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## **Educational Development and Production of Accountants in Nigeria: Challenges and Way Forward**

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### **Abstract**

*This paper, through the review of relevant literature, examined the factors that had hindered the educational development and production of sufficient numbers of desirable quality of professional and academic accountants in Nigeria from meeting the demands of the growing Nigerian economy. Accordingly, the efforts of the two Nigerian professional accounting regulatory bodies and tertiary educational institutions that share the responsibility for the development and production of accountants in Nigeria were examined. The inhibitive factors were identified to include the late take-off of accounting education and the inherent limitations in*

*Nigeria's tertiary institutions and the poor handling of the production of professional accountants in Nigeria by the two Nigerian professional accounting regulatory bodies. The paper recommended that the contents of the academic and professional accounting curricula be expanded and the duration of accounting education increased from the present four year to five years, while first degree should be made the minimum academic qualification for future professional accountants and for the two professional accounting bodies to get better focused in actualizing their respective statutory mandates if they are to produce globally relevant accountants.*

**Key words:** Academic Accountants; Accountant academic development; accounting education ; Accountant professional development ; Globally relevant Accountants; accounting education

### **Introduction**

Despite the importance of accountants and auditors to the socio-economic development of Nigeria as underscored by the fact that it is one of the few professions whose function is specifically and prominently provided for in Section 86 of the 1999 Nigerian Constitution, (Federal Republic of Nigeria, 1999). The pace of production and educational development of accountants nevertheless falls short of expectation when compared with some developed countries. This is a theoretical and position paper that relies on relevant literature to examine the factors that could have inhibited the pace and quality of the educational and professional development of Nigeria accountants and auditors with a view to providing necessary clues to overcoming the identified challenges. To achieve this objective an incisive review is made of the roles played the two professional accounting bodies in Nigeria, the Institute of Chartered Accountants of Nigeria, ICAN the Association of National Accountants of Nigeria, ANAN, and the Nigerian tertiary institutions due to the fact that the responsibility for the professional and educational development of Nigerian accountants are expected to be shared between these bodies (Uche, 2002).

### **Concept of professional and academic accountants**

Before the enactment of the Financial Reporting Council of Nigeria (FRCN) Act No.6 of 2011, professional Accountants and Auditors were persons who are members of ICAN or ANAN or other recognised foreign professional accounting bodies in Nigeria. The Financial Reporting Council of Nigeria Act of 2011 now places additional requirements on professional accountants or auditors who are members of either ICAN or ANAN to be registered with the Financial Reporting Council of Nigeria before gaining recognition as qualified professional accountants in Nigeria. Accordingly, FRCN (2011) stipulates that states that “no person shall hold any appointment or offer any services for remuneration as professional accountant for public interest entities unless such accountant is registered in line with Sec.1(2) of the Act. By the interpretation of the Act, public interest entities include public and private companies, firms, and statutory agencies.

Academic accountants are lecturers, tutors or teachers in educational and professional institutions with requisite academic qualifications in accounting that must now include a PhD for university lecturers going by the new requirement of the National University Commission, NUC. On the whole, Auditors are first accountants before becoming auditors and are all members of one professional accounting body or the other.

### **Problem of scarcity of professional and academic accountants-an overview**

From table 1, the ratio of accountants per thousand population in Nigeria is 1 to 3.017 which is far below those obtained in developed countries like UK, 1:477; Australia 1:181; 1:477; and Canada 1:911 as shown in table 1. The ratio of per thousand population when compared to other developed countries obviously leaves much to be desired.

Table I: Comparative population distribution of Accountants.

Country	Accounting Organization	Members	Population in millions	Ratio of Accountants per thousand population
Nigeria	Institute of Chartered Accountants of Nigeria Association of National Accountants of Nigeria (ANAN)	32,722 16,999 <u>49,721</u>	150	1:3.017
United Kingdom	Institute of Chartered Accountants in England and Wales	128,000	61	1:477
Australia	Institute of Chartered Accountants in Australia Australian Society of Certified Practicing Accountants	42,500 70,000 <u>112,500</u>	20.4	1:181
Canada	Canadian Institute of Chartered Accountants	70,000	33.4	1:477
USA	American Institute of Certified Public Accountants	330,500	301.2	1:911

**Source:** Emenyonu (2007): Emerging Trends and Technologies in Accounting.

The scarcity of qualified professional and academic accountants is unarguably traceable to such factors as:

### 1. The late take-off of accounting education

Prior to Nigeria's independence in 1960, accountancy was not studied as a major course in any of the Nigerian tertiary institutions. Even long after independence, accounting was commonly studied in secondary commercial schools as 'book-keeping and accounts' and was taken only as one of the vocational/commercial subjects of Secretarial and Book-keeping students preparing for the Royal Society of Arts examinations. These categories of Accountants occupied accounting and auditing positions in the public and private sectors as

Executive Accounting Officers and as ‘Accountants’ even when they had no valid full professional accounting qualifications.

It was not until after 1960 that accounting began to get the required recognition and elevation from the low pedestal of vocational discipline to fully fledged academic discipline in Nigerian Universities and polytechnics. However the accounting syllabi of polytechnics was skewed more towards the syllabi of professional accounting bodies, and this explains their relative ease at passing the professional examinations of national and foreign professional accounting bodies, sometimes with just the Ordinary National Diplomas obtained within two years of their four-year Higher National Diploma programmes, than their University graduates counterparts . On the other hand, most University accounting graduates were initially not attracted to professional accounting qualifications partly due to their pure academic orientation that prepared them more for further academic pursuits and for positions of wider managerial responsibilities in the public and private establishments.

A long standing dichotomy exist between professional accountants without a University degree and professional accountants with University degrees, as neither the professional accounting bodies or the Universities have reciprocal recognition for each other’s final certificates. ICAN and ANAN do not provide direct membership for University graduates, while Nigerian Universities still regard the final professional certificates of non-degree ICAN and ANAN members as diploma certificates that are not at par to the first degree awarded by them in accounting. Also, some employers of labour are particularly known to discriminate against non-degree holding professional accountants.

### **Inherent limitations in Nigeria’s tertiary institutions**

The slow pace of production of qualified professional accountants and auditors are somewhat traceable to the deficiencies in tertiary

institutions, particularly with respect to the inadequacy of human capacity (Mainoma & Aruwa 2006).

**Table 2:** Survey of Teaching Faculty in Accounting in Nigerian Universities

Ranks	No.	Percentage
Professor	13	2.9
Associate professor	11	2.4
Senior lecturer	20	4.4
<b>Upper cadre</b>		<b>9.7</b>
Lecturer I	79	17.5
Lecturer II	111	24.6
Assistant Lecturer	130	28.8
Graduate Assistant	87	19.4
<b>Lower cadre</b>		<b>90.3</b>
	451	100

**Source:** Mainoma and Aruwa (2006) Development of Accounting Profession in Nigeria: An empirical analysis.

Table 2 shows that academic accountant cadre is bottom heavy with about 90.3% of the middle and junior staff occupying the lower cadre and only 9.7% of senior staff occupying the upper cadre. Given the fact that Nigeria with a total number of 92 universities in 2006 with 77.2% offering accounting programmes, and population of 13 professors, 11 Associate professors, and 20 senior lecturers are a far cry from the numbers of senior academics required to sustain the educational development of Accountants in the Universities. The situation in polytechnics is most likely not going to be in any way better as lecturers for these institutions are expected to obtain at least a Masters post graduate degrees from the Universities that are obviously ill-equipped to produce these lecturers.

The weaknesses in Nigerian accounting education therefore can be explained by the low education level of teaching staff, due largely to the absence of postgraduate training.

Essentially opportunities for academic staff growth to the upper cadre is undermined as most of the universities require a Ph.D. as part of the prequalification to grow to the upper cadre. Invariably the above scenario suggests a very serious negative impact on the accounting graduates that will be available for accounting profession; since both the polytechnics and the Universities provide the raw materials that the professional accounting bodies develop into qualified professional accountants.

### **Slow-paced approach of ICAN in the production of professional accountants**

One of the principal causes of the shortage of qualified professional accountants and auditors is traceable to the slow-paced approach adopted by the pioneer accounting professional regulatory body- the Institute of Chartered Accountants of Nigeria (ICAN) in the production of qualified professional accountants when it had the monopoly for 28years of deciding who becomes the professional accountant in Nigeria. ICAN's poor performance in this regard is best portrayed by the views of Ejiofor (1987), as cited in Ossisioma (2001):

ICAN was established in 1965. For five years after that, no one Nigerian was admitted into ICAN through its examination. In the next five years, only eleven (11) Nigerians were admitted. In other words, in the first ten (10) years of its existence, only eleven Nigerians passed its final examinations ... (p21).

ICAN was considered to have initially displayed negative attitude towards university-based accounting education by refusing to recognize as a qualification, degrees awarded by universities. Mainoma and Aruwa (2006) maintained that ICAN membership had

little content of membership of the academia, therefore unable to provide symbiosis of research and practice as its members make up 10% of the 13 professors of accounting in Nigeria, with ANAN members making up the balance 90% . ICAN mode of developing and producing professional accountants was patterned after Britain due to the fact that the founding fathers and early members of the Institute trained in Britain due to Nigeria's colonial heritage of being a commercial and administrative outpost of the British government. ICAN's examinations were conducted by the Institute of Chartered Accountants in England & Wales from 1965 until 1978, (World Bank, 2004). ICAN had no independent training structure of its own to prepare its candidates for these examinations as its students were left at the mercy of private Tuition houses that specialized in tutoring the 'Questions and Answers Study packs' by rote . Thus, with time, the ICAN examinations earned the dubious reputation of being tough and difficult; thus in the view of Ejiofor (1987) cited in Ossisioma (2001), to pass ICAN examinations "it was becoming easier for a camel to pass through the eye of a needle than for a young Nigerian to pass the finals of some of ICAN professional examinations" (p.21).

ICAN for very long time until the 80's relied on apprenticeship, and on-the-job method of training for the inculcation of specific skills in operatives, for producing accountants of the 20th century. This method of training was invariably alien to such other professional bodies—like the law, Medicine, Engineering and Architecture who regarded accounting professionals with disdain. However, it was easier for graduates of non-accounting and business/accounting numerate disciplines like mathematics, engineering and other sciences, who were devoid of sound formal business and accounting education at tertiary levels other than part-time lectures from Tuition Houses to hijack professional accounting qualification and get at the peak of accounting professional practice , a tradition that is alien to any other credible profession in modern times.

### **Accounting and auditing education today**

The alleged failure of ICAN to produce enough professional accountants at all levels to aid Nigeria's economic development became the most compelling reason for the emergence of the Association of National Accountants of Nigeria (ANAN) in 1993 and indeed the upsurge of agitations for more accounting bodies. ANAN was established in 1979, registered in 1983 under the Land perpetual Succession Act, and chartered by Act (formerly Decree) No.76 of 1993. Those desiring to enter the accounting profession through ANAN in Nigeria are required to possess a minimum of BSc/HND in accountancy from accredited institutions in the country, attend a one-year professional training at its College of Accountancy Jos, in addition to having an Accounting -in- Training program that exposes the student to two year practical training under a senior professional accountant in private or public establishment practice. The coming on of ANAN is considered to have sped up the pace of production of professional accountants and auditors by ICAN; This is because between 1965 and 1979, before the coming up of ANAN, ICAN produced only 79 accountants while between 1979 when ANAN was founded and 2001, ICAN produced about 15,000 accountants (Ossisioma, 2001).

The membership process of ANAN is not without its criticism, the commonest being that at inception, its professional membership was awarded to its matured foundation members, and subsequently to high profile non-professional accountants in key public and private organisations without the due process of supervised training and written examinations; ANAN is also criticized for admitting non-core accounting graduates (in management sciences and economics) into its professional training programme under a conversion arrangement. These criticisms are however waved off by ANAN, regarding the membership process as temporary and transitional arrangements that stand to be discontinued with time. However, the likely negative effect on the quality of professional accountants produced this way by ANAN cannot be wished away.

Unarguably therefore, none of the two professional accounting bodies in Nigeria has been able to produce globally recognised quality of accountants and audit professionals whose certificates can be accepted by any foreign professional accounting regulatory bodies. This position is corroborated by Anao (2010) who maintained that education and training systems of many countries, particularly developing economies, are in varying degrees out-of-date and lack the requisite mechanism for continuously updating the knowledge and skill expected of the accounting professional. Worst still, not even the professional certificates of ICAN and ANAN are accepted by Nigerian Universities as equivalent to their first degrees. This position is confirmed by the advertisement posted in the Punch Newspaper of the 9<sup>th</sup> of November 2011 by the Osun State University inviting applications from Associates and Fellows of ICAN (who have no first degree) for admission to her special 2-year bridging programme leading to the award of BSc degree in accounting. This admission criterion in Osun State University for non-University graduate members of ICAN and ANAN into first degrees holds in all Nigeria University. In the same vein no credible Nigerian University admits non-university degree members of ICAN and ANAN into pure academic masters (MSc.) degree programmes, excepting in professional MBA, MPA and MBF programmes in business, public administration, banking and finance.

### **Imperatives for the educational development and production of professional and academic accountants in the future**

Factors that facilitate future educational development and production of academic and professional accountants and auditors in Nigeria are closely tied to the new demands in accounting and auditing education which can be viewed from different directions. For the accounting profession to survive in the future, it should develop qualifications and standards that will command the respect of all and sundry, and if indeed it will provide the required leadership role in financial management and expertise necessary for competing in a global economy, then the quality of accounting education must be given

pride if the profession must occupy an enviable other professionals (Ossisoma, 2001). A multi-disciplinary complexion is needed in accounting curriculum of tomorrow. The adoption of a multi-disciplinary curriculum would require the extension of the period of university degree programme from the current four years duration to five with inbuilt robust industrial attachment programme as obtained in engineering, partly as a means of reducing the existing gap between academically educated and professionally trained accountant. The accountant of the future must be versed in Information Communication Technology, forensic accounting, corporate strategy, Financial Control, Management and Quantitative Techniques. Anao (1998) cited in Ossisioma (2001. p21) posits that “the accountant of tomorrow will not simply be computer literate, but must be a computer zealot” The demands of e-commerce, e-accounting and e-taxation dictate that unless the accountant specifically puts his hand on the pulse of information development and trends, he will become downright irrelevant to the demands of tomorrow’s business (Ossisioma, 2001).

## **Conclusion**

The educational development of professional and academic Accountants in Nigeria falls short of expectation when compared with some developed countries and does not share in common, the experiences of other credible professions like Law, Medicine and Engineering among others. This slow pace of development is traceable to such factors as the deficiencies in tertiary institutions, particularly with respect to the adequacy of qualified human capacity and the initial unfavourable approach adopted by the pioneer accounting professional regulatory body- ICAN. However, the present low level of the educational development and production of academic and professional accountants in Nigeria are well closely tied to the pride of place given to the quality of professional and academic accounting education by tertiary institutions and the professional Accounting bodies in Nigeria.

## **Recommendations**

For the pace of the educational development and production of qualitative and globally relevant professional and academic accountants and auditors in Nigeria to be fast tracked to meet up with the pace of socio-economic development of the country, the following initiatives by the government, planners of accountants' academic and professional syllabi, are imperative:

First is the need to improve the current content of accounting education in Nigeria to include professional values, ethics, and attitudes, up-to-date information communication technology both at the tertiary institutions and professional development levels bodies. Second, is the need to stem the tide of decline in teaching quality occasioned by the paucity of accounting academics and the high turnover of the available few. Deliberate efforts must be made by government and the professional bodies in the sponsorship of accountants to pursue post graduate academic programmes in Universities, in addition to providing conducive teaching and learning environment for accounting educators through improved salary and reward structure and availability of improved teaching tools.

Second, the duration of university degree programme should be increased from the current four years duration to five years with inbuilt robust industrial attachment programme of not less than six straight months as obtained in engineering studies. Third, in order to eliminate existing perceived knowledge gap and discrimination of polytechnic graduates for post-graduate studies in universities, the minimum qualification for future professional accountants and auditors should be a University first degree in accounting as obtains in engineering, law, medicine, architecture and other prominent professions. Finally, with the growing prospect of the end to the age-long cold war between the two indigenous professional accounting bodies, ICAN and ANAN, they must now get more focused towards actualizing their respective statutory mandates of producing

professional accountants that occupy the same pride of place with other professionals globally.

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