

# REFORM IN ACCOUNTING EDUCATION: A MEANS OF FACING THE PROFESSIONAL DEMANDS OF ACCOUNTING IN NIGERIA

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## **Abstract**

The accounting scandals at the beginning of the 21<sup>st</sup> century led to public distrust and demand for reform in accounting education. Accounting practitioners and accounting educators together are re-engineering the curriculum. Traditional accounting curriculums place a premium on , technical knowledge, all too often at the expense of a broad-based, general education. Because future accountants must develop the capacity for inquiry, logical thinking and critical analysis, the new curriculums should develop students' speaking and listening skills, historical and international knowledge also appreciation of science and the study of values and their role decision making. Making sure, that, future accountants must understand business and their work environment, as well as how their service are used, and have knowledge of organizations. This paper however, is written to highlight the need to create a means effacing the professional demands for reform in accounting education in Nigeria.

## **Introduction**

It is not easy to provide a concise definition of accounting since the word has a board application within business and applications. The American Accounting Association define accounting as the process of identifying, measuring and communicating economic information to permit informed judgment and decisions by users of the information. Accounting reform is an expansion to accounting rules that goes beyond the realm of financial measures for both individual economic entities and national economies. It is advocated by those who consider the' focus of the present standards and practices wholly inadequate to the task of measuring and reporting the activity, success and failure of modern enterprise, including government.

Debate concerns concepts such as whether to report transactions, such as asset acquisitions, at their cost or at their current market values. The former, traditional approach, appeals for its reliability, but can quickly loss its relevance due to inflation and other factors; the latter, increasingly common approach, is appealing for its relevance, but is less reliable due to the need to use subjective measures.

Accounting Standards setters such as the International Accounting Standards Board attempt to strike a balance between relevance and reliability.

Limited reforms within professional management circles have led in the past to activity-based costing, economic value added, and risk measures. Accounting curricula have been criticized as being too narrow. Students have been exposed to a rule-based model in which they were expected to memorize content in order to prepare for tests and the certifying public accountancy exam. Textbooks did not help students to develop the ability-to-learn skills, nor did students have sufficient contact with businesses, which left them unprepared for the ambiguities that exist in businesses (Albrecht and Sack 2000). Several reports calling for reform in accounting programmes (for example Bedford, 1986, Big Eight Accounting Firms; 1989), stressed the importance of preparing accountants for broadened functions that include the identification and development of knowledge for a wide variety of decisions. The Accounting Education change commission and the fund for the improvement of post secondary Education have often been key supporters of these curriculum innovations.

## **How To Bring Reforms in Accounting Education**

An undergraduate education should provide student with the necessary skills, attitudes, and values that are critical to navigate the dynamic complexities of the business world. Industries are searching for graduates with strong leadership. (Carnevale, 2000). While appreciating the challenges in the education sector, and the need for improvement, the

accounting body like ICAN should do more to bring the gap between school and industry by allowing accounting students to acquire necessary industrial training for students. This will help the students to marry theory with practice.

The Federal Republic of Nigeria (2004), stated that the broad goal of the secondary school education is to prepare individuals for; "useful living within the society and higher education". To achieve this objectives secondary school education in Nigeria six years duration given in two stages-three years of junior secondary school followed by three years of senior secondary school. The curriculum designed for senior secondary school is comprehensive and broad based, aimed at broadening students knowledge and outlook. Subjects offered in senior secondary school are in three groups core subjects, vocational and non-vocational subjects. One of the vocational subjects is Financial Accounting. According to Asaolu (2002), "Financial accounting is the process of recording, classifying, selecting, measuring, interpreting, summarizing and reporting financial data of an organization to the users for objective assessment and decision making." Accounting data are processed into accounting information through the use of accounting principles and conventions. The accounting principles are known as "generally accepted accounting principles." They are the basic fundamentals which guide accountants in recording, appreciating and assessing accounting information as well as the preparation and interpretation of financial statements.

The accounting information system is proven, time honoured, and its format is universally understood. Books of accounts prepared by accountants in one part of the world are easily understood by their counterparts in other parts of the world because the information system is based on principles that are widely accepted and globally used.

According to the National examination Council (NECO, 2004), the objectives of studying financial accounting at senior secondary school are as follows:

1. To enable the students understand basic accounting principles. Practice and their applications to modern Business activities.
2. To lay proper foundation for further study of accountancy and allied courses at higher level and
3. To enable senior secondary school students appreciate the basic rules, functions and principles of accounting.

To achieve the above stated objectives, financial accounting teachers need to employ various instructional methods in the classroom. According to Cantrell (2004), teaching methods are in a continuum, ranging from exposition to inquiry. The exposition method of teaching is conventional and widely used in the classroom. The inquire method is an approach where the learner generates his/her own form of information.

According to Ogunu (2000), poor academic performance has been identified as a problem in Nigeria secondary school public examinations. Since no nation can be greater than the quality of her teachers, to improve the nation's standard of living and reduce crime rate, unemployment, industrial in efficiency, high capital flight to Oversea countries through employment/engagement of expatriates, the educational sector should be improved through training of accounting teachers in the use of effective instructional method in the classroom, especially in the use of guided discovery in financial accounting instruction.

#### Need For Reform in Accounting Education

The need for more effective oversight of public accountancy has never been greater. The hallmarks of public accountancy are objectivity, integrity, ethics, and independence. The public engages an accountant because they trust the ability of that individual to provide necessary services consistent with high professional standards. The public reasonably expects that of an accountant is negligent or incompetent, he/she will be held professionally accountable.

The International Accounting Education standards (IAESB), an independent standards-setting board within the International Federation of Accountants (IFAC), has released a new information paper to assist IFAC member bodies and other stakeholders in developing (CPD) programmes for professional accountants. Since the mid-1980's there have been repeated warnings that the teaching of accounting majors needed a change in both content and teaching method. These warnings have come from the American Accounting Association, the Accounting Education change committee, and from major accounting firms. "Advocates for change in accounting education argue that accounting professors must change both the content of their courses and their teaching methods if students are to meet the demands faced by practicing accountants today; (Bonner, 1999).

However, it is recognized that the choice of teaching methods should drive from the learning objectives, and rule-based accounting standards usually involved lower order learning objectives that led themselves to teaching methods such as passive or interactive lecturers. In order to encourage teaching methods that promote active learning on the part of the student, higher order learning objectives involving complex skills are needed.

However, the government of Nigeria recently initiated higher education policy reforms intended to bring its university system more in line with International good practices. *The* reforms promote increased Institutional autonomy, greater system differentiation, strengthened governance, and mechanisms for quality assurance. They seek to create a more flexible and responsive system of university teaching and research especially in accounting Education, over time; that will contribute increasingly to national innovation capacities, productivity gains, and economic growth.

#### Innovations in Accounting Education

Many years ago, before the microcomputer appeared, university-based computer experts and educational psychologist began envisioning the computer as a teacher.

Software was created that represented facts, asked questions, checked answers, diagnosed problems, and suggested additional study. Many envisioned making the computer as effective as human teacher.

In the 1980's as computers became common; the American Accounting Association (AAA), recognized the growing pressure on accounting educators to integrate computer technology into accounting education. In an early report; the AAA (1985), identified these pressures as emanating from two primary sources. First, the wide spread use of computers in accounting practice has pressured accounting departments to produce computer literate graduates to enhance their employability. Second, computer use in secondary education has increased the expectations and desires of students to use computers in college (AAA, 1985). While recognizing the value of computers to accounting practice, the AAA was concerned about the efficacy of using computer technology to educate accounting students.

#### **Importance of Information Technology to Accounting Education**

The crucial role of information in decision making is greatly acknowledge by all. Indeed, ready access to reliable, accurate and useful information has been held to be a critical success factor in management. This is where the rapid advancement in information technology finds great relevance while the profound impact of this on production and communication processes have helped to facilitate the wealth creation initiatives of many organizations. For professional accountants, in particular, proficiency in IT is now a must because of the great reliance on their competence and professional advise by many players in the economy.

With this specialized IT skills, simulation of data which facilitates the making of forecasts and transmission of useful information needed to make decision can now be done with greater ease. This development has helped to save managerial time, cost and aided the rendering of services to clients that are widely interspersed with minimal wastes. Thus, with the improvement in information technology, there is also improvement in our accounting education graduates.

#### **Conclusion**

There has been major reform in teacher education programmes. In particular many schools of education have created programmes that extend beyond the traditional four-year degree programmes and include strong relationships with local schools.

These revised programmes require students to receive a strong disciplinary background and extensive study of teaching and learning that is integrated with intensive clinical training in schools. These changes offer lessons for faculty in many different disciplines, especially faculty who work with students in various professional fields especially accounting education. From a review of these curriculum reforms, several common thematic elements can be identified. Many reforms will require students to be actively engaged in their studies, student often work on real world issues or problems. Problems are usually open-ended with no single correct answer, and assessments of student learning are used to gauge whether students are mastering the intended learning outcomes.

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