
**AN EXAMINATION OF THE EFFICACY OF THE OFFICE OF AUDITOR GENERAL
OF NASARAWA STATE IN ENSURING FINANACIAL ACCOUNTABILITY**

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ABSTRACT: *This study examines the efficacy of the office of the Auditor General of Nasarawa State in ensuring financial accountability. Eight questions-survey questionnaires related to the basic functions of the state's office of auditor general and how effective it is in ensuring financial accountability were administered to 38 respondents; all staff of the Nasarawa State Office of the Auditor General. The questionnaire enables the study to seek the perceptions and or views of the respondents on the functions of the office of the Auditor General of Nasarawa State. A simple percentage was used to analyses the various perceptions of the respondents. Chi Square statistical tool was used to test the two study's hypotheses. The study finds that, although the office of the state auditor general has significantly improved the management of finances in the Nasarawa State public services, it was noted that at times public monies are not expended for the purpose they are made for, hence expenditures are made without authorization. While this has reduced the level of efficiency of the roles of the office of the auditor general in ensuring financial accountability in the public sector, the result from the chi square indicates that the functions of the office could help in the effective management of public sector finances, but cannot ensure financial accountability in the public sector. It recommends that relevant agencies should ensure that monies expended be appropriated and spending be authorized, this will reduce fraud and enhance financial accountability in the public sector.*

KEYWORDS: Auditor General, Public Service, Financial Accountability

INTRODUCTION

Public sector finance forms an integral part of the society and impacts on all social, economic, and political dimensions of a country. Government at all levels generally assumes responsibility for the welfare, health and prosperity of the people. This objective is achieved by providing effective service delivery to the electorate (Visser & Erasmus, 2002). Financial accountability in the public sector is a product of the provision for a database of financial information for the management of public finances and the need for transforming results of operations of a country.

In Nigeria, public sector consists of the governments at the Federal, States and Local Governments and all government parastatals (Seddi, 2005). The public sector plays an important role in economic development. It provides services which the private sector may not be willing or able to provide. To run the affairs of public sector, government is entrusted with public funds and other resources. It is therefore expected to adhere to the highest ethical standards, transparency and accountability to ensure optimum utilization of such resources which could be achieved through a

combination of individual professionalism, personal standards and a rigorous control framework (Chan, 1988).

Ensuring adherence to the control framework, was the establishment of such government agencies who will be responsible for the monitoring of activities of government officials to ensure transparency and accountability in governance, this led to establishment of various control agencies, among which include: Independence Corrupt Practices Commission (ICPC) in 2000 and its twin commission the Economic and Financial Crimes Commission (EFCC), in 2004. These are both enforcement commission set up mainly to arrest, investigate and recover funds and properties of the government that have been illegally diverted into private pockets by some dubious citizens.

While the ICPC and the EFCC, as control mechanisms focused mainly on arrest, investigate and recovery of funds and properties of the government that have been illegally diverted, this paper is concern with the regular auditing of records in achieving effective accountability in the public financial management. A frequent auditing of the executive and the bureaucracy is an indispensable mechanism for achieving transparency on how public funds have been used and what value was obtained from the use of such funds (Barberton, 2000).

Various studies have investigated various governments' agencies and their roles in achieving accountability in the public sector, the research focus on the office of the auditor general and specifically examine its effectiveness in addressing the public accountability issues in Nasarawa State, Nigeria.

The Study Objective

The objectives of the study are to:

- 1 Examine the functions of the office of the state's auditor generals in ensuring financial accountability in the public service.
- 2 Examine the role of the office of the state's auditor generals in ensuring that public servants complied with the provisions of government financial regulations and on whether it assists in ensuring financial accountability.

The Study Hypothesis

The following null hypotheses are formulated for the purpose of the study.

H₀₁ Ensuring effective and efficient accountability in managing public finance does not depend on the function of the state's Auditor General in Nasarawa State.

H₀₂ Ensuring financial accountability in the public sector of Nasarawa state does not depend on compliance to financial regulations.

Conceptual Clarification

Public Sector

Public sector includes all organizations established, financed and operated by the government on behalf of the public. It includes the civil service, parastatals and the government and companies. The services rendered by these organizations are influenced mainly by political consideration rather than by market related demands. Its primary aim is not for profit but to render services to the public (Akpan & Edikan, 2008 as cited in Inyang, Peter & EJOR, 2012)

The composition of the public sector varies by country. In Nigeria, The 2009 constitution as amended did not really define public sector but instead interpreted civil service to mean service of the federation in a civil capacity as staff of the president, the vice president, a minister or department of the government of the federation assigned with the responsibility for any business of the government of the federation section 4(318) and of course this cut across other arms of governments. The public sector consists of employees in Nigeria government agencies other than the military.

Financial Accountability

The need to understand the word accountability is paramount in understanding the concept financial accountability. The term accountability according Raimi, Suara & Fadipe (2013) stems from Latin, meaning “to account” for something. Dubnick (1998) & Seidman (2005) found its application in English in the 13th century Norman England. Operationally, accountability has been defined variously. According to Goetz (1988), accountability is about having responsibility for making formal reporting to others on something, usually fund, material or personnel resources utilised in an organization. This definition made it very clear to both the public and private organization’s officials that majorly they should be responsible, committed and ready to give comprehensive periodic account on the period of stewardship.

Borens (2006) in his own way, understand accountability as a relationship between an actor and a forum (principal) in which the actor has obligation to explain and to justify his or her conduct, the forum can pose questions and pass judgment, and the actor may face consequences. This is consistent with the first author, however emphasizes the right of the public to ask questions and pass judgments on their actions. The International Organization of Supreme Audit Institutions (INTOSAI) as cited in Boncondin (2007) defines it as the obligation of persons or entities entrusted with public resources to be answerable for the fiscal, managerial and program responsibilities that have been conferred on them and to report to those that have conferred these responsibilities.

Financial accountability, stemmed from the word accountability, is a process that results from holding individuals accountable for effectively performing a financial activity. Burkead quoted in Ola & Effiong (1999), sees financial accountability to mean legal liability that establish the pattern of control over the receipts and expenditures that permits a determination either by the executive or by the legislature (or both) that public monies have been used for public purposes. This definition concerned the setting up of ways of control over receipts and expenditures of public funds which obligate the public officer or any other public position to report on the actual use of the resources.

According to Ayo (1998), it is the justification of estimates, the superintendence of the use of appropriated funds, the devices for timing the rate of expenditure and the auditing of accounts. It is about confirmation of estimates and public expenditure handled by a public officer. Aleksandra (2009) defined the concept of financial accountability as a means of ensuring that public money has been used in a responsible and productive way. It is about verification of legality and regularity of public financial accounts and making sure that value for money has been achieved in the use of resources.

The various definitions of financial accountability emphasize what can be termed democratic accountability; a relationship established between the Government and its citizens, where citizens, through direct (elections) or more often indirect means are holding the Government to account for stewardship of public money. It is a relationship which assured the citizens of minimizing possible public wrongdoing within government at all levels. It implies the reassurance that sufficient internal and external checks exist so that reliable outside judgment can be made on Government operations.

A well-defined financial accountability structure serves as the foundation for establishing effective financial processes. It demands a properly functioning government accounting system for effective budgetary control and cash management; an external audit system which reinforces expenditure control by exposure and sanctions against misspending and corruption, and mechanisms to review and act on the results of audits and to ensure that follow-up action is taken to remedy problems identified.

Office of the State Auditor General

The office of the Auditor General of state in Nigeria is an organ of state Governments whose existence, powers, duties and responsibilities are provided under section 125 of the constitution of the federal republic of Nigeria, 1999 and the audit laws of the various state Governments.

Powers: Section 125(2) of the constitution of the Federal Republic of Nigeria 1999 provides that the public accounts of the state and of all offices and courts of the state shall be audited and reported on by the Auditor General for the state who shall submit his reports to the house of assembly of the state and for that purpose, the state Auditor General or any person authorized by him in that behalf shall have access to all books, records, returns and other documents relating to those accounts.

Similarly, section 125(4) of the constitution further provides that the state Auditor General shall have power to conduct periodic checks on all government statutory corporations, commissions, authorities, agencies including all persons and bodies established by a law of the house of assembly of the state.

Independence: Section 125(6) of the constitution states that in the exercise of his functions under this constitution, the Auditor General for a state shall not be subject to the direction or control or any other authority or person.

Functions: the Auditor General in performing its duties of the office shall examine in such manner as deemed fit the accounts relating to public funds and property and shall ascertain whether or not:

- The account have been properly kept
- All public monies have 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.
- Monies have been expended for the purpose for which they were appropriated and expenditures have been made as authorized and.

- Essential records are maintained and the rules and procedures applied are sufficient to safeguard and control public property and funds.

METHODOLOGY

This research work adopts the survey method. Data collected for the study was through primary source. 41 questionnaires were administered to all the staff of the Nasarawa State Audit Headquarters, Lafia. Nasarawa State Nigeria. The state audit has 41 staff as at date; all were considered for the purpose of the study. This is because of the fact that the number is small and the result shall be more acceptable as all staff partake in responding to the questionnaire.

RESULTS AND DISCUSSION

Of the 41 questionnaire distributed, only 38 were completed and returned. The analysis is based on the 38 questionnaire received through the use of simple percentage method.

Data Presentation and Analysis

Table 1:Accounts are properly kept in the Nasarawa State Government offices.

Source: Field survey 2015

Responses	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agreed	15	39.47	39.47	39.47
Agreed	10	26.32	26.32	65.79
Undecided	01	02.63	02.63	68.42
Disagreed	10	26.32	26.32	94.74
Strongly Disagreed	02	05.26	05.26	100.00
Total	38	100.00	100.00	

Information in Table 1 shows that 15(39.47%) of the staff of the Nasarawa State Audit headquarters strongly agreed that accounts are properly kept in the Nasarawa State Government offices, while 10(26.32%) agreed to the assertion, leaving 10(26.32%) and 02(5.26%) disagreeing and strongly disagreeing respectively, While just 1(2.63%) claimed to have no idea. This therefore concludes that the public accounts in the Nasarawa state public service are kept properly.

Table 2: In Nasarawa State Public Service, monies expended are accounted for.

Source: Field Survey 2015

Responses	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agreed	13	34.22	34.22	34.22
Agreed	11	28.95	28.95	63.17
Undecided	02	05.26	05.26	68.43
Disagreed	09	23.68	23.68	92.11
Strongly Disagreed	03	07.89	07.89	100.00
Total	38	100.00	100.00	

Table 2 presents information on whether spending is accounted for in the Nasarawa State Public Service. 13(34.22%) strongly agreed, 11(28.95%) agreed while 9(23.68%) and 3(7.89%)

respectively disagreed and strongly disagreed. 2 respondents representing 5.26% are undecided. Results therefore acknowledged the fact that public spending is accounted for in the Public Service of Nasarawa State.

Table 3: Rules and procedures in the government financial regulations are sufficient to secure an effective check on assessment, collection and proper allocation of revenue

Source: Field Survey 2015

Responses	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agreed	18	47.37	47.37	47.37
Agreed	12	31.58	31.58	78.95
Undecided	01	02.63	02.63	81.58
Disagreed	05	13.16	13.16	94.74
Strongly Disagreed	02	05.26	05.26	100.00
Total	38	100.00	100.00	

From table 3 above, results has shown that, 18 respondents representing 47.37% and 12 respondents representing 31.58% do agreed that rules and procedures as contained in the government financial regulations are sufficient to secure an effective check on assessment, collection and proper allocation of revenue. 13.16% disagrees while 5.26% strongly disagrees and 2.63% are undecided. This can be concluded that, rules and procedures applied in audit function have assisted in securing an effective check on assessments collection and allocation of revenue.

Table 4 : Government monies in Nasarawa State public service are expended for the purpose for which they were appropriated for

Source: Field Survey 2015

Responses	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agreed	02	05.26	05.26	05.26
Agreed	08	21.05	21.05	26.31
Undecided	03	07.89	07.89	34.20
Disagreed	16	42.12	42.12	76.32
Strongly Disagreed	09	23.68	23.68	100.00
Total	38	100.00	100.00	

From the table above, 2(5.26%) respondents strongly agreed that public monies are expended for the purpose they were appropriated for, 8(21.05%) agrees and 3(7.89%) are undecided while 16 respondents representing 42.12% disagrees with the notion and 9(23.68%) strongly disagrees. It is therefore concluded that public monies are not expended for the purpose they are made for in the Nasarawa State public sector.

Table 5: Government expenditures in Nasarawa Public Service are made as authorized

Source: Field Survey 2015

Responses	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agreed	06	15.79	15.79	15.79
Agreed	08	21.05	21.05	36.84
Undecided	03	07.89	07.89	44.73
Disagreed	11	28.95	28.95	73.68
Strongly Disagreed	10	26.32	26.32	100.00
Total	38	100.00	100.00	

Information in Table 5 is to find if government expenditures in Nasarawa State are made as authorized. 6 representing 15.79% and 8 representing 21.05% have agreed to the assertion, 11 respondents representing 28.75% and 10 respondents representing 26.32% disagreed with the notion that government expenditures in Nasarawa Public Service are made as authorized. This therefore concludes that most expenditure is made without authorization in the Nasarawa state public sector.

Table 6: Financial records in the Nasarawa State public service are properly maintained

Source: Field Survey 2015

Responses	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agreed	03	07.89	07.89	07.89
Agreed	08	21.05	21.05	28.94
Undecided	02	05.26	05.26	34.20
Disagreed	14	36.85	36.85	71.05
Strongly Disagreed	11	28.95	28.95	100.00
Total	38	100.00	100.00	

Table 6 presents information on proper maintenance financial records in the Nasarawa State Public service. According to this information, 3 respondents representing 7.89% and 8(21.05%) acknowledged that public financial records are properly maintained, 14(36.84%) and 11(28.95%) never believed that public financial records are properly maintained and 2(5.26%) are undecided. This therefore means that public financial records are not properly maintained in the Nasarawa state public sector.

Analysis from the table above indicates that 50.91% of the respondents are not sure if the audit committees regularly review the integrity of financial statements, accounting policy change, disclosure and compliance with accounting standards. Although 7.72% strongly agreed and 32.73% agreed with the assertion, it is not enough to convince the study to accept it. Were as 7.24% and 1.82% respectively disagreed and strongly disagreed.

Table 7: Rules and procedures applied are sufficient to safeguard and control public property and funds in the Nasarawa State Public Service**Source: Field Survey 2015**

Responses	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agreed	11	28.95	28.95	28.95
Agreed	19	50.00	50.00	78.95
Undecided	01	02.63	02.63	81.58
Disagreed	04	10.53	10.53	92.11
Strongly Disagreed	03	07.89	07.89	100.00
Total	38	100.00	100.00	

Analysis from the table above indicates that 28.95% of the respondents strongly agreed that rules and procedures applied are sufficient to safeguard and control public property and funds in the Nasarawa State Public Service, 50% agreed and 2.63% are not sure. 10.53% disagreed and 7.89% strongly disagreed. The result convincingly supports the fact that in the Nasarawa State Public Service rules and procedures applied are enough to safeguard and control public property and funds.

Table 8: The functions of the office of the state's auditor general help to instill financial accountability in the public service of Nasarawa State

Responses	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agreed	09	23.68	23.68	23.68
Agreed	10	26.32	26.32	50.00
Undecided	00	00.00	00.00	50.00
Disagreed	10	26.32	26.32	76.32
Strongly Disagreed	09	23.68	23.68	100.00
Total	38	100.00	100.00	

Source: Field Survey 2015

Table 8 report the opinion of respondents on whether the functions of the office of the state's auditor general help to instill financial accountability in the public sector service in Nasarawa State. 50.00% support the assertion and 50.00% disagrees. It can therefore be concluded that Although the office of the state's auditor general has help to instill financial accountability in the public sector of Nasarawa State, it is not be concluded that financial accountability is instilled in the Nasarawa State Public service.

Hypotheses Testing

In this section, the null hypotheses stated earlier are tested. The decision rule is to reject the null hypothesis and accept the alternative if the X^2 calculated is greater than the critical value of X^2 at 5% significant level with degree of freedom of 4

The Chi-square statistics is use here to test the hypothesis using the survey results. The hypothesis is to establish whether based on the survey results it can be concluded that:

H₀₁ Ensuring financial accountability in the public sector of Nasarawa state does not depend on compliance to financial regulations

H₀₂ Ensuring effective and efficient accountability in managing public finance does not depend on the function of the state’s Auditor General in Nasarawa State.

The chi-square for testing the hypotheses is based on information in tables 1-7 for hypothesis 1 (H₀₁) and table 9 for hypothesis 2 (H₀₂).

Table 9: Testing Hypothesis 1

Responses	Table 1	Table 2	Table 3	Table 4	Table 5	Table 6	Table 7	Total Observation
Strongly Agreed	15	13	18	02	06	03	11	68
Agreed	10	11	12	08	08	08	19	76
Undecided	01	02	01	03	03	02	01	13
Disagreed	10	09	05	16	11	14	04	69
Strongly Disagreed	02	03	02	09	10	11	03	40
Total	38	38	38	38	38	38	38	266

Responses	Total observation	Expected observation	(o-e)	(o-e) ²
Strongly Agreed	68	53.2	14.8	219.04
Agreed	76	53.2	22.8	519.84
Undecided	13	53.2	-40.2	1616.04
Disagreed	69	53.2	15.8	249.64
Strongly Disagreed	40	53.2	-13.2	174.24
Total	266	266		2778.8
X² Cal = $\sum(o-e)^2/\sum e$				10.45
X² 0.95,4				9.488

From the above analysis, the null hypothesis is rejected and the alternate accepted since the X² calculated value 10.45 is greater than the critical value of 9.488 at 95% confidence interval. This therefore means that Ensuring financial accountability in the public sector of Nasarawa state depends on compliance to government financial regulations.

Table 11 Testing Hypothesis 2 (H₀₂)

Responses	Total observation (o)	Expected observation (e)	(o-e)	(o-e) ²
Strongly Agreed	09	07.6	01.4	01.96
Agreed	10	07.6	02.4	05.76
Undecided	00	07.6	-07.6	57.76
Disagreed	10	07.6	02.4	05.76
Strongly Disagreed	09	07.6	01.4	01.96
Total	38	38		73.2
X² Cal = $\sum(o-e)^2/\sum e$				01.93
X² 0.95,4				9.488

From the above analysis, the null hypothesis is accepted since the X^2 calculated value 1.93 is lower than the critical value of 9.488 at 95% confidence interval. This therefore means that ensuring effective and efficient accountability in managing public finance does not depend on the function of the state's Auditor General in Nasarawa State only.

SUMMARY/DISCUSSION OF FINDINGS

The Research sort to examine the efficacy of the office of state's Auditor Generals in Nigeria referenced to the case of Nasarawa State. To achieve this, the functions of the office of the auditor general as it relates to the government financial regulation was examined through a design survey, where questionnaires were administered seeking the views of the staff of the office of state auditor general of Nasarawa state.

By ensuring public accounts are kept properly and acknowledging the fact that public spending is accounted for in the Public Service of Nasarawa State, it could therefore be that the office of the state's auditor general from its regular and or routine checking around the various government offices observed, corrected and cautioned government officials responsible for the direct management of government finances. Rules and procedures that could assist in securing an effective check on assessments collection and allocation of revenue in the public service are complied with. This is enough to safeguard and control public property and funds.

Although the office of the state auditor general has significantly in away improved the management of finances in the Nasarawa State public services, it was noted that at times public monies are not expended for the purpose they are made for, hence certain expenditures are made without authorization. While this has reduced the level of efficiency of the roles of the office of the state auditor generals in ensuring financial accountability in the public sector, the result from the chi square indicates that the functions of the office of the state auditor general could help in controlling the management public sector finances, but cannot ensure financial accountability in the public sector.

CONCLUSION/RECOMMENDATIONS

The paper concludes however that the functions of the state auditor general's office has significantly assists in ensuring that Nasarawa state public servants effectively work in accordance with government financial regulations. And that effective and efficient accountability in managing public finance could not ensure financial accountability in the public sector.

Its recommends therefore that the office of the state auditor general and other relevant agencies must ensure that monies expended must be appropriated and spending must be authorized this will reduce fraud and enhance financial accountability if the public sector.

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