

The role of accounting and accountants in the oil subsidy corruption scandal in Nigeria

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Highlights

- Accountants in Nigeria operate in a highly corrupt environment.
- Accountants are not immune to the overwhelming force of corruption in Nigeria.
- Collusion in the oil subsidy corruption influenced the two accounting firms.
- Autonomy of audit institutions can reduce accountants' involvement in corruption.

Abstract

Accounting firms have long been profit-orientated ventures, and their pursuit of profits has overshadowed the protection of the public interest they avow. This study investigates how corruption, as an institutionalised practice in Nigeria, has led two accounting firms to support and engage in corruption rather than guard against it in an oil subsidy corruption scandal in Nigeria. Adopting Dillard, Rigsby, and Goodman's (2004) model of institutional theory, the study argues that the institutionalisation of corruption, through its pervasiveness at the social, economic and political level, is a premise for its institutionalisation at the organisational field level (the oil subsidy scheme). Because the two accounting firms were both involved in the operation of the oil subsidy scheme, their practices were essentially forced to conform to the institutionalised practice—corruption—as opposed to the protection of the public interest.

Keywords

Corruption; Institutionalised practices; Accountants; Accounting firms; Nigeria; Oil subsidy

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