

INFORMATION COMMUNICATION TECHNOLOGY (ICT): A PANACEA FOR ACCOUNTING PRACTICE IN NIGERIA

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ABSTRACT

This study examined the application of Information and Communication Technology (ICT) in efficiency and speeding up of accounting practice in Nigeria and how this has ensure efficient delivery of accounting works. Survey method was adopted and questionnaire was the major source of data collection. Data collected were analyzed with five point likert's scale and ANOVA was used to test the formulated hypotheses with the aids of SPSS version 20.0. Findings revealed that the application of ICT has positive effect on efficiency of accounting practice and ensure timely delivery of accounting works in Nigeria. The study thereby recommends that preparers of accounting information should adopt ICT in all aspect of accounting practices for effectiveness.

Keywords: ICT, Accounting professionals and Accounting Practice.

INTRODUCTION

The modern accounting profession is replete with examples of the usage of ICTs, ranging from its use in accounting practices and auditing processes. Accordingly, research into the uses of ICTs in accounting has been conducted and reported in academic papers and official reports emanating from accounting's governing and regulatory bodies. Furthermore, accounting educators and professional qualification providers have increased the usage of ICT in the education curriculum (Chang & Hwang, 2003).

The ICT component was detailed to include; ICT concepts for business systems, internal control in computer-based business systems, development standards and practices for business systems, the management of ICT adoption and implementation, and managing the security of information, artificial intelligence, expert systems, fuzzy logic and electronic commerce systems (Ricco, Saikata & Gualberto, 2002). Profession destination providers such as the Association of Chartered Certified Accountants (ACCA) and Certified Public Accountant (CPA) have implemented ICTs in their curriculum in keeping with IEG11, which was issued by the Education Committee in 1995. According to the General IT Education Requirement in the pre-qualification level, to become a professional accountant a students must have at least general level knowledge of the ICT areas mentioned before, thereby ensuring that future accountants have a good working knowledge of the ICTs that have transformed their business environment (Elliott, 1995).

On the other hand, various studies conducted on the accounting system in Nigeria have shown clearly that there are low academic achievements among pupils in such basic skills as literacy, numeracy and life skills (Lawal, 1995; Aderinoye 2002, AFE, 2006). Ezeani, and Chukwunwendu (2014) revealed that the universities offering accounting education courses in Ekiti State greatly valued the roles of ICT facilities in discharging their academic duties. Terry (2014) indicated that respondents perceived both positive and negative impacts of ICT. Okolie and Arowoshegbe (2014) concluded that there is urgent need for effective training and retraining of practicing Accountants, for adequate provision of funds for the education sector and regular review of accounting curriculum to capture modern trends in Accountancy. Maria (2010) suggests a tendency for change and the decentralization of accounting tasks. Sanusi (2011) observed that no meaningful progress will be made in educational sector without adjusting to technological (scientific) innovations and discoveries. Babalola (2012) concludes that the level of economic, social and political development of any country usually determines the accounting needs of that country. Apulu and Latham, (2011) the effective use of ICT in many organizations would assist in creating several opportunities. Lamberton, Fedorowicz and Roohani (2005) found that accountants with high Tolerance for Ambiguity (TOA) tended to accept the change towards computers more readily than accountants with low TOA levels; however, the recruiting practices in the profession have favored individuals with more conservative attitude towards risk for certain accounting and auditing positions and with good reason. There are also proposals on how ICT can be deployed for effective acquisition of these skills (Haddad, 2002; Salawu, 2008). Historically, there has been a weak interaction between the academic group and professional group. Everett (2002) notes that the two sets of players occupy a field where they “attempt to usurp, exclude and establish monopoly over the field’s reproduction and type of power effective in it. The professional group uses a series of strategies to ensure “the reproduction of social inequality” (Bourdieu & Passeron, 1990). It appeared apparent to assess the extent ICT has contributed in terms of efficiency and timely completion of accounting practices among accountants and professionals in Nigeria.

Objectives

1. To determine the effect of the application of ICT on efficiency of accounting practices in Nigeria.
2. To examine whether the application of ICT ensure timely and on time delivery of accounting practices.

Hypotheses (Null)

1. H_0 : The application of ICT has no effect on efficiency of accounting practices in Nigeria.
2. H_0 : The application of ICT does not ensure timely and on time delivery of accounting work in Nigeria.

REVIEW OF RELATED LITERATURE

Prior to the emergence of this environment, the presence of IT in the organization has typically taken the form of specific computer application systems, such as accounts payable and financial reporting systems, which either automate specific operational procedures or support certain managerial processes (Teng & Calhoun, 1996). It is usually argued that the first use of an information system was in relation to accounting (Rom & Rohde, 2007),

because most often IT was about the firm's financial ledgers and reporting systems (Granlund & Mouritsen, 2003).

Information Communication Technology (ICT) has rapidly changed the accounting profession over the last decades (Hunton, 2002). Accounting educators during this time have increased the number of topics including ICTs being taught to accounting students (Chang & Hwang, 2003). This increase in ICT topics is attributed to an increased demand by public accounting firms for employees with this type of knowledge. In order to keep pace with a changing business environment (Elliott, 1995), public accountants have increased the number of services offered to clients such as online accounting and bookkeeping services, advisory services on selecting and implementing computerized accounting systems and accounting information data entry services. Accordingly, the advancement beyond the mere paper based recording, processing and reporting of economic activities (Banker, Chang and Kao, 2002), to an environment where ICTs now play a major role has provided opportunities and has posed new challenges for the accounting profession, which have occupied the attention of academics and researchers around the globe (Chang & Hwang, 2003).

It is quite natural to expect the profession in Nigeria to inherit the accounting system of its colonial master-Great Britain. In this regards, the local accountants were trained on their job. However, some of them left the country to study accounting and accounting related courses, while those who did not travel abroad took the external examination of the Institute of Chartered Accountants of England and Wales. Just after the country's independence the idea of establishing a professional body of accountants in the country became a burning issue in the minds of a few accountants. This led to the establishment of "The Association of Accountant of Nigeria", which was incorporated under the Companies Act of 1958. The objectives of the Association were to provide a central organization for accountants in the country, to maintain a strict standard of professional ethics, and to provide for the training, examination and local qualification of students in accounting (Ofoibike, 1992; Maduka & Adebowale, 2009).

Wintoki (1997) and Coker (1990) state that the development of accounting in Nigeria can be traced to the time when the Companies Ordinance of 1922 was enacted. The second major development of accounting education and training in Nigeria took place in the early 1960s, when the Colleges of Arts, Science and Technology were established in Ibadan, Enugu and Zaria in 1963, (Uche 2003). The development of the accounting profession in the country has been assisted by the establishment of the department of accounting in the Nigerian universities, polytechnics and colleges of technology (Badejo, 1997; Ajayi, 1996).

Empirical Study

Quite number of studies has been carried out on the application of information and communication technology in accounting education in a developing nation, Nigeria. In a paper on "the prospects and challenges in accounting education" a case study of Nigerian tertiary institutions" by Ezeani, and Chukwunwendu (2014) ascertain the role of ICT in the teaching and learning of accounting education courses in the universities offering accounting in Ekiti State. Thirty fulltime accounting educators from Ekiti State University and Afe Babalola University in Ado-Ekiti, Ekiti State responded to the questionnaire items. Data collected were analyzed using mean and standard deviation estimates, while t-test was used in testing the only hypothesis raised for the study. The findings of the study revealed that the universities offering accounting education courses in Ekiti State greatly valued the roles of

ICT facilities in discharging their academic duties hence ICT facilities usage assist in the development of life and work place skills of an individual in the work environment.

Terry (2014) explores the usage and impacts of Information Communication Technology (ICT) on the accounting profession in Barbados, a Small Island Developing State (SIDS). The study found that local accounting professionals have been slow in adopting advance ICT techniques with the top six usage of ICT being; writing letters, emailing and communicating, data entry, assisting in the reconciliation of bank statements, and production of financial statements and preparing working papers. Furthermore, the findings from the content analysis of the study indicated that respondents perceived both positive and negative impacts of ICT. Okolie and Arowoshegbe (2014) critically examined the state of the profession and the dynamics that will help to build implicit confidence in the Accountant, mould his character and develop analytical mindset which will assist him to provide high standard of professional services. The objective of the paper is to identify the factors that have hindered the adequate and rapid development of accounting profession in Nigeria. These factors were highlighted under the section of challenges facing accounting education in Nigeria. It concluded that there is urgent need for effective training and retraining of practicing Accountants, for adequate provision of funds for the education sector and regular review of accounting curriculum to capture modern trends in Accountancy.

Maria (2010) focus on the effects of IT related organizational changes on the management accounting function and to contribute to the body of knowledge about to what extent IT affects the ability to solve accounting tasks. The relationship between IT and accounting practices was investigated qualitatively using six case studies and we will measure the impact of IT on accountants' tasks. The findings suggest a tendency for change and the decentralization of accounting tasks. Sanusi (2011) investigated the issues of information and communication technology (ICT) in the management of educational system. The researcher observed that no meaningful progress will be made in educational sector without adjusting to technological (scientific) innovations and discoveries. Buba (2011) explored the importance of ICT to lecturers, students, school administrators, educational planners and other stake holders bearing in mind the enormous gains of this technology to improving the quality of teaching and learning in our institutions. Such as direct class teaching, provision of course materials, collaborative learning etc.

Banker, Chang and Kao (2002) in a study of productivity of the Public accounting firms, looked that the usage of ICTs by auditing professionals starting with the junior auditor whose primary function is to perform assigned audit procedures and prepare working papers. The tasks entailed are mostly repetitive and involve substantial calculations and referencing across different accounts. In their study, the senior auditors and audit managers were use ICTs in the development of audit plans, organization of audit activities, and supervision and review of the work of junior auditors.

Babalola (2012) examines the prospects and challenges in Accounting Education with the influence it requires to impact on the accounting profession. However, empirical was survey employed to investigate the educational system at the higher institutions and professional levels in Nigeria. The paper concludes that the level of economic, social and political development of any country usually determines the accounting needs of that country. And the weaknesses in Nigerian accounting education can be explained by the quite low education level of teaching staff, if bachelor graduates can carry out teaching tasks due to the absence of enough postgraduate training.

In a related study by Apulu and Latham, (2011) on “An Evaluation of the Impact of Information and Communication Technologies” The paper emphasized that the implementation and effective use of ICT in organizations brings about competitive advantage. The use of ICT has a great impact on organizational performance as it helps to provide a platform for growth in many companies. In order words, ICT is known to improve organizational operations, growth and competitiveness. From the literature review and the case studies, it is certain that there are a number of advantages associated with the use of ICT. Therefore the effective use of ICT in many organizations would assist in creating several opportunities.

Lamberton, Fedorowicz and Roohani (2005) found that accountants with high Tolerance for Ambiguity (TOA) tended to accept the change towards computers more readily than accountants with low TOA levels; however, the recruiting practices in the profession have favored individuals with more conservative attitude towards risk for certain accounting and auditing positions and with good reason. Hence, the profession is dominated by individuals who are resistant to change toward more ICT usage. Chang and Hwang (2003) showed that among 123 majors in Accounting and AIS degrees, that AIS majors showed higher tolerance for ambiguity and were more positive towards computers.

METHODOLOGY

This study makes used of survey research design. The simple random sampling was applied to determine the ten Audit firms which made up to populations of sixty seven (67) respondents. The data for this study was collected through questionnaire. Out of sixty seven questionnaires distributed to the respondents, sixty two were retrieved successfully and this represents (93%). The options to the questions in the questionnaire were arranged in a likert scale continuum of 1 to 5 with the following options: Strongly Agree (SA), Agree (A), Undecided (U), Disagree (D), and Strongly Disagree (SD).

The questionnaires were analyzed and ANOVA was used to test the hypotheses formulated with aids of Statistical Package for Social Sciences (SPSS) version 20.0.

Data Presentation

| S/N | Questionnaires | SA | A | U | D | SD |
|-----|---|----|----|---|---|----|
| 1 | ICT is used assist modern accountants be transparent in nature. | 10 | 20 | 0 | 6 | 0 |
| 2 | ICT helps in trace financial manipulations in accounting practice. | 12 | 19 | 0 | 4 | 1 |
| 3. | The application of ICT Creates opportunity for accounting professions for productivity. | 16 | 11 | 1 | 5 | 3 |
| 4. | Computerized accounting system can assist accountants in tracing what others has done . | 15 | 14 | 1 | 6 | 0 |
| 5. | Application of ICT in accounting can be used to trace omission, error or suspense accounts easily than manual method. | 12 | 14 | 2 | 7 | 1 |
| 6. | ICT encourages integrative learning that promotes thematic and reduces traditional accounting practices. | 10 | 19 | 1 | 4 | 2 |
| 7. | ICT is an aid for accountants in fasting accounting | 16 | 11 | 1 | 5 | 3 |

| | | | | | | |
|-----|--|----|----|---|---|---|
| | works. | | | | | |
| 8. | Since many accountants intend to engage in accounting profession, ICT will be of great assistance in fastening it. | 15 | 14 | 1 | 6 | 0 |
| 9. | ICT makes easier, quicker and more secured way of compiling accounting works. | 9 | 20 | 0 | 7 | 0 |
| 10. | ICT in accounting helps to trace easily the level of malpractices in accounting works. | 14 | 16 | 2 | 3 | 1 |
| 11. | Assists accounting in delivering their lessons through internet, PowerPoint, etc. | 16 | 17 | 0 | 2 | 1 |
| 12. | The application of computerized accounting system will ensure easily detection of financial fraud. | 13 | 16 | 1 | 6 | 0 |

Source: Field survey, 2015

Test of Hypotheses

Hypothesis One

H₀: The application of ICT has no effect on efficiency of accounting practices in Nigeria.

H₁: The application of ICT has effect on efficiency of accounting practices in Nigeria.

ANOVA

| | | Sum of Squares | df | Mean Square | F | Sig. |
|--|----------------|----------------|----|-------------|---------|------|
| assist modern accountants to be more transparent | Between Groups | 30.556 | 3 | 10.185 | 97.778 | .000 |
| | Within Groups | 3.333 | 32 | .104 | | |
| | Total | 33.889 | 35 | | | |
| trace financial manipulations | Between Groups | 29.739 | 3 | 9.913 | 43.855 | .000 |
| | Within Groups | 7.233 | 32 | .226 | | |
| | Total | 36.972 | 35 | | | |
| Room for tracing what others has done. | Between Groups | 56.341 | 3 | 18.780 | 83.303 | .000 |
| | Within Groups | 7.214 | 32 | .225 | | |
| | Total | 63.556 | 35 | | | |
| assist accountants to developed more skills | Between Groups | 41.548 | 3 | 13.849 | 54.778 | .000 |
| | Within Groups | 8.090 | 32 | .253 | | |
| | Total | 49.639 | 35 | | | |
| ICT in accounting can be used to trace omission, error | Between Groups | 20.258 | 3 | 6.753 | 20.168 | .000 |
| | Within Groups | 10.714 | 32 | .335 | | |
| | Total | 30.972 | 35 | | | |
| promotes thematic modern accounting practices | Between Groups | 40.115 | 3 | 13.372 | 102.111 | .000 |
| | Within Groups | 4.190 | 32 | .131 | | |
| | Total | 44.306 | 35 | | | |

From the above ANOVA table, the seven questions give a positive result. The f-value has up to 467.000 while sig value is .000 in all the point raised. It shows that ICT assist modern,

trace what others has done, omission, promote modern accounting practices amongst others, which means that f-value if greater than the sig value we therefore reject null hypothesis and uphold alternative hypothesis which states that the application of ICT has effect on efficiency of accounting practices in Nigeria.

Hypothesis Two

H₀: The application of ICT does not ensure timely and on time delivery of accounting work in Nigeria.

H₁: The applications of ICT ensure timely and on time delivery of accounting work in Nigeria.

ANOVA

| | | Sum of Squares | df | Mean Square | F | Sig. |
|---|----------------|----------------|----|-------------|--------|------|
| Aids for accountants in fasting accounting works. | Between Groups | 55.675 | 4 | 13.919 | 54.749 | .000 |
| | Within Groups | 7.881 | 31 | .254 | | |
| | Total | 63.556 | 35 | | | |
| Engaged in accounting profession. | Between Groups | 34.425 | 4 | 8.606 | 48.824 | .000 |
| | Within Groups | 5.464 | 31 | .176 | | |
| | Total | 39.889 | 35 | | | |
| ICT makes easier, quicker and more secured way of compiling accounting works. | Between Groups | 28.654 | 4 | 7.163 | 29.022 | .000 |
| | Within Groups | 7.652 | 31 | .247 | | |
| | Total | 36.306 | 35 | | | |
| Reduces the complication. | Between Groups | 24.556 | 4 | 6.139 | 63.435 | .000 |
| | Within Groups | 3.000 | 31 | .097 | | |
| | Total | 27.556 | 35 | | | |
| Trace easily the level of malpractices. | Between Groups | 23.821 | 4 | 5.955 | 26.646 | .000 |
| | Within Groups | 6.929 | 31 | .224 | | |
| | Total | 30.750 | 35 | | | |
| Easily detection of financial fraud. | Between Groups | 34.634 | 4 | 8.658 | 79.741 | .000 |
| | Within Groups | 3.366 | 31 | .109 | | |
| | Total | 38.000 | 35 | | | |

From the above ANOVA table, the seven questions give a positive result. The f-value has up to 302.417 while sig value is .000 in all the questions raised. It shows that ICT is an aid for accountants in fasting accounting works, makes easier, quicker and more secured way of compiling accounting works, accounting helps to trace easily the level of malpractices in accounting works amongst others, this means that the failure of the auditor does not encourage the function of corporate governance in the banking sector, we therefore reject null hypothesis and uphold alternative hypothesis which states that the applications of ICT ensure timely and on time delivery of accounting work in Nigeria.

DISCUSSION OF FINDINGS

The study has proved that Information Communication Technology (ICT) has in so many ways enhance the effectiveness and efficient operation for accounting professional's and ensure easily and timeous completion of accounting work as well command transparency and accountability in accounting practice. These findings are supported by the findings of Sanusi (2011) who observed that no meaningful progress will be made in educational sector without adjusting to technological (scientific) innovations and discoveries. In addition, Ezeani, and Chukwunwendu (2014) revealed that the universities offering accounting education courses greatly valued the roles of ICT facilities in discharging their academic duties hence ICT facilities usage assist in the development of life and work place skills of an individual in the work environment.

CONCLUSIONS

Information technology is in modern business, especially regarding the accounting function. IT is essential in the field of accounting profession. This study however investigates the effect of ICT on accounting profession. The study found that the application of ICT has effect on efficiency of accounting practices in Nigeria and that the applications of ICT ensure timely and on time delivery of accounting work in Nigeria. Nowadays, accounting professionals sees IT as a comprehensible tool that is inseparable with accounting practice. The study thereby recommends that preparers of accounting information should adopt ICT in all aspect of accounting practice for effectiveness and transparency.

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