Research Journal of Finance and Accounting www.iiste.org
ISSN 2222-1697 (Paper) ISSN 2222-2847 (Online)
Vol 3, No 6, 2012

Fiscal Accountability Dilemma in Nigeria Public Sector: A Warning Model for Economic Retrogression

Kenneth Enoch Okpala
Department of Financial Studies. College of Management Sciences
Redeemer's University, Km 46, Lagos-Ibadan Express way,
Redemption City Mowe. Ogun State. Nigeria.
Tel: 0805-50701683. E-mail: kenenoch@yahoo.ca

Abstract

The diagnostic survey conducted in 2001 into the Federal Government public procurement revealed that Nigeria lost several hundred billions of Naira over the last few decades due of flagrant abuse of procedures, lack of transparency and merit in the award of contracts in the public sector. Measures like legislative committees, financial audit, ministerial control, judicial reviews, anticorruption agencies, advisory committees, parliamentary questions and public hearing to ensure accountability in the public sector as in developed countries were adopted yet no tangible result has been achieved. This study investigated accountability in the Nigerian Public Sector. The population of the study is Nigeria public sector and the sample frames was drawn from Ministry of Finance, Presidency, Ministry of Works, and National Assembly. Source of data was primary and were collected through structured questionnaire which was distributed to 100 management staff of the above organizations at random. Data were analyzed using Pearson Product Moment Correlation with the aid of SPSS. The result showed that there is weak accountability in Nigeria due to weak accounting infrastructure, poor regulatory framework and attitude of government officials. It was recommended that the government, professional accounting bodies and citizens should work together to have a meaningful resolution on this issue as a matter of urgency

Key words: Accountability, Accounting infrastructure, Public Sector, Economic Retrogression

1.0 Introduction

Government exists to serve the needs of the citizens and ensure those needs are provided efficiently and effectively. It accomplishes these goals by providing clear processes and structures for all aspects of executive management (decision-making, strategic alignment, managerial control, supervision and accountability). Governance in both private and public arena has been a hot topic and now hotter due to various recent financial scandals. Citizens and regulators are calling for higher levels of transparency and accountability in all areas of business especially in public service. In a recent study, the World Bank found a significant relationship between good governance and high level of performance (Word Bank 1997). This generated the issue of using appropriate accounting method and today, many countries government are adopting accrual basis of accounting to improve governance and control which is a common practice in the private sector. Accountability is made possible when there is an established clear link between expenditures and performance. Accrual accounting helps agencies focus on outcomes and results rather than budgets and spending. Accountability is a concept in ethics and governance with several meanings and it is often used synonymously with such concepts as responsibility, answerability, blameworthiness, liability, and other terms associated with the expectation of account-giving. It stands out as a cherished goal of every civilized and well constituted government all over the world. Accountability is increasingly being used in political discourse and policy documents because it conveys an image of transparency and trustworthiness (Bovens, 2006) and its evocative powers make it indescribable. Government is entrusted with public funds and other resources, and must adhere to the highest ethical standards, honesty, integrity, propriety and objectivity to ensure optimum utilization. These goals can be achieved only through a combination of individual professionalism, personal standards and a rigorous control framework. Openness and transparency help instill public confidence and trust, and are increasingly considered basic operating requirements for any government.

1.1 Statement of Research Problem

The diagnostic survey conducted in 2001 into the Federal Government) public procurement revealed that "Nigeria lost several hundred billions of Naira over the last few decades due of flagrant abuse of procedures, lack, of transparency and merit in the award of contracts in the public sector and accountability quandary (Uremadu, 2004). The problem of this research paper is based on the perceived weak accountability of government fund by public servants in Nigeria which has not only increased the height of corruption but also resulted in enormous waste of national resources and decay of economic infrastructure within the economy. Other problems include poor planning and implementation of national budget experienced in all facets of Nigeria public sector, lack of transparency leading to mistrust and other negative consequences, weak accounting infrastructure which may not support accountability of government funds and finally, all the above problems has created room for diverse economic disorder and resulted in under backwardness.

1.2 Research Objectives

The main objective of this paper is to investigate the extent of accountability in the public sector of Nigeria economy within 2006 and 2010 and to achieve this; the following will also be investigated:

- The relationship between existing accounting infrastructure and accountability in Nigeria
- The control parameters and oversight bodies established by the government and it is effectiveness
- The accountability regulatory framework within Nigeria public sector.

1.3 Research Question

(i) To what extent is accountability institution working in the Nigerian public sector?

(ii) Does professional base of Accountants exist in terms of number and quality that support public expenditure
management in Nigeria?

(iii) To what extent has Nigeria government lost money due to lack of accountability?

(iv) Does public resources managers in Nigeria rendered a timely, adequate and reliable stewardships accounting?

(v) Are the electorate satisfied with the state of public infrastructure and services compared with the amount of
resources so far invested in the country?

(vi) How effective and efficient is the audit process providing potential for establishing accountability and detection of corruption?

(vii) Do competent oversight bodies exist and functioning effectively in the public sector?

(viii) Does the accountability arrangement contribute to the availability of information about former and current administrative actions for the administrative body involved and a wider range of administrative bodies?

1.4 Research Hypothesis

In order to validate the above research questions, the following hypotheses shall be empirically tested using Pearson Product Moment Correlation:

Hypothesis (I)

H_o: There is no accountability of public fund in Nigeria public sector

Hypothesis (II)

H_o: There is no significant relationship between accounting infrastructure and accountability in Public Sector in Nigeria.

Hypothesis (III*)*

H_o: The Nigeria Economy is not developing due to financial indiscipline and wastages in the system resulting from lack of

Accountability in Nigeria public sector.

2.0 Literature review

In contemporary political and scholarly discourse 'accountability' often serves as a conceptual umbrella that covers various other distinct concepts. It is used as a synonym for many loosely defined political desiderata, such as transparency, equity, democracy, efficiency, responsiveness, responsibility, and integrity (Mulgan 2000b; Behn 2001; Dubnick 2002). The term has come to stand as a general term for any mechanism that makes powerful institutions responsive to their particular publics (Mulgan 2003). A great many social relationships carry an element of accountability within. However, this paper solely concerns public accountability. 'Public' relates in this respect to a number of different aspects. In the first place, used in this context, 'public' should be understood to mean 'openness'. Account is not rendered discretely, behind closed doors, but is in principle open to the general public (Bovens (2006)

2.1 Theoretical Framework

At Nigerian independence in 1960, the country inherited a civil service system that was primarily designed and equipped to serve the housekeeping function of maintaining law and order and the provision of basic amenities (Abu & Abdullahi, 2010). The management and administration of public finances were centered on the basic objectives of ensuring accounting control and accountability particularly in the conduct of the daily financial transaction of the government. Political independence, however, brought with it greater and more profound challenges especially for national development, a task which the inherited system of financial administration was found to be grossly incapable of facilitating (Adegite, (2010). This scenario was indeed the characteristics of most developing countries emerging from colonial domination during the period. Premchand, (1981) the budgetary structures and financial management systems generated a value that was too negative to be compatible with the emerging tasks and Nigerian case presents an even more interesting and rather paradoxical problem. After the attainment of independence, the country discovered crude oil, a commodity which had within a few years of commercial exploitation occupied an exalted position as the chief foreign exchange earner and contributes almost 80 percent of government's total revenue. The volume of government fiscal and financial activities occasioned by this windfall, increased manifold. This sudden financial development put a very severe pressure on the already weak institutional structures for financial administration such that even the basic objectives of control and accountability, which the inherited bureaucratic structure endeavored to uphold, could no longer be guaranteed in the face of the greatly expanded financial activities of the government. Jumare and Abubakar, (2005) the emphasis of budgeting and financial management shifted from seeking to allocate scarce resources among many needs to competitive budgeting among ethnic groups with over-ambitious plans and programmes all of which were being hurried through the approval process with the aim of sharing the growing pie. While budgetary process remained constant, the procedures have become cumbersome, since projects and activities have grown several times in the past decades. The traditional concern for accountability could no longer support the high volume of revenue and activities with weak legal control framework. This was the beginning of accountability problem in Nigeria.

2.2 Fundamental Threats to Accountability

There are three fundamental threats to the construction of good governance and the rule of law in the developing world, namely corruption, clientelism, and capture. These phenomena refer to the use of public office for private gain and their impact goes far beyond the simple diversion of funds. Corruption, in addition to directly enriching individual bureaucrats, distorts markets and hampers service delivery (Rose-Ackerman, 1999). Clientelism is the unfairly channeling of public resources to specific client groups which alters the dynamics of political competition and leads to the ineffective provision of public services (Fox, 1994) and Capture, in addition to providing rents to specific economic actors, also greatly alters markets and worsens the position of consumers, workers, and the environment in relation to corporations (Stigler, 1971). It is generally accepted that the best way to combat this three-headed monster and thereby guarantee the public interest character of the state is by strengthening accountability but in public sector, what exactly does this concept mean?

2.3 Accountability

Accountability has various definitions which has undergone changes over time. Sinclair (1995) notes that accountability definition depends on the ideologies, motives and language of our times. He further noted that accountability has specific meanings, for instance "auditors discuss accountability as a financial matter, political scientists view it as a political imperative and legal scholars as a constitutional arrangement, while philosophers treat accountability as a subset of ethics". In light of the above, a number of definitions of accountability have been offered from different perspectives. Schlenker (1997) sees accountability as "being answerable to audiences for performing up to prescribed standards that are relevant to fulfilling obligations, duties, expectations and other charges. The International Organization of Supreme Audit Institutions (INTOSAI) as cited in Boncondin (2007) defines it as the obligation of persons or entities entrusted with public resources to be answerable for the fiscal, managerial and program responsibilities that have been conferred on them and to report to those that have conferred these responsibilities. Similarly, Inanga (1991) views accountability as a process in which individuals and organizations are compelled to be answerable for their actions and responsibilities. Implied in these definitions is the notion that those entrusted with public funds have a legal duty to count and report the way in which the resources were allocated, applied and the results achieved. Accountability can also be seen from the perspective of social relationship. Bovens (2006). It is a relationship between an actor and a forum, in which the actor has an obligation to explain and to justify his or her conduct in which case, the forum can ask questions and pass judgment and the actor may face consequences. The actor may individual or an organization while the forum can be a specific individual, usually a superior or an agency such as legislature or the audit office. What is evident in all the above definitions are that the elements of accountability exist in any relationship where one party (an agent) performs some functions on behalf of another party (a principal). The public officers are the agents and the citizens are the principal in this regards. According to Adesola (2001) the person who holds or manages a given amount of resources for the benefit of another person is an agent.

2.4 Importance of Accountability

Accountability becomes relevant because agents should demonstrate to the satisfaction of his principal that they have exercised the power conferred and achieved the agreed objectives, by using the resources provided effectively and efficiently. Inanga (1991), in public sector, accountability requires governments to answer to the citizenry to justify the source and utilization of public resources. This is imperative as the citizenry no doubt, has a right to know, a right to receive openly declared facts and figures which would enable them to debate and decide the fate of their elected representatives. Accordingly, Aucoin and Heintzman (2000) see accountability as a democratic means of monitoring and controlling government conduct which prevents the development of concentration of power and enhancing the learning capacity and effectiveness of public administration. The preceding assertion draws attention to two major significance of accountability (i) democratic control and (ii) checks and balances. From a democratic perspective, it is the basis of any strong democracy as people can call upon any public office holders to account for their stewardship (Mulgan, 2003). From the perspective of checks and balances, accountability is important as it prevents corruption and abuse of office as no one has absolute power. Both perspectives are relevant to Nigeria in the sense that the country is currently democratizing and requires strong institutions and structures to support the process. Bovens (2006), the remedy against an overbearing or corrupt government is the organization of institutional countervailing power, such as independent judicial power or a chamber of audit put next to the parliament and political officials and giving them power to request that account be rendered over any particular aspect of activity on which the government has influence and control. In reaction to such perceived situations, many western democracies are yearning for more direct and explicit accountability relations between public agencies on the one hand and clients, citizens and civil society, including the media, on the other hand (McCandless, 2001).

2.5 Accountability in Public Sector

The government plays a leading role in shaping and development of any nation and given their explicit importance, it is necessary to provide a suitable framework to enable the achievement of this noble-role. This is accomplished through the apparatus public administration, a field which refers to the manner in which Federal, State, and Local institutions with their procedural, legal, regulatory, financial, human resources and asset aspects are organized, institutionalized and managed with respect to regulatory, revenue generation, spending and procurement functions, and the provision of such services as defense, social services, and economic infrastructure" (Mhome, 2003). One key component of public administration is financial management. McKinney and Howard (1979) financial management is a critical management function that fuels the engine of the public administration and can be considered in three areas: (a) Determining fiscal policies whereby political or community leaders identify programmes of priority and try to fund them through appropriations. (b) Providing accountability by ensuring that public funds are spent for the purposes intended and (c) Instituting the required organizational structures and controls to effectively carryout the fiscal duties and responsibilities.

2.6 Types of Accountability in Public Sector

The representatives appoint and hold bureaucrats accountable for their behaviour. Such accountability chain is supposed to assure good governance and the rule of law since the jobs of all public officials ultimately depend on the popular vote. Empirical research has shown that the accountability that public officials are exposed to through the conduct of periodic elections is not enough to guarantee good government and the rule of law (Geddes, 1994; Stokes 2003 Varshney 1999 and McKinney and Howard (1979) accountabilities include: (a) Fiscal accountability -responsibility for public funds; (b) Legal accountability - responsibility for obeying laws; (c) Programme accountability - responsibility for carrying out a programmes; (d) Process accountability - responsibility to carry out procedures and (e) Outcome accountability - responsibility for results. While there might be other classifications, Romzek approach carries four main typologies namely: Hierarchical - a relationship which follows strict superior -subordinate pyramid in which a public servant is technically accountable through leadership of the unit up to the top. Legal – a relationship involving a great deal of external oversight by legislature, constitutional structure such as public accounts committee, auditor- general etc. to ensure individual or group compliance with established standards or performance mandates (Peters 1995). Political - This is the cornerstone of democratic practice where mandate of elected officers and public administrators must reflect the agenda and expectations of the stakeholders. Professional - this type of accountability is accorded increase advocacy in recent reform strategies and intend to promote flexibility and expertise in the public sector. It is output-outcome oriented which is a shift from the traditional approach. Fiscal accountability is the most vital because most policy decisions have financial implications. The basic tenet is openness in all activities of the body and only embraces confidentially in specific circumstances where it is proper to do so. The approach properly safeguards funds, used them economically, efficiently and effectively and account for them in accordance with the statute that govern their use as well as reporting performance to all stakeholders through clear channels of communication. Table 1 below, illustrates the Romzak classifications:

Table 1: Behavioural Expectations of different Accountability types and Managerial strategy

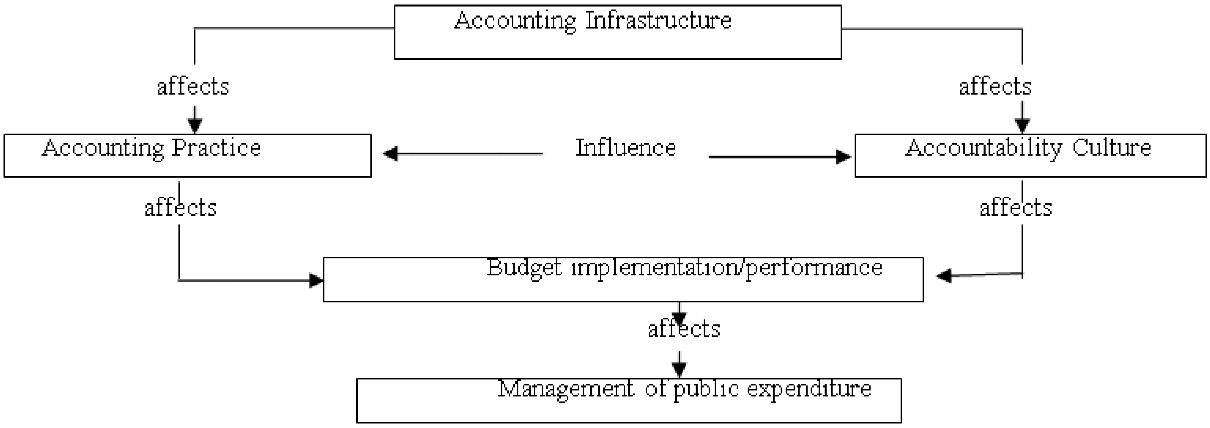
S/N	Accountability	Behavioural Expectation	Managerial strategy
1	Hierarchical	Obedient to organizational directives	Input
2	Legal	Compliance with external mandates and procedures	Process
3	Political	Responsiveness to key external stake stakeholders	Output
4	Professional	Expertise and individual professional judgment	Outcome

Adopted From Romzak (2000)

2.7 Relationship between Accounting Infrastructure, Accountability and Public Expenditure

The role of accounting in accountability framework is important. Kimbro (2002) identifies a dual role of accounting in terms of provision of information and auditing of same. Financial statements provide information about economic transactions and the auditing profession serves as a monitoring mechanism to check on the accuracy of this information thereby providing an enormous potential for establishing accountability and detection of corruption. Shearer, (2002) observes that accounting practices enact accountability and therefore suggests that it is necessary to expand the accounts we prepare in an effort to be more accountable to the other. The potent role of accounting information in ensuring accountability can therefore be said to derive from the ability of accounting to influence behaviour and even the setting in which it forms a part. If accounting serves as a mirror through which the images of accountability can be made transparent, then the infrastructure supporting an accounting system should be strong. Where the structures are weak, the influence of accounting will by implication be weak and can be compared to broken mirror which constrains the good projection of any image. Olowo-Okere (2005) sustainable economic development and growth cannot be maintained without a sound accounting infrastructure and a robust accounting profession. However, the World Bank had earlier in 1994 proposed that countries desirous of fighting corruption and improving their accountability levels and systems should do the following: (i) Installing and implementing an effective and integrated financial management information system. (ii) Developing a professional base of accountants. (iii) Adopting and applying internationally acceptable accounting standards. (iv) Empower a strong legal framework for supporting accounting practice. The lesson to draw from the above is that accountability and management of public expenditure cannot be ideally effective without a sound accounting system build on solid infrastructure. To manage public expenditure on weak accounting and auditing infrastructure is absurd and may result in behaviour inconsistent with accountability. Therefore, a culture in which sprig accounting infrastructure permeates the whole public service organizations is necessary and encouraged in Nigeria. This can better be understood from the model proposed in the figure (Fig. 1) below:

Figure 1: Accounting infrastructure and Public expenditure management Model



Source: Olowo-Okere (2005)

The above model suggests that accounting infrastructure indirectly affects management of public expenditure through accounting practice and budget implementation as well as through accountability culture. The reasoning, as shown in figure 1 is that, accounting infrastructure (strong or weak) in any organization affects accountability and accounting practice. Another reason is that accounting practice and accountability culture has mutual influence on one another and both affect an organization's ability to successfully prepare and implement budget. Successful or unsuccessful budget implementation affects management of public expenditure.

2.8 State of Accounting Infrastructure in the Nigerian Context

The state of accounting infrastructure in Nigeria has been observed to be weak by the World Bank. In its report on the Observance of Standards and Codes (ROSC) on Nigeria issued in 2004, the World Bank observes that accounting and auditing practices in Nigeria suffer from institutional weaknesses in regulation, compliance and enforcement of standards and rules. The specific areas noted in the report include: incomplete budget information, unreliable accounting system, incomplete data to support proper public financial management, obsolete and inadequate legal framework for accounting and auditing, ineffective internal audit system, ineffective supreme audit institutions, non-compliance with international public sector accounting standards (IPSASs) and other information presentation standards. The following has been identified as the problems that need urgent solution:

2.8.1 Professional Base of Accountants in Nigeria**:** The United Nations in one of its observations underscored the need for quality and availability of accounting personnel in government financial management in developing countries. It was observed that there is a "correlation between financial management in developing countries and the level of economic development" (United Nations, 1991). When non-qualified personnel are in charge of accounting functions and positions, the effect would certainly be "Accountability Blindness" This assertion draws attention to the need for a sound professional base of accountants as a pre-condition for achieving accountability in developing countries. In Nigeria, there are three main professionally recognized accounting bodies namely: The Institute of Chartered Accountants of Nigeria (ICAN); Association of National Accountants of Nigeria (ANAN);

And the more recent, the Chartered Institute of Management Accountants of Nigeria (CIMAN). ICAN is the first, more recognized and better established of the three, having been in existence since 1965. It has approximately 32,722 professional members as at May 2011 from a modest beginning of 250, most of whom holds management positions especially in the private sector of the economy. As at now only 20% are serving in the public sector. This, by implication, means the public sector is left to be driven by less qualified and incompetent accounting personnel. ANAN has produced approximately 13,717. Both bodies have produced approximately 46,440 Professional Accountants to serve a population of 168 million Nigerians and over 700,000 registered companies, excluding government agencies (CIA Fact book 2011). The implication of this, mean that Nigeria has "a ratio of one professionally qualified accountant to three thousand, six hundred and eighteen persons (1:3,618). This seems ridiculous in comparison with other countries such as Australia with a ratio of one professionally qualified accountant to one hundred and eighty one persons (1:181) (Emenyonu, 2011). Similarly, Olowo-Okere (2005) stated that in Nigerian public sector, many government accountants neither have accounting education nor certification and the consequence is lack of professional accountants to take charge of important and sensitive accounting positions in the public service. Our situation cannot aid accountability in any form. Everett et al. (2007), not only must better record-keeping systems be established in poor countries if corruption is to be addressed, but these systems must also be more contextually appropriate.

2.8.2 Oversight Bodies: Aruwa (2001) the shortcomings arising from the state of the accounting infrastructure in Nigeria is also evident in the antiquated, fragmented, incomplete and unreliable nature of the accounting system providing motivation for the existence of oversight bodies. The prominent ones are the auditor-general and the public accounts committee. Section 85 (1) of the 1999 constitution of the Federal Republic of Nigeria provides for the office of the Auditor-General of the Federation (AG) in order to ensure accountability in public expenditure at every levels of government and operations. The constitution empowers the auditor-general to audit and report on the public accounts of the federation (all offices and courts) to members of the legislature as promptly and as accurately as possible to enable them ascertain how the programmes, functions and activities of the government are being conducted. However, the AGP has been constrained in the discharge of his responsibilities. Okaro (2004) “one problem which the auditor-general had to contend with these years is the issue of the late submission of the annual financial statements by the Accountant-General. Even though the 1999 constitution stipulates that the financial statements should be submitted by the AGF to the Auditor-General within 7 months after the end of the financial year, this provision has been grossly violated due mainly to poor quality accounting system and personnel (Oshisami, 1992). Emenyonu, (2007) recently some of the audit findings includes: Over-invoicing, non -retirement of cash advances, lack of internal audit inspection, payment for jobs not done, double-debiting, contract inflation, lack of supporting documents to back up various purchases, shameless violation of financial regulations, and release of money without the approving authority’s involvement. All these disclosure are contained in the report but without appropriate punishment to offenders. These unprofessional practices are against accountability and showed the existence of weak accounting infrastructure in Nigeria.

***2.8.3 Legal Framework for Supporting Accounting Practice*:** There is a plethora of laws and regulations that provide
a legal basis for accounting and financial management in Nigeria's public sector. These include: 1999 Constitution of FRN, Finance (Control and Management) Act, 1990 (as amended), Financial regulations, Audit Act of 1956 (as amended) and in addition, the Annual appropriation Act authorizing and controls receipts and payments of public funds. It is therefore obvious that Nigeria does not lack the required legal backing for her financial transactions. However, Okaro (2004) observes that if there is inefficiency in the management of public funds in Nigeria, it is certainly not for "want of enough legal instruments for the regulation but poor culture of financial management as seen in the outdated nature of the financial rules and regulations in force in the country. The assertion above is evident in expressions which suggest that our laws suffer from severe weaknesses in enforcement, compliance and regulation. The weaknesses have been noted by the World Bank (2004) which observes that "the process of adjudicating on cases in Nigeria courts is so slow that regulators are discouraged from seeking support from the courts and law enforcement agencies in enforcing sanctions". This situation which aided the level of corruptions, can be attributed to the in the country weak infrastructure.

***2.8.4 The Public Accounts Committee (PAC*):** The public accounts committee (PAC) is a committee of the legislature charged with responsibility of examining the public accounts on the basis of the observations raised in the Auditor-General's report and ensures that all issues highlighted therein are properly addressed. It therefore acts as a mediator between the Accountant-General and the Auditor-General. Ogbanu (1999) the PAC can enhance "judiciousness in the disbursement of public funds by the public servants thereby resulting in financial savings which can be channeled to the provision of amenities to improve the standard of living of the citizens but have not been able to discharge its duties as expected. Many studies have identified a number of reasons for PAC non-performance and they are associated with accounting infrastructure. Oshisami (1992), Ogbanu (1999), Obazele (2000), Okaro (2004) agree that the following are the major reasons for the poor performance of the PAC: (i) Absence of personnel with required skills, knowledge and experience in financial matters as there is no established laws and guidelines on appointment of members. (ii) Lateness on the part of PAC to finalize its report on findings of the Auditor- General. (iii) Inability of some ministries and departments to respond to audit queries due to a total breakdown of the system of accountability and internal control measures in the public sector (Randle, 2003).

2.9 Recent Developments in ensuring Accountability in Nigeria Public Expenditure

Following the failure of accounting infrastructure and the oversight bodies (The Auditor-General and the PAC) to address the issues of public expenditure management in Nigeria, and eliminate the current financial indiscipline, the government led by Olusegun Obasanjo (1999-2007) decided to put in place some mechanisms and agencies to ensure accountability in public expenditure which is fundamental to the survival of democratic process in Nigeria. These mechanism and agencies include: (a) Due Process Mechanism and Transparency: in an attempt to stop the business as usual syndrome in government activities, achieve cost economy and transparency through Budget Monitoring and Price Intelligence Unit (BMPIU). (b) Economic and Financial Crimes Commission (EFCC):

During President Ibrahim Babangida's regime, local and international financial and economic crimes rose to an unprecedented height in Nigeria due to no formidable mechanism and institution for punishing offenders. EFCC was established to combat financial and economic crimes as stated Act (c) Independent Corrupt Practices and Other Related Offences Commission (ICPC): This commission has a major role of reviewing and modifying the activities of public bodies and institutions with the aim of identifying and eliminating those practices which have the potential to aid corruption. It also has the mandate to educate and enlighten the public about the undesirable consequences of all forms of corrupt practices in private and public life. (d) Code of Conduct Bureau (CCB): Charged with the responsibility of recording the details of assets and liabilities declared by government or political officeholder occupying key positions using the appropriate "Assets Declaration Form" at the point of entry into the office. The CCB records and keeps detailed information about officers' wealth as appropriate with the aim of checking corruption.

2.10 Accountability and Economic Backwardness

World Bank (1994) stated that infrastructure is an umbrella term for many activities refers to as "social overhead capital of which its adequacy and reliable presence in any economy leads to raise in productivity at low cost, increase the country's GDP and good standard of living which is the basis of economic growth and development (Foster & Pushak (2011). In most developing countries, government are responsible for infrastructural service provisions and budget is the instrument upon which government plans, review and control public expenditure enable actual activities stays within the established boundaries (Searfoss and Monozka 1973). Lack of accountability gave birth to corruption, clientelism and capture (e.g. the $15b dollars power project during President Obansajo's regime, the Oil windfall of $12b dollars during President Babamgida's regime, Lagos – Benin road contract, the World Bank waters project in which billion of Naira contracts were awarded, also the =N=3 trillion petroleum subsidy scam in which all stakeholders are unable to account for). However, due to fiscal accountability failure, the above issues were not resolved and have resulted in infrastructure decay, high cost of production, and high interest rate, business relocation to other countries, business failure, massive poverty and poor standard of living. All these are signs of economic retrogression.

3.0 Methodology

The data for this research was collected through the administration of structure questionnaire. Population of this study is made up of all employees in the public sectors in Nigeria and sample frame was drawn from Ministry of Finance (Accountant and Auditor General Offices), Presidency, Ministry of Works, and National Assembly. The sample however, consisted of 100 management staff selected at random. The selection of the samples was independent of sex and the demographic characters of the subjects include Age range of 25-60. The instrument consisted of a 13 - term survey questionnaire with a - 5 Likert scale response options. Strongly Agree (5), Agree (4), Undecided (3) Disagree (2), and Strongly Disagree (1). Out of 100 questionnaires administered, 95 valid responses were returned and analyzed. The validation of the questionnaire was done through the use of expert in public finance/administration and a pre- test reliability determination yielded stability co-efficient of 82% which was considered well enough for the study. The work experience, job status and educational attainments of the respondents were considered when the questionnaires were being administered on the respondents. Data was analyzed) through the use of Statistical Package for Social Sciences (SPSS). Pearson Product Moment Correlation method was used to confirm the hypotheses of the study, using the responses from questions 1, 7 and 12 of the questionnaire administered. Hypotheses were tested at 5% level of significant.

3.1 Test of Statistical Hypothesis

Table 2 (Hypothesis 1)

H_o: There is no accountability of public fund in Nigeria public sector

H_1: There is accountability of public fund in Nigeria public sector

Calculation of Correlation

Options	**Point (x)**	**Response (y)**	xy	x^2.	$_y2$
SA	5	50	250	25	2,500
A	4	15	60	16	225
U	3	0	0	9	0
D	2	10	20	4	100
SD	1	20	20	1	400
Σ	**15**	**95**	**350**	**55**	**3,225**

Source; Question 1 of the administered questionnaire

r $= \underline{N\Sigma, xy - (\Sigma x)(\Sigma y)}\ /\sqrt{N\Sigma x^2} - (x)^2\ \sqrt{N\sqrt{}^2} - (y)2$

$= \underline{(350)-(15\ x95)\ /}\sqrt{}\ [(5x55) - (15)^2][(5x3,225)- (95)^2]$

$= \underline{1,750\ -1,425\ /}\sqrt{}\ (275-225)$

$= (16,125\ -9,025)\ /\ \sqrt{(50)}\ (7,100)$

$= \underline{325/}\ 596$

r = 0.56 (56%)

Decision: r calculated of 0.56 is greater than 0.5 level of significance. This implies that there is accountability of public fund in Nigeria public sector. Although, 56% indicates a weak level of accountability. The null hypothesis is rejected and Alternative that says "There is accountability of public fund in Nigeria public sector" is accepted

Table 3 (Hypothesis 11)

H_o: There is no significant relationship between accounting infrastructure and accountability in Public Sector in Nigeria.

H_I: There is significant relationship between accounting infrastructure and accountability in Public Sector in Nigeria.

Calculation of Correlation

Options	**Point (x)**	**Response (y)**	xy	x^2	y^2
SA	5	66	330	25	4,256
A	4	20	80	16	400
U	3	2	6	9	4
D	2	5	10	4	25

Source; Question 7 of the questionnaire administered

$\underline{r= N\Sigma\ xy - (\Sigma x)(\Sigma y)}$ $\underline{5\ (428) - (15X95)}$

$\sqrt{N\Sigma x^2 - (x)^2}\ \sqrt{N\Sigma y^2 - (y)^2}$ = $[(5X55) - (15)^2][(5X4{,}689)-(95)^2]$

$\underline{2{,}140 - 1{,}425}$ $\underline{400}$

$= \sqrt{(275-225)(23{,}445 - 9{,}025)}$ = $\sqrt{(50)(14{,}420)}$

$= \frac{715}{849}$

r = 0.842 (84%)

Decision: r calculated of 0.84 is greater than 0.5 level of significance, This implies that there is a significant positive relationship between the two variables. The null hypothesis is rejected and Alternative that says "There is significant relationship between accounting infrastructure and accountability in Public Sector in Nigeria is accepted.

Table 4 (Hypothesis 111)

Ho: The Nigeria Economy is not developing due to financial indiscipline and wastages in the system resulting from poor of accountability in public sector.

H_1: The Nigeria Economy is developing due to financial indiscipline and wastages in the system resulting from lack of accountability in public sector.

Calculation of Correlation

Options	**Point (x)**	**Response (y)**	**xy**	x^2	y^2
SA	5	2	10	25	4
A	4	3	12	16	9
U	3	3	9	9	9
D	2	21	42	4	441
SD	1	67	67	1	4,489
Σ	**15**	**95**	**140**	**55**	**4,952**

Source; Question 12 of the questionnaire administered

$r = \frac{N\Sigma xy - (\Sigma x)(\Sigma y)}{\sqrt{N\Sigma x^2 x)^2}\ \sqrt{N\Sigma y^2 - (y)^2}}$ = $\frac{5(428) - (15 \times 95)}{\sqrt{[(5x55) - (15)^2][(5x4{,}952)}}$

$\underline{2{,}140 - 1{,}425}$ $\underline{400}$

$\sqrt{(275-225)}\ (23{,}445 - 9{,}025)$ = $\sqrt{(50)(14{,}420)}$

$= \frac{715}{849}$

r **= 0.842 (84%)**

Decision: r calculated of - 0.89 is less than 0.5 level of significance. The null hypothesis is upheld that says "Nigeria Economy is not developing due to financial indiscipline and wastages in the system resulting from poor of accountability in public sector. Therefore the alternative hypothesis is rejected.

4.0 Summary of findings

4.1 Findings

(i) The study revealed that there is weak accountability in the Nigerian public sector.

(ii) It was also found that inadequate record keeping leads to lack of accountability in the public sector due to out of date financial regulatory framework (Finance Control and Management). Act of 1958; Audit Ordinance of 1956)

(iii) The professional base of Accountants in terms of number and quality to support management of public expenditure in Nigeria is weak

(iv) Lack of accountability in the public sector is due to ineffectiveness of oversight bodies in Nigeria.

(v) The study shows that external auditing is very vital in ensuring effective accountability in the Nigerian public sector.

(vi) There is high level of corruption, clientelism, and capture in the system because of lack accountability in the public system

(vii) The Nigeria Economy is underdeveloped given the level resources and potentials due to financial Indiscipline and wastages in the system resulting from lack of accountability in Nigeria public sector.

4.2 Conclusion

The basic fundamental way for economic development is financial discipline and elimination of wastages of national resources in the public sector which is the direct function of accountability. It is rather unfortunate that the level of accountability experienced in the country is unacceptable due to weak accounting infrastructure, ineffective oversight bodies and the cogs in the wheel of legal framework. The result from this research work shows that there is lack of accountability which has fueled corruption and the whole scenario is termed as a model for economic underdevelopment in the Nigeria. The government is therefore advised to tackle this problem with every resources at their disposal to free our country from this monster that has eaten into the fabric of our economic development.

4.3 Recommendations

In the light of this study, the researcher makes the following recommendations.

Government: (i) Should ensure that they create enabling environment for the development of professional Accountants and employed them in the civil service. This will be achieved by retaining the existing through motivation and attracting the new with good working conditions. (ii) The problem of ethical and accountability failure in the public sector should be tackled by strengthening the capacity for control institutions through re-orientation programs (iii) A proactive legislature and regulatory framework that should not only exist on paper but must be operational. (iv) The provision of 1999 constitution giving time for submission of financial statement auditing and report, and· review by PAC should be strictly adhered to with punishment spelled out for non-compliance (v) The constitution should be amended to provide for the qualification of members of PAC.

Professional Accounting Bodies: (i) The professional bodies should redesign their programmes and carry out more enlightenment campaign activities to attract more Nigerians to the profession. (ii) There should be re orientation of members to encourage them to work in the public sector.

Citizenry: Another control mechanism is that the citizenry should be motivated by the civil society and organized labour union to be more vibrant in other challenge the actions of the bureaucrats.

REFERENCE

Journal Papers:

Abu, N. & Abdullahi, U. *(2010) Government Expenditure and Economic growth in Nigeria, 1970-2008; A Disaggregated Analysis.* Business and Economic Journal: Vol. 2010: BEJ - 478: 555.

Adegite, E. O. (2010). *Accounting, Accountability and National Development*, Nigerian Accountant, 43(1): 56-64.

Aruwa, S.A.S (2009), Government Financial Reporting and Public Accountability in Nigeria, www.nsukonline.academia.edu.

Elumilade, D.O., Asaolu T.O., & Ologunde A.O. (2006) *Capital Budgeting and Economic Development in the Third World: The Case of Nigeria,* International Research Journal of Finance and Economic, ISSN 1450 - 2887, Issue 2 http://www.eurojournal.com/finance.htm

Gerald Searfoss and Robert Monozka (1973) *Perceived Participation in the Budget Process and Motivation to achieve the Budget*: Academy of Management Journal Vol. 16 (4) pp.541-554. Geddes, A.L. (1994). *Politics Delima.* Berkeley, University of California Press

Mhome, G.C.Z. (2003). *The Challenges of Governance, Public Sector Reform and Public Administration:* Some Research Issues. DPMN Bulletin 10(3), ppl-13.

Okaro, S. (2004) *Bank Failure in Nigeria: An early warning model for corporate distress.* The Nigeria Accountant. Vol. 37. No.4

Olowo - Okere, E. (2005) *Future Perspective: Locally and Globally.* Paper presented at the 40th anniversary of the institute of Chartered Accountant of Nigeria (ICAN). Muson Centre, Lagos. June 21. Organizations and Society, 20: 219-237.

Stigler, G. (1971). *The Theory of Economic Regulation*. Bell Journal of Economics and Management Science 2 (spring): 3-21.

Uremadu, S.O. (2004). Journal of Public Administration and Police Research Vol. 3(6) pp. 174-183 Academic journal

Books:

Adesola, S.M. *(2001). Public Sector Financial Management and Accounting*, Ikeja, Lagos: Comfort Press and Publishing Company Limited, p.61

Behn, R. D. (2001). *Rethinking Democratic Accountability*. Washington, D.C.: Brookings Institution Press

Day, P. & R. Klein, (1987). *Accountabilities: Five Public Services,* London: Tavistock. *Democracies,* London: Lynne Rienner Publishers: 29-51.

McCandless, H. E. (2001).A *Citizen's Guide to Public Accountability: Changing the Relationship Between Citizens and Authorities.* Victoria B.C.: Trafford.

McKinney, B.J. & Howard C.L. (1997). *Public Administration: Balancing Power and Accountability.* Oak Park, Illinois: Moore Publishing Company, Inc., 624p

Mulgan, R. (2000b). *Accountability: An ever expanding Concept*. Public Administration, 78: 555.

Mulgan, R., 2003, *Holding Power to Account: Accountability in Modern Democracies,* Basingstoke:

Obazele, J. (2000) *Accounting for Public Sector Activities in Nigeria*. Benin City: Cosmic Press

Ogbanu, C. (1991). *Public Accounts Committee in Nigeria: How effective?* Nigerian Accountants.

Oshisami, K. (1992) *Government Accounting and Financial* Control. Ibadan: Intec Prenters. Pelgrave.

Peters, B. G. (2001) *Future of Governing.* 2nd Edition, Lawrence, Kansas; University of Kansas.

Pollitt, C., 2003, *The Essential Public Manager,* London: Open University Press/McGraw-Hill.

Rose-Ackerman, S., 1999, *Corruption and Government: Causes, Consequences, and Reform*. New York Cambridge University Press.

Schedler, L.D & Marc F. P. (ed), *The Self-Restraining State: Power and Accountability in New* New York Cambridge University Press.

Schlenker, B. R., Weigold, M. F., & Doherty, K. (1991). *Coping with accountability: Self identification and evaluative reckonings.* In C. R. Snyder & D. R. Forsyth (Eds.), *Handbook of Social and Clinical Psychology* (pp. 96-115). New York: Pergamum.

Shearer, T. (2002). *Ethics and Responsibilities:* from the for-itself to the for -other Accounting, organization and society 27, 541-573

Proceedings Papers

Boncondin E. T. (2007). *Citizen Engagement in Budgeting and Republic Accountability.* Paper presented at the 6th Session of t he United Nations Committee of Expert on Public Administration, United Nations HQs, New York, 10-14 April.

Bovens, M (2006): *Analyzing and assessing public accountability;* a conceptual framework.
European governance papers (EUROGOV) No. C-06-01.

Dubnick, M. J. (2002). Seeking Salvation for Accountability', paper presented at the 2002 Annual Meeting of the American Political Science Association, Boston

Foster, V. and Pushak, N.(2011) Nigeria *Infrastructure: A Continental Perspective,* Policy Research Working Paper 5686, World Bank, Africa Region Sustainable Development Department, June

Fox, J. (1994). *The Difficult Transition from Clientelism to Citizenship:* Lesson from Mexico. World Politics 46(2): 151-184

Inanga, E. L. (1991) *Accounting and Accountability.* Inaugural lecture, lbadan University Press.

Premchard, A. (1983). *Government Budgeting and Expenditure Controls. Theory & Practice*; International Monetary Funds

Romzek, B.S.(2000) *Dynamics of Public Sector Accountability in an era of Reform*. International review of Administrative Sciences, 66(1) pp. 19-42

Sinclair, A., 1996, '*The Chameleon of Accountability: Forms and Discourses'*, Accounting, Organisations and Society,
20: 219-237,

United Nations (1991) *Accountancy development in Africa*: Challenges of 1990s. New York.

Varshney, A. (1999*) Democracy and Poverty. Paper for the Conference on World Development Report* 2000, Organized by the U.K. Department for International development and the Institute of Development Studies, Sussex, Caste Donnington, England. August 15-16. Vol. 32. No. 3.

World Bank (1994) A *strategy for Capacity Building in Accounting, Auditing and Financial Management in Sub - Saharan Africa.*York Cambridge University Press.

World Bank (1997) A *strategy for Capacity Building in Accounting, Auditing and Financial Management in Sub - Saharan Africa.*York Cambridge University Press.

World Bank (2004) A *strategy for Capacity Building in Accounting, Auditing and Financial Management in Sub - Saharan Africa.*York Cambridge University Press.

Website

CIA World Fact book, (2011) *Demographic Statistics; "Calculation from percentage and overall Population count of Nigeria" People, Ethnic groups:*- Fact book/geos/ni.html Retrieved 2009-11-24

https://www.cia.gov/library/publications/the-world.

APPENDIX (1)

Table 1: Questions on variables

S/N	Variables Responses (in %)	5 %	4 %	3 %	2 %	1 %
1	There is accountability of public funds in the Nigerian public sector	50 53%	20 21%	0 5%	10 16%	15 5%
2	Accountability is effective in Nigerian public sector	5 5%	5 5%	10 11%	30 32%	45 47%
3	There is professional base of Accountants in terms of number and quality to support management of public expenditure in Nigeria	30 32%	20 21%	1 1%	40 4%	4 4%
4	Lack of accountability is caused by inefficient record keeping	65 62%	15 12%	5 4%	2 14%	8 8%
5	Lack of accountability in the public sector is due to ineffectiveness of oversight bodies in Nigeria	69 73%	22 23%	3 3%	1 1%	0 0%
6	The bodies put in place to ensure accountability in the Nigerian public sector are no doing their job	6 6%	9 9%	1 1%	21 22%	58 61%
7	Ineffective accountability in the Nigerian public sector is caused by poor accounting infrastructure within the country	66 69%	20 21%	2 2%	5 5%	2 2%
8	To ensure accountability in the public sector in the Nigerian External Auditing must be involved.	61 64%	21 22%	2 2%	5 5%	2 62%
9	Nigeria government has lost huge sum of money due to lack of accountability.	70 74%	20 21%	0 0%	5 5%	0 0%
10	There is no need for Accountability in Nigerian Public Sector because all thing are working well financially	5 5%	9 9%	2 2%	15 16%	64 67%
11	Accountability level in the Nigeria public sector correlates directly with existing Accounting infrastructure	70 74%	25 26%	0 0%	0 0%	0 0%
12	The Nigeria Economy is developed due to financial discipline system	2 2%	3 3%	3 3%	20 21%	67 71%
13	Electorate is satisfied with the state of public infrastructure and services compared with the amount of resources investment in the country?	11 56%	12 23%	3 2%	27 10%	67 9%