CORRUPTION AND ACCOUNTABILITY IN THE NIGERIAN PUBLIC SECTOR: AN EMPIRICAL DISCOURSE

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ABSTRACT
Accountability in the mist of mistrust and dishonesty in handling public fund is a serious issue which bedeviled the Nigerian public sector. Hence, this study titled “Corruption and Accountability in the Nigerian Public Sector: A study of Federal Civil Service Commission” is carried out to assess the effect of corruption on the level of accountability in the Nigerian public sector. More so, the paper adopts the secondary sources of data in generating relevant empirical and theoretical framework. It was discovered that allocations of funds to the public sector are not adequately and judiciously utilized for the purpose for which it is meant for, corruption in the public sector has a significant effect on the level of accountability, the nation lost huge amount of money due to lack of accountability and transparency. Therefore, the paper recommends that the adherence to internal mechanisms for enforcing accountability should be strictly adhered to while stiffer penalties/sanctions for corrupt practices be aggressively implemented, corruption and similar offences should attract capital punishment as if these measures are properly taken it will go a long way to ensuring an egalitarian society.

Keywords: Corruption, Accountability, Public Sector, Civil Service.

INTRODUCTION
Most successive administrations at the Federal, State and Local Government always lay emphasised on the problem of corruption, misappropriation and non-accountability. Though, poverty in Nigeria is necessitated by corruption, mismanagement of public fund and consequently there have not been any meaningful progress in Nigeria. These continues to be an increasing concern regarding the overall results and impacts of the huge amount of resources spent by the Nigerian public sector. There have been several cases of abuse of political power bordering on corruption charges levied against the political class companies, individuals operating in the private sector and several public officers in Nigeria. Overtime, public sector auditors have undertaken the audits of government Ministries, Department and Agencies (MDAs) accounting procedures and financial statements by reviewing the legality of transactions made by the audit body to ascertain the efficiency and effectiveness of government programmes.

In spite of the numerous laws and relevant institutions, there has been significant increase in the number of reported cases of all kinds of misappropriation of public funds and properties. Evidences abound that public funds are misappropriated and/or not well utilized. Brazen thefts of public fund are usually headlines of the country’s dailies. Examples are the police pension scandal, a fraud of over ₦40 billion
(Daily Independent, 2013), pension scam of ₦5.6 billion involving Oyo State Head of Service (Uwujaren, 2013), $1.6 million bullet proof BMW car in the Aviation Ministry (Alechenu, Ameh, Adetayo and Ogundele, 2013), the former Petroleum Minister, Alison Maduekwe money laundering issue, just to mention a few. It was as a result of some of these developments that Inekwe (2012) contended that Nigeria governments cannot be said to have effectively and efficiently utilize its resources and report to the populace how well the resources have been used.

In the same vein, Efe (2006) lamented that a country with abundant human and material resources became the honey pot of predators in government – public officers and military alike. A report by KPMG rated Nigeria as the most fraudulent country in Africa (This Day, 2013). The firm put the cost of fraud during the first half of 2012 at ₦225 billion ($1.5 billion). It is unarguable that sustainable development and security cannot be guaranteed under this situation (Inekwe, 2014).

Accountability has therefore become imperative because the keys to creating wealth and maintaining a free society have been recognized to lie primarily in accountability and transparency. Both require that broad-based systems of accountability be built into the governance structures of government institutions as well as business corporations (Iyoha and Oyerinde, 2009). 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.

Accountability refers to being answerable to those who have invested their trust, faith, and resources to the leaders. Adegite (2010) noted that accountability is the obligation to demonstrate that work has been conducted in accordance with agreed rules and standards and the officer reports fairly and accurately on performance results vis-à-vis mandated roles and plans. It means doing things transparently in line with due process and the provision of feedback. Johnson (2004) says that public accountability is an essential component for the functioning of our political system, as accountability means that those who are charged with drafting and/or carrying out policy should be obliged to give an explanation of their actions to their electorate (Premchand, 1999).

In addition, transparency promotes accountability and provides information for citizens about government activities. Iyoha and Oyerinde (2009) still maintain that there is a need for accountable, open and effective management of public expenditure because elements of accountability exist in any principal-agent relationship and agents of delegated power owe duties to the ultimate power holders. The masses represent the principal while the Legislature, Executive and Judiciary arm of government are agents. Government accountability to the public is thus rooted in representative democracies since it is the electorate through the legislature that gives public sector organizations the authority to operate, levy tax and to spend same. It is therefore, on this ground that this research work is carried out to assess the challenges of corruption in public sector financial reporting.

STATEMENT OF THE PROBLEM

Public sector accounting in a corrupt society is a very serious challenge to the nation economy. This is because the financial records do not reflect the true and fair view of the accounting records. There are lots of collaborations in the utilization of public funds to the extent that funds allocated through the budget are not properly utilized. The annual budget for the public (government) income and expenditure are always presented late. Whatever is the position with timeless of delivery, these budget are never reviewed in time and deviations are not investigated to ensure prompt remedial action which will re-direct and re-orientate plans towards budgeted levels.

A 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 to flagrant abuse of procedures, monumental corruption, lack of transparency and merit in the award of contracts in the public sector and accountability quandary (Uremadu, 2004). Also, disturbed by the rot and thriving corruption in the civil service, which has cost the country trillions of Naira, President Muhammadu Buhari has taken his anti-graft war to the sector.
There is also a threat to continuity of training qualified accountants who will replace existing ones resulting from their retirement. This systems form a number of factors like inadequate infrastructures necessary for such programmes and lack of political will. This point drives to a large extent from the very poor and unrealistic remuneration paid to the practicing accountant in form of salaries and wages.

Another shortcoming is the federal character principle in the public service. The quota system (Federal Character) has introduced mediocre and unethical practices in the accounting profession. In a bid to fill in vacant positions in the Federal Civil Services, most unqualified personnel are employed to the detriment of the job, hence giving loopholes for embezzlement and financial misappropriation because they don’t have adequate knowledge of accounting. Therefore, merits were thrown to the winds. In fact, meritocracy has given way to mediocrity. All this, helped the administrators and some members of the society to look down on the accountants as mere “house helps” and “rubber stamp” in the system.

SIGNIFICANCE OF THE STUDY

There is no gainsaying the benefit derivable from this research work, especially now that the President Muhammadu Buhari’s led administration is fighting against corruption in Nigeria. This study will be of utmost significance to the policy makers in the public sector to be able to know and assert the adequate role of the public accountant in public service with a view to fighting corruption in the public sector. It will serve as an eye opener to the general public on the concept and reality of corruption and accountability in the public sector. More so, the research will serve as literature material to students who may want to know or carryout research on related topic.

LITERATURE REVIEW

The term corruption comes with many meanings depending on one’s perception. Ogboke and Enojo (2007:63) concurring with the works of Hornby (2001) see “corruption as a dishonest illegal behaviour’, especially of people in authority or the act of making somebody change from moral to immoral standards of behaviour. This view adds an ethical behavioural dimension to this concept, and it suggests that unless sound moral principles anchored on enduring cultural values and practices are imbibed, the anti-graft campaign could amount to chasing shadows, especially in a country like Nigeria. These authors asserted unequivocally that top level corruption is often controlled by hidden collaborations and represents the sum of various levels and types of irregular behaviour including abuse of power, extortion, conflict of interest, tribalism, nepotism and fraud”.

In corroborating this ethical angle to the conceptualization of corruption, Ifesinachi (2004):79) sees it “as all those behavioural orientations that impinge on and necessarily vitiates and destroys rules and basis of public and political conduct”. He also linked corruption in political and public life to “natural human factors of greed and inordinate ambition for social psychological, economic and political power”. Poverty and serious economic hardships are often added as part of the factors necessitating corruption in Nigeria. This argument may be tenable for petty corruption as against grand corruption in public office. Petty or survival corruption according to Onwuka, Okoh and Eme (2009:119) “is practiced by public servants, who may be grossly underpaid and depend on small rents from the public to carryout family obligations and pay school fees”. Grand corruption which translates to kleptomania occurs among “high public officials and it often involves large sums of money”. In whatever form corruption exists, empirical and theoretical studies have shown that it impinges on national development efforts as epitomized in the link between higher levels of corruption and lower investment and economic growth (Mamro in Ogbuke and Enojo, 2007:63).

According to Onuorah and Appah (2012), accountability is all about being responsible to those who have invested their trust, faith, and resources to the leaders. Adegite (2010) defined accountability as the obligation to demonstrate that work has been conducted in consonance with agreed rules and procedures that the officer reports fairly and accurately on performance results vis-à-vis mandated roles and or/plans. It also implies doing things transparently in line with due process and the provision of feedback. Johnson (2004) says that public accountability is an essential component for the success of Nigerian political system, as
accountability implies that those who are charged with drafting and/or carrying out policy should be obliged to give an explanation of their actions or inactions to their electorate.

Adegte (2010) noted that there are four pillars of accountability, which the UNDP tagged ATI (Accountability, Transparency and Integrity). Accountability which is segmented into:

1. **Financial Accountability**: The obligation of the leaders in handling resources, public office or any other positions of trust, to sincerely report on the intended and actual use of the resources or of the designated office objectively.

2. **Administrative Accountability**: This type of accountability encompasses sound system of internal control, which complements and ensures adequate monitoring supplied by government and an engaged citizenry. These include ethical codes, criminal penalties and administrative procedures.

3. **Political Accountability**: This type of accountability strategically begins with free, fair, credible and transparent elections. Through periodic elections and control structure, elected and appointed officers are held accountable for their actions or inactions while holding public office.

4. **Social Accountability**: This is the demand driven approach that relies on civil engagement and requires ordinary citizens and groups exacting greater accountability for public actions and outcomes.

**THE FEDERATION ACCOUNT**

Account was established by section 162 of 1999 constitution of the Federal Republic of Nigeria. The Federation account is operated by the government of the Federal Republic of Nigeria except the proceeds from the pay of the personnel of the armed forces of federation, the Nigeria Police Force, foreign services officers and residents for the Federal Capital Territory, Abuja. The federation accounting is a distributable pool account from which allocation are made to the Federal, State and Local Government Areas on such terms and in a manner stipulated by the law. Currently, the figure in the pool is distributed using the revenue allocation formula shown in the table below:

| Table 1 |
|------------------|----------|----------|----------|----------|----------|
| **Items Date**   | **Federal Govt. (%)** | **State Govt. (%)** | **Local Govt. (%)** | **Special Fund (%)** | **Total (%)** |
| Aboyade Commission 1977 | 57.00 | 30.00 | 10.00 | 3.00 | 100.00 |
| Akigbo Commission 1980 | 53.00 | 30.00 | 10.00 | 7.00 | 100.00 |
| Revenue Allocation Account 1981 | 55.00 | 30.00 | 10.00 | 5.00 | 100.00 |
| Pre-supreme Legal Decrees/Law April 2002 | 48.50 | 24.00 | 20.00 | 7.50 | 100.00 |
| Pre-supreme of Mack proposal August 2001 | 41.23 | 31.00 | 16.00 | 11.70 | 99.93 |
| Supreme Ruling April 2002 Current Allocation Rule Unconstitutional | | | | | |
| Post Supreme Court Executive Order 1 May 2002 | 56.00 | 24.00 | 20.00 | 0.00 | 100.00 |
| Post Supreme Court RMF/AC proposal Jan. 2003 | 46.83 | 33.00 | 20.37 | 0.00 | 100.20 |
| RMF/AC proposal submitted to President September 20, 2004 | 47.19 | 31.10 | 15.21 | 6.50 | 100.00 |
| The current allocation formula | 52.68 | 26.72 | 20.60 | - | 100.00 |

General Ecological Fund (1.50 percent), Solid minerals Development Fund (1.75 percent), National Agricultural Fund Fund (1.75 percent) and National Reserve Fund (1.50 percent).

Source: www.nigerianmuse.com/important documents/historical revenue allocation outline.

A source of revenue payable in the Federation Account cash budgetary is arrived at through projection of further cash receipt and cash disbursement over various interval of time. It reveals the timing...
and amount expected cash inflows and outflows over the time studied. The cash basis records economic events accounting to the disposition of cash. These accountings are more or less than the summarized cash books. There are no balance sheets because there are no assets and liabilities in the books, sales are only determined when cash is received and there are no debtors. Purchases are only recognized when cash is paid there are no creditors there are no adjustment hence the accounts are not concerned with recording wage, only the fact that cash has been paid for purchase there is no closing figure. There are also fixed assets for the same reason.

These revenues are recorded and accounted for only when cash is received. It has the following imperatives:

1. It ensures accountability and control because of its use of verification of financial authority’s case of budgeted with actual expenditure and the case checks and balances of budgeted and actual cash flows.
2. It is flexible and economical to administer in yielding results which are relatively fast.
3. It is unequivocal and strictly factual in the presentation of financial information.

However, the cash basis of accounting also suffers from serious setbacks such as:

a) It does not capture on the several stages of financial transaction.
b) It is wrong decision making concerning costs, efficiency and resource utilization.
c) There are no avenue for assets and liabilities.

CORRUPTION AND PUBLIC ACCOUNTABILITY IN NIGERIA

The basis for tackling this section of the research has been laid in the preceding segment (concept of corruption and accountability). The focus is to identify and must be stated unequivocally that the test parameter for assessing an accountable government lies in the extent to which it can embrace corruption or how far it would go in combating corruption. Nigerians consistent poor performance on the Human Development Index (HDI), infrastructural deficits, socio-economic instability, impediments to Foreign Direct Investment (FDI) flow, and lack of development generally are manifestation of corruption and lack of accountability.

Obuah (2010:17) was more pungent in reporting “…that corruption accounts for 20 percent of the GDP of Nigeria… (and) for several years, Nigeria has been at the bottom of Transparency International (TI) Corrupt Perception Index (CPI) ranking”. Successive administrations in Nigeria have designed measures and strategies at combating corruption ranging from the Criminal Code (section 98-115); Penal Code; 1976 corrupt practices degree; Shagari’s ethical revolution to combat corruption through the introduction of code of conduct for public servants; Buhari/Idiagon’s War Against Indiscipline; Babangida’s ethical and social mobilization crusade, the creation of Special Fraud Unit of Nigeria Police Force. There are also legislative acts and functional schemes designed to combat graft such as the Banks and other Financial Institutions Act (1991); the Financial malpractices in Banks Act (1994); the Advance Fee Fraud and other related offences Act (1995); the Independent Corrupt Practices and other related offences (ICPC) Act (2000); the Economic and Financial Crimes Commission (EFCC) Act 2002; Budget Monitoring and Price Intelligence Unit (BMPIU), otherwise known as “Due Process Mechanism”.

Despite the above efforts, they have not been able to effectively address the corruption dilemma, even as the country is perceived as a “crippled giant, a veritable modern wasteland, a nation where corruption is extolled as national culture…” (Ojukwu and Shopeju, 2010:15). This can be explained by the quest of the political class and public officers to use their positions of trust and authority to perpetuate corrupt activities. Available literature traced the origin and growth of corruption in Nigeria to the colonial period when “court messengers and native authority utilized their privileged positions to appropriate wealth for themselves…” (Ikejiani-Clark, 2001b:113). This author also documented the introduction of Foster Sutton Commission of Enquiry by the Colonial Office in Britain to probe allegations of mismanagement and corrupt practices in African continental Bank and charges of improper conduct leveled against Dr. Nnamdi Azikiwe as the founder of the Bank. Ikejiani-Clark (2002b:116) reported that this was as attempt to embarrass Dr. Azikiweas no case of corruption was established.

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The Coker Commission of Enquiry was also initiated in 1962 to look into allegations of corruption and diversion of funds by Chief Awolowo and other members of his party into private use. It was held that funds were moved through the Marketing Board and the National Investment and Properties Company controlled by the Western State Government. Chief Awolowo was exonerated but the direction of the use of funds was condemned (Ikejiani-Clark, 2001b: 116-117).

Ojukwu and Shopeju (2010: 17, 20) recorded that corruption was adduced as one of the fundamental reasons for the first military coup in 1966. The military kept hanging on to this factor to justify every successful coup, but the cure turns out to be worse than the disease and the country pays adversely for it. The research contend that a fundamental explanation of perpetuation of corruption is weak or non-accountability, relative anonymity which is fertilized by absolute discretion.

BRIEF HISTORICAL PERSPECTIVE OF THE FEDERAL CIVIL SERVICE COMMISSION

According to FCSC (2015), when Nigeria gained her political independence in 1960 from the British Colonial Authority, the Public Service Commission was entrenched in the nation's constitution to perform the function of appointments, promotion and discipline in the Public Service; particularly as Government activities were organized under the departmental Establishments such as; Public Works Department, Treasury Department, Forestry Department, Health Department, the Nigerian Railways, the Electricity Board, the Telecommunication Board and the Nigerian Harbour, to mention a few.

The Central Public Service Board was created sequel to the acceptance of the Nigerianisation Commission Report of 1st January, 1949. The major duty of this board was to interview and recommend to the Governor-General, candidates from within and outside the service for appointment or promotion. The Board was made up of a Civil Service Commissioner, the Director of Education or his representative and one official representative of each of the Regional boards. It was however, empowered to co-opt two additional members when the need arises.

A caretaker Central Public Service Commission was constituted on 3rd May, 1952 under the provision of section 169 of the Nigerian Order-in-Council (Constitution) of 1951. This was a transitory body to advice the Governor-General on matters affecting the Public Service at his request. The Federal Public Service Commission was consequently established on the 1st of April, 1954 through a provision under section 174 of Nigerian Order-in-Council (Constitution) of 1954.

The order stipulated that the Governor-General might refer to the Commission, the appointment of any person to an office in the Public Service of the federation, or dismissal or disciplinary control of Officers in the Public Service of Federation, or any other matter which in his opinion, affected the Public Service of the federation. This also gave the Commission the authority to cover all positions (established or un-established) for which funds were provided in the Federal Annual Estimates.

The Commission at this stage was only an advisory body whose major mandate was that of advising the Governor-General. The position changed in 1956 when an amendment to the enabling legislation gave the commission the power to appoint, promote, transfer, second, dismiss or otherwise discipline officers belonging to certain grades. The name was later changed from Federal Public Service Commission to Federal Civil Service Commission under section 140(b) of the 1979 Constitution of the Federal Republic of Nigeria.

The Federal Government announced its intention in January, 1985 to create a Customs, Immigration and Prisons Service Board which among other things removed the Civil Servants of the Services responsible to the jurisdiction of the Federal Civil Service Commission. The Government later divided the Board into the Nigeria Customs Service and Immigration, Prisons and Civil Defence corps Boards respectively. This was also the case with other agencies and establishments like the Federal Inland Revenue Board established by the FIRS Act 2007 which staff matters ceased to be handled by the Commission.
CONCLUSION

Accountability is a cardinal concept for good governance. Through a heavy reliance on secondary sources of data and also by the analytical approach, the research observed that corruption in Nigeria predates the independence. Predicated on the works others scholars, it was reported that aspects of African cultural and religious practices predispose to corrupt practices among public office holders/officials, although Kolade (2001) argued otherwise with some points. The importance of public accountability and its correlations with transparency in stemming corruption were highlighted. The mechanism for ensuring public accountability namely: internal, external, voice and exit options were thoroughly discussed and their weaknesses in combating corruption in the Nigerian public life were exposed. In order to address the omission in the system of public accountability in Nigeria and strengthen its mechanisms in attenuating corruption in the country, proactive measure has to be taken.

RECOMMENDATIONS

After a careful analysis and critical appraisal of corruption and accountability in the public sector with the study of the Federal Civil Service Commission, the research therefore makes the following recommendations:

1. Adherence to internal mechanisms for enforcing accountability should be wholistic. Attitudinal reorientation is required on the part of top bureaucrats in the discharge of their responsibilities and in reinforcing the various internal controls that guarantee merit in the recruitment system and other operative functions of human capital management.

2. Institutions of governance once created take a life of their own. Therefore, deliberate efforts should be made to ensure that these institutions are built on sound ethical values and orientations, their actors should be made to go through the imbibing enduring moral training and virtues that can be passed on to future generations in order to guarantee rectitude, transparency and accountability in public service. These can redress the decadence in agencies and organs of government, especially watchdog institutions such as judiciary, police and anti-graft bodies.

3. Stiffer penalties/sanctions for corrupt practices are also advocated. The current provisions in the laws/statute books offer limited or no deterrence to actual and potential offenders. Corruption and similar offences should attract severe and capital punishment as practiced in China. The legislature can do this by reversing itself through discipline and probity in office to enact laws that can halt the country’s downward plunge or regression into abyss.

4. There should be general reorientation of the populace as a necessary condition in electing credible leaders at polls. Leaders with moral convictions and driven by altruistic service delivery are likely to possess the required political will to address the problem of corruption conundrum and sundry self-afflicted ills.

5. There should be Whistle blowing and protection for the blowers to nip all the negative devices and tendencies in the bud. Conclusively, the attempt and total embrace with public – private partnership should be invigorated, so that government at all levels can divest themselves of functions, duties and services that can be better offered by the private sector, thereby investing resources into vital areas that the public sector is traditionally equipped to handle.

REFERENCES


