



DSPG , 1-0002 manuscripts; doi:01.0002/dspgjournal 08/2016

Delta State Polytechnic Ogwashi-uku Journal

www.dspgjournal.com

ACCOUNTABILITY AND DUE PROCESS IN NIGERIAN PUBLIC SECTOR: A RECIPE FOR ECONOMIC RECOVERY AND SUSTAINABILITY

¹ CHINEDU-CHIEJINE ANTHONIA NWANNEKA,

² CHIEDU CHRISTAIN

**^{1,2} ACCOUNTANCY DEPARTMENT, DELTA STATE POLYTECHNIC, OGWASHI-UKU, DELTA
STATE, NIGERIA.**

ABSTRACT

The deterioration of the institutional frame work and system in Nigeria occasioned by blatant abuses of rules and procedures in our public services has dealt a deadly blow on the economy. The major reason is that only lip service has been paid to accountability and due process rather than using pragmatic approach. The methodology adopted was field survey, using structured questionnaires which were distributed to operators of public service and contractors of ministries. Table percentage frequencies and chi-square computation were used for analysis of data collected. The findings reveal that efficient and prudent financial accountability culture must start from the top public officers for effective enforcement of punitive action against deviants of rules and procedures.



INTRODUCTION

One major factor that consistently militated against the economic development and sustenance of Nigeria is the problem of nonchalance by the operators of the system in ensuring efficient management of public funds. Another major negative factor is outright disregard for rules and regulations guiding the management of our financial and other resources. Endemic corruption, therefore, has become the order of the day. There is no doubt that the Nigerian culture does not overtly encouraged efficient management of public and funds (Okoro 2004). The promotion of sound ethical culture, in both the public and the enlarged Nigerian should therefore, be the driving force behind every action of any government and its agencies if they must make any meaningful impact in the economy and in the lives of the citizens.

The civil service hand book in Nigeria on prescribing the code of ethics concerning attitude to public funds, emphasizes frugality and avoidance of waste of public funds on ill-advised purchases. The operations of our system have however been very indifferent in ensuring compliance to the necessary code of conduct. This resulted to flagrant abuses of rules and procedures in the award and the execution of public contracts to friends, relations and associations with no regards to merit, competence, competition and cost to another public priorities. The situation became a major source of corruption and means to divert public fund to private pockets through proliferation of white elephant projects and creation of ghost contracts. It also created all kinds of credibility problems for Nigeria.

In order to urgently save our national economy and build our institution and system as well as reduce poverty in our society, an instrument of accountability and due process become necessary so as to attract foreign investors, encourage



DSPG , 1-0002 manuscripts; doi:01.0002/dspgjournal 08/2016

Delta State Polytechnic Ogwashi-uku Journal

www.dspgjournal.com

local business men and offer level playing ground for all Nigeria and put an end to utter disregard to the code of ethics of the public service.

OBJECTIVE OF STUDY

The objectives of this paper are;

1. To identify the causes of non-compliance of rules and procedures guiding the management of public fund.
2. To examine the effects of misappropriation of fund in the Nigeria economy.
3. To identify ways in which abuse of rules and procedures can be checked among public officers.
4. To find out the effects of corruption on the administration of public service.

STATEMENT OF HYPOTHESIS

The following hypothesis were formulated for the purpose of the study.

Hypothesis 1

Null hypothesis (H_0)

Lack of accountability and due process has no significant effects on misappropriation of public fund.

Alternative hypothesis (H_1)

Lack of accountability and due process has significant effects on misappropriation of public fund.

Hypothesis 2

Null hypothesis (H_0)



The confidence imposed by citizens in public service administration is not eroded by their corrupt practices.

Alternative hypothesis (H_1)

The confidence imposed by citizens in the administration of public service is eroded by their corrupt practices.

Hypothesis 3

Null Hypothesis (H_0)

Poor remuneration of public officers has no significant effects on their productivity.

Alternative hypothesis (H_1)

Poor remuneration of public officer has significant effects on their productivity.

METHODOLOGY

The methodology adopted for this study is survey research in which primary and secondary data were extensively used. The instrument used for data collection was structured questionnaires made of two sections, A and B, A made up of personal profile of respondents made up of six (6) questions on sex, marital status, profession, level of education, salary grad level and year of service in the public service. While section B comprised of questionnaires. The first face was titled exhibit 'A' comprising twenty (20) items question was designed to get information from public service official while exhibit 'B' comprising of twenty item question



designed to get information from contractors. Responses from the questionnaires were represented in table.

Each table as divided into cells as indicated below.

Row 1 column is indicated as cell 11

Row 2 column is 1 indicated as cell 12

Row 2 column 2 is indicated as cell 22

The three hypothesis stated above were tested using the chi-square (χ^2) test. The chi-square is simple statistic mostly adopted for analysis of difference between the expected and observed outcomes of two or more variables it is calculated as follows:

$$X^2 = \frac{\sum (f_o - f_e)^2}{f_e}$$

where f_o = observed frequencies

f_e = expected frequencies

X^2 = chi-square

Degree of freedom (d.f) = $N - 1$

The test was conducted at 5% level of significant.

DECISION RULE

The null hypothesis is tested using the above formula and the calculated valued (X^2) is compared with the critical value (X^2_c), then the null hypothesis is accepted if $X^2 > X^2_c$. otherwise the null hypothesis is rejected.

LITERATURE REVIEW



DSPG , 1-0002 manuscripts; doi:01.0002/dspgjournal 08/2016

Delta State Polytechnic Ogwashi-uku Journal

www.dspgjournal.com

According to Usman, (2004) accountability is seen as the responsibility for stewardship of a resource authority. He further stated that accountability is legal and moral responsibility of stake holders purposely within the limit of existing rules and regulations. Accountability could also be defined as a relationship based on the obligation to demonstrate and take responsibility for performance of agreed expectation.

A public officer has the reasonability of involving all the five categories of accountability as stated in Usman (2004) these includes:

- i. Fiscal accountability which is responsibility for public fund.
- ii. Legal accountability which is responsibility of obeying the law.
- iii. Process accountability which involves the responsibility of operating in compliance of lay down rules and procedures.
- iv. Programme accountability involves responsibility of carrying programmes that well benefit the stakeholders.
- v. Outcome accountability that is being accountable for performance.

In Nigeria today, based on ongoing crusade accountability, practices are seen as a way of creating good management culture that will be result oriented and transparent. This will go along way in strengthening the relationship between the government and the citizens who have contributed their quotas to the government inform of taxes.

Accountability is a pillar that strengthens the development of any nations.

It guarantees the power to ask questions and demand for answers on the exercise of the mandate of leadership entrusted under the care of individual or group. It also compels a person charged with responsibility to give a transparent account of his action or stewardship in compliance with laws and regulations at all



times. Such actions may be related to fund disbursement, purchases, procurements, planning, controlling, budgeting, project implementation, price verification, auditing, remedial activities etc.

In a bid to restore transparency, competence, best practices, efficiency and value for money in the conduct of government business as well as eliminate corruption, nepotism etc. due process is therefore the acronym of budget monitoring and price intelligence unit (BMPIU). This body was created in 2001 to implement public procurement reforms as one of the transparent pillars in the overall central government economic reform programmes. Due process sanctification is therefore the mechanism for ensuring compliance with the rules and procedure guiding the process of contract in invitation, awards and implementation.

Furthermore, Accountability is key to transparent leadership because it defines the levels of confidence, trusts and credibility of any leadership. Accountability as at when due promotes peace and social harmony. Lack of it is an open invitation to economic degradation, corruption, crisis and conflicts.

ATTITUDE OF SOME CORRUPT OFFICERS

Adegoroye, (2005) observed that crisis of governance over the past decades in Nigeria has been associated with the collapse of ethical and professional standards in virtually every aspect of our national life. For instance, the pervasive culture of greed, indiscipline, and corruption in the public service and the resultant effect of compromising on standards is that everybody in the society becomes the ultimate loser. For example, resources which should have been deployed to provide physical and social infrastructure to improve the living standards of the people are



DSPG , 1-0002 manuscripts; doi:01.0002/dspgjournal 08/2016

Delta State Polytechnic Ogwashi-uku Journal

www.dspgjournal.com

diverted by public service officers who are engaged in over-invoicing in connivance with contractors to loot public funds.

ADVERTISEMENT

Mandatory advertisement for period of two weeks is required on the notice Board of agencies/ministries for projects costing less than ten million naira (₦10m), most agencies/ministries hardly comply with this directive. In some cases, adverts are backdated and placed on the notice board when the bid document would not have been ready to the extent that a lot of contractors would make endless visits to some agencies to no avail. Some of them would be frustrated and abandon the process.

Pre-qualification at the qualification stage, responsive requirement like registration with the appropriate ministry, tax clearance certificates, certificate of incorporation are not clearly indicated by most agencies/ ministries. This is also a deliberate attempt to frustrate those contractors who do not have an “insider”.

BID OPENING

Unnecessary delays in opening the bids are sometimes applied as a means of eliminating some unwanted contractors. Due process requires that bids are opened immediately the submission closes in the presence of all the bidders. This delay leads to manipulation and possible bid tempering.

EVALUATION

At times when the transparent process throws up a company not considered favourable by the Agency/Ministries, who would want to disqualify that company



on the ground of “the company cannot do the pre-qualification exercise ought to have cleared”.

COMMERCIAL STAGE

It is a well known fact that out of the commercial stage of contracts, some public officers deliberately inflate the contracts some to enrich themselves. In summary therefore, the major ills and abuses procurement system before the introduction of due process are as follows:

- a. Lack of competition and transparency in project/procurement leading to high cost of projects. Where advertisement was made, the applicable rules were titled in favour of a predetermined winner.
- b. Absence of economic cost/benefit analysis of projects as a way of justifying the need for the project.

Unjustifiable gap existing between budget and actual budget released leading to under funding, delayed completion, price escalation and project abandonment.

- c. Budget proposals from ministries/parastatals are unrelated to justifiable needs. In particular, budgetary process lacked up to date plan.
- d. Lack of prioritization of projects. Consequently several ministries were pursuing supposed needs simultaneously without coordination.
- e. Preference for new projects to the detriment of maintenance. Refurbishment and completion of existing projects.
- f. Absence of efficient and effective project monitoring aimed at ascertaining compliance with original project plans and targets.



DSPG , 1-0002 manuscripts; doi:01.0002/dspgjournal 08/2016

Delta State Polytechnic Ogwashi-uku Journal

www.dspgjournal.com

These problems and the overriding need to ensure value for money placed in the care of people at the centre of public spending formed the basis of the due process compliance instrument

Due process compliance instrument therefore is the procedure designed to govern the implementation of all capital projects and improve the quality of output from capital expenditure. This means rigorous testing for compliance with laid down budget preparation guidelines. It also includes the due process certification and payment for contracts on value for money basis.

Economic development is a process of Economic transition involving the structural transformation and maximization of the normally scarce resources to enlarge the economy's capacity to produce goods and services and raise chances of productivity, but also, via multiplier effects, increases aggregate demand and national income.

It is a common knowledge in elementary Economics that resources are scarce relative to human needs. In modern economy, finances are the basis of economic activities. It is a pre-condition to the smoothness of operations in an organization. Experts believe that Nigeria should grow her GDP at double digits if she would be on the fast lane of sustainable development.

It is however pertinent to note that even if per capital income is doubled and there is no noticeable decline in the existing level of poverty, unemployment and inequality as the required evidence of a nation's claim to development, it would be strange to call the result development. That is why Oyebanji (2004) opined that development implies a progression from lower and often undesirable state to a high and preferred one; and that it is the major socio-economics characteristics of the state which the under-developed countries desire to attain.



DATA PRESENTATION AND ANALYSIS

In this section, the data obtained from respondents and the results of their analysis were represented in Tables 1, 2 and 3 below. Out of the sixty five (65) questionnaires distributed for the study only fifty (50) were collected and analysed using chi-square (X^2) test Table 1). The objective is to provide explanation on misappropriation of public fund. It also went further to show the citizens level of confidence on public officers entrusted with the public fund.

Hypothesis 1: Lack of accountability and due process has significant effect on misappropriation of public fund.

Table 1a: Response from respondents

Response	Exhibit Question 16	Exhibit B Question 9	Total
Yes	17 cell 11	20 cell 12	37
No	3 cell 21	10 cell 22	13
Total	20	30	50



Expected frequency = Row total x column total

Grand total

$$C_{11} = \frac{37 \times 20}{50} = 14.8$$

$$C_{12} = \frac{37 \times 30}{50} = 22.2$$

$$C_{21} = \frac{13 \times 20}{50} = 5.2$$

$$C_{22} = \frac{13 \times 30}{50} = 7.8$$

$$X^2 = E \frac{(101 - E(1-5))^2}{E1}$$

Table 1b: Result of chi-square (X^2) computation

Cell	O	E1	$E(101-E1/5)$	$E(101-E1/5)^2$	$E(1/5)^2E1$
C ₁₁	17	14.8	1.7	2.89	0.195
C ₁₂	20	22.2	2.7	7.29	0.328
C ₂₁	3	5.2	2.7	7.29	11.402
C ₂₂	30	7.8	21.7	470.89	60.371
					$X^2=72.296$

From the Table 1b above, the computed value $x^2=72.29$ is greater the 0.0039, the critical value of x at 5% level significance for 1 degree of freedom. Therefore null hypothesis is rejected and the alternative hypothesis accepted. Since the compound



value is greater than the critical value, it is concluded that lack of accountability and due process has the greatest effect on misappropriation of public fund.

Hypothesis 2

H₀: The confidence imposed by citizens in the public service administration is not eroded by the corrupt practices.

H_i: The confidence imposed by citizens in the public service administration is eroded by the corrupt practices.

Table 2a: Responses from respondent

Options	Exhibit A question	Exhibit B question B	Total
Yes	20C ₁₁	25C ₁₂	45
No	C ₂₁	5C ₂₂	5
Total	20	30	50

Table 2b: Result of chi-square computation

Cell	O	E1	E(101-E1/5)	E(101-E1/5) ²	E(101-E1/5) ²
C ₁₁	20	18	1.5	2.25	0.125
C ₁₂	25	27	2.5	6.25	0.231
C ₂₁	-	2	1.5	2.25	1.125
C ₂₂	5	3	1.25	2.25	0.75
					X ² =2.231

Hypothesis 3



Ho: Poor remuneration of public officer has no significant effects on their productivity.

Hi: Poor remuneration of public officers has significant effects on their productivity.

Response to whether poor remuneration has significant effects on productivity

Table 3a: Response from respondents

Question 11	Yes 16	No 4	Total 20
Question 10	15	5	20
Question 9	10	10	20
Question 12	15	5	20

Table 3b: Result of chi-square computation

O	E1	(O1-E1)	(O1-E1)²	(O1-E1)²/E1
15	14.36	0.64	0.4096	0.0285
5	14.36	-9.36	87.6096	6.1009
10	14.36	-4.36	19.009	13237
15	14.36	0.64	87.6096	0.0285
16	14.36	1.64	107.3296	0.1873
4	14.36	10.36	74.6496	51984
23	14.36	8.64	1.9006	51984
7	14.36	7.36	54.1696	37723
				$X^2=31.5384$



DISCUSSION OF RESULTS

From the Table 2b above, total computed value of $X^2=2.231$ is greater than 0.0039 which is the critical value at 5% level of significance. Confidence of citizens in public services is affected by the corrupt practices.

From the Table 3b above. The compound value of $X^2 = 0.711$ at 5% level of significant as indicated in the table. Based on this result, it is concluded that poor remuneration of public officer has great significant effects on their productivity.

CONCLUSION

The only way our country will move forward economically is for the country's public servants and leaders to show accountability, selflessness and seriousness by adopting a disciplined approach in National business.

RECOMMENDATIONS

To promote accountability and due process compliance in public service, the following strategies should not be undermined over.

1. Efficient and prudent financial accountability culture must start from the top for effective enforcement action against deviants:

This can be achieved by ensuring that on assumption of duty, those public officers are constrained to declare their assets publicly and must prove what they declare.

2. Strengthening of anti-corruption agencies for strict enforcement of anti-corruption laws.



DSPG , 1-0002 manuscripts; doi:01.0002/dspgjournal 08/2016

Delta State Polytechnic Ovwashi-uku Journal

www.dspgjournal.com

3. The Budget Monitoring and Price Intelligence Unit (BMPIU), the Code of Conduct Bureau and the Code of Conduct Tribunal should be more dedicated to their duties.
4. Relevant agencies should be given autonomy to act independently since interference by any organ of government is counter productive and gives room for selective/partial justice.
5. Verification of the reliability and correctness of accounting information is essential. Lack of accountability in Nigeria today is facilitated by lack of effective auditing and lack of independent appointment of auditors. Therefore external or independent auditors should be appointed and allowed to work without interference.
6. There should be provision made to strictly sanction corrupt judiciary officers in order to restore the confidence of the public on the judiciary



REFERENCES

- Adegoroye, A. (2005); *'Mainstreaming Ethics & professionalism in Nigeria Public service: the Nigeria experience'* paper presented at the conference of the African charter and Related reform Held in Narabi on 3rd – 7th October 2005.
- Afolabi; O. A. (2004): *signposting Nigeria's development using other countries Economic model's*. The Nigeria Accountants. The official Journal of institution of chartered accountants of Nigeria. January/March 2004 vol 37 (1) 46.
- Egbochuku, S. (2003) *'The fight against corruption'*, 'Business day, 13th June 2003. 16.
- Okoro, S.C. (2004) *'Efficient Management of Public funds as harbinger of rapid Development in Nigeria'* The accountant – the official journal of the institution of chartered accountants of Nigeria January/March, 2004 vol. 37 (1) 53.
- Oyebanji, J.O. (2004): *Taxation: An indispensable Tool for Economic growth and development*. Article published in Federal Polytechnic Ede.
- Usman, A.S. (2004): *Building and sustaining a virile nature through Resource management and accountability*. Book of Reading vol. 3 (3) July 2004 78, school of Business Studies, Federal Polytechnic Ede, Osun State.