EFFECT OF FINANCIAL CONTROL ON ACCOUNTABILITY IN THE NIGERIA PUBLIC SECTOR

BY

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A PROJECT SUBMITTED TO THE DEPARTMENT OF ACCOUNTING AND FINANCE IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF BACHELOR OF SCIENCE DEGREE (B.Sc. HONS) IN ACCOUNTING AT THE COLLEGE OF HUMANITIES, MANAGEMENT AND SOCIAL SCIENCES, MOUNTAIN TOP UNIVERSITY, PRAYER CITY, OGUN STATE, NIGERIA.

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DECLARATION

I hereby declare that the work in this project titled “Effect of financial control in on accountability in the Nigeria public sector” has been carried out by me in the Department of Accounting under the supervision of Dr. Akinyomi O.J. The information and data derived from the literature has been duly acknowledge in the text and list of references provided. This research project report has not been previously presented for another degree or certificate at this or any other institution.

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OYEDEMI, INIOLUWA. Date.

CERTIFICATION

I certify that this work was carried out by Oyedemi Inioluwa Marvelous at the department of Accounting and Finance, Mountain Top University, Ogun State, Nigeria under my supervision.

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DEDICATION

This project work is dedicated to the Holy trinity, God the Father, Son and Holy Spirit, my lovely parent Mr & Mrs Oyedemi who happen to be the pillar of my educational pursuit and also my sponsors for their unrelented support and assistance.

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Abstract

The research work examined the effects of financial control and accountability in Nigeria public sector. The objectives of the study were to determine the cash inflow and outflow control and find out whether necessary accounts are kept and to determine the extent to which control and information communication affects accountability. The research was carried out, using the University of Lagos as the case study. Primary Data was collected through self administered questionnaires for 50 respondents they include staff in the account department. Findings from this research show that it was revealed that there is a significant relationship between cash inflow control in the public sector in Nigeria and accountability. The research recommends that Institutions should regularly provide adequate training in terms of seminars and workshops to those in charge of financial control in order to have up-to-date knowledge on the requirements to performed efficient and effective financial control.

Keywords: Financial Control, Accountability, Public Sector.

CHAPTER 1

INTRODUCTION

1.1 Background

According to Adams (2014), public sector can be characterized as all organizations that are not privately founded and run, but which are owned, operated and funded by the public authority for its residents. Nigeria has lost huge sum of money through financial malpractice, which no doubt, depletes the country's pitiful assets through false activities of people at the helm of affairs with extensive consequences on the development, socio-economic and political projects of the country (Obah & Avery, 2018). Billions of Naira is lost in the public sector consistently through false means. This represents only the fractional percentage that is made known to the public. In reality, more prominent aggregates are lost in fraudulent exercises that are undetected or those that are for one explanation or the other concealed. Appah and Appiah (2010) contends that instances of fraud misrepresentation is pervasive in the Nigerian public sector and that each fragment of the public assistance, could appear to be associated with one way or the other in a portion of these frightful demonstrations.. Few of the recent-past high profile defilement cases in Nigeria include the fraud involving over N40 billion (about US$308 million) pension scam in Nigeria, the Police Pension scandal in Nigeria, and the furthermore, the $1.6 million slug verification BMW vehicle misrepresentation including the Nigerian Aviation Ministry (Ademola, Adegoke & Opaleye, 2017)

The misery of Nigerian public sector financial mismanagement can be traced to the years of oil boom, an era under which there was weak control mechanism, which create a multiplicity of loopholes that have tended to ease and sustain, corrupt practices. This, in addition to the fact that there was a near total absence of the notion and ethics of accountability in the conduct of public affairs in the country. John,et al, (2014), defines financial control as the actions calculated to shield assets and ensure that all financial transactions are documented to thwart and reduce errors and fraud. Financial control system constitute a system which monitors a firm in the direction of its set-up goals. (Adetula, Balogun, Uajeh & Owolabi, 2016). It is a practice stimulated by board of directors of an organization, intended to produce a practical reassurance concerning attainment of planned aims and the efficacy and proficiency of procedures, consistency of financial reportage and passivity with related acts and guidelines (Adetula, Balogun, Uajeh & Owolabi, 2016).

Okoh also, Ohwoyibo (2009) believe that accountability mirrors the requirement for government and its organizations to serve the public adequately as per the traditions that must be adhered to. Appah (2010) bring up that with the number and financial estimation of public sector exercises has expanded generously. This expansion in exercises has carried with it an expanded interest for responsibility of public officials who deal with these exercises of general public. Achua (2009) says "genuine thought is being given to be more accountable for the frequently immense measures of interest in assets at the order of governments, which work ou administrative and political authority over the actions and affairs of political units of people.

Government expenditure is an enormous business and the public want to know if the huge amounts of money are being utilised wisely for public benefits". Accountability is an essential value for any economic or political system. Populace have the right to know what actions have been taken in their name, and they should have the means to force corrective actions when government acts in an illegal, immoral, or unjust manner (Arowoshegbe, Uniamikogbo and Aigienohuwa, 2017). Accountability is also imperative for administration, as it provides government with the ways by which a programs may flop and suggest ways by which programmes perform better. It is argued that an emphasis on accountability by citizens is one aspect of the growing emphasis on eliminating corruption and promoting transparency in government. Presently, Ministries, Departments and Agencies (MDAs) in Nigeria have adopted the accrual basis of presenting and reporting financial statements of government as stipulated by the International Public Sector Accounting Standards (IPSAS, 2011).

Presently, Ministries, Departments and Agencies (MDAs) in Nigeria have adopted the accrual basis of presenting and reporting financial statements of government as stipulated by the International Public Sector Accounting Standards (IPSASs). Though present administration in Nigeria claim that it is fighting corruption in all fronts with agencies like Economic and Financial Crime Commission (EFCC) and Independent Corrupt Practices and other related Offence s Commission(ICPC), Nigeria slipped from 144th to 146th on the pecking order of the 2019 Transparency International's Corruption Perception Index, the country fell by 26 points, a drawback of one when compared to its score in 2 Presently, Ministries, Departments and Agencies (MDAs) in Nigeria have adopted the accrual basis of presenting and reporting financial statements of government as stipulated by the International Public Sector Accounting Standards

(IPSASs). Nigeria ranked 134 from its 130 position in 2009 and 121 in 2008 (Premium Times Newspaper, 2020). According to the information obtained from Premium Times website as published by the worldwide enemy of debasement watchdog's most recent record, Nigeria's most recent positioning of 146 out of the 180 nations that were studied overall shows that its score of 26 is route underneath the global average of 43 and the 2019 average score of 32 for the sub-Saharan Africa region. Indeed, Nigeria is ranked 32 out of 49 countries in the sub-region. In the whole West African sub-locale, Nigeria is positioned higher than just Guinea Bissau whose score is 18.

This frightful circumstance of absence of monetary responsibility in the Nigeria public sector was the force for this paper. Thusly, the target of this paper is to inspect the impacts of monetary control on accountability in the public sector.

1.2 Statement of Problem

Any financial performance process becomes meaningless if a strategy to control it is not defined and implemented based on objectives consistent with the current state of the organisation (Captio, 2017). With the scourge of corruption deeply rooted in Nigeria public sector, and 80% Nigerian living in abject poverty despite the abundance of natural and human resources (World Bank, 2019: Fatile, 2012). One major cause for this is the lack of accountability in the country's public sector and lack of financial control in the sector (Fatile, 2012).

Accountability is a vital value for any governmental system. People have the right to know what is happening in the public space since government is for the people and people for the government. Actions are been taken in their name, and they ought to have the means and methods to force corrective actions when government acts in an illegal, immoral, or unjust manner. Nevertheless, accountability in Nigeria is a major problem due to high level of corruption in every sphere of government. Appah (2010), pointed out that with the quantity and pecuniary value of public sector activities has increased substantially. This expansion in exercises has offered ascend to interest for accountability among public officials who oversee public exercises, thus the requirement for money related control in the public sector.

Financial control can be characterized as the measures set up to secure resources and guarantee that all financial exchanges are archived to block and diminish mistakes and extortion (John,et al, 2014).The lack of satisfactory financial control measures exposes the accountability of the public sector to certain dangers such as unfitting financial statements, loss of government assets, fraud, mismanagement of government vital documents, false and defective financial records which may cause government to lose integrity, and implementation of accounting policies that are inconsistent with the extant legislation (Avery and Obah, 2018). Many would have expected that citadel of learnings should be an exception to this scourge-but present scandal rocking the University of Lagos (UNILAG) involving the suspended Vice Chancellor (Prof. Ogundipe) and the Pro-chancelor, Dr Wale Babalakin would cause someone to have a rethink.

Nonetheless, there is a common opinion that institution and enforcement of effective financial controls may lead to improved accountability in the public sector. It is also generally belief that properly instituted financial control systems will lead to improve reporting process, and thereby give rise to reliable reports that will enhance accountability function of management of an entity. Meanwhile, available literature, although scanty, indicates that despite the elaborate system of controls in organisations, accountability has been elusive in most of these organizations (OAG, 2010). This necessitated this study and Lagos as its study setting which sought to establish the impact of effective financial controls on accountability in the University of Lagos, a public owned federal institution, and the Lagos state University, a state-owned public institution.

1.3 Objectives of Study

The main objective of this study is to assess and ascertain the effects of financial control on accountability in the Nigeria public sector. The specific objectives are

1. To determine the cash inflow control and its influence on accountability in the Nigeria public sector.
2. To ascertain the cash outflow control and its effects on accountability in the Nigeria public sector.
3. To determine the extent to which control and information communication affect accountability in the Nigeria public sector.

1.4 Research Questions

1. How does the cash inflow control influence accountability in the Nigeria public sector?
2. How does the control of cash outflow influence accountability in the Nigeria public sector?
3. To what extent does control and information communication affect accountability in the Nigeria public sector?

1.5 Null Hypothesis

Ho1: There is no huge connection between cash inflow control and accountability in the Nigeria public sector.

Ho2: There is no huge relationship cash outflow control and responsibility in the Nigeria public sector.

Ho3: There is no significant relationship between control & information communication accountability accountability in the Nigeria public sector.

1.6 Significance of the Study

This study is expected to be of immense benefits to people in high managerial cadres in government ministries, parastatal, agency and private sectors. For top managers, the information provided by this study will help in the streamline of their financial control activities to enhance productivity, prevent financial leakages and fraudulent activities. The findings of the study will make them to know if they have appropriate control mechanism on ground regarding resources management and fraud detection. Thus, the study will be useful in policies formulation and implementation, especially in the area public financial control system.

The study will also serve as bedrock of further research, it will provide viable and adequate literatures for aspiring young researcher to provide work, identify gaps and problems and make recommendations. The findings of this work will also contribute to the body of knowledge.

1.7 Scope of the Study

The objective of the study is to examine the effect of financial control on accountability in the Nigerian public sector. On this account, the University of Lagos (UNILAG), Lagos state University (LASU), Lagos University Teaching Hospital (LUTH), and Lagos State University Teaching Hospital are chosen as the case study, therefore, the study is delimited to the auditing and accounting department of the UNILAG, LASU, LUTH, and LASUTH all in Lagos, Southwest Nigeria.

1.8 Limitation of Study

The scope of the study of might limit the generalization of its findings. There are 36 states and FCT in Nigeria which are also divided into six geopolitical zones. However, this study was unable to conduct research in all the zones.

1.9 Operational Definition of Terms

Operational definition of terms serves to remove ambiguity and provide working definition for research terminologies.

Control: control means to ensure that all units and agencies in the public sector are working in synergy toward the achievement of corporate goals through efficient utilization of public resources following laid down rules and processes.

Financial controls are the procedures, policies, and means by which public sector monitors and controls the direction, allocation, and usage of its financial resources.

Internal Control: this refers to all activities (like legislations, communication, auditing etc) put in place to ensure transparency and accountability among public workers in the University of Lagos.

Accountability: This refers to the willingness of the staff of University of Lagos to take responsibilities for their actions and inactions and accept consequences.

Public Sector; This refers to all organizations that are not privately established and operated but which are owned, run and financed by the government on behalf of the public.

CHAPTER TWO

LITERATURE REVIEW

In this chapter a detailed literature review of the key concepts was discussed. Extensive review of the empirical studies on the concepts of financial control system and accountability were reviewed to position the work in the body of knowledge so as to know what has been done and identify gaps in knowledge. Three related theoretical frameworks were also reviewed in accordance with the research topic and objectives to provide foundation for the study.

2.1 Concept of Public Sector

In universal terms, the public sector comprises of governments and all publicly managed or publicly funded agencies, enterprises, and other entities that deliver public programs, goods, or services (Institute of Internal Auditors, IIA, 2011). Adams (2014) describes public sector as all organizations that are not established privately and run, but which are possessed, run and financed by the government on behalf of the public. According to IIA (2011), the idea of public sector is more extensive than basically that of center government and may cover with the not-for-benefit or private areas. For instance, the public area comprises of an extending ring of associations, with center government at the middle, trailed by organizations and public enterprises. While Public sector is that portion of an economic system that is controlled by the federal, state and local governments,Public Sector Accounting is the process of recording, analyzing, summarizing, classifying, interpreting and communicating government financial statements in comprehensive and in details, replicating totality of transactions involving the receipts, custody and distributions of government funds and rendering of stewardship of public funds entrusted in them (Kara, 2012). It is an accounting method that helps to regulate the resources and expenditures of government.

The Public Sector Accounting practice had progressed over the years with the emphasis on cash receipts and disbursements on the cash accounting basis or the modified cash accounting basis. Therefore, government proceeds is only documented and accounted for when money is actually received and expenditure incurred. Nevertheless, the system is not intended to provide information on the cost of services, earned proceeds, long term asset and liabilities, account payables, account receivables, gathered interest on outside obligation and stock worth (Akenbor, 2011). The cash accounting framework isn't fundamentally viable in giving bookkeeping data to effective execution of public area association as shown by Okoye and Oghoghameh (2011). Government accounting is concerned in gathering information that will assist her to prepare receipts and payments account for better financial management and greater accountability by government (Omolehinwa and Naiyeju 2012). This is due to the fact public sector has a direct effect on the financial control system of Nigeria. The essence of financial management control is to safeguard the inflow and outflow of incomes and safeguarding the assets and responsibilities and ensuring that the resources are adequate to implement the plans.

2.1.1 Types of Public Sector Organizations

Public sector could exist at any of the following four levels:

- International (multistate entities or partnerships).
- National (an independent country).
- Regional or state or province.
- Local (a municipal-level body such as a city or county).

At any of these levels, the public sector generally consists of at least three types of organizations.

A. **Core government,** this is made up of governing body with a well-defined territorial authority. Examples of core governments include all departments, ministries, or outlets of the government that are essential parts of the organization, and are answerable to and report directly to the central authority — the parliament, board, cabinet, or administrative head.

B. **Agencies** made up of public establishments that are clearly a part of the government and provide public programs, goods, or services, but that exist as distinct establishments in their own right — perhaps as authorized entities — and function with a restricted degree of operational independence. They frequently, but not essentially, are controlled by a board of directors, commission, or other selected body. Example, Economic and Financial Crime Commission (EFCC), Independent Electoral Commission (INEC).

C. **Public enterprises,** these are agencies that render public programs, goods, or services, but are run independently of government and frequently have their sources of income in addition to direct government funding. They may also compete in private markets and may generate profits. Nevertheless, in most cases the government is the main shareholder, and these establishments partially follow the acts and regulations that govern the core government. For example, power holding company of Nigeria (PHCN).

Outside this distinct public sector area is a boundary zone or gray zone, with two major types of organisations that might or might not be part of the public sector.

- **State businesses;** these are businesses that are owned and controlled by the government, they sell goods or render administrations for profit in the private market. In spite of the fact that they don't convey what might be viewed as open projects, products, or administrations, they may even now be viewed as a feature of the public sector.
- **Public contractors;** these are legitimately autonomous elements outside government that get public financing — under agreement or arrangement — to deliver public projects, merchandise, or administrations as their essential business. Due significantly to their restricted public control, these foundations ordinarily would be arranged as non-benefit situated or private sector elements**.**

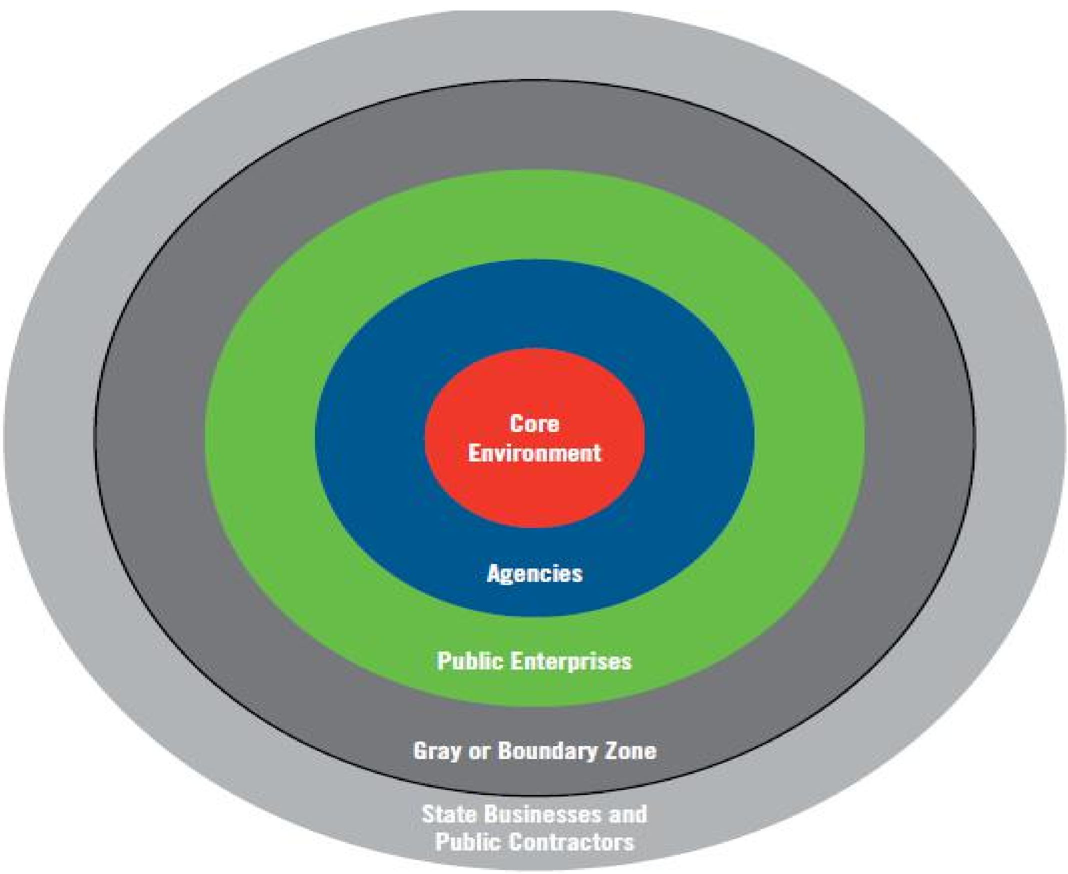

Figure 1Types of Public Establishments (Courtesy: Institute of Internal Auditors, IIA, 2011)

2.1.2 Concept of Internal Control

Internal control system is the procedure by which an organization directs its actions for effective and efficient operation, dependability of fiscal accountability and compliance with applicable law and regulation. Internal control system can be defined as totality of financial, operational and other control systems which are implemented by internal controllers and which involve monitoring, independent evaluation and timely reporting to management levels methodically so as to make sure that every activity is accomplished by management levels in line with existing policies, methods, instructions and limits (Bayyoud, Mohammed, &Sayyad, 2015). These definitions elaborate the concept from a wider perspective, examining its role in ascertaining and assessing practices aligned to performance. Internal control is also noted as a process that is influenced by an entity's board of directors, management and other personnel, intended to deliver reasonable assurance regarding the realization of objectives and goals in effectiveness and efficiency of operations; the reliability of financial reporting; and the compliance of relevant laws and regulations (Mohd-Sanusi, Mohamed, Omar, &Mohd-Nassir, 2015). Potentially, the arrangement of internal control forestalls blunders and extortion through checking and improving hierarchical and monetary detailing measures just as guaranteeing consistence with appropriate laws and guidelines (Marus, Caroline, Fabian and Patrick, 2018).

Internal controls are methods and procedures that are employed to sanction transactions and safeguard properties, encourage devotion to company policies, enhance operational efficiency and ensure truthful and reliable accounting record (Al-Hazmi, 2013). Internal controls entail policies and procedures that protect the assets of an organization, generate dependable financial reporting, promote compliance with laws and regulations toward achieving effective and efficient operations (Marus, Caroline, Fabian and Patrick, 2018). In actual practice, identification of weakness in internal control prohibits from reporting that controls are effective and must reveal the identified flaws. In public enterprises conversely, a reasonable corporate structure of governance is the guarantee of internal systems and the implementation of the maximization of the enterprise value must have a sound foundation of internal control system (Chen & Shi, 2012).

2.1.3 Scope of Internal Control

The scope of internal control structures includes accounting system, control environment and control policies and procedures. There are several components that must be present and functioning effectively for any internal control system to achieve organizational objectives (Zabedah and Saidin, 2013). According to (Montri, Sirisuthi, &Lammana, 2015), the scope/internal control of internal control system consists of five components, that is;

- Control environment
- Risk assessment,
- Control activities,
- Information and communication, and
- Monitoring.

A. Control environment

Is the major aspect of managing an organization this is because it is a reflection of the attitude and the policies of management in regard with the importance of internal audit in the economic unit (Theofanis, et al, 2011). It has influence over organization goals achievement (Vokshi, 2016). However, it is the foundation for the other components of internal control and providing structure. Control environment assist toward reducing the level of fraudulent activities within organizational operation and also the quality of an entity"s internal controls system depend on the function and quality of their control environment. Therefore, providing a proper control environment for the public sector is very essential to the effectiveness of their operation (Marus, Caroline, Fabian and Patrick, 2018).

B. Risk Assessment

This is the identification and analysis of relevant risks associated with the achievement of the management objectives (Theofanis, et al, 2011). Similary, Sudsomboon&Ussahawanitchakit, (2009) viewed risk assessment as the process of identifying and analyzing management relevant risks to the preparation of financial statements that would be presented fairly in conformity with general accepted accounting principle. In this situation, management must determine the level of risk carefully to be accepted, and should try to maintain such risk within determined levels. It is therefore necessary to frequently assess the level of risk their experiencing in order to take necessary actions.

Considering risk assessment, particularly in public administration, IT security management can be uses for risk management in supporting public administration if risk management supporting tools are developed (Baginski, 2014). Organizations that often create contingency risk plans, and implement internal control systems are less at risk. Their risk-buffer strategies towards perceived risks help them to achieve higher risk performance (Dubihlela&Nqala, 2017). Not all organizations fail due to weak internal control systems but inefficient cost controls. Development designs just as usage of viable control frameworks inside an association can continue hierarchical solidness and development (Shabri, Saad, &Bakar, 2016). The advancement of legitimate internal controls assists associations with guaranteeing responsibility. Responsibility necessitates that the association conform to every single material law and moral principles; stick to the association's main goal; make and hold fast to irreconcilable situation, faculty, informant and accounting approaches; and ensure the privileges of individuals (Office of NYS Attorney General, 2015). While the effectiveness of internal control is challenged with limitations such as costs, few employees and other constraints, it is worthwhile to note that effective internal controls can still be possible (Frazer, 2016).

C. Control activities:

These are policies, procedures and mechanisms that ensure management"s directives are properly carried out (Aikins, 2011; Muhunyo, 2018). Legitimate documentation of arrangements and procedural rules in these angles help to decide not just how the control exercises are to be executed yet additionally give sufficient data to evaluators assessment of the general ampleness of control plan over money related administration rehearses (Aikins, 2011). Jajo (2005) states that control exercises can be categorized as authorization, segregation of duties, record keeping safeguarding and reconciliations and these controls depend greatly on the activity under consideration. This control activities ensure that all necessary actions should be taken with the aim to address risks so that organizational objectives are achieves. Example of control activities include; segregation of duties, daily deposit of cash receipts, bank reconciliations, supervision and limiting access to check stock.

D. Information and communication:

This refers to the procedure of recognizing, capturing, and sharing of important information in a suitable way and within specified timeframe so as to accomplish the objectives of financial reporting(Aldridre& Colbert, 1994). Conversely, effective communications should happen in a broader sense with information within different sections of the organization (Theofanis et al, 2011). Most of the recent literature on internal control system frameworks gave concerned on information and communication as one of the internal control system components, because of their importance in impelling the working association within the organization at all levels (Amudo&Inanga, 2009). Hence, such information must be communicated throughout the entire organization so as to permit personnel to perform their responsibilities with regard to objective achievement.

E. Monitoring:

It is generally accepted that internal control systems has to be adequately monitored so as to determine the quality and how effective the system performance over a given people time. Monitoring gives assurance that the outcomes of audits and other reviews are promptly determined (Theofanis et al, 2011). Furthermore, monitoring of operations guarantees effective functioning of internal controls system. Therefore, monitoring shows whether or not plans and procedures designed and executed by management are being implemented effectively by employees.

2.1.4 Financial Control

Financial control can be defined as the procedures set up to protect resources and ensure that all financial transactions are recorded to prevent and reduce errors and fraud (Block & Geoffrey, 2008). It is the process which assures that financial resources are obtained economically and utilized efficiently and effectively in the attainment of the desired goals (Okezie, 2004). It varies from organization to organization and is part of both the financial management as well as financial controls, put in place by management, encompassing planning, budgeting and budgetary control, accounting, reporting and review.

The aim of financial controls is to offer an inclusive guiding framework for a comprehensive and efficient management of resources in all establishments. The reason for having a strong system of financial control is to enhance the ability of the institution to achieve its objectives, providing dependable financial data, protecting assets and records, appraising operational efficiency through budgeting, organisational control and boosting adherence to recommended policies and regulations (John et al, 2014). Subomi (2010) was of the opinion that financial controls in an organisation focus on the important transaction areas, with emphasis being on the safeguarding of resources and the upkeep of appropriate bookkeeping records and dependable money related data.

Financial controls encourage viability and productivity of activities, in this manner assisting with guaranteeing the unwavering quality of inner and outer monetary announcing and aid consistence with laws and guidelines (Hayles, 2005). Effective financial controls including the maintenance of accurate accounting records which help to guarantee that the institution is not needlessly exposed to financial threats and that the financial information is used only within the ambit of business. This also contributes to the protection of assets, including the prevention and discovery of fraud (ACCA, 2010).

The execution of effective financial control policies has to be done after a comprehensive examination of the prevailing policies and future viewpoint of a public organization. Furthermore, it is imperative to make sure the following underlisted four processes are completed prior implementation of financial control in an entity.

1. ***Detecting Overlaps and Anomalies***

Financial budgeting, financial reporting, statement of profit & loss, balance sheets, etc. present the complete performance and/or working representation of the business entity. Hence, while articulating financial control policies, it is very imperative to identify any overlaps and/or incongruities arising out of the available data. It aids in discovering any prevailing loopholes in the present managerial framework and eliminating them.

2. ***Timely Updating***

Financial control is the crux of resource management and, the overall operational effectiveness and profitability. Well-timed and regular updates of all obtainable data are extremely essential. In addition, updating all management practices and policies regarding the current financial control methods is also in the same way important.

3. ***Analyzing All Possible Operational Scenarios***

Prior effecting a fixed financial control strategy in an organization, it is vital to meticulously appraise all likely operational situations. Looking at the policies from the viewpoints of diverse operational scenarios – for example profitability, expenses, safety, and volume of production – can provide the essential information. Furthermore, it aids establishment of an effective financial control strategy that covers all the operational areas of the association.

4. ***Forecasting and Making Projections***

While executing a financial control policy, forecasting and making predictions are very significant steps. Forecasting and making projections give an insight into the future goals and objectives of the business. Furthermore, they can of help in establishing a financial control policy in agreement with the organizational objectives and act to speed up the process of achieving such goals.

2.1.5 Concept of Accountability

Lack of accountability in the management of the public sector in Nigeria has remained a critical issue for the past two decades especially since 1999 when democratic form of government was adopted in the country after a long era of military regimes. As a result of poor culture of accountability, corruption has become pervasive in Nigeria. Due enormously to the wide spread public calls for transparency in governance and the international uproar against corruption, accountability is now of serious concern in many countries of the world including Nigeria. Michael (2009) defined accountability as "the duty to provide on account (by no means necessarily financial) or reckoning those action for which one is held responsible as a consequence accountability involves a promise to perform and a normal or legal responsibility to provide an account for it .

According to (Odunayo, 2014), it is the obligation to render an account for a responsibility conferred. It presumes the existence of at least two parties: one who allocates responsibilities and one who accepts it with the undertaking to report upon the manner in which it has been discharged. It is the liability assumed by all there who exercise authority to account for the manner in which they have fulfilled responsibilities entrusted to them".

Accountability is synonym for responsibility. It is a type of relationship that comes to existence when and obligation is taken on by an individual (or corporate entity) such as the responsibility to assume a role or discharge a task (Odunayo, 2014). Accountability is a relationship based on the obligation to demonstrate and take responsibility for performance in the light of agreed expectations. In brief, accountability requires a relationship of conferring responsibility and reporting back on the expected and agreed performance and on the manner in which the responsibility was fulfilled. According to (Appah, 2012), accountability is tied in with being liable to the individuals who have contributed their trust, confidence, and assets to you. Adegbite (2010) characterized accounting as the commitment to show that work has been led as per concurred rules and guidelines and the official reports decently and precisely on execution results versus ordered jobs as well as/plans. It implies doing things straightforwardly in accordance with fair treatment and the arrangement of input. Johnson (2004) says that public responsibility is a basic segment for the working of our political framework, as responsibility implies that the individuals who are accused of drafting as well as completing arrangement ought to be obliged to give a clarification of their activities to their electorate.

Okoh and Ohwoyibo (2009) believe that responsibility mirrors the requirement for government and its offices to serve the public successfully as per the rules that everyone must follow. Appah (2010) calls attention to that with the number and financial estimation of public area exercises has expanded significantly. This expansion in exercises has carried with it an expanded interest for responsibility of public officials who deal with these exercises of people in general.

2.1.6 Concept of Financial Accountability

Building on robust financial accountability system is an essential step in making an effective public institution that is able to deliver basic public services to the citizens. Upgrading internal financial reporting systems, publishing significant budget information in a regular timely manner to the public, promoting public participation in the budget process and strengthening the auditor general to carry out its functions are key in promoting financial accountability (Avery and Obah, 2018). The term “accountability” is frequently found in contemporary public administration theory and practice and it can be defined as the state of being accountable. It implies the responsibility or obligation of those saddled with the responsibilities and resources to give explanation and justification on how they have utilize the responsibility and resources in the accomplishment of set objectives (Aramide& Bashir, 2015).

One major indicator of financial accountability is the existence of budgeting and accounting systems that enhance performance that captures economic dealings correctly in a timely manner. Budgets can be viewed as one form of articulating organizational priorities in term of finance, elucidating the planning and management of the expected income and spending. In public sector, financial accountability provides proper management of public assets, determining whether there is satisfactory transparency to determine how funds were spend or managed (Avery and Obah, 2018). Financial accountability is all about guaranteeing the stakeholders as regard the use of public funds as well as to reinforce decision-making about how to allocate scarce resources like personnel, time, space, equipment and money. Owing to the fact that public organizations got their proceeds from internal sources and external sources, principally government bequests and three-monthly allocations from the federal government, there is a duty of public organizations to ensure accountability in the distribution of this revenue in providing services to the general public (Aramide& Bashir, 2015)

Preparation of financial statements is a stewardship role in the accountability for application of resources entrusted to accounting officers to report to all the stakeholders and failure to present financial statements properly impairs interpretation and analysis of entity performances, which is attributed to lack of training, low levels of practical experience by clerks and non-adherence to the guidance provided in accounting standards (Office of the Auditor General, 2011). In Uganda's area, money related responsibility has two measurements: public review, which includes the investigation of uses by the Auditor General and parliamentary responsibility, which includes chose agents considering government answerable for its activities and intentions. Within parliamentary accountability, funds are granted to government in form of a financial bill and ensuring that those funds have been used efficiently and effectively in the intended fashion. Even in the midst of such accountability dimensions, financial accountability is lacking in effectiveness due to inappropriate and unaccommodating cultural, political and constitutional environment (Avery and Obah, 2018). Beyond tracking financial flows, increasing accountability for finance requires a deeper understanding of the institutional dynamics that affect the ways in which these resources flow are subsequently put to use (Aramide& Bashir, 2015).

2.1.7 Approaches to Accountability

According to Coker (2010), the many approaches to accountability founded on the language of account can be grouped into:

i. Process Based Accountability: This approach measures adherence with predetermined standard and officially well-defined outcomes. These are monetary and managerial accountability with trust on the use of accounting procedures.

ii. Performance Based Accountability: This approach measures performance against far-reaching objectives. This measure can be qualitative and the standards against which performance is measured less accurately defined.

2.1.8 Pillars /Types of Accountability

Adegite (2010) noted three pillars of accountability, which the UNDP tagged ATI (Accountability, Transparency and Integrity). Accountability which is segmented into:

i. Fiscal Accountability: It is the responsibility of any one controlling resources, public office or any other positions of trust, to report on the projected and actual use of the resources or of the designated office.

ii. Administrative Accountability: This type of accountability involves robust system of financial control, which balances and guarantees adequate checks and balances provided by statutory authority and an betrothed citizenry. These include criminal penalties, ethical codes, and administrative reviews.

iii. Political Accountability: This type of accountability essentially originates with free, fair and transparent elections. Through intervallic elections and control structure, elected and appointed officials are held responsible for their actions while holding public office.

iv. Social Accountability: This is a demand focused approach that bank on community engagement and involves average citizens and assemblages demanding greater accountability for public activities and outcomes.

2.1.9 Achieving Accountability in the Public Sector

Appah (2012) identified numerous ways by which accountability can be enshrined in the public. These include:

1) **Parliamentarians should spearhead the cause of accountability:** The legislators in Nigeria and other developing economies have the statutory obligation to ensure that the executive arm of government are answerable to the people for the management of public resources. But this is not so in Nigeria, where the members of parliament are part and parcel of the failure of the system. Nevertheless, for accountability to be accomplished in Nigeria, legislators at all tiers of government must ensure that applicable laws and over-sight functions are properly executed by them.
2) **Re-orientation of Value System:** One of the major fundamental problems in Nigeria is the erosion of the value system. This problem has given rise to the high level of corruption and lack of accountability by public officers. Corrupt tendencies has permeated the entire strata of the Nigerian society to the extent that the youths, who are the leaders of tomorrow and future hope, are neck deep in examination misconduct, sharp practices and internet fraud (Appah, 2012).
3) **Management accountability framework:** A sound and appropriate accountability framework would necessitate that the government should put in place procedures for formulating and approving work plan, reporting performance, technique of checking plans, gathering of collection of evidence on performance reporting, system of authentication and oversight of performance reports, establishing and resourcing public accountability institutions, training and orientation of public administrators and procedures for dealing with political establishments by public administrators.
4) **Protection of Whistle blowers:** One important way of accomplishing ideal accountability in Nigeria is the shielding of the informants. A powerful structure of responsibility necessitates that the individuals who blow the whistle ought to be ensured

against any backlash. The government in Nigeria should establish appropriate laws to protect the whistle blowers.

5) **Creating an environment of accountability:** An efficient framework of accountability rests, apart from, prescribed structures, on a suitable environment. It entails such things as presence of a appropriate code of conduct, training in ethics, equal and nonselective treatment by senior managers toward all personnel, and accountability of senior officers. It also requires that the oversight bodies should adopt a rational attitude toward public managers.

6) **Adoption of International Public Sector Accounting Standards:** The achievement of responsibility in the Nigeria public area relies upon the best possible usage of the International Public Sector Accounting Standards. Public area in Nigeria spend the money based on accounting. It is very necessary that Ministries, Departments and Agencies start to use according to the global standard, the accrual basis of accounting. A complete accrual basis of accounting would ensure that the public managers are accountable for documenting and protection of public resources, managing public cash flows, and divulging and discharging public liabilities.

7) **Public performance reporting:** Public administrators are in a business that touches practically all aspects of a person's life. People, consequently, have a right to be in the knowing of, how the public administrators are doing their business. The lawmakers need to take a bold step in this regard and legislate required laws making it mandatory for every public entity to report on their performance. Public reporting on performance of departments or programs must be made obligatory.

8) **The establishment of the benchmark of efficiency:** A core important problem facing public sector administrators in Nigeria is the obvious nonexistence of performance yardstick. Public performance reportage requires that yardsticks of efficiency be formulated for every ministry, department and agency. This ought to be done in consultation with the MDA's themselves and should remain open for intervallic appraisal and revisions.

9) **Strengthening the Public Accounts Committee:** Public accounts committees play a very important role in accountability of public officers in Nigeria.

10) **Strengthening the Public Accounts Committee:** Public accounts advisory groups assume a significant function in responsibility of public officials in Nigeria. Public accounts boards of trustees ought to be reinforced with an arrangement of acclimating the

individuals with the review extension, approach and strategies through workshops and forces to make a move if their suggestions are not actualized.

11) **Change in the structure of Government Accounting and Auditing:** Governmental accounting system in Nigeria is totally lacking. Financial reports are out-of-date and undependable at every level of government. Little devotion is paid to financial accountability in the public service. Achua (2009) postulates that there is a pressing necessity to safeguard the commonwealth from poor performance and fraud, and to defend individuals from unruly, illogical and impulsive actions by the state's surrogate managers. Consequently, there is an immediate need to reform the public sector accounting system taking into contemplation the weaknesses and imperfections of governmental accounting in Nigeria. Adegite (2010) also says the quick development and changes have taken place in the nation's public sector since 1958. It is therefore, urgently needed, a comprehensive adjustment of the entire audit laws of the country with a view to aligning them with present realities and demands of globalization.

2.1.10 Required Processes for Effective Financial Control

The execution of effective financial control policies has to be done after a comprehensive examination of the prevailing policies and future viewpoint of a public organization. Furthermore, it is imperative to make sure the following underlisted four processes are completed prior implementation of financial control in an entity.

1. ***Detecting Overlaps and Anomalies***

Financial budgeting, financial reporting, statement of profit & loss, balance sheets, etc. present the complete performance and/or working representation of the business entity. Hence, while articulating financial control policies, it is very imperative to identify any overlaps and/or incongruities arising out of the available data. It aids in discovering any prevailing loopholes in the present managerial framework and eliminating them.

2. ***Timely Updating***

Financial control is the crux of resource management and, the overall operational effectiveness and profitability. Well-timed and regular updates of all obtainable data are extremely essential. In addition, updating all management practices and policies regarding the current financial control methods is also in the same way important.

3. *Analysing All Possible Operational Scenarios*

Prior effecting a fixed financial control strategy in an organization, it is vital to meticulously appraise all likely operational situations. Looking at the policies from the viewpoints of diverse operational scenarios – for example profitability, expenses, safety, and volume of production – can provide the essential information. Furthermore, it aids establishment of an effective financial control strategy that covers all the operational areas of the association.

4. *Forecasting and Making Projections*

While executing a financial control policy, forecasting and making predictions are very significant steps. Forecasting and making projections give an insight into the future goals and objectives of the business. Furthermore, they can of help in establishing a financial control policy in agreement with the organisational objectives and act to speed up the process of achieving such goals.

2.1.11 Importance of Financial Controls

1. Cash flow maintenance

Effective financial control measures contribute considerably to the cash flow maintenance of an organization. When there is an effective control mechanism in place, the total cash influx and expenditures are monitored and planned, which lead to efficient operations.

2. Resource Management

The financial resources of an organization are at the very core of any organization's operational efficiency. Financial resources ensure that all other resources needed for operation are made available. Therefore, financial resource management is important in order to manage all other resources (human, material or capital). Effective financial control systems are essential in ensuring efficient resource management in the public sector.

3. Operational efficiency

An effective financial control system ensure the overall operational efficiency in an organization.

4. Profitability

Making sure that an organisation's general operational efficiency leads to the smooth running of all departments in the organizational. This, in turn, leads to increase productivity, which comes with a direct, positive correlation with profitability. Hence, establishing effective financial control measures ensures improved profitability.

5. Fraud Prevention

Financial control serves as a preventative measure against fraudulent activities in an organization. It can help in preventing all detrimental activities such as employee fraud, online theft, and many others by monitoring the inflow and outflow of financial resources.

Examples of Financial Controls

1. Overall financial management and implementation

- ❖ Enlisting certain qualification requirements and hiring only trained and certified financial managers.
- ❖ Putting in place an efficient, direct line of communication among all the the accounting staff, financial administrators, and senior-level administrators, including the chief administrator.
- ❖ Regular training and information sessions among accounting staff, etc. to ensure that they are updated with the changing laws and dynamic business.
- ❖ Periodic, comprehensive financial scrutiny and assessment of financial ratios and statements where variations are substantial.
- ❖ Allocation of fiscal duties in a segregated and hierarchical order, so as to establish a line of operation and efficiency through specialisation.

2. Cash inflows

- ❖ Regular reconciliation of bank accounts to the general ledger in addition to yearly reporting for extra efficient financial control

- Instituting an intervallic appraisal policy with all existing customers that the business establishes a creditor-debtor relationship with. It ensures the ongoing creditworthiness of customers and eliminates the probability of bad debts
- Support files and backups for all financial data in a separate secured database with access only permitted to senior management staff

3. Cash outflows

- Automatic/subscription payments to be monitored and requiring proper authorization in order to control extravagant business expenditure
- Maintaining a vendor database with detailed purchase records with restricted access in order to monitor cash outflow efficiently
- Periodic reconciliation of bank statements to the general ledger
- Clear and precise expense reimbursement policy to be maintained, including detailed expense reports and receipt verifications in order to curb extravagant business expenses and employee fraud

2.2 Empirical Review

Marus, Caroline, Fabian, Patrick and Ogwel (2018), conducted a study titled "Financial control systems and financial accountability in Uganda: A case of selected districts in western Uganda". The study sought to examine the role of Financial Control framework in supporting monetary responsibility in Uganda. The investigation discovered that the connection between money related control frameworks and budgetary responsibility in neighborhood governments seemed, by all accounts, to be powerless, and the genuine commitment of monetary control frameworks in the money related tasks of the locale is irrelevant. The examination notwithstanding, uncovered that in budgetary control framework is deficient in representing the staffing holes in nearby governments and the less than ideal arrival of money related reports.

Avery and Obah (2018) directed an examination pointed toward discovering the effect of monetary control on responsibility in the public area in Nigeria. The investigation populace were all specialists in the State Board of Internal Revenue in Bayelsa State, Nigeria. Information for the investigation was principally and optionally sourced. The study revealed nonsignificant positive relationship between financial control and accountability and a significant positive relationship between internal audit and accountability. The study therefore, suggested that organization should pay more attention on internal audit than on financial control to guarantee effective financial control and increase accountability in the public sector.

Akosile and Fasesin, (2013) assessed financial control system in public and private establishments in Southwest, Nigeria. Purposeful sampling method was used to select twelve universities in the region. Data were generated through questionnaires and analysis was done using factorial and multivariate analysis of variance. The findings of the result showed that systems of financial control are very related in both public and private establishments in Nigeria, but that blend of responsibilities is more perceptible in private institutions compared to public institutions. Similarly, the findings the study discarded the view that private institutions are more adequately funded and that the system of financial control can be jettisoned by management in both public and private institutions. Examination of the efficiency of financial control system in the private University shows that financial control system is alive in reducing the cost of administration in addition to consolidation of the achievements of University vision and mission.

In another study conducted in Nigeria by Ogunmakin (2020), the researched focused on the effect of the financial control system on public parastatals in Ekiti State, Nigeria. The study used a purposive sampling method, and a total of 100 questionnaires were administered to staff in the seven selected public parastatals. The ANOVA in the regression analysis revealed that all the components of the financial control system had combined significant effect on accountability. Furthermore, the research showed that each of the components of financial control system on accountability which was calculated by effective and efficient financial operations, showed that Information flow and control activities have an nonsignificant impacts on accountability of public parastatal, while monitoring and evaluation and risk assessment had a significant effect on the accountability of public parastatals in the state. The study recommended that financial control system should be encouraged to maintain their independent position to ensure more assurances of the effectiveness of the control system and also government should ensure that the financial control system is periodically monitored and evaluated.

In a study conducted by Sanusi and Mustapha (2015) to investigate the effectiveness of financial control system in ensuring good financial accountability at the local government council level in Nigeria. The study was conducted in selected local government council area of Oyo State, Nigeria. Data generated were coded and analysed with the aid of frequency table and percentage. Moreover, non-parametric statistical test, Chi-square was used to test the formulated hypothesis with the aid of STATA 10 data analysis package. The result of the finding showed that financial control system is positively significant for the good financial accountability in the local government area council in Nigeria. They therefore, recommended that local government authority should double effort aimed at ensuring proper and highly operational financial controls system within local government to facilitate financial accountability.

In the year 2005, Maimakko conducted a study titled, “the role of financial control institutions in promoting financial accountability in the public sector: a study of plateau state under democratic regimes”. The study seek to appraise the usefulness of the checks and balances on civic finance in Plateau State, Nigeria. The research also seek to make recommendations on measures that will improve financial accountability. The study formulated and tested four hypotheses. The primary data was obtained through questionnaires, interviews and observations. This was augmented with secondary data. The random sampling techniques was employed in the questionnaire administration. The findings of this research revealed that the public budget is a non significant tool of parliamentary control over public finance in Plateau State; the reliance of Auditor-General on the financial statements prepared by the Executive arm of government has no significant influence performance; the quality of parliamentary financial oversight has a significant effect on the State Auditor-General and academic and professional qualifications of State Treasury staff is independent of the number of financial records kept by them. The study recommended a well-adjusted reorganization of financial powers among the Executive, the Parliament and the Auditor-General to enhance financial accountability in Plateau State.

Kisanyanya (2018) studied financial control systems and financial performance of government institutions of higher learning in Vihiga County, Kenya. Data for the study was obtained mainly from 96 employees sampled from a population of employees of the four higher institution of learning that were studied. The results of the study revealed that the institutions had satisfactory as well as effective control functions which comprised steady reports of internal audit, suitable separation of duties in the finance and accounts sections and controls physical assets to avoid excess allocation of resources. The study further showed that control undertakings were discovered to have a positive major influence on the business performance of the public institutions under study. Furthermore, it was found out that the schools under study had right risk management mechanisms and risk evaluation system since they achieved continuous financial review of their organisations in addition with steady, timely and deep audits. Risk management also was found to have a direct considerable impact on the business performance of the institutions under study.

Ademola (2003) conducted a research on the fund management and control mechanism in the state governments of Nigeria. The objective was to find out if there is effective fund management and control of the state government fund. The research employed survey design using a 21-item questionnaire. The respondents were drawn from the accountants, treasurers, cashiers and other fund managers. The hypotheses were tested using the Spearman's correlation method. The findings revealed weak financial control over the public funds which leads to ineffective fund management; that fund management positively correlated with the procedures and performances.

El-Nafabi (2009) studied the roles of public sector audit and financial control systems in Sudan. The study found that audit and control system are principal in ensuring accountability for the use of public resources, and protecting the inadequate public wealth against corruption and other dishonesty and unlawful practices. The study found out that feeble and ineffective financial control systems and deficits in accounting systems are some of enabling factors of corrupt practices in Sudan.

Gwilliam and El-Nafabi (2002) discovered in their study that a weak government financial control system in majority of the developing countries is facilitating the misuse of public resources and financial corruption. The absence of effective auditing and accounting systems in many African countries is demonstrated by ineffective financial control and internal check, unqualified auditing and accounting staff, and defective and ill-timed accounting information systems. This has led to poor blockage of corruption, fraud and other related vices.

Onuora and Appah (2012), conducted a study to assess accountability and public sector financial management in Nigeria**. T**he study examined the management of public funds in terms of how public office holders give accountability report of their stewardship. Data was collected on entire federal government income and expenses, state governments' income and spending from the Central Bank of Nigeria (CBN) spanning 1961-2008. The findings showed that the level of accountability was very poor because the attributes of availability, quality, completeness, significance, dependability and timely disclosure of economic, social and political information about government activities were absolutely non-existing or partially existing for the citizens to assess the performance of public officers, majorly the political office holders. On the basis of these, the paper recommended among many other things that for accountability to be embraced by the manager of public funds there must be a decline in the level of venality, improved public sector accounting and auditing standards, legislations and restructuring of the public accounts committees.

Emem (2008) studied public fund management and control in Nigeria using Boki Local Government as the case organization. A survey research design was utilised using questionnaire administered on 75 respondents. The findings revealed that the laid down procedures of fund administration are not rigorously followed which leads to ineffective fund management in the public settings. Similarly, there is ineffective fund management caused by weak financial control system in the council as well as alliances by the public fund administrators.

One thing that stands out from the studies reviewed is that financial control has the capacity to improve institutional accountability. Although, there were differences in terms of research settings, design, time and method of data collection and Analysis, yet, the findings were not too disaggregated. This shows that financial control has an inbuilt mechanism that enhances accountability.

2.3 Theoretical Framework

This study adopted three theories to illustrate the effects of financial control system on accountability in the public sector in Nigeria. The adopted theories are theory of financial control, reliability theory, and agency theory.

2.3.1 Theory of Financial Control

According to (John et al, 2014) the current and future individual tasks of human beings are avowed to create the fundamental point of reference in a theory of financial controls. This theory states that prevailing and potential functions of financial control for organizations are most important. Likewise, it is asserted that, payments, economic calculations, control models, financial instruments, accounting, and similar contemplations, both internal and external to the organization, should to be debated regarding the inner features and possible effects. It is observed that establishing the connections between several activities and financial processes, from a financial control point of view, is a general and basic issue (Ostman, 2009). The theory of financial controls for organizations places a natural emphasis on the organisation in such a way that they are viewed from several latitudinal areas, they are four:

The human beings: "functions of what is accomplished through organizations, their activities and output.

The structure: This implies the structure of the organization and activities, and of transactions that various parties have with each other.

The control systems in the sense of recurring procedures and methods that are employed to relate present and future functions to resources both externally and internally. The aforementioned financial control tools are argued to be crucial from an individual organization's perspective and also for larger economic systems.

Specific Processes: The fourth and last area that exemplifies the specific processes of each individual organizations for certain peculiar issues. It recognises the tendencies of each organization to function and operate in a unique way. It is therefore the duties of the board to determine what works for each organisation and what is not working. The theory additionally states that structural and financial control system works together and therefore should be adopted in combination and not in isolation.

The financial control theory was considered applicable to this study because it helps in better understanding of the complexities surrounding accountability in public sector.

2.3.2 Reliability Theory

Reliability theory describes the possibility of a system accomplishing its tasks within an interval of time. It was initially a tool used by the nineteenth century maritime insurance and life insurance companies to assist in totaling cost-effective rates to charge their clients. The reliability theory believes that an financial control system is made up of different components that are interconnected and each for component, measure of success is defined. Therefore, each component state is determined by whether it is "successful" or "not successful". The reliability of a component is defined as the likelihood of the component to be in the "success" state.

Additionally, the reliability of the entire financial control system is a dualistic combination with two possible values, "success" and "failure".

The controllability of the theory to the setup and evaluation of financial control systems has been documented in the professional literature and body of knowledge, notwithstanding, no applications have been testified that make use of the significant power of the theory of reliability (Kinney, 2000). The two likely utiliser of the reliability theory are the external auditor and the management of each organisation. According to Ndungu (2013), during the process of external auditing, evidence is assembled to substantiate professional opinion (Kinney, 2000). The primary purpose of financial control systems is to assess and control risks. Weak financial control systems will lead to more substantial work, hence, greater cost. The determination of the "weakness" of any financial control system is mainly judgmental. After the formulation of the process and system reliability estimates, comparison is made with data from the organization's past performances or another organizations may provide a more acceptable evidence do determine the impact of an financial control system on the firm's income risk and hence give for more sensible allotment of the auditor's time and effort.

2.3.3 The Agency Theory

The theory identifies the inadequate information concerning the relationship, interests or work performance of the agent designated as "adverse selection and moral hazard". Adverse selection and moral hazard jointly influence the productivity of the agent in mainly two ways; not doing precisely what he (the agent) was appointed to do, and/or lacking the necessary knowledge about what should be done. According to Anderson, Francis & Stokes (1993), Agency theory defines firms as necessary structures to sustain contracts, and through firms, it is likely to exercise control which curtails opportunistic tendency of the agents. In order to blend the interest of the agent and the principal, a comprehensive contract is written to address the interest of both the specialist and the head; they further clarify that the relationship is additionally fortified by the chief utilizing a specialist to screen the specialist. This affects the overall performance of the relationship as well as the benefits of the principal in the form of cash residual. Financial control is one of many mechanisms used in business to address the agency problem. Others include financial reporting, budgeting, audit committees, and external audits (Chan et al., 2008; Ashbaugh et al., 2008).

CHAPTER THREE

RESEARCH METHODOLOGY

This chapter discusses the operational principles and deals extensively with the methods that will be employed in carrying out this research work, it gives explanation and details of the procedures to be followed in arriving at any conclusion. It also focuses on the design of research and methodology procedures to complete this study. The methodological procedures include a comprehensive analysis of the techniques that will be used in carrying out this study which includes the research design, study population, sampling procedures and sample size, data collection instruments, validity and reliability of the research instruments and method of data analysis.

3.1 Research Design

A descriptive design will be employed for this study. A survey aimed at assessing the effects of financial control on public sector accountability in the University of Lagos (UNILAG), Lagos State University (LASU), Lagos University Teaching Hospital (LUTH), and Lagos State University Teaching Hospital (LASUTH) will be carried out among the staff of the accounting and audit department of the selected institutions. Therefore, the study will collect data through the use of structured questionnaire. The questionnaire will be designed in such a way that it will capture the basic objectives of the study. In addition, questions will be structured and made simple for respondents to understand clearly in order to generate reliable data.

3.2 Population of Study

Population is the entire aggregation of items from which samples can be drawn for a study. These are group of people with a given characteristics one wishes to study. The population of study for this research is all staff of account and bursary departments of the entire Nigeria public sector.

3.3 Sampling Unit

The study population which is the sample is the group that a researcher actually can measure or study and any information from the sample will be used as representative of the total population. It involves the study in considerable details of relatively small number of information taken from large groups.The population for this study shall consists of all the staff in the accounting and bursary departments of the University of Lagos (UNILAG), Lagos State University (LASU), Lagos University Teaching Hospital (LUTH), and Lagos State University Teaching Hospital (LASUTH).

3.4 Sampling Technique

The process of sampling makes it possible to draw valid inference or generalization on the basis of proportion of the population. Samples are not selected haphazardly, they are selected in a systematically random way, so that chances or probability can be used. The sample must be a representative number of respondents from the defined population. If the samples are truly representative of the target population in all his parameters or characteristics, then the information from the sample can be generalized to the population.

The sampling techniques that will be employed for this research work is the simple random sampling in which all members of the population have equal chances of being selected. This study envisage to use simple random sampling technique with strata consideration. Staff members of the selected institutions who are on duty at the time of data collection who give consent to be part of the study will be administered self-design questionnaires. The collection will be done in such a way that every rank and stratus will be sampled.

3.5 Sample Size Determination

This study will make use of Taro Yamane sampling model to determine the sample size from the study population of staff in the accounting and bursary departments of the UNILAG, LASU, LUTH, and LASUTH. Proportional stratification will then be adopted to yield a truly representative sample.

- The Taro Yamane formula is n= N/ (1+N (e) 2)
- Where n signifies the sample size
- N signifies the population under study
- e signifies the margin error (0.05)

3.6 Method of Data Collection

For this study, data will be collected using structured questionnaires which will be self-administered by the researcher and research assistants to the respondents. This requires the researcher to identify respondents whose cooperation will be required to answer certain questions as outlined in the questionnaire. The administration will be done in such a way that all research settings and cadres will be proportionally represented.

3.7 Instrument for Data Collection

The questionnaire will consist of questions that are related to financial control and the accountability as outlined in the study objectives.

The Questionnaire will consist of:

Section A: This covered questions on Socio-demographic variables. It contained 7-item questions.

Section B: Will be sub-divided into 5 parts (Part A-E) based on the research objectives. Likert five point scales ranging from 1 – 5 (strongly agree=1, agree=2, neutral=3, disagree=4 and strongly disagree=5) will be used as a basis for questioning. This is done in accordance with similar work done by Atuilik and Salia, 2019, Ogunmakin, 2020 & Sanusi and Mustapha, 2015

> ***Part A ;*** Cash inflow control and accountability.
>
> ***Part B;*** Cash outflow control and accountability.
>
> ***Part C:*** Control and information communication and accountability.

The questions will be structured in a way to avoid ambiguity and technical details. Therefore the questions will simply require respondents to tick () against the appropriate response.

3.8 Reliability and Validity of Research Instruments

The reliability is concerned with how consistent the data collection instrument is, which implies whether the questions in the survey get the same type of response when the condition is constant. Reliability of the instrument will be done by conducting a pilot study with the sample size of 10% of the total sample size and examine its reliability using the Chronbach's Alpha method, with alpha value ≥ 0.7 will be considered appropriate.

The validity being the appropriateness, meaningfulness and usefulness of specific inference made from the research instrument, validity would be ascertained in a number of ways which include showing the instrument to the supervisor who is an experienced researcher as well as other experts in the area of study who will assess the feature of the validity, which will help to assess an appropriate sentence construction, the comprehensiveness of instrument and the language clarity.

3.9 Sources of Data

The two ways data can be sourced from are primary data and secondary data.

Primary Data.

According to Petir Driller (1975), primary data is the original data gathered specially for a project at hand. It refers to materials which the investigator or researcher originates for the purpose of inquiry in hand. Data which are expressly collected for a specific purpose are referred to as primary data. One of the advantages is that the exact information is obtained because it is gotten from the researcher. They are information that are gathered fresh, they haven't been collected and used before. Data which are collected afresh and for the first time which happens to be original in character are termed primary data.

Secondary Data.

Secondary data can be seen as the existing information which may be useful for the purpose of specific survey. Data that have been collected and processed already are called secondary data. Secondary data may be collected from internal and external sources and they include books, journals, publications, Government periodicals company records, online services, newspapers, Government agencies, etc. The main advantage of this data is that it might not fit or be used for some information.

Basically, in this research only the use of primary data was adopted.

3.10 Method of Data Analysis

Data collected will be analyzed using statistical packages for social sciences (SPSS) Version 23. Two main analytical methods will be applied in this study, namely, descriptive statistics and inferential statistics. In order to effectively conduct a valid analysis in the presentation and analysis of the data collected on the research field, the researchers used descriptive Statistical knowledge that will be employed is descriptive Statistics such a percentage, frequency and inferential Statistics such as correlation and regression.

3.10.1 Model Specification

The model specification will be represented by the linear regression model, which will be used to ascertain the significant interaction between financial control and accountability. The ordinary least square method of regression will be used with aid of SPSS version 23 software packages to analyze the data to assess the impact of the independent variables on the dependent variable. The functional relation of the model is given as:

AC= F(CI, CO, CIS)………………………………(1)

Where: CI= Cash Inflow, CO=Cash Outflow,

CIS= Control Information and Communication

AC= Accountability

The above equation when expressed in explicit econometric form gives;

$AC=\beta 0+\beta 1CI+\beta 2CO+ \beta 3CIS+ \mu$………….(2)

Where b0>0, b1>0, b2>0, b3=0, b $\beta 0$, $\beta 1$, $\beta 2$, $\beta 3S$ = coefficient parameters and μ = the error term

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION

Introduction

Data presentation is a way of arranging data obtained via various data collection methods to allow the researcher perform analysis and derive new meanings from it.

This chapter shows the results of analysis of the data generated from the field to guide the findings of the study. A statistical approach was used in bringing together the views and opinions of the respondents from questionnaires distributed to them. The data collected is presented in simple table and questions presented in the questionnaire will be analyzed using simple percentage. A total of 100 questionnaires was sent out, however, a total of 86 were returned. Hence, the analysis of data will be based on the returned questionnaires.

4.1 Data Presentation

4.1.1 Demographic Data of Respondents

This sub-section presented the socio-economic features of the surveyed respondents via frequency and percentage analyses.

Table 4.1: Demographic data of respondents

	Frequency (F)	Percent (%)
Gender		
Male	55	64.0
Female	31	36.0
Age		
Under 20	13	15.1
21 – 30 years	41	47.7
31 – 40 years	18	20.9
41 and above	14	16.3
Marital Status		
Single	56	65.1
Married	28	32.6
Window(er)	2	2.3
Educational Qualifications		

O-Level	20	23.3
NCE/OND	2	2.3
HND/BSc.	48	55.8
Postgraduate degrees	16	18.6
Years of service with the institution		
0 – 5 years	52	60.5
6 – 10 years	8	9.3
11 – 15 years	20	23.3
16 – 20 years	6	7.0
Staff Category		
Management	18	20.9
Senior Staff	46	53.5
Junior Staff	22	25.6
TOTAL	86	100

Evidence given on table 4.1 shows that 55 (64.0%) of the respondents were male while 31 (36.0%) of the respondents were female.

On the respondents age group, 13 (15.1%) of them are 20 years and below, 41 (47.7%) are between the ages 21 and 30, 18 (20.9%) of the respondents are between ages 31 and 40 while 14 (16.3%) are of 41 years and above.

Also, table 1 shows that 56 (65.1%) of the respondents are single, 28 (32.65) respondents are married while 2 (2.3%) were widow (er).

In terms of respondent's educational qualifications, 20 (23.3) were holders of ordinary level (O-level) certificate, 2 (2.3) respondents hold either a Nigeria certificate in Education (NCE) or national diploma (ND), 48 (55.8%) are higher national diploma (HND) or bachelor's degree (BSc.) certificates holder while 16 (18.6%) of the respondents have postgraduate degrees

52 (60.5%) respondents have been employed in the service of the institution between 1 and 5 years, 8 (9.3%) respondents have been employed between 6 and 10 years, 20 (23.3%) have been

in the institutions service between 11 and 15 years while 6 (7.0%) have been employed in the service of the institution between 16 and 20 years.

Table 1 also presents that staff category in the institution, 18 (20.9%) are in the management category, 46 (53.6%) respondents are senior staff while 22 (25.6%) are in the junior staff category.

4.1.2 Answers to Research Questions

Research Question One: How does the cash inflow control influence accountability in the Nigeria public sector?

Table 4.2: Item Analysis of the responses on Research Question 1

S/N	Statement	Always	Often	Sometimes	Rarely	Never
1	All cash inflows are documented and well-vetted	53 (61.6%)	27 (31.4%)	4 (4.7%)	2 (2.3%)	0 (0.0%)
2.	All cash are paid into institution's bank account, and no one is allowed to receive cash.	49 (57.0%)	15 (17.4%)	12 (14.0%)	0 (0.0%)	10 (11.6%)
3.	Regular reconciliation of bank accounts to the general ledger in addition to yearly reporting for extra efficient financial control	46 (53.5%)	31 (36.0%)	7 (8.1%)	0 (0.0%)	2 (2.3%)
4.	Periodic, comprehensive financial scrutiny for cash in-flow.	32 (37.2%)	34 (39.5%)	12 (14.0%)	6 (7.0%)	2 (2.3%)
5.	Periodic appraisal policy with all existing customers that the institution establishes a creditor-debtor relationship	30 (34.9%)	26 (30.2%)	20 (23.3%)	6 (7.0%)	4 (4.7%)
6.	Support files and backups for all financial data in a separate secured database with access only permitted to senior management staff	34 (39.5%)	28 (32.6%)	16 (18.6%)	6 (7.0%)	2 (2.3%)

Table 4.2 reveals that 53 (61.6%) of the respondents thought that all cash inflow are always documented and well vetted, 27 (31.4%) of the respondents thought that all cash inflow are often documented and well vetted, 4 (4.7%) respondents opined all cash inflow are sometimes documented and well-vetted while 2 (2.3%) of the respondents opined that all cash inflow are rarely documented and well-vetted.

The table above also shows that 49 (57.0%) of the respondents are of the thought that all cash are always paid into the institution's bank account and no one is allowed to receive cash, 15 (17.4%) of the respondents are of the opinion that it is often done, 12 (14.0%) of the respondents opined that all cash are sometimes paid into the institution's bank account while 10 (11.6%) of the respondents are of the thought that all cash are never paid directly into the institution's bank account.

46 (53.5%) of the respondents are of the thoughts that regular reconciliation of bank accounts in line with statement 3 is always done, 31 (36.0%) of the respondents thought that it is often done, 7 (8.1%) of the respondents opined that such reconciliation is sometimes done while 2 (2.3%) of the respondents are of the opinion that such regular reconciliation was never done.

According to statement 4 of the question about periodic, and comprehensive financial scrutiny for cash inflow, 32 (37.2%) of the respondents opined it is always done, 34 (39.5%) opined it is often done, 12 (14.0%) of the respondents of the opinion that it is sometime done, 6 (7.0%) respondents opined it is rarely done while 2 (2.3%) thoughts that such periodic and comprehensive financial scrutiny for cash inflow was never done.

On periodic appraisal policy with all existing customers that the institution establishes a creditor-debtor relationship as stated in statement 5, 30 (34.9%) of the respondents thought it is always performed, 26 (30.2%) of the respondents opined it is often performed, 20 (23.3%) respondents thought it sometimes performed, 6 (7.0%) of the respondents opined it is rarely performed while 4 (4.7%) of the respondents are of the opinion that it is never performed.

On support files and backups for all financial data in a separate secured database with access only permitted to senior management staff, 34 (39.5%) of the respondents are of the view that it is always performed, 28 (32.6%) of the respondents view that it is often performed, 16 (18.6%) of the respondents are of the view it is sometimes performed, 6 (7.0%) of the respondents opined it is rarely performed while 2 (2.3%) of the respondents believed it was never performed.

Research Question Two: How does the control of cash outflow influence accountability in the Nigeria public sector?

Table 4.3: Item Analysis of the responses on Research Question 2

S/N	Statement	Always	Often	Sometimes	Rarely	Never
1	All cash outflows are documented and well-vetted.	49 (57.0%)	29 (33.7%)	8 (9.3%)	0 (0.0%)	0 (0.0%)
2.	Receipts and invoice are required to retire any expenditure that is made for the benefit of the institution.	39 (45.3%)	35 (40.7%)	6 (7.0%)	4 (4.7%)	2 (2.3%)
3.	Automatic/subscription payments are monitored and require proper authorization to control extravagant business expenditure	43 (50.0%)	25 (29.1%)	6 (7.0%)	4 (4.7%)	8 (9.3%)
4.	The institution always maintains a vendor database with detailed purchase records with restricted access in order to monitor cash outflow efficiently	42 (48.8%)	30 (34.9%)	12 (14.0%)	2 (2.3%)	0 (0.0%)
5.	Periodic reconciliation of bank statements to the general ledger.	35 (40.7%)	37 (43.0%)	8 (9.3%)	2 (2.3%)	4 (4.7%)
6.	Clear and precise expense reimbursement policy to be maintained, including detailed expense reports and receipt verifications in order to curb extravagant business expenses and employee fraud	43 (50.0%)	28 (32.6%)	7 (8.1%)	8 (9.3%)	0 (0.0%)

Table 4.3 reveals that 49 (57.0%) of the respondents are of the view that all cash outflow are always documented and well vetted, 29 (33.7%) of the respondents thought it is often performed, while 8 (9.3%) of the respondents opined that all cash outflows are sometimes documented and well-vetted.

39 (45.3%) of the respondents are of the thought that receipts and invoice are required to retire any expenditure that is made on behalf of the institution, 35 (40.7%) of the respondents thought it is often performed, 6 (7.0%) of the respondents thought it is sometimes performed, 4 (4.7%) of the respondents thought it is rarely performed while 2 (2.3%) of the respondents opined that

receipts and invoices are never required for retirement of any expenditure that is made for the benefit of the institution.

On the monitoring of automatic or subscription payments and proper authorization to control extravagant expenditures, 43 (50.0%) of the respondents thought it is always performed, 25 (29.1%) of the respondents opined it is often performed, 6 (7.05) of the respondents believed it is sometimes performed, 4 (4.7%) of the respondents feels it is rarely performed while 8 (9.3%) are of the thought it is never performed.

42 (48.8%) of the respondents thought that the institution always maintains a vendor database with detailed purchase records and restricted access in order to monitor cash outflow efficiently, 30 (34.9%) of the respondents thought it is often done, 12 (14.0%) of the respondents thought that the database is sometimes maintained, while 2 (2.3%) of the respondents thought it is rarely maintained.

35 (40.7%) of the respondents are of the thought that periodic reconciliation of bank statements to the general ledger is always done, 37 (43.0%) of the respondents thought that it is often done, 8 (9.3%) of the respondents thought that such reconciliation is sometimes done, 2 (2.3%) of the respondents opined such reconciliation is rarely done while 4 (4.7%) of the respondents are of the thought that such reconciliation is never done.

Table 4.3 also reveals that -43 (50.0%) of the respondents thought that clear and precise expense reimbursement policy were always maintained, 28 (32.6%) of the respondents feels such policy were often maintained, 7 (8.1%) of the respondents thought it is sometimes maintained while 8 (9.3%) of the respondents feels such policy is rarely maintained.

Research Question Three: To what extent does control and information communication affect accountability in the Nigeria public sector?

Table 4.4: Item Analysis of the responses on Research Question 3

S/N	Statement	Strongly Agree	Agree	Undecided / Neutral	Disagree	Strongly Disagree
1	The institution established information requirements to support the effective operation of financial control in ensuring accountability	34 (39.5%)	35 (40.7%)	17 (19.8%)	0 (0.0%)	0 (0.0%)
2.	Management re-evaluate its	0 (0.0%)	35	13 (15.1%)	14 (16.3%)	24

	information needs periodically. (IC)		(40.7%)			(27.9%)
3.	The organization periodically review the quality of information to assess its reliability and timeliness in ensuring accountability.	30 (34.9%)	42 (48.8%)	8 (9.3%)	4 (4.7%)	2 (2.3%)
4.	There a process to quickly disseminate critical information throughout the entity when necessary to ensure accountability	24 (27.9%)	42 (48.8%)	10 (11.6%)	6 (7.0%)	4 (4.7%)
5.	The organization have a process in place to approve formal external communications prior to their release	22 (25.6%)	46 (53.5%)	14 (16.3%)	4 (4.7%)	0 (0.0%)
6.	There a process for tracking communications from customers, vendors, regulators, and other external parties	24 (27.9%)	46 (53.5%)	8 (9.3%)	4 (4.7%)	4 (4.7%)

Table 4.4 reveals that 34 (39.5%) of the respondents strongly agreed that the institution established information requirements to support the effective operation of financial control in ensuring accountability, 35 (40.7%) of the respondents agreed, while 17 (19.8%) of the respondents were undecided.

35 (40.7%) of the respondents agreed that management re-evaluate its information needs periodically, 13 (15.1%) of the respondents were undecided, 14 (16.3%) of the respondents disagreed and 24 (27.9%) of the respondents strongly disagreed.

The table above also shows that 30 (34.9%) of the respondents strongly agreed that the organization periodically review the quality of information to assess its reliability and timeliness in ensuring accountability, 42 (48.8%) of the respondents agreed, 8 (9.3%) were undecided, 4 (4.7%) of the respondents disagreed while 2 (2.3%) of the respondents strongly disagreed.

24 (27.9%) of the respondents strongly agreed that there is a process to quickly disseminate critical information throughout the entity when necessary to ensure accountability, 42 (48.8%) of the respondents agreed, 10 (11.6%) of the respondents were undecided, 6 (7.0%) of the respondents disagreed and 4 (4.7%) of the respondents strongly disagreed.

22 (25.6%) of the respondents strongly agreed with the statement that the organization have a process in place to approve formal external communications prior to their release, 46 (53.5%) of the respondents agreed, 14 (16.3%) of the respondents were undecided, while 4 (4.7%) of the respondents strongly disagreed.

24 (27.9%) of the respondents strongly agreed that there is a process for tracking communications from customers, vendors, regulators and other external parties, 46 (53.5%) of the respondents agreed, 8 (9.3%) of the respondents were undecided, 4 (4.7%) of the respondents disagreed while 4 (4.7%) of the respondents strongly disagreed.

4.2 Test of Hypothesis

In this section, the research hypothesis is tested based on the data collected from the field survey on the study using regression analysis.

4.2.1 Test of Hypothesis One

Ho1: There is no huge connection between cash inflow control and accountability in the Nigeria public sector.

Table 4.5a: Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.585[a]	.342	.334	.65757	.342	43.662	1	84	.000	2.026

a. Predictors: (Constant), CASHINFLOW_CONTROL

b. Dependent Variable: ACCOUNTABILITY

Table 4.5b: ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	18.879	1	18.879	43.662	.000[b]
	Residual	36.321	84	.432		
	Total	55.200	85			

a. Dependent Variable: ACCOUNTABILITY

b. Predictors: (Constant), CASHINFLOW

Table 4.5c: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.796	.185		4.295	.000
	CASHINFLOW	.631	.096	.585	6.608	.000

a. Dependent Variable: ACCOUNTABILITY

The result of the analysis as shown in table 4.5a, b and c (model summary, ANOVA and coefficient) show that there is a huge connection between cash in-flow control and accountability in the public sector with p-value of 0.00 < 0.05. The value of R = 0.585 (model summary) tells us that there is a relatively impact of cash inflow control on accountability in the public sector. The value of R^2 of 0.342 (known as the coefficient of determination) tells us that 34.2% of accountability in the public sector could be explained by the institution of effective cash inflow control while the remaining 65.8% could not be accounted for. The Adjusted R^2 of 0.334 is close to the R^2 value of 0.342, which means that the model is fit for making generalization. Since p-esteem is under 0.05 (typically ≤ 0.05) is measurably critical. It shows solid proof against the invalid theory, as there is less than a 5% likelihood the invalid is right. Thusly, we reject the invalid speculation, and acknowledge the elective theory.

4.2.2 Test of Hypothesis Two

Ho2: There is no huge connection between cash outflow control and accountability in the Nigeria public sector.

Table 4.6a: Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.778[a]	.606	.601	.48300	.606	129.001	1	84	.000	2.069

a. Predictors: (Constant), CASHOUTFLOW_CONTROL

b. Dependent Variable: ACCOUNTABILITY

Table 4.6b: ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	30.095	1	30.095	129.001	.000[b]
	Residual	19.596	84	.233		
	Total	49.691	85			

a. Dependent Variable: ACCOUNTABILITY

b. Predictors: (Constant), CASHOUTFLOW

Table 4.6c: Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		

1	(Constant)	.299	.140		2.131	.036
	CASHOUTFLOW	.847	.075	.778	11.358	.000

a. Dependent Variable: ACCOUNTABILITY

The result of the analysis as shown in table 4.6 a, b and c (model summary, ANOVA and coefficient) shows that there is a significant relationship between cash outflow control and accountability in the public sector with p-value of 0.00 < 0.05. The value of R = 0.778 (model summary) tells us that there is a high positive impact of cash inflow control on accountability in the public sector. The value of R^2 of 0.606 (known as the coefficient of determination) tells us that 60.6% of accountability in the public sector could be explained by the institution on effective cash outflow control while the remaining 39.4% could not be accounted for. The Adjusted R2 of 0.601 is close to the R2 value of 0.606, meaning that the model is fit for making generalization. Since p-value is less than 0.05 (typically ≤ 0.05) is statistically significant. It indicates strong evidence against the null hypothesis, as there is less than a 5% probability the null is correct. Therefore, we reject the null hypothesis, and accept the alternative hypothesis.

4.2.3 Test of Hypothesis Three

Ho3: There is no huge connection between control of information communication and accountability in the Nigeria public sector.

Table 4.7a: Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.525[a]	.275	.267	.77432	.275	31.897	1	84	.000	2.231

a. Predictors: (Constant), INFOCOMM_CONTROL

b. Dependent Variable: ACCOUNTABILITY

Table 4.7b: ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	19.125	1	19.125	31.897	.000[b]
	Residual	50.364	84	.600		
	Total	69.488	85			

a. Dependent Variable: ACCOUNTABILITY

b. Predictors: (Constant), INFOCOMM_CONTROL

Table 4.7c: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.028	.361		.078	.938
	INFOCOMM_CONTROL	.862	.153	.525	5.648	.000

a. Dependent Variable: ACCOUNTABILITY

The result of the analysis as shown in table 4.7 a, b and c (model summary, ANOVA and coefficient) shows that is a significant positive relationship between information communication control and accountability in the public sector with p-value of 0.00 < 0.05. The value of R = 0.525 (model summary) tells us that there is a relatively positive impact of control of information communication on accountability in the public sector. The value of R^2 of 0.275 (known as the coefficient of determination) tells us that 27.5% of accountability in the public sector could be explained by the institution on effective information communication control while the remaining 72.5 could not be accounted for. The Adjusted R^2 of 0.267 is close to the R^2 value of 0.275, meaning that the model is fit for making generalization. Since p-esteem is under 0.05 (typically ≤ 0.05) is measurably critical. It demonstrates solid proof against the null hypothesis, as there is less than a 5% likelihood the invalid is right. Subsequently, we reject the invalid theory, and acknowledge the alternative hypothesis.

4.3 Discussion of Findings

According to the findings of this research work, it was revealed that there is a significant relationship between cash inflow control in the public sector in Nigeria and accountability, although it is a weak relationship. This result is consistent with the research conducted by Kenneth (2012), where accountability in the Nigerian public sector was studied with sample frame drawn from the Ministry of Finance (Accountant and Auditor General Office), Ministry of Works and National Assembly. 95 responses were received from the 100 administered questionnaires, validation was done by experts and analysis was conducted using Pearson product moment correlation method. The work revealed that there is accountability in the inflow of funds in the Nigeria public sector but at a weak level. In addition, it is also consistent with the study conducted by Akinwunmi and Akinola (2019). They examined if public funds are controlled and if accounts are properly kept using sample of 40 respondents drawn from staff in the audit and account department of the Federal Medical Centre, Owo, Ondo State. They study concluded that there is a relationship between financial control and accountability, and thus, effective and efficient.

Findings from this study also shows that cash outflow has a significant relationship with accountability in the Nigeria public sector. This is consistent with Owizy (2011) study on the effectiveness of internal control in government ministries with sample drawn from Benue State Ministry of Finance. The study revealed that there is adequate tracking of cash outflow to prevent financial irresponsibility, thus, enabling accountability. Hayles, (2005) also revealed that effective financial controls, most especially maintenance of proper accounting records for cash outflow protects the institutions from financial risk.

Finally, findings from this study reveals that there is a relationship between information communication control and accountability in the public sector in Nigeria. This was in line with the study of Hayles (2005), which revealed that effective control of information communication is necessary in order to ensure financial information are used only within the business. Report by Walters and Dunn (2001) also revealed that information technology and application controls are needed to facilitate accountability and determines audit strategy and other activities. However, this result contradicts the research conducted by Adeduro (2020), who studied the effect of the internal control system on public parastatals in Ekiti State, Nigeria. The study drawn its sample from seven selected public parastatals in Ekiti State and a total of 100 questionnaires was administered to the staff using a purposive sampling method. The questionnaire uses the 5-point Likert-scale and the data collected was analyzed using Statistical Package for the Social Sciences (SPSS) version 21.

The ANOVA in the regression analysis was used for analyses which revealed that information flow or communication control with p-value of 0.078 have an insignificant effect (Sig > 0.05) on accountability of public parastatals.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

Introduction

This chapter discusses the summary of the research findings, conclusion gotten from the survey and the necessary recommendation.

5.1 Summary of Findings

This research empirically examined the effect of financial control on accountability in the public sector. The study sample was drawn from University of Lagos (UNILAG), Lagos state University (LASU), Lagos University Teaching Hospital (LUTH), and Lagos State University Teaching Hospital, all in Lagos, Southwest Nigeria.

The summary of the significant discoveries of this examination are as per the following:

(a) There is a huge connection between cash inflow control and accountability in the Nigeria public sector.

(b) There is a huge connections cash outflow control and accountability in the Nigeria public sector.

(c) There is a huge connection between information communication and accountability in the Nigeria public sector.

5.2 Conclusion

Accountability is an essential concept in governance that needs public office holders of public trust to be fully responsible for their actions and in actions during the course of performing their duty either to the public or their duly elected representatives.

In view of the discoveries of this examination, the following conclusions are drawn in the context of some public institutions in Lagos State, Nigeria:

(a) All cash are paid directly into the institutions bank account, all cash inflow and outflow are well vetted and documented.

(b) Regular reconciliation of bank accounts to the general ledger in addition to yearly reports as well as periodic, and comprehensive financial scrutiny were performed.

(c) There is regular backup of all financial data in a separate database with restricted access to only senior management staff

(d) Receipts and invoices are required to retire any expenditure made on behalf of the institution, and payments are authorized and monitored to control extravagance expenditures

(e) The institutions has established information requirements to support effective financial operations, and are re-evaluated periodically by the management.

(f) There is a process in place to quickly circulate critical information throughout the institution, to approve formal external communications before their release and to track communications from customers, vendors, regulators and other external parties.

Therefore, this study established that internal control system put in place in these public institutions in Lagos State was well established and adequate for effective and efficient financial accountability.

5.3 Recommendations.

Based on the findings, the recommendations are as follows.

1. Institutions should regularly provide adequate training in terms of seminars and workshops to those in charge of internal control in order to have up-to-date knowledge on the requirements to performed efficient and effective internal control.
2. The government should periodically ensure the internal control system of institutions are properly monitored and evaluated.
3. Internal control units should continually be given independence to operate freely within the jurisdiction of their responsibilities to ensure the required effectiveness in their operations.

5.4 Areas for Further Research

Further research is required to determine the level of independence of internal control unit and how management staff use their power and position to control financial accountability in these institutions under this research study. Also, there is a limitation to the study as not being generalized to include all public institutions in Lagos State. As a result of this, similar research should be conducted in other institutions in Lagos State or Nigeria as a whole.

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APPENDIX

THE EFFECTS OF FINANCIAL CONTROL ON ACCOUNTABILITY IN THE NIGERIA ,

DEPARTMENT OF ACCOUNTING AND FINANCE,

MOUNTAIN TOP UNIVERSITY.

QUESTIONAIRE

Dear respondent,

LETTER OF INTRODUCTION.

I am a student of the above named institution involved in research work as an important part of requirements for award of Bachelor of Science in Accounting (BSc Accounting). This study intends to investigate the **EFFECTS OF FINANCIAL CONTROL ON ACCOUNTABILITY IN THE PUBLIC SECTOR**.

In view of this, you are required to assist in supplying responses to questions below to the best of your ability. You are rest assured that any information supplied which is purely for academic purpose will be treated with strict confidence and anonymity.

Thank you Very much as you take part in the study.

Yours Faithfully,

Oyedemi, Inioluwa Marvelous

SECTION A

Social-Demographic Data

Please tick the appropriate answers below:

1. Gender:

Male Female

2. What is your age?

Under 20 21-30 31-40 41 and above

3. What is your marital status?

Single Married Divorced widows/widowers others

4. What is your highest educational qualification?

'O' level school certificate NCE/OND HND/BSC

Postgraduate Degree

5. Professional qualification e.g. ACA, ACS, ACII etc …………… (Please specify)
6. How long have you been employed by the University of Lagos?

0-5 years 6-10 years 11-15 years 16-20 years 20 years and above

7. Staff category

Management senior staff junior staff

SECTION B

Please tick one choice for each of the following statements according to your degree of agreeableness with the following statements or indicate the frequency at which the statements are applicable.

Table 1: Cash inflow control and its influence on accountability

S/N	Statement	Always	Often	Sometimes	Rarely	Never
1	All cash inflows are documented and well-vetted (CI)					
2.	All cash are paid into institution's bank account, and no one is allowed to receive cash.(CI)					
3.	Regular reconciliation of bank accounts to the general ledger in addition to yearly reporting for extra efficient financial control (ACC)					
4.	Periodic, comprehensive financial scrutiny for cash in-flow. (CI)					
5.	Periodic appraisal policy with all existing customers that the institution establishes a creditor-debtor relationship (ACC)					
6.	Support files and backups for all financial data in a separate secured database with access only permitted to senior management staff (ACC)					

Table 2: Cash outflow control and its influence on accountability

S/N	Statement	Always	Often	Sometimes	Rarely	Never
1	All cash outflow are documented and well-vetted. (CO)					
2.	Receipts and invoice are required to retire any expenditure that is made on behalf of the institution. (CO)					
3.	Automatic/subscription payments are monitored and require proper authorization to control extravagant business expenditure (CO)					
4.	The institution always maintains a vendor database with detailed purchase records with restricted access in order to monitor cash outflow efficiently (ACC)					
5.	Periodic reconciliation of bank statements to the general ledger.(ACC)					
6.	Clear and precise expense reimbursement policy to be maintained, including detailed expense reports and receipt verifications in order to curb extravagant business expenses and employee fraud (ACC)					

Table 3: Effects of control and information communication on accountability.

SA- Strongly agree, A- agree, N- neutral, D- disagree, SD- Strongly disagree

SN	Statement	SA	A	U	D	SD
1.	The institution established information requirements to support the effective operation of financial control in ensuring accountability ((ICC)					
2.	Management re-evaluate its information needs periodically. (ICC)					
3.	The organisation periodically review the quality of information to assess its reliability and timeliness in ensuring accountability. (ACC)					
4.	There a process to quickly disseminate critical information throughout the entity when necessary to ensure accountability (ACC)					
5.	The organisation have a process in place to approve formal external communications prior to their release (ICC)					
6.	There a process for tracking communications from customers, vendors, regulators, and other external parties (ICC)					