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ACCOUNTING: BEYOND PRACTICE BRIDGING THE GAP THROUGH TERTIARY INSTITUTIONS

*OLADELE Femi, *ADELEKE Ezekiel Olukayode and **AKINTUNDE, Abel

*Department of Accounting, **Department of Sociology

Faculty of Social and Management Sciences, Bowen University Iwo, Osun State, Nigeria.

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ABSTRACT

The awareness about the fact that the frontier of accounting is increasingly expanding beyond professional practice is inchoate in Nigeria. The role of accounting extends further to research and policy formulations for Governments and corporate organizations as it assumes a multi-dimensional sine qua non in budgeting and budgetary control, environmental impact measurement, forensics and other socio-political and economic policy measures. This awareness level should be increased substantially through tertiary education. There is a unilateral stereotype of the profession (in Nigeria) especially among students always tending to practice as the core of the accounting profession hence the purpose of this article is to unmask the ills of the propaganda for professional practice as the core of the accounting profession in Nigeria; and to emphasize the three parts of the profession (research, policy and practice) according to Guthrie et al (2011). There is little awareness about the benefits of undertaking research and/or policy based orientation in Nigerian institutions limiting students' focus to becoming only professional practitioners. With this comes low number of senior academics in the field of Accounting experienced in most tertiary institutions. Tertiary institutions should be the "place of orientation" for the three aspects of accounting; nurturing and developing students' interest, so this paper strongly rejects the overbearing clamor for professional practice as the core of the profession. This paper is based on the authors' assuming opinions, observations and perspective with respect to realities in the academic environment hence subjective.

INTRODUCTION

Most common definitions of accounting start with the term "art" "system" or "science".

Accounting is a means to an end; through provision of relevant information for decision making. This definition implies that accounting is more relevant in practice. However, an art or a system or a science can be improved upon. If this is the case experience gained from doing something over again can lead to efficiency of the learning curve theory process, but cannot adequately help innovations with respect to better or improved methodology owing also to the fact that human resource most times enjoy and are satisfied with satisficing rather than optimizing.

STATEMENT OF THE PROBLEM

In Nigeria, there is literature silence on the three aspects (parts) that constitute the profession of accounting. Also, despite the parts, there is a stereotype to limit it only to professional practice. Corporate organizations pay way more than what is obtainable in academics hence also, another stereotype is the tendency only to allot slot for young academics with good grades. Like an experience my friend had (asking him to go back to the classroom, because he made a first class and because he explained issues well).

Social status is the final paradox we will address here. In the academia academics with professional membership enjoy a more dignified position, because of their affiliation with professional bodies.

Uche (2007) opines that despite recent advances in the study and knowledge of the accounting profession, there has been very little research along these lines in developing countries.



IMPERATIVE OF RESEARCH IN ACCOUNTING

Research is what brings about innovation and that is why most organizations have a department or unit called the Research and Development (R&D) or any other related nomenclature.

Mainoma and Aruwa (2008) quoted this definition of research from (PICPA, 2006): “research may be defined as a purposive, systematic, and scientific process of gathering, analyzing, classifying, organizing, presenting and interpreting data for the solution of a problem, for prediction, for invention, for the discovery of truth, or for the expansion or verification of existing knowledge, all for the preservation and improvement of the quality of human life”.

I would like to emphasize “...*for the expansion or verification of existing knowledge...*” from that definition.

If we continue to rely on practice without innovation, we would become very good at what we do, however, how do we verify that our approach is truly explicit?

How relevant/important is membership of professional accounting bodies to students, graduates, post-graduates and post-doctoral students in/of Accounting other than those interested in accounting professional practice?

In Nigeria, Accountants have been viewed majorly as professional practitioners. This view is corroborated with the number of Professors of/in Accounting in Nigeria.

During informal interviews, counseling sessions and interactions with prospective students and students, when they are asked why they (want to) study Accounting, the most common responses are “*it is a professional course*”. And one tends to wonder what course is not professional knowing that there understanding is limited to the fact that after their degree all they hope for is to be a member of a professional body and engage in practice.

However, contrary to popular inchoate view, Accounting is not just about professional practice; it is three dimensional: research, policy and practice (Guthrine et al, 2011). These differences should be emphasized in clear terms to intending students to enhance their understanding of the field.

Many academics preach professional practice as the core of the Accounting profession to students. This is a limited view of the profession. Accounting has evolved with three wings.

In a typical Nigerian corporate, a degree with a professional qualification is adequate for career progression. Consider this: “At the international level, research is generally a requirement for accounting academic career progression, and an important contributor to the development of knowledge and scholarship” (Wright and Chalmers, 2010).

If we insist on professional practice alone ignoring research and policy based accounting how do we develop the accounting profession?

“ICAN membership has little content of membership of the academia thus the symbiosis of research and practice is non-existent. Compared to ANAN with over 90 percent of 13 professors of Accounting in Nigeria and largely made up of accounting graduates as members”. (Mainoma and Aruwa, 2008)

ACADEMIC ACCREDITATION

For Departments of Accounting in tertiary institutions in Nigeria to be accredited by the National Universities Commission, (NUC) the Federal regulatory body is not as much burdensome as that by professional bodies. Institute of Chartered Accountants of Nigeria (ICAN) for instance will insist that as a prerequisite for accreditation, some senior members of the Department especially the Head of Department (HOD) are members of the Institute; calling for social inequality in the academia as non-members are not allowed to handle key courses and hold substantial positions.

Also according to Mainoma and Aruwa (2008) “since many of the students intend to pursue careers in the accounting profession, there is collaboration with professional bodies to align courses of study with what is obtainable in the Institutes. This strategy of indirectly imposing the Institute’s requirements on the university is done through accreditation of universities’ accounting programmes”.

It is good to have a blend of professionals and researchers in the academic environment but to insist, we have reservations.

This places a moral burden on staff members who want to be only researchers forcing them to join the body. Even with our accreditation, this is a submission by Parker et al (2011): “After more than 50 years of producing university accounting graduates, we are still being told that universities produce narrowly educated and focused graduates who can produce bank reconciliations, but cannot think critically”. This is a shame on our Universities. In Nigeria you can find graduates of Yoruba studies and Engineering working in the Operations Department of Deposit Money Banks. This is because firm now realize they can do the same things Accountants can do since they believe Accountants are just to post figures. The place of Accounting has degenerated too much in Nigeria. With the advent of technology, all an employee requires is adequate knowledge of Information Technology (IT) gadgets for posting. But is that what Accounting is all about?

Accounting is critical and requires a certain degree of knowledge base to apprehend its workings. The fact that anyone can prepare Bank reconciliations does not imply the person is an Accountant and that is what professional bodies are causing. Medical Doctors, Chemical Engineers and others from any field who can sit to pass their examinations are accorded professional membership status. Anyone can sit to pass a 3-hour paper but without the basic knowledge of the course his/her efficiency can be in doubt to a great extent. This is not to assert that all Accounting major Graduates are the best suited for the job.

CURRICULAR AND EXEMPTIONS

Professional bodies cajole Department of Accounting in most tertiary institutions in Nigeria to align their course content with theirs to enable their students assess and maximize course exemptions to become professional members.

“The pressure to satisfy the Institute’s requirements is manifested indirectly through the students’ desire to receive not just a degree, but a degree that also includes an exemption from their specific courses or stages”. (Mainoma and Aruwa, 2008)

This is good and acceptable but my questions are: are all graduates of Accounting meant to be members of professional bodies to be relevant in the accounting profession?

Is there no place for students who aspire to be scholars in the field of Accounting? Must those students too be “forced” to join the status quo to be relevant?

For students who want to become professional practitioners, their choice of institution is based on the Department’s chumminess with professional accounting bodies so as to maximize enough exemptions to become professional members.

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According to Guthrine et al (2011) “the accounting profession is made up of three parts – research, policy and practice. I strongly believe that if these three aspects are differentiated in personalities and harmonized institutionally, then accounting profession in Nigeria will grow wider and faster”.

The questions of discuss is whether all the Staff members of the Department of Accounting should be members of professional bodies or Accounting Practitioners per se and should membership of a professional body in Accounting be the yardstick for relevance and researching in the field of accounting?

UNDERSTANDING THE TRIPARTITE

Recall the three parts of the accounting profession-research, policy and practice by Guthrine et al (2011). Richard Laughlin’s chapter (Accounting Research, Policy and Practice: Worlds Together or Worlds Apart?) in the publication *Bridging the Gap between Academic Accounting Research and Professional Practice (2011)* questions the relationship not as a ‘gap’ that needs to be ‘bridged’, but rather in a more open ended way considering whether accounting research, policy and practice are ‘worlds together or worlds apart’ and what the answer to this question implies for the elements that constitute the profession. In conclusion, he indicates that not bringing these worlds together runs the risk of losing the societally-sanctioned status of being seen as a profession with all the associated privileges and respect. His chapter makes clear that it is accounting research, policy and practice that constitute the accounting profession. Put simply and directly, all three elements need to work together and, through discourse, agree and accept, at an institutional level, the respective roles, responsibilities and interrelationships (with the other elements), if the profession is to continue to survive and prosper and offer the services it should in societies throughout the world.

This indicates that there is a wide gap and this is what obtains. I don’t disagree with the facts that an Accountant should be chartered but is this core of the profession? Is it only by being chartered that an Accountant gains relevance in the profession? If we insist that all Accountants should be chartered as it is now then no one will ever think of research in the field and the profession will invariably not grow.

The Institute of Chartered Accountants in Australia in their report in 2011 expressly advanced the willingness of Accountants in the country to choose either to be Policy makers, Researchers or Practitioners. This they believe will ensure continuous and steady development of the profession and its contribution to society which is every Accountant’s dream/goal.

DISPARITY IN PAY

A tweet by *Accounting Today* from this link viewed on 10th June 2013 <http://www.accountingtoday.com/news/Management-Accounting-Salaries-Reach-Highest-Level-67211-1.html> reads: Professionals holding the Certified Management Accountant credential continued to enjoy greater earning power. CMA holders reported an average annual salary of \$115,290, or 25 percent more (compared to \$92,570) than those without certification. The average annual total compensation for CMAs was \$139,578, a difference of more than \$34,000 (or 32 percent) compared to their noncertified peers. The certification advantage is evident at all stages of one’s career as certified professionals in all five of the survey’s age categories reported higher earnings. “As the profession grows, accountants must find ways to differentiate themselves in order to stand out,” said IMA president and CEO Jeff Thomson in a statement. “The findings of this year’s salary survey point to the value of certification, not only in terms of earning power, but the value to employers who need highly qualified accounting talent.”

In Nigeria too, an Accountant engaged in professional practice has the opportunity to earn more than a researcher or an academic.

This is a good incentive for gaining professional membership status. However how can a researcher engaged in practice have the required time for adequate research?

A researcher is not motivated solely by pay. Researchers want to see that their efforts are utilized properly.



RECOMMENDATION

My first submission is the establishment of a Nigerian Accounting Research Centre made up of equal number of practitioners and pure academics. I imply “pure” as academics whose desire is to research into the development of Accounting in Nigeria. It is the responsibility of the Financial Reporting Council of Nigeria (FRCN) to cater for the needs of Accounting in Nigeria; however, the creation of an independent research centre will further enhance the development of the profession, because I strongly believe Accounting is research based.

I tend to think that practitioners are stereotyped to the way things are done over time. They enjoy no incentive to change their methods or approach. But my concern is this: these methods were formulated, created, devised, put together by some people. Why then should we continue to rely on such *always* without verifying if they are still relevant?

I suggest that since practitioners are overburdened with getting their work done, the responsibility invariably falls on the researchers to find better or improved ways of doing things. Parker et al (2011) recounts that practitioners are seen as not being interested in any challenge or debate or challenge to the status quo; they are reluctant to disclose their data, so they want us to help them but they will not let us into their firms (Bricker and Previts, 1990).

If new approaches emerge, practitioners should be willing to accept them and not insist on their approaches which they are already used to.

In Court proceedings I hear of the use of former similar cases as yardstick for a case in hand, however, when the previous cases fall short of just a single proof, it is dropped. I think Accountants should take a cue from that and be ready to drop any approach adjudged stale.

Most suggestions a graduate or a student of accounting get in Nigeria is: “if you become chartered you will be hot-cake, your services will be required everywhere with good pay”. I mildly decline this. Is this profession just about the pay? Is there no desire to lift the profession? People in the past made sacrifices to make this profession get to where it is today, but all a practitioner cares about is using the profession to maximizing his financial gains. Is that solely right?

CONCLUSION

In developed economies, the roles of Accountants are explicitly spelt out so that there is not a thin line between the professional and the researcher. However in Nigeria, these roles are merged into one person. This strains the Nigerian Accountant as he/she has to multitask at every point which makes him/her versatile. However, with the development in technology it is imperative to define the roles to ensure effectiveness and efficiency.

As an Accountant in Nigeria you are expected to be a researcher in the field of accounting even elsewhere, a policy maker and a practitioner: how possible is that?

This paper hence examined the rationale and assesses the implications for the individual involved, the Department and the University as a whole keeping in mind that Students generally would like to attend tertiary institutions that will enable them assess as much exemptions as possible from professional bodies. It is a known fact professional bodies require Departments to align their curricula to enable their graduates obtain exemptions from some papers. This is welcome development, but there should be a line (which is rather than thin) which differentiates a researcher from a policy maker to a practitioner.

Recently I heard of ICAN’S resolve to sponsor Doctor of Philosophy candidates in Accounting and I am impressed.

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