The Reality of Being Relevant as Auditors

Moving Past Passwords **Page 6**

Wellness

Regular Coffee Consumption may help lower Blood Pressure – Study **Page 32**

Inventory of Asset Demystified in the Information Technology ... **Page 13**

ASSOCIATION OF CHIEF AUDIT EXECUTIVES OF BANKS IN NIGERIA

OBJECTIVITY & INTEGRITY

Association of Chief Audit Executives of Banks in Nigeria

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CONTENT

Editorial

Welcome to the first edition of your flagship quarterly professional publication, '*Eagle Eye*' in 2023. I wish all our esteemed readers, a happy and prosperous year 2023.

As the intensity of the current economic downturn which was worsened by the Covid-19 Pandemic conti nues to hit organizations, the search for ways to curtail costs, improve efficiencies, maintain customer satisfaction levels, and increase profits have dominated discussions at the top management. This has necessitated the need for robust risk management by organizations. The above concerns have brought to the fore, the need for Auditors to become more proactive and valued stakeholders. This is further highlighted in our cover article '**The Reality of Being Relevant as Auditors.**'

As an Auditor, one of the skills you must master is the ability to know when to say 'No' or 'Yes'. The article 'Learn When to Say No' will help you understand when to refuse a request or accept it to avoid burnout, increase influence, save yourself from troubles and protect your reputation.

'Moving past passwords' is also another interesting read. As organizations struggle to manage the multiplicity of passwords, Fast IDentity Online (FIDO) has come to the rescue – this is in a bid to improve ease of use, and standardize authentication at the client and protocol layers.

We have equally included an article on the need for commitment to quality audit and auditing standards, especially as the effects of the Covid-19 pandemic on business operations as well as financial reporting processes of business continue to reverberate – this is aptly captured in 'Remote Audit Evidence and Quality of Audit Reporting: Covid-19 Era.

Investment is a risky venture and requires a proper understanding of the elements that impact it, the article, 'Making Smart Investments' takes the readers on a deep dive into understanding the steps required for making realistic and result-yielding business decisions. Also, the need for organizations to properly track and manage their information assets for improved performance, fewer safety incidents, improved business productivity, and most importantly, lower operating costs was extensively discussed in the article 'Inventory of Asset Demystified in the Information Technology Space.'

As audit professionals, if you take delight in conducting efficient and effective audit interviews, then the article on Interviewing Techniques for Effective Audits should catch your fancy while the article on Thrifty Living: a Survival and Developmental Strategy encourages us as Cost Control officers, to be intentional with our spending and prioritize the things that matter most to us and our organizations.

We have equally featured the full text of the Keynote Address presented by the Managing Director/CEO of Polaris Bank Limited, Mr. Adekunle Sonola at the 54th Quarterly General Meeting of the Association with the theme "Cybersecurity threats and the challenges of building a sustainable financial sector: The way forward." held on December 08, 2023, in Lagos with the accompanying pictures of the event. This edition also concludes the picture segment with the Send forth party of Ex-CAEs that happened later the same day at Tistle Lounge.

In conclusion, life is good they say, so while you put great effort into your work, studies have shown that good health is equally important for optimum productivity. Research on the benefits of Coffee has found that 'Regular Coffee Consumption May Help Lower Blood Pressure.' I wish the Association a successful Annual General Meeting.

Ugochi Osinigwe
Editor-in-Chief

Reader's Comments: kindly send your comment/feeback to info@acaebin.org

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The Reality of Being Relevant as Auditors

The intensity of the current global economic downturn has left organizations searching for ways to curtail costs, improve efficiencies, maintain customer satisfaction levels, and increase their profits. This unprecedented economic crisis has been nothing short of an urgent call to action for more robust risk management practices in organizations.

As organizations reinvent customer interactions and modify their business models to digitize products and services, Internal auditors must undertake a continuous journey of transformation along the path of innovation and digital maturity which is essential to maintaining sustained competitiveness.

Keys to remaining relevant

The following are little-known secrets that can steer you to a tremendously successful career as an auditor and this works even if you are a newbie. To become a value-added auditor, it is important to have a **POSITIVE** mindset and it is also the key to propelling the internal audit team to ambitious new heights. This acronym is explained below:

P – Proactiveness: Being proactive is the act, trait, or habit of planning for, interfering with, or controlling predicted occurrences, particularly unpleasant or difficult ones.

Internal auditors' responsibilities often include reviewing an organization's business processes objectively and providing an unbiased assessment of the procedures' completeness and adequacy with an emphasis on their effectiveness and efficiency. One of the ways of being proactive as an auditor is providing process improvement initiatives to the units or groups audited, planning, and productively projecting the brand or institution you work for.

O – Optimism: An individual determined to be hopeful and expect good outcomes, should be enthusiastic about seeing things in the positive line and perform a forward-looking, value-based audit.

S – Set goals: Each internal audit team member has individual goals to work toward, and it's important to align these with the team's objectives too. Not only is it essential for the internal audit group to ensure that its activities are fully aligned with the expectations of the organization's leadership, but it is also vital for leaders of the organization to sightsee the internal audit function for support, ensuring assigned tasks are meeting specific quality standards and putting in place some mechanism to ensure discipline.

Goal setting helps to be strategic and gives opportunity for self-review, the auditor must be attentive enough to put all efforts and due care necessary in aiming for a quality audit assignment. It also enables auditors to find solutions to various challenges and in all of these, the auditor should be able to manage stress.

I – Innovation: An auditor should think of new ideas in doing things, developing, and improving on them. Auditors and audit teams should actively seek to learn,

unlearn, relearn, and transform themselves to keep pace with the velocity of advancement in the business and the larger economy.

The future of work is digitally changing; this reality should steer the future auditor to acknowledge the need for change, understand the essential capabilities for effecting change and undertake a game plan for getting started.

Innovation as a function embraces an agile, holistic approach that focuses on governance, methodology, and technology while delivering more robust assurance and more valuable insights to the business in an efficient manner.

Fraud detection/investigation, prevention, and monitoring require more data analysis tools and computer-assisted audit tools (CAATs) which are some of the key priorities that need improvement. Auditors should become more data and technology-enabled to provide value-added insights and recommendations.

T – Take the ordinary and make it extraordinary: Leveraging the knowledge or skills acquired helps to provide internal and external stakeholders with relevant, timely, and impactful results on the effectiveness of risk management and controls. Make each audit task and report more valuable and remarkable by adopting more agile practices, and engaging the business teams more before, during, and after the audit exercises.

I – Influence and Integrity: By definition, "influence" is getting others to act on your suggestions without pulling rank. Influential people can garner support for their submissions, and they recognize that being persuasive requires more than technical expertise and simply having facts to support a perspective. They can communicate their message in as many ways as necessary to the diversity of their audience. Persuasive people leverage their relationships with others and the information they possess to get others to act on corrective action plans and adopt efficiency-boosting recommendations.

Integrity on the other hand is the quality of being honest and having strong moral principles. An auditor should adhere ethical codes or principles that align with the organization's objective.

V – Visibility: This is simply being noticeable through your work or your presence, being a person of value and distinctness. It makes you stand out and leaders recognize your efforts in achieving the organization's strategic, operational, financial, and compliance objectives.

E – Excellence: Delivering excellent service is vital and being efficient in your engagements and communications in a professional manner creates a supportive and result-driven achievement for the organization.

Summing it up
The POSITIVE mindset of an auditor aids the Internal audit's collaborative approach to successfully create a supportive and results-oriented team that is an essential part of the organization's success.

Adopting an agile or growth attitude will allow Internal Auditors to stay relevant as trusted advisors. In this digital age, with the right tools, skills, and practices, Internal Auditors will add value to organizations in new and sustainable ways focusing on these three steps – embedding technology, embracing change, and encouraging growth – this is vital to propelling auditors and audit teams to ambitious new heights.

Until next time, audit with the passion to deliver value.

Nora Julius
Internal Audit Group
Sterling Bank Plc.

Moving Past Passwords

Passwords represent an ongoing security threat for companies. Research suggests that over 80% of data breaches are due to weak credentials and passwords. Managing unique passwords and logins for hundreds of accounts is unwieldy, leading users to bad password hygiene. It's time to move beyond password-based authentication. The good news is that the passwordless authentication movement is gaining momentum as more companies eliminate passwords from their authentication flows. The FIDO ("Fast IDentity Online") Alliance's 250 members (many companies become members, including Google, Microsoft, ARM, Bank of America, Master Card, Visa, Microsoft, Samsung, LG, Dell and RSA. Today, FIDO authentication is guided by three mandates: ease of use, standardization, and privacy/security) that delivers both usability and outstanding security.

FIDO (Fast ID Online) is a set of technology-agnostic security specifications for strong authentication. FIDO is developed by the FIDO Alliance, a non-profit organization that seeks to standardize authentication at the client and protocol layers. FIDO specifications support multifactor authentication (MFA) and public key cryptography. Unlike password databases, FIDO stores personally identifying information (PII), such as biometric authentication data, locally on the user's device to protect it. FIDO's local storage of biometrics and other personal identification is intended to ease user concerns about personal data stored on an external server in the cloud. By abstracting the protocol implementation with application programming interfaces (APIs), FIDO also reduces the work required for developers to create secure logins for mobile clients running different operating systems (OSes) on different types of hardware.

FIDO supports the Universal Authentication Framework (UAF) and the Universal Second Factor (U2F) protocols. With UAF, the client device creates a new key pair during registration with an online service and retains the private key; the public key is registered with the online service. During authentication, the client device proves possession of the private key to the service by signing a challenge, which involves a user–friendly action such as providing a fingerprint, entering a PIN, taking a selfie, or speaking into a microphone.

What you need to know about FIDO

1. Passwords are ubiquitous and vulnerable to attack; new approaches to authentication are needed. Looking ahead to the next 18 months, security experts have made two predictions:

   a. Phishing attacks will continue to succeed. Phishing is a cheap, easy way for bad actors to take over user accounts. Well-designed phishing attacks have a success rate of more than 50%.

   b. Multifactor authentication (MFA) bypass attacks will become mainstream. Legacy MFA like SMS text codes is not fully secure.

Although password-based authentication has many weaknesses, it has been difficult to shift to a better approach. Users and organizations are often reluctant to change because passwords are a known commodity that is part of the fabric of the web.

Fortunately, passwordless authentication provides a better alternative, offering the same advantages of passwords without the security weaknesses. The outlook for 2022 and 2023 is bright. Every major analyst firm has told enterprises to implement passwordless authentication now.
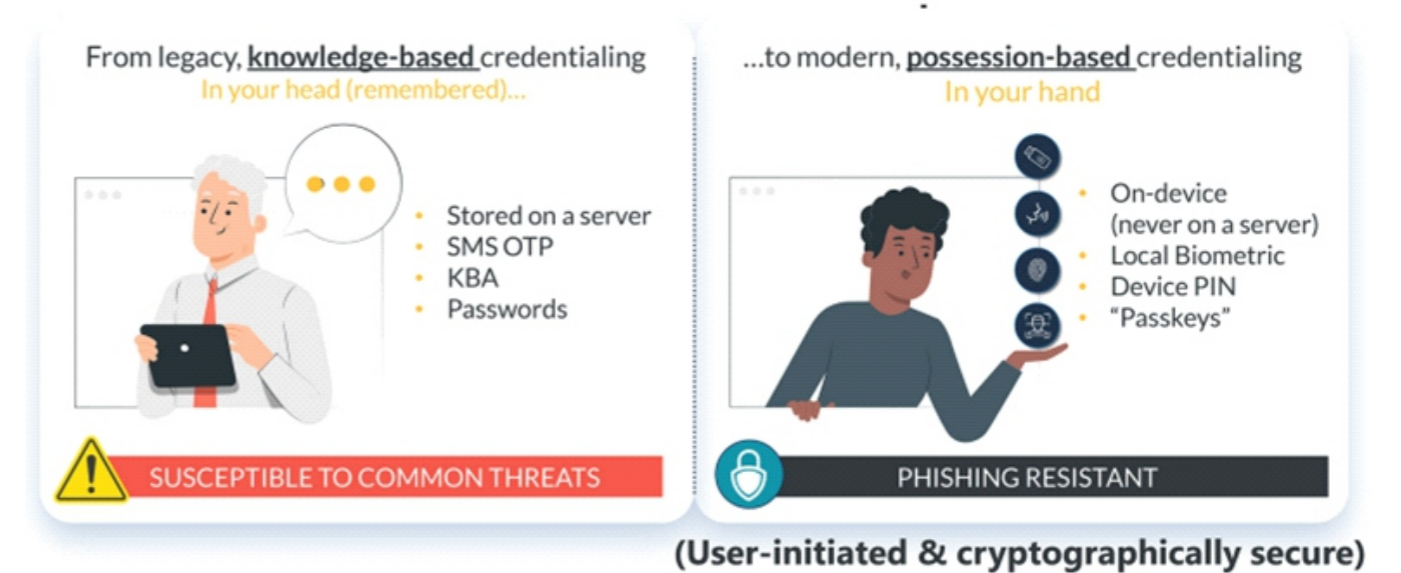
The FIDO Alliance is seeing upwards of 20% to 40% of companies implementing FIDO-based passwordless solutions inside the enterprise. On the consumer side, device platforms are providing consumer-ready solutions at scale, which should be available later this year.

2. **A fundamental shift is required from legacy, knowledge-based credentialing to modern, possession-based credentialing.**

Knowledge-based credentialing uses a shared secret, such as a password or an SMS one-time password (OTP). If users present the right secret, they are granted access. However, this approach is susceptible to common threats because any human-readable secret sent over the network is vulnerable to remote attack.

The solution is to move to a possession-based form of authentication that is phishing resistant. Unlike most knowledge-based authentication approaches, possession-based authentication never sends human-readable secrets over the network. Modern approaches use cryptographically secure communication that is initiated by the user.

Figure 1: Knowledge-Based Credentialing vs. Possession-Based Credentialing

From legacy, **knowledge-based** credentialing
In your head (remembered)...
- Stored on a server
- SMS OTP
- KBA
- Passwords

SUSCEPTIBLE TO COMMON THREATS

...to modern, **possession-based** credentialing
In your hand
- On-device (never on a server)
- Local Biometric
- Device PIN
- "Passkeys"

PHISHING RESISTANT

(User-initiated & cryptographically secure)

3. **FIDO authentication is based on a simple architecture that delivers multiple benefits.**

The fundamental difference between the FIDO approach to authentication and traditional approaches is the

introduction of an authenticator that mediates the relationship between the user and the server. Public key cryptography uses a key pair consisting of a public key and a private key.

▪ The public key resides on the server.

▪ The private key is local on the authenticator; private keys are dedicated to each app on the authenticator.

In this model, the public key has no material value. If bad actors steal the public key, they can't do anything with it. To protect the private key, users verify themselves with the authenticator and then the private key has the authentication dialog with the public key. The only thing sent over the network is an encrypted signal. As a result, there's nothing for hackers to hack and it's impossible for a man in the middle attack to take over an account.

The latest FIDO2 specs were built in collaboration with the W3C standards body. There has been broad adoption of FIDO across markets. Virtually every device unboxed today supports FIDO authentication and over 90% of web browsers actively use it today.

Figure 2: How FIDO Authentication Works
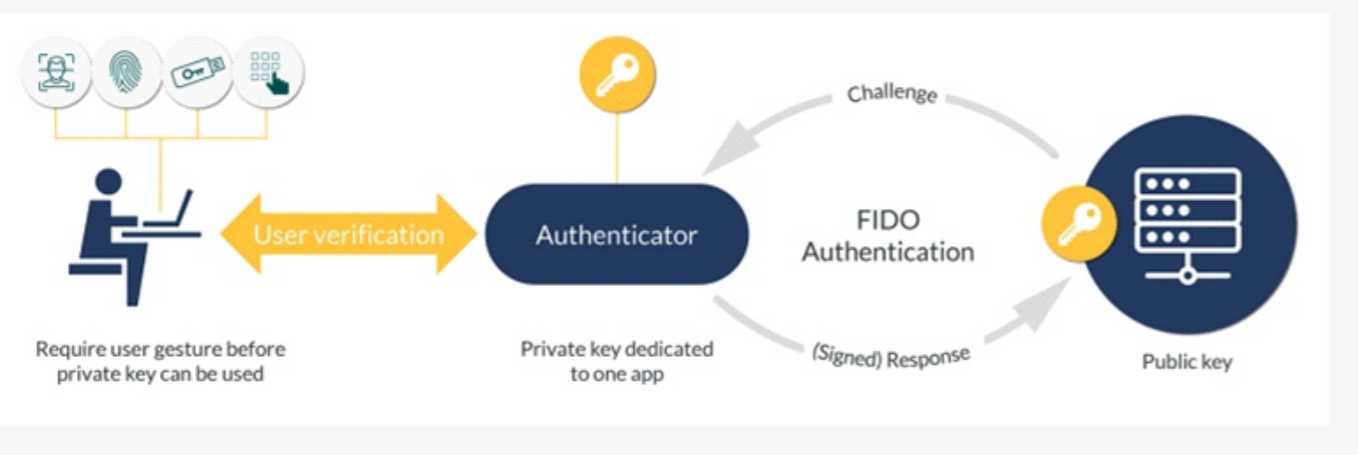
Real world cases and different forms of personal identifying information.

Figure 3: FIDO Use Cases
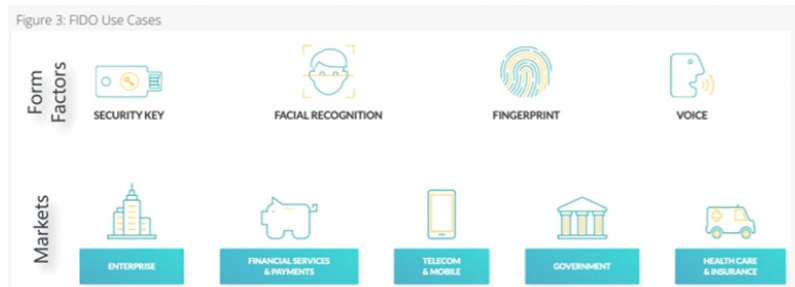
The benefits of deploying FIDO include:

▪ Security. FIDO reduces the risk of data breaches and resulting damage.

▪ User experience. A lower-friction user experience (UX) results in more site visitors, greater brand affinity, and higher employee productivity.

▪ Cost savings. FIDO's passwordless-based authentication eliminates the need for password resets, device provisioning, and customer support.

▪ Increases to the top line. FIDO improves sign-in rates. For example, a financial services firm saw a 15% lift in the number of people signing in compared to password-based authentication. Moving to a passwordless approach also reduces shopping cart abandonment.

In addition to businesses, governments and regulatory bodies have also embraced FIDO authentication. In the United States, the White House has been engaged in leveraging FIDO authentication for different policies. Globally, countries are deploying FIDO authentication to protect government assets and e-citizen services.

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Remote Audit Evidence and Quality of Audit Reporting: Covid-19 Era

Audit quality remains paramount in the covid-19 pandemic era. The impact of the global pandemic on business operations as well as financial reporting processes of business cannot be overemphasized. As a result, auditor have responsibility to obtain the understanding and assess the impact of covid-19 on clients' business and financial reporting framework in order to determine the effect on client's audit process and timetable. The effect of the global pandemic has been termed material and severe both to the clients and financial reporting process as it impacted on employees, financial system, mobility, and the economy at large (FRCN, 2020). Therefore, there is possibility that this situation may posit scope of limitation or complex auditing issues to auditors (Owolabi & Joshua, 2020).

The implications caused by the pandemic has enabled businesses, companies, the audit profession etc. to adjust drastically to complexities of reporting processes, increased risk and uncertainties thereby resulting in delivering audit engagement via cybernetic (IFAC, 2020). However, despite all these changes, commitment to audit quality and auditing standard remains intact as the standards are still apt despite covid-19 situation. Audit quality remains very imperative more than ever before in the current uncertain situation in which additional time to enhance audit quality might be required. Therefore, both processes and people required for the audit work must ensure wellness as high audit quality requires high quality personnel (IFAC, 2020).

As the Covid-19 pandemic turns the world upside down, we are all forced to define a new 'normal'. For businesses, that might mean staggering schedules, setting up home offices and providing personal protective equipment (PPE) to staff. With this global crisis, most people have changed their priorities, and what used to be important might not be anymore. While this is understandable, it is important that activities aimed at evaluating and maintaining quality management systems (QMS) continues, including quality audits. It has therefore become imperative that; remote auditing be examined by scholars with a view to proffering solutions to the auditing problems created by this new normal (COVID-19).

There are several advantages of remote auditing, to both businesses and auditors. They include: saving money relative to travel expenses, meals and hotel stays; global auditing opportunities – when auditors do not have to travel, they can provide more flexibility to clients in audit scheduling; the time saved from not having to travel to difficult-to-reach sites enables auditors to concentrate solely on the audit, increasing their productivity and the audit content (e.g., observations and findings). This paper examines how significant, remote audit evidence will improve quality audit and reporting in this COVID-19 era.

Remote Auditing

Remote auditing is conducting audits using electronic means for communication, reviewing audit evidence, conducting meetings and everything else involved in a proper quality audit. Teleconferencing, screen

sharing, video conferencing and file sharing are some technologies that are currently being used in remote auditing (Eulerich, Wagener, & Wood, 2022). During a remote audit or e-audit, an auditor performs an audit without being physically present at the site of the audited party (the auditee). Online tools are used to share and obtain evidence, taking into account the requirements and regulations applicable to the audit.

Issues with Remote Audit

Of course, there are challenges when it comes to remote audits, mostly for the auditor. Some companies, for example, may not have access to the technology that they need to carry out an effective, remote audit. Auditing processes, for instance, those in manufacturing, may be more difficult and might not be representative of the actual process.

Remote auditing would not be a good choice for:

* Third party audits for companies that are not yet certified.

* Companies with a history of compliance issues.

* Auditors that have no familiarity with the auditee.

* Companies where documentation is primarily hand-written or hard copy, and electronic copies are not available.

* Critical industries, such as food or medical devices. A partial remote audit could be conducted though.

Audit Quality

* Audit quality refers to matters that contribute to the likelihood that the auditor will achieve the fundamental objective of obtaining reasonable assurance that the financial report is free of material misstatement; and ensure material deficiencies detected are addressed or communicated through the audit report. This includes appropriately challenging key accounting estimates and treatments that can materially affect the reported financial position and results (ASIC, 2005).

* Directors are responsible for the quality of the financial report, which is supported by the quality of the audit, so it is in the interests of directors and audit committees to support the audit process. This includes ensuring that management produces quality financial

information on a timely basis, and that the audit is appropriately resourced '(Nazarova, Nezhyva, Hotsuliak, Novikova, & Fedorenko, 2021).

* Auditors must obtain reasonable assurance that financial reports are free of material misstatement, apply sufficient skepticism to accounting estimates and treatments, and address any deficiencies detected so that investors and other users of financial reports can have confidence in the quality of the information they contain ' (Nazarova et al., 2021).

Remote Audit Evidence and Quality Of Audit Reporting in the COVID-19 Era

* International Federation of Accountancy stated the following as the new ways of working or performing audit engagement during the covid-19 pandemic environment (IFAC, 2020):

I. Virtual remote operation: The auditors need to quickly shift to remote operations both for the audit clients and the audit team in order to conduct audit engagement and to obtain audit evidence. Therefore, adequate, and proper planning is more essential in this era, more documentation will be needed and multiple ways of obtaining evidence will be needed as well such as through the electronic means by screen shooting with further verification or corroborating evidence (IFAC, 2020).

ii. Exercising professional skepticism: This might be difficult since there is no face-to-face interaction in person with the client. Therefore, in the kind of situation observation of body language when responding to inquiries might be an effective way of exercising profession skepticism, responses to enquiries through the email must be considered thoroughly and follow up with life conversation to video where necessary most especially for fraud cases (IFAC, 2020).

iii. Frequent assessment of risk is paramount: Re-assessment of risk is paramount in the period and early communication with the management is very important. Therefore, audit work should be properly scheduled among the audit team (IFAC, 2020).

iv. Possibility of fraud and error: Auditor should exercise professional skepticism bearing in mind the possibilities of fraud. The control

environment of the client needs to be re-assessed which include the segregation of duties and system access which might be weakened in this period. Therefore, the auditor should carefully review any government support packages such as the existence of subsidies or any incentives (IFAC, 2020).

v. Going concern analysis: Different ways of stress testing going concern analysis should be adopted by the auditor. The auditors need to

apply professional skepticism to the assumptions and judgements made by the management's assessment (IFAC, 2020).

vi. Materiality: Materiality benchmark for the pre-COVID-19 era might not be appropriate in this pandemic period due to the significant changes in the revenue as a result of measures taking by the government to contain the spread of the virus. Therefore, as the audit progresses, auditor needs to continue to re-assess materiality threshold such as the determination of whether the underlying business still remain as usual, whether the historical benchmark or back-ward looking is appropriate and whether any changes in materiality benchmark can result in significant changes in profit, revenue and asset. However, whatever the decision of the auditor having applied the professional skepticism must be well documented (IFAC, 2020).

vii. Confidentiality: Auditors might find it difficult to maintain confidentiality with team members working remotely from their homes. However, confident information will be sent to the team members from time to time.

Therefore, it is imperative that practitioners issue guidance on how to maintain confidentiality despite working from home (IFAC, 2020).

viii. Audit fee: Auditors might face challenges of not been paid for the audit engagement during the pandemic or reduction of fee and there might be difficulty in conversing with the client. (IFAC, 2020).

ix. Threat to independence: Threat to independence such as the self-review threat need re-assessment from time to time as there might be concern that independence could be impeded. Therefore, the auditors need to be talking through the ethical dilemmas as the need arises with their partners. (IFAC, 2020).

Remote Auditing And Quality Of Audit Reporting

Albitar (2020) determined the effect of covid-19 pandemic on audit quality considering the audit engagement in times of social distancing. The study mainly aimed at exploring the influence of covid-19 pandemic on the five main considerations of audit quality in the pandemic era such as going concern assessment, audit human capital, audit fees, audit personnel salaries and audit procedures. The study revealed that the effects of the pandemic will be a significant challenge for auditors and their clients even specifically, the social distancing measures could cause a devastating effect on the audit quality considerations. The study of Ghalib (2009) established the extent to which auditors could adhere to the provision of the International Standard on Auditing (300) in Yemen. Ordu, (2019) opined that audit planning is critical for effective audit engagement that can produce a true and fair audit report. However, the study of Halim (2014) revealed

the relationship between auditors' competence, auditors' independence which are elements of audit planning and audit quality as audit independent is germane in timely detection of any misstatement in the financial statement.

Advantages and Disadvantages of Remote Auditing

The way of doing business ex-ante COVID-19 pandemic, in most cases, required personal visits of remote areas in order to collect the necessary data. Therefore, the auditor had to make additional efforts to reach a particular auditee and perform the necessary tasks. Significant travel-related efforts and costs are the primary reason why remote audit (without personal presence) has become attractive to internal, as well as external auditors (Christ, Eulerich, Krane, & Wood, 2021). Commonly mentioned advantages of remote auditing are reflected in the following: time and money savings by using ICT, avoiding personal visits of remote areas, increasing the scope of audit, increased efficiency of the audit team, double-checking documents leads to more relevant evidence, increased use of ICT strengthens documentation and reporting, logistics related to auditing is not needed anymore (Serag & Daoud, 2021).

Eulerich, Wagener, and Wood (2021) in their research presented the results of a survey conducted during 2020, which involved 271 German internal auditors that conducted remote and traditional audits. Based on their responses, the research showed that internal auditors did not notice any differences in the efficiency and effectiveness of stakeholders' trust in the results of remote and traditional audits. Also, research showed that there is a positive correlation between the perception of efficiency and effectiveness and internal auditor's experience with remote audits. Namely, the perception of efficiency and effectiveness increased as the internal auditor's experience with remote audits increased. Additional analyses showed that expected success of a remote audit predominantly depends on the auditee support.

From the standpoint of the impact of remote audit on the level of quality of provided internal audit services, the authors have conflicting opinions. The first group of authors concluded in their work that the quality of audit will be reduced (Bennett & Hatfield, 2018), (Saiewitz, 2018) and (Saiewitz & Kida, 2018). The mentioned authors noticed in their works that personal interactions are important for the quality of the audit. Namely, when auditors personally visit an auditee, they can get better conclusions through non-verbal communication, or they are able to obtain more answers, compared to interactions via e-mail.

Therefore, audit clients and third parties believe that auditors' personal requests are more urgent and important than e-mail requests. In addition, they expect a higher number of questions in face-to-face interactions.

On the other hand, the authors (Carlisle, 2018) and (Hawkins, 2017) suggested that remote auditing would in fact improve audit quality. The first author claims that an auditor will be more neutral in remote auditing as he/she will not be influenced by auditee management and will try to find their own source of information to confirm the claims given in financial reporting. The second author claims that when auditors are not physically present at an auditee's premises, he/she will show higher level of skepticism, compared to traditional audit when an auditor may place too much reliance on auditee management presentations.

Conclusion

The spread of the pandemic caused by COVID-19 has imposed new business conditions around the world. While countries struggled to adopt timely measures to combat it, business entities still had to make important decisions that would help them keep their businesses afloat. The global economic and financial consequences are likely to be felt in all industries and activities, even after the end of the pandemic. The above, led company managements to lay particular emphasis on their employees during the pandemic, by introducing special protection measures in the form of remote work, amid efforts to suppress the spread of this type of coronavirus. It can be concluded that internal auditors should use current COVID-19 environment as an opportunity to improve their effectiveness and efficiency by resorting to digital transformation. Different advantages of using remote auditing concept was mentioned, with cost savings being one of the most important. Furthermore, an auditor may appear more neutral compared to traditional audit as he/she will express higher levels of skepticism towards the auditee. We therefore conclude that remote auditing is definitely a proper solution in the COVID-19 environment, though remote method can also be used in regular auditing in its partial form. Finally, it can be concluded that remote auditing could possibly result or lead to resorting to smarter ways to perform internal auditing as this may have a positive effect on employees' willingness to adapt to new business environment.

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Inventory of Asset Demystified in the Information Technology Space

An Asset

In financial accounting, an asset is any resource owned or controlled by a business or an economic entity. It is anything that can be used to produce positive economic value. Assets represent value of ownership that can be converted into cash.

In IT space, asset means

Information Technology Assets means the computer software, firmware, middleware, servers, systems, networks, workstations, data communications lines, and all other information technology equipment, used by and under the control of the Company and its Subsidiaries.

An asset is something that provides a current, future or potential economic benefit for an individual or other entity. An asset is, therefore, something that is owned by the Organization or something that is owed to the Organization.

There are three types of assets – **data assets, application software assets and physical assets.** These assets are considered to have value to the organization that uses the system.

ISO 27001 is an information security framework that addresses the management of an organization's information assets. In line with ISO27001 definition, an information asset is as any valuable location within an organisation's systems where sensitive information is stored, processed or accessible. For example, an employee's computer, laptop or company phone would be considered an asset. Likewise, the records contained in such systems.

The definition of Asset Management is not clearly contained in the ISO27001 framework. However, section A.8 in the guideline contains specific requirements that organizations are required to comply with to enhance the safety of its Information assets. The requirements are highlighted below:

* A.8.1.2 – Ownership of assets: each asset in the asset register needs to have an owner responsible for protecting the confidentiality, integrity, and availability of the information. Asset ownership is one of the fundamental concepts in ISO 27001.

* A.8.1.3 – Acceptable use of assets: rules for proper use of assets need to be defined, documented, and implemented.

* A.8.1.4 – Return of assets: upon termination of business relations, all users in possession of information assets need to return them to the organization.

Asset inventory is the way an organization lists and provides details of the assets it owns. This can cover a range of different types of assets, from tangible fixed assets such as property and equipment, intangible assets such as intellectual property. Asset inventory management is the way the organization monitors the assets it owns to track and analyze issues such as physical location, maintenance requirements, depreciation, performance, and eventual disposal of the asset.

Implementing a robust way of managing your asset inventory is a critical part of your company's accounting processes. It also helps to ensure that the business has a clear understanding of the assets it owns and utilized

The difference between asset inventory management and inventory management:

The terms inventory management and asset inventory management are often used interchangeably, but in practice, there are a few key differences.

Inventory Management Vs. Asset Inventory Management

Inventory Management	Asset Inventory Management
This deals with items that are either sold or consumed by the organization.	This deals with what the organization owns.
Inventory management usually refers to stock that is held by the business for a short period of time, before being used or sold.	Inventory asset management generally relates to items that are owned, or intended to be owned, by the business for a minimum of twelve months.

The purpose of inventory management is to track the location, time period held, and value of a stock before it is sold or used.	The purpose of inventory asset management is the same as for inventory management, but also includes analyzing other areas such as depreciation, performance, and asset maintenance.

However, there are some key features that an Organization should expect at a minimum:

Key Features to Successfully Manage Assets

Asset Lifecycle Management.

Effective asset lifecycle management can be found in most asset management and Enterprise Asset Management systems. As a software feature, it is usually designed to help maximise the lifecycle of a fixed asset, from acquisition and usage to disposal.

Inventory Management.

Inventory management is a valuable tool for warehousing operations. It can help track, manage, and control inventory from a single dashboard. By doing so, users can view stock levels at-a-glance and be alerted when parts and supplies are running low. It can also re-order new items only when necessary and avoid depleting stock levels.

Asset Tracking Technologies.

To manage inventory effectively, assets need to be tracked. Asset tracking goes hand in hand with inventory management. Many Asset Tracking Software tools offer barcode, RFID, and Bluetooth tracking, where the software is used in conjunction with scanning devices.

Asset Check-In and Check-Out.

This software feature is handy for tracking the whereabouts of assets as they travel from department to department, or from site to site. For instance, if a company has hundreds of laptops, it will need to know where they all are and who is using them.

The equipment check-in and check-out feature will log whether an asset is available for use and who used it last and the system could also capture the necessary audit trails of the asset's history, including the equipment users.

Maintenance Management.

Maintenance management features exist in most asset management tools. The Maintenance features allow users to plan preventive work and routine inspections to avoid costly unplanned downtime and eventually move away from a reactive maintenance approach. This means that assets experience less downtime, leading to significant cost savings.

Work Order Management.

Work order management helps to centralize work requests, providing visibility to the entire maintenance team. It also helps to make jobs more labour-efficient and can significantly improve response times. Some software features regarding work order management can be linked closely to maintenance management systems/modules.

Centralised Dashboard.

If a business is continually growing, using an asset management solution (AMS) that integrates other business functions, such as finance and HR, can make a lot of difference in enhancing efficiency. Using an AMS allows a business to see the overall view of all company assets and helps to understand their impact on other business areas, such as budgeting and forecasting

Asset Discovery.

Asset discovery is commonly used in IT Asset Management. This feature helps to identify all assets within the same network. For instance, it can determine the type of software installed on devices. It can also help diagnose faults with equipment and avoid threats such as malware before they become an issue. **The benefits of using an asset inventory management system**

Implementing an asset inventory management system (sometimes abbreviated as AIM) builds a central repository of the Organization's assets. The ability to do that is beneficial in more ways than one.

1) Improved productivity

Knowing the location of every asset, its condition, and how much it is utilized, can boost productivity on many different levels. By knowing where the asset is, employees can save time tracking its location.

2) Lower operational costs

Assets are necessary for performing business activities. If an asset is stolen or misplaced, the company will replace such assets, thereby increasing its operational costs. Up-to-date asset inventory and tracking reduce the risk of frequently replacing assets.

3) The ability to estimate asset value

Assets that are regularly used lose their value over time. Using an AMS will help provide the needed information that will help in the valuation of an asset.

4) Less hassle coordinating maintenance work

Scheduling maintenance work for broken assets is much simpler and cost effective than scheduling routine maintenance work.

Asset lifecycle

Asset lifecycle is the number of stages organization's asset goes through during the lifespan of an asset's ownership. It is the period that an organization can effectively and efficiently utilize an asset to accomplish its business goals. An asset lifecycle typically covers all phases of an asset's life from acquisition through maintenance and eventual disposal.

Information Technology Asset Management

Information Technology Asset Management (ITAM) is a system of business practices that seeks to maximize

the value of IT equipment within an organization by combining financial, contractual, and inventory data to track the status of IT assets across their lifecycle.

IT asset is any financially valuable component that can contribute to delivering an IT product or service. The scope of IT asset management typically includes all software, hardware, networking, cloud services, and client devices.

In Information Technology (IT), asset inventory management refers to the tools and processes needed to keep an up-to-date record of all hardware and software within the enterprise. Typically, this includes every software license and device on and off the network, whether mobile or fixed, managed or unmanaged, Internet of Things (IoT), Internet Connection Sharing (ICS) etc.

IT Inventory Applications / Tools

LanSweeper

LanSweeper includes several agentless scanning methods to scan the assets in the Organization's network. It can scan Linux, Unix, Mac, and Windows computers, VMware servers, and other devices connected to the network without installing LanSweeper software on the machines that are being scanned. LanSweeper is also capable of scanning network devices.

JDisc Discovery: JDisc Discovery provides detailed and current network documentation, enabling the IT to run more efficiently. The agent-less discovery technology minimizes the impact on the network and the devices. JDisc Discovery is an agentless discovery tool usually loaded on the Network to discover Assets.

ManageEngine ServiceDesk Plus: This is an IT Service Management (ITSM) software with integrated IT asset management, Configuration Management Database (CMDB), problem management, change, release/change management, and IT Project management.

Below is typical IT Asset Inventory attributes for an organization's Laptop using an Ivanti Asset Management Solution.

IVANTI

Ivanti is an IT software for IT Security, IT Service Management, IT Asset Management, Unified Endpoint Management, Identity Management and Supply Chain Management.

S/N	Model number	Device type	Serial number	Date supplied	Vendor price per unit	Date Issued	Issued to	Job Title	Group Comment	Branch/SBU/ Office Location
									Whether the laptop has been reallocated or not and if returned	

Conclusion:

Asset inventory management helps businesses calculate the value of their assets because it tracks an asset's life cycle and maintains updated records of its previous use. Since using an asset depreciates its value, tracking when employees use an item is helpful.
Good asset management will always lead to improved asset performance, fewer safety incidents, improved business productivity, and most importantly, lower operating costs.

Poor inventory management practices lead to overstocking and understocking, lost items, problems with vendors and suppliers, and different productivity issues, all of which can negatively affect your bottom line.

Users are encouraged to conduct periodic auditing to ensure that assets are up-to-date. The audit will help pinpoint the cause of the problems. Also, regular updates of the operating procedures and communication of the changes to all relevant parties will go a long way to safeguard the enterprise assets.

By Fatunbi Abdulrazak
(Polaris Bank Limited)

Making Smart Investments

With the economic downturn in the world today, there is no doubt that people are finding it more difficult to feed, let alone set aside financial resources for the sole purpose of investments.

Despite this, it is important to note that investing is an effective way to build wealth. What is also important, is ensuring any investment decision, is SMARTLY made. It is necessary if one must get the expected returns in our financial lives.

The universe understands principles and will return to us what we give it; seed time and harvest time, what you give you receive, give and it will be given to you. With this in mind, one must understand the principles that govern investments and returns, how they work and how to apply them.

Any individual who decides to invest has first, developed a savings habit, which in itself is commendable. An investor is first a saver. A person who cannot put money aside for the future (delayed gratification) can definitely not invest. Deciding to invest takes a lot of discipline.

What exactly is the meaning of investment? INVESTMENT is any effort channeled toward a goal with the aim of getting future interest (Google). It is that simple. This definition debunks the myth that investments only come in form of monetary resources. Time, expertise, emotions, knowledge, etc, are resources that can be invested. This will depend on an individual's expected returns.

Here are a few things to note before making a decision to invest;

✪ Never allow anyone pressure you into anything, in this case, investing. You are not in competition with anyone. Every need, life, purpose, is different and tailor made to each individual.
✪ Be careful about the application of the principles you learn. Principles are the same all over the world but their application differs.

For any investment to be realistic and yield results, it must be in line with the SMART acronym;

S – specific (answers the questions of Why and What)
M - measurable (can the progress of your investment be tracked?)
A - attainable (can your investment goal be achieved?)
R - realistic (is your investment ambiguous?)
T - timely (answers the question, When)

Here are a few tips to consider before making any investment decision;

✪ Identify your reason for wanting to invest. In the words of Myles Munroe, when the purpose of a thing in this case, investment is unknown, abuse is inevitable. Some reasons may include; for security, better standard of living, to acquire assets, to raise capital, financial independence, etc.

✪ Know and understand your risk appetite. Are you a risk lover, risk averse or risk neutral? Knowledge of your risk appetite will help you make smart investments that appeal to your appetite.

✪ Educate yourself. It will be disastrous to make investment decisions without being armed with appropriate information. Ask questions, read books, join investment clubs etc. Be financially literate.

✪ Play safe first and work your way up. Even a ladder has steps. You start from the bottom and work your way up. In the process of playing safe, you understand the dynamics of your investment, economy and environment.

✪ Be patient. An impatient person cannot make any reasonable return from his/her investment.

Investment is a personal journey and a deliberate action. The band wagon effect should never come to play when making an investment decision. If you have ever wondered about the best time to start an investment, it is NOW.

Oluranti Osinubi
Polaris Bank

Keynote Address

Keynote Address by Mr Adekunle Sonola, The Managing Director/CEO of Polaris Bank Limited at the 54th Quarterly Meeting of the Association of Chief Audit Executives of Banks in Nigeria (ACAEBIN) on Thursday December 8, 2022

The Chairman, Association of Chief Audit Executives of Banks in Nigeria (ACAEBIN), Esteemed Members of ACAEBIN, Representatives of Regulatory Bodies, Other Stakeholders, Ladies and Gentlemen.

I wish to express my profound delight in welcoming you all to the quarterly meeting of the ACAEBIN. On behalf of the Management of Polaris Bank Limited, I wish to place on record my appreciation for the opportunity presented to our bank to host this meeting of your esteemed association. It is also gratifying to note the presence of representatives of other stakeholders such as the regulatory bodies and law enforcement agencies.

The theme of this quarter's meeting tagged **"Cybersecurity threats & the challenges of building a sustainable financial sector: The way forward"** underscores the major threat affecting the banking industry today and the need for the CAEs to rise up to the challenge in discharging their responsibilities.

The Chief Audit Executives (CAEs) sit at a vantage position with oversight and assurance functions on IT, Information system security, Internal Control and other areas of the organization. It is therefore important for CAEs to continually evolve, learn, unlearn and relearn to meet the demand imposed by the adoption of technology for the overall protection of their organizations if they really want to remain relevant in the scheme of things.

Technology has evolved throughout human history and will continue to evolve into the future. In particular, computer technology has evolved so much within the last 100 years. From the time of mainframe computers and punch cards to the emergence of personal computers and the internet, the world is not looking back. This technological evolution has had so much impact on the way we do businesses, especially banking business.

Today, most of our business and personal lives are rooted in our access to technology. From personal access to the web, alongside business platforms, third- party providers and apps, technology drives much of what we do on a daily basis. Practically, our lives is increasingly dependent on technology. Information obtained from *CompTIA* revealed some interesting facts on how much technology has influenced our way of life which underscore the need for auditors to continually evolve:

1. The technology continue to grow at a steady rate, making information technology one of the fastest growing sectors in the world.

2. There are more than 5.1 billion active users on the internet as at 2022 while about 4.28 billion users access the web via mobile internet.

3. There are 4.2 billion active users on social media platforms.

4. *Statista* forecasts that emerging technologies will experience a growth rate of about 104% between 2018 and 2023.

5. Investments into IoT (Internet of Things) is expected to grow by nearly 14% in 2022 and *Statista* predicts that there will be 30.9 billion IoT devices by 2025.

A direct consequence of pervasive adoption of technology is the increase in sophistication and frequency of cyber incidents. Cyber threats are everywhere, and they are always changing. For many institutions, it could appear almost impossible to prepare for all threats, or to keep up to date with best practices in cybersecurity.

Cyber security risk is the real pandemic of modern times. It is ever present, increasing like a virus, and we cannot inoculate ourselves against it. The fact is that the increasing connectivity results in greater security risks, and hackings are becoming more frequent from a greater variety of actors. Let me share with you some interesting global statistics on cyber risks as reported by *Cybersecurity Ventures*. These global statistics underscore the importance attached to cyber risks and the need for a holistic approach to handling them:

1. The imperative to protect the increasing digitized businesses, Internet of Things (IoT) devices, and consumers from cybercrime will propel global spending on cybersecurity products and services to an estimated $1.75 trillion cumulatively for the five-year period from 2021 to 2025, up from $1 trillion cumulatively from 2017 to 2021.

2. Global cybercrime costs are expected to grow by 15 percent per year over the next five years, reaching $10.5 trillion by 2025, up from $3 trillion in 2015.

3. An amount of $20billion representing cyber security damages was attributed to ransomware in 2021, which is about 62X more than the $325 million reported in 2015.

4. Over an eight-year period tracked, the number of unfilled cybersecurity jobs grew by 350 percent, from 1 million positions in 2013 to 3.5 million in 2021.

Cyber security statistics shown above indicate that this field will only continue to grow commensurately with the demand for increased technological adoption. Hackers and cyber criminals aren't slowing down and so, Chief Audit Executives need to take a pragmatic approach to cyber security issues working with other relevant stakeholders.

With the increase in frequency and sophistication of cyber-attacks, the task of building a sustainable and resilient financial institution is becoming more challenging. From the high cost associated with maintaining an efficient cyber security program to the issue around attraction and retaining skilled technical resources, managers in financial services industry face hard choices.

To put cyber-threats in perspective, let us take a look at three broad categories of risks facing the financial services sector today:

People factor: At the top of the cyber threats that the financial services industry is facing is PEOPLE. If we talk about phishing attacks, people are the delivery medium. If we focus on malware, people are largely the execution factor, if we talk about weaknesses in systems configurations that allow an attacker to succeed in compromising systems, people are responsible for maintenance of such systems. If we take a look at insider related frauds and irregularities, we will see that people are at the centre of them all. The people factor remains a formidable threat agent for the survivor of any organization and its cyber resiliency. An emerging issues around people is the current high rate of staff attrition occasion mainly by "japa" syndrome and the attendant difficulty in resourcing to fill human capital vacancies.

Third Party Risk factor (Amplified by Open Banking): Another emerging threat factor that is beginning to influence the direction of cyber threat is third party risk. With increasing interconnectivity in the financial services sector and the growing global concept of Open Banking, this risk will increase exponentially in the coming years. Financial services currently rely heavily on the use of APIs to facilitate business-to-business connectivity. No matter how well protected an organization is, if a third party is weak, collectively the entire financial services industry will be weak because a chain is as strong as its weakest link.

Technology Risk factor: Technology and innovation are also a major risk factor for the financial services industry. The same cutting edge technologies (such as artificial intelligence and robotics) available to run businesses are also available to hackers and fraudsters and they are beginning to use them against organizations. In the coming years, we will experience more sophisticated attacks facilitated by cutting edge technologies and we need to be prepared for the challenge.

Ladies and gentlemen, from my perspectives, some of the following issues will aid our contribution to managing cyber security risks and their related threats to financial services:

1. The audit function can no longer remain analogue and gathering loads of files and documents to review transactions and events after the fact. To

berelevant and truly add value in this digital age, audit professionals must begin to build and acquire IT and digital skills. We have to move the audit function to the cutting edge of technology and begin to speak languages like machine learning, AI, cloud computing, IoT, as core levers of your trade. When technology solutions and applications are being conceived to meet operational or business needs in our institutions, the audit function must be actively involved in that process and ensure that audit capabilities are built into technology solutions in a manner that satisfies audit objectives.

2. Close the gap between audit and risk management functions while still maintaining the independence of internal audit function. Given the dictates of digital transformation, audit function must become more proactive and less reactive. The speed at which technology drives events, transactions etc and the associated scale of damage, require the auditors to become not only proactive but also online and real-time in delivery. This is where value lies and we must on-board every capability required including shift in mindsets, for us to discharge our duties effectively.

3. Collaboration with the pace at which technology is changing the banking landscape, coupled with the interconnectedness of the financial system against the backdrop of open banking, audit partnership among financial institutions must lead the frontier of collaboration. Data gathering, information and knowledge sharing are few of practices we MUST begin to imbibe. We strengthen our adversaries and weaken our ability to check their nefarious activities if we chose to compete among ourselves than we collaborate for more audit effectiveness. I believe this is what ACAEBIN stands for and we must deepen engagements like this. Whilst we hone our strategies for collaboration at events like this, we must however take it beyond the hall of seminars and conferences into our daily operational activities.

4. Effective training of staff even up to the board level to continuously create necessary awareness around cyber security risks to enhance cyber resilience. When people are well trained, they can easily identify cyber threats and take steps to prevent cyber incidents.

5. Effective management of the current high rate of staff attrition in the technology related functions. Can we consider a recruitment pipeline for fresh graduates to take positions under the supervision of experienced hands. Another approach is to consider formulating remote work policies and a way of retaining the services of very experience hands who may be willingto continue rendering services to the organization under a remote work arrangement.

6. Effective management of third party risks by a combination of the following measures

- ✿ Having a strong service level agreement/contract with third parties

- ✿ Conducting regular onsite/offsite assessment of the third parties to ensure they have or maintain minimum security standards

- ✿ Conducting cyber-security awareness training for third parties based on the risk assessment you have conducted on them

- ✿ Deploying relevant technologies to protect the connections you may have established with third parties

7. Effective management of technology risk through the constant investment in technologies. Modern cyber security program rely heavily on cutting edge technologies such as artificial intelligence (AI), Robotics and others. Furthermore, cyber risk is constantly changing and evolving, security solutions implemented in the past may have become obsolete and in-capable of handling current threats. It is therefore necessary for you as auditors to continue to draw the attention of your Management towards sustaining investment in cyber security solutions for the protection of our information assets.

Conclusion

So, as you deliberate during the session today, I sincerely request that you explore ways by which the overall cyber security risks in the financial services industry can be effectively managed. I urge you to pay particular attention to the issues of skill gaps, information sharing, and effective engagements with law enforcement agencies and regulators on speedy conclusion of investigations, apprehension of suspects and prosecution of those found culpable.

I thank you all for listening and i wish you a happy Xmas and a prosperous year 2023.

Thank you.

Learn when to say No

I f you're like most people, you're constantly fielding requests at work. The asks are formal and informal, large and small, and from across the organization. The inflow is so significant, you can't possibly agree to everything. So it's crucial to learn when to say no and how to say both no and yes.

First, assess each request, systematically gathering the details that will allow you to make an informed judgment. If you do have to turn someone down, deliver a well-reasoned no.

A good no is all about timing and logic it's in order whenever things are not allowed, cannot be done, or should not be done. Moreover, it's communicated in a way that makes the asker feel respected. If the answer is yes, make it effective by explaining how you think you can help, pinning down the deliverables, and laying out a focused plan for execution.

A considered no protects you. A good yes allows you to serve others, add value, and collaborate effectively. If you become skilled at conveying both, you can avoid burnout, increase your influence, save yourself from troubles and enhance your reputation.

The inflow of ask in recent times is daunting. And now more than ever, your professional success and personal well-being depend on how you manage it.

You can't say yes to everyone and everything and do all of it well.
When you take on too many or the wrong things, you waste time, energy, and money and distract yourself from what is essential. Still, no one wants to anger or disappoint colleagues, family members or other contacts or , turn down key career and life opportunities.

You must therefore learn when and how to say both no and yes.

A considered no protects you. The right yes allows you to serve others, make a difference, collaborate successfully, and increase your influence. You want to gain a reputation for saying no at the right times for the right reasons and make every single yes really count.

How do you do it? Through decades of research into what makes people the most highly valued, indispensable employees at hundreds of organizations, I have uncovered a framework that works. It has three parts:

Assess the ask, deliver a well-reasoned no, and give a yes that sets you up for success.

When making a financial investment, most of us do some due diligence seeking more information to make

a sound judgment. When you say yes or no to a request, you decide where to invest your resources, so give the choice the same careful consideration.

You should ask questions and take notes, clarifying every aspect of the request, including the costs and benefits.

A Well-Reasoned "No"

A thoughtful no, delivered at the right time, can be a huge boon, saving time and trouble for everybody down the road.

A bad no, hastily decided, causes problems for everybody, especially you. Bad nos happen when you haven't properly assessed the ask; when you let decisions be driven by personal biases, including dislike of the asker or dismissals of people who don't seem important enough; or when you decline simply because you've said yes to too many other things and don't have any capacity left.

Bad nos often cause you to miss out on meaningful experiences and are more likely to get overruled, leaving hard feelings on both sides.

A good no is all about timing and logic. You should say no to things that are not allowed, cannot be done, or that, on balance, should not be done.

The first gate is the easiest to understand. If there are procedures, guidelines, or regulations that prohibit you from doing something or someone has already made it clear that this category of work is off-limits to you, at least for now then you give a straight no. (If you think it's against the rules for everybody, please also consider talking the requester out of pursuing the idea.)

What do you say? "I don't have discretion here. This request violates policy/rules/law.

Turning people down at the second gate is also straightforward (at least sometimes). If the request isn't feasible, you say, "I simply can't do it." If you just said, "I don't have the ability to deliver on it", then you say, "Sorry, that's outside my skill set. I'm not even close."

An Effective "Yes"

Every good no makes room for a better yes one that adds value, builds relationships, and enhances your reputation.

What is a better yes?

It's aligned with the mission, values, priorities, ground rules, and marching orders from above. It's for something that you can do, ideally well, fast, and with confidence. In other words, it involves one of your specialties or an opportunity to build a new one. It allows you to make an investment of time, energy, and resources in something highly likely to succeed and offers significant potential benefits.

The key to a great yes is clear communication and a focused plan for execution. First, explain precisely why you're saying yes: You can enrich the project, you want to collaborate, you see the benefits. Then pin down your action plan, especially for a deliverable of any scope.

Make sure you agree on the details, including what the requester needs from you, what you will do together, how and when the work will be done, who has oversight, and when you'll discuss the issue next. If this is a multi-step process, you might need to have several of those conversations as you go along.

Conclusion

Most people have been ruined due to their inability to know the appropriate time and circumstances to say Yes or No.

To succeed in your chosen career and all other Life endeavours , you must be able to know when to say "Yes" or outright "No".

Onwuemele Sunday Emeka CFE
Forensic Investigation and Fraud Management Team
United Bank For Africa Plc

Interviewing Techniques for Effective Audits

Why are interviews or techniques necessary?

An auditor is a person who makes a living investigating to ascertain if individuals, people, businesses, and sometimes organizations adhere to designed rules, structures and slated polices. Since the regular business environment can be complex to work in, then auditors have dynamic career experiences. One of the most frequent, as well as challenging, tasks an auditor carries out is the interview. These interviews are typically investigations to determine if a person or group has broken rules, designed structures or polices and what the consequences should be. It is therefore imperative for auditors to be accurate and factual while maintaining the appropriate demeanor. These five interviewing techniques for auditors will help…

Necessary Techniques

1.   Prepare

Some interviews are better to enter with a blank, roll with the punches, and just be oneself. Conducting an audit interview is on the opposite end of that spectrum. Auditors must review the policies and structure surrounding the current issues to clear up any uncertainties. They cannot enforce laws they do not understand, especially because many interviewees will attempt to manipulate or work around the laws. Auditors must prepare responses for a wide variety of reactions. The last thing either party wants is for the interview process to drag on   any longer than necessary, so the auditor must come prepared with as many foreseeable questions as possible and all required materials

2.   Critical Thinking

Of course, one of the main reasons to be prepared is so that one can effectively tackle the unexpected. Interviewees will always throw curve balls, whether intentional or not. Their responses will reveal questions that the auditor did not think of prior but must address in the moment. This requires strong critical thinking skills, the ability to analyze and direct the course of the interview moment by moment. Earning a forensic accounting degree or certificate as part of the auditing education is a fantastic way to hone critical thinking skills from the beginning.

3.   Excellent note taking

No final decisions are made now of the interview. This means that auditors must have accurate, detailed, and comprehensible notes to review and share with their teams. This is not as simple as just taking down every word the interviewees, say. It means capturing the most crucial information in as few words as possible while also writing down the most important questions and ideas that come to mind as the interviews unfold. This all must occur while

remaining in the present moment, without missing anything important

4. Emotional Intelligence

As described in *Psychology,* emotional intelligence is the ability to understand and appropriately respond to one's own emotions and the emotions of others. Auditors spend a great deal of their academic and professional careers buried in facts and numbers, so this is often the most difficult skill to sharpen. It is nevertheless a necessary one, as auditing interviews are riddled with a full spectrum of emotions. Given the content, it is normal for interviewees to run the gamut from fear and confusion, through devastation, and all the way to explosive anger. Auditors must respond appropriately to each while acknowledging and coping with their own myriad of emotions.

5. Active Listening

Auditing interviews are not just a series of simple questions and answers. Given the critical thinking and heightened emotions discussed earlier; a successful interview requires active listening. Active listening involves repeating back certain pieces of information. When done correctly, it serves a dual purpose of making the interviewee feel heard while ensuring the auditor interprets the information correctly. Auditing interviews are intimidating for both the auditor and the interviewee. They both feel a lot of pressure to accomplish certain, often conflicting, outcomes. While they may not be achieved seamlessly, these five interviewing techniques for auditors can make these occasions much more productive.

Benefits of Interviewing techniques

1. Well planned and conducted interviews usually yield a high percentage of returns and point or exceptions seem more practical when explained to the interviewee and then remediation is better effected.

2. The information secured through interviews is likely to be more correct compared to that secured through other techniques. The interviewer who is present on the spot can clear up the seemingly inaccurate or irrelevant answers by explaining the questions to the interviewee. If the interviewee deliberately falsifies replies, the interviewer can effectively check them and use special devices to verify the replies.

3. The interviewer can collect supplementary information about the informant's personal characteristics and environment which is often of great value in interpreting results. Interview is a much more flexible approach, allowing for posing of new questions or check questions if such a need arises

The way forward

As professionals, let ensure we conduct efficient and effective audit interviews. It will help our institutions verify conformity, evaluate effectiveness, and identify opportunities for improvement. This is key because audits monitor the management system and its processes and provide feedback for management review and action.

Bolanle Alalade
ProvidusBank Limited

Thrifty Living: A Survival and Developmental Strategy

The term 'thrifty' is misconstrued, and carries a slightly negative connotation. So, before we go much further, I'd like to address an important question: is being thrifty a good thing?

Yes, being thrifty is a good thing. In fact, there are many benefits to living a thrifty lifestyle. For example, thriftiness can help you save more money, improve your financial stability and get out of debt, all of which, in turn, may lead to a lower level of financial stress.

The term 'thrifty', on the other hand, refers to somebody that is careful to avoid waste in their financial life, without sacrificing generosity.

It shows a careful use of money, especially by avoiding waste, saving money for the future.

Thrifty living also refers to being **careful of your money and how you spend it.**

Frugal, prudent management and lack of wastefulness.

What does Thrifty living mean?

Thrifty living is the act of being very intentional with your spending. If done properly, you'll be able to prioritize the things that matter to you most. You'll prioritize spending money on those things that matter and cut back on spending in other areas. Luckily, thrifty living can mean very different things to different people.

The best part about thrifty living is that you are able to create your own approach. You decide where you will live stingily and where you will live largely.

Thrifty life will allow you to build more financial freedom into your life by accelerating how quickly you achieve your financial goals.

You can allow for a cause and effect reality to take hold. This basically means every time you choose to spend less money on something, you can put that money towards things that matter to you. The best part is that you get to decide what matters to you most.

Maybe you will put your newfound savings away for early retirement. Maybe you will put them aside to fund your dream of living a luxurious life style . Or maybe you will allow the safety net of savings to allow you to pursue a job you thoroughly enjoy.

The Character Trait to Develop To Practice Thrifty Living

1. Effective Time Management

'Time isnt money; time is life. Frugal people know this and, therefore, one of their main goals is to make the most of every day. What does this mean? Well, it implies, for example, that there's no point in spending all day working. The idea behind making a living is about investing only what's necessary to get a salary to live well but without excesses.

2. Ensuring Efficiency in all you do.

Efficiency is the ability to perform certain functions properly. This doesn't apply exclusively to the workplace for frugal people. Instead, they integrate it into every vital area of their lives, such as:

* They only spend and consume when they have to because they're aware of their financial limits and, therefore, adjust to their budget at all times.

* Also, they don't buy things they don't really need, such as clothes, appliances, and cars. In other words, they don't replace things just for the sake of pleasure and not for the mere need of having the latest model of a given product.

3. Setting your Priorities Right.

Priorities are clear in the happy life of a frugal person. They make efforts, work for what they want, and mobilize all of their energy towards those specific dimensions. Their thrifty mentality is the thing that defines them.

Note that they don't limit themselves to looking only at the present and immediate moment. In fact, they're focused on long-term goals. Thus, taking this into account is also a priority. This means they save as much as they can every time they get a paycheck.

4. Try to Avoid Debts and various forms of borrowing.

This may be the greatest advantage of a thrifty person, on average, maintain a good standard of living.

Salaries are good and, thus, they're savings oriented. In fact, their efficiency makes it possible for them not to end up with a large mortgage. As you can see, avoiding debt is a top priority of this type a frugal person.

They'll always prefer to save and buy as soon as they can rather than get a mortgage.

5. Focus on needs, not wants.

Frugal people are seldom guided by their impulses. This doesn't mean they're cold or square. It's quite the opposite, actually. The philosophy of frugality seeks, above all, to aspire to an authentic quality of life. This implies being clear about your own needs and not chained to your desires. After all, the latter are ever-changing and fickle and can lead you down the wrong path at any given time.

Why Thrifty Living is critical at the present-day Nigeria.

Deepening Economic Recession

According to IMF (2009), economic recession is a decline in annual per-capita real GDP (purchasing power parity weighted), backed up by a decline or worsening situation for one or more of seven macroeconomic indicators which include industrial production, trade, capital flows, oil consumption, unemployment rate, per-capita investment, and per-capita consumption.

The naira has fallen over 50% within the last one year. Oil revenue, which happens to be the mainstay of Nigeria's foreign earning, is at its lowest in the last two decades. Evidently, Nigeria is facing the worst of times, as major economic indices are on a downward spiral thereby inflicting untold hardship on her citizenry

The present scenario where we find our dear country, Nigeria, could be traced back to Nigeria's humble beginnings. This is because, right from 1999, the government of the country has predominantly and continuously relied majorly on only one source of income (oil) to fund her fiscal budget.

This is the sole reason why we are where we are, as a country today.

Notably, the occurrence of recession in Nigeria is as a result of the combination of several exogenous and endogenous factors.

Endogenous factors

* Poorly considered economic policy (fiscal, monetary, and exchange rate),

* Low investment and low capital accumulation

* value of local currency against the US. Dollars

* Pervasive corruption of the rulling class

* Downturn in the country's earning

* Output and Job losses

* High inflation rates

* High cost of borrowing and poor infrastructure

Exogenous Factors

* Sharp drop in the crude oil price on the world market.

* Slowdown in inflow of Foreign Direct Investment (FDI)

* Negative Growth in GDP in 2 Consecutive Quarters

* Macroeconomic uncertainty

25 Practical Thrifty living tips

1. Start budgeting.

2. Meal plan

3. Cook in bulk

4, Sell things you don't need

5. Buy used items

6. Return things you don't need

7. Buy a car you can afford

8. Automate your savings and investments

9. Evaluate your subscriptions

10. Have date nights at home

11. Pay down your debt

12. Try a low-buy or no-spend challenge

13. Buy in bulk

14. Practice Frugal traveling

15. Grow your own vegetables

16. Lower your electric bill

17. Save Money on utilities

18. Determine what and things you can do without

19. Don't Pay Money for Stuff you can get for free.

20. Don't be afraid to negotiate and focus on your goals

21. Plan Ahead.

22. Track your income and Spending

23, Explore other Methods of Transportation

24. Buy stuff with Cash Only

25. Stop impulse buying

In a nut shell all cost saving you made from thriftiness should be invested. Thrifty living is the only survival and developmental strategy we can adopt in Modern day Nigerian Economy.

Onwuemele Sunday Emeka CFE
Forensic Investigation and Fraud Management Team
United Bank For Africa Plc

Regular Coffee Consumption may help lower Blood Pressure – Study

A new study has suggested that people who drank two or more cups of coffee per day had significantly lower systolic blood pressure than those who did not.

The World Health Organization described hypertension also called high or raised blood pressure, as a condition in which the blood vessels have persistently raised pressure.

The global health organization acknowledged that hypertension is a serious medical condition that can raise the risk of developing heart, brain, kidney, and other diseases, adding that it is a leading cause of premature death globally, affecting up to 1 in 4 men and 1 in 5 women, or more than a billion people.

However, a recent study reported by *Medical News Today* found a correlation between regular coffee consumption and reduced blood pressure across a number of measurements.

The study, which was published in MPDI Open Access Journals, also found a link between drinking more cups and lower peripheral pulse pressure (PP), among other blood pressure measurements.

The new study evaluated the health data from 720 men and 783 women from the Brisighella Heart Study (BHS), a study that began in 1972 and involves the rural population of Brisighella, a small town in Northern Italy.

The study clinically assessed the participants every four years. In their analyses, the researchers compared various measures of blood pressure with self-reported coffee consumption. At the end of the clinical trial, the researchers discovered that those who drank two cups of coffee per day or more than three cups had significantly lower systolic blood pressure than non-coffee drinkers.

The researchers, led by Prof. Arrigo Cicero of the University of Bologna in Italy, noted that while caffeine may raise blood pressure, the number of bioactive substances in coffee appears to balance this effect, resulting in a final neutral-to-positive effect on blood pressure.

The researchers also revealed that one of the primary compounds responsible for the potential BP-lowering effect of coffee is chlorogenic acid, which is the most concentrated polyphenol in coffee beans and for which the bioavailability is inversely proportional to the coffee bean roasting time.

They noted that Quercetin, even if characterized by low bioavailability, could also contribute to the positive vascular effect of coffee.

Reacting to the study in a chat with *Medical News Today*, Dr. Yu-Ming Ni, a cardiologist at MemorialCare Heart and Vascular Institute at Orange Coast Medical Center in Fountain Valley, Califonia, United States, said those drinking two cups of coffee had 5-point lower blood pressure on average than those who didn't drink coffee.

He said, "The effect was higher for those drinking more than 3 cups of coffee, with a 9-point lower blood pressure on average compared to those who didn't drink coffee. This trend towards lower blood pressure with more coffee consumption persisted for different types of blood pressure measurements, including an estimate of a more reliable blood pressure measurement called central blood pressure. " A recent meta-analysis of four similar studies demonstrated similar findings, so this study adds to an existing body of evidence suggesting a relationship between more coffee intake and lower blood pressure."

The founder of Manhattan Cardiology, Medical Offices of Manhattan, and co-founder of LabFinder, Dr. Robert Segal, also told *Medical News Today* that regular coffee consumption can result in a slight drop in blood pressure, even though caffeine can momentarily raise blood pressure.

He said, "Caffeine in coffee can temporarily increase blood pressure by stimulating the sympathetic nervous system, but in the long term, regular coffee consumption can lead to a small reduction in blood pressure due to improved insulin sensitivity and antioxidant effects."

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