
Financial Control and Accountability in Public Sector Organization

Erhimu Dickson

**Department of Accountancy,
Federal Polytechnic Oko, Anambra State
Dicksonerhimu1@gmail.com**

Abstract: *This study examines financial control and accountability in public sector organization using Anambra State Ministry of Finance Awka, Anambra state as a study of evidence. The main objective of this study among others is to find out how to conform to the failure of financial regulation in the public sector in Nigeria especially in Anambra State. Based on the information required and the nature of this research work, descriptive survey design was used. Collection of data was from both primary and secondary source of data collection through the use of questionnaire and data were obtained from questionnaires, newspapers and journals respectively. The population of the study was 70 which comprises of staff in the administrative department and a few other departments in Awka, Anambra State, out of which sample size of 60 was drawn. The validity of the information gathered during the interviews and questionnaires obtained were tested by drafting questionnaire and given to some key personnel and staff of the ministry to further ensure its reliability. Ordinal Regression and SPSS 23 were used to analyse the data gathered. The findings from the analysis indicated that Anambra State Ministry of Finance Awka has not properly applied the concept of accountability in financial control of public funds. The researcher therefore, recommends that the commission should from time to time make sure that there is compliance with relevant legislation and other internal accounting codes and manual.*

Key words: Financial control, Accountability, Public sector, Public Fund.

1.1 Introduction

Financial control of public sector as often noted both theoretically and practically is in the hand of government administration, government business whether in the form of policies programs, activity or functions, these formalities becomes rigorous especially on relation to the accounting, reporting for the collection and the use of government fund which support the process of government.

Public accounting is not a new phenomenon is as man in these social relations with his follow man, this is because in ancient time the account of a man was examined by reading them out by those who complied them with the person in authority. Thus, there is an element of answerable in government today, however public accountability involves in addition to stewardship, assessing whether one use of allocation of resources.

Consequently, especially when decisions taken by public officer are brought under opens and public opinion. The opinion is often being done by people who are involved in making such decision. Therefore, public accountability can be vague and articulate depending on the understanding and values of people in the society.

This chapter is also concerned with the purpose of the study, research question, and statement of the problem, significance and the scope of the study and definition of terms.

1.2 Statement of Problem

Having looked at the background of the study and to what brought about financial control and accountability in public sector organization, there are some problems associated to it.

- i. Internal control is ineffective and its audit system affects the public sector.
- ii. The volume of expenditure and revenue made by the public sector.
- iii. The procedures used in keeping accounting records in the public sector.
- iv. Personal responsibilities of government workers which leads to poor keeping of accounting records in the public sector.

1.3 Objectives of the study

The broad objective of this study is to find out “how to conform to the failure of financial regulation in the public sector”.

While the specific objectives are:

1. To ascertain the impact of financial control and accountability in public sector organisation
2. To evaluate the effect of internal control procedures in public sector organisation.

1.4 Research Questions

Here are some tentative questions that could lead to the success of this research work.

- i. What is the level of impact of financial control and accountability in public sector organisation?
- ii. How do one evaluate the effect of internal control procedures in public sector organisation?

1.5 Research Hypotheses

The following Hypothesis will be stated in their null form.

H₀¹: There is no positive impact between Financial Control and Accountability in public sector organisation

H₀²: There is no effective Internal Control Procedures in Public Sector Organisation.

1.6 Significance of the Study

It is the hope of the researcher that the findings and recommendations of this project work will be of assistance to many interested persons and organizations.

2.1 Conceptual Framework

According to Oshishemi, (2012). Financial control has been defined as the process which ensures that financial resources are effective in the accomplishment of desired goals. Financial control is one aspect of financial management that assist in achieving effective and efficient use of resources.

According to Ama (2010). Financial control deals with tasks of keeping expenditure in check and controlling the resources and sufficient to implement the plans and polices and generally ensuring value of money in terms of the organization resources management and application, financial control is to protect the resources of raw materials such as money courses as careless use of supplier or protective material inefficient work, etc. according to Oshisami (2009) accountability is simply answering; that is requirement on public servant entrusted with certain financial responsibility to render account or answer questions to their superior officers.

Accountability according to Johnson (2012) means the obligation to answer for responsibility that has been conferred. The chapter focuses on the impact of major government and professional regulations as well as pronouncement on accountability and financial control in government ministries. To this end, certain department units and agencies of government play vital roles as treated in this chapter include the office of the auditor general of the state, accountants general, the audit alarm committee public, account committee. Also discussed are the meaning of the public fund, the impact of the various constitutions of the Federal Republic of Nigeria, the civil service reorganization decree 2010 popularly known as civil service reform 2010 and financial regulation/instruction of government in ensuring accountability and financial control especially in state government ministries. To ensure accountability and financial control, certain system are installed, they includes; sound in internal auditor department with the roles of each internal auditor clearly defined, a system of internal check of which make for a sound of internal control, budget and budgetary control system.

2.2 Theoretical Framework

Theoretically, cash basis accounting has been the main accounting system in the public sector of many countries for many years (Christians, Reymier, & Rolle, 2010; Bergman, 2012). In this type of system, revenues are not regarded until they are actually received and expenses are recognized in the accounting records when they are actually paid. Cited among the advantages of cash basis accounting are ease of operation, a high degree of objectivity, and a limited number of choices.

Disadvantages of this system include the mismatch between revenues and expenditures, which distorts actual operation costs and reflects revenue in currently (Tiron Tudor & Mutiu, 2006), and the fact that this type of accounting provides little information about future liabilities and assets (Christiaens et al, 2010). Since the 1980's in the wake of widespread reforms generically known as the New Public Management Paradigm, governments have attempted to apply accrual basis accounting to record transactions in the public sector based on the argument that this type of accounting provides more and better information for decision making (Hyndman & Connolly, 2011). The movement towards accrual accounting was deemed necessary to facilitate reforms and enable performance evaluations of government agencies, especially related to budget constraints,

the evaluation of government actions. (Pigatto, 2010), and public private partnerships (i.e. to improve the sector's financial information system) (Kober, Lee, and Ng, 2010).

Accrual basis accounting is defined as a method of recording financial transactions in which all transactions are recorded during the period to which they relate.

Accounting records generated by this method, however, are questioned for the same reasons that they are questioned related to private sector use, i.e., the inherent potential for improper use due to the subjective evaluations and judgement required to implement the method (Garseth – Nesbakk, 2011).

According to Laughlin (2012), the additional information generated by accrual basis accounting and the benefits to the information user in terms of decision-making are counterbalanced by a number of issues related to definitions (e.g. asset, expense, liability, revenue), the use of subjective judgment, and uncertainties around the method. This claim has led to much discussion regarding the possible use of such information for decision-making purposes. Full accrual basis accounting methods, which are often used in the private sector, are rare in the public sector (Land & Rocher, 2011). IFAC (2011) recognizes modified cash and modified accrual basis accounting methods as intermediate stages between cash and accrual basis accounting, transactions and other events are recognized on a cash basis during the year, and accounts payable and receivable are only recognized at the end of the year. Modified accrual basis accounting re-other events under accrual basis accounting, but certain classes (Christians et al., 2010) alternatively, expenses may be recorded when acquired resources are received, and revenues may be recorded as they become measurable during the year.

The choice between cash or accrual accounting system for the public sector has been the cause of debate at both the practical and theoretical levels (Deaconu, Nistor & Filip, 2011). The migration of governments from the cash to accrual basis accounting has, according to Carlin (2003), not been the recognize transactions and result of a quiet revolution. This author cites a broad body of research that both favors and opposes the adoption of accrual basis accounting in the public sector. The most consistent criticism of accrual basis accounting is expressed by Guthrie (1998) who considers this type of system to be poorly suited to the public sector due to the differences in the objectives of the public and private sectors.

2.2.1 Models and Theories Relevant to the Research Questions

As in the Federal setting, a state ministry of finance to other ministries and parastatals of government is one of the bureaucratic systems of government in 2009, the ministry under, with a re-organization like other agencies of government. The ministry is basically now concern with financial administration and execution of government financial policies which have been handed down in conformity with natural objectives of making economic and monetary stability while pursuing sustained growth of the nation's growth economy. The ministry is carrying out its rule of financial administration aims as the following among others. These according to Oshisami (2011) are as follows: These supervisory control or ministries department and agencies of the government in financial matters and the harvesting and the mobilization of the internal and external financial resources for development, the development of initiative for the formation of policies of fiscal and monetary

matters. Budgeting control as at 2010, when the financial ministry and the budget ministry/department were still together, the ministry of finance supervised the preparation and execution of the budget assessment of their accounting system and the control in existence to ensure compliance and completeness. The ministry of finance is represented in all ministries and agencies of the government as staff of the ministry workers in other ministries, provision of training and arrangement consult and services to all other ministries and agencies on financial matters.

2.2.2 Meaning of Public Fund

Fund according to Ama (2010) can be defined as a fiscal and accounting entity with a self-balancing set of accounts, recording cash and other resources, together with all related liabilities and residual equities or balances. The comprehensive business English Dictionary defines fund as money that is available for spending, the stock of the internal debt to convert (a floating debt) into a long term debt at a fixed interest. Moreover, the comprehensive business English Dictionary adds that public fund entails all receipts of government. It includes those generated by government for instance, by way of tax and those borrowed from other government of financial institutions for investment in project of public character.

2.2.3 Commissioner for Finance

The commissioner for finance, as the head of the state ministry for finance, under the 1999 constitution, the government, was the only recognized public office holder in the states as all other held offices at his pleasures, thus, the commissioner has no direct responsibility in the law except that vested in him by the governor of the state. However, the civil service brought about major changes in the administration and financial rendering in the public sector, the changes as follows: The commission was made the chief executive or chief accounting officers of the ministry. A function that was formally vested in the permanent secretaries now called director general. The budget department was lined off the ministry of finance and transfer to the governor's office, consequently on the Anambra State, there is bureau red all budget responsibilities from the commissioner of finance. Generally, under any type of administration whether military, parliamentary or the parliament system the commissioner performs the following functions by virtue of the 2009 to 2010 civil service reforms that made all ministries administratively and financial autonomous. Receipts and disbursement of government fund overseeing other ministries reports which are sent from other ministries to the ministry of finance by way of weekly/monthly/revenue expenditure.

2.2.4 The State Accountant General

The State Accountant General according to Oshisami is responsible for the general supervision of the accounts of all ministries and departments within the federation (State) and for compilation of annual financial statement of government, the financial regulation list meaning in other specific duties of the accountant general of the federation, many of which applies to the state accountant general. Fr. 1103 shows that he will advise accounting officers controlling expenditure of the federal pay office. (sub treasures in the state) sub accounting officers impress holders, revenue collectors and other offices having monetary of financial responsibilities.

There are other situation in which his express-approval of the accountant general as required before certain actions or procedures can be carried out. These are spelt out in the financial regulation include the following: The opening of advance non-personal account the variation to an existing procedure of the introduction of the procedure opening of bank accounts, purchase of accounting.

2.3 Empirical Review

Empirically Okoh and Ohwoyibo (2009), opined that accountability reflects the need for government and its agencies to serve the land. Appah (2010) point out that with the number and monetary value of public sector activities has increased substantially. This increase in activities has brought with it an increased demand for accountability of public officers who manage these activities of the public. Achua (2009) says “serious consideration is being given to the need to be more accountable for the often vast amounts of investment in resources at the commend of governments, which exercise administrative and political authority over the actions and affairs of political units of people. Government spending is a very big business and the public demands to know whether the huge outlay of money are being spent wisely for public interest.

Accountability is a fundamental value for any political system. Citizens should have the right to know that actions have been taken in their names, and they should have the means to force corrective actions when government acts in an illegal, immoral or unjust manner (Perters, 1999). Accountability is also important for government. It provides government with the means of wider standing how programmes perform better.

Kaufman (2005) argues that an emphasis on accountability by citizens is one aspect of the growing emphasis on criminating corruption and promoting transparency in government. However, the issue of accountability in Nigeria is a fundamental problem because of the high level of corruption in all level of government in the country. The Transparency International global ranked Nigeria 134 from its 130 position in 2009 and 121 in 2008. The 2010 CPI, drawn on a scale from 10 (highly clean) to 0 (highly corrupt) that Nigeria scored 2.4, and is ranked 134 amongst the 178 countries surveyed. This fearful situation of Nigeria’s lack of financial accountability in the public sector provided the need for this paper. Therefore, the objective of this research work is to examine the accountability of public officers in the management of the financial resources of the country and means of achieving an accountable and transparent society like that of Denmark, New Zealand and Singapore that ranked first in the 2010 CPI with scores 9.3. Accountability is all about being answerable to those who have invested their trust, faith and resources to you.

Adegite (2010) defined accountability as the obligation to demonstrate that work has been conducted in accordance with agreed rules and standards and the officers reports fairly and accurately on performance results vis-visa mandated roles and or/plans. It means doing things transparently in line due process and the provision of feedback. Johnson (2004) say 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) observed that the capacity to achieve full accountability has been and continues to be inadequate, partly because of the design of accountability itself and partly because of the widening range of objectives and associated expectations attached

to accountability. He further argues that if accountability is to be achieved in full, including its constructive aspects, then it must be designed with care. The objective of accountability should go beyond the naming and shaming of officials, or the pursuit of sleaze, to a search for durable improvement in economic management to reduce the incidence of institutional recidivism. The future of accountability consists in covering the macro aspects of economic and financial sustainability, as well as the micro aspects of service delivery. It should envisage a three tier structure of accountability: that of official (both political and regular civil employees), that of intra government relationships and that between government and their respective legislatures. According to Coker (2010), the various approaches to accountability based on the language of account can be grouped into:

1. **Process Based Accountability:** This approach measures compliance with pre set standard and formally defined outcomes. This includes fiscal and managerial accountability with reliance on the use of accounting methodologies.

2. **Performance Based Accountability:** This approach measures performance against broad objectives. This measure may be qualitative and the criteria against which performance is measured less precisely defined. Adegite (2010) also noted that there are three pillars of accountability, which the UNDP tagged ATI (Accountability, Transparency and Integrity). Accountability which is segmented into:

(a) **Financial Accountability:** The obligation of any one handling resources, public office or any other positions of trust, to report on the intended and actual use of the resources or of the designated office.

(b) **Administrative Accountability:** This type of accountability involves a sound system of internal control, which complements and ensures proper checks and balances supplied by constitutional government and an engaged citizenry.

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

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

Ojoakor (2009) argues that the factors and forces which militate against accountability in Nigeria include ethnicity and tribalism, corruption, religious dichotomy and military culture.

Accountability: This is as old as human history in every organized society of value is held for custody and after management, also by individuals or group who are the owners of the items. Anyone who holds and controls resources that belong to others is accountable to the owners of the fund. Accountability in position of authority has to do with the researches of a community; therefore accountability has been entered in the various constitutional provisions enacted at various points in time here in Nigeria to make accountability imperative for the purpose of the work, the 1979 constitution of the federal republic of Nigeria will be examined as well as

civil service reforms and financial regulation institution which set out the mode of accountability in government. The constitution of federal republic of Nigeria brought the accounts of all the state ministries department statutory corporations parastatals and government controlled companies under the armpits of the auditors general of the state. The constitution of the federal republic of Nigeria did not differ significantly from the provision of the constitution, it rather enlarges the scope of accountability. Accountability is essential in public because those who are in possession of resources of the society should be controlled so as to make them use the resources committed together judiciously in a manner beneficial for the entire populace for the good of the society. The 2011 civil service re-organization decree as it relates accountability has the following provision: The auditing obligations to include cost enabling the auditing or monitoring contract performance. The directorate of projects monitoring and evaluation is to be established in the office of the auditor general of the state. The internal auditor shall report monthly to the accounting office and auditor general on the progress of his audit. Each ministry/extra-ministerial department is to establish and maintain an internal audit unit to provide a complete and continuous audit of account and record revenue, expenditure, plants allocation and united stories were applicable.

The financial regulations: Financial regulations and instruction is another device used for the purpose of control and accountability in government business. The financial regulations and institutions and instructions to enable public officer responsible for collection of recipes, issue or payment of public money comply various fund. Financial regulation ensures accountability prevention of abuse minimizes misappropriation of government fund.

Functions right and duties: The constitution gives the auditor general duty to audit account and report to the State House of Assembly. To perform this study, the constitution granted him statutory right as follows assesses to all books of account, documents relating to those account. The functions of auditors general in relation to his duties is to examine in such a manner as he thinks fit, the account relating to the public funds and properly shall as whether this opinion is that, the account is properly kept. All public money has been fully accounted for and the rules and procedures applied are sufficient to secure an effective check on the assessment, collection and proper allocation of revenue.

Essential records are maintained and the rules and procedures applied are sufficient to safeguard public properly and funds. Money has been expended for the purpose which they were appropriated and the expenditure has been made as authorized.

Public Account Committee: The public account committee is a legacy which the British parliamentary system of government gave to Nigerians and which is spite of charges in the legislative system over the years has it felt on change, it was introduced into Nigeria parliamentary system in 2012. The account committee has three roles.

- To serve as vital link between the auditor general and House of Assembly.
- To provide a forum in which the accounting officers are called upon to examine in public matters on which their departments have been queried by the auditor general.

- To inform the House of Assembly and general public of defects in financial administration and explanation of accounting officers when confronted with them.

Budgetary Control: Oxford Advance Dictionary of Current English Defines “BUDGET” as the estimate of probably future income and expenditure especially made by government society to private person, etc. According to Ama (2012) a budget should be adopted by every government unit, whether required by law or not, and the accounting system should provide budgetary control is the control states of management planning and control cycle beginning with and also include the controlling, measuring, reporting, analyzing and feedback. These stages are often referring to collectively as advice of control in government in regards to Control the chief executive over subordinates, executive agencies or department, control of legislative branch over the executive branch.

According to Johnson (2012), the prints area follows; Agencies or development to keep their expenditure within limitation imposed by the chief executive and demonstrate compliance there. The chief executive to keeps the expenditure of the government as a whole within limitation imposes by the legislative and demonstrates such compliance.

Internal Control: This is the plan of an organization: including management’s attitude method procedures and measures that provides reasonable assurance that the objectives are being achieved. It is also a system of control. According to ICAN, Financial and otherwise established by the management in other to carry the business of the enterprise in an orderly and efficient manner so as to ensure adherence to management policies safeguard the assets and secure as far as possible the completeness and accuracy of records. This definitions is all embracing for it includes internal checks, internal audit and other control established by the management of the business international control whether in the private or public sector has the following:

- i. The segregation of duties so that one individual does not authorize executive and records custody of assets.
- ii. Musical control under order custody of assets.
- iii. Procedures to ensure that all personnel are competent to perform their duties.
- iv. The requirement that all transactions must be properly authorized.

Internal Control in the Public Sector: These have the same above mentioned features in any other organization. The following features are enumerated with particular emphasis onto government ministry.

- i. **Organization:** Every organization ministry must have clearly defined objectives and duties of the employees and plan policy well spelt out.
- ii. **Segregation of duties:** Simply put on one person even in some cases unit should record and process complete transactions segregation of custody of asset from account for those assets.

- iii. **Physical control:** This control has to do with control over government asset and induce procedure and security measures designed to authorize personnel which could be direct or indirect e.g. document.
- iv. **Personnel Training:** These should be the procedures to ensure that workers have the capacity to carry out efficiently duties assigned to them in a bid to considering their competence intelligently etc.
- v. **Authorization and Approval:** All transactions must be authorized and approved by the appropriate and responsible person.
- vi. **Arithmetical and Accuracy:** These are being carried out to ensure that the arithmetical assurance of the records, the maintenance and checking of totals and reconciliation of accounting station.
- vii. **Supervision:** For control to be effective, there must be sound and regular supervision by a responsible official for the day to day transaction.
- viii. **Management:** The management of the ministry under the commission should from time to time exercise controls outside the day to day routine checks. It is the duty of the management to install and maintain an internal control system; the commission may place an embargo on certain transaction e.g transaction whose budget allowance is exhausted.

Internal Audit: For sound financial control and accountability in an organization, the internal audit function as part of internal control is very important. According to audit practice committee, it defines internal audit as an element of internal control system set up by the management of an enterprises to examine and report or account for the control on operation. According to chartered institute of public finance and accounting audit is an independent appraisal function within an organization for the view of the activities a service to all levels of management, it is a control which measures, evaluates and reports, upon the effectiveness of internal controls, financial and otherwise as a contribution to the efficient uses of resources within an organization.

Internal Audit in the Public Sector: In the public sector, the functions of the internal audit are statutory, as the various audit function; local auditor are regulated by the Local Government Finance Act 2012. The accounts and audit regulation 2011 states that a responsible financial officer shall maintain an adequate and effective internal audit of the account of the body. The statutory position of the internal audit's department is also of the office is applicable in the various organizations in Anambra State Ministry of Finance Awka Anambra State.

3.0 Methodology

The research uses both primary and secondary data for the study through the use of questionnaire and data were obtained from questionnaires, newspapers and journals respectively. The population of the study was 70 which comprises of staffs in the administrative department and a few other departments in Awka, Anambra state, out of which sample size of 60 was drawn. The validity of the information gathered during the interviews and questionnaires obtained were tested by drafting questionnaire and given to some key personnel and staff of finance Awka, Anambra state to further ensure its reliability. Ordinal Regression and SPSS 23 were used to

analyse the data gathered. The sources of primary data include; personal interview were used for getting more information from the sample group. The main advantages of obtaining such data is that the exact introduction wanted is obtained, the secondary data are data that have been collected, processed and analyzed, the sources which comes from the textbooks, financial papers, (such as business times), journals and other related literatures. They were obtained from both public and private libraries in Anambra State library Awka Anambra State. The population of this study is made up of staff and management of Anambra State Ministry of Finance Awka, Anambra State, both the junior and senior staff making up to 80 in number.

4.0 Data Presentation and Analysis

Frequency Table

Question FCA1: Is there appropriate financial control of public funds in public sector organizations?

FCA1					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	58	96.7	96.7	96.7
	No	2	3.3	3.3	100.0
	Total	60	100.0	100.0	

From the response gotten from the above, it is seen that 58 respondents representing 96.7% of the entire respondent agreed that there is appropriate Financial control of public fund in public sector organizations, while, 2 respondents, representing 3.3% of the of the entire respondents disagreed.

Question FCA2: Is there effective and efficient financial control and accountability in the public sector organization?

FCA2					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	51	85.0	85.0	85.0
	No	9	15.0	15.0	100.0
	Total	60	100.0	100.0	

From the response gotten from the above, it is seen that 51 respondents representing 85% of the entire respondent agreed that there is an effective and efficient financial control and accountability in the public sector organization ,while, 9 respondents, representing 15% of the of the entire respondents disagreed.

Question FCA3: Does the existence of Financial Control procedure contribute to the improvement of accountability in the organization?

FCA3					
		Frequency	Percent	Valid Percent	Cumulative Percent

Valid	Yes	55	91.7	91.7	91.7
	No	5	8.3	8.3	100.0
	Total	60	100.0	100.0	

From the response gotten from the above, it is seen that 55 respondents representing 91.7% of the entire respondent agreed that there is an efficient and effective Financial Control procedure which contributes to the improvement of accountability in the organization, while, 5 respondents, representing 8.3% of the of the entire respondents disagreed.

Question FCA4: Do you think that new laws made have had effect on the financial control and accountability in the ministry?

FCA4					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	34	56.7	56.7	56.7
	No	26	43.3	43.3	100.0
	Total	60	100.0	100.0	

From the response gotten from the above, it is seen that 34 respondents representing 56.7% of the entire respondent agreed that new laws made do have effect on the financial control and accountability in the ministry, while, 26 respondents, representing 43.3% of the of the entire respondents disagreed.

Question ICP1: Does the internal auditor exhibits independence in audit practices and procedures?

ICP1					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	54	90.0	90.0	90.0
	No	6	10.0	10.0	100.0
	Total	60	100.0	100.0	

From the response gotten from the above, it is seen that 54 respondents representing 90% of the entire respondent agreed that internal auditor exhibits independence in audit practices and procedures, while, 6 respondents, representing 10% of the of the entire respondents disagreed.

Question ICP2: Is there a system of internal control in the ministry?

ICP2					
		Frequency	Percent	Valid	Cumulative

				Percent	Percent
Valid	Yes	60	100.0	100.0	100.0

From the response gotten from the above, it is seen that the whole total 60 respondents representing 100% of the entire respondent agreed that there a system of internal control in the ministry.

Question ICP3: Does your management react quickly to audit reconciliation?

ICP3					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	48	80.0	80.0	80.0
	No	12	20.0	20.0	100.0
	Total	60	100.0	100.0	

From the response gotten from the above, it is seen that 48 respondents representing 80% of the entire respondent agreed that management reacts quickly to audit reconciliation, 12 respondents, representing 20% of the of the entire respondents disagreed.

Question ICP4: Do you think that economic condition of this country has anything to do with the increasing rate of fraud in government parastatals and other establishments?

ICP4					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	45	75.0	75.0	75.0
	No	15	25.0	25.0	100.0
	Total	60	100.0	100.0	

From the response gotten from the above, it is seen that 45 respondents representing 75% of the entire respondent agreed that economic condition of this country do have alot to do with the increasing rate of fraud in government parastatals and other establishments, 15 respondents, representing 25% of the of the entire respondents disagreed.

Question PSO1: According to the above questions can the problem be solved by cutting down the rate of inflation in the country?

PSO1					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	39	65.0	65.0	65.0
	No	21	35.0	35.0	100.0
	Total	60	100.0	100.0	

From the response gotten from the above, it is seen that 39 respondents representing 21% of the entire respondent agreed that according to the above question, can the problem be solved by cutting down the rate of inflation in the country, 21 respondents, representing 35% of the of the entire respondents disagreed.

Question PSO2: Do you think that auditors joined hands with accounting officers to give inaccurate records thereby increasing fraud?

PSO2					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	41	68.3	68.3	68.3
	No	19	31.7	31.7	100.0
	Total	60	100.0	100.0	

From the response gotten from the above, it is seen that 41 respondents representing 68.3% of the entire respondent agreed that auditors joined hands with accounting officers to give inaccurate records thereby increasing fraud, 19 respondents, representing 31.7% of the of the entire respondents disagreed.

Question PSO3: Are transactions properly authorized before things are carried out or executed?

PSO3					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	39	65.0	65.0	65.0
	No	21	35.0	35.0	100.0
	Total	60	100.0	100.0	

From the response gotten from the above, it is seen that 39 respondents representing 65% of the entire respondent agreed that transactions are properly authorized before things are carried out or executed, it is seen that 21 respondents representing 35.0% of the entire respondents disagreed.

Question PSO4: Do you think that the accounting officers are performing below expectation in the financial control?

PSO4					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	39	65.0	65.0	65.0
	No	21	35.0	35.0	100.0
	Total	60	100.0	100.0	

From the response gotten from the above, it is seen that 39 respondents representing 65% of the entire respondent agreed that accounting officers are performing below expectation in the financial control, it is seen that 21 respondents representing 35% of the entire respondents disagreed.

PLUM - Ordinal Regression

Notes		
Output Created		31-OCT-2021 05:53:07
Comments		
Input	Data	C:\Users\Dr. Daniel\Desktop\why\Federal poly journal\Financial Control and Accountability 2 with 2 obj\DataSet10 2 without questions.sav
	Active Dataset	DataSet1
	Filter	<none>
	Weight	<none>
	Split File	<none>
	N of Rows in Working Data File	60
Missing Value Handling	Definition of Missing	User-defined missing values are treated as missing.
	Cases Used	Statistics are based on all cases with valid data for all variables in the model.
Syntax		PLUM PSO BY FCA ICP /CRITERIA=CIN(95) DELTA(0) LCONVERGE(0) MXITER(100) MXSTEP(5) PCONVERGE(1.0E-6) SINGULAR(1.0E-8) /LINK=LOGIT /PRINT=FIT PARAMETER SUMMARY TPARALLEL.
Resources	Processor Time	00:00:00.02
	Elapsed Time	00:00:00.02

Warnings

There are 19 (47.5%) cells (i.e., dependent variable levels by observed combinations of predictor variable values) with zero frequencies.

Case Processing Summary

		N	Marginal Percentage
PSO	1.00	14	23.3%
	1.25	18	30.0%
	1.50	23	38.3%
	1.75	2	3.3%

	2.00	3	5.0%
FCA	1.00	25	41.7%
	1.25	28	46.7%
	1.50	7	11.7%
ICP	1.00	30	50.0%
	1.25	27	45.0%
	1.50	3	5.0%
Valid		60	100.0%
Missing		0	
Total		60	

Model Fitting Information				
Model	-2 Log Likelihood	Chi-Square	df	Sig.
Intercept Only	59.083			
Final	41.344	17.739	4	.001
Link function: Logit.				

Goodness-of-Fit			
	Chi-Square	df	Sig.
Pearson	12.802	24	.969
Deviance	11.085	24	.988
Link function: Logit.			

Pseudo R-Square	
Cox and Snell	.256
Nagelkerke	.275
McFadden	.111
Link function: Logit.	

Parameter Estimates								
		Estimate	Std. Error	Wald	df	Sig.	95% Confidence Interval	
							Lower Bound	Upper Bound
Thresh hold	[PSO = 1.00]	-7.598	1.877	16.396	1	.000	-11.276	-3.920
	[PSO = 1.25]	-6.194	1.848	11.232	1	.001	-9.817	-2.572
	[PSO = 1.50]	-3.066	1.670	3.369	1	.066	-6.340	.208

	1.50]							
	[PSO = 1.75]	-1.875	1.494	1.573	1	.210	-4.803	1.054
Location	[FCA=1.00]	-1.133	.874	1.683	1	.195	-2.845	.579
	[FCA=1.25]	-.953	.843	1.277	1	.258	-2.606	.700
	[FCA=1.50]	0 ^a	.	.	0	.	.	.
	[ICP=1.00]	-5.456	1.641	11.048	1	.001	-8.673	-2.239
	[ICP=1.25]	-5.623	1.655	11.542	1	.001	-8.867	-2.379
	[ICP=1.50]	0 ^a	.	.	0	.	.	.
Link function: Logit.								
a. This parameter is set to zero because it is redundant.								

Test of Parallel Lines ^a				
Model	-2 Log Likelihood	Chi-Square	df	Sig.
Null Hypothesis	41.344			
General	33.940	7.404	12	.830
The null hypothesis states that the location parameters (slope coefficients) are the same across response categories.				
a. Link function: Logit.				

5.1 Findings

This research study considered the role of Anambra State Ministry of Finance Awka, Anambra State. In the application of financial control and accountability in managing its financial resources or funds were reviewed. The findings of the research based on the analysis of the questionnaire in chapter four and other modes of data collected can be summarized as follows:

That there is, but not enough internal control system in the ministry of finance. That there is but enough system of financial control and accountability in the ministry, from time to time relevant timely and meaningful information in form of circulars are also received from the accountant. General's office as well as the bureau of budget and planning. There is poor attitude of workers to work as seen in the lateness, negligence and delay of operations often information especially accounting information is not timely adequate and as such time relevant. There is adverse effect of some government laws and regulations on the financial control and accountability system in the ministry. A good example is effect of civil service reforms 1988. Before the reforms, the director of personnel management (DPM) is issued local purchase order (LPO), while the director of finance and supplies inspected job done/supplies made on and authorizes permit of been satisfied that the jobs done/supplies

made were done according to specification(s). However, the reforms concentrated on the job of issuing, authorizing and making payment for the jobs done and supplies made by the DPS.

That the management reaction to the auditor's recommendation is very slow and this factor affects the internal auditor unit which was discovered to be headed by an officer with lower qualification and such rank to most other officers in the ministry. This places that internal auditor is an under long position relation to other officers. These auditors do not exhibit independence in audit practices and procedure. The worst is that the internal audit unit is somehow afflicted to the financial and supplies department.

The research from the findings discovered that there is need for proper check and conduct in the financial transaction of the finance and supplies department, also to conduct.

Also to investigate and check the financial transaction and recording carried out by the internal auditor.

That the internal control measures are inefficient in detection of fraudulent practices by any member of staff, that there is termination of appointment of any staff found guilty of fraudulent practices by the management.

That the economic conduct of Nigeria has not contributed immensely to the increase rate of fraud in public organization.

5.2 Conclusion

It is clear that there is no system of financial control and accountability in Anambra State Ministry of Finance Awka. However, it is likewise seen that the system is grossly inadequate. Although, the auditors who audit government account are very efficient, but the delay in the implementations of their report and finding have made the efficiency, effectiveness, control and accountability of government funds insignificant. As a result of financial irregularities, fraud, misappropriation and outright embezzlement to continue in the ministry, therefore, Anambra State ministry of finance Awka has not properly applied the concept of accountability in financial control of public funds.

Accountability is a central concept for governance. Accountability requires that those who held positions of public trust should account for their performance to the public or their duly elected representatives. Accountability, therefore, implies that decision makers are monitored by, and are responsible to other each, of whom is in turn responsible to the people of the country. In respect of public financial management, there are several mechanisms through which accountability is enforced such the auditor general, public account committee, and the ombudsman. These accountability mechanisms must be strengthened to reduce the level of corruption in the country. The nation's annual budget must be instrument of accountability, a stewardship report of what was done in any given financial year and just a reflection of how money was allocated, unspent subsequently returned to the coffers of the government or even wasted. Therefore, accountability is the hallmark for good governance, if Nigeria is to a member of the twenty most developed nations of the world by the year 2020, political office holders, citizens and all stakeholders in the Nigeria project should embrace integrity, transparency and accountability in the management of public funds.

Apart from this lack of proper orientation and training which has contributed badly to the poor performance of some accounting officers, government auditing can only be resisted but cannot eliminate the demand for selfish interest. This situation exist because the management in the ministry fails to see audit reports and queries as aid to effective and efficient management. however, there is an urgent need to remove this situation in order to appraise and apply accountability in the financial control of public funds.

5.3 Recommendations

The following recommendations were made by the researcher based on the findings from the research. It is believed that this recommendation will help to remedy the inadequate of financial control and accountability in the ministry and also the preview of the internal control system of the Anambra State ministry of finance.

There should be properly segregated, clearly defined and assigned personnel units like Authorization, Recording and Disbursement. The internal audit should be imposed for effective and efficient performance and training.

There should be recruitment and training, it is recommended that the director of personnel will ensure that qualified workers do jobs they are qualified to do. This may then involve recruiting new workers who are versed in accounting and other fields related to management and public funds. A qualified or chartered accountant should be employed to head strategic department and specially the internal audit unit. This will enhance general performance and also to a reasonable extent reliance on government accounting information.

The ministry should from time to time organize workshop and seminars to provide on the job training for all members of staff especially the junior staff to acquire with the provision of the relevant legislation and other changes in accounting techniques.

A service training program should be established. There is need to educate their workers on the provision of the law. Some of the laws e.g. are the 1984 civil service reform should be revised especially in relation to the authority concentrated on the director of finance and supplies.

The commission should from time to time make sure that there is compliance with relevant legislation and other internal guide e.g. ministry's accounting codes and manual.

An incentive scheme should be introduced where by accounting officer whose accountability of government fund are rewarded, this brings or contribute much to moral upliftment. There should be more independence for the internal auditor so as to carry out this work without fear or favour. This is in view of the fact that most of the internal auditors are seen to please their senior officers instead of carrying out their jobs according to its entries.

References

Achua, J.K (2009). "Reinventing Governmental Accounting to Accountability Assurance in Nigeria". Nigeria Research Journal of Accountancy, I(I): 1-16.

- Adegite, E.O. (2016) "Accounting Accountability and National Development", *Nigeria Accountant*, 43(1): 56-64.
- Anyafu, A.M.O. (1996) *Public Finance in a Developing Economy: The Nigerian Case*. Enugu: B&F Publications UNEC.
- Anyanwu, J.C. (1997). *Nigerian Public Finance*. Onitsha: Joanee Educational Publishers Limited.
- Ama, G.A.N. (2008). *Management and Cost Accounting*.
- Appah, E. (2008) *Financial Management: Theory Strategy and Practice*. Port-Harcourt: Ezevin Printing and Publishing Company.
- Appah, E. (2009). "Value for Money Audit: A Viable Tool for Promoting Accountability in the Nigeria Public Sector", *Nigeria Accountant*, 42(2): 33-35.
- Appah, E and Appiah, K.Z.A. (2010). "Fraud and Development of Sound Financial Institutions in Nigeria", *Nigerian Journal for Development Research*, I(I): 49-56.
- Appah, E. and Coleman, A. (2009). "New system of public Sector Budgeting: A Technique and Strategy for the Development of Nigeria Economy", *International Journal of Economic and Development Issues*, 8(1&2): 118-129.
- Asian Development Bank (2009). "Pakistan Sindh Province: Public Financial Management and Accountability Assessment", Asian Development Bank. Retrieved on 2/4/2011 from <http://adb.org>.
- Bello, S. (2001). "Fraud Prevention and Control in Nigeria Public Service: The need for a Dimensional Approach", *Journal of Business Administration*, 1(2): 118-133.
- Bhatia, H.L. (2004). *Public Finance* New Delhi: Vikas Publishing House PVT Limited
- Coker, O. (2010). "Accountability in Third Sector Organizations: What Role for Accounting?", *Nigeria Accountant*, Vol. 43(1): 23-29.
- Imo State Government: *Financial Institution*, Vol.1 Government Press, Owerri.
- ICAN: *Government Accountability*. BBP Publishing Ltd. London.
- International Federal of Accountants (2001). "Governance in the Public Sector: A Governing Body Perspective". *International Public Sector Study*. Retrieved on 2/4/2011 from <http://www.ifac.org>.
- Johnson I.E. (2007): *Public Sector Accounting and Finance*.
- Kanfman, D. (2005). "Myths and Realities of Governance and Corruption. World Bank Governance Programme, Washington DC.
- Jenkins, R. (2007). "The Role of Political Institutions in Promoting Accountability" in Shah, A.(ed) "Performance Accountability and Combating Corruption", World Bank. Retrieved on 2/4/2011 from <http://worldbank.org>.