LEAD DEBATE ON THE CHATTERED INSTITUTE OF FINANCE AND CONTROL OF NIGERIA (EST. Etc.) BILL, 2018

Sponsored by Senator David Umaru (Niger East Senatorial District)

1.0 Introduction

Mr President, Distinguished Colleagues, I am delighted for the opportunity to lead the debate on the general principles of a Bill for An Act to establish the Chattered Institute of Finance and Control of Nigeria for setting standards for professionals in Finance and Control and for other matters connected therewith, 2017. You will recall that the First Reading of this Bill took place on Wednesday, 18th May, 2016.

The Bill essentially seeks to establish the Chattered Institute of Finance and Control of Nigeria ("Institute") as a robust platform for effective training, certification and professional discipline of all persons desirous of practicing the art of finance. The functions of the proposed Institute are as contained in clause 2 of the Bill.

The primary motivation behind this Bill therefore is to put in place an ideal legal framework including code of ethics that would serve as a mirror of accepted finance practice for accredited members in order to minimize financial risks in private and public organizations.

1.1 Background to the existing legal order

Mr. President, Distinguished Colleagues, it should be pointed out from the outset that while there are adequate legislations enacted by the National Assembly to regulate and guide the practice and professional conduct of accountants, personnel managers, purchasing and supply managers, secretaries, and a host of other professionals involved in the management of human and material resources in public and private organizations in Nigeria, no such legal framework exist for finance and control professionals. This is a major lacuna which poses threat to the financial wellbeing and economic prosperity of the nation.

Mr President, Distinguished colleagues, a question may be asked why a law should be passed to establish a professional body for Finance and Control professionals instead of lumping them with other professional accounting bodies such as ICAN and ANAN. The answer to this question is simple: There is a world of difference between the functions of Finance and Control professionals in an organization and that of Accountants. While accounting functions relates to book keeping, auditing and preparation of financial statements, finance is concerned with designing strategies and instruments for generating and investing funds for the attainment of organizational goes. Finance is primarily about wealth creation and maximization than just profit. Finance professionals in any organization ensure skillful mix of investment and finance decisions with a view to creating wealth.

Mr. President, Distinguished colleagues, it must be noted with regret that in spite of the clear distinctions in terms of functions between accountants and finance and control managers, while private sector organizations have financial and control officers separate from that of Accountants, in government Ministries, Departments and Agencies (MDAs), finance functions have been merged and mixed with accounting functions . This is an anomaly has negative consequences on the financial wellbeing of public institutions and fails to take into consideration the provisions of section 21 of the Public Procurement Act which stipulates that every procuring entity shall for each financial year establish a Procurement Planning Committee composition of which must include the " financial units" of the procuring entity. The growing trend of combining finance and control functions with accounting functions is partly responsible for the cases of recession in the economy since there is dearth of finance and control officers to guide organizations on riskless sources of funds and effective investment or utilization of such funds to achieve organizational goals.

The proposed institute will be concerned with the professional regulation of members involved in finance and control practice not accountants. The passage of this Bill will not contradict or replicate the objectives and operations of existing professional accounting bodies. Already there is a sizeable number of finance and control practitioners across the country who are looking forward to the passage of this law to enable them operate within a legal framework and recognized structure.

2.0 General Principles and structure of the Bill

In sponsoring this Bill, I was influenced by a number of considerations including the following –

(1) The need to address the prevailing acute shortage of core finance and control professionals in public and public organizations to effectively source and effectively utilize funds for growth organizational growth;

(2) The need to promote and entrench globally accepted professional practices and ethics for finance and control practitioners in Nigeria to prevent infiltration of financial management responsibilities by quacks and charlatans.;

(3) The need to ensure greater observance of laid down financial regulations in generating revenues and incomes by collaborating with private and public organizations in their employment of the right genre of finance professionals with the requisite acumen and discipline to making optimal financing decisions;

(4) The Bill was also inspired by the need to create a framework for improved professional networking and affiliations for finance and control professionals in Nigeria, enhance access to rich professional skills and academic publications , and other privileges that would enhance career development and opportunities for members.

Mr President, Distinguished colleagues, for purposes of clarity, let me state here that the Bill has eight parts (VIII) sub-divided into 37 clauses. The substantive clauses are as follows –

Clauses 1,2, 6 and 7 – These provides for the establishment of the Chattered Institute of Finance and Control of Nigeria and its functions under clauses 1 and 2 respectively while clauses 6 and 7 provides for the Governing Council of the Institute and its functions and powers respectively.

Clause 13 and 14 - This provides for the establishment and functions of the Registrar of the Institute in clauses 13 and 14 respectively . It is the responsibility of the Registrar of the Institute to prepare and maintain a register of all registered members of the institute as well as oversee the day-to-day management and operations of the institute.

The Bill has an accompanying Schedule that made supplementary provisions relating to the proceedings and tenure and qualifications of members of the Governing Council of the Institute.

3.0 Conclusion

Mr President, Distinguished Colleagues, in view of the foregoing explanations, I urge you all to support the speedy passage of this Bill.

In compliance with Order **77(3)** of the Senate Standing Orders 2015, as amended, I wish to state that this Bill has no financial obligation to the nation's treasury since the proposed institute is a professional regulatory body with its sources of funding specified under clause 17 of the Bill.

Thank you most sincerely for your kind attention.