



DIFFICULTIES OF PROFESSIONAL ACCOUNTING PRACTICES IN MANAGEMENT OF PRIVATE SECTOR IN NIGERIA

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Abstract

This paper examined the difficulties of professional accounting practices in the private sector of Nigeria in terms of financial failures. Survey technique was used and a total sample of two hundred and twenty questionnaires were sampled and purposive sampling technique was used to select two hundred and twenty auditors, accountants, financial managers/directors and other management staff that forms the bulk of the entire respondents. When descriptive statistical methods like frequency distribution and percentages response analysis were employed to evaluate the data, it was discovered that the majority of respondents believed that the financial reports relevant to the private sector still do not maintain a certain level of quality. Additionally, it shows that the broader company climate does not support accountants' independence. As a result, it was proven that the private sector had failed to deliver financial reports that lived up to consumer expectations. Thus, it indicates that accountants are complicit in the shortcomings of the financial reports produced for the private sector. Thus, it implies that there are specific deficiencies in professional accounting methods that have an impact on transparency in corporate organizations. This reaffirmed the extent of corruption and incompetence in the private sector's money management. Findings also indicate that non-compliance with professional accounting norms is the cause of the shortcoming in financial reporting. This suggests that accountants are also involved in the growing number of financial failures in the private sector. This suggests that the accountants are impacted by the business climate in the private sector. This demonstrates how these characteristics manifest themselves in the financial reporting of the private sector. It was advised to place an emphasis on compliance with professional accounting principles in light of these findings. The accounting sector in Nigeria must consequently keep up tracking advancement in both the internal and external declaring environments by means of audit, inquiries, and forensic accounting in order to combat unethical practices by accountants and professional firms. As these practices rob common Nigerians of their constitutional and social freedoms, there is a need to inform executives at businesses, lawmakers, as well as the general public regarding the personal consequences of uncivil and inappropriate practices.

Keywords: Private sector; financial failures; accountants; auditors; professional accounting practices.

Introduction

Fundamental developments have recently taken place in the field of accountancy practice. The changes are a global phenomenon as well as local ones. The direction that practitioners should take is determined by the direction of the global economic trend, therefore modern-day accountants should get ready for a demanding world of practice. Accounting systems are reactive because they have evolved primarily in reaction to company needs, according to a study on the evolution of accounting. Additionally, a nation's economic growth and societal development have been linked to the development of the accounting process. Without the assistance of intermediaries and professional accountants who help the perpetrators convert the proceeds from illegal activities into a legitimate income, professional accounting practices in the Nigerian private sector with regard to financial failures in recent years cannot be easily carried out (Uchehara & Ogbonna, 2017). Professional accountants play crucial intermediary roles in the facilitation of money flows in today's globalized society.

According to assertions that their knowledge enables them to manage uncertainty and create independent, objective, truthful, and fair accounting of corporate operations, professional accountants have solidified their standing and advantages (Sikka, 2009). However, it has been claimed that due to capitalist economies' intrinsic propensity for crises, such statements are not reliable measures of business performance (Sikka, 2009). Additionally, unanticipated corporate failures, fraud, financial crime, and the broader capitalist crises frequently have an impact on claims of competence (Abdulrahman, 2019). According to Uchehara and Ogbonna (2017), accountants who are in their profession assist wealthy people and the political elite in engaging in corrupt behavior. The reputation of the accounting profession has not been adequately served with regard to the caliber of accounting practice since the founding of the Association of Accountants of Nigeria in 1960. There have been a number of criticisms from various groups with operational interest in financial reporting, including the World Bank and the International Monetary Fund (IMF), even though the profession has struggled to develop and maintain acceptable positions of independence and integrity in financial reporting and auditing (Okike, 2004). The majority of these critiques center on the alleged institutional flaws in the regulation, observance, and enforcement of accounting standards and laws. Additionally, it is believed that the private sector is lacking in qualified accountants. For instance, the World Bank (2004) notes that Nigeria has

17,500 licensed professional accountants and 500,000 registered companies, of which 210 are listed on the stock exchange. Even though not all businesses may require a professional accountant, the World Bank notes that this position represents a significant disparity and comes to the conclusion that hiring non-qualified individuals for accounting positions can harm the accuracy of financial reports.

The reporting of an organization's financial condition hardly ever complies with professional accounting standards. According to Uchehara and Ogbonna, (2017) financial reporting is a crucial issue that has an impact on how diverse people, business entities, investors, and policy makers make decisions. According to Hamilton and Gabriel (2012), the purpose of financial reporting is to provide individuals with the legal right to such information with meaningful information about the assets held by a business and its operations. According to Amos and John (2019), the purpose of financial reports is to help readers decide whether to continue investing in a given company or reduce their investment by assessing the company's past and present performance as well as its capacity to maximize shareholder wealth. Financial reporting is a tool used in the private sector to evaluate an organization's capacity to create value as well as an impartial evaluation of the value produced over time (Amos & John, 2019). In contrast to the idea that only the public sector in Nigeria is severely plagued by corruption and ineffective fund management (as shown in the financial reporting), Bakre (2007) asserts that the private sector has also become entangled in the same unethical muddle. According to Suleiman, Dalhat and Sule (2018), unscrupulous activities have resulted in widespread financial mismanagement in private organizations. Because of this, businesses' financial reporting has included incorrect information that is not in accordance with best practices for professional accounting. Recently, corruption in the private sector has taken on the form of bribery, kickbacks, commissions, related transactions, financial statement re-engineering, or other benefits without leaving any evidence in the official records. This type of corruption focuses on intentional acts committed with a view to giving, accepting, and soliciting an advantage inconsistent with official duty (Dada & Jimoh, 2020), financial failure of the private sector enterprises has been the result. According to Agbetunde (2010), accounting professionals who oversee financial reporting and manage the organization's financial records are not exempt from the growing financial failure of the private sector. It is impossible to overstate the importance of proper accounting in the private

sector, where the general public invests in the operation of organizations in the hope of receiving a return when due. Therefore, in order to completely comprehend Nigeria's unethical and fraudulent financial practices, it is important to investigate the country's difficulties with professional accounting methods in light of the private sector's financial woes.

Statement of the problem

Professional accountants play important roles as global mediators in enabling money movements. Accounting firms have been linked to helping private funds taken from private organizations, including false declarations, pass through various structures, despite their claims to be functioning in a professional manner. Scholarly study has been drawn to the corruption industry as well as issues with professional accounting methods, notably in the private sector. These investigations include those by Cerqueira, Russo, Amaral, and Slavov (2023) Dada and Jimoh (2020), Bakre (2006), and Uchehara and Ogbonna (2017), whose results were conflicting and left the issue unsolved. It is crucial to revisit the difficulties professional accounting practices in Nigeria face with regard to financial failures in the private sector given the recent string of high-profile corporate failures and fraud cases in Nigeria, which accountants have been linked to auditors, executives, and directors.

Literature Review

Following major company failures like Enron in the United States of America and the financial statement fraud involving Cadbury Plc in Nigeria, professional accounting has come under heavy fire. According to Uchehara and Ogbonna (2017), corruption is a global issue because it affects all nations. However, there are other nations where corruption is so entrenched that any attempt at advancement is impossible. Accountability mechanisms may be inadequate in nations where corruption is rampant, and any efforts to advance the accounting profession or practice under such conditions are likely to be unsuccessful (Cerqueira, et al., 2023). This claim supports Wallace's (1992) argument that in a country with a high level of corruption, like Nigeria, professional accounting methods like auditing might not be able to flourish because of people's dishonesty, suspicion of one another, and violence.

Uchehara (2016) asserts that forensic and investigative audit practice, which is available in the majority of developed countries of the world, can be institutionalized. This will allow professional accountants to fight against anti-social financial practices by increasing

transparency and accountability and by developing techniques for fraud detection. The US Senate Permanent Sub Committee on Investigation suggests that accounting and financial professionals are increasingly using their knowledge to cover up and support unethical behavior (Okunola, 2018). Transfer pricing and other accounting techniques have also become crucial for disguising and moving the proceeds of unethical behavior (Vousinas, 2019). To the disadvantage of the public interest they represent, professionals use these technology and structures to generate private economic gain for themselves and their customers (Vousinas, 2019).

For the sole purpose of receiving high fees, accountants have been charged with engaging in destructive, dishonest, and fraudulent acts (Otusanya & Lauwo, 2010). The role of the accounting profession, including individual accountants and accounting firms, in cases of financial crime (including fraud, corruption, tax evasion, and tax avoidance) at the corporate, political directorate, and public service levels has been the subject of numerous studies in recent years (Suleiman, Dalhat & Sule, 2018). It has been established that, despite the fact that the major accounting firms are some of the largest corporations in the world (Sikka, 2008), accountants sell tax avoidance schemes, facilitate bribery and corruption, and assist in the creation of shell companies, intricate corporate structures, and a web of offshore companies and offshore trusts in order to increase their profits.

Professional accountants have assisted wealthy individuals and corporations in tax evasion and unlawful capital flight, but they have consistently denied being involved in these corrupt activities (Bakre, 2008). For instance, PricewaterhouseCoopers consented to pay the USA more than \$2 million to resolve claims that the company (together with IBM) improperly solicited and supplied cash and other items of value in connection with technology contracts with government agencies (US Justice Department, 2007). Additionally, KPMG was accused of not doing enough to point up irregularities in Siemens' accounts (Ngai, Hu, Wong, Chen & Sun, 2010). KPMG was charged with failing to disclose an alleged bribe paid by BAE, the largest armaments manufacturer in the UK, to obtain an arms deal in 2004 (Ngai, et al., 2010).

The US Sub-Committee on Investigations highlighted the legal profession as another professional group that promotes in various ways the growing clientele of the tax evasion industry (Ayo, 2020). It has been demonstrated that attorneys have helped antisocial behaviour of the accounting

professionals to flourish (Akinbowale, 2018). As a result, lawyers have acted as nominee directors and shareholders (Ngai, et al., 2010), assisted in the creation of offshore structures, drafted financial instruments, and provided legal opinions on the legality of offshore transactions. Studies have documented instances of lawyers engaging in dishonest behaviour with the accounting professional by serving as their clients' "messenger boys" or engaging in conflicts of interest (Spronken, 2001; Lankhorst and Nelen, 2004). According to the US Senate Sub-Committee on Investigation Report on law firms and tax haven abuses, "Outside of providing legal advice, the lawyers helped identify and negotiate with offshore service providers to establish and manage offshore entities, devised ways to move assets offshore, and drafted the paperwork needed to implement these transactions for their clients."

Poor audit reporting arising from shoddy accounting, insufficient regulation, crony capitalism, numerous regulations, and economic and political variables impacting the motivations of managers and auditors have all been identified as the reasons of audit failure in the private sector (Dada & Jimoh, 2020). Furthermore, it has been noted that accounting professionals of organizations have a propensity to take part in deceptive accounting practices when the ownership and management of the business are separated so as to optimize their own individual welfare at the expense of the best interests of financial statement users, the public who invests, and depositors at banks (Amos & John, 2019). Likewise endogenous pressures, a lack of morality, ignorance, faulty judgment, speculative thinking, avarice, and fraud have all been linked to private sector failures and difficulties of professional accounting practices in the private sector (Zanievicz, Marques & Cecon, 2020).

Methodology

This study used a descriptive as well as quantitative survey research design. The quantitative approach was employed since it offers a considerably wider scope and is quick and efficient. Additionally, it is practical and quick to examine; the results are thorough and

accurately reflect the entire population. Three (3) private businesses/companies in Edo State were chosen for the study: UIDC Limited, Zenith Bank, and Okomu Oil Palm Company. Two hundred and fifty (250) auditors, accountants, financial managers/directors, and other management employees were chosen using a purposeful sample technique, making up the majority of the study's respondents. Due to the organization's wide distribution, the number was deemed sufficient and representative enough to inform this sample, and respondents were also deemed informed enough to be able to provide reliable information that would aid in the completion of this study. Roscoe (1975) says that a sample size of greater than 30 and fewer than 500 is suitable for the study based on general guidelines. A structured questionnaire was utilized as the research tool to collect data on the topic under investigation from the respondents. The Statistical Package for Social Sciences (SPSS) was used to analyze the data using descriptive statistics of frequency % and tables at 0.05 alpha level of significance.

Results and Discussion

Table 1: Questionnaire Distribution and Retrieval

Questionnaire	Frequency	Percentage (%)
Distributed	250	100%
Retrieved and usable	220	88%
Not retrieved and retrieved but not usable	30	12%

Source: Researchers' Findings (2023)

A total of two hundred and fifty (250) questionnaires were administered to the respondents in Edo State, Nigeria. Out of which, two hundred (220) questionnaires which represent 88% were retrieved and usable while thirty (30) questionnaires which represent 12% were not retrieved. The results of the questionnaire distribution and retrieval are presented in Table 1 above:

Table 2: Socio-Economic Profile of Respondents

Variables	Measuring Group	Frequency	Percentage (%)	Cumulative (%)
Sex	Male	176	80	80
	Female	44	20	100.0
Age	20-29	35	15.9	15.9
	30-49	135	61.4	77.3
	50-59	35	15.9	93.2
	60 and above	15	6.8	100.0
Educational Qualification	HND	20	9.1	9.1
	B.Sc/B.Tech/B.Eng	31	14.1	23.2
	M.Sc/M.Tech/M.Eng.	101	45.9	69.1
	ICAN/ACCA	31	14.1	83.2
	CIBN	10	4.5	87.7
	Others	27	12.3	100.0
Years of Working Experience	Below 15 years	78	35.5	35.5
	16 years and above	142	64.5	100.0

Source: Researchers' Findings (2023)

The table above indicated the respondents' information profile. Table 2 shows that 176 (80.0%) and 44 (20.0%) of the respondents were male and females respectively. This implies that there were more male respondents than the female. Age distribution of the respondents shows that 35 (15.9%) of the respondents were within the age 20 – 29 years. 135 (61.4%) were between 30-39 years, 35 (15.9%) were within the age group of 50 - 59 years of age, while 60 years and above were 15 (6.8%). The implication is that most of the respondents were between the ages of 30 – 49 years which represents 61.4% of the total respondents. The educational qualification results of the respondents show that 20 (9.1%) of the respondents had HND, 31 (14.1%) with B.Sc/B.Tech/B.Eng, 101 (45.9%) had M.Sc/M.Tech/M.Eng, 31 (14.1%) obtained ICAN/ACCA, 10 (4.5%) had CIBN. While 27 (12.3%) is for other categories. The result obtained is expected as the educational qualification of the respondents is very important in determining the respondents' educational qualifications. Furthermore, the result indicates that 78 (35.5%) of the respondents have had below 15 years working experience, 142(64.5%) of the respondents have had 16 years and above working experience. It therefore means that respondents' opinion been informed by their years of working experience, could be relied on.

Table 3: Analysis of Respondents Opinion of Research Questions

Statements	Descriptive	frequency	Percentage (%)	Cumulative (%)
High-quality financial reporting has been noted in Nigeria's private sectors:	SA	51	23.2	23.2
	A	39	17.7	40.9
	D	58	26.4	67.3
	SD	72	32.7	100
Accountants' independence in financial reporting is permitted by the corporate environment as it exists in the private sector:	SA	30	13.6	13.6
	A	20	9.1	22.7
	D	73	33.2	55.9
	SD	97	44.1	100
Financial reporting in the private sector has fallen short of expectations due to fraud and money mismanagement, which has caused them to fail financially:	SA	80	36.4	36.4
	A	79	35.9	72.3
	D	50	22.7	95.0
	SD	11	5	100
Some deficiencies in the financial statements of private organizations are the fault of accountants:	SA	120	54.5	54.5
	A	73	33.2	87.7
	D	7	3.2	90.9

	SD	20	9.1	100
False financial depiction of an institution to the public results from poor financial reporting:	SA	144	65.5	65.5
	A	62	28.2	93.7
	D	4	1.8	95.5
	SD	10	4.5	100
Professional accounting ethics serve as the foundation for the financial reporting of the private sector:	SA	10	4.5	4.5
	A	42	19.1	23.6
	D	9	4.1	27.7
	SD	159	72.3	100
The reason for inadequate financial reporting and disclosure of business organizations is deficiencies in professional accounting practices:	SA	92	41.8	41.8
	A	48	21.8	63.6
	D	20	9.1	72.7
	SD	60	27.3	100
Ineffective money management and widespread corruption have recently plagued the private sector:	SA	71	32.3	32.3
	A	59	26.8	59.1
	D	27	12.3	71.4
	SD	63	28.6	100
False statements in private organizations' financial reports often originate from a failure to follow accepted accounting principles:	SA	56	26.5	26.5
	A	54	24.5	51
	D	53	24.1	75.1
	SD	57	24.9	100
The growing financial failure of the private sector does not exclude the accountants in charge of financial reporting:	SA	80	36.4	36.4
	A	60	27.3	63.7
	D	54	24.5	88.2
	SD	26	11.8	100
The corporate environment's complexity puts the accountants' claim of excellent financial reporting in jeopardy:	SA	87	39.5	39.5
	A	48	21.8	61.3
	D	52	23.6	84.9
	SD	33	15.0	100
Fraudulent activities undermine the effort of accountants in financial reports, leading to a decline in trust in reputable accounting methods:	SA	98	44.5	44.5
	A	87	39.5	84.0
	D	20	9.1	93.1
	SD	15	6.8	100
A corruptible company environment presents numerous difficulties for accountants adhering to professional accounting standards in financial reporting:	SA	84	38.2	38.2
	A	62	28.2	66.4
	D	46	20.9	87.3
	SD	28	12.7	100
Financial reporting in the private sector reflects transparency, accountability, honesty, neutrality, truth, fairness, and professional independence:	SA	82	37.3	37.3
	A	44	20.0	57.3
	D	30	13.6	70.9

	SD	64	29.1	100
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Source: Researchers' Findings (2023)

The table above presents respondents responses to the research questions using Strongly Agree (SA), Agree (A), Disagree (D), and Strongly Disagree (SD). When it was presented to the respondents that the high-quality financial reporting has been noted in Nigeria's private sectors, (23.2%) of the respondents strongly agreed, (17.7%) agreed, (26.4%) disagreed and (32.7%) strongly disagreed. The implication is that majority are of the opinion that there is yet a level of quality in the financial report as pertaining to the private sector.

Respondents were also asked if "Accountants' independence in financial reporting is permitted by the corporate environment as it exists in the private sector" (13.6%) of the respondents strongly agreed, (9.1%) agreed, (33.2%) disagreed and (44.1%) strongly disagreed. The results show that, generally speaking, the business climate does not support accountants' independence.

Respondents were also asked to respond to the research statement "Financial reporting in the private sector has fallen short of expectations due to fraud and money mismanagement, which has caused them to fail financially" (36.4%) of the respondents strongly agreed, (35.9%) agreed, (22.7%) disagreed and (5%) strongly disagreed. This suggests that the private sector has not been able to live up to the task of providing financial reports that fulfill users' expectations.

Respondents' responses to the research statement "Some deficiencies in the financial statements of private organizations are the fault of accountants" revealed that (54.5%) of the respondents strongly agreed, (33.2%) agreed, (3.2%) disagreed and (9.1%) strongly disagreed. The implication is that accountants are complicit in the weaknesses in financial reporting in the private sector.

Respondents were also asked if false financial depiction of an institution to the public results from poor financial reporting. (65.5%) of the respondents strongly agrees, (28.2%) agreed, (1.8%) disagreed and (4.5%) strongly disagreed. The inference is that the foundation of the accounting system is adequate financial reporting.

Respondents were also asked whether the professional accounting ethics serve as the foundation for the financial reporting of the private sector. (4.5%) of the respondents strongly agreed, (19.1%) agreed, (4.1%) disagreed and (72.3%) strongly disagreed. Consequently, it suggests that private sector

financial reporting still adheres to professional accounting ethics.

Responses from the respondents on the research statement "The reason for inadequate financial reporting and disclosure of business organizations is deficiencies in professional accounting practices" revealed that (41.8%) of the respondents strongly agreed, (21%) agreed, (9.1%) disagreed and (27.3%) strongly disagreed. The conclusion is that there are flaws in professional accounting methods that are known to effect transparency in corporate organizations.

Similarly, the respondents were asked to respond to the research statement "Ineffective money management and widespread corruption have recently plagued the private sector". (32.3%) of the respondents strongly agreed, (26.8%) agreed, (12.3%) disagreed and (28.6%) strongly disagreed. This reaffirmed the extent of corruption and incompetence in the private sector's money management.

Respondents were also asked to comment on whether false statements in private organizations' financial reports often originate from a failure to follow accepted accounting principles. (26.5%) of the respondents strongly agreed, (24.5%) agreed, (24.1%) disagreed and (24.9%) strongly disagreed. This indicates that non-compliance with professional accounting principles is the cause of the shortcoming in financial reporting.

Respondents' responses on the research statement "The growing financial failure of the private sector does not exclude the accountants in charge of financial reporting" shown that, (36.4%) of the respondents strongly agreed, (27.3%) agreed, (24.5%) disagreed and (11.8%) strongly disagreed. This suggests that accountants are also involved in the growing financial woes of the private sector.

Respondents' responses on the research statement "The corporate environment's complexity puts the accountants' claim of excellent financial reporting in jeopardy" revealed that (39.5%) of the respondents strongly agrees, (21.8%) agreed, (23.6%) disagreed and (15.0%) strongly disagreed. This suggests that accountants are affected by the complexity of the business environment in the private sector.

Responses by respondents to the research statement "Fraudulent activities undermine the effort of accountants in financial reports, leading to a decline in trust in reputable accounting methods" shown that (44.5%) of the respondents strongly agreed, (39.5%) agreed, (9.1%) disagreed and (6.8%) strongly disagreed. This suggests that unethical behavior actually

affects the function of accountants in the private sector.

Respondents' comments on the research statement "A corruptible company environment presents numerous difficulties for accountants adhering to professional accounting standards in financial reporting" revealed that (38.2%) of the respondents strongly agreed, (28.2%) agreed, (20%) disagreed and (12.7%) strongly disagreed. The assumption is that the accountants' operating environment has an impact on his delivery.

Respondents' responses on "Financial reporting in the private sector reflects transparency, accountability, honesty, neutrality, truth, fairness, and professional independence" shown that (37.3%) of the respondents strongly agreed, (20.0%) agreed, (13.6%) disagreed and (29.1%) strongly disagreed. This demonstrates how these characteristics manifest themselves in the financial reporting of the private sector.

Findings

The research revealed that one of the difficulties faced by professional accountants is their involvement in a number of dishonest and fraudulent activities due to institutional demands to boost revenues. Once more, organizational and sociopolitical structures put the interests of their customers before those of the general public. As a result, vast quantities of public funds have been stolen and laundered using various accounts in Western nations and local banks.

According to the research, the majority of the money that the political elite stole and drained from the Nigerian Treasury was housed in Western banks and local financial institutions. In order to carry out the looting activities of the political elite, professional financial intermediaries (such as accountants) have thus acted as facilitators of corrupt practices and transformed into slaves to the politicians, possibly for financial gain and against the ethical standards of their professions and their claims of protecting the public interest. In line with their professional claim to be acting in the public good, professional accountants have enabled the anti-social financial activities of the economic and political elite and multinational companies (MNCs), according to the findings. More specifically, auditors lack the renowned competence necessary to conduct an impartial reporting of company activities. Public attention was brought to the unethical acts of professional accountants and the flaws of practices in Nigeria by an investigation into the actions and involvement of professional accountants in the falsification of corporate accounts in the Nigerian banking crisis. Despite the fact that

audit reports are the visible and accessible proof of an audit, little is known about the organizational values and processes involved in their creation. Findings reveal that businesses put pressure on audit staff and are under time and financial pressure to maximize profits. As a result, some corporations have resorted to irregular procedures or even fabricating audit reports as a response.

Conclusion/ Recommendations

In order to understand why professional accountants, prioritize organizational objectives over personal and professional values, the article examined the challenges of professional accounting procedures in Nigeria's private sector in terms of financial failures. The customary method used by businesses and their directors to choose and compensate auditors has a fundamental fault and cannot produce an impartial audit. By allowing auditors to profit directly from corporate transactions by providing accounting services, the weaknesses are made even worse. Since auditors depend on executive directors for their nomination, appointment, and fee setting, their professional independence is in fact weakened because they are unable to simply act against those directors' interests.

Corporate democracy, in which stakeholders have the authority to choose the auditor and how the auditor will be compensated, is necessary to strengthen corporate reporting and auditing. In Nigeria, regulators (in the case of the banking crisis) and whistleblowers (in the cases of Afribank and Cadbury Nigeria Plc) rather than their professional bodies have uncovered and sanctioned the involvement of accounting firms in corrupt and fraudulent practices. Professionals have been accused of engaging in unethical behavior, although these behaviors are rarely looked into. While negligent auditors are subject to civil liability under Section 368 of the Companies and Allied Matters Act 1990, that liability has not yet been applied. Financial reporting has been a crucial issue affecting virtually every of the decision-making of various users (individuals, corporate bodies, investors, and policy makers), and the Nigerian accounting professional bodies should make sure that they uphold and enforce their acclaimed duty to see that their members exercise due diligence and act in the best interests of their clients and of the Nigerian public as a whole. However, problems like financial mismanagement and corruptible business practices in the private sector have reduced the effectiveness of financial reporting. These problems stem from private sector accountants' non-compliance with professional

accounting standards. Some private groups have experienced financial disaster as a result of this.

It is impossible to overstate the importance of accounting in all human undertakings, particularly in the commercial sector where the public invests in the operation of the businesses in the hope of receiving a return when due. In order to mobilize investment, foster investor confidence, promote financial stability of organizations with issues of financial failure well curbed, and secure public investment in the private sector, it is necessary to ensure high quality accounting information reporting. Therefore, this study suggests that there should be a focus on compliance with professional accounting practices, increased orientation by accounting professional bodies for the accountants on how to manage the complex business environment, authorization of the independence of the accountants in the private sector, remuneration that will encourage the accountant's commitment to accuracy and fairness in financial reporting, and organizations to design modalities that permit for periodic checks and balances on the accountant's job. There is a need to inform business leaders, policy makers, and the general public about the human consequences of anti-social and unprofessional behaviors, as they deprive common Nigerian citizens of their human and social rights, in order to counteract unethical actions by accountants and professional firms. Finally, the Nigerian accounting industry must continue to keep an eye on changes in the external and internal reporting environments through its faculties in audit, investigations, and forensic accounting and act appropriately.

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