BAKRE, O., LAUWO, S.G. and MCCARTNEY, S. 2017. Western accounting reforms and accountability in wealth redistribution in patronage-based Nigerian society. *Accounting, auditing and accountability journal* [online], 30(6), pages 1288-1308. Available from: https://doi.org/10.1108/AAAJ-03-2016-2477

Western accounting reforms and accountability in wealth redistribution in patronage-based Nigerian society.

BAKRE, O., LAUWO, S.G. and MCCARTNEY, S.

2017

Western accounting reforms and accountability in wealth redistribution in patronage-based Nigerian society

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Abstract

Purpose –The purpose of this paper is to investigate the claim that Western accounting reforms, in particular the adoption of International Public Sector Accounting Standards (IPSASs) would enhance transparency and accountability and reduce corruption in patronage-based developing countries such as Nigeria.

Design/methodology/approach – The paper utilises the patron/clientelism framework to examine the dynamics of Western accounting reforms in the Nigerian patronage-based society, in which the institutions of governance and regulatory structures are arguably weak. The paper utilises archival data and interviews conducted with representatives of state bodies (elected politicians and officials) and professional accounting associations.

Findings – Results from two major reforms (the sale of government-owned residential properties in Lagos and the monetisation of fringe benefits for public officials) are presented. Despite the claim of the adoption of Western accounting standards, and in particular IPSAS 17, which requires full accrual accounting and the utilisation of fair value in property valuation, historical cost accounting appeared to have been mobilised to massively corrupt the process for the benefit of politicians, other serving and retired public officials and family members.

Originality/value –This study contributes to the current literature by providing evidence of the relationship between patronage, corruption and accounting in wealth redistribution in the patronage-based Nigerian socio-political and economic context.

Keywords – Patron/clientelism, Western accounting reforms, wealth redistribution, corruption, International Public Sector Accounting Standards.

Paper type - Research paper.

1. Introduction

Accounting is an integral factor in the establishment and maintenance of integrity (Conrad & Sherer, 2001), and is significantly important in the general accountability framework that is essential for the successful implementation of economic policies, such as privatisation (Ogden & Anderson, 1999) and wealth redistribution (Sikka, 2008). Boncodin (2007, p. 87) asserts that, "accountability is an obligation of persons or entities entrusted with public resources to be answerable for the political, public, managerial, professional and personal responsibilities that have been conferred on them and to report to those that have conferred these responsibilities."

Therefore, to encourage effective management of public resources, accountants and auditors are expected to adhere to the existing accounting and auditing rules and regulations to deliver accountability, ensuring a more equitable distribution of wealth in society (Organisation for Economic Co-operation and Development (OECD), 2003). Nevertheless, even in the developed world, where robust institutions of governance and effective regulatory frameworks to control corruption are in place, the role of accounting in improving accountability in the management of public resources has been debated (Willmott and Sikka, 1997; Arnold and Sikka, 2001; McSweeney, 2009; Sikka, 2015).

This phenomenon has become increasingly problematic in poorer developing countries, such as Nigeria, where patronage and corruption are endemic and the governmental structure and regulatory frameworks are predominantly ineffective and weak (Okaro, 2004)[1]. As Iyoha and Oyerinde (2010, p. 364) suggest, the idea of making accountability real in corrupt socio-political environments such as Nigeria may be only 'a mirage'.

In the light of the challenges encountered by poor developing countries, International Financial Institutions (IFIs), particularly the World Bank and the International Monetary Fund (IMF), have therefore provided financial support to encourage these nations to adopt Western accounting reforms, such as International Public Sector Accounting Standards (IPSAS)[2]. It has been claimed that IPSASs, which are regarded as high-quality accounting standards being utilised globally by public-sector entities in the preparation of general-purpose financial reports, could improve transparency and accountability in the management of public resources (International Federation of Accountants, 2017). The "Big Four" accounting firms have hence been engaged to provide legitimacy to the global adoption of IPSASs[3], particularly by disadvantaged countries (Annisette, 2004). This level of support underlines the importance attached to accounting as an instigator of economic policy change, particularly by the World Bank and the International Monetary Fund (IMF) (see Hopper et al., 2012; IMF, 2008).

In order to attract international capital, a number of governments, particularly in poor developing countries, have claimed that implementing these reforms will improve transparency and accountability in the public sector, which is also evident in Nigeria. For example, in a workshop conducted on the implementation of IPSASs in Nigeria, the Minister of State for Finance noted that:

> *The implementation of IPSAS would promote a peer-review mechanism of financial reports among the three tiers of government ... Indeed, the adoption of IPSAS will no doubt serve as a foundation for a better accounting reporting system in Nigeria* (Onwubuariri, 2012).

However, evidence suggests that the implementation of Western accounting reforms, such as IPSASs, rarely promotes the required levels of transparency and accountability in the management of public resources, particularly in economically disadvantaged countries (Adhikari *et al*., 2015; Yapa and Ukwatte, 2015). Arguably, this has become increasingly problematic in patronage-based and corrupt countries where IPSASs have often been used to legitimise the use of their socio-politically influenced historical cost accounting to conceal corruption in economic policies (Goddard and Mzenzi, 2015).

It is in the above context that this paper seeks to examine the extent to which the implementation of IPSAS[4], through pressure from the World Bank, has improved transparency and accountability in the management of resources in the patronage-based Nigerian socio-political context. Particular focus will be given to the dynamics of transparency and accountability in the sale of houses in Lagos as well as the monetisation of fringe benefits; policies that were implemented to redistribute wealth to Nigerians.

Previous studies have examined the impact of socio-political culture on accounting practices in the processes of privatisation and wealth redistribution in developed and developing countries. In the case of developed countries, Conrad and Sherer (2001, p. 56) exposed how accounting information facilitates a new language of accountability by promoting increased visibility of the financial information provided by organisations in privatisation initiatives. Arnold and Cooper (1999, p. 78) examined the redistribution of wealth between social classes produced by privatisation. Their study demonstrates the level of influence that accountancy firms, and the field of accounting in general, have in facilitating and concealing the exploitative relationships underlying their profession and the values to which they subscribe.

In developing countries, Craig (2000, p. 25) observed that accounting has legitimised the development of corruption in privatisation and wealth redistribution, leading to increased suspicion of the misuse of sales proceeds. Privatisation is understood to have benefited the rich, international, agile and politically connected at the expense of the poor, domestic, honest and unaffiliated. Sutherland (2011, p. 45) noted that collective goods have been privatised across large parts of Africa, while the institutional safeguards intended to engender accountability in the process have been weakened or nullified. Goddard *et al*. (2015) adopted Ekeh's (1975) concept of "two publics" to clarify persistently corrupt practices, weak accountability, and the subsequent impact on governmental accounting in Tanzania. They illustrated how the civic sector's moral deficiencies led to opportunistic lawlessness, corrupt tendencies and sustained unscrupulous accounting practices across the public realm. The authors, therefore, recommended the development of accounting and accountability mechanisms that reflect the reality of the socio-political needs of developing countries.

As a response to this recommendation, this paper contributes to the literature on the dynamics of Western accounting reforms in supposedly improving transparency and accountability in the context of patronage-based, poor and corrupt developing countries (Goddard *et al.*, 2015; Lassou and Hopper, 2016), focusing on Nigeria. Nigeria represents an important case study because, while it has the largest economy in Africa with vast resources of petroleum and gas, poverty remains endemic. Between 1999, when Nigeria embraced democratic rule, and 2015, the country produced over 2.1 million barrels of oil per day. Paradoxically, over 62 per cent of its over 170 million population subsist on less than $2 dollars per day (National Bureau of Statistics, 2012), which suggests a significant level of corruption in the management of its petroleum and gas resources. Between the years 2011 to 2013, 85 per cent of Nigerians surveyed believed that corruption had increased (Transparency International, 2014).

Since 1999, Nigeria has been in the process of implementing Western economic and associated accounting reforms in order to improve the levels of accountability in the management of its oil and gas resources and to create a favourable business environment for international investors. However, politicians and other bureaucrats have been influencing accounting practices to transfer the collective wealth of the nation, and fraudulently awarding government contracts, to political associates, family members and ethnic groups in return for electoral support (Bakre and Lauwo, 2016).

Given the well-documented level of patronage politics in many developing countries (including Nigeria), as well as evidence of the associated socio-economic detriment to society, it is important to consider the impact of such factors on accounting and accountability practices, with Nigeria as the main focus of this study. The following sections examine accounting and patronage, the Nigerian socio-political context and Western accounting reforms as well as the research methods used. Empirical evidence is presented, followed by suggested ways forward, and concluding with a summary.

2. Accounting and patronage

Although Western accounting reforms could be regarded as inappropriate for the economic development of disadvantaged and weak capital market economies (Mir and Rahaman, 2005; Perera, 2012), they have nevertheless disseminated into the Global South (Annisette, 2004). These reforms appear to have been transformed into a political technology often utilised to impose Western economic policies on nation states (Arnold, 2005), particularly on poor developing countries in dire need of loans and development aid from international financial institutions (IFIs), notably the World Bank and the IMF (Graham and Annisette, 2012; Saravanamuthu, 2004; Murphy, 2008; Perera, 2012).

Some have thus argued that, through the activities of IFIs and Western accounting firms, accounting may have developed into a technology that is employed to accommodate the interests of powerful nations and multinational corporations in the economic environment of poor developing countries (Annisette, 2004; Mir and Rahaman, 2005; Murphy, 2008). Arguably, this has paved the way for the internationalisation of poor countries' accounting standards, which has become a condition for participation in the global neoliberal 'free' markets (Arnold, 2005; Graham and Annisette, 2012).

The desire to partake in the 'benefits' promised by neoliberalism, which include; improving governance, accountability and attracting international capital, has also encouraged poor countries to embrace Western accounting reforms such as IPSASs and implement neoliberal economic policies, such as privatisation (United Nations Centre for Trade and Development (UNCTAD), 2005). However, when mobilising these reforms in the implementation of economic policies, such as privatisation or wealth redistribution, the political leaders of poor and corrupt countries such as Nigeria often exhibit a facade of accountability for the purposes of presenting external legitimacy (Goddard *et al*., 2015; Bakre and Lauwo, 2016). Murphy (2008, p. 29) observed that most poor countries that have adopted Western accounting reforms and implemented privatisation in order to improve governance and accountability end up with increased corruption, income and wealth inequality and poverty.

What therefore appears to be the contradictory economic policies by the World Bank and the IMF and the actions of some developing countries political leaders, often facilitated by reduced regulations and socio-political corruption, present challenges to the legitimacy of the accountability role of the Western accounting reforms in patronage societies where poverty, inequality and economic insecurity are prevalent. This is because accountability in the redistribution of public resources has the propensity to be an illusion in societies where the issue of political success through the efficacy of patronage is perceived to vary according to the poverty, inequality and economic uncertainty of the electorate (Auyero, 2000).

A patronage-based cultural system, particularly in Africa, often dictates that without a patron, one has limited access to resources, whereas acting as a patron imposes a level of pressure to accumulate and share wealth, often in a manner that is devoid of transparency or accountability, thus encouraging corruption (Smith, 2008). Political authority in Africa is based on the culture of awarding and granting of favours, in an apparently infinite series of dyadic exchanges that extend from the rural level to the highest echelons of the central state, where relations between rulers and subjects are not governed by predictable economic calculations and codified laws (Van de Walle, 2001).

In patronage-based African societies, therefore, public policy is less oriented towards the provision of public goods (Kelsall, 2011). However, the less public policy is oriented towards the provision of public goods, the greater the credibility and attractiveness of electoral appeals built around patronage networks (Remmer, 2007). In a society in which electoral appeals are constructed around patronage networks, politicians frequently network with other social actors in patronage, including accountants; thus, this culminates in accounting practices being employed to divert public resources for the private use of patrons and clients (Cammack, 2007). In such a scenario, rulers distribute symbolic and material rewards to fulfil reciprocal obligations in a shared culture, which often lacks accountability and increases income and wealth inequality (Joseph, 1987).

Given the scepticism surrounding political networks, which often involve politicians, accountants, the state and orientations to traditional patrimonial leadership, civil society can be "weak and silent" and lacks accountability in patronage-based societies (Cammack, 2007). Consequently, the construction of political reward networks related to the distribution of public resources has been consistently associated with deficit spending, public-sector inefficiency, resistance to market-oriented and accounting reforms, macroeconomic instability, and reduced economic growth (Goddard *et al*., 2015).

This situation often occurs when politicians, whose political careers depend on constructing and maintaining an active network of supporters, face pressures to increase spending after elections (Stokes, 2005). Since electoral gains from targeting benefits towards supporters can be expected to rise as the sense of security and income of these supporters' declines, variations in the electoral base of parties are reflected in their propensity to engage in patronage politics, which are often lacking accountability (Stokes, 2005). The existence of political networks in patronage-based societies thus suggests that the encouragement by the World Bank and the IMF for poor and corrupt countries (such as Nigeria) to adopt Western accounting reforms such as IPSAS in order to improve accountability in the management of their public resources and development projects will often encounter a muted response (Cammack, 2007). In a patronage society the reality of the elite's political agenda demonstrates that historical cost accounting, which arguably suits their patrimonial political objectives, is often preferred to IPSAS 17, which arguably improves accountability. It is therefore not surprising that the adoption of Western accounting reforms-conditional economic policy by patronage society is mostly driven by the necessity to follow global trends in order to increase the government's legitimacy in the eyes of the IFIs, so as to continue to attract international capital.

In the above circumstances, constitutional and other statutory provisions require accountants and auditors to assume the role of watchdogs over politicians and other bureaucrats to ensure the security of public resources. However, these professionals are employed at the discretion, and sometimes under the direct supervision, of politicians and senior bureaucrats who can assert significant influence over their career trajectories. This, combined with the desire of accountants and auditors to protect their own private capital in the course of neglecting their professional duties, makes them vulnerable to the aspirations of politicians and other senior bureaucrats in using accounting practices to divert public resources for personal and clients' use (Bakre, 2007). Even in circumstances where accountants and auditors desire and are able to utilise accounting and auditing rules and regulations to introduce reforms to improve governance and accountability, the success or failure of such actions remain dependent on the support of political leaders and other senior bureaucrats (Martin, 1995).

However, political leaders relying on patronage networks will attempt to reinforce their positions by adopting policies that privilege the inefficient redistribution of public resources by using accounting practices to target benefits over socio-economic development (Cammack, 2007). Thus, if political leaders are convinced that accounting reforms such as the IPSASs could threaten their patrimonial power and illicit use of public resources for personal, clients' and/or political gain, they could decide to obstruct any efforts to improve transparency by implementing historical cost accounting, which supports their patrimonial ambitions. Under such circumstances, if they desire to retain their positions, accountants and auditors could be faced with limited options other than to comply with the demands of the politicians and senior bureaucrats, which include developing accounting strategies that operate both within and outside ethical boundaries, in order to divert public money into private accounts (Neu *et al.*, 2015). Potter (2005, p. 268) notes that "accounting can influence perceptions, change language and infuse dialogue and thereby permeate the ways in which organisational and social actors' priorities are expressed and prioritised". This seems to suggest that accounting is shaped by the socio-political context in which accountants operate and accounting is practiced, and it is the socio-political context of Nigeria which is examined next.

3. Nigerian socio-political context and Western accounting reforms

Nigeria achieved full independence from Britain on 1 October 1960. During the period of colonisation, the British accounting practices and standards were imposed on the economically weak capital market Nigerian economy to supposedly improve accountability in the management of the colonial capital and development projects (Uche, 2002).

However, the continued use of colonial systems following independence has attracted criticism due to the adoption of inappropriate technology from the colonialist legacy (see Briston, 1978; Okike, 1994). While the criticism has continued, the global neoliberal economic system into which the global economies (including Nigeria) have arguably been integrated, has been reshaping the colonial Nigerian accounting practices and standards towards the universal standards required by such neoliberal policies (Okike, 2004). However, Perera (2012, p. 94) observes that “the conceptual framework underpinning universal accounting standards may be alien to non-Western, developing countries; for instance, ethics may be local not international, especially where commercial relationships are more communitarian or family based”.

However, under continued pressure from the World Bank and the IMF, successive Nigerian military governments were adapting various provisions of the IPSASs for public sector reporting purposes since the 1990s (Okike, 1994). The colonial and neoliberal accounting standards were originally intended to improve accountability in the management of public resources and development projects (Uche, 2002). However, they appear to have been legitimising the use of historical cost accounting to redirect portions of revenues from the sale of oil and gas into private bank accounts (Bakre, 2007), whilst the general infrastructure remains dilapidated (see Federal Ministry of Power, 2014).

When the Nigerian government transformed from a military dictatorship to a presidential democracy in 1999, the new democratic government inherited an arrears debt of $35 billion to the Paris Club (see Debt Management Office, 2014)[5]. Furthermore, the country required significant international capital and accountability mechanisms in order to reform its ailing economy (World Bank, 2004). Resultantly, it sought assistance from the World Bank to determine how it could ameliorate the economy. The World Bank responded by asserting that a significant problem within the Nigerian economy is that "accounting, auditing and accountability practices in Nigeria suffer from institutional weaknesses in regulation, compliance and enforcement of standards and rules" (World Bank, 2004, p. 35). But as Okaro (2004, p. 25) argued, these problems were consequences of Nigeria's socio-political culture of patronage and corruption. Hence, this seems to suggest that, in order to improve accountability in the management of its oil and gas resources and development projects, Nigeria primarily requires the implementation of an effective governmental structure accompanied by an enforceable regulatory framework.

Nonetheless, the World Bank's prescription for Nigeria was a market solution, which encouraged the country to embrace Western economic and associated accounting reforms, such as the adoption of IPSASs, for the purposes of private and public sector reporting. At the book launch in 2015 for the work, *Government Accounting: An IPSAS Approach in Nigeria*, a Professor of Accounting from the University of Lagos, Nigeria, emphasised that the implementation of IPSAS would ensure transparency and accountability in the management of resources and accounting information, and help the government tackle corruption, adding that Nigeria would benefit from being treated "like any other advanced economy, like any other advanced player in the global economy" (Ugwumadu, 2015).

Yet, Perera (2012, p. 94) argues that:

> *Universal accounting standards (such as IPSASs) aimed at lubricating global trade may not be pertinent to poor developing countries with a more interventionist state than richer market-based economies. If capital markets are small or non-existent, and investors are unsophisticated, such complex accounting information may be unimportant.*

The use of universal accounting standards to improve accountability in the management of public resources in a society where the constitutional order is constantly subverted by a patrimonial logic, political authority is predominantly based on clientelist practices and the institutions and framework of governance are ineffective and weak, such as Nigeria, could be even more problematic (Bakre and Lauwo, 2016). Lemarchand and Legg (1972, p. 160) observe that, "in a patronage society, formal rules may define authority and responsibilities and provide legitimacy for organizational policies, but within them patronage, clientelism, corruption, nepotism and ethnicity abound".

The methodology and methods adopted to collect the data used to explore such observation in a patronage-based Nigerian socio-political context is examined next.

4. Research methodology and methods

In order to address the research objective of the exploration of the dynamics of western accounting reforms, namely IPSASs, on transparency and accountability in the patronage-based Nigerian society, a qualitative methodology was adopted. The theoretical insights discussed in the previous section were used to structure the analysis of the empirical evidence and construct a theoretically informed analysis. The data for the study were collected from interviews sources and document analysis.

A total of 10 initial and follow-up interviews were conducted with members of the Nigerian public sector between 2010 and 2015. A broad interview guide was initially developed, which was subsequently transformed into a more focused semi-structured interview guide, comprising questions which represented the core research themes of the study. The interviewees consisted of politicians, bureaucrats and professionals who were key players in the sale of government houses and the monetisation programme. Details of the interviewees' positions within their institutions/organisations are summarised in Table 1 below.

Table 1: Summary of the Interviewees

Organisation	Category of Interviewee	Interviewee Codes	Numbers
Senate	Committee member	SCM	1
House of Representatives	Committee member	HRM	1
Federal Capital Development Authority	Minister	MFCDA	1
Ministry of Housing	Principal Accountant	MHPA	1
Office of Accountant General of Federation	Principal & Senior Accountants	OAGFPA & OAGFSA	3
Institute of Chartered Accountants of Nigeria	Past President and a Council Member	ICANP & ICANCM	2
Association of National Accountants of Nigeria	Past President	ANANP	1
Total			**10**

The interviews were open-ended and conducted within the offices of the interviewees in Nigeria. The initial and follow-up interviews lasted between 45 minutes and an hour. As all interviewees were assured of their anonymity; abbreviations and coded names were utilised to represent their identities. Publicly available relevant documents/reports from 1999 to 2015 were collected, critically analysed and utilised for this study. Table 2 below shows the details of the documents utilised, organisation where collected and the year of publication.

Table 2: Summary of the Documents/reports analysed

Documents/reports Analysed	Organisation	Years
Presidential Implementation Committee report	Presidency	2001
Rotimi Commission of Inquiry report	Presidency	2001
Federal Executive Council minutes of meetings	Presidency	2001-2014
Accounting reports	Office of the Accountant-General of the Federation	2001-2014
Public Enterprises Privatisation and Commercialisation Act	Nigerian National Assembly	1999
Senate and House of Representatives Committee on the Sale of Houses and Land reports	Nigerian National Assembly	2001-2015
Freedom of Information Act	Nigerian National Assembly	2011
Land Use Act	Nigerian National Assembly	1978
International Public Sector Accounting Standards	Institute of Chartered Accountants of Nigeria	2014

This particular timeframe was considered relevant because of the impending economic and political reforms that were introduced by the new democratic Nigerian Government that assumed office in 1999. Gaining access to the above government documents/reports in order to conduct critical research of this nature can be problematic. However, the passage of the Freedom of Information (FOI) Act 2011 facilitated the authors' access to the above data as well as the reports from the relevant government institutions, organisations, other agencies and professional accounting bodies.

The data collected from the interviews was tape-recorded, transcribed and along with documents/reports, they were thematically analysed. The transcripts were carefully scrutinised while listening to the recorded interviews in an effort to identify and correct any errors that may have arisen during transcription. Notes were taken simultaneously, forming the basis of the preliminary analysis of the transcript data. The transcripts were also re-read while listening to the interviews in order to ascertain whether there were any additional issues that may not have been addressed during the initial interview. The refined transcripts data was utilised along with relevant documents.

An analysis was conducted on the collected data (interviews and documents) during ongoing scrutiny, both pre- and post-writing of the paper, in order to gain a broader understanding of the dynamics of Western accounting reforms, namely IPSASs, on transparency and accountability in the patronage-based and corrupt Nigerian society. The initial analysis of the interviews and documents was revisited and re-drafted on several occasions over a six-month period, leading to a more refined analysis of the findings, which forms the basis of the analysis of the empirical evidence presented next.

5. Analysis of the empirical evidence

5.1 Accounting and patronage: sale of property in Lagos

In 1991, when the Federal Government of Nigeria (FGN) decided to relocate the Nigerian capital from Lagos to Abuja, various government properties in the former capital became surplus to requirements. In order to determine the most appropriate course of action for these properties, the Federal Government of Nigeria established the Rotimi Commission of Inquiry in 2000. In its report of 2001, the Commission advised the FGN that the rapidly deteriorating condition of the houses in question necessitated that the FGN respond appropriately by authorising the sale of these properties (see FGN, 2001a).

A subsequent meeting of the Federal Executive Council in 2001 decided to follow the Commission's recommendations to redistribute wealth by selling the houses to Nigerian citizens (FGN, 2001b). In order to allow other private Nigerian citizens and non-senior public officials to benefit from the sales, the Federal Executive Council's rules surrounding the property sales precluded members of the Executive (President, Ministers and Governors), political leaders and other senior bureaucrats from participating in the bidding process (FGN, 2001b). A Presidential Implementation Committee, chaired by the Minister of Housing, was established to supervise the transactions (FGN, 2001b). The Office of the Accountant-General of the Federation was also mandated by the Federal Executive Council to provide professional supervision in the valuation and sale of the properties under the control of the Implementation Committee to ensure transparency and accountability in the process (FGN, 2001b).

However, the report of the Implementation Committee showed that many of the properties were sold to politicians, as well as senior army and police officers, without any bidding process and in violation of the Federal Executive's rules that restricted these categories of senior public officials from participating in the bidding process (FGN, 2001c). Some of the recipients of these allocations are detailed in Table 3.

Table 3: Houses Allocated to senior politicians, military and police officers' beneficiaries

Former state governors of: Rivers, P.O. Osun, O.O. Ogun, O.G.B. Cross River, D.D.D. Bauchi, A.A.M.	**Senior serving military officers** General, M.A. Major-General, A.A. Rear Admiral, A. Brigadier-General, A.
Senators Senate President, A. W. Senator, M.O. Senator, J.A.M. Senator, I.M. Senator, B.O.	**Senior retired military officers** Major-General, L.O. Major-General, A.A. Major-General, O.O.
Members of the House of Representatives Speaker, A.O. Honourable, S.Y.A. Honourable, B.B. Honourable, A.N.	**Senior members of the police force** Acting Inspector-General, S.E. Deputy Inspector-General, B.L. Deputy Inspector-General, M.A. Deputy Inspector-General, M.O.

Source: Federal Ministry of Housing, Archival Records

As Nigerians complained that the entire process was marred by corruption (see FGN, 2012a; FGN, 2012b), we conducted an interview with a representative of the Office of the Accountant-General, in which we asked him to respond to the criticism of a lack of transparency and accountability in the bidding process. He said:

> *We have always been using International best practices in the valuation of assets in the previous privatisation and in the current sale of houses. In particular, we adapted the provision of International Public Sector Accounting Standards (IPSAS) 17, to determine the fair value of the assets, in order to make the Nigerian government accountable to its citizens and other stakeholders* ***(*****OAGFPA1).**

However, despite this claim that IPSAS 17 was adopted in order to determine the fair value of the properties, the report from the House of Representatives Committee (FGN, 2012b) revealed that the houses were sold to patrons, clients (senior politicians and public officials) as well as family members at reduced prices that were arguably lower than the historical cost. Additionally, the officers with close associations with senior staff members at the Ministry of Housing also violated the fair value requirements stipulated by IPSAS 17, by using patronage to acquire some of the properties at significantly reduced prices and subsequently utilising accounting for profit making to resell them to wealthy individuals at higher market prices (FGN, 2012b).

We conducted another interview with a member of the House of Representatives Committee on the sale of government houses and land, in which we asked him to comment on their findings into the sale of houses in Lagos. He said:

> *Why the government intended to use the sale of the houses in Lagos to distribute wealth to Nigerians, public officials who were mandated to execute the sales on behalf of the government sold the houses to their friends and family members, at ridiculous prices. We have recommended to the President to cancel the whole sale and advertise the sale all over, while the public officials indicted by our report be properly investigated* ***(HRM).***

As a result of public indignation and pressure regarding the undervaluation and giveaway prices of the houses offered to patrons, clients and family members, an independent Nigerian estate agent was commissioned to ascertain the real market value of the houses.

Tables 4 and 5 give details of sales to a number of senior officials (Table 4) and family members of the President's wife (Table 5).

Table 4: Allocations and payments by senior military officers and other bureaucrats

Name	Property allocated	Independent Valuation Amount ($)	Amount paid in ($)
Rear Admiral, M.O.	Oroke Drive, Ikoyi	1,200,000	451,200
Rear Admiral, A.	Bank Road, Ikoyi	350,000	83,200
Brig. General, J.D.A.	Bourdillion Road	1,500,000	614,400
Major-General, M.C.O.	Ikoyi Crescent	2,000,000	748,800
Nigerian Television Authority Manager, G.E.	Milverton Road	1,600,000	448,000

Source: Federal Ministry of Housing, Archival Records

Table 4 above shows the independent valuation amount of each property using the current market value, as determined by a commissioned estate agent, which is consistent with the requirements of IPSAS 17. The figures in this table suggest that historical cost accounting was used to ensure that officials paid substantially below fair value for their properties.

Table 5: Allocations and payments by family members of the President's wife

Name	Property allocated	Estimated Value ($)	Amount paid in ($)
Mr H.A.	23 Milverton Road	1,264,000	300,000
Dr Y.A.	12 Ikoyi Avenue, Ikoyi	1,600,000	640,000
Dr J.A.	1B Iru Close	1,500,000	512,000
Mrs F.A.	7B Maroko Close	1,360,000	455,111

Source: Federal Ministry of Housing, Archival Records

Consistent with Table 4, Table 5 above demonstrates the implementation of historical cost accounting to undervalue some of the houses sold to the family members of the President at vastly reduced prices, in contravention of the IPSAS 17 and Federal Executive rules.

The evidence presented above suggests that, while claiming to have used IPSAS 17 to determine the fair value of the houses, the reality of the valuation indicates that historical cost accounting appeared to have been mobilised to conceal the undervaluation and fire-sale prices of the houses to patrons, clients and family members, which arguably corresponds to the elite's patronage and corruption agenda. In one interview, a senior accountant in the Office of the Accountant-General was asked to elaborate on why it appeared that historical cost accounting was used to value the assets below market prices, despite the claim that IPSAS 17 had been adopted to determine their fair value. He replied:

> *You have to understand that, in Nigeria, it is the elite who control everything. Never mind that even the President will tell you that we have adopted international best practices to reduce corruption in the sale of the houses. But whatever external policy that might have been adapted will still be shaped by the reality of our socio-political and cultural values. This is the fact of the matter which you may not hear from any top officials because most of them, their clients and family members benefited from the sale.* (**OAGFSA**).

In another interview, a principal accountant at the Ministry of Housing was asked to elucidate on the Nigerian public's perception of patronage and corruption in the valuation, allocation and sale of properties in Lagos. His response was:

> *As far as I am aware, no ordinary Nigerian can afford to buy any of those houses. It is only the people the houses were allocated to that can afford to buy them. For example, where do you expect a retired permanent secretary or a university professor whose retirement benefits may not be up to $50,000 to get money to buy a house costing over $300,000 in a country that has no mortgage system at all? Even with the giveaway prices at which the houses were allegedly sold, how many Nigerians do you think can afford to pay cash to be able to buy any of those houses?* ***(MHPA).***

Thus, despite the claim that IPSAS 17 had been introduced with the intention of improving transparency and accountability in the valuation of property in Nigeria, it was in reality used to legitimise the expertise of the Nigerian accountants in using historical cost accounting to conceal undervaluation of the houses in Lagos. The next section examines the reality of this claim in the monetisation of fringe benefits.

5.2 Accounting and patronage: monetisation of fringe benefits

Following the public service tradition inherited from colonial rule, the Nigerian government used to provide senior public officials with luxurious accommodation and official cars for government business through the application of accounting numbers, techniques and practices. When moving into their new properties, the officials concerned would confirm receipt of items in their allocated houses. When they relocated to new premises, an inventory of contents would be made by the Office of the Auditor-General for the Federation, and any shortages reported to the Federal Civil Service Commission.

Following independence, the yearly audit reports published by the Auditor-General suggested a lack of accountability in the management of public resources and the use of government property by political leaders and senior bureaucrats (see Office of the Auditor-General, 2001-2010). This led to increased levels of concern for the democratic government that assumed power in 1999, as it was evident that this could have been partially responsible for the annual escalations in the cost of governance. The Auditor-General's annual reports indicate that this escalation predominantly emanated from the provision of amenities to political leaders and senior bureaucrats, such as accommodation, vehicles, electricity, water and even international medical services. With the use of accounting practices, these amenities, denied to junior public officials and ordinary Nigerian citizens, became increasingly subject to patronage, abuse, conflicts of interest and corruption by the political leaders and senior bureaucrats (Office of the Auditor-General, 2001-2010).

In order to eliminate wastage and corruption within public services and to encourage the necessary wealth redistribution, the government therefore resolved to monetise fringe benefits to public officials, using techniques of accounting to convert all material benefits (i.e., housing and vehicles already allocated to public officials) into cash payments (see FGN, 2001d). The government also resolved to sell land to landless public officials, who were not occupying any government houses, to enable them to construct their own properties (see FGN, 2001d).

By mobilising accounting information and data to justify the monetisation of fringe benefits to public officials, the government convinced Nigerians that, from an estimated population of over 170 million, approximately 18 per cent of the adult workforce in fact owned a house and/or a plot of land (see FGN, 2001e). Based on the accounting data, the decision to use Western accounting reforms to improve transparency and accountability in the monetisation of fringe benefits to public officials, which included making public officials pay for the houses they were already occupying and vehicles that had already been allocated to them as well as selling land to landless officials, received significant public support (see FGN, 2001e).

In November 2002, a committee tasked with the monetisation of fringe benefits in public services was established, chaired by the Secretary to the FGN and under the professional supervision of the Auditor-General. This committee was charged with introducing the necessary transparency and accountability mechanisms into the government expenditures. However, in the context of the Nigerian patronage-based society, this policy presented an opportunity for the political leaders, senior bureaucrats and members of the committee statutorily appointed to preside over monetisation to manipulate accounting practices to obscure patronage and corruption in the process (see FGN, 2012a). Consequently, public officials who could not afford to pay for the houses they were occupying or the vehicles that had been allocated to them were evicted from their residences and their vehicles were repossessed. Using historical cost accounting rather than IPSAS 17 meant that these assets were undervalued and purchased at giveaway prices by the political leaders, senior bureaucrats and members of the committee themselves (see FGN, 2012a).

In the sale of land purportedly to landless public officials, accounting information and data confirmed that, between 1999 and 2007, the Nigerian Government allocated 27,646 plots of land through the Federal Capital Development Authority in Abuja (FGN, 2012b). Added to the constraints imposed by the 1999 Nigerian Constitution, which forbids the concentration of the collective wealth of Nigeria in the hands of individuals or groups, the Federal Executive Council regulations for selling government properties and land also precluded members of the Council from participating in the said purchases.

However, the monetisation committee violated the fair value requirements of the IPSAS 17, by using historical cost accounting to conceal patronage and corruption in the allocation of over one million square metres of land in various locations in Abuja (FGN, 2012a). For example, eleven plots were allocated to the Minister of the Federal Capital Development Authority and his family, and nine to the President and his family (FGN, 2012b). In his testimony before the Senate Committee established to investigate the alleged patronage and corruption in the sale of land in Abuja, the Chief of Staff to the then Minister of the Federal Capital Development Authority revealed what appeared to be the use of historical cost accounting as against using IPSAS 17, to obscure patronage and corruption in the valuation and allocation of land in his statement, where he said:

> *Members of the family of former president Obasanjo got only nine plots of land in Abuja and El-Rufai's relatives got only eleven plots out of the 27,646 plots allocated to Nigerians. As a result, El-Rufai did not commit any illegality by allocating plots of land to himself, former President Obasanjo and their immediate families. After all, according to the Land Use Act 1978, every Nigerian is entitled to a plot of land* (FGN, 2012a, p. 15).

According to accounting information specified in the Land Use Act 1978 and the testimony by the Chief of Staff to the Minister before the Senate Committee, every Nigerian citizen was entitled to a plot of land, but only 27,646 plots of land were actually available for over 170 million Nigerians. This raises significant questions regarding the political, public, managerial, personal and professional accounting and accountability model used to value and allocate eleven plots of land to the Minister's family and nine plots to the President's family. When asked in an interview whether he was cognisant that the sale of government land to himself and to the President was contrary to Federal Executive Council rules and could substantiate an abuse of office, the Minister appeared to have revealed further use of historical cost accounting to conceal patronage and corruption in his purchase of a house from the president, as he also said:

> *Show me the evidence that I sold government land to the President and myself. What I can tell you is that the Vice-President's official guesthouse located at No. 12 Mambia Street, Aso Drive, Asokoro was sold to me by the President as one of three public officers who were not beneficiaries of the previous sales* ***(MFCDA).***

Nevertheless, we found that this sale had not received the approval of the National Assembly, as was stipulated in the 1999 Nigerian Constitution. The sale was also in violation of the fair value, transparency and accountability criteria of IPSAS 17 and the political, public, managerial, personal and professional accounting and accountability criteria described by the Federal Executive Council (of which the President and the Minister were members) for selling government properties and land. It is apparent that the Minister did not perceive his actions to be representative of an abuse of office. In order to authenticate our findings, we conducted an interview with a prominent member of the Senate Committee on the sale of houses and land in which we asked him to confirm whether the National Assembly had approved the sale of the Vice-President house to the Minister. He said:

> *How could anybody sell the Vice President house in the first place? Was the house built for sale or for the Vice President to live there? Of course there was no way the National Assembly will give such approval. If not National Assembly, who then gave the approval, valued the house and determined the buyer? If all these were determined by a single public official, is that not corruption or what you can call an abuse of office?* ***(SCM).***

As historical cost accounting was arguably used to obscure the undervaluation and the discounted sale of the properties and land under the pretence of using IPSAS 17, it was also utilised to conceal the diversion of portions of the proceeds from the sale of houses and land into private bank accounts, the evidence for which is examined next.

5.3 Accounting and patronage: proceeds of sales of properties and land

In the socio-political context of patronage, corruption, ineffective institutions of governance and the weak regulatory framework, the western-influenced Nigerian Public Enterprises Privatisation and Commercialisation Act 1999 mandated that income from the sales of national assets be deposited in a Privatisation Proceeds Account at the Central Bank of Nigeria. However, various schemes operating both within and outside the Act, ostensibly designed by accountants and auditors, encouraged corruption and a lack of accountability in the revenues generated from the sale of property and land (FGN, 2012b). Consequently, portions of these sales revenues, although reflected in the financial statements of the government agencies responsible for privatisation, could not be traced to the Privatisation Proceeds Account or accounted for by the Office of the Accountant-General which should have deposited the funds (see FGN, 2012a).

For example, the statement of accounts provided by the Accountant-General to the Senate Committee on the Sale of Federal Government Houses and Land suggests that a total of $9.4 million that was payable to the federal government in relation to the sale of properties in Lagos could have disappeared (FGN, 2012a). The Accountant-General's records also demonstrate that over $620.4 million from the proceeds of the sales was lodged with commercial banks, violating a statutory regulation that stipulated that the proceeds of privatisation should only be paid into the above-mentioned Privatisation Proceeds Account. While statutory provisions mandated the Presidential Implementation Committee, acting under the supervision of the Accountant-General, to deposit the proceeds at an interest rate of between 5 and 10 per cent per annum, the Accountant-General allegedly advised the Committee to deposit the amount at an interest rate of only 2 per cent. A subsequent investigation by the above-mentioned Senate Committee determined that the difference could be traced to the private bank accounts of members of the Implementation Committee and the Accountant-General himself (FGN, 2012a).

Moreover, a total of between $76.8 million and $115.2 million in interest that should have accrued on these deposits could not be traced to the Privatisation Proceeds Account or accounted for by the Presidential Implementation Committee or the Office of the Accountant-General (FGN, 2012a). The Senate Committee summoned both past and present Housing Ministers, the Chair of the Presidential Implementation Committee and the Accountant-General to account for their stewardship of the allegedly missing revenues (FGN, 2012a). In her testimony the Chair of the Implementation Committee alleged that the Accountant-General had granted approval for the deposit of monies with commercial banks at a 2 per cent interest rate. However, under interrogation by the Senate Committee, the Accountant-General denied authorising such a course of action. In an interview with a principal accountant in the Office of the Accountant-General, he said, when invited to comment on the series of allegations implicating his Office in the irregularities surrounding the sale of houses and land:

> *The* [Office] *conducted itself with the best international practices in all the issues surrounding the previous privatisation in Nigeria and the current sale of houses and land. If anybody has any evidence of any unethical behaviour by any representatives of the* [Office]*, the person should please provide it to the government or relevant professional bodies for investigation* ***(OAGFP2).***

In another interview with a past President of the Association of National Accountants of Nigeria, in which he was asked to comment on the above allegations and associated denial, he was of the opinion that:

> *The Nigerian government should properly investigate the matter, especially the role of the* [Office of the Accountant-General]*; because there is no way public money can go missing or be redirected into private accounts without the knowledge, collaboration and, at the very least, connivance of [an] accountant* ***(ANANP).***

A further interview was conducted with a council member of the Institute of Chartered Accountants of Nigeria, during which he was invited to elaborate on how a significant portion of the revenues generated from the sale of property and land supervised by the Accountant-General could not be accounted for in a nation where over 60 per cent subsist on less than $2 a day. His response was:

> *The situation in which accountants can no longer be trusted with our public treasury is very unfortunate. The alleged use of the expertise of accountants to redirect huge portion of the revenues from the sale of government houses and land into private bank accounts, is an evidence of how our culture of corruption remains an obstacle in the way of successful implementation of any economic reforms in Nigeria. I hope the professional bodies would investigate their implicated members* ***(ICANCM).***

As the Accountant-General and other accountants involved in the alleged lack of accountability for the large revenues from the sale of houses and land were members of the Institute, the authors asked a past President to explain the Institute's position on the subject. He stated:

> *Where there is an allegation of professional misconduct by a member referred to the* [Institute], as *a professional body operating in the public interest, we have a mandate to investigate. But*, since the [Accountant-General] or any other *members have not been referred to us for professional misconduct, we cannot just jump and be investigating any member based on an allegation in the paper. I can assure you that whenever a member is referred to the council for professional misconduct, we have the professional duty and indeed machinery to investigate* ***(ICANP).***

The above evidence indicates the reality that often materialises when alien accounting reforms are mobilised to purportedly improve transparency and accountability in a patronage-based and corrupt socio-political and cultural environment, such as Nigeria.

6. Suggested ways forward

The notion that Western accounting reforms (such as IPSASs) are inappropriate for the socio-political, economic and cultural environment of disadvantaged developing countries has been well documented (Mir and Rahaman, 2005; Perera, 2012). Recognising the reality of the accounting needs of these countries therefore, early accounting research endorsed policies such as central state planning, public ownership and industrialisation in developing countries (see Enthoven, 1973; Briston, 1978).

These studies recommended improvements to the indigenous accounting capacity and data provision, and the development of accounting education within a self-governed accounting profession (Briston, 1978), through a sub-plan within an overall economic strategy (Needles, 1976). At the G20 summit (2009-10), the World Bank also stated that the "development of local accounting professions was essential for financial stability and consistent international reporting and that the IASB should pay more attention to emerging economies, SMEs, and financial services to the poor" (Hopper *et al*., 2012, p.5).

However, in attempting to achieve a global convergence of accounting standards, the IASB has been encouraging or even mandating developing countries to adopt International Accounting Standards (IASs), regardless of the reality of their socio-political context (Graham and Annisette, 2012). Singh and Newberry (2008, p. 512) argue that:

> *There is little evidence that the IASB sought to deal with specific issues facing developing countries …* [Rather, it] *offered a pre-existing policy solution for SMEs, possibly regarding that as a partial solution for developing countries.*

Poullaos and Uche (2012, p. 86) note that:

> *The history of the appropriateness of the IASs to the socio-political and economic environment of poor developing countries suggests that an acceptable policy solution is yet to be devised. Whether the IASB possesses the knowledge and resources required to address financial reporting matters that go beyond a capital market is not clear.*

In his exploration of the appropriateness of Western accounting reforms for the socio-political and economic environment of African countries, Ghartey (1985, p. 150) suggests that:

> *African governments' monopoly of power, bureaucracy, conflicting policies, ineffective institutional structures and cronyism would render accounting marginal and ineffective. Poverty and dominant elites' lack of motivation would stymy adoption of technologically advanced systems; and cultures based on extended families would bring corruption, malpractice; and the ensuing uncertainty, fear, tension and insecurity would produce recurring crises.*

Yet, the World Bank continues to encourage or, in some cases, mandate patronage-based, deprived and corrupt developing countries such as Nigeria to adopt the seemingly unsuitable Western accounting reforms to improve accountability and combat corruption. Okike (2004, p. 709) notes that:

> *Although it is possible to argue that since corruption is rife in Nigeria, as in most developing countries, audits would be ineffective, a counter-argument is that it is because of this potential for ineffectiveness that highly corrupt countries are mostly in need of tight control and greater investment to develop systems capable of coping with their corrupt socio-economic and political environment. Instead, more developing countries like Nigeria have adopted accounting and audit practices suited to developed (and often less corrupt) countries.*

This paper categorically does not imply that Western accounting reforms have facilitated corruption in Nigeria. Nevertheless, the evidence demonstrated in this paper equally rejects the World Bank's claim that Western accounting reforms could improve accountability in the management of public resources in Nigeria and other countries, within the socio-political culture of patronage and corruption, ineffective institutions of governance and weak regulatory frameworks. Iyoha and Oyerinde (2010, p. 364) suggest that:

> *To serve as a mirror through which the images of accountability can be made transparent, the institutions of governance and legal framework supporting an accounting system should be strong. Where the structures are weak, the influence of accounting would by implication be weak also; which, like a broken mirror, constrains the projection of any image.*

The above analysis suggests that accounting is a product of its socio-economic, political and cultural environment.

The evidence in this paper suggests that adopting external accounting systems has proven to be an inappropriate solution to solve the Nigerian socio-economic problems. IFIs, notably the World Bank's popular market solution prescription to fight corruption particularly in corrupt developing countries, appear to have failed in Nigeria. As a viable and relevant alternative, therefore, Nigeria should primarily demonstrate the will and commitment to reduce public sector corruption, which presents a barrier to economic development. The country should thereafter establish effective institutions of governance and an enforceable regulatory framework, supported by accountability mechanisms that reflect the real situation of the country's socio-political, economic and cultural needs.

7. Summary and discussion

This study has utilised the framework of patron-clientelism to examine the dynamics of Western accounting reforms, in particular IPSASs, in purportedly improving accountability in the disadvantaged, corrupt and patronage-based socio-political environment of Nigeria.

The findings of this study illustrate that the deployment of IPSASs, with the supposed intention of improving accountability through the use of property sales and monetisation of fringe benefits to redistribute wealth to Nigerians, have become a mirage. Accounting is undeniably a technology that could be used to improve transparency and accountability and combat corruption in economic policies. It is, however contended that, for an accounting system to achieve such purposes, such a system must be relevant to the socio-economic and political environment in which it is to operate and should be supported by effective institutions of governance and a powerful, relevant and enforceable regulatory framework. It is therefore unsurprising that, in Nigeria, where the governmental institutions are ineffective and the regulatory framework is weak, the promise of using alien accounting standards such as IPSAS 17 to purportedly improve transparency and accountability in property sales and the monetisation of fringe benefits to public officials was ultimately unfulfilled.

In the above context, this study contributes both theoretically and empirically to the existing literature. Theoretically, the power of patronage in influencing accounting practices in wealth redistribution in the patronage societies has been demonstrated. The study has further explored the importance of patron-clientelism solidarity and the logics of patronage, on which power and prestige are dependent, in the conspicuous use of a technology (such as accounting) to accumulate and redistribute wealth in a logic that is frequently devoid of transparency and accountability and hence emboldens corruption. It has been shown that, in a patronage-based society, rather than constitutional requirements, statutory provisions, the rule of law and accounting standards determine the form of wealth redistribution, the patronage ambition, which necessitates the use of technology (such as accounting) to distribute wealth to patrons, clients, tribes and family members only, indicates that these rational-legal features largely serve to camouflage extensive patronage and corruption. Specific evidence has been provided on how the Nigerian socio-political culture of patronage, its ineffective institutions of governance and a weak regulatory framework have led to the process of wealth redistribution in Nigeria becoming increasingly vulnerable to malpractice and corruption.

Empirically, evidence has been provided on the use of historical cost accounting to obscure the undervaluation and fire-sale prices of houses and land to patrons and clients, which is contrary to the claim that IPSAS 17 was to be used to ensure that the assets were assigned fair value and to improve transparency and accountability in the process. Further evidence of how the patrimonial leaders and other bureaucrats who were statutorily mandated to oversee the sales violated the constitutional and other statutory provisions and economic laws has been presented. This was by manipulating historical cost accounting to make themselves, their clients and their family members the principal beneficiaries, at the expense of utilising the sale for the intended purpose of redistributing wealth to Nigerians.

The evidence thus suggests that Western accounting reforms such as IPSASs, which have been lauded by powerful nations and IFIs as a technology to improve accountability in the implementation of economic policies globally, appear to have been manipulated by corrupt countries such as Nigeria. This was by exploiting the IPSASs to mask the use of historical cost accounting to conceal patronage and corruption in the process of wealth redistribution in a society.

As the evidence in this paper reveals, IPSAS 17 was not used for their intended purpose of the valuation, allocation and sale of government properties. Conversely, the corrupt politicians capitalised on the IPSAS 17 to legitimise the expertise of Nigerian accountants who mobilised historical cost accounting in order to continue to conceal the widespread patronage and corruption in the sale of government properties. Nigeria therefore requires further socio-political and cultural reforms in order to fight corruption, which is the primary obstacle blocking economic development. In common with other commentators (Adhikari *et al*., 2015; Goddard *et al*. 2015; Bakre and Lauwo, 2016), Nigeria needs to develop accounting and accountability mechanisms that reflect the reality of its socio-political and economic needs. This would ensure efficient management of its public resources, redistribute its vast oil and gas wealth more equitably, generate investment and create employment opportunities for its burgeoning population.

Notes

1. Patronage may be defined as a mutual arrangement between a person with authority, social status, wealth, or some other personal resource (patron) and another who benefits from their support or influence. Patrons grant selective access to goods and opportunities, and place themselves or their supporters in positions from which they can divert resources and services in their favour.

2. The International Public Sector Accounting Standards Board (IPSASB) develops IPSASs, accrual-based standards used for the preparation of general purpose financial statements by governments and other public-sector entities around the world. Through these standards, IPSASB aims to enhance the quality, consistency, transparency and accountability of public-sector financial reporting worldwide. These standards are based on International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

3. Deloitte Touché Tohmatsu, Ernst & Young, KPMG and PricewaterhouseCoopers.

4. Although Nigeria fully adopted IPSAS very recently, due to the World Bank pressure of using IPSAS adoption-conditional economic reforms for loan assistance, the Nigerian government claimed that Nigeria has been adapting some of the provisions of IPSAS since 1999, when the country embraced the World Bank economic reforms such as privatisation.

5. The Paris Club is forum for the (22) major creditor countries (mostly OECD members) whose function is work out coordinated and sustainable solutions where (less developed) debtor countries experience payment difficulties.

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