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Knowledge of Financial Management Guidelines as a Correlate to Store Custody, Store Control, and Financial Accountability in Local Government Administration in Anambra State, Nigeria

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Abstract
The Local government system in Nigeria is facing a lot of problems. The most disturbing of these problems is that the local governments cannot engage in any development project due to several factors. One of such factors that is of interest to this paper is the question of financial management and the knowledge of the guidelines for financial management. This is why this study assessed the extent to which the knowledge of financial management guidelines can be considered as a correlate to financial accountability in Anambra state local government. Three hypotheses were proposed and tested. A quantitative research design was used for the study. The population for the study was made up of 9,881 staff working in the 21 local governments in the study area. The proportional stratified sampling technique was used to select six out of these 21 local governments. From a total of 2,803 staff working in the sampled local governments, 280 were sampled using purposive random sampling. Two instruments were developed for the study, namely, a questionnaire containing structured and unstructured items, and an interview guide. From the 280 staff sampled, four senior staff from each of the six local governments were interviewed. A total of 24 senior staff were interviewed while the remaining 256 staff responded to questionnaire items to generate data for this study. Data collected from the responses to the structured questionnaire were coded into the Statistical Package for the Social Sciences (version 16). The remaining data from the questionnaire, and the whole of the interview responses, were subjected to content analysis to identify emerging themes. The three hypotheses were tested at the significance level of 0.05 using Pearson Product Moments Correlation Coefficient (r). The study revealed the following: (a) the stores officers' adherence to the guidelines in the Financial Memoranda is not dependent on their knowledge of these guidelines ($r = -0.488$); (b) the loss of funds observed in stores custody in Anambra state local governments is significantly related to non-adherence to the instructions and guidelines in the financial memoranda ($r = 0.354$); and (c) the level of adherence to the guidelines in the financial memoranda is positively related to the level of accountability of officers charged with stores in Anambra state local governments ($r = 0.350$).
Keywords: Financial Management, Store Custody, Store Control, Financial Accountability, Local Government Administration, Nigeria

1. Introduction

Transparency, Accountability and Probity (TAP) are principles at the heart of any democracy and these principles strengthen the legitimacy of government, its policies, decisions and public officials in the eyes of the people. Nigeria is expected to respond appropriately as part of the global effort to instil transparency and accountability in the polity. Akanbi (2003:11) observes that currently there has been "heightened citizen demand and international pressure for more openness and accountability in government dealings" in the drive for good governance and making government more responsive to popular will. However, the general attitude of the citizens towards transparency and accountability, according to African Government Forum (1998), depends on the laws, traditions and the prevailing conditions in the country.

Like all complex concepts, transparency, accountability and probity (TAP) have several dimensions and involve the political, administrative, financial, legal and professional domains. For some or all of these to be effective in a nation, a sound and efficient legal foundation is necessary. The level of consciousness can only be expressed within the ambience of the law of the nation. The attitude of the citizens towards any dimension of TAP depends on the laws, tradition and the operating environment of the country. In Nigeria, corruption - a manifestation of lack of transparency and accountability - "has become so systematic and endemic that the average Nigerian has come to accept it as a way of life" (Akanbi, 2004:4). Government and all its agencies have become thoroughly corrupt and reckless. The impact of official corruption is so rampant and has earned Nigeria a very bad image at home and abroad. Besides, it has distorted and retrogressed development (Obasanjo, 1999).

Government accounting for the three levels of government in Nigeria conforms to the Finance (Control and Management) Ordinance of 1958 and the Audit Ordinance of 1956. The provisions of the two Ordinances were entrenched in the 1960, 1963 and 1970 Constitutional Provision Decrees from 1985 to date (Okoye and Ani, 2004). The system of accounting used by all levels of government in Nigeria conforms to the world conventional principles of accounting, i.e., double entry book-keeping system. This system requires that every debit should be matched by a corresponding credit entry of similar amount and vice versa. It is worthy to mention, however, that there are certain terminologies used by the Federal and State Governments which differ from that of Local Government. For example, after the approval of Annual Budget, the letter of authority given to Ministerial Heads by the Minister of Finance on the spending of money as per the approved Budget is known as "warrant", whereas in the Local Government setting, such authorizations are communicated to Heads of Departments or vote controllers as "Authority to control vote". In order to guide government on the application of the Finance (Control and Management) Ordinance of 1958 and the Audit Ordinance of 1956, government published what is referred to as "Financial Instructions" which are used at Federal and State levels. At the Local Government level, however, the nomenclature "Financial Instructions" was changed to "Financial Memoranda" but the principles of the two documents remain the same.

A typical Local Government in Anambra state, like for most states in Nigeria, has seven departments. These Departments are: Health, Works, Personnel Management, Agriculture Education and Social Welfare Planning, Research and Statistics, and the Finance Department. The Stores Office Unit is situated in the Finance Department. However, on a general note, the Local Government system in Nigeria is facing a lot of problems stemming from political instability, economic unviability and financial strangulation. The most disturbing of these problems, especially in the case of Anambra State, is that the Local Governments cannot engage in any serious development project because of claims of lack of funds. Is this supposed to be the situation? How are these funds lost? Are there no guidelines for engaging in financial activities and to reduce the loss of funds? Are these guidelines being adhered to? Is it not reasonable to expect some positive relationship between the knowledge of these guidelines and better financial management and accountability in the area of study? These are the issues that warranted this study. Thus, the objective of this study can be summed in the single question: What is the extent of correlation between Financial Management Literacy and Store Custody, Store Control, and Financial Accountability in Local Government Administration in Anambra State?

2. Literature Review and Hypotheses

Definitions of Accountability

Accountability can be defined as a social relationship in which an actor feels an obligation to explain and justify his or her conduct to some significant other (Day and Klein, 1987; Romzek and Dubnick, 1998; Lerner and Tetlock, 1999; Mclandless, 2001; Pollit, 2003). Conventionally, accountability refers to answerability for one's actions or behaviour. Formally, accountability involves the development of objective standards of evaluation to assist the owners of an organization to evaluate the performance of duties by individuals and units within the organization (Olowu, 2002:140). Simply expressed, accountability is the obligation to render an account for a responsibility that has been conferred. This responsibility is judged or measured in terms of clearly articulated codes of conduct (Kamto, 1996). Asugha (1997:13) defines accountability as "being answerable and responsible to party as a means of ensuring that the purpose and objectives of certain programmes and activities are achieved". The term, accountability, according to Amoke and Asogwa (2000:146/147),

As a minimum, it suggests that bureaucracy, or any governmental entity, functions as part of a larger political system not independent of it, and as a result must be subject to some control that cause it to give a general accounting of, and for, its actions. The most it might mean is that there should be an accounting of each and every action, taken by an administrator, with authoritative approval given or withheld, and adjustments in future behaviours made accordingly. Because there is a variety of human actions, there are, therefore types of accountability. Thus, accountability can be classified into various types such as: (a) Fiscal Accountability – relating to responsibility for public funds; (b) Political Accountability – relating to responsibility for stewardship; (c) Legal accountability – relating to public officers being summoned by courts to account for their own acts; (d) Administrative Accountability devolves on virtually every worker in an organisation, particularly those who hold very high positions.

Public Financial Accountability and Its Functions

Public Accountability is the hallmark of modern democratic governance. Democracy remains a paper procedure if those in power cannot be held accountable in public for their acts and omissions, for their decisions, their policies, and their expenditures. Public Accountability, as an institution, therefore, is the complement of public management. The principle of public accountability in governments throughout the world is an ideal. It works on the basis of the fact that any office-holder, especially an electable public office-holder, holds his official duties and responsibilities in trust for the people (Ozor, 2000). It presupposes that the people deserve to be assured that the resources and finances which they put at the disposal of government, its officials and its agencies, are efficiently and effectively managed, and properly accounted for. Public Accountability, thus, has three crucial components, namely, (a) a clear definition of responsibility, (b) reporting mechanisms, and (c) a system of review, rewards and sanctions.

At the end of the line of accountability relations stand the citizens who judge the performance of the government and can sanction their political representations by voting the rascals out. In this regard, Przeworski, Stroke, and Manin (1999:193) stated that: "Public account giving, therefore, is a necessary condition for the democratic process, because in the end it provides political representatives and voters with the necessary inputs for judging the fairness, effectiveness and efficiency of governance." A second function of public financial accountability is to enhance the integrity of public governance. The public character of account giving is a safeguard against corruption, nepotism, abuse of power, and other forms of inappropriate behaviour (Rose-Ackerman, 1999). The assumption is that public account giving will deter public managers from secretly misusing their delegated power and will provide overseers, be they journalists, interest groups, members of parliament, or official controllers, with essential information to trace administrative abuses.

The third function of public accountability is to improve performance. Public accountability is meant to foster individual or institutional learning (Aucoin and Heintzman, 2000). Accountability is not only about control, it is also about prevention. As forms of prevention, the various types of accountability help in the sustenance of norms in an organization. Thus, norms are reproduced, internalized and where necessary, adjusted through accountability. The manager who is held to account is told about the standards he must hold to, and about the fact that in the future he may again be called to account.

These three functions yet provide the fourth function of public accountability which is to maintain or enhance the legitimacy of public governance. Governments in Western societies face an increasingly critical public. The exercise of public authority is not taken for granted. Public accountability, in the sense of transparency, responsiveness and answerability, is meant to ensure the public confidence in government and to bridge the gap between citizens and representativeness, and between the governed and government (Aucoin and Heintzman, 2000).

Finally, in the incidental case of tragedies, fiascos, and failures, processes of public account giving have an important ritual, purifying function; they can help to provide catharsis. Public account giving can help to bring a tragic period to an end and can allow people to get things off their chests, to voice their grievances, but also to give account of themselves and to justify or excuse their conducts. According to Harlow (2002:9), "Processes of calling to account create the opportunity for patience, reparation, and forgiveness and can thus provide social or political closure", especially in the specific cases of financial management or mismanagement.

Financial Management

The management of public finance constitutes the most crucial and central component in the management process of the Local Government. This is so because finance determines the quantity and quality of staff to be hired and retained, the level of their motivation, and the amount of services to be provided by the Local Government.

Financial management is therefore concerned with budgeting, revenue generation, expenditure, accounting and control of public funds. Because of its sensitive nature, Financial Management is strictly governed and guided by elaborate rules, regulations and guidelines. In the case of financial management in Nigeria, the Financial Memorandum (FM) provides an explicit elaboration of these rules, regulations and guidelines. The importance of these guidelines is better understood when we recall that inasmuch as Local Governments require adequate funds in order to accomplish their development objectives, there remains the need for these funds to be properly managed. Hence, prudent financial management is very important in the efficient utilization of Local Government funds (Ezeani, 2004:122) since financial management involves the use of the various instruments of administration to achieve the optimum utilization of the limited resources of the organization towards the attainment of its goals and objectives (Orewa, 1991:131).

Financial management is a collective responsibility of every staff of the Local Government. As the Financial Memoranda (1998:1) put it: "The Local Government Council, the Chairman, the Executive Committee and all members of the Local Government staff from the highest to the lowest, are involved in financial affairs and should, in particular, be concerned with ensuring that within their field of operations and responsibility, proper value is obtained for money spent." The financial management functions of the Secretary in the Nigerian Local Government system are highlighted by Amoke and Asogwa (2000:148-150): The Secretary of the Local Government, who doubles as the Head of Personnel Management in most States of the Federation, performs a lot of important functions in the Local Government system. He is the life of the system and the superstructure on which the administration rests. Specifically, he has a lot of financial management functions to perform. These include: (1) He ensures that whenever the Local Government Executive Committee or any of its assignees takes a policy decision, it does so with the knowledge of the financial implications involved; (2) The Secretary should ensure that the Executive Committee of the Council receives all necessary reports, information, returns and data to enable it take decisions, discharge promptly and in a satisfactory manner, the responsibility according to the relevant Local Government law especially with reference to the regulation and control of the functions of the Local Government; (3) He sees that the attention of both the Chairman and the Council is drawn to the important areas concerning the mismanagement of the financial resources of the Council as and when necessary, especially with reference to: (a) Amendment of practices and procedures anywhere in the Local Government which results to waste or extravagance in the discharge of the functions of the system; (b) The need to promote the spirit of cost-consciousness throughout the Local Government organisation in order to ensure that proper value is obtained for money spent; and (c) The blockade of any source through which revenues, especially internally-generated revenues, are siphoned by the agents of the Local Government. (4) That all contractual agreements, local purchase orders, job order forms and such other documents relating to contracts, supplies, etc, are signed by him after approval by the Finance and General Purposes Committee. Any irregularity noted should invite the attention of the approving authority. Where the authority insists, he should raise an audit alarm through his Internal Auditor. (5) He has the primary responsibility of ensuring that the annual budget is prepared on time and according to rules and regulations. As the Accounting Officer, he should monitor the activities of the planning unit and see to the inclusion of the amount expected from revenue sources in the estimates. (6) Except where otherwise expressly provided, the Secretary makes sure that every sub-accounting officer or revenue collector gives a receipt upon the prescribed form for which each sum paid to him, viz: Treasury Receipt LGT Form 6 and Revenue Collectors LGT Form 6A. These Local Government receipts are printed in triplicate…(14) The Secretary sees to it that there is compliance with the Financial Memoranda and other financial regulations in all the transactions of the council.

Even though the Secretary is the Accounting Officer, as expected, he cannot discharge the numerous duties outlined above successfully without the active cooperation of other officers, especially the Treasurer, Internal Auditor, the Planning Officer and the Revenue Collectors. Much equally is expected from the political appointees who make the policies concerning finance. In fact, financial policy determination is essentially the responsibility of the political leadership but every member of the organisation has significant role to play to ensure that the resources available in the stores of the Local Government are effectively and efficiently utilized.

Stores and Supplies Management according to the Financial Memoranda

Stores refer to all movable property purchased or otherwise acquired by an entity. "A store is a place specifically maintained for the purpose of keeping items purchased to be used later" (Okoye, 1996:66). Stores in public sector accounting simply refers to stock of materials purchased with government money for government use (Adams, 2002). The Federal Government Financial Regulations (2006: No. 2201:137) states: "Stores include all movable property purchased from public funds or otherwise acquired by government". In some texts, Stores are called materials. Store, stock, and inventory will be used synonymously in this write-up.

There are consumable materials such as small tools, cleaning materials, oil and grease and all other incidental requirements necessary for the efficient operation of an effective production process. Then stationery and office supplies such as paper, pens, paperslips, catalogues, advertising materials, drawing office supplies and hundred and one items without which organisations would not be able to operate effectively. The primary objectives of Stores are to ensure: that the current, complete and accurate date are recorded on monetary and quantitative terms in the Stores records and that all related rules, regulations, principles and standards are complied with; that the procedure which the Local Government adopts for stock control are appropriate; and that a sound system of perpetual inventory and continuous stock taking is established. Inventory or stock control is a quantitative control technique with strong financial implications. For many organisations, inventory control is perhaps the single most important control technique having direct relationships with production, marketing, purchasing and financial policies (Lucey, 1994).

Classification of Stores

Section 34(3) of the Financial Memoranda classified Stores into three major categories – consumable Stores, expendable Stores and non-expendable Stores.

a. Consumable store: comprise items used immediately they are issued. And where such items were purchased and used immediately on the work or service for which they were purchased, they need not be taken on charge in Stores ledger. Consumable Stores which are purchased in bulk and issued as required, must be taken on charge in the Stores, receipts issued, and stock accounted for in accordance with the Financial Memoranda. Any consumable Stores issued but not used in full, must be returned to the store and again taken on charge in the store ledger;

b. Expendable Stores are those which have a limited serviceable life such as maintenance tools and are not consumed immediately they are issued. Examples of these items are road tools like picks, shovels, barrow, hammer, etc. The following must be applicable with such items: they must, on receipt, be taken on charge in the Stores ledger; they must be returned to store after the purpose for which they were issued is completed, or they are worn out; on return to store as in (1) above they must be taken on charge in the store ledger; and they must not be disposed of, or written off, without proper authority being obtained.

c. Non-Expendable Stores: these are items such as furniture, machinery, motor vehicles which have fairly

long serviceable life. On receipt, these items must: be taken on charge in the Stores ledger and, on issue, be recorded in the Inventory of Physical Assets until condemned as unserviceable and written-off or disposed-off.
Besides the above three classifications, Stores could also be classified into allocated and unallocated Stores. Allocated Stores refer to those Stores the cost of which are chargeable direct to, and remain on charge, to the sub-head of expenditure in which funds for their purchases are provided for in the estimates. These Stores are taken on numerical charge and may be placed in an allocated Stores or put into immediate use. These Stores should be directly charged to their respective votes. Unallocated Stores are those purchased for general stock rather than for a particular work or service, for which "the final vote of charge cannot be stated at the time of purchase" (FM, 34:1). Basic to the concept of unallocated Stores is the existence of "central Stores organisation". The role of such an organisation is to purchase Stores materials and equipment in bulk, usually at favourable prices and to hold such items in Stores pending their issue to the various departments or units for use in the execution of their programmes. Decisions on the quantities of each of the items to be held in the store, and, indeed, which specific items to be held in store, are the subject of inventory control (Okoye and Ani, 2004).

Purchase of Stores
The Local Governments are expected to receive Stores supply from: (i) the state government, (ii) other Local Governments, and/or (iii) contractors or other suppliers (FM, Sect. 34.4). Before placing orders with outside contractors or suppliers, inquiries must be made as to whether the requirement can be met by State Government Ministries or other Local Governments. When Stores are supplied by the State Government, specific procedures are expected to be followed (Financial Memoranda, Sect. 34.6).

Factors which make Stores management crucial
The control of materials/Stores involves series of documentation which starts from the time the order is made to the period the materials are issued to production. There are many departments or units involved in Stores management and if any of the units fails in its own function, the organisation production, sales and profit plans may not be realised (Okoye, 1997). According to Okoye and Ani (2004:231), the factors which make Stores an important aspect of the managerial activity include the following: (a) store items are costly, they run into millions of naira in some Local Governments; (b) Stores require space and logistic facilities to arrive at the useful specification (including the number, period and unit) of items to acquire; (c) money spent on Stores represent funds which otherwise applied could generate returns on investment over and above the principal sum; and (d) as items are kept, they could be abused thereby leading to substantial costs in replacement of lost Stores, investigation of abuses, loss and diversion of many hours to unintended uses, and so on.

Since Stores are held for a variety of reasons and are affected by a number of factors which make good management relevant to Stores operation, it is necessary to identify and examine how the specific functional activities are carried out. In general these activities include: (i) ordering, (ii) inspection, (iii) receiving, (iv) storage, (v) requisitioning, (vi) issuing, and (vii) accounting and control. In respect of each of these activities, there are specific officials whose duties are demanded at each stage of the transaction.

A Simple System of Stores Control
(1) Objectives: The main objectives of Stores control are to: minimize carrying cost; minimize ordering cost; ensure regular supplies and avoid stock out; avoid wastage, pilfering and obsolescence; and achieve economy, efficiency and effectiveness in the use of resources.
(2) Mechanics of Control: The basic control mechanics for Stores control include: compliance with laid down rules and regulations with respect to Stores; allocating responsibilities for Stores functions; establishing appropriate procedures for use and routing of documents; identifying and designing of appropriate forms that are in use in Stores control; and applying the mechanics of control to various organisations of government with necessary adaption.
(3) Stores Control: The Stores control cycle involves the following phases of activities: authorization; receipt; storage and security; requisition; issues and stock-taking and valuation (Okoye and Ani, 2004; Onah and Oguonu, 2009).

The Need for Proper Stock or Stores Control
Purchasing of Stores, materials and equipment take the shares of the expenditure of many Local Governments. Because they are in common use, an attitude of indifference and sometimes total neglect over the handling of these movable properties is not unusual. Their importance is often recognised only when unavailable or out of stock.

Stock control is the means by which materials and suppliers of the correct quantity and quality are made available as and when required, having due regard to economy in storage and ordering costs, purchase prices and working capital. The volume of stock to be carried, at any time will depend upon careful consideration of a variety of factors some of which tend to be conflicting in nature. For example, availability of capital, availability of storage space, ordering cost, stock holding cost, transport hazards, size of consignment or lot size, quantity of discounts, re-order or lead time, rate of consumption, penalty or cost of being out of stock. Therefore, it should be realised that this is a sensitive area and it should be properly manned in order to get the best results.

By having very many petty suppliers, governments loose the advantage which could have accrued to it by buying so as to attract a higher rate of discount and avoid incurring higher ordering cost by the use of more clerical hands to write the orders, the requirements of more stationery in the form of L.P.O's Stores receipts advice notes, and so on. The biggest problem of the Stores in many Local Governments is the fact that they have no set levels. One of the important factors to a good store procedure is the setting of levels. There must be a maximum stock level, a minimum stock level, a re-order stock level, and an Economic Order Quantity (EOQ).

Stores control and management in the Anambra Local Governments is an important section of government administration that needs to keep proper financial reports and accounts. According to Omapariola (1998), the importance of adequately accounting for movable properties purchased from public funds stems primarily from the fact that public funds are invested in such resources. This investment creates the management need to be able to account for these resources and to use all appropriate techniques, including reliable financial information, to procure, use, hold and manage them properly, efficiently and effectively.

Hypotheses

(a) the stores officers' adherence to the guidelines in the Financial Memoranda is not dependent on their knowledge of these guidelines (r = -0.488); (b) the loss of funds observed in stores custody in Anambra state local governments is significantly related to non-adherence to the instructions and guidelines in the financial memoranda (r = 0.354); and (c) the level of adherence to the guidelines in the financial memoranda is positively related to the level of accountability of officers charged with stores in Anambra state local governments (r = 0.350)

Theoretical Framework and its application

This study has its theoretical base in the institutional theory. This theory, according to Meyer & Rowan (1977) and Zucker (1987) holds that organisations are the way they are for no other reason than that the way they are, is the legitimate way to organise. The key idea behind institutionalization is that much organisational actions reflect a pattern of doing things that evolved overtime and became legitimated within an organisation and an environment (Pfeffer, 1982). Institutional theories presuppose that it is possible to predict practices within organisations from perceptions of legitimate behaviour derived from cultural values, industry, tradition, history, popular management, folklore, and the like.

The institutional theory is concerned with the development of some systems of organisation which emphasize the significance of social and cultural aspects of organisational environments rather than the task and technical elements given prominence under contingency theory and resource dependency theory (Donaldson, 1995; Oliver, 1991 in Agu, 2008). Organisational environment can be characterized by the sources of norms and values which permeate organisations and influence action, in particular by informing the "taken-for-granted" assumptions regarding behaviours, organisational forms and processes that are seen as legitimate. Moreover, organisational structures and processes become part of an integrated whole in which it is difficult to change any part without unraveling the whole (Clark, 1972).

The mechanism through which organisations adopt similar procedures is termed institutional isomorphism. Isomorphism is "a constraining process that forces one unit in a population to resemble other units that face the same set of environmental conditions" (Di Maggio and Powell, 1983:149). Institutional Isomorphism emphasises that organisations do not only compete for resources, but also for political influence and institutional legitimacy. Di Maggio and Powell (1983:150) distinguished among three mechanisms of institutional isomorphic change: "coercive isomorphism, memetic isomorphism and normative isomorphism". These three mechanisms cause organisations to become increasingly alike.

Coercive isomorphism relates to the formal and informal pressures that result from coercive authority (government regulatory or other agencies). This coercive authority comes from the organisation's dependency on other organisations and the cultural expectations in the society in which the organisation functions (DiMaggio and Powell, 1983). These coercive pressures are often associated with legal requirements, health and safety regulations and so on. Mimetic isomorphism refers to the pressure to copy or imitate other organisations. Di Maggio and Powell (1983:148), argue that "uncertainty is a powerful incentive for imitation." In particular, ambiguous goals, poorly understood technologies or symbolic uncertainty may cause organisations to model themselves on other organisations. In addition, Di Maggio and Powell (1983) argue that one of the reasons that organisational structures tend to be homogeneous is that there are not many different organisational models to imitate. Normative Isomorphism refers to pressures from professionalization. There are two aspects of normative pressures. The first is the grounding of formal education and of legitimation on a cognitive base, produced by university specialists; and the second, the growth and influence of professional networks that allow new practices to be diffused rapidly across organisations. Normative Isomorphism related to professional managers, focuses our attention on the norms and values embedded in the act of management. Managers operate in a set of roles, a web of relationships with internal and external groups and individuals. They are constrained by their own structure of reality, which is influenced by normative pressures and accepted ideas on 'proper' behaviour.

For the purpose of the theoretical framework of this paper, the normative and coercive factors are the most relevant. The normative and coercive forces are the products of societal norms and constitutional legal framework predominant over a period of time. The normative factors constitute the standard to adopt in order to achieve performance while, on the other hand, the role played by coercive forces highlights political and legislative impact. The institution of Local Government provides the basic infrastructure of ideal democracy (Adeyemo, 2004). Applying the coercive and normative isomorphic pressures within the administrative structure of the Local Government, and by the virtue of employment contract of employees, statutory rules, societal norms and guidelines are put in place for workers to comply with. These employees are accountable for the work they are expected to do. Thus, accountability is the starting point for the analysis of management roles and management authority.

The Local Government system is a formal institution that has its laws and bye-laws regulating the workers' ethics. The Financial Memoranda is a legal document that gives financial instructions and guidelines on the use and movement of fund in the Local Governments. To enforce proper financial accountability and probity in the finance and supplies department of the Local Government where the Stores unit belong, the treasurer who is the financial adviser and the chief accountant of the Local Government should endeavour to apply the normative and coercive pressures to strengthen their internal control measures. Effective application of these measures in finance department, particularly in the Stores unit, will enhance efficient and effective service delivery in the Local Governments. The positive and effective use of the normative and coercive pressures in the Local Government administration will bring about good work performance, proper accountability, high productivity and good service delivery.

3. Research Method

This research study adopted the descriptive survey research design. Data for the study were collected from the six Local Governments sampled for the study by means of direct responses to interviews with some of the officers in the Local Governments under study. Structured and unstructured questionnaire items were also used for this study. Secondary sources of data included textbooks, journals, monographs, articles, unpublished materials, official documents from the Local Governments, and internet materials. The population for the study was made up of all the 9,881 workers in the 21 Local Governments in Anambra State (Anambra State Local Government Services Commission, 2011). We used 6 out of the 21 Local Governments for the study. They were (a) urban Local Governments: Onitsha North, Idemili North and Aguata, and (b) rural Local Governments: Oyi, Awka North, and Nnewi South. The 6 Local Governments that were sampled constituted the sub-population of this study. The workers in these six Local Governments were 2,809 in number (Local Government Services Commission, 2011). The sample for the study was made up of 280 staff from the 2,809 staff in the six Local Governments. This sample size amounted to 10% of the 2,809 is 280. From this sample, four senior staff from each of the six Local Governments were interviewed. The total number of senior staff interviewed was 24. When we subtracted 24 from 280 staff, we had 256 staff. To generate data for this study therefore, the questionnaire items were administered to the 256 staff, while the other 24 senior staff responded to the interview guides.

Data collected from the questionnaire were coded into the Statistical Package for Social Sciences (SPSS), version 16. Based on the coded data, two descriptive statistical tools (mean and standard deviation) were used to answer the research questions while the research hypotheses were tested at 0.05 level of significance using Pearson Product Moments Coefficient (r).

4. Results

This section presents the results of an in-depth test of the four hypotheses using the Pearson Product Moments Correlation Coefficient (r). Only the views of 231 (out of the 256) staff whose questionnaire items were properly completed and retrieved were used for the data analysis of this study, in this section, the number of these respondents is represented by the letter, N.

Hypothesis 1: Stores officers' adherence to the guidelines in the financial memoranda is not dependent on their knowledge of these guidelines

Table 1 shows that the Correlation Coefficient for the relationship between the Level of Knowledge of the Financial Memoranda and Adherence to the Financial Memoranda by the staff in Anambra State Local Governments is -0.488. This value was interpreted to mean medium negative relationship between the two variables. This seems to mean that the staff in Anambra State Local Government Areas may know the guidelines in the Financial Memoranda, yet, that does not guarantee that they are likely to adhere to these guidelines. This relationship is significant as shown by the probability level (that p = 0.000) which is less than 0.05, the significance level for this study. This means that the corresponding null hypothesis is not rejected. In other words, the Stores officers' adherence to the guidelines in the financial memoranda is not dependent on their knowledge of these guidelines. That is to say that the earlier observed result of "medium relationship" is actual and not attributed to chance or error variance.

Hypothesis 2: The loss of fund in Stores custody in Anambra State Local Governments is significantly related to non-adherence to the instructions and guidelines in the financial memoranda

Table 2 shows that the Correlation Coefficient for the relationship between the non-adherence to the Financial Memoranda by the staff in Anambra State Local Governments and loss of fund from the Stores is 0.354. This value has been interpreted to mean medium positive relationship between the two variables. This seems to mean that the more the staff in Anambra State Local Governments adhere to the guidelines in the Financial Memoranda, the less fund will be lost from the Stores. This relationship is significant as shown by the probability level (that p = 0.000) which is less than 0.05, the significance level for this study. This means that the corresponding hypothesis is not rejected. In other words, the loss of fund observed in Stores custody in Anambra State Local Governments is significantly related to non-adherence to the instructions and guidelines in the financial memoranda. That is to say that the earlier observed result of "medium relationship" is actual and not attributed to chance or error variance.

Hypothesis 3:

The level of adherence to the guidelines in the financial memoranda is positively related to the level of accountability of officers charged with Stores in Anambra State Local Governments.

Results in Table 3 show that the Correlation Coefficient for the relationship between the Adherence to the Financial Memoranda by the staff in Anambra State Local Governments and the level of Accountability of Officers charged with Stores is 0.350. This value has been interpreted to mean medium positive relationship between the two variables. This seems to mean that the more the staff in Anambra State Local Governments adhere to the guidelines in the Financial Memoranda, the more the officers charged with the Stores will be accountable in their duties. This relationship is significant as shown by the probability level (that p = 0.000) which is less than 0.05, the significance level for this study. This means that the corresponding hypothesis is not rejected. In other words, the level of adherence to the guidelines in the financial memoranda is positively related to the level of accountability of officers charged with Stores in Anambra State Local Governments. That is to say that the earlier observed result of "medium relationship" is actual and not attributed to chance or error variance.

5. Discussion of Findings

Hypothesis One: Stores officers' adherence to the guidelines in the financial memoranda is not dependent on their knowledge of these guidelines.

This hypothesis was subjected to the test of the significance of the Pearson Product Moments Correlations Coefficient (r) between the level of knowledge of the financial memoranda (FM) and adherence to the guidelines by the staff in Anambra State Local Governments. From the result of the test, it was observed that the Stores officers' adherence to the guidelines in the FM is not dependent on their knowledge of these guidelines. Besides, an item by item analysis of the relationship between the indicators of knowledge of the guidelines in the financial memoranda and adherence to these guidelines revealed that: there is no relationship between their knowledge that "Financial Memoranda provides guidelines that should enhance accountability in Stores management and control" and other indicators of adherence to these guidelines. Some of the coefficients are -0.256, -0.218, -0.200 and -0.218. There is also no relationship between the knowledge that the financial memoranda requires that "The LGT forms should always be available for cross-checking", and the fact that: "The Treasurer has access to all the receipts and payments regarding store items" (r = -0.249), "Stores accounts are reconciled monthly" (r = -0.214), "Stores accountant prepares a monthly statement of Stores" (r = -0.260), "The financial officers always fill the LGT forms for any transaction" (r = -0.172), "The financial officers always register the LGT forms in the ledger after issuing store items" (r = -0.324), "The financial officers apply the 'first-in-first-out' (FIFO) principle in the Stores management" (r = -0.384), "The financial officers report promptly cases of deteriorating store items" (r = -0.249), "The financial officers make use of very satisfactory recording system" (r = -0.342), and "The financial officers know what/when new orders are to be made" (r = -0.324). All these coefficient values of the relationship show that the relationship is positive, and significantly too. The findings in answer to Research Question 1 of this study are contrary to the above result. Besides, twenty (20) out of the twenty-two officers of the Local Governments interviewed on this subject matter described the FM as their 'financial bible'. According to the Treasurer of Aguata Local Government, the financial memoranda is the "financial authority" that legitimizes all the activities of the Stores officers in the Local Government. These officers cannot adhere to the guidelines in the financial memoranda if they do not know these guidelines. In the views of the Storeskeeper in Aguata Local Government, the level of knowledge of the guidelines in the financial memoranda affects adherence to these guidelines because "if the financial officers have good knowledge of the guidelines, the officers will know their job well and know their right". This is similar to the views of the Admin/Training Officer in Nnewi South Local Government, and the Accounting Officer II and Internal Auditor of Idemili North Local Government, three of whom simply responded that "the knowledge of the guidelines in the financial memoranda will help them to perform well".

The Admin Officer in Awka North Local Government stated, on the contrary, that adherence to the financial memoranda depends on the knowledge of the guidelines. However, he observed very strongly that the level of adherence to the guidelines will still vary from one officer to the other since one may know what to do and still choose not to do it. This notwithstanding, all the officers interviewed argued that it is imperative that Stores officers should have good knowledge of the FM in order to adhere and apply the guidelines in the FM in their routine duties.

According to the FM, the Stores accountant or Stores officer is charged with the following, among others: (1) entering of all the details of each Stores issue made as evidenced by the Stores requisition and issue voucher; (2) entering on the unallocated Stores ledger page and the stock balance shown in the ledger on the original and triplicate of the Stores requisition and issue voucher; (3) keeping of the Stores summary on form LGT 110; (4) keeping of the unallocated Stores ledger on form LGT 109; etc. These are articles in the FM and the application of these articles is consequent upon the knowledge of the FM. These are also the items that the respondents indicated that they knew.

Hypothesis Two: The loss of fund in Stores in Anambra State Local Governments is significantly related to non-adherence to the guidelines in the financial memoranda.

The test of the significance of the Pearson Product Moments Correlation Coefficient (r) between non-adherence to the Financial Memoranda (AFM) by the staff in Anambra State Local Governments and loss of fund from the Stores (LFS) shows that the loss of fund from Stores in Anambra State Local Governments is significantly related to non-adherence to the instructions in the financial memoranda.

The result of the item-by-item analysis of the relationship between loss of fund from Stores in Anambra State Local Governments and adherence to the instructions in the financial memoranda further shows that: there is a positive relationship between the "damaging of items in the Stores" as a means of losing fund, and "The Treasurer has access to all the receipts and payments regarding store items" ($r = 0.21$), "Stores accounts are reconciled monthly" ($r = 0.13$), "Stores accountant prepares a monthly statement of Stores" ($r = 0.16$), "The financial officers always fill the LGT forms for any transaction" ($r = 0.13$), "The financial officers always register the LGT forms in the ledger after issuing store items" ($r = 0.20$), "The financial officers apply the 'first-in-first-out' (FIFO) principle in the Stores management" ($r = 0.17$), "The financial officers report promptly cases of deteriorating store items" ($r = 0.21$), "The financial officers make use of very satisfactory recording system" ($r = 0.18$), and "The financial officers know what/when new orders are to be made" ($r = 0.27$). All these coefficient values of the relationship show that the relationship is positive, and significantly too.

In line with this position, the Revenue Officer and Internal Auditor in Nnewi South Local Government, as well as the Revenue Officer in Oyi Local Government, noted that when receipts are manipulated (as a form of non-adherence to the guidelines in the financial memoranda), it leads to loss of fund. The Treasurer from the same Oyi Local Government was of the view that loss of fund is also possible when the activities of Treasurers and other finance officers are not checked on regular basis (as stipulated in the financial memoranda). In the views of the Stores Officer in Onitsha North, money is lost through "damaged goods, missing and/or false receipts, and so on. And there are guidelines on how to avoid or control such incidence". The Internal Auditor in Oyi Local Government preferred to put it this way: "There are do's and don'ts in the operation of Stores. If the wrong thing is done, it will be costly".

The result of the findings from the respondents presented in chapter four (table 4.4b) agrees with the fact that funds are lost because Stores officers do not adhere to the instructions and guidelines in the FM. From the responses, the following are forms of non-adherence to the guidelines in the FM which cause loss of fund: expired items in the store; damaged items, poor recording system, non-registering of items removed from the Stores, intimidation of storekeepers by senior officers, over-stocking of the store, abuse/misuse of items from the store, diversion of items meant for the store and fake figures on transaction vouchers/receipts. If the officers comply with the instructions in the FM, loss of fund will be minimised.

The above finding on the significant positive relationship between non-adherence to the FM and loss of fund is also in line with the stipulations in the FM. Section 34.9 & 10 of the FM stipulate that to avoid loss of fund, the Stores officers should keep to the following responsibilities: (1) ensuring safe custody of all in the store; (2) safe keeping of the keys of the store and prevention of unauthorized persons from entering the store; (3) keeping all the various Stores items in their charge in good order; (4) reporting to the Head of Department when stocks reach the re-order level; (5) reporting to the Head of Department issues concerning stocks that are subject to deterioration; (6) assisting the Head of Department in the determination of the order quantity and quality; (7) keeping store records; and (8) compliance with the provisions in the FM. Based on the above presentations, it can therefore be said that the observed positive and significant relationship as the result of the test of hypothesis three re-echoes and confirms the expectations of the FM.

Hypothesis Three: The level of adherence to the guidelines in the financial memoranda is positively related to the level of accountability of officers charged with Stores in Anambra State Local Governments.

From the result of the test of the significance of the Pearson Moments Correlation Coefficient (r) between the level of adherence to the financial memoranda and the level of accountability of officers charged with Stores in Anambra State Local Governments, it was observed that the level of adherence to the FM is positively and significantly related to the level of accountability of officers charged with Stores in Anambra State Local Governments.

The result of the item-by-item analysis of the responses of the staff regarding the indicators of accountability in the Stores control revealed among other things, that there is a significant positive relationship between the fact that the storekeepers adhere to the guidelines in the financial memoranda such that they: "Always fill the LGT forms for any transaction," and indicators of accountability such as: "Activities/transactions of our Stores officers are properly supervised" ($r = 0.32$); "The LGT forms are always available for cross-checking" ($r = 0.17$); "All transactions are registered exactly as they were carried out" ($r = 0.19$); "The ledger provides clear/evident records of transactions in the Stores" ($r = 0.20$); "Copies of Stores vouchers are always available" ($r = 0.18$); "Originals of the purchase orders are always available" ($r = 0.23$); "Dates and reference numbers of Stores issue vouchers are always properly recorded" ($r = 0.21$); "There is transparency in our Stores" ($r = 0.21$); "There is always an up-to-date Stores inventory for easy supervision" ($r = 0.22$).

In line with the third hypothesis under discussion, question seven of the interview guide elicited responses from the interviewees which support this. All of these respondents agree that in line with the FM, the Stores officers should be knowledgeable to the extent that he/she will be able to comprehend the instructions in the FM, and at the same time be accountable for his/her performances. The duties of the Stores officers should be constantly supervised by the Treasurer, and the internal and external supervisors. The respondents stressed on the need to avoid God-fatherism and nepotism in placing persons to man the Stores. They advocated for qualified, honest, reliable and responsible person. They also noted that seminars and workshops should be organised for Stores officers to deepen their knowledge of the guidelines in the financial memoranda and the art of modern store-keeping. In their views, this is necessary because poor accountability can result, among other things, from very poor application of the guidelines required of simple accounting. This is similar to the views of the respondents to the questionnaire. Those respondents were also of the view that because there is a positive relationship between adherence to accounting principles (some of which are outlined in the FM) and the improvement of financial accountability and Stores control in Anambra State Local Governments.

These ideas are quite in line with the instructions in the financial memoranda which states that to ensure accountability, the Stores officer should make sure that when the Stores have been taken on charge, a store receipt voucher shall be prepared in triplicate by the storekeeper. The copies of the Stores receipt voucher shall be distributed as follows: (i) the original shall be sent to the officer who authorized the purchase together with the original local purchase order; (ii) the duplicate shall be passed to the Stores Accountant who will post details of the receipt to the Stores ledger; (iii) the triplicate will be retained in the book and used by the storekeeper to insert details of the voucher number, etc. on the Tally Boards (Financial Memoranda, 34.16). If the Stores and accounting officers disregard these and other instructions in the financial memoranda, they cannot be said to be accountable. This further confirms the result of the hypothesis that there is a significant positive relationship between the level of adherence to the FM and the level of accountability of Stores officers in Ananmbra State Local Government.

6. Conclusion

Based on the findings of this study, the following conclusions were arrived at:

1. The Stores officers' adherence to the guidelines in the financial memoranda is not dependent on their knowledge of these guidelines. This implies that while it is important to ensure that officers in the Stores units of Local Governments in Anambra State, and Nigeria at large, should be made to know the details of the guidelines in the financial memoranda, it should also not be ignored that efforts need to be made to ensure that these officers put into practice what they know for the realization of accountability in the Stores units. It is safe to conclude that such efforts to help the officers in the Stores units to be at home with the guidelines in the financial memoranda are not just enough to enhance proper Stores control and accountability in the country.
2. The loss of funds observed in Stores in Anambra State Local Governments is significantly related to non-adherence to the instructions and guidelines in the financial memoranda. This aspect of the conclusions of

this study is evident. This is because since the financial memoranda provides the guidelines for effective management of funds in the Local Government Stores, not to adhere to these guidelines as stipulated definitely leads to loss of funds. Therefore, this study concludes that funds will continue to be lost. Accountability will continue to be far-fetched. The solution to these is simply in the general commitment of all to the implementation of these guidelines. In the case of gross disregard of these guidelines, this study concludes that if those involved are not properly punished, funds will continue to be lost; the purposes of releasing these funds will not be realized, and Nigerians, especially those at the grassroots who are supposed to benefit from the activities in the Local Governments, will continue to be deprived of their rights to social wellbeing.

3. The level of adherence to the guidelines in the financial memoranda is positively related to the level of accountability of officers charged with stores in Anambra state local governments.

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Table 1: Test of the significance of the Pearson Product Moments Correlation Coefficient (r) between the Level of Knowledge of the Financial Memoranda (LKFM) and Adherence to the Financial Memoranda (AFM) by the staff in Anambra State Local Governments

Variables	**N**	**r**	**Significance of r**	**Decision at 0.05 level of significance**
LKFM	231	-0.488	0.000	Significant
AFM	231			

Significant when $p \leq 0.05$ [Source: Result of SPSS analysis of data collected from field work]

Table 2: Test of the significance of the Pearson Product Moments Correlation Coefficient (r) between Loss of Fund from the Stores (LFS) and Non-adherence to the Financial Memoranda (AFM) by the staff in Anambra State Local Governments

Variables	**N**	**r**	**Significance of r**	**Decision at 0.05 level of significance**
LFS	231	0.354	0.000	Significant
NAFM	231			

[Source: Result of SPSS analysis of data collected from field work]

Table 3: Test of the significance of the Pearson Product Moments Correlation Coefficient (r) between the level of Adherence to the Financial Memoranda (AFM) by the staff in Anambra State Local Governments and the level of Accountability of officers charged with Stores in Anambra State Local Governments (AOCS)

Variables	**N**	**r**	**Significance of r**	**Decision at 0.05 level of significance**
AFM	231	0.350	0.000	Significant
AOCS	231			

[Source: Result of SPSS analysis of data collected from field work]