OPEN ACCESS
Finance & Accounting Research Journal
P-ISSN: 2708-633X, E-ISSN: 2708-6348
Volume 4, Issue 3, P.No. 84-98, October 2022
DOI: 10.51594/farj.v4i3.387
Fair East Publishers
Journal Homepage: www.fepbl.com/index.php/farj

THE NIGERIAN SOCIO-ECONOMIC AND POLITICAL LANDSCAPE: WITHER THE CHARTERED ACCOUNTANTS

Egbon Peter Chukwuyem[1] & Obi Callistar Kidochukwu[2]

[1,2] Department of Economics, Delta State University, Abraka, Nigeria

*Corresponding Author: Obi Callistar Kidochukwu
Corresponding Author Email: obicallistar@delsu.edu.ng

Article Received: 01-10-22 **Accepted:** 15-10-22 **Published:** 19-10-22

ABSTRACT

The socio-economic and political landscape of Nigeria, is replete with, corruption, poverty, unemployment, insecurity and poor governance. A combination of the aforementioned issues are capable of crippling investments and ensure declining growth in the economy. How would the Chartered Accountants help in salvaging the situation? Given that the Chartered Accountants are 'numbers people' and are capable of reducing 'everything concerning any economy' to numbers, perhaps, the answer may be in the affirmative. But, given the recent and trending allegation levelled against the now suspended Accountant-General of Nigeria(AGN), who will " police the police "? The main argument of this paper, therefore, is that, not even the Chartered Accountants alone can enhance public sector accountability in Nigeria, without the supporting role of all stakeholders, including other professionals. On the part of government, institutional strengthening is a key part of a country's anti-corruption strategies. Strengthening, through reforms in the judiciary, the anti-corruption agencies and good living wages for civil servants will do it. Given the complex and interconnected world, tackling the aforementioned socio-economic and political issues requires strong collaboration and commitment from the public, private and regulatory authorities.

Keywords: Accountability, Corruption, Insecurity, Transparency, Nigeria Economy.

INTRODUCTION

Based on the assumption on socio-political challenges, which is being seen as impediments relating to or involving a combination of social and political factors, detrimental to investments and reducing growth in the country, Obamuyi and Fapetu (2016: 35-39), enumerated Nigeria's social political challenges to include insecurity, corruption, bad governance, unemployment, poverty, among others. Moghalu (2021: 2-3) further enumerated fall in nationhood and security, fall in state capacity, decline in elite class, galloping population growth, curse of oil, as major socio-political challenges facing Nigeria.

Is there any significant difference between the two perspectives enumerated above as challenges of socio-political problems of Nigeria? Musa (2006) while appraising, the "Nigerian Political Economy in Transition", opined, among others that; fall in capacity utilization in Nigerian industries, epileptic power supply, galloping inflation, naira depreciation, unemployment, poverty, characterized the Nigerian society and economy in May, 1999 when the Obasanjo's administration took over the reins of power.

The above identified challenges partly summarized Nigeria's socio-economic and political landscape in 2006. Sixteen years later (i.e 2022), any change in the landscape, either for better or for worse?

In order to have a glimpse of the answer to the question posed above, let us examine Senator Ahmed Lawan (the President of the current Senate of Nigeria) observations, while writing a 'forward' to a book titled, "*A Political Economy of Pandemics and Consequences of COVID-19 for Nigeria*",

... on the economic front, Nigeria's mono-economy, heavily dependent on oil, suffered a great hit as the price of crude fell drastically to figures not seen before. The restriction in travels and movement further harmed the already fragile economy and both the formal and informal sectors were affected but probably even worse in the case of the latter. Millions of Nigerians suddenly found themselves out of jobs and households that depended on daily income had their livelihoods threatened. In the health sector, the pandemic showed the lag in the area and the need for a complete overhaul to reposition it to better respond to this and future emergencies (Lawan, 2020 in Sulaiman, 2020).

Let us also have a look at Santander's: (2018) observations in Ngacyisa (2018: 9), while reviewing the Nigerian Political Economy, that;

> *... with an advantage of taxation system, abundance of natural resources, as well as cheap labour, whilst simultaneously, the spread of an infectious corruption, absence of transparency, political instability, and a deficiency of quality infrastructure are all restraints for potential FDI. According to the World Bank's 'Doing Business 2018', Nigeria is placed at 145th on the list which is recorded as a significant growth of 24 places in comparison to the past report. This is as a result of the advancement in credit access and the smoothing into business registering, Nigeria ranked 158th of 180 states in the index of corruption perceptions (Ngcayisa, 2018:9).*

In our opinion, the contents of the aforestated two quotations characterize the Nigerian socio-economic and political landscape. The relevant question, is, how would the Chartered Accountants help in salvaging the situation? Given that the Chartered Accountants are 'numbers people' and that 'everything concerning any economy will ultimately be reduced to numbers and in the form set forth by accountants', perhaps the expected answer would be affirmative. But given the recent and trending allegation leveled against the now suspended Accountant-General of Nigeria (AGN) who will "police the police"? The thesis of this paper, therefore, is that, not even the Chartered Accountants alone can enhance public sector accountability in Nigeria, without the supporting role of all stakeholders, including other professionals.

The paper is organized into five sections. Section 1, is introductory and contains some perspectives of Nigeria's socio-economic and political challenges and the main argument (-thesis) of the paper. Section 2, examines some conceptual issues of Governance, Corruption and Chartered Accountants that are germane to the understanding of the subject matter. Section 3, discusses some aspects of the Nigerian economy and some emerging issues. Section 4, examines concisely the implications of the role(s) of the Chartered Accountant, as earlier outlined in Section 2, on the Nigerian economy. Some concluding remarks are made in Section 5.

CONCEPTUAL CLARIFICATIONS

Central to the understanding of the subject matter of this paper are three concepts that need to be reviewed. These concepts are Governance, Corruption and Chartered Accountants, accordingly.

Governance

Governance can be seen as the rules of conducting public affairs or as steering or controlling public affairs. Governance, thus stresses the institutional framework within which government develops and implement public policies. Given, therefore the importance of rules to governance, emphasis needs to be placed on the process through which these rules are selected and adopted. Governance, is therefore to be understood as the mechanisms, whereby an institution / organization incorporates the participation of relevant stakeholders in defining the scope and content of its work (Mbaku, 2006:4; Bello-Imam, 1997:2).

Governance has three clear dimensions; economic, political and administrative. Whereas, the design of public policy constitutes political governance, administrative governance is related to the implementation of policy. Economic governance concerns the management of the domestic economy and its interrelations with other economies (Hyden et al., 2004). Forbidden, from engaging in political issues, the World Bank, distinguishes between, "governance as an analytic framework and governance as an operational framework" and in the process identified three aspects of governance;

- the form of political regime
- the process by which authority is exercised in the management of a country's economic and social resources for development
- the capacity of governments to design, formulate and implement policies and discharge functions (Hyden et al., 2004:15).

Implied therefore, is that, in order to adequately understand how political and economic markets operate, there is the need to examine thoroughly the rules that regulate socio-political interaction in the society (Brenan and Buchanan, 1985, North, 1990). Given that, the design of rules is influenced by the activities of many political actors within the polity, emphasis should therefore be placed on the process through which those rules are selected and adopted. Consequently, constitution making and constitutionalism are germane issues to tackle. Governance, therefore, should involve, the design and maintenance of rules that sufficiently regulate the environment, within which, collective, as well as private, choices are made (Ehiedu & Odita, 2014).

The rules should appropriately constrain state custodians and prevent them from engaging in opportunism, provide the facilities for the peaceful coexistence of a country's diverse population groups and encourage entrepreneurial activities and the creation of wealth. In promoting productive efficiency, so as to maximize the creation of wealth the rules of engagement should engender equity in allocation, with the issue of minimizing the further marginalization of the poor and other vulnerable groups (Mbaku: 2006:5).

Corruption

UNDP (1997) saw corruption as a symptom of something gone wrong in the management of the state. But the sociologists (Alates, 1968:1) would want to see it as

'a symptom of dysfunctional relationship between the state and the citizenry which harbours three vital phenomena: bribery, extortion and nepotism'. Besides, corruption been the abuse of government office and the subordination of public interests to private aims, it erodes the norms of integrity, responsibility and accountability and institutionalizes impunity.

Efforts aimed at mobilizing development finance in order to stimulate growth and alleviate poverty must be supported by commensurate vigorous efforts to fight corruption. It follows that resource mobilization for development and poverty alleviation must focus on strategies for curbing and reversing the financial hemorrhage that corruption inflicts on economies. Foremost, in designing strategies to prevent corruption is the need to understand the scope and vehicle of corruption (Ndikumana, 2006: 184-185).

Odekunle (1999), in Ganiyu & Rasaki (2014) identified four types of corruption, economic corruption, organized corruption, administrative corruption and political corruption. Whereas, economic corruption involves an act carried out by businessmen and contractors directly motivated by financial gains, organized corruption is a relatively large scale and complex criminal activity perpetuated by a group of elites and control agents for the enrichment of those participating and at the expense of the community and its members. Administrative corruption occurs when top administrative and professionals convert official roles for private motive and socio-political gains. Closely related is the political corruption, which refers to the act, largely carried out by political power office holders and their henchmen, as led usually by the desire to retain political power.

Corruption, can therefore be seen as a rational self-perpetuating phenomenon. It is both systematic and deliberate; a derivative of efficient predatory behaviour in a lawless world. Whereas, corruption, may be harmful to society as a whole, it is beneficial to the individuals, who perpetuate it. Corruption is therefore the outcome of deliberate decisions by agents who manipulate and exploit the institutional environment with a view to maximizing their gains, which may be material or non-material. But Gary Beker, a one time Noble Prize winning economist, advocated for the abolition of the state, since "it is not the corruption of man which destroys the political system but the political system which corrupts and destroys man".

Becker, believed that corruption is brought about by the existence of the state and the control of power within the state. The Beckerian view has been countered by recognizing that it is the lack of checks and balances that generates corruption, since it allows individuals in power to manipulate the law to create opportunities for bribes, extortion and patronage. Besides, the manipulation of power allows corrupt acts to remain unpunished, particularly due to lack of independence of the judiciary (Tanzi, 2002 in Ndikumana, 2006:187). Besides, the historical evidence that the degree of corruption varies inversely to the degree that power is consensual but the key to minimizing corruption is the ability of a country to engineer a balanced distribution of power and adequate checks and balances within the state.

Krueger (1974) and Rose Ackerwon (1978) have identified the causes and vehicles of corruption to include;

- discretion, distortion and government spending
- the tax system
- debt and external collusion with Kleptocracy
- public sector wages and incentive structures
- lack of transparency in natural resources extraction

Acemogu and Verdier 2000, cited in Ndikumana 2006:189-199, opined that corruption is a by-product of government intervention, which makes it possible for policy makers to exercise discretion in determining the type, size, composition and geographical location of projects and service delivery points. It is the implied secret and illegality, brought about by the imperfections of the market, that confers monopoly status to regulators of economic exchange that generates corruption.

The complex nature of the tax systems in less developed countries and the discretionary power of the fiscal authority to grant tax exemptions, tax units and other privileges often allows this power to be used to advance sectarian interests, including ethnic and regional groups. Particularly, corruption in this system does perpetuate the tendency for evasion on the part of tax payers amidst establishing a culture of impunity among the collectors.

Looting of external debt and aid by government leaders is one vehicle of corruption, that is usually played down. Aid and external debt are subject to corruption thus;

- government officials who are responsible for debt management simply embezzle the funds.
- government officials extract kickbacks on projects financed by debt.
- due to imperfect monitoring by donors and lenders, and fungibility of aid/debt, government officials, most often embezzle domestic funds amidst maintenance of a ‘normal’ level of activity in the public sector.
- Capital flight, usually involves shared responsibility of corrupt government leaders in developing countries and western leaders (Boyce, 1992 cited in Ndikumana, 2006: 191-192).

Hillman, 2004 & Rojkegram and Wealer, 2001, cited in Ndikumana, 2006: 192-194, posited the;

- Efficiency wage argument
- Fair wage argument,

to explain the norms between corruption and civil service wages. The efficiency wage argument, simply put, is that, given that monitoring of the behaviour of civil servants is imperfect, high wages are needed to deter corruption. Implied therein, is that a high wage amounts to higher cost of being caught in a corrupt undertaking and losing the job. On the other hand, the fair wage argument maintained that civil servants engage in corruption to compensate for the differential between their compensation package and that of the higher ranked colleagues or those employed in more viable positions, say parastatals.

La Moustique, 2005, cited in Ndikumana, 2006: 194-195, observed that, revenues from natural resources, meant for economic development, are often embezzled by government leaders in connivance with international corporations. This form of corruption is a shared responsibility between bureaucrats in developing countries and international companies and it is sustained partly due to the failure of Western governments to enforce their own laws against corruption.

Chartered Accountants

Definition:

A practitioner of accounting or accountancy is an accountant. Whereas, an accountant is someone who carries out accounting activities, Chartered Accountant is an accountant that has passed the requirements set by the regulatory accounting bodies, such as ICAN, ACCA, ANAN, etc, to be certified and recognised in the school of accounting as a professional. A chartered accountant is therefore a more professional version of an accountant.

Qualities

The qualities of a Chartered Accountant should necessarily include;

- Confidentiality
- Integrity
- Objectivity
- Ethics Maintenance

Chartered Accountant requires the client to disclose all his/her detailed financial statement to the auditor and the various confidential information need not be disclosed except under the law. A chartered Accountant, in performing his/her duties is expected to be honest and work in accordance to the values, ethics and principles of the profession. For instance, if a chartered accountant finds out that an organization is indulging in some activities that may subsequently result into tax liabilities, he/she is expected to immediately bring it to the knowledge of management: thus save the assessee from further assessment procedure. It follows that a chartered accountant must maintain ethics while performing his/her duties and under obligation to be unbiased, honest and as well as free of a conflict of interest (Ofoegbu & Etele, 2018:48).

Umoren (2019) maintains that the chartered Accountants are globally recognized to offer advisory services to clients in areas of business and finance; including auditing, taxation, finance and general management. They are therefore, usually in a formal setting, the internal auditors, the chief financial officers of companies, chief accountants, finance directors, controllers and bursars.

So far, it is clear that the chartered Accountants exert significant levels of influence on the economic activities in both the public and private sectors. Perhaps, this has informed Osisioma (2014) in Umoren (2018:13) to insist that;

> … the role of the professional accountant is to bring to bear on the policy, his professional skills and competence in the area of budgetary control, forensic audit, performance indices and accountability measures.

The aforementioned assertion allude to the fact that accounting has gone beyond the tradition of keeping books of accounts and reporting same to relevant stakeholders to a higher level, requiring provision of good quality financial infrastructures, essential to the development of economies.

Bushman & Smith, 2003:1, in Umoren (2018:26) maintained that;

> financial accounting information is the product of corporate accounting and external reporting systems that measure and routinely disclose audited, quantitative data concerning the financial position and performance of publicly held firms, audited balance sheets, income statements, and cash-flow statements, along with supporting disclosures form the foundation of the firm-specific information set available to investors and regulators (Bushman & Smith, 2003:11).

Implied from above is the fact that the chartered Accountants, while providing financial information stimulate the economic environment and accordingly;

- Enhance managements' and investors' capacity to identify and evaluate investment opportunities
- Enhance economic performance through the governance role that ensures efficient allocation of resources
- Reduce adverse selection and liquidity risk, since the liquidity of an economic entity's securities impacts the firm's cost of capital.

Perhaps on the basis of the above observations, Tomlinson (2017) observed that, besides being "numbers people", accountants are professionally deleting and reducing corruption. Consequently, accounting profession portrays an important part of;

> strong national governance architecture, that, in partnership with good government and strong business confront corruption.

Implied therein are the core values of global accountancy profession of ethics, education and oversight.

NIGERIAN ECONOMY AND SOME EMERGING ISSUES

The Nigerian Economy

Ordinarily, Nigeria's rich natural and material resources endowment should adequately place it at the forefront, as not just Africa's largest economy but a major player in the global economy. Yet, after many years of economic planning, through the 1st to 4th National Development Plan (NDP) (1962-68, 1970-74, 1975-1979 ,1980-1985 respectively), the economic structure of Nigerian had largely remained undiversified, with crude exports accounting for 90% of total exports, manufacturing of exports accounting for less than 1 percent (NPC, 2006: 7-9; Obi, 2018).

In 2012, the Nigerian Vision 20:2020 was launched, envisaging that by 2020, Nigeria will be diversified, harness its human and natural resources and improve on the quality of life to its citizens (NPC, 2012:8). Yet, poverty persists and its incidence is assuming worrisome dimension. This is a paradox given the expressed concern of various governments and the plethora of programmes and activities directed at poverty reduction. Some of the highest earnings of oil in Nigerian history were recorded in the decades of 2005 till 2015. The debt levels also increased in the same period (Obi, 2014, 2015; Obi, Ifelunini & Kojo 2017), amidst declining foreign reserve. But in mid 2014, the price of oil dropped, with the consequent drop in the real GDP growth to 2.7% from the hitherto, 6.2% (Ngcayisa, 2018: 8).

Nigeria is one of the world largest producer of oil, yet it imports refined petroleum products with the ludicrous and humongous oil subsidy; due largely to non-commensurate investment in infrastructure and limited growth in the petroleum sub-sector. Foreign Direct Investment (FDI) interventions in Nigeria decreased by 21%, amounting to US$ 5 billion in 2017, a huge decline, given that FDI represents 24.4% of Nigeria's GDP US$ 97 billion (Santarder in Ngcayisan, 2018:9).

One, would ordinarily expect Nigeria to do more than being ranked as the 145th position in the World Bank doing Business 2018, a position that was an improvement and significant growth of 24 places when compared to the past report. This observed improvement in the ease of doing business is associated with the advancement in credit access and the smoothing in business registration. Yet, in spite of abundance of natural resources, as well as cheap labour, amidst deficiency of quality infrastructure, which restraints potential FDI, Nigeria ranked 158th of 180 states in the index of corruption.

Given Nigeria's huge endowment in arable land, solid minerals and petroleum as resources, it has no reason to be poor. But Nigeria's socio-economic landscape is replete with mismanagement of the economy, lack of public accountability, insensitivity of the leadership to the yearnings and aspirations of the people, corruption and insecurity of lives and property.

In 2017, the Nigerian economy grew out of its recession, with 0.5% growth, due to activities in the oil sector, determined by oil prices and production. But the Nigerian economy was not immune to the economic impacts of the COVID-19 pandemics (Obi and Ndakara, 2020). Whereas, the economy recorded a robust 2.2% growth vis-à-vis 0.5% growth in 2019, it was projected to grow by 2.5% in 2020. But, given the pandemic and the resources expended to contain its spread, the economy was projected to contract by 5.4% in 2020 (Fajingbesi, 2018: 226).

Emerging Issues

Emerging from the overview of the Nigerian economy are issues of,

- Unsuccessful Plan Implementation
- Transparency, Accountability and Governance.
- Corruption.

Unsuccessful Plan Implementation

Overtime, particularly after political independence, several plans, ranging from, public sector/project driven plans to private sector/policy plans and visions have been implemented in Nigeria. But for the desired economic and social development objectives to be realized, plans need to be properly designed, implemented and monitored.

Factors, necessary for a successful plan implementation, ordinarily include,

i. Provision of adequate resources of finance, manpower and management for implementation of projects and programmes;
ii. Reasonable level of communication within the agencies formulating projects or programmes;
iii. Well laid out procedures for efficient and timely execution; and

iv. Well functioning monitoring and evaluation mechanisms (Obadan, 2003: 94-95)

Whereas, monitoring ensures that ministries, agencies and organizations keep track of performances, evaluation is a post-event appraisal of performance. It provides information by way of feedback from lessons of experience. But, Nigeria's planning experience is replete with the phenomenon of abandoned projects and overall plan indiscipline; due to poor monitoring, alongside with instability of government and policies. Yet, there is a Policy Implementation and Monitoring Unit in the Political Affairs Office of the office of the Secretary to the Government of the Federation (Usman, 2001 in Obadan, 2003:96).

A major factor leading to successful plan implementation is finance. Absence of funds makes the document remain a theoretical proposal.

Transparency, Accountability and Good Governance.

Transparency and accountability speed up and smoothen the development process and ensure efficient and effective use of public resources. As earlier observed, good governance manifests in efficient and effective public administration, sound policies and prudent management of national resources. Governance is therefore characterized by accountability of public officials for public funds and resources, openness in government transactions and predictability in government behavior.

Ordinarily, accountability can be enhanced through the institution of appropriate checks and balances, in order to ensure continuous observance of the rule of law. These institutions and systems include;

i. Internal and external audit
ii. Public Accounts Committee
iii. Ombudsman system
iv. Programme and Project Monitoring
v. National Economic Intelligence Committee
vi. Anti-Corruption Commission
vii. Code of Conduct Bureau

In addition to the mentioned institutions above, there should also be,

a. Institution of leadership by example.
b. A strong and viable civil society
c. A sound and respectable judicial system
d. Strengthening of the internal control system, manifesting through the internal audit system.
e. Enforcement of existing guidelines and frameworks for ensuring accountability; through
    i. Policy guidelines on Procurement and Award of Contracts
    ii. Due process guideline (Ezekwesili, 2002:18 in Obadan, 2003: 226).

Normally, the Due Process Compliance Certification (DPCC), is conducted at three levels to ensure that the;

- Preparatory work on a project needs to be completed before approval for inclusion in the budget;
- Contract award process has been followed before a contract is awarded; and
- Payments are made only after it has been certified that satisfactory progress is being made towards the completion of the project. (Obadan, 2003: 226).

Attempts to Curb Corruption

A major obstacle to the development of the Nigerian economy is corruption. It is best described as efforts to secure (appropriate) wealth or power through illegal means; a misuse of public power for private benefit. Corruption is deeply entrenched in public service that it is now seen as a way of life and short-cut to wealth accumulation (Lipset and Lenz, 2000)

Despite the activities of agencies that fight corruption in Nigeria (ICPC, EFCC and BDPMU) corruption continued to prevail in Nigeria. Quseh and Oritsefor (2007) gave for such as presence of corrupt leadership, Government dominance in economic activities and lack of will to properly fight corruption. Adeyemi and Obamuyi (2001), insist that there is collusion between political office holders and accountants, and this makes the use of accounting techniques easy in covering up fraud.

Moghalu (2021:14) on his part insist that, Nigeria is estimated to have lost $600 billion to corruption in the public sector since independence. He insists that while the resource curse undoubtedly increased the scale of corruption in Nigeria, the impact of inflation over the years has resulted in a massive increase in the scale of corruption. With the weakening of the purchasing power of the Naira, corrupt public officers have not only increased the private gains they acquire through corruption but have graduated to the "dollarization of corruption".

IMPLICATIONS ON THE NIGERIAN ECONOMY OF THE ROLES OF CHARTERED ACCOUNTANTS

The conservative tradition of development supports the idea that accounting is a technical instrument required in the effort aimed at achieving some better socio-economic living conditions. In fact, Salisteanu and Oros (2015), affirm that accounting involves collection, analyzes, interpretation of data and producing Reports that are helpful in economic decision-making. Particularly, accounting is central to economic planning and development at three levels; The

- Evaluation of existing available resources, as they limit the available alternatives in selecting the course of action.
- Prediction of future economic trends in order to influence economic cycles
- Measurement and assessment of actual results at the end of each planning period, in order to ensure feedback, required for making further decisions (Cassele, 1979).

Given the institutional role of financial reporting in ensuring accountability and facilitating decision-making, it has become conventional to suspect a strong nexus between the chartered accountant roles and economy's well being. Usually, the accounting information provided from the individual economic entities are partially used in the National Income Accounting. The National Income Accounting, is in itself, useful in assessing the effectiveness of particular national development policies and the performance of the economy as a whole (Rahaman, 2011).Whereas financial records remain the foundation of the accountability process, the human component indices of commitment, honesty, integrity and transparency remain the major problems of the process (Ndukwu, 2016).

Most often, the chartered accountants serve as financial reporters, auditors and intermediaries and are therefore expected to provide high degree of professional competence in accounts prepared or audited by them. Yet, some auditors' behaviour appears to contrast with the assumptions of public interest and rationality. Otherwise, why would an auditor sacrifice reputational capital for small amount of financial gains?

Whereas Adeside (2008) in Ndukwu (2016) maintained that corporate governance code violators collude or evade the regulators through fraudulent measures, Akpan-Essien (2011) in Ndukwu (2016), argued that the adoption of the IFRS – the international Financial Reporting Standard would address, partly, Nigeria's loss of the Foreign Direct Investment (FDI) in the oil and gas sector to Ghana by ensuring transparency accountability and integrity in financial reporting. A strong and internationally comparable reporting system (such as IFRS), facilitates international flows of financial resources. It (IFRS) is designed as a common global language in business affairs, with a view to allowing companies' accounts to be comparable across international boundaries (Colasse, 2009)

IFRS was adopted in Nigeria in 2010, after the Financial Reporting Council of Nigeria came up with a road map. Yet, there is not enough data or research on IFRS for Small Medium Enterprises (SMEs), as regards technical accounting issues, like accounting, audit and professional matters. The SMEs dominate the Nigerian economy particularly the informal sectors. Given that the Small Medium Practices (SMPs), constitute the bedrock of the profession, particularly for those in practice, there is the need to encourage them to improve on their standards and quality of work. It is also important to ensure that there exists sufficiently good market to operate. (Ndukwu, 2016, Zakari, 2017:18). Perhaps, a concerted efforts by ICAN and other Accounting bodies to have a legal backing to the aforementioned SMPs mentorship to the SMEs, would not be a bad idea

It is therefore noteworthy to learn that the "Small Medium Practices Committee" has been set up; with the mandate of supporting the SMPs, with materials, lots of training and how to manage their practice. With significant improvement in the quality of work and service delivery, the clients (mainly the SMEs) would hopefully be ready to pay a little more for the value they are getting. Undoubtedly, collaboration for better performances, would minimize, the embarrassing situation of unemployment for Chartered Accountants. (Zakari, 2017:18).

Given that principled-based, rather than rule-based structure of IFRS, more transparency seems to have come into financial reporting in Nigeria. Particularly, the budgeting process in any country reflects the level of transparency and accountability. Budgetary lapses which necessarily include inadequate funds control, expenditure control and revenue control, engender massive corruption. Extra budget expenditure, fiscal deficit and dedicated accounts in budget, as reflected in budget related controversy that shocked the National Assembly some years back are derivatives of inadequate transparency in Nigeria (Obi & Ifelunini, 2019).

Zakari (2017:18) expressed his displeasure at the progress made so far by public sector entities in Nigeria, with the adoption of the International Public Sector Accounts (IPSAs). Adequate implementation of IPSAs in Nigeria will not only increase transparency as full disclosure will become a necessity in public sector accounting in Nigeria but would also harmonize financial reports and statements across public sector entities. Thus, enhancing foreign perception about Nigeria's public sector accountability and easily attracts foreign investment. (Etim, Mfon & Ofunime, 2020:4).

Migrating from the cash basis accounting system to IPSAs cash basis is commendable but converting to accrual IPSAs would impact on accountability in the public and the nation as a whole. Converting to accrual IPSAs, implies that the statement of financial position of government will contain all the assets of government, in terms of their roads, buildings and all assets of the government, invested over the years, would be valued and brought into the books of government. Operating on accrual basis would bring government's financial reporting to what obtains in established businesses (Zakari, 2017:16-17).

Corruption, undoubtedly reduces government revenue, by way of contributing to tax evasion, improper tax exemption and tax administration. Banking collapse, the corporate scandals, capital market and other high profile financial and public fraud do not only distort the financial health of the nation but further worsen the country's ranking in the transparency international global corruption barometer. Consequently, Nigeria's financial and economic life needs a rebirth. Strong and transparent financial reporting necessarily improves the public sector decision making, ensures more government accountability and bring about an enviable fiscal stability and sustainability (Ndukwu, 2016 Ehiedu & Ogbeta, 2014).

It is thus clear that in order to enhance accountability in the public sector (nee Nigeria), the underlying factors must exist at reasonable levels;

- Rendering account
- Accountable leadership
- Investigative media attention
- Public enlightenment
- Whistle blowing policy
- Openness in governance
- Encouragement of the process
- Review of current method of asset declaration
- Strengthening of anti-craft policies

Also, glaring is the fact that, while the chartered accountants cannot be solely blamed for the shortcomings in the financial health of Nigeria, the role of the chartered accountants in ensuring transparency in financial reporting has come under public scrutiny (Ndukwu, 2016; Etim, Mfon and Ofunime, 2020:4).

CONCLUDING REMARKS

After sixty years of political independence, Nigeria's greatness remained in its potentials, due to corruption, poverty, unemployment, resource mismanagement and insecurity. The solution to Nigeria's crises hinges on total re-jigging of its economic reforms, political process, institutions.

No government or profession can solely achieve public sector accountability: all stakeholders must be involved. On the part of government, institutional strengthening is key part of a country's anti-corruption strategies. Strengthening through reforms in the judiciary, the anti-corruption agencies (- EFCC, ICPC, due process Bureau etc) and good pay (- a living wage) for the civil servants will do it.

The economic environment requires financial accounting information to be supplied by the chartered accountants. The chartered Accountant is expected to;

> supply such information, scientifically by sticking to all the technical elements embedded in the international financial reporting standards (IFRS) and the International Public Sector Standard (IPSAS) or rely on the window provided in practice for creativity, so long as they do not go beyond the bounds of legality, Umoren, 2017: 26-27.

What a knife-edge balance?

Given the complex and interconnected world, tackling the earlier mentioned emerging issues requires strong collaboration and commitment from the private, public and regulatory committees. Ensuring greater professional impact in Nigeria's good financial health requires stronger governance structures, more concerted action and being united in commitment (Tomlinson, 2017).

References

Bello-Imam, I. Governance and development in Nigeria, In Bello-Imam (ed). *Governance in Nigeria (Economy, Politics and Society in the adjustment years 1985-1995)*; Stirling-Horden Publishers (Nig), Ltd. Ibadan.

Brenman, G., & Buchanan, J. (1985). *The reason of ruke: constitutional political economy,* Cambridge University Press.

Cassele, M. (1979) *Economic Development Accountancy Management*. UK

Colasse, B. (2009) Encycolpedia de Comptatilite, Controle de Gestion et Audit, Paris: Ed Economica

Egbon, P. (2019). Enhancing the competitiveness of Nigeria's manufacturing sector. In Aigbokhan B.S. Edo and Fajingbesi A. (Eds) *Managing the Nigerian Economy in the Twenty-First Century*. MINDEX Publishing Company Ltd, Abuja.

Ehiedu, V.C., & Ogbeta, M. (2014). an investigation into the internal control system in the banking industry (a study of some selected banks in Asaba, Delta State). *European Journal of Business Management. International Institute for Science, Technology & Education.* 6(9), 142-148.

Ehiedu, V.C., & Odita, A. O. (2014). Application of budgeting techniques in fiscal institutions in Nigeria. developing country studies. *International Institute for Science, Technology & Education*, *4*(6), 20-27.

Etim, R., Mfon, S., & Ofunime, O. (2020). Accountability in the public sector: The Role of Professional Accountants in the Present Democracy in Nigeria. *European Journal of Business Management Research, 3*(1).

Fajingbesi, A. (2020). The coronavirus pandemic and Nigerian economy. In Suleiman A. (ed). *A Political Economy of Pandemics and Consequences of COVID-19 for Nigeria.* NILDS, Abuja.

Ganiyu, R., Rasak, B., Taiwo, O. (2014). Socio-political and economic impacts of corruption in Nigeria. *International Journal for Innovation Education and Research, 2*(1).

Hyden, G., J. Court, & Mease, K. (2004). *Making sense of governance: empirical evidences from sixteen developing countries*. Colorado; Lynne Rienner.

International Monetary Fund (2007). Nigeria: poverty reduction strategy papers – Progress Report, *IMF Country Report*, No.07/270.

Krueger, A. (1974). The political economy of the rent-seeking society. *American Economic Review*, *63*(June), 291-303.

Lawan, A. (2020). Forward in Sulaiman A. (ed). *A Political Economy of Pandemics and Consequences of COVID-19 for Nigeria,* National Institute for Legislative and Democratic Studies (NILDS), Abuja.

Mbaku, J. (2006). Governance and poverty alleviation in sub-Saharan Africa In AERC *Government Pro-poor Growth in W-saharan Africa/AERC Senior Policy Seminar VIII,* AERC Daker Senegal 7-9 March.

Moghalu, K. (2021). The political economy of Nigeria: Challenges and opportunities for reform. *Businessday* NG.

Musa, S. (2006). The Nigerian political economy in transition. *Hintergrundin formationen aus der Internationalen Entwicklungs zusammenarbeit Afrika*, Friedrich Ebert Stiftung.

National Planning Commission (2012). *Nigeria Vision 20:2020*, NPC, Abuja.

National Planning Commission (NPC, 2006). *National Economic Empowerment and Development Strategy* (NEEDS), NPC, Abuja.

Ndikumana, L. (2006). Corruption and pro-poor growth outcomes: Evidence and lessons for African Countries, In AERC, Governance and Pro-poor Growth in Sub-Sahara Africa, AERC Senior Policy Seminar VIII, AERC, Dakar, Senegal 7-9 March, 2006.

Ndukwu, V. (2016). The role of Chartered Accountants in maintaining the financial health of Nigeria. Transparent Financial Reporting as an Aid to Accountability. A paper presented to the Institute of Chartered Accountants of Nigeria (ICAN) during her 46th Annual Accountants' Conference on the occasion of her essay competition for tertiary institutions in Nigeria.

Neethling, T. (2018). The political economy of Nigeria: as an emerging power. *IJFS UV*, University of the Free State, Department of Politics and Governance.

North, D. (1990). Institutions, institutional change and economic performance. Cambridge: Cambridge University Press.

Obadan, M. (2003). National Development Planning and Budgeting in Nigeria (Some Pertinent Issues). Broadway Press Ltd. Lagos.

Obadan, M., & Ogiogo, G. (1995) Macroeconomics of stabilization and adjustment in an open economy: A survey of the Main Issues. In Iwayemi I. (ed); Macroeconomic Policy Issues in an Open Developing Economy: A Case Study of Nigeria. Ibadan: NCEMA.

Obamuyi, T., & Fapetu, O. (2016). The Nigerian economy in the face of socio-political challenges: A Retrospective View and Ways Forward. *Journal of Finance & Banking Studies*, *5*(3), 32-41.

Obi, C., & Ifelunini, I. (2019). Mobilization of domestic resources for economic development financing in Nigeria: Does Tax Matter? *Scientific Papers of the University of Pardubice, Series D. Faculty of Economics*, *24*(1), 113-125.

Obi, C.K., Ifelunini, I.A., & Edeme, R.K. (2017) Does complementing external debt with policy variables enlarge the borrowing space? insight from Nigeria macro data. *Journal of Academic Research in Economic*, *8*(2), 166-181.

Obi, K. (2015). 'IMF recommended debt sustainability threshold for Nigeria. Is it growth augmenting? an optimization algorithm approach *OIDA International Journal of Sustainable Development*, *8*(2),11-18.

Obi, C.K (2018) Revenue generation in Nigeria: diversifying from primary sector to non-primary sectors. *ACTA Universitatis Danubius Œconomica*, *14*(1), 168-178.

Obi, C.K., & Ndakara, E.O. (2020) The effect of COVID-19 Pandemic on OPEC oil spatial production. *Journal of Advanced Research in Dynamical & Control Systems*, *12*(8), 393-402.

Obi, K. (2014). An estimation of the critical levels of external debt accumulation; the Nigerian experience. *OIDA International Journal of Sustainable Development, 7*(12), 73-82.

Ofoegbu, G., & Ekele, J. (2018). The role of Chartered Accountants in eradicating corruption in Nigeria. *British Journal of Humanities and Social Sciences, 20*(1), April.

Rose-Ackermon, S. (1978). *Corruption: a study in political economy*. New York: Academic Press.

Salisteanu & Oros (2015). Aspect regarding the use of modeling in accounting. *Procedia Economic and Finance, 26*

Tomlinson, P. (2017). A new study by the International Federation of Accountants confirms the vital role that professional accountants play in tackling corruption across the globe. China Edition of *Accounting and Business Magazine.*

Umoren, N. (2019). The Role of Chartered Accountants in engendering economic growth. *The Nigerian Accountant; ICAN, 50*(3).

United Nations Development Programme (1997). Corruption and good governmence. Discussion paper No. 3 United Nations Development Performance, New York.

Zakari, I. (2017). All arms of government should make their financial statements public. An Interview Session in: ICAN: *The Nigerian Accountant*, *80*(3).