

PROMOTING ACCOUNTABILITY IN THE NIGERIAN PUBLIC SECTOR THROUGH VALUE FOR MONEY AUDIT

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Abstract

The history of the public sector in Nigeria suggests an ugly trend of corruption, fraud, irregularity, waste of resources, extravagance and poor performance. These vices are further encouraged by lack of a stringent and effective accountability system. Value for money auditing provides a viable framework within which accountability could be strengthened, improved upon, achieved and sustained. Surprisingly, value for money audit in this, context has received very little scholarly attention in Nigeria. This paper is aimed at filling some of this gap and to stimulate interest and discussions in order to explore how value for money auditing could be used to assess and verify value for money in public sector activities and to enhance accountability among public officials in Nigeria. The paper is an exploratory study meant to provoke debate and advocacy in Nigeria on the tenets and usefulness of value for money audit. The work draws extensively on the experiences and exposure of the authors in the practice of accounting and auditing in Nigeria and equally utilizes their familiarity with the principles of public administration and financial management as well as an extensive conduct of library research. Finally, the paper recommends that value for money audit should be a standing component of accountability in public administration at all levels if development will be achieved and sustained in Nigeria.

Introduction

Value for money auditing is a recent expansion in the scope of auditing in the public sector in some countries. Government Auditors were traditionally concerned with the regularity of expenditure and compliance with laws, rules and regulations. The role of the government auditors began to change drastically in the United States of America (USA), Canada and in several European countries in the early 1970s. The people through their elected representatives started demanding for information on the efficacy and the effectiveness of public expenditure.

Dissatisfaction was expressed with the traditional role of audit which focused merely on the regularity and compliance aspects. The people wanted to know value for money being achieved from the expenditure of public funds. They expected greater accountability from government officials in the management of public funds. Government auditors in these countries tried to respond to this challenge and started value for money auditing (Kandasamy, 2003). Similarly, the elected representatives who are usually hand-picked and rigged into office by their powerful and often desperate political godfathers may not be demanding for money for government programmes and projects. But some other Nigerians are daily demanding to know from their governments the value for money of programmes and projects vis-à-vis the volume of public funds allocated to the three levels of government - federal, state and local - in Nigeria from the Federation Account from which the national wealth is shared on a monthly basis. Yet, there is generally nothing to show for these monies routinely shared out.

Ujah (2007) and Okwe (2007), report that the three tiers of government shared a total of N335 billion to fund their expenditures for the month of September, 2007 alone. The Federal Government which took 52.68 percent of the federation account got \$4144.4 billion, while the states and local governments got ₦ 73.2 billion and ₦56.5 billion respectively. The three tiers also received £43.3 billion, ₦1 1.05, and ₦ 7.7 billion which represent 15 percent, 50 percent, and 35 percent of the VAT (Value Added Tax) proceeds respectively - that is, the federal, states and local governments. The nine oil producing states got another N33.773 billion extra funds representing the 13 percent oil revenue derivation for the month of August, 2007. (The nine oil producing states are Rivers, Cross River, Akwa Ibom, Bayelsa, Delta, Abia, Edo, Imo and Ondo). The total amount distributed for September was about ₦7 billion less than the \$4342.460 billion which was distributed for August, 2007. The fall was attributed to fall in oil production arising from the crisis in the Niger Delta. ₦ 3 billion was therefore, sourced from the Domestic Excess Crude Oil Account to bring the Federation Account Statutory revenue to N313 billion.

If the federal, state and local governments of Nigeria shared \$4342.460 billion and N335 billion in August and September, 2007 respectively, it implies that they get a total average of about \$44,164.76 billion (N1.165 trillion) annually. Yet, there is almost nothing to show for it in the country. And

Since the discovery of oil in commercial quantities in Nigeria, the nation is estimated to have earned over \$430 billion from that source alone. Yet we have nothing to show for it. The bulk of those earnings have been lost to corruption in the corridors of power. According to the United Nations Development Organisation (UNIDO) there is over \$105 billion dollars held illegally in foreign bank accounts by corrupt Nigerians in and out of government. This is close to one-quarter of our total oil earnings and about three times our total foreign debt. By the time we add the cost of ostentatious lifestyles and corruptly acquired property within, we could safely conclude that close to half of our oil earnings have gone into the pockets of Nigeria's ruling class. If such monies had been judiciously used we would not have needed to borrow in the first place. The way forward is thus, to fight corruption and ensure that the resources of the country are utilized to provide education, medical care, housing, roads, power supply, potable water and other social necessities for the people. Unfortunately, the Obasanjo government has only been paying lip service to the fight against corruption, while the wealth of the nation continues to disappear into private pockets and the living conditions of the people continue to decline (Obayuwana,

et al, 2007).

Nwabuzor (2003), Arosanyin (2005) and Aiyetan (2007), have also shared the same view as Obayuwana and others just above.

As the veteran Nigerian social crusader and legal luminary, Gani Fawehinmi (2007:47) notes;

Corruption is the bane of our development. It is the fundamental cause of our poverty in the midst of plenty. It has prevented the country from making political, social and economic progress, social and economic progress. It has brought about high level of unemployment in the country. It has denied millions of Nigerians access to education, housing, health, food and infrastructures etc, etc. Whilst the masses of our people wallow in poverty, their political leaders at all levels of government are suffused in ill-gotten wealth by sheer stealing of the resources of the nation.

Nigeria is an oil-rich country whose citizens live life generally characterized by extreme poverty, misery and hopelessness. Nigeria is the sixth largest oil-producing country in the world, with virtually nothing to show for it. The country is grossly under-developed and the citizens are suffering. Petty projects and sometimes irrelevant projects are said to cost huge sums. The people are therefore raising questions about the true cost and value of these dubious projects and the efficiency and effectiveness of public expenditures in the country. Yet, these projects and expenditures are said to be audited. Do they really reflect the true value of the monies or expenditures on them? Yet, public resources are scarce and must not be wasted. In relation to Nigeria, we are not just talking of scarce resources but stupendous resources. After all, a lot of resource is allocated by government in a country and it is expected that economic principles could be Applied to guide government decisions in resource allocation. The application of these economic principles could lead to efficiency in the public sector. Accordingly, resources would be deployed to achieve public objectives effectively. Also, waste could be avoided (Eckstein, 1987; Edosa and Osaze, 2003). Proper budgetary and audit practices such as value for money will no doubt prevent waste.

In Nigeria, there is no visible commitment and indeed no institutional framework for the conduct of value for money audit. There is a great need for auditors to redress the looming danger of dwindling credibility and loss of confidence in normal audit and reduce if not completely eliminate the public skepticism about audit reports in the public sector. The problem with the normal audit in the civil service and indeed the entire public sector in Nigeria is that what the auditor audits have underlying transactions that are commonly fraught with concealed corruption and frauds, but shrouded or covered in documentation 'doctored' or manoeuvred to present the picture of perfect or faultless transactions.

Many former State Governments such as in Abia State under the administration of Orji Kalu, in the Fourth Republic in Nigeria, published their audited accounts regularly in national newspapers without any reported case of corrupt practices but this governor and others are now being prosecuted for corrupt practices and self-enrichment by the Economic and Financial Crimes Commission (EFCC), an anti-corruption federal agency. It is the belief of this paper that the culture of accountability and transparency could be enthroned by the introduction and an effective conduct of value for money audit in Nigeria. Value for money audit will help Nigeria in the war against some of the country's most cruel enemies - corruption, fraud, waste and extravagance in the public sector.

Definition of Value for Money Auditing

Value for money audit has no universally accepted definition. The Canadian Comprehensive Auditing Foundation, according to Khan (1981), defines Value for Money Auditing as: "A comprehensive examination that provides an objective and constructive assessment of the extent to which:

- > Financial, human and physical resources are managed with due regard to economy, efficiency and effectiveness; and
- > Accountability relationships are served or observed

The definition used by the Auditor General of Pakistan says it is "an independent appraisal of an audit entity to determine the extent to which resources were managed with due regard to economy, efficiency and effectiveness and in conformity with applicable regulations, rules and procedures (Khan, 1981).

Value for money audit is often more commonly associated with the public sector. This concept as advocated by the USA General Accounting Office (GAO, 1984:4), is that, it is:

The responsibility to apply resources effectively, economically and effectively to achieve the purpose to which the resources were furnished. This responsibility applies to all resources whether entrusted to public officials by their own constituency or by level of government

Value for money audit seeks to test the system and their controls to ensure that the organization is working efficiently, economically and effectively (Adeniyi, 2004). The responsibility for ensuring value for money audit should not be left to the auditors alone. Management has a greater role to play in this regard. The establishment of necessary arrangements for value for money audit was laid on the shoulders of management as asserted by the British Audit commission's code of practice thus:

The achievement of economy, efficiency and effectiveness depends upon the existence of

sound arrangements for the planning, appraisal, authorization and control of its use of resources. It is management responsibilities to establish these arrangements and to ensure that they are working properly. The auditor's responsibility is to verify independently that these arrangements are in place and effective (Chandler,1985:3).

While there are some differences in the definition of value for money auditing, it is clear from the above definitions that the core of value for money auditing is the framework of economy, efficiency and effectiveness (three E's) of procurement, utilization and control of government resources. It is securing fair, genuine and commensurate value and returns for government money such that the people feel the much expected impact and dividends of government action and utilization of scarce national resources. These three Es will now be explained for the purpose of understanding the meaning attached to them in this paper.

Economy

Economy may be defined as minimizing the cost of resources used for an activity having regard to the appropriate quality. According to Afemikhe (2003), economy means ensuring that input costs are minimized. Economy relates to all types of inputs or resources such as physical, financial, human and information. The question of economy is relevant to the acquisition of resources. Auditors should try to determine whether the resources have been acquired in the right amount, at the right place, and the right time, of right kind and at the right cost. This by itself is not very easy. It presumes that there are standards available to judge whether considerations of economy were kept in the acquisition of resources. One example of a standard for economy is to accept the lowest open bid for buying an asset. But it is not so simple. It is common knowledge that this is not a fool-proof method. Bid-rigging is a practice known in most countries. The bidders may join hands to suppress genuine competition and thus make a fool of the system of open bidding. In this situation when we seek economy in relation to quantity, quality, price, time and cost, more comprehensive standards are required to assess whether economy was observed in acquiring-the resources.

Efficiency

This is the most important of the three and it is measured by the ratio of input to output. An increase in output without a corresponding increase in input or getting the same output as before with a reduced input indicates an increase in efficiency (Okaka, 1993). According to Afemikhe (2003), efficiency means ensuring that maximum useful output is achieved at the minimum level of input cost. It is described as the choice of alternatives, which produces the largest result for a given application of resources.

Measuring efficiency presumes the existence of acceptable standards/criteria. It is often necessary for auditors to develop such standards/criteria if they do not exist. Therefore, auditors often have to work with the auditee management and other specialists to identify or develop efficiency standards/criteria. Even where standards/criteria exist, auditors need to satisfy themselves that these standards/criteria continue to be relevant. Sometimes, efficiency standards/criteria become outdated in the face of changing circumstances but remain in use. For example, the standard of efficiency in an accounts department for processing payment claims may have been devised when computers were not in use. With the advent of computers, the time needed to process a payment claim may have undergone a change. The auditors need to remain vigilant to such changes before accepting the existing standards.

Effectiveness

This refers to the success or otherwise in achieving objectives. Effectiveness has been defined as an ends oriented concept that measures the degree to which predetermined goals and objectives for a particular activity or programme are achieved (the attainment of the right results from the usage of resources and organizations). Effectiveness describes the capacity or the ability to achieve results. Often, it goes beyond this capacity and being effective means having reached one's goals successfully. Of all the meanings attached to the word effectiveness, probably the most common is related to the achievement of goals. Different authors with different value systems have their own conceptions of effectiveness, but what brings them near one another is goal accomplishment or performance in meeting objectives. Although making goal accomplishment central to effectiveness gives it a clear focus, the problems and implications remain very substantial. Among these implications are the following (Kandasamy, 2003):

Goals are often ill-defined, complex, changing and contradictory. It is often not clear at what level or with respect to what units the attainment of goals should be measured. There should be an evaluation or assessment of the continued relevance (need) for a programme or goal in relation to the conception of effectiveness. Goal-based perspective of effectiveness also raises the issue or question of who set the goals. Usually, goal-setting takes into consideration the preferences of managers or executive but not all constituencies.

In practice, when discussing organizations, the word effectiveness is typically modified by one of three terms; Programme, Operational and Organizational (Kandasamy, 2003).

- ❖ Programme effectiveness relates to the continuing relevance of a programme, the attainment of its intended objectives, its impact and its cost-effectiveness. Are the reasons
- ❖ that gave rise to the programme in the first place still valid today? Operational effectiveness relates to the achievement of output target
- ❖ Organizational effectiveness relates to the overall capacity of the organization and the interaction among strategic planning, management structure and processes and human and financial resources all in relation to the mission and goals of the organization and the external environment.

It should be noted that how effectiveness is viewed will depend on who is looking for it. Different views

may be taken by the electorate, specific constituencies, customers, governing bodies, managers and so on. Each view has validity in its own context (Hugh, 1990).

However, the three Es are clearly related. Economy is about inputs. Effectiveness is about output. Efficiency is about inputs and outputs. Economy is of limited use on its own; it is not much use to know that something was as cheap as possible if it does not satisfy the organization's objective. Similarly, effectiveness is of limited use on its own; knowing that the organization achieved its objectives without knowing how much the achievement has cost is of little value since most of objectives can be achieved with unlimited resources. It is only efficiency that captures both input and output and does therefore stand on its own; if an organization is adjudged efficient, it means that it has achieved its objectives at a satisfactory cost,

The Need or Necessity for Value for Money Audit in Nigeria

Normal audit may find it difficult to detect fraud and corrupt practices involving forgery and collusion because auditing works with authentic supporting original documents such as receipts of payment, invoices, local purchase orders (LPOs), etc.. Under the normal audit, there is no procedure to question the authenticity or the originality of the documents presented to the auditor for the audit unless suspicion is aroused to probe into detail. In the audit of government accounts, the Auditor-General (Federal, State and Local Governments) should not only be interested in the accuracy of accounts and financial records but be watchdogs over public funds and should be interested in the efficiency of operation as well as the reasonableness of expenditure (Okolo, 1987).

The chances of unreasonable expenditure are much more in government establishments because of the belief that government business is nobody's business as well as the attitude of some Nigerians who believe that being in public office is an opportunity to amass wealth for themselves and enrich their families and friends to the detriment of the general public. It is obvious that the regular routine audit is worthless in the Nigerian corrupt environment where those who should enforce controls are in fact the ones who override them for selfish advantages. Auditors work with information and the information given by fraudulent officials to auditors in Nigeria may be manipulated.

This is partly responsible for the non-discovery of certain corrupt practices in some establishments by the auditors during the normal audit exercise. Such fraudulent or corrupt practices may later be made known by some persons (insiders) through information or petition to bodies such as the Independent Corrupt Practices and Other Related Offences Commission (ICPC) or the Economic and Financial Crimes Commission (EFCC) which may conduct investigation using the information not hitherto available to the auditor during the normal audit.

It is therefore, misleading to assume that the accounting effect or consequence of resource application rests only with documents which auditors' audit. Confirmation must thus go beyond documents to evaluate the result of expenditure in terms of value in exchange for resources foregone. This could be overcome by value for money audit where such information (documentary or oral evidence) is evaluated on the basis of value derived from such payments or expenditure. The normal audit report in Nigeria does not offer a guarantee that the financial statements are free of fraud, embezzlement and corrupt practices because frauds are apparently 'schemed' by 'trusted' officials of the entity in question by manipulating documentary evidence which may often escape detection in the normal programme of audit. Such underlying audit evidence presented to the auditor during the normal audit is only persuasive or convincing, rather than conclusive, that is, not beyond questioning.

There seems, therefore, the crucial need for professional collaboration for a successful execution of value for money audit in the Nigerian public sector. For instance, an auditor could collaborate with or seek the assistance of an engineer in ascertaining the true quality or real monetary value of a machine among the items and facilities he/she is auditing - the receipt presented by the particular organisation notwithstanding. So also an architect, a quantity surveyor or an estate valuer could be collaborated with, say in auditing a set of buildings among other items or facilities.

It is equally imperative that the issue of political leadership is taken more seriously in Nigeria such that the process of political recruitment is devoid of rigging. Free, fair and credible elections would thus produce popular, acceptable, competent and credible leaders, who will not seek to collude with or further corrupt the public servants and steal public money by all sorts of means and cover-ups but ensure value for public funds entrusted to them by the people.

Value for money audit is moreover relevant in the light of the current anti-corruption crusade of the present federal government of Nigeria. The country's developmental needs and requirements and fight against poverty, unemployment, poor infrastructural development, lack accountability and unstable democratic governments will be a mirage unless corrupt practices are stamped out of Nigeria. The incidence of legislations and mechanisms to check rampant corrupt practices in the Nigerian public sector such as Anti-corruption bills and bodies - the Fiscal Responsibility Bill (FRI), the Independent Corrupt Practices and Other Related Offences Commission (ICPC), the Economic and Financial Crime Commission (EFCC), and even the Code of Conduct Bureau (CCB) and the Due Process Office (DPO) could be re-enforced with the introduction of value for money audit. (The Code of Conduct Bureau ensures that public officers act according to their oath of office such as declaration of assets on assumption of office, while the due process office has responsibility for standardization of procurement and certification of procedure for contract awards and authorization of release of funds by the executive.)

Standards of Accountability

The concept of accountability and value for money are fundamental to modern democracy, and they are veritable tools for measuring good governance. Accountability, ordinarily, has to do with the obligation which falls on recipient of a delegated authority or resources to render account to the giver of such authority or resources. Accountability from this perspective will include in the first place, the obligation to show what has been achieved

with the authority or resources entrusted and secondly, the obligation to show the reasonableness or judiciousness of the amount of resources which were claimed to have been expended in accomplishing that objective.

In Nigeria, and indeed most developing economies, government constitutes the largest single entity and the core of the economy. Substantial financial resources of the tax payers are entrusted yearly to the government to implement its budgetary programmes, policies and to carry out its numerous day-to-day activities arising from countless demands by the citizenry (Jones, 1981).

The current Nigerian economic environment within which managers in the public sector are operating is not rosy. Among the numerous constraints are inadequate domestic and foreign resources complicated by inflationary situation. Consequently, the improvement in the standards of accountability with respect to expenditure and operation in the public sector merits attention Jones (1981) asserted that the tax payers lack the shareholders opportunity to divest and may not be in position to vote out particular officers. Hence there will be greater interest in obtaining assurance that resources were judiciously and prudently utilized. The frequent corrupt practices, waste and extravagance adversely affect value for money and a threat to public accountability as well as good, stable and resulted-oriented governance.

Public Sector Accountability

Accountability has always been a strong feature of public office. Compared with to the private sector, public sector accountability has come to acquire a scope that is all-embracing and significantly broader.

Accountability in a private firm is substantially discharged through normal preparation and presentation of accounts, which have been subjected to financial audit by a firm of professional accountants. This is, however, not the case in the public sector. While the duty to render account remains essentially the same in both cases, the scope of the audit which is required of public concerns is much broader than that which applies to private sector concerns. As pointed out by Bird (1974:7).

The scope of company and other business audits is set almost entirely by the content of their account. But in the Public Sector the audit of central government accounts conducted on behalf of parliament by the controller and Auditor General extend beyond the content of the accounts into matters of administrative systems of efficiency and the obtaining of value for money spent; and so (lie full extent of the accountability enforced cannot in this instance be discovered solely from the form of account.

Hackson (1990), views the value for money audit as an extension of the 'true and fair view' concept of the private sector to the public sector. It is indeed, an obvious extension of audit responsibility beyond the regular normal audit.

Levels of Auditing

There are three broad levels of auditing (Oshisami, 1993:192):

(a) **Financial and Compliance Audit**

The focus here is to determine:

- (i) Whether financial operations are properly conducted
- (ii) Whether the financial reports of an audited entity are presented fairly,
- (iii) Whether the entity has complied with applicable laws and regulations.

(b) **Economy and Efficiency (Value for Money) Audit**

This seeks to determine whether the entity is managing or utilizing its resources' (personnel, material, assets, money, space and so forth) in an economical manner and to identify the causes of any inefficiency or uneconomical practices including inadequacies of management information system, administrative procedures or organizational structure.

(c) **Programme Results (Effectiveness Audit)**

The focus of this type of auditing is to determine whether the objectives established by law and other authorizing bodies are being met. The different types of audit attempt to answer different questions.

The financial and compliance audit seeks to ascertain whether the expenditure was duly authorized and actually incurred for the benefit of the organization, while the economy and efficiency (value for money) audit is interested in knowing if the expenditure was really necessary. If the amount paid was the lowest that could have been paid and if there exists a cheaper alternative to the method that was actually adopted. Indeed the financial audit is an easier test. Once satisfactory documentary evidence exists the auditor is more likely to be satisfied with the expenditure; On the other hand, the efficiency audit is completely open-ended, often making reference to parameters which are outside the organization. It implies a stiffer test of accountability. Public sector auditing should no doubt embrace all three. However, the emphasis should be on economy and efficiency audit. Auditing of public expenditure should go beyond the issues of establishing the legality of transaction through examination of documentation and the arithmetic accuracy of account which does not serve to acquit of due accountability. The emphasis -should be on value for money audit, which entails testing the economy and efficiency of the expenditure, and also ensure that there have been no wasteful, extravagant or unrewarding expenditure (Oshisami and Deah, 1984).

Possible Obstacles to the Introduction and Implementation of Value for Money Audit in Nigeria

The concept of value for money audit is sound in theory, but very difficult to implement practically. This is because it does not rely on documentary evidence alone. Documentary evidence supporting the payment of money is vouched to the actual value of goods or services received in exchange. Value for money audit seeks to establish the parity or equivalence of the value received and the money paid.

The major drawbacks with value for money audit as observed by Emeni, et al (2007), are:

- (a) There is a problem of measurement of value in Public Sector in Nigeria. Measure of performance or benefits and results of programmes like education, health, culture, defence, social services etc. may be difficult to state precisely due to lack of appropriate tools of quantitative measurements. The tools of measurement in accounting are largely subjective, involving judgments, estimates and surrogate measures. Even if values are measured, the result will be subjective and imprecise. Certain services in the public sector are not readily measurable. For instance, in evaluating expenditures in health programmes, water supply, value for money is not easy to determine except through the use of surrogates. The results or outcome of these expenditures are not tangible except through other channels related to the expenditures.
- (b) The expertise to value services and programmes is beyond the technical competence of many auditors. The requisite expertise and skills needed to implement value for money audit may necessitate the training and retraining of the Nigerian Auditor.
- (c) In Nigeria, there is no legislative backing nor expressed-mandate to carry out value for money audit.
- (d) The Auditor-General may not have the political will to carry out value for money audit.
- (e) In the Nigerian public sector, the system of accountability has broken down to the extent that the operators of the system may not want to cooperate with the auditor.
- (f) Value for money audit will only be effective if there is a general pursuit of value for money in the public sector. In other words, the mechanics for the operation of value for money audit is not in place in Nigeria.
- (g) The legislature has a major role to play in the success for value for money audit but unfortunately, the Nigeria legislature does not seem to be sophisticated enough both morally and politically to pursue value for money audit.
- (h) The practice of value for money audit requires a high degree of objectivity and independence. The Nigerian Auditors have not attained this level of independence.

Let us now attempt to briefly respond to the above-mentioned possible obstacles to the introduction and implementation of value for money audit in Nigeria, which we believe are not insurmountable. In the first place, we need to distinguish between tangible and intangible as well as measurable and immeasurable items for auditing. Not all items are intangible and immeasurable whether in the health, education, defence, or social services sectors, for examples, buildings, equipment and other facilities. All these can easily be audited. The cost of continuous training will always be worth the purpose. Legislative backing and political will can also be advocated for. What is important is to popularize the ideas and accordingly sensitize the general populace. After all, the current anti-corruption crusade in Nigeria started in a rather small way, and now it seems to be gathering storm.

According to the Nigerian Senator, Lee Maeba, with EFCC's efforts, for example,

Nigeria's ranking on the Transparency International Perception Index has improved, placing the country 146th out of 163 nations in the world and delisting Nigeria from its blacklist of nations with high records of financial crimes by the United States if America (Jimoh and Nwigwe, 2007:1-2).

In short, with appropriate legislation (law), and the enabling environment as well as proper mandate, the Auditor-General will rise up to the challenge of value for money audit.

Similarly, with adequate enlightenment by the press and civil society bodies and with the support of government, the current trend of poor accountability in Nigeria will be reversed. Society is dynamic. If America can do it, Nigeria can (one day) do it. Once there is commitment to the pursuit of value for money, the structure and mechanisms for value for money audit can be designed, developed and strengthened.

Furthermore, the Nigerian legislature is now getting more responsive to the fight against corruption. For instance, it is Nigeria's National Assembly that passed the ICPC and the EFCC Acts for the country. Lastly, the independence and objectivity of auditors in the public sector in Nigeria could be strengthened through job security, continuous training, and adequate remuneration for the auditors. In all, we can see that the possible constraints as raised by Emeni *et al* to the introduction and implementation of value for money audit in Nigeria are really not insurmountable.

Recommendations

A more stringent and effective concept of public accountability is recommended. Value for money audit should be a standing component of accountability in the public sector, particularly in the prevailing Nigerian environment whereby government is finding it increasingly difficult to raise funds to meet its responsibilities.

There is an urgent need to reduce the prevalence of unproductive spending in the public sector in Nigeria. Government expenditures and actions should be re-orientated towards a new horizon of performance and overall efficiency. Managers in the public sector should learn to deploy available funds with due regard to economy,

efficiency and effectiveness. In other words, since fund is not easily available, the limited available funds must be efficiently managed in a way to get the best result from the least resource input. One very important way managers in the public sector can ensure value for money with respect to public spending is to set priority criteria incorporating the aspirations of the citizens and everyone in the organization should work towards them.

Nigerian auditors should also seek to collaborate with other professionals such as engineers, architects, quantity surveyors, estate valuers and lawyers for the necessary technical inputs that can aid or enhance their work so that they can go beyond whatever receipts and documents presented to them and thus be able to truly establish genuine and correct value for money through a re-organised and upgraded audit system or practice.

The Due Process Office should therefore not restrict its work to the certification of the procedure for contract awards and authorization for release of funds but also to the implementation of the contract in terms of whether it meets the requirements of value for money indicated in the contract.

Finally, it is pertinent to note here that good political leadership is needed to take concrete action in the pursuit of value for money audit. The pursuit of value for money should be championed by the leadership. Political leaders are expected to mobilize the support of all the citizens. It is, therefore, suggested that proper and correct systems and policies of political recruitment (through elections and appointments) into public offices should be vigorously pursued. All hands should be on deck to ensure that in political recruitments, elections are not rigged. There should be free and fair election of candidates into political offices as well as the selection and appointment of credible, capable, trustworthy, popular, transparent and acceptable persons to public offices. The Press and Civil Society Organizations should help and embark on sensitization and enlightenment programmes to ensure that the citizens or the electorate are adequately informed and mobilized towards the actualization of these noble objectives.

Summary and Conclusion

This paper has tried to look at how managers in the public sector can ensure economy and efficiency in spending public money. There is no doubt that all public institutions have written and in some cases unwritten systems of checks and counter-checks on how public monies ought to be spent. However, it would appear as if the focus in most cases is on routine paper work without improving accountability. A sound system alone would not of itself ensure accountability.

The concept of accountability discussed and advocated in this paper is more stringent and effective than which is ordinarily implied in the duty to "account" and submit to audit" which the private sector audit has recommended. Accountability in the public sector should impose stiffer tests of stewardship. Unlike in the private sector where profit is a composite, all-embracing and quantifiable measure of performance, there is no such universal measure in the public sector. Thus, the mere certification of a balance sheet and income and expenditure figure becomes useless in the sector if expenditure fails to result in the greatest happiness for the greatest number of people.

In the context of State Governments, for instance, accountability would embrace the requirement for the authorities to account and justify to the citizens in the state as a whole the programmes which the executive was able to pursue or accomplish with the authority or resources entrusted to it during its term of office. Recently in Nigeria, many State and Local governments as well as other government agencies such as Power Holding Company of Nigeria (PHCN), the Refineries in Port Harcourt, Warri and Kaduna, etc, have virtually nothing to show for several billions of Naira allocated to them. States like Edo, Bayelsa, Rivers, Delta, to mention but a few, achieved so little compared to their budgetary provisions over the years. This could be seen in the state of roads and other infrastructures across the length and breadth of the country. Over the years, huge amounts of fund have been released for federal roads such as the Lagos-Ore-Benin City, Lagos-Ibadan and Onitsha-Owerri-Aba roads yet the roads are scandalously in a deplorable state and therefore impassable.

The pursuit and achievement of value for money in Nigeria should go beyond moral suasion and rhetorics. It should involve changes that entail doing things right by both government and citizens using systems, laws, policies as well as feedback mechanisms. It requires a high level of performance, elimination of wasteful spending as well as transparency and accountability in the conduct of the affairs of government for the overall benefit of the entire citizenry.

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