

COMPETITION BETWEEN PROFESSIONAL ACCOUNTANCY BODIES: A MIRROR FROM LISTED FIRMS IN NIGERIA

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ABSTRACT

The purpose of this paper is to examine the demand for chief financial officers by private firms in Nigeria. The paper expects that: listed firms are likely to employ more CFOs with ICAN qualification than CFOs with other professional bodies' qualifications; there are differences between ICAN and non-ICAN qualifications; and CFO's nationality is likely to influence CFOs qualifying body. Data on 49 firms were obtained from 2012-2018. The paper's hypotheses were tested using nonparametric statistics. Documented evidence suggests that 89% all CFOs are ICAN qualified accountants, about 98% of Nigerian CFOs are ICAN qualified, while 13% of foreign CFOs hold ICAN qualification. Further evidence suggests that ICAN and non-ICAN qualifications are statistically different from each other. Finally, the evidence indicates that CFOs' nationalities have positively and significantly influence CFOs' affiliations. The paper recommends that ICAN should formally be empowered to regulate accountancy profession in the country; or where this is not acceptable to other professional accountancy bodies, all of them should form a regulatory consortium of professional accountancy bodies. It is recommended that relevant government agency should monitor ICAN, or the consortium to ensure that guidelines for accountancy practice and certification in the country are followed.

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1. INTRODUCTION

The purpose of this empirical paper is to examine the demand for professional accountants by listed firms in Nigeria. The market demand for chief financial officers (CFOs) who qualified to practice the profession by certain professional accountancy bodies is a tacit recognition of the quality of that professional body's qualification. Professional accountancy certification was pioneered in Nigeria by ICAN, which was granted a Charter in 1965 via the ICAN Act of that year. Qualifying as chartered accountants was very difficult prior to the creation of ANAN in 1993; but that has changed. Some writers attribute the difficulty to the cult-like nature of ICAN (e.g., Samuel, Mamman, & Mustapha (2017, p.93) and Uche (2002, p.484)). The ever-present predisposition of relevant agents of the Nigerian State to increase competition by mushrooming professional accountancy bodies have been met with fierce resistance from ICAN. However, ICAN's flourish at lordism, professional imperialism and monopoly of the accountancy profession in Nigeria for well over five decades triggered the yearning for alternative professional accountancy bodies in the country, which has led to the emergence of other chartered professional accountancy bodies in the country, notably ANAN. So far, these two are the most viable professional bodies relating to the accountancy bodies in the country. There are prospects for other professional accountancy bodies to emerge in the country. The concomitant effect of the entrance of other chartered accountancy bodies has been the competition and rivalry between ICAN and the rest such as ANAN, and the Chartered Institute of Taxation of Nigeria (CITN). Professional accountancy bodies compete to provide accounting, audit, tax and other cognate services to the corporate world. The struggle or competition for supremacy is on this ground, and it rages on even till date.

According to the International Federation of Accountants (IFAC), the sustainability of the accountancy profession depends upon the quality of services provided by its members and upon the profession's capacity to respond effectively and efficiently to the demands of the economy and society. High quality of services can be achieved through regulation of entry and licensing requirements (e.g., IFAC, 2007). Regulation insures consistency in the quality of accountancy services delivered to society in the public interest. The ability of the accountancy profession to put public interest first, and then that of the profession itself will earn the profession the much needed reputation, and legitimate the profession before the society. Demand for accountancy services in a competitive market is one of the means to ensure overall quality due to competition to offer their services. As going concerns, companies are always in the market to search for qualified CFOs, who are one

of the highest decision makers of a company. Rational boards of directors are becoming increasingly concerned with ensuring that their CFOs have up-to-date competences and capabilities (IFAC, 2003). Employment of a CFO in a private company is a function of the quality of the professional accountancy qualification the CFO possesses. Although employers can train their CFOs after employment, a CFO must first have a professional accountancy qualification before they can be employed. Anecdotal evidences of advertisements in Nigerian newspapers for CFO positions attest to this assertion as private employers habitually prefer or require those with particular qualifications.

The paper makes the following *ex ante* expectations. Firstly, it expects companies' boards of directors to employ more CFOs with ICAN qualification than those of other professional accountancy bodies' qualifications. This expectation is borne out of the boards' past positive working experience and observation of ICAN qualified CFOs. In the managerial labor market, a CFO's previous associations with success and failure are information about their talents (e.g., Fama, 1980, p.292). Secondly, the paper expects differences to exist between ICAN and non-ICAN qualifications. This expectation is borne out of the relative high quality of professional services delivered by ICAN qualified CFOs, as measured by the number of ICAN holders employed in listed companies in Nigeria. The paper's final expectation is that CFOs nationality is likely to determine whether the CFO holds the ICAN or not. This expectation is a product of hearsay arguments that some foreign CFOs employed by Nigerian companies find it more difficult to qualify as ICAN members. The above stated expectations transmute to three hypotheses (here stated in their alternative forms) in Section 3 thus: CFOs in listed companies are more likely to acquire ICAN qualification than non-ICAN qualifications, there are differences between ICAN and non-ICAN qualifications, and a CFO's nationality is likely to influence the Nigerian professional accountancy qualification the CFO possesses.

In this paper, we investigate the state of professional accountancy in Nigeria, and examine the competition between accountancy bodies' qualifications, holders of which are mandated by the Financial Reporting Council of Nigeria to sign financial statements of listed companies.

The paper is motivated by prior researches such as, for example, Iyoha & Oyerinde (2010), Uche (2002), Samuel et al. (2017), Afolabi (2017), Smith (1776), and IFAC (2003, 2007), amongst others. Iyoha & Oyerinde (2010, p. 365) as mentioned earlier, observe that ICAN is the more recognized and better established professional accountancy body in Nigeria, and that most ICAN members hold influential positions especially in the private sector of the economy. Uche (2002)'s well-researched work traces the development of the accounting profession in Nigeria, and observes that ICAN and ANAN do not work together as they ought to. Meanwhile, Smith (1776) had written that people of the same trade seldom meet together, even for merriment and diversion. Our paper is also motivated by Allensworth & Edlin (2014), who argue that professional bodies use entry restrictions to repress competition, and IFAC (2007)'s advise that professional accountancy bodies, acting in the public interest, must play active roles in the regulation of the profession.

However, the current paper is different from prior papers in a number of respects: First, Iyoha & Oyerinde (2010) and Okafor (2012)'s papers were not based on company settings. They had no company empirical data. In particular, Okafor (2012) who identified three other professional accountancy bodies in Nigeria (including Chartered Institute of Taxation of Nigeria (CITA), Chartered Institute of Cost and Management Accountants (CICMA) and Institute of Certified Public Accountants of Nigeria (ICPAN), did not use empirical data to test the strength of the professional bodies in the marketplace. Similar to Okafor (2012), Dauda, Ombugadu & Aku (2015), through administration of questionnaire, find that ICAN and ANAN are the two most dominant in the practice of accounting profession in Nigeria; however their finding is based on perception of respondents.

Briefly, we summarize the results of our empirical findings in the current paper. There is evidence to suggest that about 89% (11%) of all CFOs in the sample were ICAN (ANAN) qualified members. Regarding CFOs nationalities, about 98% (2%) of the Nigerian CFOs were ICAN (ANAN) qualified, while 13% (87%) of the foreign CFOs obtained ICAN (ANAN) qualification. Also, regarding the similarities between ICAN and ANAN qualifications, our finding shows that the qualifications are statistically different from each other. Finally, the documented evidence suggests that CFOs nationalities have a positive significant influence on CFOs' affiliation. The results are robust to alternative analyses and tests conducted in the paper.

To the best of our knowledge, our paper appears to be the first empirical paper to examine the demand for professional accountants (CFOs) with particular professional accountancy qualification in the private sector. It appears to be the first paper to investigate the association between CFOs nationalities and their affiliation with Nigerian professional accountancy bodies.

The importance of the paper cannot be overemphasized. As well as presenting an up to date knowledge about the state of professional accountancy bodies' slices of the private sector in Nigeria, it also provides a measured dose of policy prescriptions that should be considered by relevant stakeholders.

Background of the study

Cooley (1894)'s sociological theories of competition and conflict imply that all forms of competition and conflict must be subordinate to a higher social order, which would be achieved through regulation. Cooley theorizes that competition and conflict are universal and necessary aspects of a living, moving, organic society. Weaving cooperation into the theories, Cooley theorises that in spite of competition in human interactions, there must be a mutual aid, or cooperation. In this way, real progress can emerge from competition by way of regulation which leads to cooperation. According to Cooley, competition is neither good nor bad in itself but it may be either – depending upon its relation to the larger social order. Cooley is of the view that any form of competition, under proper conditions (or under improper conditions) becomes good (or evil). That unhealthy competition (and conflict) still exists among accountancy professional bodies is an admission of their crudity because the profession is still much unorganized. Therefore, professional accountancy bodies in Nigeria must try to harness the better aspects of competition in order to produce best results for society. To Cooley, it is difficult to find any social situations where there is no mixture of competition and cooperation; if we can control competition we may realize deliberate and assured progress in which conflict is reduced. We can briefly summarize the main ingredients of Cooley's theories as follows. First, competition and conflict are inherent and constant in human society; second, the forms of the processes may vary but the processes themselves remain; third, they must always be conceived as phases of a larger society and must submit to that larger society and be obedient to society's rules and regulations. Finally, they are consistent with general social progress because given changing rules and regulations, competition increases with general development of society.

The remainder of this paper is structured as follows. The next section provides an overview of the literature on competition and regulation. Section 3 presents the methodology, describing the data and data sources, and methods of analyses. Section 4 reports the paper's results, while Section 5 concludes by considering implications and policy recommendations.

2. LITERATURE REVIEW

2.1. Competition

Afolabi (2016), Uche (2002), Anibaba (1990), and a few others have written about the competition between ICAN and ANAN. Afolabi (2016) describes an era of professionalism and competition that covers the period of breaking ICAN monopoly. The origin of ANAN was made possible by various agitations and petitions to the Nigerian government against the dismal performance of ICAN (see, e.g., Uche, 2002). Uche (2002) asserts that the Charter granted to ANAN in 1993 vide ANAN Decree 76, ICAN monopoly of the accounting profession in Nigeria was broken. The author added that the advent of civilian democracy and genuine agitation for the democratization of accounting profession in Nigeria, the monopolistic tendencies of ICAN quickly ended by the final stamp of concerned professional accountants that culminated in the formation of ANAN. Afolabi (2016) and Uche (2002) describe a reform era of professionalism and competition which covers the period of breaking the monopoly of ICAN in the professional accountancy market in Nigeria. Professional bodies like ICAN may likely use entry barriers to inhibit free market competition. Allensworth & Edlin (2014) is of the view that it is difficult to quantify the social damage done by professional entry restrictions and the damage caused by free but inefficient markets for professional services. The authors argue that restricting entry to the profession should improve service quality. The granting of accountancy professional charters limits entry and ensures that all professional accountants abide by the rules. The other side of the argument presents a different view. For example, Krueger (2006) thinks that licensing is unfavorable as it has become a way to restrict labor supply. Afolabi (2016) argue that competition is harmed when competitors restrict entry or adhere to agreements that suppress incentives to compete, and further argues that licensing schemes can be used for competitive good or competitive evil. Iyoha & Oyerinde (2010, p.365) observe that by far, ICAN is the more recognized and better established of the two accountancy bodies in Nigeria, having been in existence since 1965. Iyoha & Oyerinde (2010, p.365) note that most ICAN members hold influential positions especially in the private sector of the economy, and conclude that this means that the public sector is left to be driven by less qualified and incompetent accounting personnel. This observation implies that there exists a long-standing but unequal competition in the market for accounting services in the country. According to Uche (2002), the inability of ICAN to satisfy the country's needs for accountants and its failure to provide enough accountants at all levels to aid the Nation's economic development has become the most compelling reason for the proliferation of accounting bodies in the country. The author observes that ICAN and ANAN in most cases do not work together as they spend much time arguing on unnecessary issues relating to superiority and who is responsible for what and who is not. This should not be a surprise to most followers of the profession. As Smith (1776) had written, people of the same trade seldom meet together, even for merriment and diversion. The wrangling between ICAN and others is unhealthy but not unexpected: it may serve the public interest better that they do not work together because doing so out of self-preservation could lead to cartelization of the accountancy profession in Nigeria. This fear can only be assuaged if relevant State actors intervene in meaningful and proactive ways. One of such ways is the suggestion that the State should not allow "those who stand to profit financially from trade restrictions to determine which restrictions are in the public interest and which are not" (see, e.g., Elhauge, 1991). There is an international precedence to follow in this regard. In Australia, the merger between two professional accountancy bodies was supported by the Australian Competition & Consumer Commission (ACCC), which is a government agency. Observers should not be too

bothered if they remember the saying that the “conversation of competitors is a conspiracy against the public, or some contrivance to raise prices” (Smith, 1776). We think ANAN’s proposal for the establishment of a joint body of financial service providers aimed at tackling major challenges facing the accounting profession in the country (Afolabi, 2016) could lead to cartelization, if it is not properly handled. As we noted earlier, a merger between accountancy professional bodies has happened in Australia. It was between the Australian Society of Certified Practising Accountants and the Institute of Chartered Accountants in Australia. The unification birthed the Institute of Chartered Professional Accountants in Australia, CPA Australia. The ACCC saw the merger as serving Australia’s global interest, and said that the merger should enable CPA Australia to better represent the interests of the Australian accounting profession both domestically and internationally. The ACCC believes the merger is unlikely to substantially reduce competition in the provision of accounting services, saying that there has been a reduction in the barriers to trade in accounting services which should facilitate increased trade in accounting services on an international level. Afolabi (2016) contends that the basic policy justifications for licensing boards flow from the belief that free and unfettered competition will lower the quality of services provided to the public.

According to (IFAC, 2007), competition in a market is, generally, a powerful force in driving improvements in service quality. The market for accountancy services is clearly one mechanism to ensure overall quality and consistency as professional accountants compete to offer the best value services. Therefore, competition should be a tonic in the accountancy market because it is a great opportunity for improving service quality. ANAN (2010) thinks that its emergence as one of the accountancy qualifying bodies in Nigeria has checkmated the hegemony of ICAN in Nigeria. This ought to have triggered positive changes in ICAN, especially in its qualification of accountants. According to Smith (1776), the interest of competitors is never exactly the same as that of the public because the former generally have an interest to deceive and even oppress the latter.

2.2. Regulation

It is the view of IFAC (2007) that professional accountancy bodies, acting in the public interest, must play an active role in the regulation of accountancy profession, and that professional accountancy bodies and governments need to work together to ensure that regulation is effective and efficient. IFAC (2007) points out that how the accountancy profession should be regulated has been the subject of much debate, and that there has been much consequential change, as professional accountants, their clients, professional accountancy bodies and governments seek to ensure that the profession continues to deliver high quality services and contributes to economic growth and development. Loo (2020) observes that policymakers are acting as if professional accountancy bodies have a duty to act favorably in the public interest. There is a need to regulate the accountancy bodies in Nigeria, just as the cases of the law and medical professions in the country. The chartered accountancy bodies themselves have a more specific responsibility to self-regulate, and regulate their members, such that they uphold and promote high quality professional practices. To this end, ANAN’s (2010) call for the creation of a regulatory authority for accountancy bodies in Nigeria may be given a thoughtful consideration. Without this, government or an external agency such as Nigerian Stock Exchange (NSE), Financial Reporting Council of Nigeria (FRCN), Corporate Affairs Commission (CAC), the Securities and Exchange Commission, or the National Assembly may intervene to correct or avoid market failures.

Labor economists applaud certification and/or licensing where a free market may suffer from information asymmetry concerning a professional accountant’s quality. Certification and/or licensing are where the State sets educational or testing criteria for professionals. Professional accountants’ ability to pass the hurdles signals to employers an individual’s minimum quality and competency. Certification therefore solves the information asymmetry problem because employers who seek higher quality services can pay more for professional accountants. High quality service from the accountancy profession is, in the long run, dependent on professional standards, including ethics, personal competencies and values, and regulatory systems.

IFAC has given the professional accountancy bodies some responsibilities. These include, inter alia, that they must play a role in the regulation of the profession to ensure the quality of the services provided by their membership is of high standards; and that they can rely on the skills and experiences of their members to regulate the profession as they have an ability to respond and act quickly in the face of fluid circumstances. Employers need quality services, and the professional accountancy bodies need reputation because of the quality of services their members can provide. Professional accountancy bodies have a responsibility to communicate and work with governments in the public interest; to use their knowledge of the profession and the markets in which they operate to assist government and regulatory agencies to design effective professional regulation that ensures high quality services. It is important to have high quality standards because they provide minimum thresholds for members of the profession, listed companies who use professional accountants’ services, and the regulator who needs to assess compliance with best practices by members of the profession. Compliance with regulation is facilitated by high quality standards. According to IFAC (2007, p.4), “the effect of [a] well-designed regulation will be to provide assurance that accounting services are of the nature and quality that is needed both by the users of those services and by the wider economy”.

The regulation of professional accountants can be implemented in at least two ways: primarily through self-regulation and external regulation. Under former, the professional body is recognized by the State who delegates to the professional body responsibility for regulating the profession. Under the latter, the profession is regulated by the government either through a government agency or through an independent agency which is created and endowed with regulatory powers. The concern here is that by delegating regulation to an enforcer-entity like ICAN, the State empowers the delegate to write and enforce the profession’s rules that consolidate or promote the delegate’s existing market leadership, thereby harming smaller bodies and new entrants (see, e.g., Loo, 2020). Per IFAC (2007), self-regulation and external regulation reinforce each other; they should be acting in ways that are complementary to each other, not competing. Either methods, or their hybridization, should be evaluated periodically for effectiveness. There are a number of ways that self-regulation and external regulation can be harnessed to create an efficient and effective regulatory mix. One combination is self-regulation with oversight done by a State-enabled independent agency. Another combination is to make ICAN responsible for some aspects of regulation and a State-enabled agency responsible for other aspects. In any case, a professional accountancy body would need some form of government mandate or oversight to regulate. Similarly, the State must regulate by interacting with the professional bodies in some ways, and by explicit or implicit delegation of authority to them. However, it should be remembered that “those who stand to profit financially from restraints of trade cannot be trusted to determine which restraints are in the public interest and which are not” (e.g., Elhauge, 1991, p.667).

We would like to place on record that the literature reviewed in this section did not find any prior research that examined market demand for professional accountants or CFOs in Nigeria’s corporate world; neither did it find any that investigated the relationships between CFOs’ nationalities and CFOs affiliation with Nigerian professional accountancy bodies. These are some of the gaps that we set out to empirically address in the remaining sections of this paper.

3. METHODOLOGY

3.1 Data and data sources

The data for the study were hand-collected from 343 listed non-financial companies obtained from e-financial statements of listed companies in Nigeria. We focus on ICAN and ANAN because they are the two chartered accountancy bodies whose members are by regulation mandated to sign financial statements of listed companies in Nigeria; other professional bodies’ members must seek specific permission to do so. We collected data on CFOs professional affiliations (ICAN and ANAN), and also on CFOs nationalities but without going into the specifics of a CFO’s country of origin. That is, we regarded all foreign CFOs as a collective. We use the number of CFO employed in listed companies as a measure of quality of services offered by professional accountancy bodies in Nigeria. The sample is restricted to only ICAN and ANAN professional accountants employed in listed companies in Nigeria, excluding the financial services subsector. Thus, there are 343 observations = (49 x 7). There were 34 cases apiece for “foreign qualifications” (e.g., MULTI, MANUN, and others), and of qualifications that are “not applicable (N/A)” to sign financial statements as chartered accountants (e.g. Institute of Directors of Nigeria (IoDN), Chartered Institute of Bankers of Nigeria, CIBN). The 68 observations were excluded, leaving 275 observations which were used in many of the analyses conducted in the rest of the paper. **Table 1** shows yearly distribution of CFOs qualified by only ICAN and ANAN professional accountancy bodies from 2012-2018.

Table 1. Yearly Distribution of CFOs by Nigerian Professional Accountancy Bodies in Nigerian Listed Companies (2012-2018)

Nigerian CFOs		Foreign CFOs		Total
Year	ICAN	Year	ANAN	
2018	37	2018	7	44
2017	36	2017	6	42
2016	35	2016	5	40
2015	36	2015	3	39
2014	35	2014	3	38
2013	34	2013	3	37
2012	32	2012	3	35
Total	245		30	275

3.2 Methods of data analysis

We use nonparametric techniques to test the null hypotheses, invoking Samuel et al.’s (2017) view that “an enquiry and analytical mind consistent with providing clients with high standards of professional services” ... “in ways consistent with the highest ideals of a true professional.” There is no satisfactory direct way that we can use to measure and test for the comparative quality of services provided by both ICAN and ANAN qualifications holders. Therefore, we indirectly use the number of ICAN and ANAN qualification holders employed as CFOs to test for the quality of services rendered by both professional accountancy bodies’ practicing members. Many researchers continue to devise many ingenious means to

assess the quality of professional services, but none of the ingenious improvisations have been found satisfactory. There may, therefore, be the “lemons problem” (e.g., Akerlof, 1970) in our research design because of the difficulty of assessing the quality of professional services offered by ICAN and ANAN members. Random noises may arise from this difficulty. Notwithstanding, we think that the boards of directors of listed firm are likely to employ professional accountants whom they think can provide high standards of professional services. Below are the three null hypotheses (stated in the Null) to aid of our investigations:

H1: CFOs (whether foreign or Nigerian) in the private sector are not more likely to acquire ICAN qualification than ANAN qualification.

H2: There is no difference between ICAN and ANAN professional accountancy qualifications.

H3: The nationalities of CFO’s in Nigerian listed companies will not influence the Nigerian professional accountancy qualification a CFO possesses.

Respectively, *H1*, *H2*, and *H3* will be tested by means of a simple majority, presented in tables and graphs; and distribution-free statistics.

4. RESULTS

This section presents the empirical results of our findings, and attendant discussions. In **Table 2**, the first row shows that among the 250 Nigerian CFOs employed between 2012 and 2018, 241 hold ICAN, none of the Nigerian CFOs with a foreign qualifications signed the financial statements, four hold ANAN while the qualifications of five CFOs were not applicable (N/A). The second row shows that four foreign CFOs hold ICAN qualification while 26 have ANAN qualification. Within this period, 34 of the foreign CFOs hold foreign qualifications and were granted waiver to sign their companies’ financial statements. The foreign qualifications are those of, for example, South Africa’s Institute of Chartered Accountants, “MULTI”, “MANUN”, and of those who obtained a degree in Accounting and/or Finance or had a wealth of experience in those areas.

Table 2. CFOs Nationalities in Nigeria’s Listed Companies * Chartered Accountancy Bodies Cross tabulation

CFO Nationality:	Chartered Accountancy Bodies of Nigeria’s corporate CFOs						Total	Percent
	ICAN	%	ANAN	%	FRGN ¹	N/A ²		
Nigerians	241	.98	4	.13	0	5	250	72.9
Foreigners	4	.02	26	.87	34	29	93	27.1
Total	245	100	30	100	34	34	343	100

¹. Granted waiver by the Financial Reporting Council of Nigeria for holders of foreign professional accountancy body such as South Africa Institute of Chartered Accountants, MULTI, MANUN, and those having a degree in Accounting and/or Finance or experience in those areas.

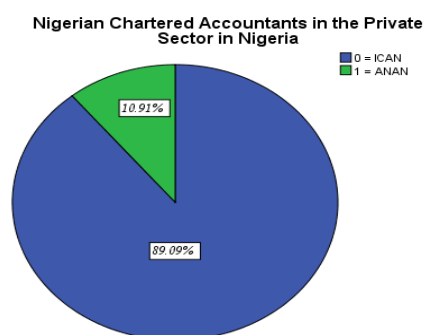
². Granted waiver by the Financial Reporting Council of Nigeria for holders of Chartered Institute of Bankers of Nigeria (CIBN), Institute of Directors of Nigeria (IoDN) or CFOs who had no stated professional affiliations.

Continuing with the foreigner’s row, 29 CFOs’ qualifications were not applicable (N/A), but were nonetheless granted waiver to append their signatures to their companies’ financial statements. They include holders of Chartered Institute of Bankers of Nigeria (CIBN), Institute of Directors of Nigeria (IoDN), or those without any stated qualifications. This shows that majority of the CFOs are ICAN chartered: there are more than 98 chances out of 100 that the financial statements were signed by an ICAN chartered accountant. The values in **Table 2** tend to bolster ICAN’s claim of controlling the accountancy market in Nigeria’s private sector, and this image of self-worth has accorded it the toga of professional inscrutability. This aura has contributed to, or a product of, ICAN’s attempt to marginalize its competitors, and secure a wider societal legitimacy for itself. According some writers, Nigerians looked up to professional bodies particularly ICAN (Asuquo & Akpan, 2014, p. 243). This indicates that foreign CFOs in Nigeria prefer to have ANAN qualification, see **Graph 2**. It remains to be seen, what can be attributed to foreign CFOs’ interest in preferring ANAN to ICAN. This is left for future research to unearth. To be more focused with respect to *H1*, **Table 2** will be set aside and replaced with **Table 3**.

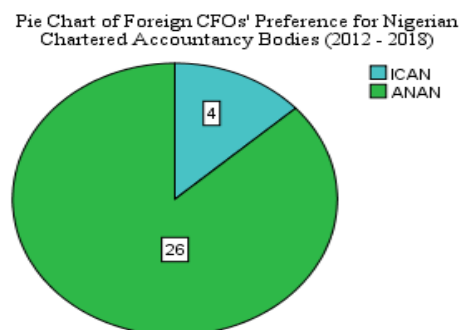
Table 3. Chartered Accountancy Bodies in Nigeria by CFO Nationality Cross Tabulation

	Nigerian		Foreign		Total	
	No.	Percent	No.	Percent	No.	Percent
ICAN	241	98	4	13 (2)	245	89
ANAN	4	2 (13)	26	87 (100)	30	11
Total	-	100	-	100	-	100
Total	245	89%	30	11%	275	100%

Graph 1.



Graph 2.



Results in **Tables 2 and 3** and **Graph 1** are consistent with Iyoha & Oyerinde’s (2010, p. 365), who observe that by far, ICAN is the more recognized and better established of the two professional accountancy bodies and that most ICAN members hold influential positions especially in the private sector of the economy. The authors concluded that this, by implication, means that the public sector is left to be driven by less qualified and incompetent accounting personnel.

4.1 Correlation analyses

We examine the correlation between Nigerian professional accountancy qualifications and all CFOs in Nigeria. **Table 4** shows the Pearson and Spearman’s correlations. There is a direct significant correlation, $p < .01$.

Table 4. Bivariate Correlations of all CFOs in Nigeria and Nigerian Professional Accountancy Qualifications ($N = 275$)

	Panel A. Pearson Correlation		Panel B. Spearman’s Correlation	
	All CFOs	Accountancy Qualifications	All CFOs	Accountancy Qualifications
All CFOs	1.000	.817**	1.000	.889**
<i>p</i>		.000		.000
Accountancy Qualifications		1.000		1.000

***. Correlation is significant at the 0.01 level (2-tailed).*

The correlations suggest there is a high significant positive correlation between all CFOs in Nigeria and Nigerian professional accountancy qualifications. This implies that employing CFOs – whether a Nigerian or a foreigner – is likely to increase the number of CFOs with Nigerian accountancy qualifications as opposed to foreign qualifications.

4.2 ANOVA test

ANOVA test was conducted, and the test result presented in **Table 5** suggests that CFOs nationality has a significant positive influence on the Nigerian professional accountancy (ANAN or ICAN) qualifications of CFOs. $F = 712.838$, Sig. $p < .001$.

Table 5. ANOVA^a

	Sum Squares	of df	Mean Square	F	Sig.
Regression	19.326	1	19.326	712.838	.000 ^b
Residual	7.401	273	.027		
Total	26.727	274			

^a. Dependent Variable: Professional accountancy qualifications
^b. Predictors: (Constant), All CFOs in Nigeria

4.3 Additional Analyses

Additional analyses carried out here are in respect of hypotheses two (H2) and three (H3).

4.3.1 Test on hypothesis 2, H2

Against the backdrop of the null hypothesis that the mean/median of foreign vs Nigerian CFOs’ professional accountancy qualifications are equal, we performed some non-parametric statistical tests. As can be seen from **Table 6**, all the test results are significant, with Asymp. $p < 0.05$.

Table 6. Test of Differences among CFOs with ICAN or ANAN Professional Accountancy Qualifications (2012-2018) (N = 275)

	Chi-square	Std. J-T Statistic	Z	Asymp. (2-tailed)	Sig.
Kruskal Wallis H Test	5.506			.019	
Sign Rank Test			-9.328	.000	
Wilcoxon Signed Ranks Test			-8.311	.000	
Mann-Whitney Test			-14.076	.000	
McNemar Test				.000	
Jonckheere-Terpstra Test		14.076		.000	

Kruskal Wallis H test result shows $X^2 = 5.506$, $p = .019$; respectively, the Sign rank test, Wilcoxon Signed ranks test, and Mann-Whitney test results show $Z = -9.328$, $-8,311$, and -14.076 . Jonckheere-Terpstra test result shows Std. J-T Statistic = 14.076 , $p < .01$. In absolute terms, Jonckheere-Terpstra and Mann-Whitney tests results are consistent at $|14.076|$. Note that all the tests are 2-tailed. Put together, these results reject the null hypothesis that the mean/median of CFOs with ICAN qualification is the same with the mean/median of CFOs with ANAN qualification. We, therefore, accept the alternative hypothesis that the mean/median of CFOs with ICAN qualification is not the same as those of ANAN qualified CFOs, and conclude that the differences between ICAN qualification and ANAN qualification are not statistically the same. In order words, they are statistically different from each other.

4.3.2 Test on hypothesis 3, H3

A simple (one variable) pooled OLS regression was conducted to test hypothesis 3. The general OLS specification is given as, $Y = \beta X + \epsilon$. Where Y is the DV, categorically coded with ICAN coded “0” and “1” coded as ANAN. ICAN or ANAN represents Nigerian professional accountancy qualifications. X is the IV, and represents CFOs nationality. β is the coefficient estimate. ϵ = error term i.i.d. The test result is presented in **Table 7**, and is it consistent with prima facie evidence that employment of CFOs of different nationalities is likely to have a positive impact on Nigerian professional accountancy qualifications.

Table 7. Pooled OLS Regression of CFOs Nationality on Nigerian Professional Accountancy Qualifications (N = 275)

$$Y = \beta_1 X_1 + \epsilon$$

Where Y = Nigerian professional accountancy qualifications, X = CFOs nationality

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.076	.037		1.552	.122
Nigerian professional accountancy qualifications	1.870	.072	.850	26.699	.000

R Square	.723	
Adjusted R Square	.722	
F Change	712.838	.000

^a. *Dependent variable: Nigerian professional accountancy qualifications*

It can be seen from the table that the test result is positive and significant, $t = 26.699$, coefficient = .850, Sig. $p = .000$. Specifically, the employment of one CFO in the listed companies is likely to lead to about 85% increase in professional accountancy qualifications. Thus, the null hypothesis of no influence is rejected. We, therefore, conclude that CFOs nationality is likely to influence the Nigerian professional accountancy qualification a CFO. Tying all the results in **Tables 1-3** and **Graph 1** together, we can conclude that Nigerian CFOs in listed companies are likely to have the ICAN qualification.

5. CONCLUSION

This paper draws upon Cooley's (1894) sociological theories of competition and conflict, originally published by Bodenhafer (1930). Briefly, Cooley's theories suggest that all forms of competition and conflict must be subordinate to a larger social order, which would be achieved through regulation. The theories as formalized in this paper represent a setting where professional accountancy bodies in Nigeria, mainly ICAN and ANAN, compete with one another. Thus, this empirical paper examines the state of CFOs professional accountancy qualifying bodies and their qualifications, and the market demand for qualified professional accountants in listed companies in Nigeria. The empirical data for the study were hand-collected from e-financial statements of 49 listed companies over a seven-year period, from 2012-2018. The data include CFOs nationalities and their qualifications, that is, whether ICAN or ANAN. The ex post results are consistent with ex ante expectations. Specifically, the results suggest that ICAN members represent more of the CFOs in listed companies in Nigeria. Also, the documented evidence suggests that ICAN and ANAN qualifications are statistically different from each other. Finally, the documented evidence indicates that CFOs nationalities positively and significantly influence CFOs affiliation (i.e., whether they are ICAN or ANAN members).

6. RECOMMENDATIONS

In view of the conclusions reached in this study, the paper recommends as follows:

- i. ICAN should be formally mandated to regulate the accountancy profession in Nigeria. This recommendation is borne out of historical realities (e.g., ICAN is the pioneer accountancy professional body in Nigeria, bigger in membership size, longevity, etc.), and the fact that ICAN primus inter pares among professional accountancy bodies in Nigeria.
- ii. Where the first recommendation is not acceptable to ANAN and other professional accountancy bodies, we recommend that all the professional accountancy bodies should be made to band together to form a regulatory ecosystem where each professional body supports and monitors the other (cooperation); a kind of peer-review mechanism.

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