

RELIGION BASED FINANCE AND FINANCIAL SYSTEM IN NIGERIA

BY

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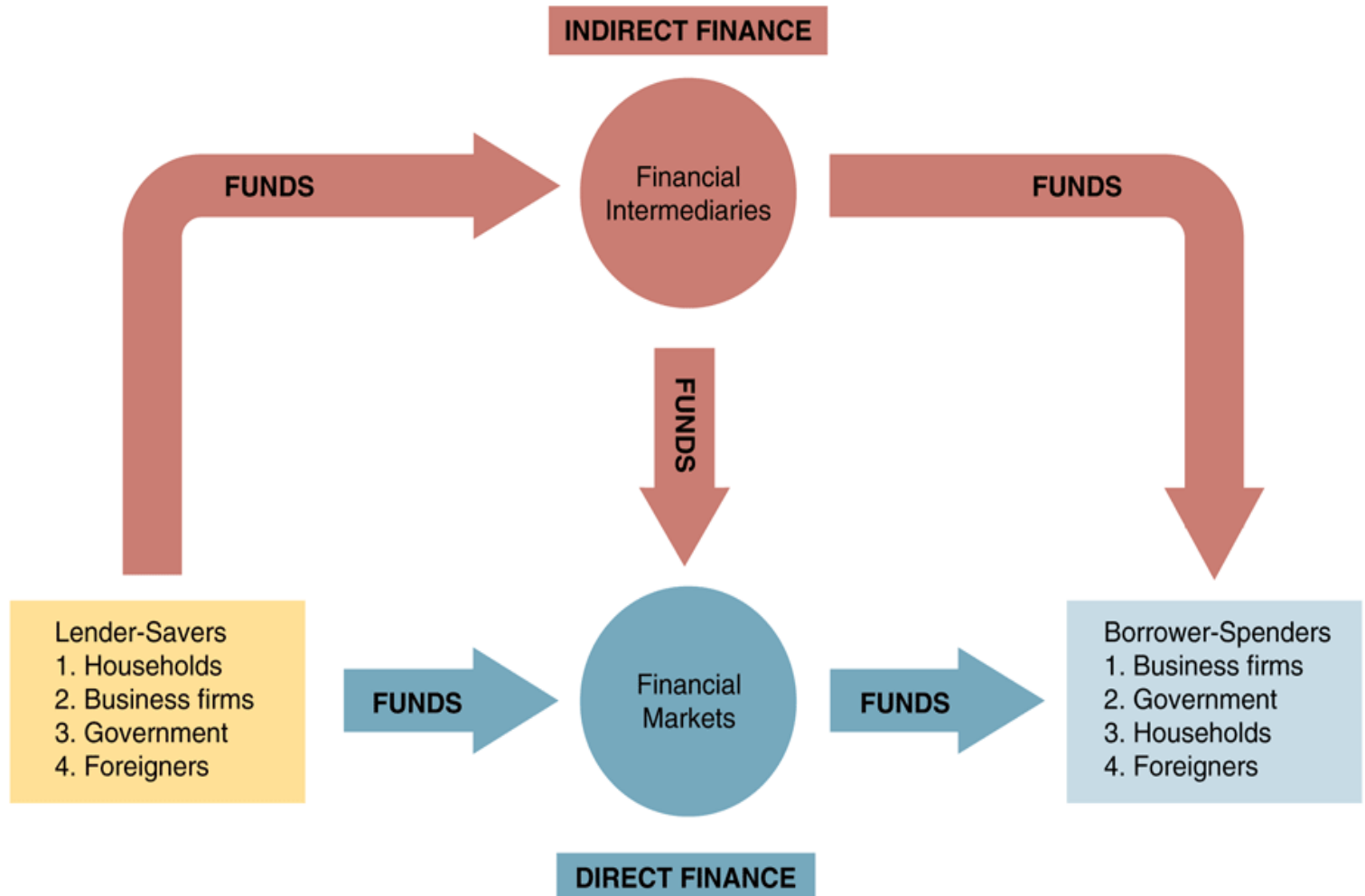
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INTRODUCTION

Financial System

- Financial system has variants of meaning depending on the particular circumstance.
- In an organisation, FS refers to measures used by the management to exercise financial control and accountability. These measures include recording, verification, ascertaining and reporting of transactions that affect revenues, expenditures, assets and liabilities.
- In a larger scale, FS is the system that enables lenders and borrowers to exchange funds for their various applications and encompasses all financial institutions, governments, borrowers and lenders within an economy

FINANCIAL SYSTEM



INTRODUCTION

Religion

- A religion is a unified system of beliefs and practices relative to sacred things, set apart and forbidden – beliefs and practices which unite into one single moral community called a church and for all those who adhere to them. Durkeim (1912).



Ethical Challenges In Nigerian Financial Systems

Most organizations including MDAs have a set of rules that guide financial operations and transactions – Code of Ethics

- Financial systems and professionals are expected to have and act with integrity, competence, diligence, respect and in an ethical manner with the public, existing and prospective clients, employees, colleagues and other stakeholders.
- Place the integrity of the financial systems and the interest of the clients above the professional and personal interests
- Use reasonable care and exercise independent professional judgment when conducting financial duties
- Practice and encourage others to practice in a professional and ethical manner that will reflect good practice on themselves and the financial system
- Promote the integrity of and uphold the rules governing the financial system

Causes of Unethical Practices In Financial System In Nigeria

- Greed
- Compromise - Low moral value
- Corruption in the society
- Manner of employment
- Institutional factors
 - Weak internal controls in financial institutions
 - Weak tax structures (avoidance/evasion)
 - Weak accountability in govt agencies
- Weak legal processes in prosecuting culprits

Problems Associated with Financial System In Nigeria

For Financial Institutions

- **Unauthorised Access and Tampering with Customers' Accounts**
- **Conversion of Cheques**
- **Bank Frauds and Forgeries**
- **Debasement of Womanhood**
- **Deceptive Adverts and Promotions**
- **Spurious Charges to Customers**
- **Creative Accounting**
- **Conversion of Stock by Insiders**
- **Insider Trading for Stocks**

Problems Associated with Financial System In Nigeria

Government Agencies (MDAs)

- Procurement Over-invoicing
- Loose Internal Controls
- Last Quarter Accelerated Expenditures
- Collusion with banks for operation of secret accounts

Roles of Religion in Sanitizing Financial System in Nigeria

Principle 1: Putting God First in all activities

Principle 2: Equity and Fairness to all

Principle 3: Proportionate Benefits

Principle 4: Even and Defensible Growth

Principle 5: Affordability

Principle 6: Free Entry

Principle 8: Futuristic

Principle 9: Legality

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THANK YOU