigeria's first National Repository for Financial Statements, enhancing transparency and data reliability.
- International recognitions, including my election as Vice President of the African Forum of Independent Accounting and Auditing Regulators (AFIAAR).

These achievements were made possible by the unwavering support of our team, partners, and stakeholders — your dedication, expertise, and collaboration have been instrumental in driving our shared vision forward. I extend my heartfelt appreciation to each of you.

Looking Ahead

As we continue this journey, our focus remains on deepening regulatory impact and strengthening public trust. Key upcoming initiatives include:

- Issuance of the Nigeria Public Sector Governance Code (NPSGC) and Nigeria Not-for-Profit Governance Code (NNFPGC).
- Scaling up sustainability disclosure training across industries, to increase adoption from 12 to 30 entities by 2026.
- Advancing the Adoption of INTOSAI Standards, reviewing over 300 engagements and 40 firms across all six geopolitical zones.
- Releasing the Valuation Regulations and the Nigerian Actuarial Practice Regulations (2025).
- Introducing Accounting Standards on Islamic Finance to diversify Nigeria's financial reporting landscape.

We are committed to making the FRC not just a regulatory body, but a hub of excellence, innovation, and global best practices in financial and sustainability reporting. Thank you once again for your dedication, resilience, and support. Together, we will continue to raise the bar and strengthen the integrity of Nigeria's financial reporting environment.

MESSAGE

WELCOME FROM THE EDITOR

Felix Azubuike | Editor

It is with great excitement that I welcome you to the second edition of the FRC Newsletter, where we bring you the latest updates, insights, and stories that reflect our shared journey and achievements. This issue is especially significant as it highlights our commitment to innovation, collaboration, and growth.

At the Financial Reporting Council, we believe in fostering a culture of transparency, engagement, and continuous improvement. Through this newsletter, we aim to keep our stakeholders and the public informed, inspired, and connected to the heart of the Council. Whether it's celebrating milestones, sharing industry insights, or spotlighting the incredible work of our team, this platform is designed to keep you in the loop.

In this edition, you will find an exclusive feature on "One Year in Office: FRC's Scorecard Under Dr. Rabiu Olowo," the election of our Executive Secretary/CEO, Dr. Rabiu Olowo, as the Chair of the 41st Session of the UNCTAD/ISAR, updates on our activities and latest projects, such as the launch of the most comprehensive and reliable National Repository for Financial Statements in Nigeria, and featured articles from some industry experts and members of our team. We have also included the Council's position on IAS 29 – Financial Reporting in Hyperinflationary Economies, among other topics.

As always, we value your feedback and encourage you to share your thoughts, ideas, or suggestions. Together, we can continue to grow and make a significant impact.

Thank you for being part of our journey. Happy reading.

EDITORIAL TEAM

DR. IHEANYI ANYAHARA
CHAIRMAN (RETIRED MARCH 24TH 2025)

MR. TITUS OSAWE
MEMBER

MR. FELIX AZUBUIKE
EDITOR

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MR. ABIODUN OGUNJOBI
MEMBER

PRESIDENT TINUBU APPOINTS DR ODUWOLE AS FMITI MINISTER

DR. JUMOKE ODUWOLE

Minister of Industry, Trade, and Investment

President Bola Ahmed Tinubu, GCFR, has appointed Dr. Jumoke Oduwole as the new Minister of Industry, Trade, and Investment.

Oduwole takes the reins from Dr. Doris Nkiruka Uzoka-Anite, who got reassigned as the Minister of State for Finance. As the new Minister, she is expected to play a pivotal role in shaping Nigeria's trade policies, promoting investment growth, and driving economic development.

Education

Dr. Jumoke Oduwole earned an LL.B. (Second Class Upper) in Law from the University of Lagos in 1998. She then pursued an LL.M. with a focus on Commercial Law at Cambridge University, England, in 2000, where she was awarded a DFID-Cambridge Commonwealth Trust scholarship.

In 2007, Oduwole obtained a master's degree in International Legal Studies from Stanford University, USA, and served as a Graduate Fellow at the Stanford Center on International Conflict and Negotiation (SCICN) from 2007 to 2008.

While a visiting scholar at the University of Houston Law Center, Texas (2008 to 2010), she enrolled and earned her doctorate in International Trade and Development, with a specialization in WTO Negotiation Strategy, from Stanford Law School. Oduwole is also a former co-president of the Stanford Alumni Club of Nigeria and previously served on the executive committee of the Oxford and Cambridge (Oxbridge) Club of Nigeria.

Career

Before her appointment as Special Adviser to the President on Ease of Doing Business in the Office of the Vice President (OVP), Dr. Oduwole held various positions, both nationally and globally. She served as the Senior Special Assistant to the President on Industry, Trade, and Investment (OVP) from November 2015 to May 2019, during which she played a key role in establishing the Nigerian Office for Trade Negotiations (NOTN).

As the Executive Secretary of the Presidential Enabling Business Environment Council (PEBEC), she coordinated policy development and business reforms aimed at making Nigeria an increasingly conducive environment for business.

In 2013, Oduwole was appointed as the 2013-2015 Prince Claus Chair holder, a visiting professorship for Development and Equity in honour of the late Prince Claus of the Netherlands, awarded by the Curatorium then chaired by H.M. Queen Maxima of the Netherlands.

In January 2020, Oduwole was recognized as one of the 15 exceptional women leaders across Africa selected to join the inaugural cohort of The Amujae Initiative, the flagship programme of the Ellen Johnson Sirleaf Presidential Center for Women and Development.

Jumoke Oduwole

Minister of Industry, Trade, and Investment

ONE YEAR IN OFFICE: FRC'S SCORECARD

UNDER DR. RABIU OLOWO

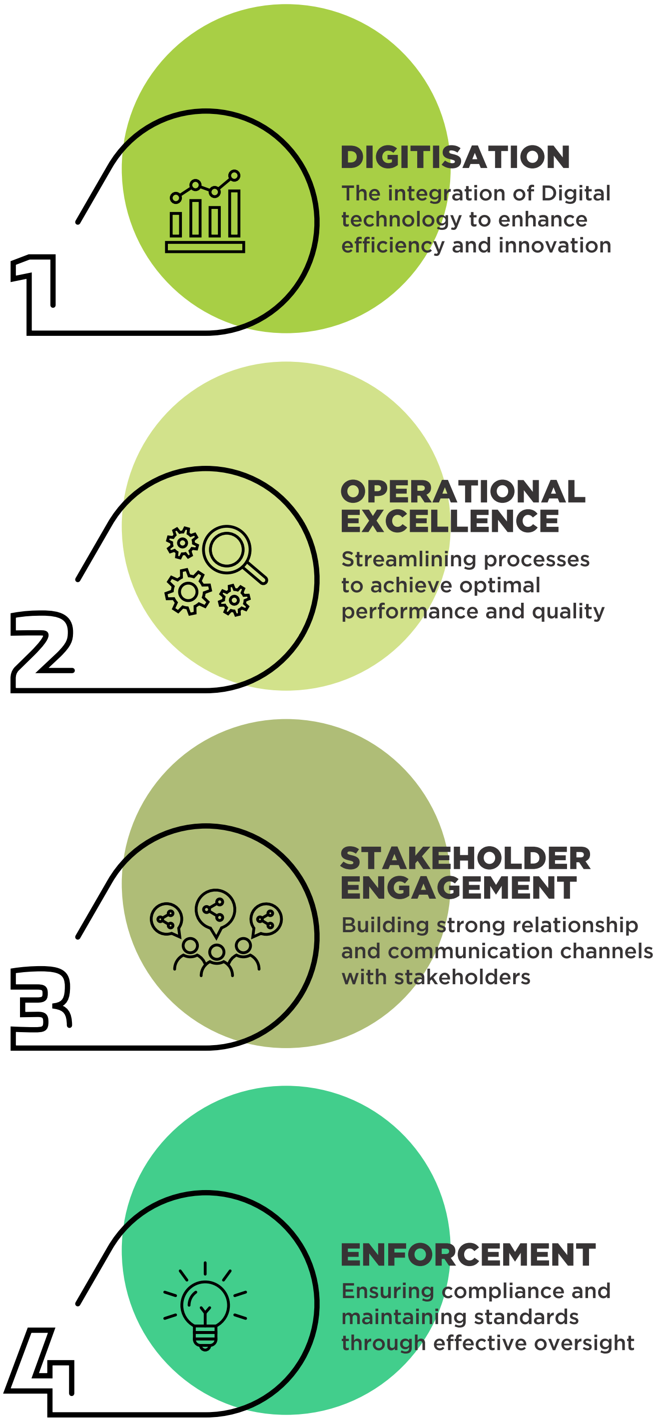
The appointment of Dr. Rabiu Olowo as the Executive Secretary/CEO of the Financial Reporting Council (FRC) of Nigeria marked the beginning of a transformative era, filled with high expectations from stakeholders. During his inaugural public appearance at the 51st Annual General Meeting of the Manufacturers Association of Nigeria, where he represented President Bola Ahmed Tinubu and the then Honourable Minister of Industry, Trade and Investment, Dr. Doris Anite-Uzoka, Dr. Olowo articulated his mission to "transform the Financial Reporting Council into a robust, independent, and high-performing regulator that serves the public interest."

Dr. Rabiu Olowo
Executive Secretary/Chief Executive Officer, FRC

The Executive Secretary's transformation agenda for the FRC is anchored on four key pillars, collectively referred to as "DOSE": Digitisation, Operational Excellence, Stakeholder Engagement, and Enforcement. This strategic framework aims to ensure best practices in corporate reporting across Nigeria. One year into his tenure, the initiatives have recorded profound impacts across the financial reporting ecosystem in Nigeria.

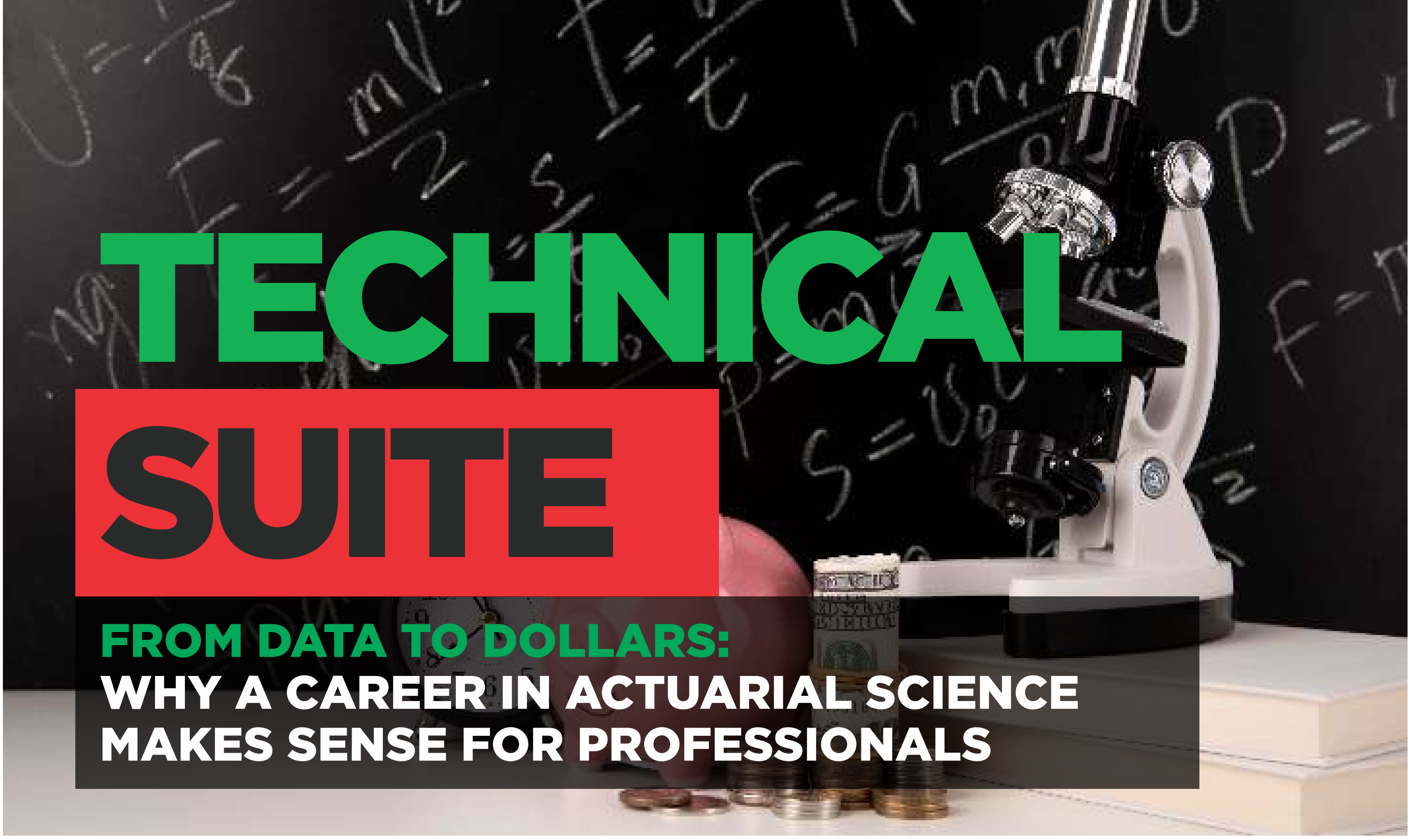
DOSE AGENDA

Driving FRC's Future Through Digital and Operational Innovation



Below are some of the key achievements realized over the past 12 months under the DOSE framework:

- Secured the commitment of President Tinubu alongside the then Minister of Industry, Trade and Investment, Dr. Doris Uzoka-Anite for the adoption of IFRS S1 and S2 sustainability standards in Nigeria.
- Launched the roadmap for the adoption of Sustainability Reporting Standards in Nigeria in collaboration with the ISSB Chairman.
- Achieved the full complement of the seven (7) Directorates by making functional the Directorates of Valuation Standards and Actuarial Standards.
- Established the Sustainability Reporting Unit
- Commencement of Audit Quality Reviews (AQR) of firms to ensure credible financial reporting across the country.
- Issued the exposure drafts of the Public Sector and Not-for-Profit Governance Codes.
- Establishment of the Technical Working Group (TWG) for the development of the Valuation Regulations and secured Nigeria's membership of the International Valuation Standards Council (IVSC).
- Established the Nigerian Actuarial Development Programme (NADP) and the Technical Working Group to foster actuarial growth in Nigeria.
- Integrated FRC's database with the National Identification Number (NIN) verification system for enhanced data integrity.
- Completed and issued the Small and Medium Enterprises Corporate Governance Guidelines (SME CGG).
- Through strengthened collaborations with local and international regulators, professional bodies and associations, voted as the Vice president of the African Forum of Independent Accounting and Auditing Regulators (AFIAAR), thereby enhancing Nigeria's global recognition.
- Enhanced FRC technical capacity through professional development of FRC staff both locally and internationally.
- Cleared all outstanding employee gratuity claims and severance packages, thereby ensuring financial closure.



TECHNICAL SUITE

FROM DATA TO DOLLARS: WHY A CAREER IN ACTUARIAL SCIENCE MAKES SENSE FOR PROFESSIONALS

Actuaries are super-heroes because they are not common. They are financial 'fortune-tellers' because they possess the special skills to estimate what tomorrow will look like to the closest estimation and are trusted advisors. The importance of actuaries to an economy cannot be over emphasized. Actuaries play critical roles in driving economic stability and mitigate risks across various industries, especially insurance, pensions, investments, public policy, regulations, etc. They use advanced mathematics, statistics, and financial analysis to assess uncertainties and provide strategic solutions that help organizations make informed decisions. Whether designing sustainable retirement plans, pricing insurance products, managing investment portfolios, or addressing emerging risks such as climate change and cyber threats, actuaries contribute significantly in so many ways to societal well-being and business success. Their work is vital in shaping policies and ensuring the long-term financial security of individuals and institutions.

Actuarial Science Impact on financial reporting ecosystem

The adoption and mandatory implementation of IFRS 9 – Financial Instruments alongside IFRS 17 – Insurance contracts, have revolutionised the importance and indispensability of actuaries in current financial reporting ecosystem in any economy. For instance, in IFRS 9, actuaries are responsible for determining the Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD) in the calculation of the Expected Credit Loss (ECL) in financial instruments using tools like historical Data Analysis, Econometric and Statistical Models, Scenario Analysis and extant Regulatory Guidelines. The use of these tools is important in measuring and recognizing impairment losses on cash and Cash Equivalents, Treasury Bills, Money Market Funds, Government and Corporate Bonds, loans and mortgages, debentures, all forms of equity instruments, Derivatives, Hybrid Instruments, Insurance Contracts (with Financial Elements), Bank overdrafts, Investment Funds and trusts, Cryptocurrencies and Digital Assets, Off-Balance Sheet Financial Instruments, Carbon credits, Weather derivatives and Catastrophe bonds, just to mention a few.

IFRS 17 – Insurance Contracts focuses on transparency and consistency in financial reporting and have made actuaries come to financial limelight. Actuaries play a pivotal role in implementing the standards, leveraging their expertise in risk assessment, modeling, and valuation. They are responsible for applying measurement models such as the General Measurement Model (GMM), Premium Allocation Approach (PAA), and Variable Fee Approach (VFA), ensuring accurate cash flow projections and compliance with IFRS 17 requirements. Actuaries develop unbiased, probability-weighted cash flow models, estimate present values of future inflows and outflows, and calculate critical components like the Contractual Service Margin (CSM) and Risk Adjustment for Non-Financial Risks. Their work involves setting and updating key assumptions, such as discount rates, mortality, morbidity, and lapse rates, while ensuring these align with the standard's requirements.

Actuaries also play a crucial role in transitioning from legacy standard IFRS 4, calculating adjustments, and ensuring opening balances meet IFRS 17 guidelines.

Beyond calculations, actuaries collaborate closely with finance teams, auditors, IT departments, and regulators to integrate data models and ensure seamless compliance. They assist in preparing detailed disclosures, including reconciliation of liabilities and sensitivity analyses, while educating stakeholders on related standards implications. Their involvement ensures accurate financial reporting, robust risk management, and adherence to global best practices, making them essential for bridging the technical and operational aspects of IFRS 17 implementation.

Familiar domain for professionals

As may be inferred from the above, the actuarial profession is a multidisciplinary profession. Professionals from diverse fields can transition into the actuarial profession, leveraging their existing skills while gaining specialized expertise. Actuaries are in high demand globally, particularly in insurance, pensions, healthcare, banking, investment, financial regulations and governments making this a lucrative and impactful career choice.

Professionals in fields such as mathematics, statistics, engineering, economics, insurance, statistics, banking and finance are well-suited for actuarial roles due to their analytical and problem-solving skills. Additionally, individuals with backgrounds in data science, computer science, accounting, or risk management will find it easy to transition into the actuarial profession by applying their technical knowledge to actuarial challenges. Medical professionals and those in healthcare with an interest in health insurance or healthcare financing can also find meaningful applications and specialization of actuarial skills. By choosing this path, individuals can align personal growth with contributing to national development, making it an excellent choice for those seeking both purpose and financial success in their careers.

Transition paths

Becoming an actuary is accessible through two main pathways: the professional examination route and the academic route. The professional route involves writing exams offered by recognized bodies such as the Institute and Faculty of Actuaries (IFoA), Society of Actuaries (SOA), or Casualty Actuarial Society (CAS), allowing candidates to earn designations like Associate or Fellow through self-paced study. This path suits graduates and professionals with flexible career advancement but little time for fast-paced study.

The academic route offers a structured alternative, with master's degree programs in actuarial science from accredited universities. These programs align with professional curricula, granting exemptions from some actuarial exams. Globally, many institutions offer this option, but currently in Nigeria, only the University of Lagos (UNILAG) is IFoA-accredited to provide such a degree. UNILAG's program delivers comprehensive training in risk modeling, financial mathematics, and data analytics, reducing exam requirements while fostering practical expertise. More universities are expected to come up with similar opportunities soon. This dual approach equips aspiring actuaries with globally recognized qualifications, meeting the growing demand for actuarial professionals in Nigeria and beyond.

Becoming an Actuary as a Smart Career Choice

The actuarial profession offers numerous advantages, making it an appealing career choice for those seeking job security, intellectual challenges, and global opportunities.

1. High Demand and Job Security

Actuaries are in high demand globally, with no country yet able to meet its full national requirement for actuarial professionals. Nigeria's situation is particularly concerning. Despite having over 80,000 accountants, the country has only 28 actuaries—23 fellows and 5 associates. Of the fellows, four are expatriates from Kenya and South Africa. This shortage is so severe that major financial service entities and regulatory bodies—including the Central

Bank of Nigeria (CBN), NAICOM, PENCOM, the Financial Reporting Council (FRC), NHIA, the National Population Commission, NNPC, NDIC, as well as insurance and pension companies, banks, big audit firms, and both national and sub-national governments—cannot even claim a single actuary on their payroll. This gap has prevented the creation of offices like the Actuarial-General in both the federal and state governments, due to the lack of professionals to occupy such positions. Some large firms have had to source actuaries from other countries. In fact, FRC could not mandate all these entities and agencies to recruit actuaries because there was none on ground. The actuarial profession in Nigeria has vast potential, and with many other professions nearing saturation, it presents an excellent opportunity for growth. To be modest, Nigeria will be requiring more than 3000 actuaries to not only maintain financial stability but also to drive innovation and manage risks across various sector in the country.

2. Competitive Salaries

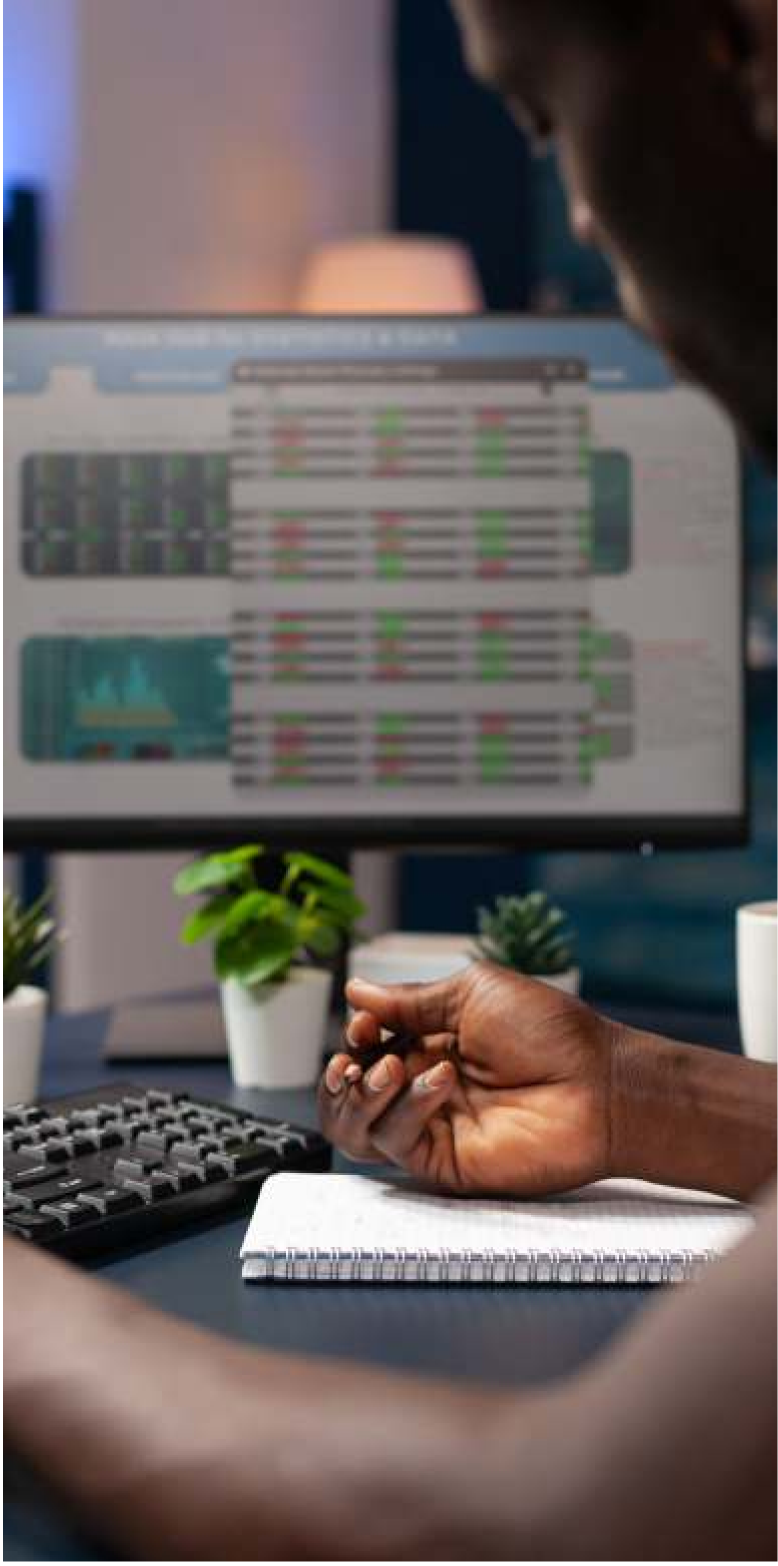
Actuaries rank among the highest-paid professionals, with competitive starting salaries that increase significantly as they progress through professional certifications and gain experience. The financial rewards reflect the critical nature of their work in ensuring financial stability and mitigating risks. Salaries for qualified actuaries can often surpass those of many other professions in finance and analytics, especially when they specialize in niche areas. This financial incentive makes the profession highly appealing to those looking for both stability and growth.

3. Diverse Career Opportunities

The actuarial profession offers diverse career opportunities across sectors like insurance, pensions, investment, risk management, and data analytics. Actuaries design insurance products, create sustainable retirement plans, optimize investment portfolios, and mitigate business risks. Their expertise drives innovation and efficiency, though Nigeria faces a shortage of professionals. Actuarial consulting firms in the country are overstretched, highlighting the demand for more talent to support financial stability and growth. This versatility makes the profession ideal for varied interests and strengths.

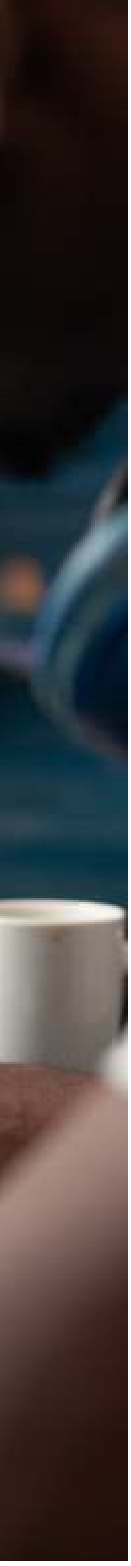
4. Intellectual Challenge and Problem-Solving

Actuaries are natural problem-solvers who use advanced mathematics, statistics, and financial theories to tackle complex issues. Whether it is assessing the financial impact of uncertain future events or developing strategies to minimize risk, the profession offers continuous intellectual stimulation. Each project presents unique challenges, requiring actuaries to think critically and creatively. For example, an actuary working in the healthcare sector might analyze the financial implications of a pandemic, while another in the pension sector might forecast long-term liabilities for retirees. This constant need for innovative solutions ensures that the profession remains engaging and fulfilling.



5. Impactful Work

Actuaries make a significant impact by ensuring the financial security of individuals and organizations. Their work shapes policies, guides strategic financial decisions, and contributes to the economic stability



of communities and nations. By accurately predicting risks and designing measures to mitigate them, actuaries protect businesses from catastrophic losses and help individuals plan for a secure future. For instance, during economic downturns or natural disasters, actuarial insights are critical in helping organizations adapt and recover. This sense of purpose and the ability to positively influence lives add a layer of fulfillment to the profession.

6. Professional Growth and Recognition

Becoming an actuary involves earning professional designations, such as Fellow of the Society of Actuaries (FSA), Fellow of the Casualty Actuarial Society (FCAS), or Fellow of the Institute and Faculty of Actuaries (FIA). These bodies also provide designation as Chartered Associate which allows the middle qualification to do some restricted practice as may be permitted by the Nigeria General Actuarial Practice. These prestigious qualifications are globally recognized and open doors to leadership roles and international opportunities. The rigorous process of attaining these certifications demonstrates an actuary's expertise, dedication, and commitment to excellence. As a result, actuaries are often viewed as trusted advisors in their fields, enjoying a high level of professional respect and recognition.

7. Flexibility and Work-Life Balance

Many actuarial roles offer flexible work arrangements, enabling professionals to maintain a healthy work-life balance. The profession allows for remote work and flexible hours, making it a suitable choice for individuals seeking a dynamic yet balanced career. Companies recognize the importance of work-life balance in retaining top talent, and actuaries often benefit from policies that promote well-being. Additionally, the structured nature of actuarial work allows professionals to manage their time effectively, ensuring that they can meet personal and professional commitments without undue stress.

8. Global Opportunities

Actuarial skills are universally applicable, offering professionals the chance to work in various countries and industries. With a global shortage of actuaries, opportunities abound for those with the right qualifications and experience. The international recognition of actuarial credentials means that professionals can explore roles in different markets, contributing to diverse projects and gaining cross-cultural experience. For instance, an actuary trained in Africa might find opportunities in Europe, Asia, or North America, expanding their horizons and professional networks. Unfortunately, actuaries in Nigeria are not immune to the "Japa" syndrome, as the country has lost many professionals in the field to better pay and greater opportunities in developed countries.

9. Constant Learning, Strong Community and Networking

The actuarial profession thrives on continuous learning and a strong, supportive community. Lifelong education through professional programs, certifications, and conferences keeps actuaries adaptable and skilled in tackling emerging challenges. Networking opportunities within societies, workshops, and mentoring programs foster collaboration, knowledge-sharing, and meaningful relationships. This culture enhances career prospects and ensures actuaries stay at the forefront of industry advancements.

10. Embracing the Future and Personal Growth

The actuarial profession aligns with future trends like big data, AI, and climate change, equipping actuaries to assess risks, predict trends, and drive sustainability initiatives. Beyond technical expertise, actuaries develop essential soft skills—communication, leadership, and critical thinking—enabling them to convey complex ideas, collaborate effectively, and lead diverse teams. This forward-looking and holistic approach ensures relevance and growth.

11. Contribution to National Development

In developing countries, the actuarial profession plays a crucial role in building robust financial systems and promoting economic stability. Actuaries contribute to policy formulation, guide investments in critical sectors, and support the development of sustainable social programs. By addressing issues such as healthcare financing, pension reform, and disaster risk management, actuaries help nations achieve their development goals.

Clearing the Hurdle

It is pertinent to state that there are many hurdles potential actuaries, especially in Nigeria, have to face to become one. These challenges can be both systemic and personal, making the journey to becoming a fully qualified actuary particularly daunting. Some of the key hurdles include a lack of sufficient educational infrastructure, limited access to professional training, and inadequate opportunities for gaining practical experience.

For instance, the actuarial profession in Nigeria faces a critical shortage of qualified professionals, with only 23 fellow actuaries currently operating in the country. This underrepresentation results in a lack of mentorship, which is crucial for the development of budding actuaries. The absence of sufficient mentorship opportunities may hamper the growth of aspiring professionals who require guidance from experienced actuaries to navigate the demanding nature of the profession.

Another major hurdle is the high cost of professional exams. Actuarial professional examination bodies are mostly based outside Nigeria, and exam fees are expensive because they are paid in foreign currencies. This financial burden makes it difficult for many potential actuaries to continue their journey towards qualification, particularly those brilliant candidates from economically disadvantaged backgrounds.

In addition, Nigeria currently lacks dedicated tuition houses or training centers that offer structured support for preparing for these exams. Aspiring actuaries often resort to self-study or attend online programs, which may not provide the depth of support needed to succeed in these highly challenging exams.

Furthermore, while the University of Lagos (UNILAG) is the only institution in Nigeria offering an IFoA-accredited Master's in Actuarial Science, access to such programs is limited, and the number of seats available is often insufficient to meet the growing demand for actuarial education. This creates an additional barrier for many who wish to pursue a formal and accredited path into the profession.

However, these hurdles are not insurmountable. The Nigerian Actuarial Development Programme (NADP), spearheaded by the Financial Reporting Council (FRC), is playing a pivotal role in addressing many of these challenges. Through the NADP, aspiring actuaries are provided with valuable support, including access to professional training, mentorship programs, and opportunities for internships. These initiatives are designed to build capacity and help bridge the gap between academic knowledge and practical experience. Arrangement has almost been concluded by the Nigerian Actuarial Society (NAS) in conjunction with NADP to commence a free virtual tuition opportunity for Nigerians irrespective of their location or background for major professional exams for interested candidates, effective from 2025.

In addition, the NADP commenced the nation-wide actuarial advocacy campaign with Federal University, Dutse as a pilot programme in December 2024. Other universities and secondary schools will follow in early

2025. NADP aims to enhance the recognition of the actuarial profession by increasing awareness of its significance other states and also within the Nigerian financial sector. With these efforts, the program is fostering a more supportive ecosystem for actuaries, helping to create a sustainable career path for those pursuing this prestigious profession.

With continued investment and support from the NADP, alongside targeted interventions like financial aid for exams and practical training, many of these challenges will soon be addressed. In the long term, clearing these hurdles will lead to a more robust actuarial profession in Nigeria, providing essential support to the country's growing financial sector.

Conclusion

The actuarial profession offers a unique blend of intellectual challenge, societal impact, and personal fulfillment. For individuals looking to make a meaningful contribution to economic growth, risk management, and financial stability, becoming an actuary is an excellent career choice. With a clear demand for actuarial expertise in Nigeria and the available opportunities offered by NADP, now is the perfect time for professionals from various fields to explore this rewarding and impactful profession.

IFRS 18- REVOLUTIONIZING PERFORMANCE REPORTING LANDSCAPE

Ogunjobi Abiodun, ACCA
Senior Manager, Directorate of Accounting Standards
-Private Sector, FRC

OVERVIEW

The International Accounting Standards Board (IASB) issued IFRS 18 Presentation and Disclosure in Financial Statements in April 2024 which replaces IAS 1 Presentation of financial statements. This is in response to investors concern about the variety in structure and content of the statement of profit or loss which makes it difficult to analyze and compare entities performance.

IFRS 18 aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss thereby improving comparability and transparency of communication in financial statements.

While carrying forward many of the requirements in IAS 1, IFRS 18 introduces new requirements on statements of profit or loss, including specified categories and defined subtotals. It also requires disclosures on management- defined performance measures (MPMs) in the notes to the financial statements and provides guidance on aggregation and disaggregation of information within the financial statements.

The IASB makes narrow scope amendments to IAS 7 Statement of Cash Flows, while some of the requirements in IAS 1 that are unchanged have been transferred to IFRS 18 and other Standards.
IFRS 18 will affect all companies in all industries. Although IFRS 18 will not affect how companies

measure financial performance, it will affect how companies present and disclose financial performance.

IFRS 18 is effective for reporting periods beginning on or after 1 January, 2027 with earlier application permitted.

The new requirements

IFRS 18 introduces three sets of requirements to help companies improve how they communicate financial performance in the statement of profit or loss to investors by introducing categories for classifying income and expenses in the statement of profit or loss complemented by defined subtotals that create a consistent structure in the statement of profit or loss to provide a starting point for investors' analysis.

It also introduces disclosure requirements for management-defined performance measures which anchor companies' own performance measures to the defined subtotals, thereby increasing the transparency of these measures. Furthermore, the principles for grouping of information will help companies provide more useful information.

1. Categories for classifying income and expenses in the statement of profit or loss

IFRS 18 requires an entity to classify all income and expenses within its statement of profit or loss into one of the following categories:

- Operating
- Investing
- Financing
- Income taxes
- Discontinued operations

All entities are required to follow the same classification requirements, with some modifications for entities that invest in assets as a main business activity (such as

investment entities, investment property entities and insurers) and entities that provide financing to customers as a main business activity (such as banks). These categories are complemented by the requirement to present two new defined subtotals 'operating profit ' and 'profit before financing and income taxes'. These subtotals provide a consistent structure for the statement of profit or loss, thereby improving comparability.

Operating category

The operating category provides a complete picture of a company's operations. This is the **default** category which consists of all income and expenses that are not classified in the investing, financing, income taxes or discontinued operations categories. This category includes:

- All income and expenses arising from a company's operations, regardless of whether they are volatile or unusual in some way.
- But is not limited to, income and expenses from a company's main business activities. Income and expenses from other business activities, such as income and expenses from additional activities, are also classified in the operating category if those income and expenses do not meet the requirements to be classified in any of the other categories.

Investing category

The investing category includes:

- Income and expenses from assets that generate returns individually and
- Largely independently of the entity's other resources for example, rental income from an investment property or dividends from shares in other companies, remeasurement of investment property.
- Income and expenses from cash and cash equivalents and investments in associates and joint ventures—for example, a company might earn its share of profits from an associate.

Financing category

The financing category and the subtotal for profit before financing and income taxes enable investors to analyze companies' performance before the effects of its financing.

The financing category includes:

- Income and expenses from liabilities that arise from transactions that involve only raising of finance, such as bank loans and bonds; and
- Interest expenses on any other liability arising from transactions that do not involve only

raising of finance for example, lease liabilities and pension liabilities. The financing category represents interest expense on all liabilities.

Entities with specified main business activities
IFRS 18 requires an entity whose main business activities involve investing in asset (such as real estate, insurers) or providing financing to customers (such as banks) as its main business activities to classify in the operating category income and expenses that would otherwise be classified in the investing category or the financing category.

Income taxes category
The income taxes category comprises:
- Tax expense or tax income included in profit or loss applying IAS 12 Income Taxes
- Any related foreign exchange differences.

Discontinued operations category
The discontinued operations category comprises income and expenses from discontinued operations as defined in IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Classification of specific income and expenses
Foreign exchange differences
- IFRS 18 requires that foreign exchange differences to be classified in the same category as the income and expenses from the items that gave rise to those differences. For example, foreign exchange differences on bank loans are classified in the financing category. However, an entity is permitted to classify foreign exchange differences in the operating category if classifying foreign exchange differences this way would involve undue cost or effort
- IFRS 18 also includes specific requirements for classifying fair value gains and losses on derivatives and hedging instruments and for classifying income and expenses from hybrid contracts.

2. Management-defined performance measures (MPMs)
MPMs, these are non-GAAP performance measures, that is, subtotals of income and expenses other than those listed by IFRS 18 or specifically required by IFRS Accounting Standards, that a company uses in public communications outside financial statements to communicate to investors management's view of an aspect of the financial performance of the company as a whole.

Public communications according to IFRS 18 refers to management commentary, press releases and investors presentations. Oral communications, written transcripts of oral communications or social media posts do not represent public communications for the purpose of identifying MPMs.

MPMs do not include non-financial performance measures, e.g. customer satisfaction, number of customers. They do

not also include financial performance measures that are not subtotals of income and expenses, e.g. return on equity, free cash flows.

IFRS 18 requires companies to disclose information about all their MPMs in a single note to the financial statements. The note requires a statement that the MPMs provide management's view of an aspect of the financial performance of the entity as a whole and are not necessarily comparable with measures sharing similar labels or descriptions provided by other entities.

It also requires disclosure of how the measure is calculated, how it provides useful information to users and a reconciliation to the most comparable subtotal specified by IFRS accounting standards

.3. Grouping of information (Aggregation and Disaggregation)

IFRS 18 provides guidance for entities to aggregate or disaggregate information about individual transactions and other events into the information presented in the primary financial statements and disclosed in the notes.

These principles generally require entities to:

- Aggregate items that share characteristics, and disaggregate items that have different characteristics;
- The aggregation and disaggregation of items that does not obscure material information or reduce the understandability of the information presented; and
- Place items in the primary financial statements and the notes to fulfil their complementary roles.

IFRS 18 requires entities to classify and present operating expenses in a way that provides the most useful structured summary of its expenses using one or both of these the characteristics of:

- The nature of the expense (for example, raw material expenses and employee benefit expenses)
- The function of the expenses within the entity (for example, cost of sales)

IFRS 18 requires companies that present expenses classified by function to disclose the amount of depreciation, amortisation, employee benefits, impairment losses and write-downs of inventories included in each line item in the operating category of the statement of profit or loss.

Amendments to other IFRS standards Statement of cash flows (IAS 7)

The IASB amended IAS 7 by:

- Requiring companies to use the operating profit subtotal as the starting point for reporting cash flows from operating activities using the indirect method; and

- Removing the optionality around classification of cash flows from dividends and interest in the cash flows. Dividends and interest paid are generally classified in cash flows from financing activities, and dividends and interest received are generally classified in cash flows from investing activities.

However, for entities that do have a specified main business activity of investing in assets or providing finance to customers, IFRS 18 requires entities to classify dividends received, interest received, and interest paid in the statement of cash flows by referring to how it classifies the related income and expenses in the statement of profit or loss.

Earnings per share- IAS 33
In addition to reporting basic and diluted earnings per share (EPS), entities were permitted by IAS 33 to disclose (in the notes only) additional EPS calculated based on any component of the statement of comprehensive income.

The amendments to IAS 33 permit an entity to disclose these additional EPS only if the numerator is either a total or subtotal identified in IFRS 18 or is an MPM.

Interim financial reporting -IAS 34
Interim Financial Reporting was amended to require companies to disclose information about MPMs in interim financial statements. Some of the other changes (including those about subtotals) also apply to condensed financial statements in interim reports.

Effective Date
An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted. If an entity applies IFRS 18 for an earlier period, it is required to disclose that fact in the notes.

Companies are required to apply the new requirements in interim financial statements in the initial year of application, and to restate comparative information for the prior year ('apply IFRS 18 retrospectively') in accordance with IAS 8.

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> IFRS 18 requires companies that present expenses classified by function to disclose the amount of depreciation, amortisation, employee benefits, impairment losses and write-downs of inventories included in each line item in the operating category of the statement of profit or loss.

MATERIALITY ASSESSMENT IN THE CONTEXT OF IFRS REPORTING

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INTRODUCTION

Materiality stands as one of the foundational principles in the landscape of corporate reporting under the International Financial Reporting Standards (IFRS) framework. At its core, materiality acts as a filter that ensures only information that is capable of influencing the decisions of users is included in financial reports. The overarching objective is to ensure that financial reports communicate relevant and useful information to stakeholders without being cluttered by immaterial details. The IFRS Conceptual Framework for Financial Reporting (2018) positions materiality as a subset of the fundamental qualitative characteristic of relevance. This recognition affirms that materiality is not merely a compliance requirement, but a key determinant of the usefulness and integrity of financial information.

Despite its theoretical clarity, applying materiality in practice can be highly nuanced, judgment-intensive, and context-specific. Materiality assessments are not only essential for determining what information to include or exclude in financial reports but also affect the recognition, measurement, presentation, and disclosure of such information. This article delves into the definition, characteristics, and application of materiality within the IFRS environment, drawing on authoritative guidance and recent developments, including sustainability and public sector reporting frameworks.

Understanding Materiality: Definitions and Scope

Materiality has been elaborately discussed across the suite of IFRS standards and interpretative documents. Paragraph 2.11 of the Conceptual Framework for Financial Reporting (2018) defines information as material if "omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial reports make on the basis of those reports."

This foundational definition is echoed in other critical IFRS documents. For example:

- IAS 1 (Presentation of Financial Statements), paragraph 7, reinforces that the materiality of information depends on both its nature and magnitude.
- IFRS Practice Statement 2: Making Materiality Judgements, expands on the operational aspects of applying materiality and introduces a structured framework to assist preparers in making materiality assessments.

These sources collectively emphasize three key dimensions of materiality: omission, misstatement, and obscurement. Each serves a unique function:

- **Omission** addresses the completeness of information;
- **Misstatement** concerns the accuracy and integrity of reported information;

- **Obscurement** ensures that information is communicated in a clear and understandable manner, free from distortion or complexity that may mislead users.

Materiality is not just about what is included but also about how effectively it is communicated. This marks a shift from earlier, more numerically-focused interpretations and acknowledges the role of clarity and context in financial communication. Crucially, materiality is not determined in isolation but evaluated in the context of a complete set of financial statements and the needs of primary users, typically investors, lenders, and creditors.

The Entity-Specific and Contextual Nature of Materiality

One of the most pivotal aspects of materiality is its context dependency. There is no universal threshold—quantitative or qualitative—that defines materiality across all entities. What may be material for one entity may be immaterial for another, depending on its industry, size, financial structure, and specific transactions. Materiality judgments must therefore be made with reference to the entity's unique circumstances, including:

- The size and complexity of its operations,
- The expectations and information needs of its stakeholders, and
- The broader economic, regulatory, and business environment.
- Importantly, materiality encompasses both quantitative and qualitative dimensions. While large monetary amounts often raise red flags for materiality, seemingly small amounts can also be material if they relate to:
- Sensitive areas such as executive compensation or related-party transactions,
- Legal or regulatory compliance (e.g., anti-bribery, anti-corruption),
- Issues that could influence reputational risk or stakeholder trust.

For example, a small bribe or regulatory fine might be immaterial in numerical terms, but material due to the ethical, legal, and reputational implications.

Material Misstatements: A Deeper Insight

Material misstatements, whether arising from error or fraud, are among the most critical concerns in the assessment of materiality. As noted in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Paragraph 41), financial statements do not comply with IFRS if they contain either material errors or immaterial errors made intentionally to influence users' perceptions.

Such intentional misstatements are always considered material, regardless of value, due to their intent to mislead users. When evaluating potential material misstatements, preparers should consider:

- Whether the misstatement enables the entity to meet financial targets;
- Whether it facilitates compliance with debt covenants or regulatory thresholds;
- Whether it transforms reported losses into profits, or enhances management compensation metrics.

These considerations underscore the need for ethical and transparent judgment when assessing materiality in financial reporting.

The Four-Step Materiality Judgement Process

Recognizing the challenge of applying materiality consistently, the International Accounting Standards Board (IASB) published IFRS Practice Statement 2 in 2017. This guidance offers a structured, four-step process for making materiality judgments in the preparation of general-purpose financial statements.

Step 1 – Identify Potentially Material Information

Entities begin by identifying information that could be relevant to users. This involves evaluating mandatory IFRS requirements and understanding the decision-making needs of investors and creditors. This step requires a forward-looking perspective and a solid grasp of the entity's business model and stakeholder expectations.

Step 2 – Assess Materiality
At this stage, the identified information is evaluated against both quantitative and qualitative thresholds. Consideration is given to:

- The context of the entity and its operations;
- The extent to which the information is necessary to understand other reported elements;
- Market conditions and industry-specific factors.
- This evaluation should also consider whether the information could, in aggregate with other data, influence decisions.

Step 3 – Organise Information for Communication
Entities must ensure that material information is presented in a clear, understandable, and structured manner. This includes:

- Proper classification and grouping;
- Avoiding unnecessary duplication;
- Ensuring that key messages are not obscured by immaterial detail.

Step 4 – Review the Entire Report
A holistic review ensures all material information has been captured and that nothing is obscured by excessive detail or poor presentation. It also ensures that Disclosures are internally consistent and that the presentation supports the objective of providing useful, relevant information. This step may also identify redundancies or disclosures that can be removed to improve focus.

It is important to note that this process is iterative. As new information becomes available or circumstances change (e.g., regulatory developments, economic events), entities may need to revisit earlier judgments and revise their disclosures accordingly. An item previously deemed material may become immaterial, and vice versa.

Special Considerations in Materiality Judgments
The Practice Statement also provides targeted guidance on special topics, including:

- Prior Period Information- Information from previous reporting periods must be disclosed when necessary to understand current period statements, even if that information was not included in earlier reports. This requirement ensures continuity and comparability.

- Errors and Restatements - All material errors must be corrected, as well as any intentional immaterial errors aimed at achieving specific presentations. Accumulated immaterial errors can also become material over time.

- Information About Covenants - Covenant disclosures become material when a breach is probable and the consequences could affect an entity's financial position or performance. If a breach is remote, disclosure may not be necessary.

- Interim Reporting - Materiality in interim reports is assessed in the context of the shorter reporting period. Some disclosures may be material in an interim report but not in the annual financial statements, and vice versa.

Accounting Policies and Materiality
A particularly noteworthy evolution in IFRS guidance on materiality concerns accounting policy disclosures. Amendments to IAS 1, effective from January 1, 2023, replaced the requirement to disclose "significant" accounting policies with a more refined focus on "material" accounting policy information.

Accounting policy disclosures are material if they:

- Relate to material transactions or balances,
- Are essential for understanding complex or judgment-heavy areas, or
- Provide clarity on choices made where IFRS permits alternatives (e.g., cost vs. fair value for investment property).

Per IAS 1 (Paragraph 117B), circumstances where accounting policy disclosures are likely to be material include:

- A change in accounting policy that significantly alters financial results,
- Selection of an optional accounting treatment under IFRS,
- Development of a custom policy due to lack of explicit IFRS guidance,
- Areas requiring significant judgment or estimation,
- Transactions involving multiple IFRS standards.

Standards Board (IPSASB) is also moving to harmonize its materiality definition in the conceptual framework with IPSAS standards. Exposure Draft 93, issued in May 2025, proposes amendments to IPSAS 1, IPSAS 3, and the IPSAS Conceptual Framework to align definitions and clarify that materiality judgments should focus on the needs of primary users, typically taxpayers, oversight bodies, and funding agencies. This convergence initiative aims to improve comparability, reduce ambiguity, and strengthen the overall coherence of financial reporting in the public sector.

Conclusion

The principle of materiality enables reporting entities to filter out noise and focus on the disclosure of decision-useful information. It supports the broader objective of financial reporting: to provide a faithful and relevant representation of an entity's financial position and performance. When properly applied, materiality enhances the quality and clarity of corporate reports, prevents information overload, and supports informed decision-making by investors and other stakeholders.

While no simple formula exists for determining what is material, IFRS provides ample conceptual and practical guidance, including through Practice Statement 2, to assist preparers in making well-reasoned, defensible materiality judgments. As reporting expectations expand to include

> **Exposure Draft 93, issued in May 2025, proposes amendments to IPSAS 1, IPSAS 3, and the IPSAS Conceptual Framework to align definitions and clarify that materiality judgments should focus on the needs of primary users, typically taxpayers, oversight bodies, and funding agencies**

The emphasis here is that boilerplate policies that do not enhance user understanding should be avoided. Instead, disclosures should be entity-specific and explain how accounting policies interact with material transactions.

Materiality in Sustainability Reporting

With the advent of IFRS Sustainability Disclosure Standards, the role of materiality has expanded to include sustainability-related risks and opportunities. In November 2024, the International Sustainability Standards Board (ISSB) released guidance on disclosing material information related to sustainability titled Sustainability-related Risks and Opportunities and the Disclosure of Material Information.

This guidance aligns closely with the IFRS definition of materiality and applies it to non-financial dimensions such as environmental, social, and governance (ESG) factors. It emphasizes that sustainability-related disclosures are material if they could reasonably be expected to affect the entity's prospects, such as future cash flows, access to capital, or cost of capital.

The ISSB guidance also outlines a process for identifying and evaluating sustainability risks and opportunities, mirroring the four-step materiality process from the IASB. This alignment is designed to ensure a cohesive reporting ecosystem in which sustainability and financial disclosures are integrated and mutually reinforcing.

Public Sector Perspective: IPSASB Alignment

The International Public Sector Accounting

sustainability dimensions and public sector reporting becomes more aligned with private sector norms, the importance of mastering materiality assessments continues to grow.

Entities must continuously develop internal expertise, exercise professional judgment, and leverage IFRS guidance to determine what information truly matters. Only then can corporate disclosures achieve their intended purpose of empowering users to make informed economic decisions.

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REASSESSING THE GOVERNANCE DYNAMICS IN NIGERIA'S TRANSITION TO ENDURING DEVELOPMENT AND NATIONAL PROSPERITY

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INTRODUCTION

Nigeria stands at a critical juncture in its quest for sustainable development and national prosperity. Despite its abundance of resources, its governance landscape has faced significant challenges, which have significantly impacted its pursuit of these goals.

Furthermore, the country's heavy reliance on oil exports as a key revenue source has spotlighted its economic structure's vulnerability and its impact on its people. Policy changes, such as the removal of fuel subsidies, have exacerbated inflation and economic conditions in the country, with the inflation rate reaching 34.19% as of June 2024. However, these issues have led to various efforts to improve the economy by diversifying and broadening the economic base.

This paper advocates for a robust governance model that builds on existing strengths while addressing its developmental challenges. It critically assesses Nigeria's current governance landscape against the principles of good governance and proposes targeted reforms. It aims to contribute to the discourse on Nigeria's path to sustainable development and prosperity.

The Importance of Good Governance in National Development

Good governance is a fundamental pillar of national development, encompassing accountability, transparency, and citizen participation. The United Nations Office of the High Commissioner for Human

Rights (OHCHR) highlights key principles of good governance to includerespect for human rights, rule of law, transparent and accountable institutions and an effective public sector.

Nigeria is failing in several critical areas of good governance, which has led to its socio-economic issues. The relationship between governance and national development is evident in how countries (like Singapore) with strong governance frameworks achieve better developmental outcomes marked by an efficient and accountable public service, corruption control, transparency and significant investment in education.

Adopting good governance practices is critical for Nigeria to restore public trust, ensure equitable resource allocation and promote sustainable national development.

The Relationship Between Governance and Investor Confidence

Good governance is closely linked with investor confidence, as countries with stable, transparent, and accountable governance attract more investments. For instance, TotalEnergies committed to investing $6 billion in energy projects in Angola instead of Nigeria, citing policy inconsistencies, insecurity, and human capital as the primary reasons for this decision. Countries with good governance practices (e.g. Angola) experience higher levels of foreign direct investment (FDI).

Governance Challenges in Nigeria

Corruption: Corruption costs Nigeria an estimated $18 billion annually, representing 3.8% of the country's Gross Domestic Product (GDP). This malfeasance is further exacerbated by normalisation, weak institutions and perceived ineffectiveness in curbing corruption. While efforts by agencies like the Economic and Financial Corruption Commission (EFCC) and the Independent Corrupt Practices Commission (ICPC) are noted, more reforms are needed. Using Robert Klitgaard's formula, C = M + D – T (Corruption = Monopoly + Discretion – Transparency), corruption in Nigeria can be tackled by breaking Monopoly, reducing Discretionary powers in officials and adding Transparency in operations and governance.

Economic Disparities

Nigeria faces severe economic inequality. The top 20% of the population holds 42% of the national income, while the bottom 20% holds only 7%. This perceived inequality fosters unequal access to resources, which can breed resentment and social unrest as marginalised communities feel excluded from the benefits of national wealth.

Insecurity:

The government's inability to ensure the security of lives and property also poses an issue. The country is inundated with security threats, ranging from insurgency to kidnapping and banditry. These threats have led to the loss of lives, stifled development, and eroded the public's trust in the government's ability to protect its citizens.

REASSESSING APPROACHES TO GOVERNANCE

Reforms for Improved Governance

Nigeria must reassess its approach to governance by implementing the following reforms for improved governance:

1. Strengthen institutions by implementing reforms to ensure accountability and transparency and the independence of anti-graft agencies and the judiciary to investigate, prosecute, and adjudicate corruption cases effectively.

2. Strengthening the role of civil society organisations and creating mechanisms for citizen participation in governance processes.

3. Implementing electoral reforms by ensuring free and fair elections, devoid of issues such as voter suppression to restore public trust in the electoral process.

4. Ensuring public sector accountability and transparency by ensuring public officers face the consequences of their actions and performances and regular audits conducted to expose and deter corruption.

5. Investing significantly in human capital development by ensuring improved access to quality education and healthcare, increased government expenditure on education, and encouraging private sector participation.

6. Creation of policies aimed at reducing poverty and inequality in the country and focused on diversifying the economy and investing in agriculture, power, and infrastructure.

Education
There is a link between education and the development of societies. Education increases human capital, leads to improved living standards, and promotes overall economic development, and should be seen as an economic investment. Western nations, such as the United States and European countries, have long recognised the value of providing free or heavily subsidised education through funding, student aid, research and development.

The Nigerian government should follow these examples, significantly increase its education investment, and align its curricula with international standards and national needs.

Developing Long-Term Strategic Vision
Nigeria needs to develop a comprehensive and long-term strategic vision for good governance. Although the current National Development Plan (NDP) 2021-2025, provides a foundation; issues such as insufficient funding, weak administrative frameworks, misplacement of priorities, and policy inconsistency must be addressed. There must be a political commitment to driving the vision forward, a robust implementation framework, adequate stakeholder engagement and realistic economic projections for a successful implementation of the new strategic vision.

Aligning Governance Practices with the SDGs
Nigeria should integrate the Sustainable Development Goals (SDGs) into its national development plans through robust policy implementation and monitoring as well as stakeholder engagement.

Multi-Stakeholder Partnerships
Multi-stakeholder partnerships involving collaboration among the government, civil societies, non-governmental organisations (NGOs), the private sector (e.g., businesses), academics, and professional bodies such as the Institute of Chartered Secretaries and Administrators of Nigeria (ICSAN) must be leveraged upon.

LESSONS FROM SUCCESSFUL GOVERNANCE MODELS
Lessons from Singapore (for effective governance and policy administration):

- Smooth Transition of Power and Continuity in Policy Direction: Ensuring stability, consistency and continuity in the governance approach and policies across administrations.
- Effective Public Bureaucracy: Investing heavily in public service training and development whilst prioritising qualifications and merit over political connections.
- Effective Control of Corruption: More comprehensive measures need to be implemented to promote transparency and accountability across all levels of government.
- Investment in Education and Talent Development: Significant investment in education and implementation of policies to attract and retain talents.
- Learning from Global Best Practices: This involves conducting extensive research and benchmarking to adapt successful global policies to the Nigerian context.

Lessons from Rwanda
(Paul Kagame on Key Performance Indicators (KPIs) for public companies and ministries)

Kagame's establishment of the Ministry of Cabinet Affairs (MINICAAF) in Rwanda introduced the agile, inclusive, and multi-stakeholder approach to policymaking and improved governance in the country. This system allowed for the monitoring of policy implementation across ministries via an online performance tracking system, which significantly improved government efficiency and accountability in Rwanda. Nigeria can adopt this model to enhance accountability in its public sector.

Nigeria can also leverage international partnerships for its development by collaborating with international partnerships for economic reforms and infrastructure development, implementation of sustainable development goals as well as knowledge and technology transfer.

Conclusion
Good governance is essential for a prosperous Nigeria. It requires a transparent, accountable government and the reformation of institutions to ensure their effectiveness. Diversification of the economy and investment in human capital development can address challenges such as poverty and inadequate infrastructure. Additionally, Nigeria

can learn from successful models and adapt global best practices to foster accountability and transparency. Institutions like ICSAN can drive governance reforms by providing actionable recommendations and regulatory prescriptions to government bodies and regulators. Nigeria can overcome its current challenges and realise its immense potential as a leading nation in Africa and the world.

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CORPORATE GOVERNANCE IN CHANGING TIMES: SOME BOARDROOM NUGGETS

THE CONTEXT

There are several words and acronyms that have been used to describe the magnitude, and severity of challenges confronting our world, today. More frequently used are VUCA (Vulnerable, Uncertain, Complex and Ambiguous), which is traced to the US and TUNA (Turbulent, Uncertain, Novel, and Ambiguous) which has its origin from the University of Oxford, UK. In addition to VUCA and TUNA, other variants exist but are less frequently mentioned in the literature and are not the focus of this essay. That said, whether VUCA or TUNA, or their variants, the common ground is that the world is experiencing unprecedented challenges and dramatic changes, ranging from stubborn inflation, food insecurity, rising unemployment, geopolitical tensions, heightened exchange rate instability, supply chain disruptions, accelerated AI advances and increased cybersecurity threats to climate related issues. Some of these problems have even been described as 'wicked problems,' and have put many corporate organizations on the edge, doubling down as critical issues for boards across organizations and geographies. To be sure, organizations are finding it increasingly difficult to transact businesses in seamless ways in the face of these challenges with corporate boards being constantly put in the eye of the storm. To rise against these tides, and as well as avoid disasters and scandals, ravaging many organizations there is a need for strong and effective boards.

Strong and Effective Board

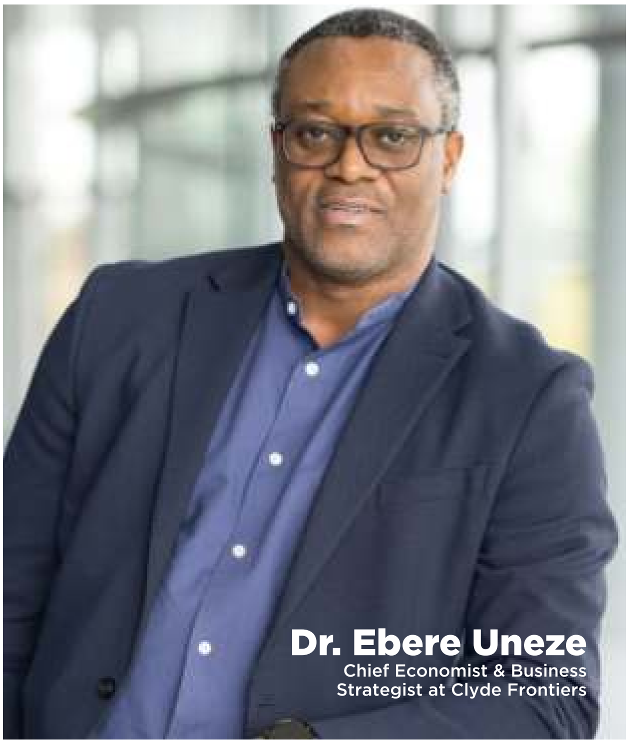
Now, more than ever, strong governance is essential for leaders and organizations to navigate complex business environments. The board is the conscience of every organization and sets the right tone for the organization, which in a way defines the corporate culture. Therefore, assembling the right leaders that can implement the agenda of the owners of businesses is routinely a role played by boards in setting the tone in every organization. By its fiduciary responsibility, boards are, primarily, expected to provide strategic guidance to the executive management as well as supervise and monitor their activities. To effectively discharge these functions, boards must have the right structures and dynamics. A sleepy and passive board will not be able to deliver on these duties talk less of creating a positive 'board effect' on the organization. With the resultant dysfunctions, things could go incredibly wrong within an organization. While we acknowledge that there is no process for making good decisions, we, at the same time, hold the view that processes for making wise decisions exist. Having the right process and dynamics are therefore critical for an effective and strong board. Before we take a high- speed tour on the key enablers of an effective board, let us, at this point, provide a working definition of governance.

According to Cossin (2020) "Governance is the quality of decision-making and implementation at the top of organizations – and the processes to ensure these. Increasingly, boards are seen as having a key responsibility and role as the owner of governance in an organization."

With a definition now in place, let us give some perspectives on the foundational and critical considerations for a strong corporate governance. First and most importantly, the issue about who should get a board seat needs to be carefully considered. Boards must be populated with people that have the right expertise, skills, experience and qualifications, and passion to make positive contributions to the organizations they seek to serve. How should recruitment of board members be conducted? Should it be based on membership of an old boys or old girls' association, and filial relationships? What is the ideal board size? Who should chair the board? For the board to effectively discharge its duties, especially in these times of rising complexities, the chair or the lead director must have the head space to lead intelligently and wisely. What about board independence and diversity? It is also important for the board to have the right structure to deliver on its mandate. What should be the board structure – how many committees should a board have? Typically, and within reason that is true, there should be an audit and risk committee, nominating and governance committee, and compensation committee. More recently, many boards are creating a technology committee in response to the unprecedented and accelerated pace of technologicalinnovations. The list could be longer depending on the organization and business complexities. The board structure greatly defines how a board deals with issues and responds to multiple challenges and catastrophes. Response to crisis must be swift and decisive, so a board should be configured in such a way that it can rise to any challenge. Some of the enablers of strong governance cum effective board will now be examined in deeper details:

Independence: A board is effective when it is independent and not under the control of an overly powerful CEO, executive or shareholder (s). A board will most likely be a rubber stamp board if it loses its independence. Therefore, directors must be seen to act and take decisions without any undue influence by a strong executive or powerful shareholder. Independence must be at both the individual director and board levels. No matter the circumstance, directors should have the freedom to speak and present their views on issues. Similarly, a board must be able to assert itself without being dominated by big and powerful executives – directors and boards are more effective when discussions are less disrupted. It is not in the interest of good governance to force or cajole directors to bury headlines! The boardroom must be a psychologically safe place to discuss and interrogate issues and make decisions in most respectable ways. Directors must have a voice; the shared belief that no one will be punished or humiliated for speaking up with ideas, questions, concerns, or mistakes should always be upheld. In a situation where there is an overbearing CEO chair, independent directors can elect to have a lead director who would ensure that the board's independence and that of the directors are protected. Instances where the CEO is chair of the board is quite prevalent in the United States and less common in Europe. With different arguments for both models, there are however legitimate misgivings about the heightened scrutiny on the CEO chair model. The reality is that organizations where the CEO is not the chair and where the CEO is the Chair have all experienced some form of scandals and disasters – this therefore lends support to the view that the criticisms leveled against the CEO Chair model may be misplaced or exaggerated.

Diversity – Missing Voices: Does diversity matter? Yes. There is a need for diversity in the boardroom. The presence of diversity promotes the culture of inquiry and leads to top quality discussions and sound board decisions. Invariably, the quality of board discussions and decisions tend to be poor or below par when there are key missing voices. Effort



should be made to ensure that people with diverse knowledge are let into the boardroom – key voices must not be missing. However, it is practically impossible to have every stakeholder represented on the board. Diversity should go beyond gender and ethnicity; directors must have diverse backgrounds, mindsets, knowledge, decision-making skills, and lived experiences. There are times when accommodating all the voices in the board may lead to problems – some voices could lead to deep dissents, which may affect the effectiveness of the board and derail the one voice principle of the board. The board could also hire consultants to provide certain information when it is impracticable to have every voice represented on the board. Striking the right balance on this is important and should be carefully considered.

Board Culture: Board culture is "a set of customs, practices and often unspoken words about how we get things done around here." – Didier Cossin (2020). Brown and Peterson (2022) define board culture as "shared values, beliefs, mindsets and attitudes of board members, the way people interact, especially the independent directors and chair." The board culture must be clear to every director. Discussions and decision-making styles of the board must be known to every member of the board. Beyond board culture, there is the organizational culture, and the board should also pay attention to it. It is not in doubt that the board is the custodian of organizational culture. While ensuring that there is a healthy culture in the organization, the board, as a matter of duty, should avoid the amplification of any culture that is dangerous or repugnant to the organization's business philosophy. Unhealthy organizational culture is a recipe for corporate disasters. A good example is a high pressure or win-at-all cost culture – which has succeeded in promoting scandals and disasters in many top organizations. In addition, an overly rule-based culture stifles innovation and good judgment. In all, the board must ensure that a wrong culture is not passed down to the organization through the executive management. Most importantly, the culture of independence must not be compromised or relegated by the board.

The Board Chair: The success of the board rests significantly on the strength of character and leadership style of the chair. The board is not likely to be sleepy and passive when there is a vibrant chair; the chair should be one that galvanizes members into action. The chair leads the meeting and ensures that directors are playing their roles effectively – the chair should be good at reading the room. Organizations

that have succeeded in avoiding disasters have largely been linked to the character of the chair and that of the lead independent directors. The chair should know when to partner, shift gears and stay away. The chair should ensure that the right tone is set at the board and that the agenda for every meeting is well-framed. A strong and level-headed chair ensures that the quality of debate at every meeting is constructive; the chair should encourage dissent to the extent that it does not lead to confrontation and animosity among members.

Risk Orientation: Creating or co-creating strategy is the single most important work for a board. Strategy comes with a lot of risk. Therefore, boards should have a good risk framework for understanding and managing the risk profile of every corporate strategy. The neutral approach of viewing risk as "nothing ventured; nothing gained" is highly simplistic and should not be the prism for viewing and understanding risks. Effective boards have good risk-thinking frameworks and define their risk appetite in ways that delineate their risk tolerance and discourage executives from excessive risk-taking behaviours. The organizational culture should align with the risk appetite statement, which should be boldly stated, just like the mission, vision, and purpose statements. Having a clear risk appetite statement helps to protect organizations from chief executives who may want to promote the culture of excessive risk-taking. When business risks are not well defined and managed by the board, there are

chances that the magnitude of disasters that may happen could sweep organizations away from their feet. Boards should be forward looking and anticipate crises before they happen. While the board should work with the Chief Risk Officer to understand the enterprise risks, it should have its independent frameworks for understanding and managing risks that may damage organizational brand, destroy value, and result in avoidable legal war and reputational loss.

CEO Recruitment, Personality and Compensation: Hiring the right CEO is a major strategic function of the board. The CEO leads the executive team that oversees the day-to-day operations of an organization. A CEO can make or mar an organization; therefore, hiring a CEO with the right personality is a critical assignment for the board. The personality of the CEO will undoubtedly have effect on the relationship between the chair and the CEO or, the CEO and the board. The CEO must not be someone who takes oxygen out of the room. While charisma is good, it will certainly be disastrous when the CEO has a domineering personality – the same is true when any of the executives is disruptive. This is likely to weaken the board and lead to subordination and loss of independence. In some instances, the CEO may overlook the board on critical issues. As important as the assignment of choosing a CEO is, boards, in many instances, have ended with the wrong candidates. This is an alarm bell that needs to be loud. The other interlocking issues are the CEO succession plan and remuneration. It is vital that a clear CEO succession plan is put in place, and that CEOs are appropriately remunerated based on performance. Innovation targets could also be built into the compensation package. Scandals affect organizations in negative ways and tend to erode the value of their shares; huge bonuses and compensation packages that are delinked from performance and innovation are usually the first line of attack when organizations are hit by scandals and disasters. Boards should ensure that CEOs compensation packages do not become sources of discomfort for organizations. A package comprising the right mix of financial remuneration and equity should be considered. By taking equity in the business they lead, executives send a message that they have their skins in the game, and this reassures other shareholders and investors that executives are working to promote the value of the organization – this is where the compensation committee's diligence is tested.

There is a need for the nominating and governance committee of the board to always be on top of its game. A recent and shining example of how a good CEO succession plan has helped a board select its CEO without a hitch is the recent selection of the next President of Yale University. According to Prof Jeffrey Sonnefeld (2024), Yale board selected Maurice McInnis as the 24th President without a fight, thanks to the painstaking job did by its search committee. "… the Yale succession case study demonstrated how a board can solicit wide ranging constituent input, selection on the basis of demonstrated competence, diligently verify character, and have the trust to maintain confidences."

Herd Behaviour: Collegiality is a classic feature and time-tested tradition of a healthy board. The downside risk is that, too often, it generates conformity and groupthink. While it is advisable to fit in before standing out, directors must be aware that groupthink and herd behaviour result in dysfunctional boards. Membership of strong personalities on the board should be seen as early warning signs that collegiality, which is the hallmark of an effective board, could be under attack. While diversity and active engagement are important, the board culture must be respected. The board must not promote an overly rule-based culture that hinders good judgement. Rule-based culture could drive organizations into the ground and become an easy way to commercialize and entrench wrong ideas. Boards do not perform well when members conform easily and debate less. As a matter of fact, boards should promote constructive dissent and debate;

disagree to agree and speak with a single voice on every matter – uphold the one voice principle.

Board Evaluation: Boards, Committees, and directors should be regularly evaluated. While this may be a compliance requirement by various security exchanges, its main purpose should be to improve the performance of boards and their directors – when not misused, it serves as a powerful learning exercise. The report of every evaluation should not end up on the shelves; the aspect of the report that covers the board should be discussed by the board while the chair or lead director should discuss directors' evaluation reports with individual directors. The chair must have the courage to provide feedback and have an honest conversation with individual directors on their performance. For what it is worth, the evaluation should form a basis for retaining directors. As a duty of loyalty, the board is expected to deal transparently with the shareholders. Therefore, the outcome of every evaluation should be shared with the shareholders. The downside to sharing the evaluation reports for individual directors with the shareholders is that it is likely to trigger a shareholder activism, an immediate campaign and push for the replacement of targeted underperforming directors. Nevertheless, on this, shareholders can be managed if the board has a clear directors' succession plan in place.

Training and Education: The knowledge directors bring to the boardroom is important but certainly not enough. Directors should be constantly trained and refreshed. Education, training, and knowledge renewal program must be designed and put in place by the board. There are some beneficial effects to it – training helps to keep directors abreast of new developments in the industry and business environment. As such, there needs to be a training plan for directors. Directors may come into the board with fresh and burning ideas, but over time things change. This is because of the fast- paced nature of advances and innovations taking place in recent times, especially in AI and technology. Beyond formal training opportunities, there are also informal opportunities which members can take advantage of. As challenges grow in severity, it is important that board members are trained so that they are better able to discharge their enormous responsibilities.

Information: The power of information cannot be over emphasized. The quality of decisions boards take can only be as good as the quality of information available to the directors. Boards need to have all the relevant information about their organizations, competitors, customers, the economy, and business environment. They can rely on management for internal information. The challenge is to make this information valuable to the directors. Even more challenging is the quality and reliability of this information as management can sometimes be economical with the information it makes available to the directors. What boards could do is to find alternative and informal sources, for example, from auditors, staff, and consultants. There have been many instances where organizations experienced scandals and disasters of great proportions under the watchful eyes of the board because management withheld information, and the board didn't take steps to look for alternative sources. Time and time again executives have failed to report cases of abuse, rape, mistreatments, labour, and employee welfare etc. to the board and these things stay on until they blow off the organizations – damage value, brands, and reputation of the organization. Internal sources should be complemented by external sources, especially information on the business environment, competitors, and the economy.

Board-Management Relationship: Boards should focus strictly on governance and avoid the temptation of micromanaging or micro-directing executives. The day-to-day operations are clearly in the domain of the executive management. However, boards, in performing their supervisory duties, sometimes get into the space of executive leadership. They ask questions and take certain actions that make the executives feel that directors are getting their hands on the deck. There is no fine line and consensus on this issue, but what is worthy of note is that the new generation boards are getting increasingly more aggressive in getting things done and the outcome of that is the tension witnessed between boards and executives. In one of the boards I served, I experienced situations where some directors crossed the line and went over and above their duties – the rooms were frequently charged, and tension ran through important discussions. This problem is commonly experienced at the committee levels. Because committees are expected to delve deeper into issues, there are very high chances of directors getting head-on-head with those on the frontline while performing their fiduciary duties. When tensions go high, the board-CEO and board-executives relationships go down south – become frosty and, animosities spring up if urgent steps are not taken to build back confidence.

Connecting the Dots

With the growing complexities in the world and the rising global epidemic of corporate disasters and scandals, it is now more urgent than ever that boards diligently promote and pursue strong corporategovernance. Organizations can avoid dramatic headlines and manage headwinds better when strong governance and effective boards are in place. Boards need not only set strategy; it must also set good business culture, reflected in the way members of the board discuss and take decisions – this is a big deal! Because dysfunctional boards are not effective, they fail in their fiduciary responsibility and loyalty to the owners of the business and the organizations they serve.

Information is key to board effectiveness and boards should be able to triangulate information in a way that will promote quality discussion and wise decisions in the boardroom. Diversity, board independence, CEO personality and remuneration, herd behaviour, CEO- Chair/board relationship are all critical factors that determine the effectiveness of the board. Of course, boards must invest in the training and education of their directors. Board and directors' independence are very vital – directors must have a voice and a sense of psychological safety.

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EMBRACING SUSTAINABILITY REPORTING: UNLOCKING BENEFITS FOR HOUSEHOLDS, FIRMS, AND THE NATION - EVIDENCE FROM EMPIRICAL STUDIES

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As the world grapples with environmental, social, and economic challenges, sustainability reporting has emerged as a vital tool for promoting transparency, accountability, and responsible practices. The benefits of adopting sustainability reporting extend far beyond the organizational level, positively impacting households, firms, and the country as a whole. This article explores the benefits of sustainability reporting for households, firms, and the nation, highlighting the importance of embracing this practice.

Benefits for Households

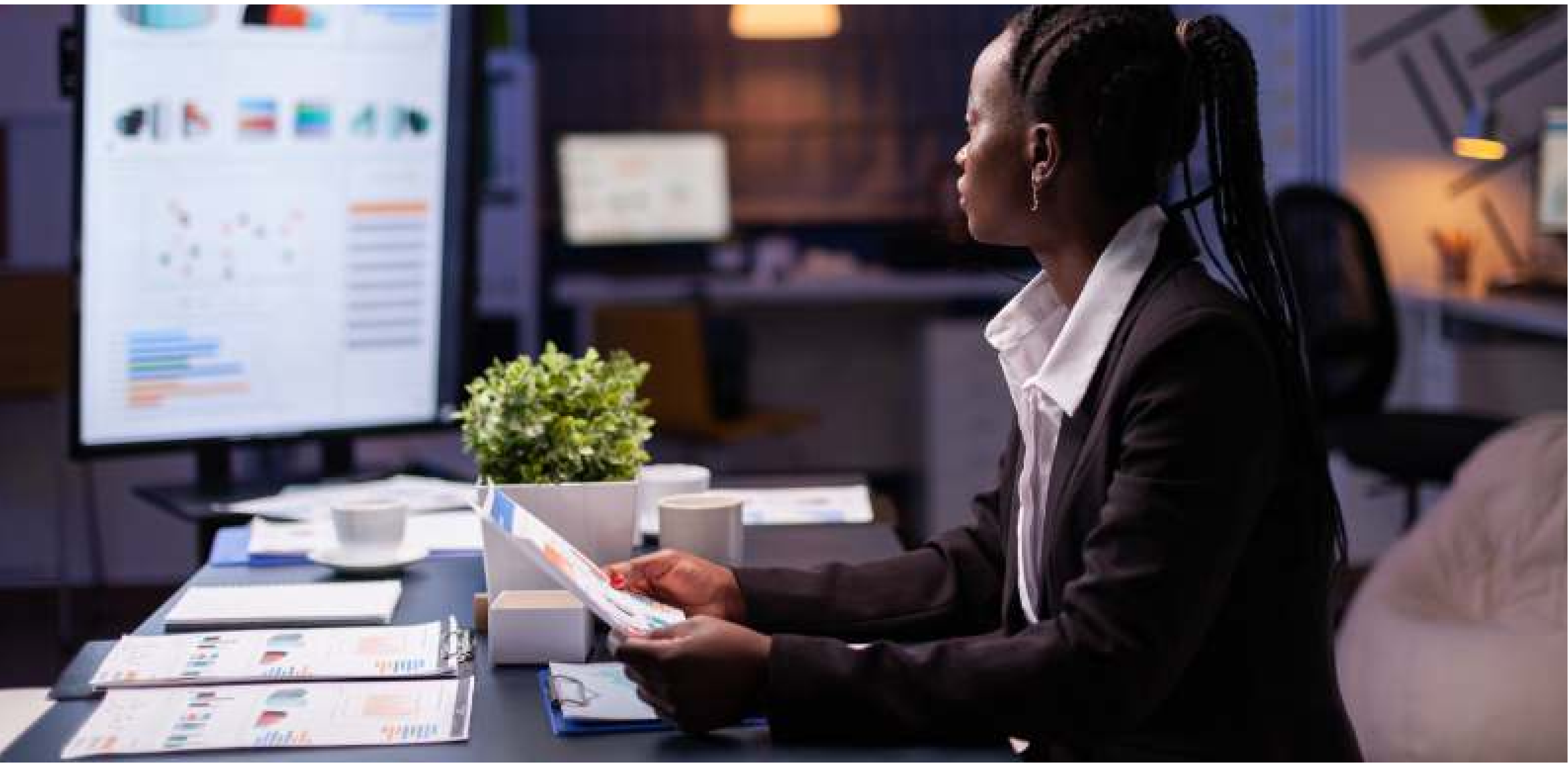
Households and individuals may benefit immensely from energy transition and conservations by monitory consumption on power, water and maintaining sustainable lifestyle by setting personal targets to save costs. For households, sustainability reporting can lead to improved environmental and social outcomes. By making informed choices about the companies they support, households can contribute to a more sustainable future. Moreover, sustainability reporting can enhance household well-being by promoting fair labour practices, safe working conditions, and responsible resource management (Eccles et al., 2014). A study by Khan et al. (2016) found that consumers who prioritize sustainability when making purchasing decisions tend to have higher levels of well-being and life satisfaction.

Furthermore, sustainability reporting can empower households to make informed decisions about their investments. By providing transparent and comprehensive information about a company's sustainability performance, households can make more informed investment decisions that align with their values and priorities (Eccles et al., 2014). A study by Clark et al. (2015) found that sustainable investment options tend to outperform traditional investment options over the long-term, providing a financial benefit to households that prioritize sustainability.

Benefits for Firms

Firms that adopt sustainability reporting can reap numerous benefits, including:

- Enhanced financial performance and overall business success: a 2015 meta-analysis of more than 2000 empirical studies found that the majority of studies demonstrate a positive relationship between sustainability performance and financial performance. In the sample, 90% of studies demonstrated a non-negative relationship between sustainability and corporate performance (Bain & Company, 2020). This is also reiterated in Razaq et al 2023 in a study, Effect of Corporate Attributes on Sustainability Reporting of Listed Non-financial Firms in Nigeria to the effect that there is relationship between sustainability reporting and financial performance of firms.
- Enhanced reputation and brand value: By demonstrating a commitment to sustainability, firms can build trust with stakeholders, improve



their reputation, and increase brand value (Barnett & Salomon, 2012). A study by Jones et al. (2016) found that companies that prioritize sustainability tend to have higher levels of brand recognition and customer loyalty.

- Improved risk management: Sustainability reporting helps firms identify and mitigate environmental, social, and governance (ESG) risks, reducing the likelihood of reputational damage and financial losses (Eccles et al., 2014). A study by Khan et al. (2016) found that companies that prioritize sustainability tend to have lower levels of ESG risk and higher levels of financial performance.
- Increased access to capital: Investors are increasingly seeking sustainable investment opportunities. By providing transparent and comprehensive sustainability reports, firms can attract investors and access capital more easily (Clark et al., 2015). A study by Eccles et al. (2014) found that companies that prioritize sustainability tend to have higher levels of investor engagement and lower costs of capital.
- Innovation and competitiveness: Sustainability reporting can drive innovation, as firms seek to develop sustainable products, services, and processes. This, in turn, can enhance competitiveness and drive business growth (Nidumolu et al., 2009). A study by Porter & Kramer (2016) found that companies that prioritize sustainability tend to have higher levels of innovation and competitiveness.

Benefits for the Country

At the national level, widespread adoption of sustainability reporting can have far-reaching benefits, including:

- Promoting sustainable development: By encouraging firms to adopt sustainable practices, sustainability reporting can contribute to the achievement of national sustainable development goals (United Nations, 2015). A study by World Business Council for Sustainable Development (2016) found that companies that prioritize sustainability tend to have higher levels of contribution to national sustainable development goals.
- Enhancing environmental and social outcomes: Sustainability reporting can help reduce environmental degradation and promote social justice, leading to improved overall well-being (United Nations, 2020). A study by Khan et al. (2016) found that companies that prioritize sustainability tend to have lower levels of environmental degradation and higher levels of social justice.
- Attracting foreign investment: Countries that promote sustainability reporting can attract foreign investment, as investors seek sustainable investment opportunities (Clark et al., 2015). A study by Eccles et al. (2014) found that countries that prioritize sustainability tend to have higher levels of foreign investment.
- Fostering a culture of transparency and accountability: Sustainability reporting can promote a culture of transparency and accountability, essential for good governance and sustainable development (Porter & Kramer 2016). A study by Jones et al. (2016) found that countries that prioritize sustainability tend to

have higher levels of transparency and accountability.

Conclusion

In conclusion, the adoption of sustainability reporting offers numerous benefits for households, firms, and the country as a whole. By promoting transparency, accountability, and responsible practices, sustainability reporting can contribute to a more sustainable future. As we move forward, it is essential that we prioritize sustainability reporting, encouraging firms to adopt sustainable practices and promoting a culture of transparency and accountability.

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FRC CEO ELECTED CHAIR OF UNCTAD/ISAR

The Financial Reporting Council of Nigeria is pleased to announce that its Executive Secretary/CEO, Dr. Rabiu Olowo, has been elected Chair of the 41st session of the United Nations Conference on Trade and Development (UNCTAD), Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR). This prestigious appointment is a testament to Dr. Olowo's exceptional leadership and expertise in corporate reporting.

Speaking after his election, Dr. Olowo expressed his gratitude and commitment to leading the global collaboration of experts. "It is a great honour to be elected Chair of 41st session of UNCTAD ISAR," he said. "I am committed to leading a global collaboration of experts focused on improving transparency and comparability in corporate reporting across the globe in order to unlock capital flows."

As the Chair of UNCTAD ISAR, Dr. Olowo will play a crucial role in shaping the global financial reporting landscape. His vision for improved transparency and comparability in financial reporting aligns with the FRC's mission to promote excellence in financial reporting and governance.

Under Dr. Olowo's leadership, the FRC has undergone significant transformation, with initiatives such as the development of Small and Medium Enterprises, Corporate Governance Guidelines (SME CGG) and launching the roadmap for the adoption of sustainability reporting standards in Nigeria in collaboration with the ISSB Chairman.

IFRS FOUNDATION RECOGNIZES NIGERIA'S PROGRESS IN SUSTAINABILITY REPORTING

The International Financial Reporting Standards (IFRS) Foundation has acknowledged the strides Nigeria has made in sustainability reporting. In its latest report, titled "Progress on Corporate Climate-related Disclosures – 2024 Report," published in November 2024, the IFRS Foundation highlighted the Financial Reporting Council (FRC) of Nigeria for its significant contributions to sustainability reporting in the country.

A key highlight of the report is the FRC's Roadmap Document, which outlines a phased implementation strategy for sustainability reporting. This approach includes early adoption and voluntary participation from 2024 to 2027, transitioning to mandatory adoption by 2028. The roadmap also integrates the financial reporting process with specific timelines for assurance, starting with limited assurance in the third year of reporting and advancing to reasonable assurance for all sustainability-related matters starting in the sixth year.

In March 2024, the Adoption Readiness Working Group of Nigeria, led by the FRC, unveiled a comprehensive roadmap for the adoption of ISSB Standards. This roadmap delineates four phases of adoption, commencing with voluntary compliance from all groups of Nigerian reporting entities beginning in the fiscal year 2024. Public interest entities, excluding government and governmental organizations, will be obligated to implement ISSB Standards from the fiscal year 2028, with requirements extending to small and medium-sized enterprises (SMEs) by fiscal year 2030.

Notably, Nigeria was the first country in Africa to declare its intention for the early adoption of the ISSB at COP 27 in Egypt in 2022. Additionally, four Nigerian companies—MTN, Seplat Energy, Access Bank, and Fidelity Bank—have published their inaugural financial reports utilizing IFRS S1 and S2 sustainability reporting standards for the 2023 financial year.

This recognition from the IFRS Foundation underscores Nigeria's commitment to enhancing sustainability practices and aligns with global efforts to address climate change through improved corporate transparency and accountability.

IASB ISSUES MAJOR UPDATE TO THE IFRS FOR SMES ACCOUNTING STANDARD

The International Accounting Standards Board (IASB) on February 27, 2025 issued a major update to the IFRS for SMEs Accounting Standard, which is currently required or permitted in 85 jurisdictions. This Standard aims to balance the information needs of lenders and other users of SMEs' financial statements with the resources available to SMEs. The Standard defines SMEs as entities without public accountability that prepare general purpose financial statements.

The update of this Standard is the outcome of a periodic comprehensive review of the Standard. Highlights include:

- A revised model for revenue recognition;
- Bringing together the requirements for fair value measurement in a single location; and
- Updating the requirements for business combinations, consolidations and financial instruments.

This update is effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The IFRS for SMEs Accounting Standard was issued in 2009 to address the global demand for a simplified Accounting Standard for SMEs. This updated version is the third edition of the Standard.

Culled from IFRS FOUNDATION website. March 28, 2025

IASB UPDATES IFRS ACCOUNTING STANDARDS FOR NATURE-DEPENDENT ELECTRICITY CONTRACTS

The International Accounting Standards Board (IASB) on December 18, 2024, issued targeted amendments to help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs). The IASB acted swiftly in the light of the increased use of these contracts.

Nature-dependent electricity contracts help companies to secure their electricity supply from sources such as wind and solar power. The amount of electricity generated under these contracts can vary based on uncontrollable factors such as weather conditions. Current accounting requirements may not adequately capture how these contracts affect a company's performance.

To allow companies to better reflect these contracts in the financial statements, the IASB has made targeted amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures. The amendments include:

- Clarifying the application of the 'own-use' requirements;
- Permitting hedge accounting if these contracts are used as hedging instruments; and
- Adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

These amendments are required to be applied for annual reporting periods beginning on or after 1 January 2026. Companies can apply the amendments earlier.

Credit: IFRS Foundation

IFRS FOUNDATION PUBLISHES GUIDE TO HELP COMPANIES IDENTIFY SUSTAINABILITY-RELATED RISKS AND OPPORTUNITIES AND MATERIAL INFORMATION TO PROVIDE

The International Sustainability Standards Board (ISSB) in its commitment to supporting the implementation of ISSB Standards around the world, has published a new comprehensive guide designed to help companies with the fundamental task of identifying and disclosing material information about sustainability-related risks and opportunities that could reasonably be expected to affect their cash flows, their access to finance or cost of capital over the short, medium or long term.

A key focus of the guide is helping companies understand how the concept of sustainability-related risks and opportunities is described in IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information, including how these can arise from a company's dependencies and impacts.

In addition, the guide highlights how companies applying ISSB Standards can benefit from the process they might already follow in making materiality judgements when preparing financial statements, particularly when applying IFRS Accounting Standards. This process is closely aligned with the four-step process illustrated in the International Accounting Standards Board's IFRS Practice Statement 2: Making Materiality Judgements.

The guide also sets out some of the considerations a company might make to drive connectivity between sustainability-related financial disclosures and a company's financial statements. Furthermore, for those looking to meet the information needs of a broader set of stakeholders, it provides considerations for those applying ISSB Standards alongside the European Sustainability Reporting Standards (ESRS) or Global Reporting Initiative (GRI) Standards.

Link to the Guide: https://www.ifrs.org/news-and-events/news/2024/11/ifrs-foundation-publishes-guide-companies-sustainability-risks-opportunities/

IPSASB DEVELOPING THE FIRST PUBLIC SECTOR SUSTAINABILITY REPORTING STANDARD WITH SUPPORT FROM THE WORLD BANK

The International Public Sector Accounting Standards Board (IPSASB), with support from the World Bank, is developing a climate-related disclosures standard for the public sector.

The IPSASB, announced in June 2023 that it would begin developing a Climate-related Disclosures standard, a first for the public sector. This standard will be the IPSASB's inaugural Sustainability Reporting Standard and will enable governments and other public sector entities to make more informed decisions about their contributions towards addressing the climate emergency, hold them accountable for their interventions, and foster trust in their efforts.

UNDERSTANDING THE INTERNATIONAL STANDARD ON SUSTAINABILITY ASSURANCE 5000

The IAASB has issued a new global sustainability assurance standard designed to strengthen the global sustainability disclosure ecosystem. The International Standard on Sustainability Assurance (ISSA) 5000, General Requirements for Sustainability Assurance Engagements, is applicable across various sustainability topics and frameworks and is designed for use by both professional accountants and non-accountant assurance practitioners.

The standard becomes effective for period beginning on or after 15 December 2026. Early adoption is encouraged.

IMPLEMEMTATION OF ACCOUNTING DEVELOPMENT TOOLS IN NIGERIA: THE JOURNEY SO FAR

By Oladele Oladejo

A group photograph of participants at the Training the Trainers Workshop

The Council has made remarkable strides in its collaboration with the United Nations Conference on Trade and Development (UNCTAD) under the auspices of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR). This collaboration centers on the implementation of the Accounting Development Tool (ADT), a globally recognized framework designed to strengthen the capacity of countries to develop high-quality financial reporting systems.

The ADT serves as a diagnostic tool that evaluates key components of a country's accountancy infrastructure, including regulatory frameworks, institutional arrangements, human capacity, and the adoption of international standards. The ultimate goal of the ADT is to foster transparency, accountability, and good governance in both public and private sectors, thereby contributing to sustainable economic development.

Phases of the ADT Project in Nigeria

The Council has successfully implemented the three critical phases of the ADT project, marking significant milestones in Nigeria's journey toward enhancing its financial reporting ecosystem and aligning with global best practices.

1. **Kick-off Meeting**
   The ADT project commenced with a Kick-off Meeting on August 22, 2023, which brought together stakeholders from regulatory bodies, professional accountancy organizations, academia, and the private sector. This meeting provided an overview of the ADT framework, its objectives, and the anticipated benefits for Nigeria. It also fostered consensus among stakeholders, highlighting their critical roles in ensuring the project's success.

2. **Progress Assessment Meeting** The second phase, the Progress Assessment Meeting, was held on May 21, 2024, at the Abuja Continental Hotel. This phase focused on evaluating Nigeria's progress in adopting the ADT framework. Stakeholders reviewed preliminary findings, identified gaps in the financial reporting infrastructure, and refined the implementation strategy. The meeting underscored the importance of collaborative efforts among stakeholders to address challenges and leverage opportunities for improvement.

3. **National Workshop** The culmination of these efforts was the National Workshop, held on July 24, 2024, at the Lagos Continental Hotel. This workshop provided a platform for broad-based discussions on the findings of the ADT assessment and proposed recommendations. Participants, including representatives from government agencies, professional bodies, and academia, validated the draft ADT report for Nigeria. Additionally, they charted a roadmap for future implementation to ensure sustainable and impactful outcomes.

Training of Trainers' Workshop
Complementing the ADT project, the FRC, in conjuction with UNCTAD, hosted a Training of Trainers' (ToT) Workshop on Accounting and Financial Reporting for Micro, Small, and Medium-Sized Entities (MSMEs) on December 17, 2024, at the Lagos Continental Hotel. This workshop aimed to build the capacity of key stakeholders to train others in adopting best practices in accounting and financial reporting for MSMEs.

The ToT workshop aligns seamlessly with the objectives of the ADT project, particularly in its focus on strengthening institutional capacity and enhancing the adoption of international financial reporting standards. By equipping trainers with the tools and knowledge to disseminate best

practices, the ToT workshop supports the broader goals of transparency and accountability in Nigeria's financial ecosystem, especially for smaller enterprises that form the backbone of the economy.

Achievements and Impact

The successful implementation of the ADT project and the complementary ToT workshop represent significant achievements for Nigeria. These initiatives have:

Enhanced Collaboration: Fostered stronger partnerships among regulators, professional bodies, and stakeholders, ensuring a unified approach to improving financial reporting.

Improved Capacity Building: The training sessions and engagements enhanced the ability of accountants, auditors, and trainers to adopt and disseminate international standards.

Strengthened MSME Reporting: Equipped trainers with skills to support MSMEs in adopting robust financial reporting practices, promoting their sustainability and growth.

The Council's Commitment to Excellence

The Council's proactive leadership in the ADT project and the ToT workshop underscores its unwavering commitment to positioning Nigeria as a leader in financial reporting and governance. These efforts have advanced the implementation of international accounting standards and bolstered Nigeria's credibility within the global financial reporting community.

Future Plans

Looking ahead, the FRC aims to:

1. Finalize and publish the ADT Report for Nigeria, incorporating insights and recommendations from the project.
2. Scale up capacity-building initiatives to ensure widespread adoption of the recommendations.
3. Promote MSME-focused financial reporting practices, leveraging the outcomes of the ToT workshop.
4. Continue collaborating with UNCTAD-ISAR and other international organizations to sustain the progress achieved.

Conclusion

The ADT project, complemented by the ToT workshop, represents a significant milestone in Nigeria's financial reporting journey. The FRC's active involvement and leadership in these initiatives reflect its dedication to promoting transparency, accountability, and economic development. These achievements stand as a testament to the power of collaboration and innovation in driving progress in financial reporting and governance. Through these efforts, Nigeria is poised to strengthen its financial reporting ecosystem, supporting sustainable growth and earning global recognition in accounting and reporting.

FRC HOSTS AUDIT & OTHER ASSURANCE PROVIDERS' LEADERSHIP SUMMIT

In its commitment to promoting best practices in financial reporting, auditing, and corporate governance in Nigeria, the Council recently organized a leadership summit titled "Stakeholders' Engagement with Auditors & Other Assurance Providers." The event took place on August 20, 2024, at the Lagos Continental Hotel, Victoria Island, Lagos.

The summit attracted a total of 764 participants, comprising in-person attendees and virtual participants. Given the rising concerns over audit failures in various jurisdictions, the summit aimed to raise awareness and establish preventive measures within Nigeria's auditing landscape.

This maiden event provided a unique platform for the Council to engage with practitioners regarding the policy and regulatory framework, the Council's practice review of firms, emerging trends, challenges, and collaborative opportunities. While emphasizing the importance of improving audit quality and shaping the future of the industry, the discussions focused on fostering best practices and innovative solutions.

The Leadership Audit Summit is set to become an annual event, reinforcing the FRC's dedication to advancing the auditing profession in Nigeria.

FINANCIAL REPORTING COUNCIL OF NIGERIA

PUBLIC NOTICE

SUBMISSION OF MANAGEMENT REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR)

The Financial Reporting Council of Nigeria issued guidance in 2022 for the implementation of Section 7(2f) of the FRC Act 2011, as amended. This guidance aims to assist all Public Interest Entities (PIEs), as defined by the FRC Act, in complying with the specific requirements regarding the Management Report on Internal Control over Financial Reporting (ICFR) with independent attestation. The guidance will be effective for annual reports ending on or after December 31, 2024.

The Council mandates that all Public Interest Entities and listed entities, as defined by the amended FRC Act, include ICFR Reports along with their external auditor's attestation in their 2024 Audited Financial Statements. These reports must be filed with the Council within 60 days following board approval, in accordance with Section 8(d) of the FRC Act 2011, as amended.

Kindly note that failure to comply with this public notice will result in appropriate sanctions.

For further information and inquiries, please contact us at **07074603177** or via email at **daps@frcnigeria.gov.ng**

Signed
Management
February 24, 2025

FRC ISSUES RULE 14 ON NON-COMPLIANCE WITH LAWS AND REGULATIONS

The Financial Reporting Council (FRC) of Nigeria is pleased to announce the introduction of Rule 14, aimed at enhancing the responsibilities of external auditors in cases of non-compliance or suspected non-compliance with laws and regulations. This initiative reflects our commitment to uphold the integrity of financial reporting and protect the public interest.

BACKGROUND
Rule 14 emphasizes the accountant's duty to act in the public interest, particularly when addressing non-compliance. The key objectives include:

- Adhering to principles of integrity and ethical behaviour.
- Alerting management or governance to rectify or prevent non-compliance.
- Taking appropriate actions in the public interest.

Current international standards (ISA 250 and IESBA) require auditors to identify non-compliance with laws that directly impact financial statements. However, there are limited requirements for addressing laws with indirect effects.

KEY OBSERVATIONS
Our experience shows that indirect regulations, such as anti-money laundering and environmental laws, can lead to significant penalties if violated. The existing distinction between direct and indirect effects has caused confusion among investors and auditors alike, often limiting auditors' responsibilities.

THE RULE
The FRC believes that eliminating this distinction will enhance auditors' ability to identify non-compliance and improve their risk assessments. This change aims to protect investors by ensuring that financial statements accurately reflect compliance with all relevant laws and regulations.

Notably, financial statements signed with an invalid FRC registration number or those linked to unresolved compliance issues will not be accepted by any regulatory agency in Nigeria.

SPECIFIC REQUIREMENTS FOR EXTERNAL AUDITORS

1. Verification of Compliance: Auditors must ensure clients comply with all relevant sections of the FRC Act 2011 (as amended), including any regulations, codes, rules, and guidelines, regardless of their direct or indirect effects.

2. Confirmation Before Signing Audit Opinions: Auditors are required to confirm that the reporting entity and all signatories have met their statutory obligations to the FRC. This confirmation must be sent via email to: rule14@frcnigeria.gov.ng.

By enforcing compliance with FRC laws, auditors will encourage timely remedial actions, reducing investment risks associated with legal and regulatory penalties.

IMPLICATIONS FOR NON-COMPLIANCE
Auditors who fail to confirm compliance before signing audit opinions will be subject to sanctions as outlined in the FRC's Operational Guidelines for Inspection and Monitoring of Auditors, Other Assurance Providers, and Audit Committee Members 2020.

EFFECTIVE DATE
This Rule takes effect from 1st January 2025.

FINANCIAL REPORTING COUNCIL OF NIGERIA

PUBLIC NOTICE

REGISTRATION OF AUDITORS, AUDIT FIRMS, AUDIT COMMITTEE MEMBERS AND OTHER ASSURANCE SERVICES PROVIDERS IN NIGERIA AND PAYMENT OF ANNUAL DUES

The Financial Reporting Council of Nigeria (FRC/Council) extends this notice to all stakeholders, especially professional accountants, audit firms, professionals engaged in the financial reporting process, and Public Interest Entities (PIEs), regarding their statutory obligations under the Financial Reporting Council of Nigeria Act No. 6, 2011 (as amended) (hereinafter referred to as "the FRC Act") and the Audit Regulations 2020. Sections 33 (1a, b, c & d), 41 (2), 77, of the FRC Act and Regulation 3 and 14 of the Audit Regulations 2020 underscore the requirement for entities/firms registration and the payment of annual dues.

1. Section 33 (1) (a), (b) (c) and (d)
Every Public Interest Entity and professional firm shall pay annual dues based on its annual market capitalization or annual turnover as applicable.

2. Section 41 (2) and 33 (1) (b)
All professional accountants and other professionals engaged in the financial reporting process of Public Interest Entities shall register with the Council and pay their annual dues as at when due.

3. Section 42(2) and Regulation 3 of the Audit Regulations 2020
Every professional engaged in financial reporting process for public interest entities especially Auditors, Audit firms, Audit Committee Members and Other Assurance Services Providers are mandated to register with the Council failing which such practitioner/entity would have committed an offence and subject to sanctions and/or prosecution (Regulation 14).

4. Section 77
"Public Interest Entities" means governments and government organizations, listed entities on any recognised exchange in Nigeria, non- listed entities that are regulated, public limited companies, private companies that are holding companies of public or regulated entities, concession entities, privatized entities in which government retains an interest, entities engaged by any tier of government in public works with annual contract sum of N1 billion and above and settled from public funds, licensees of government, and all other entities with an annual turnover of N30 billion and above.

Consequently, all affected entities and professionals and Professional firms are invited to take notice that The Council will commence effective and comprehensive compliance monitoring and will enforce the provisions stated above in furtherance of its statutory obligation.

PLEASE NOTE that the Council shall, in addition to all other regulatory sanctions, publish a list of all delinquent debtors (entities, officers of entities, auditors, audit firms and all other professionals involved in the financial and corporate governance reporting of entities) upon the expiration of this notice on March 31, 2025.

To comply with these statutory obligations, all entities and professionals are urged to log on to their profiles via the Council's portal at https://registration.frcnigeria.gov.ng/login for the settlement of all outstanding dues or register via https://registration.frcnigeria.gov.ng/register

For further information and inquiries, please visit our website at www.frcnigeria.gov.ng. You can also contact us at **07074603177** and **07074603188**

Your prompt attention to these obligations is crucial to ensure compliance and avoid regulatory sanctions.

Signed
Management
February 24, 2025

FRC LAUNCHES NATIONAL REPOSITORY FOR FINANCIAL STATEMENTS

The Financial Reporting Council (FRC) of Nigeria, in line with the provisions of Section 8(1d) and Section 58(3) of the FRC Act 2011 (as amended), has announced the launch of the National Repository Portal (NRP) for the electronic submission of General-Purpose Financial Statements by Public Interest Entities (PIEs). This initiative aims to streamline the filing process, enhance data integrity, and improve regulatory oversight.

Background and Challenges
The FRC has observed challenges affecting Nigeria's financial reporting ecosystem due to fragmented submission practices. These include:

1. Multiple submissions of financial statements by a single entity for the same reporting period.
2. Data inconsistencies and a lack of standardization across submissions.
3. Absence of a centralized submission platform, limiting effective analytics and oversight.
4. Time-consuming processes that hinder regulatory efficiency and compliance enforcement.

To address these issues, the FRC has established the National Repository Portal (NRP) in accordance with Section 8(1s) of the FRC Act, which mandates the Council to maintain a national repository for the electronic submission of financial statements by PIEs.

Key Features of the National Repository Portal (NRP)
The NRP is designed to:

- Serve as the official centralized platform for submitting financial statements.
- Ensure efficient, secure, and standardized submission processes.
- Facilitate the management and retrieval of financial data for regulatory purposes.
- Provide controlled access to other regulatory bodies and stakeholders as required.

The NRP will enhance the credibility and transparency of financial reporting in Nigeria, ensuring compliance with national standards while streamlining the submission process for PIEs.

Effective Date and Filing Requirements

- Effective January 2025, all financial statements submitted to the FRC must be filed electronically through the NRP.
- Submissions must follow the prescribed format provided by the FRC. Entities can access the platform via: http://entity.financialstatementsng.com.
- Public Interest Entities are encouraged to review the scope of coverage as defined in Section 77 of the FRC Act (as amended).
- All relevant timelines for submission, along with applicable sanctions, will remain in effect.

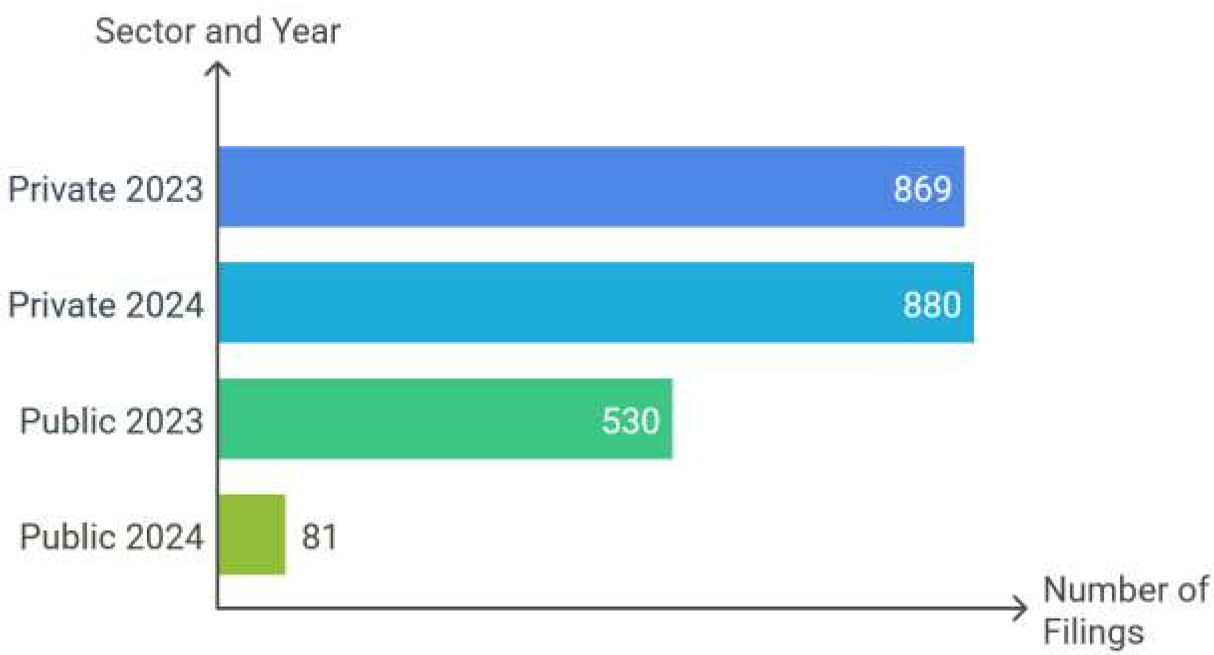
Call to Action
Public Interest Entities are advised to:

1. Familiarize themselves with the NRP platform and its requirements.
2. Ensure timely submission of financial statements in compliance with FRC regulations.

The FRC remains committed to fostering a robust financial reporting ecosystem that promotes transparency, accountability, and regulatory efficiency.

FILING OF ANNUAL REPORTS & FINANCIAL STATEMENTS BY PRIVATE AND PUBLIC SECTOR ENTITIES

S/N	SECTOR	2024	2023
1	Private	880	869
2	Public	81	530



Annual Reports and Financial Statements Filings

PUBLIC NOTICE

REGISTRATION AND PAYMENT OF ANNUAL DUES BY PUBLIC INTEREST ENTITIES, PROFESSIONAL FIRMS AND PROFESSIONALS ENGAGED IN THE FINANCIAL REPORTING PROCESS OF PUBLIC INTEREST ENTITIES

The Financial Reporting Council (FRC) of Nigeria hereby reminds all stakeholders, especially Public Interest Entities (PIEs), professional firms, professional accountants, and other professionals engaged in the financial reporting process of PIEs, regarding their statutory obligations under the Financial Reporting Council of Nigeria Act No. 6, 2011, as amended (hereinafter referred to as "the FRC Act"), the Audit Regulations 2020, and any other Regulations issued by FRC from time to time. Sections 33 (1) (a, b, c & d), 41 (2) and 77 of the FRC Act and Regulations 3 and 14 of the Audit Regulations 2020, underscore the requirement for professionals, entities/firms' registration and the payment of annual dues.

Pursuant to the above, all Public Interest Entities (PIEs), professional firms, professional accountants and other professionals engaged in the financial reporting process of PIEs, are invited to take notice of the following:

1. **The Council will commence effective and comprehensive compliance monitoring at the end of the relevant deadlines provided in the above-mentioned sections of the FRC Act and shall invoke its powers for any infractions.**
2. The Council shall, in addition to other regulatory sanctions, publish a list of all delinquent debtors (entities, professional firms, officers of entities, professional accountants and all other professionals engaged in the financial and corporate governance reporting of entities) after the said compliance monitoring.
3. To comply with these statutory obligations, all entities, professional firms and professionals are urged to log on to their profiles via the Council's portal at ***https://registration.frcnigeria.gov.ng/login*** for the payment and settlement of all outstanding dues.
4. For registration purposes, visit ***https://registration.frcnigeria.gov.ng/register***.

For the avoidance of doubt, the following entities are required to register and remit annual dues to the Council:

i. Governments and government organizations.
ii. Listed entities on any recognized Exchange in Nigeria.
iii. Non-listed entities that are regulated.
iv. Non-listed Public Limited Companies (PLCs).
v. Private companies that are holding companies of public or regulated entities.
vi. Concession entities.
vii. Privatized entities in which government retains an interest.
viii. Entities engaged by any tier of government in public works with an annual contract sum of N1billion and above and settled from public funds.
ix. Licensees of government.
x. Entities with an annual turnover of N30 billion and above.

In addition, professionals and professional firms engaged by the above listed entities are required to register and remit their annual dues to the Council.

For further information and inquiries, please visit our website at ***www.frcnigeria.gov.ng.*** You can also reach us at 08037605518, 07056574124 and 07074603188.

Your prompt attention to these obligations is crucial to ensure compliance and avoid regulatory sanctions.

Signed
DR RABIU OLOWO
EXECUTIVE SECRETARY/CHIEF EXECUTIVE OFFICER
FINANCIAL REPORTING COUNCIL OF NIGERIA

FRC ORGANISES ZONAL WORKSHOPS FOR LECTURERS IN NIGERIAN TERTIARY INSTITUTIONS

The Council organized a series of zonal workshops aimed at enhancing the knowledge of lecturers in Nigerian tertiary institutions on Current Developments in Financial and Corporate Reporting. These workshops took place from November 20 to December 12, 2024, across four key locations: Owerri, Lagos, Abuja, and Kano.

The initiative reflects the FRC's commitment to improving the quality of financial education in Nigeria by equipping educators with the latest insights and practices in financial reporting. By fostering a deeper understanding of current trends and regulatory changes, the FRC aims to empower lecturers to better prepare their students for the evolving landscape of finance and corporate governance.

The training was part of the Council's broader strategy to strengthen the financial reporting framework in Nigeria and ensure that educators are well-informed and capable of imparting relevant knowledge to future professionals in the field.

Participants at the Kano workshop

Participants at the Lagos Workshop

Participants at the Owerri Workshop

Participants at the Abuja Workshop

Congratulations to our 'Early Adopters' - Sustainability Reporting IFRS S1 and S2

The Management of Financial Reporting Council of Nigeria (FRC) wishes to extend our heartfelt congratulations to Access Bank Plc, Fidelity Bank Plc, MTN Nigeria and Seplat Energy for being the early adopters of the International Sustainability Standards Board (ISSB) sustainability reporting standards in Nigeria. Your commitment to transparency, accountability, and environmental stewardship sets a commendable example for the entire business community in Nigeria.

By embracing these standards, you are not only contributing to a sustainable future but also positioning your organization as a leader in responsible business practices. Your efforts demonstrate that profitability and sustainability can go hand in hand, creating long-term value for both your stakeholders and the environment.

We believe that your proactive approach will inspire other organizations to follow suit as voluntary adopters in line with Adoption Roadmap, fostering a culture of sustainability across Nigeria's business landscape. As you continue to integrate these principles into your operations, we look forward to witnessing the positive impact you will undoubtedly make on our economy, society, and planet.

Thank you for your leadership and for paving the way towards a more sustainable future.
Congratulations!

Signed

Dr. Rabiu Olowo
Executive Secretary/CEO, Financial Reporting Council of Nigeria (FRC)

FRC CEO CHAMPIONS SUSTAINABILITY AT LAGOS SUMMIT

The Executive Secretary/CEO of the Financial Reporting Council (FRC) of Nigeria, Dr. Rabiu Olowo, played a key role at the Lagos Sustainability Summit, delivering a keynote address that highlighted the importance of sustainability and encouraged Nigerians to prioritize sustainable practices.

The summit, themed "Building a Resilient and Sustainable Lagos," took place on 12 September 2024 at Eko Hotels and Suites, Lagos. The event aimed to facilitate discussions on innovative solutions for addressing environmental challenges and promoting sustainable development in Lagos State. Governor Babajide Sanwo-Olu reiterated the state's commitment to addressing environmental challenges and emphasized the importance of partnerships in driving the state's sustainability agenda.

In the key note address, the FRC boss said, "Our gathering here today therefore signifies a shared commitment to building a thriving and sustainable Lagos - one that not only meets the needs of the present but also safeguards the prospects of future generations. This Lagos Sustainability Summit therefore could not have been held at a more auspicious time than now that my organisation is providing leadership in Nigeria towards the adoption of the International Sustainability Reporting Standards."

Dr. Olowo's participation in the summit is a testament to his commitment to promoting sustainability and responsible business practices in Nigeria. As the Executive Secretary of the FRC, he has been instrumental in shaping the country's financial reporting landscape and promoting excellence in corporate governance.

STAKEHOLDER ENGAGEMENT ON THE DRAFT NIGERIA NOT-FOR-PROFIT GOVERNANCE CODE (NNFPGC)

The Executive Secretary/CEO of the FRC, Dr. Rabiu Olowo, set the tone during a pivotal gathering at the Lagos Continental Hotel, Victoria Island, Lagos, as he delivered his welcome address at the Stakeholder Engagement on the Draft Nigeria Not-for-Profit Governance Code (NNFPGC).

The Draft Governance Code, as Dr. Olowo emphasized, marked a significant milestone in the professionalization of Not-for-Profit Institutions and Organizations in Nigeria. By establishing clear standards for leadership and organizational practices, the Code encourages NGOs, charities, and other non-profits to adopt more structured and strategic approaches to their work.

This, in turn, enhances their effectiveness and impact, as well-governed organizations are better equipped to manage resources, plan for the long term, and adapt to changing circumstances. The Code also fosters a culture of continuous improvement, encouraging organizations to regularly review and update their governance practices to align with evolving best practices.

In essence, the Draft Nigeria Not-for-Profit Governance Code represents a vital step towards strengthening governance and impact in the non-profit sector. As the FRC continues to drive this initiative forward, it's clear that the Code will play a critical role in shaping the future of Not-for-Profit Institutions and Organizations in Nigeria.

TWG PRESENTS DRAFT PUBLIC SECTOR GOVERNANCE CODE

Members of the Technical Working Group (TWG) on the Nigerian Public Sector Governance Code (NPSGC), paid a courtesy visit to the Head of the Civil Service (HoCS) of the Federation, Mrs. Didi Esther Walson-Jack where the draft Public Sector Governance Code was presented.

In his goodwill address, the FRC chief executive, Dr. Rabiu Olowo, represented by Mr Titus Osawe (Coordinating Director – Directorates of Corporate Governance and Inspection & Monitoring), described the initiative as a collaborative effort to enhance governance systems across Public Sector Entities (PSEs).

"The Council is responsible for examining accounting, auditing, actuarial, and corporate governance issues that bear great significance on the Nigerian economy," he further added.

Chairman of the TWG and former Head of HoCS, Barr. Danladi I. Kifasi (mni), formally presented the draft Code to Mrs. Walson-Jack where he emphasized the significance of the Code as a framework designed to promote transparency, accountability, and ethical behaviour within public sector organizations.

In her remarks, Walson-Jack noted that the initiative aligns with the Federal Civil Service's motto of EPIC—Efficiency, Productive, Incorruptible, and Citizen-centred and pledged her full support for it while encouraging her team to engage with the FRC in ensuring nationwide acceptance and compliance with the Code across Ministries, Departments, and Agencies (MDAs).

The draft Code incorporates principles that are directly applicable to all PSEs in addition to their enabling legislation.

FINANCIAL REPORTING COUNCIL OF NIGERIA

DID YOU KNOW?

1. The FRC (Amendment) Act, 2023, has expanded the scope of Public Interest Entities (PIEs) under Section 77 of the Act.
2. Governance Professionals (Chartered Secretaries, Compliance Officers, etc.) engaged in the financial reporting process are required to register and remit annual dues to the Council, not later than 60 days from 1st January of every year?
3. Audit Firms and Other Assurance Service Firms are required to register and remit annual dues to the Council, not later than 60 days from 1st January of every year?
4. PIEs are required to pay their annual dues not later than 120 days of the financial year.
5. Entities are required to file their Corporate Governance Compliance Reports not later than 90 days after the end of a financial year, via the new portal, which is user friendly, at https://integritynigeria.org/CGS-FRC
6. Entities are required to submit their annual reports and financial statements to the Council within 60 days of Board Approval through the National Repository portal at http://entity.financialstatementsng.com

To register,

Visit https://registration.frcnigeria.gov.ng/register

Already registered?

Visit https://registration.frcnigeria.gov.ng/login to pay your dues

For more information

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Email: registration@frcnigeria.gov.ng

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FINANCIAL REPORTING COUNCIL OF NIGERIA

PUBLIC NOTICE

TO ALL PUBLIC INTEREST ENTITIES

NATIONAL REPOSITORY OF FINANCIAL STATEMENTS

Submission/Filing of Annual Audited Financial Statements and Related Reports Electronically through The National Repository Portal (NRP) – Section 8(1s)

In accordance with Section 8(1d) of the **Financial Reporting Council of Nigeria Act 2011** (as amended), hereinafter referred to as the **FRC Act**, states that **"the Council shall receive copies of annual reports and financial statements of Public Interest Entities (PIEs) from preparers within 60 days of the approval of the Board of the Public Interest Entities."** Additionally, where PIEs submit any financial statements and reports to government departments or authorities, Section 58(3) outlines the Council's requirements in such cases.

The **Financial Reporting Council of Nigeria**, herein after referred to as the "**FRC** or **Council**", has identified a significant challenge within our national financial ecosystem, whereby entities currently submit financial statements and data in ***disjointed*** and ***varying formats*** across multiple channels, leading to:

1. **Multiple submissions** of financial statements by the same entity for the same reporting period.
2. Issues with **data integrity, standardization**, and inconsistencies due to fragmented data collection processes.
3. A lack of a **centralized submission avenue**, which limits effective analytics and oversight capabilities.
4. A cumbersome and time-consuming submission process that affects the Council's regulatory efficiency and compliance enforcement.

To address these challenges and enhance the credibility of financial reporting, the FRC has established a centralized National Repository Portal (NRP) for the submission of General-Purpose Financial Statements by Public Interest Entities (PIEs) in Nigeria, **Pursuant to the provisions of Section 8(1s) of the FRC Act 2011 (as amended), which states that "the Council shall maintain a national repository for electronic submission of General Purpose Financial Statements by public interest entities"**.

This platform will serve as the **official national repository** and digital submission hub for financial statements, with the primary objective of creating an **efficient, secure**, and **scalable system** that streamlines the submission, management, and retrieval of financial statements for regulatory purposes. The Council will provide controlled access to other regulatory bodies and stakeholders on need basis, in an agreed manner, as the custodian of the NRP.

Effective Date and Requirements

Effective **January 2025**, all financial statements submitted to the Financial Reporting Council of Nigeria, regardless of the reporting year, must be filed electronically through the National Repository Portal in the format prescribed by the FRC vide: ***http://entity.financialstatementsng.com***

Entities are advised to familiarize themselves with the scope of coverage for PIEs as defined in Section 77 of the FRC Act (as amended).

Also note that all relevant timelines for the submission of annual financial statements and reports, along with applicable sanctions, will remain in effect.

Signed
Dr. Rabiu Olowo
Executive Secretary/CEO
22nd January 2025

STAKEHOLDER ENGAGEMENT ON PROPOSED VALUATION REGULATIONS FOR FINANCIAL REPORTING

Members of the TWG at the Stakeholder Engagement

The Council held a Stakeholder Engagement Session in Ikeja, focusing on the Proposed Valuation Regulations for Financial Reporting. In his keynote address, the FRC chief executive, Dr. Rabiu Olowo, underscored the essential role of valuation in financial reporting and stated that:

"Valuation is not merely an exercise of assigning a monetary value to assets or liabilities. It is an intricate process that requires rigorous methods, a deep understanding of market dynamics, and adherence to well-defined standards."
Dr. Olowo further highlighted the significance of the proposed regulations in promoting accountability and transparency in the valuation process, noting:

"The proposed regulations are an important step forward in ensuring that valuations are conducted in a manner that upholds the principles of fairness, transparency, and accuracy. They provide a structured approach to valuation that will help standardize practices, mitigate risks associated with subjective judgment, and enhance the comparability of financial statements across entities and jurisdictions."

The event included an overview of the proposed regulation presented by Estate Surveyor and Valuer Olaniyi Fadoju, Coordinator of the Technical Working Group (TWG), a detailed overview of the Valuation Guide by Mr. Elijah Oladunmoye, a member of the TWG, a Panel Discussion and an engaging Question & Answer session, allowing stakeholders to provide invaluable feedback and suggestions.

The event marked a pivotal moment in the development of valuation regulations, reinforcing the Council's commitment to improving financial reporting standards across the nation.

PRESS RELEASE

FINANCIAL REPORTING COUNCIL OF NIGERIA'S POSITION ON IAS 29-FINANCIAL REPORTING IN HYPERINFLATIONARY ECONOMIES

The Financial Reporting Council of Nigeria ("FRC" or "the Council") is a Federal Government regulatory agency established by the Financial Reporting Council of Nigeria Act 2011 (as amended) that is charged with, amongst other things, issuing and enforcing financial reporting (accounting, auditing, valuation, actuarial) and corporate governance standards and guidelines across the public and private sectors in Nigeria.

The FRC has extensively engaged various stakeholders such as the Professional Accounting Bodies in Nigeria, external auditors, government regulatory agencies, and significant public interest entities, where an objective evaluation of the five indicators of the economic environment of a country as stipulated in **IAS 29: Financial Reporting in Hyperinflationary Economies** were undertaken especially to determine the relevance and applicability of the standard in Nigeria in light of the inflationary trend in the country.

IAS 29 outlines the accounting requirements for entities in hyperinflationary economies. It does not specify when hyperinflation arises or is deemed to arise but rather outlines several indicators of hyperinflation that includes a preference for non-monetary assets, pricing in stable foreign currencies, credit sales adjusting for inflation, and a cumulative inflation rate approaching or exceeding 100% over a three (3) year period.

The FRC's analysis of these indicators for Nigeria is as follows:

1. **The general population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency. Amounts of local currency are immediately invested to maintain purchasing power:**

   Data shows that Nigerians continue to transact in local currency and invest in Naira-denominated assets, indicating confidence in the local currency.

   There is no indication that the general population prefers to keep its wealth in non-monetary assets or in any other relatively stable foreign currency. Data from the Central Bank of Nigeria (CBN) and the financial statements of Nigerian financial institutions continue to show that investment in monetary assets such as treasury bills, mutual funds, fixed and current deposits and other short-term monetary assets have been increasing over the last 3 years. Data from the National Pension Commission shows that the Nigerian pension assets which are predominantly held in monetary assets have also continued to increase. The pension assets totaled N22.25 trillion as at November 2024 compared to N18.35 trillion as at December 2023. The currency in which most of these non-monetary assets is denominated is in the Naira. There is no rejection of the local currency as a medium of exchange in Nigeria as the Naira still serves as its base currency for all transactions.

2. **The general population regards monetary amounts not in terms of the local currency but in terms of relatively stable foreign currency. Prices may be quoted in that currency:**

   Monetary amounts in Nigeria are in Naira being the local currency. Salaries and wages for labour are paid in Naira. Goods and services are quoted in Naira as well. This is evident from a review of the major e-commerce platforms and shopping malls in Nigeria such as Jumia, Slot, Konga, Jiji etc. The prices of general goods and services are determined and charged in Naira. Monetary amounts are predominantly regarded in terms of the Nigerian Naira by the general population and not in terms of any other foreign currency suggesting that this indicator is not met.

3. **Purchases on credit take place at prices that compensate for the expected loss of purchasing power during the credit period, even if the period is short:**

   There is no evidence that the price of credit transactions is adjusted for inflation as sales and purchases on credit do not take place at prices that compensate for the expected loss of purchasing power during the credit period.

   Following from our review of the financial statements and other relevant documents of reporting entities in Nigeria, our understanding from business entities in Nigeria is that they offer credit terms to their customers based on the terms of the contract, the risk appetite of the business and the risk profile of the customer.

   Based on our consultations, we know that expectations on inflation or speculations do not drive the pricing of goods and services. Since there is no publicly available data about details of contracts with customers from businesses in Nigeria, the evidence available to us at the micro level does not indicate that sales and purchases on credit take place at prices that are driven by inflation to compensate for the expected loss of purchasing power during the credit period.

4. **Interest Rates, Wages, and Prices Linked to Price Index:**

   Historical data show that wages and prices are not consistently linked to a price index, and interest rates are adjusted primarily to control inflation.

   In Nigeria, historical evidence shows that minimum wage when negotiated, remain fixed for average of 4 to 5 years and are not updated on annual basis. For example, in 2019, minimum wage increased from N18,000 to N30,000 after 8 years since the last revision. The minimum wage remained N30,000 until July 2024 when it was increased to N70,000 after another 5 years.

On interest rates, the CBN has increased the monetary policy rate over time in a bid to curtail inflation. The interest rate in Nigeria is currently at 27.50% but prime lending rate is currently 18.39%.

On the prices of commodities, prices are determined based on the cost of inputs (raw materials and directs costs) and the margin charged by businesses to recover their operational costs. There is no evidence that suggests that other than the recovery of direct costs and operating margin, that businesses charge prices that are inflation-linked or linked to a price index. Based on these factors, this indicator does not support that Nigeria is a hyperinflation economy.

5. **the cumulative inflation rate over three years is approaching, or exceeds,100%:**

Nigeria's three-year cumulative inflation rate according to data released by the Nigeria Bureau of Statistics (NBS) is 110.9% as of 31st December 2024. This exceeded the threshold specified in 1AS 29. Nigeria experienced a marginal decline in its month-on-month inflation rate in July 2024, dropping from 34.2% in June to 33.4% in July. However, the increase towards the end of 2024 was predictable and in line with previous patterns which is largely attributable to year-end festivities. Inflationary pressures in Nigeria are driven by a combination of global and domestic factors, such as the global inflationary crisis and the impact of domestic policy reforms.

The International Monetary Fund's (IMF) report in October 2024 suggests that Nigeria's inflation rate is expected to stabilize at 21% by the end of 2025. This projection indicates that Nigeria's economy is on track to recover from the current inflationary pressures.

The Central Bank of Nigeria (CBN) has also implemented a series of monetary tightening measures aimed at controlling the money supply and curbing inflationary pressures. This is evident in the recent contraction in the growth rates of both the money supply (M2) and credit to the private sector.

6. **Other Relevant Factors:**

We have considered other relevant factors that have significant impact on the Nigerian economy. The structural reforms implemented by the present government have led to short-term economic shocks and do not necessarily translate to hyperinflationary situation. These reforms including the floating of the naira and ending fuel subsidies led to month-on-month inflation.

Factors that are expected to contribute to a decline in inflation and a positive economic outlook in Nigeria, includes:

a) **Operationalization of Dangote Refinery, Port Harcourt and Warri refineries:** The emergence of Dangote Refinery and recommencement of operation of Port Harcourt and Warri Refineries will help reduce inflation in the following ways:

   i Reduction in Fuel Import Cost: L ocal production of fuel will significantly reduce Nigeria's dependence on imported refined petroleum products. Reduction of cost associated with fuel importation will reduce the local pump price which can contribute to reducing the prices of goods and services that are heavily dependent on fuel, thereby reducing inflationary pressures.

   ii. Reduction in demand for Foreign Exchange: 40% of the country's forex needs are channeled to the importation of fuel. By reducing the need for fuel import, it helps to conserve our foreign exchange reserves which in turn help to stabilize the Naira by reducing import-related inflation.

b) **Increased crude oil production:** Crude oil production: Nigeria's crude oil production increased to 1.8million bpd which meets the nation's OPEC allocation and significantly reduce the nation's need for the importation of crude

c) **Agricultural Initiatives:** Food inflation contributes about 16.7% to the overall inflation. The government is promoting agricultural productivity through various programs aimed at boosting local food production. This includes providing support to farmers and improving agricultural infrastructure. Measures to boost agricultural productivity could help lower food prices, which are a significant component of the inflation basket.

d) **Import Policies:** To ease food inflation, the government has adjusted its food import policies, allowing for more imports to stabilize food prices. This is in addition to removing import duties on some food items.

e) **Structural Reforms:** While recent structural economic reforms implemented have led to short-term economic shocks, Nigeria cannot be deemed a hyperinflationary economy. These reforms, including floating the Naira and ending fuel subsidies, contributed to rising year-on-year inflation which reached 34.8% in December 2024. However, there are signs that these inflationary effects are beginning to stabilize. Forecasts suggest a gradual disinflationary trend in 2025, supported by moderating food price growth relative to other sectors, according to the Economic Intelligence Unit (EIU). The EIU projects an average inflation of 26.5% for 2025, with potential for further reduction due to the upcoming rebasing of GDP and CPI data by the National Bureau of Statistics (NBS) in January 2025.

Table 1: SU MMARY OF THE INDICATORS AS PER 1AS 29 – ASSESSMENT OF FACTORS

Paragraph	Factor	Conclusion
3(a)	The general population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency. Amounts of local currency held are immediately invested to maintain purchasing power;	Not met.
3(b)	The general population regards monetary amounts not in terms of the local currency but in terms of a relatively stable foreign currency. Prices may be quoted in that currency;	Not met.
3(c)	Sales and purchases on credit take place at prices that compensate for the expected loss of purchasing power during the credit period, even if the period is short;	Not met.
3(d)	Interest rates, wages and prices are linked to a price index; and	Not met.
3 (e)	The cumulative inflation rate over three years is approaching, or exceeds, 100%.	Met.

CONCLUSION

Determining hyperinflation requires significant judgment and consideration of all relevant indicators. After thorough analysis of the above indicators, **the FRC concludes that Nigeria is not yet a hyperinflationary economy. Therefore, IAS 29 should not be applied in the preparation of financial statements for the year ended December 31, 2024. The FRC will continue to monitor economic developments and update this position for 2025 financial year as the need arises.**

DR. RABIU OLOWO

EXECUTIVE SECRETARY/CEO

22nd January 2025.

SPOTLIGHT

STAFF

The Financial Reporting Council of Nigeria announced a major restructuring and redeployment initiative in July/August 2024, aimed at optimizing operations and aligning with its core mandate.

As part of this initiative, several key personnel changes were implemented:

Mr. Musa Kabiru Jemaku, previously the Director of Finance & Accounts, now heads the Directorate of Accounting Standards (Private Sector)

Mrs. Nnoruka Ezinwanne Dorothy now leads the Human Resources department, alongside her role as Head of Legal, Compliance & Enforcement.

Mr. Felix C. Azubuike, formerly Deputy Director/Head of Policy, Planning, Research, and Statistics, is now the head of the newly established Corporate Services Department, which Incorporate Communications, Information Technology and Registration Units.

Mr. Charles O. Odafen, Assistant Director, formerly Head of the Internal Audit Unit, is now Head of the Finance & Accounts Department.

Mr. Oladejo O. Joseph, Senior Manager in the Directorate of Accounting Standards (Private Sector), is now responsible for the Internal Audit & Strategic Project Review Units.

Dr. Razaq G. Abubakar, Senior Manager of the Sustainability Reporting Unit, has been appointed to head both the Policy, Planning, Research and Statistics Department and the Sustainability Reporting Unit.

All redeployment took immediate effect.

Participants at the Training

FRC TRAINS TECHNICAL STAFF

In its drive to strategically reposition itself as the apex regulator in the Nigerian financial reporting ecosystem and as part of efforts geared towards workforce capacity development, the Council approved an intensive training and certification programme for its technical staff.

The training and certification programme which commenced on 16 December 2024 and was facilitated by ADRAC Professional Services Consulting Ltd. was on certification in International Public Sector Accounting Standards (Cert IPSAS) and certification in Public Financial Management (Cert PFM), both of which are organised by the Association of Chartered Certified Accountants (ACCA), UK.

The CEO of ADRAC Professional Services Consulting Ltd., Dr. Deji Awobutu, a seasoned facilitator and consultant on IPSAS and International Financial Reporting Standards (IFRS), while thanking the Council for choosing the firm for the training said, "The main essence [of the training and certification programme] is for the staff members of the FRC to be competent, to have the qualification for them to be able to review financial statements both from the private sector and from the public sector. So, a full grasp of the understanding of the IPSAS and PFM will certainly put them in the higher pedestal beyond the preparers of the financial statements."

ADRAC Professional Services Consulting Ltd has over ten years of cognate expertise in corporate finance, tax consultancy and facilitation.

FRC HONOURS OUTSTANDING STAFF OF THE YEAR 2024

The Council is pleased to announce that Mrs. Esther E. Amakulo has been recognized as the Outstanding Staff of the Year 2024. This prestigious award is a testament to her exceptional dedication, hard work, and commitment to excellence in her role at the Council.

Mrs. Amakulo, a Senior Manager in the Directorate of Inspection and Monitoring, has consistently demonstrated outstanding performance and a strong work ethic. She holds a B.sc in accounting and is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN). Her contributions to the Council's mission to promote transparency, accountability, and good governance in the financial reporting process have been invaluable.

We congratulate Mrs. Amakulo on this well-deserved recognition and express appreciation for her tireless efforts to uphold the Council's values and objectives. Her achievement serves as an inspiration to us and a reminder of the importance of excellence in public service.

Once again, the FRC congratulates Mrs. Amakulo on her outstanding achievement and looks forward to her continued contributions to the Council's mission.

RETIREMENT ANNOUNCEMENT

The Council wishes to announce the retirement of Mrs. Theresa Odoemena, Assistant Director, Administrative Services Department, who retired from the services of the Council effective August 13, 2024.

PHOTO NEWS

THE 41ST SESSION OF THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (UNCTAD) INTERGOVERNMENTAL WORKING GROUP OF EXPERTS ON INTERNATIONAL STANDARDS OF ACCOUNTING AND REPORTING (ISAR)

LAGOS STATE SUSTAINABILITY SUMMIT

A GROUP PHOTOGRAPH OF MEMBERS OF HOUSE COMMITTEE ON COMMERCE WITH THE FRC CEO DURING AN OVERSIGHT VISIT TO THE COUNCIL HEAD OFFICE IN LAGOS

FRC HOSTS AUDIT & OTHER ASSURANCE PROVIDERS' LEADERSHIP SUMMIT 2024

STAKEHOLDER ENGAGEMENT ON PROPOSED VALUATION REGULATIONS


THEME:
STAKEHOLDER ENGAGEMENT ON THE PROPOSED VALUATION FOR FINANCIAL REPORTING REGULATION

IPSASB DECEMBER 2024 BOARD MEETING HELD IN RIYADH, SAUDI ARABIA

EXECUTIVE SECRETARY/CEO OF FRC, DR. RABIU OLOWO (CENTRE), ALONGSIDE IAN CARRUTHERS, CHAIR OF THE INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS BOARD (IPSASB), AND DR. IHEANYI ANYAHARA, (RETIRED MARCH 24TH, 2025) COORDINATING DIRECTOR FOR THE DIRECTORATES OF ACCOUNTING STANDARDS (PUBLIC & PRIVATE SECTORS) AND SUSTAINABILITY REPORTING, FRC, DURING THE IPSASB BOARD MEETING HELD IN RIYADH, SAUDI ARABIA, IN DECEMBER 2024.

EXECUTIVE SECRETARY OF FRC, DR RABIU OLOWO AND DR IHEANYI ANYAHARA, (RETIRED MARCH 24TH, 2025) COORDINATING DIRECTOR, DIRECTORATE OF ACCOUNTING STANDARDS (PUBLIC) AND SUSTAINABILITY REPORTING UNIT AT THE FRC, AT THE BOARD MEETING OF THE INTERNATIONAL PUBLIC SECTOR ACCOUNTING STAND

FRC BOSS AT THE 2024 PCAOB'S INTERNATIONAL INSTITUTE ON AUDIT REGULATION, WASHINGTON, DC, USA

FRC ES/CEO, DR. RABIU OLOWO AT THE PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD (PCAOB) INTERNATIONAL INSTITUTE ON AUDIT REGULATION

MANAGER, OFFICE OF INTERNATIONAL AFFAIRS, PCAOB, OLU L. OLUWOLE; FRC CEO, DR. RABIU OLOWO; AND HEAD, DIRECTORATE OF AUDITING PRACTICES STANDARDS, MR. ADESHOLA AMOO IN A GROUP PHOTOGRAPH AT THE EVENT.

FRC ES/CEO, DR. RABIU OLOWO IN A GROUP PHOTOGRAPH WITH THE CHAIR OF THE PCAOB, ERICA Y. WILLIAMS AND HEAD, DIRECTORATE OF AUDITING PRACTICES STANDARDS, MR. ADESHOLA AMOO AT THE EVENT.

Head of FRC's Directorate of Actuarial Standards, Mr. Olasunkanmi Ayinde (3rd from left), poses for a group photograph with the Vice Chancellor and key officials of Federal University, Dutse, Jigawa State during the Actuarial Education and Advocacy Programme for Actuarial Science.

A group photograph of workshop participants at the FRC-NIRC Awareness Workshop on ISSB's IFRS S1 & S2 held in Lagos.

The FRC chief executive, Dr. Rabiu Olowo, in a group photograph on the occasion of conferment of Honorary Fellowship on him by ICSAN

HIGHLIGHTS OF SOME STAFF CAPACITY BUILDING & DEVELOPMENT PROGRAMMES IN 2024

FRC & CBN Collaboration Visit to the Bank of Italy on December 16 - 17, 2024.

FRC and CBN Delegation with officials from the Central Bank of Egypt

Staff capacity building on Procurement held in December 2024 in Kigali, Rwanda.

FRC STAFF RETREAT FOR 2024 IN PICTURES

The Council had a transformative staff retreat in Abeokuta, Ogun State, from November 29 to December 2, 2024. The retreat focused on reflection, renewal, and strategic planning for the future.

With a strong emphasis on capacity development, the retreat highlighted the FRC's achievements over the past year, while urging staff members to remain committed to excellence and striving for even greater success.

The retreat featured several strategy-focused sessions, including:

- A dynamic strategy discussion on fostering growth and ensuring long-term sustainability
- A comprehensive presentation of the upcoming year's budget, aligning financial planning with the FRC's broader strategic objectives
- A thematic session on "Transforming Organizational Culture for Enhanced Performance," led by Mr. Sean Olabode Badiru of Africa TechHub
-

These sessions set the stage for innovative strategies, emphasizing collaboration, excellence, and forward-thinking actions to drive the FRC's sustained growth and success.

The staff retreat not only reflected on past achievements but also paved the way for bold, forward-thinking actions as the council prepares for future challenges and opportunities. With a renewed sense of purpose and a clear strategic direction, the Council is poised to continue making significant contributions to the development of the Nigerian economy.

FLASHBACK TO OUR UNFORGETTABLE END-OF-YEAR CELEBRATION!


The FRC Executive Secrtary, Dr. Rabiu Olowo (Left) issuing Long Service Award to Dr. Iheanyi Anyahara (Retired March 24th, 2025) Right, Coordinating Director, Directorate of Accounting Standards (Public), at the Retreat


Group photograph of select FRC Staff who were given special award for their years of dedicated service to the Council

In the historic city of Abeokuta, we gathered to mark the end of another remarkable year, celebrating not only the festive season but also the outstanding individuals who make the FRC shine.

Awards and Recognition

The occasion was a testament to the dedication and hard work of our staff members, with special awards honouring those who have served the organization with distinction for 5-35 years. We also paid tribute to our long-serving colleagues, who have devoted decades to the FRC's mission.

Farewell to Our Retirees

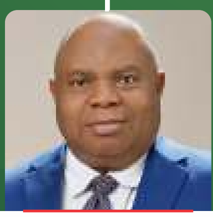
As we celebrated our achievements, we also took a moment to bid a heartfelt farewell to our retirees, acknowledging their invaluable contributions to the organization over the years. Their legacy will continue to inspire us.

A Day to Remember

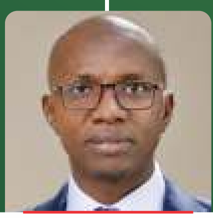
The festivities were made even more special with gifts and accolades, making it a truly unforgettable day. As we look back on the memories we created, we're reminded of the Councils commitment to excellence and the incredible team that makes it all possible.

Meet Our Management Team

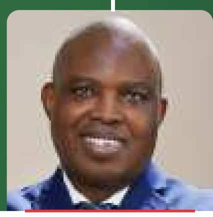
Dr. Rabiu Olowo
Executive Secretary/Chief Executive Officer



Dr. Anyahara Iheanyi Odinakachi
(Retired March 24th, 2025)
Coordinating Director, Directorates of Accounting Standards (Public) and Sustainability Reporting Unit



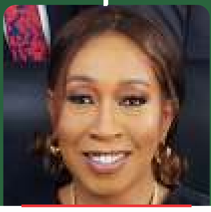
Musa Kabiru Jemaku
Director, Directorate of Accounting Standards (Private)



Osawe Titus Ehigiemwangbon
Coordinating Director, Directorates of Corporate Governance and Inspections & Monitoring

Amoo Adeshola Bashir
Director, Directorate of Auditing Practices Standards

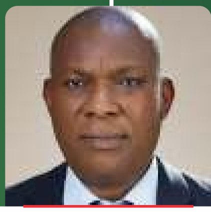
Team



Nnoruka Ezinwanne Dorothy
Deputy Director/Head (Legal, Compliance & Enforcement/Human Resources Departments

Azubuike Felix Chimeziri
Deputy Director/Head,
Corporate Services Department

Okoli Evelyn Etchezona
Deputy Director/Head,
Administrative Services Department



Odafen Oseahume Charles
Assistant Director/Head,
Finance & Accounts Department

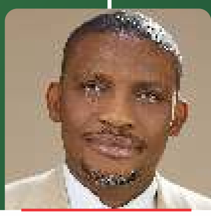
Sherif Babatunde Raji
Assistant Director/Head, Procurement Unit

Osondu Comfort Mbosire
Principal Manager/Head,
Directorate of Corporate Governance

Olasunkanmi Mufutau Ayinde
Principal Manager/Head,
Directorate of Actuarial Standards

Harris Sunday Oshojah
Principal Manager, Directorate
of Inspections & Monitoring

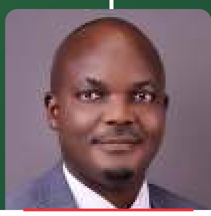
Ibe Obiahu Ibe
Principal Manager/Head, Directorate
of Accounting Standards (Public Sector)



Nwora Ugochukwu Obu
Principal Manager/Head,
Directorate of Valuation Standards

Oladejo Joseph Oladele
Senior Manager/Head, Internal Audit
& Strategic Project Review Unit

Adeleke Adewole
Senior Manager/Chief of Staff
(CoS) to the ES/CEO



Dr. Abubakar Razaq Garba
Senior Manager/Head (Policy, Planning,
Research & Statistics Department and
Sustainability Reporting Unit

WORD PUZZLE

Sustainability Terms

Instructions - Find the below listed accounting terms in the grid. The words can be located horizontally, vertically and diagonally, both forwards and back-to-front.

N	S	S	E	T	I	N	D	U	S	T	R	Y	-	B	A	S	E	D	A
S	S	A	G	E	S	U	O	H	N	E	E	R	G	E	T	C	S	S	E
D	S	S	K	N	S	R	O	T	C	A	F	N	O	I	S	S	I	M	E
R	S	T	A	K	S	I	R	L	A	C	I	S	Y	H	P	G	D	V	N
E	-	E	U	L	A	V	E	S	I	R	P	R	E	T	N	E	E	I	R
S	R	S	P	R	N	S	C	E	M	E	T	R	I	C	S	C	E	E	U
I	C	I	P	O	T	E	R	U	S	O	L	C	S	I	D	I	S	O	I
L	P	S	D	O	T	S	S	E	I	T	I	N	U	T	R	O	P	P	O
I	S	Y	T	I	L	I	B	A	L	A	C	S	R	A	C	O	S	T	P
E	N	R	S	T	C	E	P	S	O	R	P	E	P	M	O	D	E	B	I
N	-	I	M	P	R	A	C	T	I	C	A	B	L	E	N	A	P	O	N
C	E	C	C	I	A	I	B	S	R	O	C	N	I	S	N	S	O	T	N
E	U	N	C	E	R	T	A	I	N	T	Y	C	L	T	E	E	O	N	I
S	E	L	E	D	O	M	S	S	E	N	I	S	U	B	C	T	T	C	R
S	E	S	T	R	A	T	E	G	Y	V	T	R	O	-	T	I	T	L	T
M	A	T	E	R	I	A	L	I	T	Y	B	T	A	L	I	S	I	N	D
L	C	R	O	S	S	-	I	N	D	U	S	T	R	Y	V	R	T	U	A
G	O	V	E	R	N	A	N	C	E	T	A	R	R	E	I	E	L	R	N
C	N	P	D	L	U	O	E	N	T	E	T	S	V	U	T	I	C	M	U
T	N	E	M	E	G	A	N	A	M	K	S	I	R	A	Y	I	D	I	I

Baseline	Business Model	Connectivity	Cross-industry
Disclosure Topic	Emission Factors	Enterprise Value	Governance
Greenhouse Gas	Impracticable	Industry-based	Materiality
Metrics	Opportunities	Physical Risk	Prospects
Resilience	Risk Management	Scalability	Strategy
Uncertainty			

PUBLIC NOTICE

ADVISORY ON ILLEGAL FINANCIAL OPERATORS

The Financial Services Regulation Coordinating Committee (FSRCC), in collaboration with the National Broadcasting Commission (NBC),wishes to draw the attention of the public to the worrisome increase in the activities of Illegal Financial Operators (IFOs) which portends grave risk to the public confidence and stability of the Nigerian Financial System.

The FSRCC and the NBC in their continuing efforts to end the scourge of IFOs in Nigeria, hereby issue the following advisory to the general public:

1. Refrain from dealing with unlicensed or illegal financial operators, who lure and defraud unsuspecting members of the public by offering extra-ordinary returns on investments as bait.

2. Verify the licensing status of such companies and schemes on the following websites before investing in them:

a. CBN: https://www.cbn.gov.ng
b. NAICOM: https://naicom.gov.ng
c. PenCom: https://www.pencom.gov.ng
d. SEC: https://sec.gov.ng
e. FSRCC: https://www.fsrcc.gov.ng

Consequently, the Public is advised to report any individual or entities suspected to be involved in such nefarious activities to Law enforcement agencies.

Call:
CBN: 08176657060
SEC: 02094621168, 09167723240
Email: fsrcco@cbn.gov.ng
sec@sec.gov.ng

Member agencies will continue to engage in regular sensitization campaigns on the threats posed by the activities of Illegal Financial Operators.

Further enquiries may be addressed to:

I. The Director, Financial Policy and Regulation Department / Secretary, FSRCC, Central Bank of Nigeria, and/or

II. The Executive Commissioner, Legal, and Enforcement, Securities and Exchange Commission.

Let us work together to uphold the integrity of Nigeria's financial system.

F.S.R.C.C

NBC NATIONAL BROADCASTING COMMISSION

Your Right to Quality Broadcasting

... the Conscience of Regulatory Assurance

www.frcnigeria.gov.ng

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