ACCOUNTABILITY AND TRANSPARENCY IN PUBLIC FINANCIAL MANAGEMENT IN NIGERIA: CHALLENGES AND PROSPECTS

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ABSTRACT:

The Nigerian state has, for a long time, been groping in the dark. Politically directionless, economically huge but hopelessly managed. Humanly endowed but devastatingly impoverished. The current paper examines the importance of financial transparency and accountability in Nigeria's restoration. It noted that an improved public financial management and accountability environment has become crucial to better governance and performance. The paper present ideas and principles that can help public managers understand their obligations toward financial management. It concludes with viable, constructive ideas for restoring Nigeria on the path of financial transparency and accountability.

Keywords: Accountability; Financial transparency; Corruption

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INTRODUCTION:

Management of public funds is one of the most sensitive parts of public life in all democracies, whether developed or emerging. This is because economic development of any nation is partly dependent upon the available resources and the management of those resources. Nigeria is a developing nation not because it lacks the necessary resources to make the nation develop, but partly because of mismanagement of the resources. This mismanagement of abundant public resources is most apparent in the level of official corruption in the country as a result of lack of accountability and non transparent of public officials. The experience and happenings in the recent times therefore calls for strict management of tax payers funds through transparency and accountability.

The issue of financial management in public service has become a crucial one in Nigeria today, and cannot be glossed over. When the issue of financial management at governmental level is raised today, the first sets of thoughts that comes to mind are: corruption, mismanagement, inflation of contract, decline in standard, deterioration of facilities, and the like before any other thing else. This calls for an in-depth study and analysis aimed at tutoring each and every stakeholders in the public service on how their actions and inactions have individually and collectively contributed to the collapsing state of sustainable development in Nigeria (Odia and Omofonmwan, 2007). This is because the role government is expected to play in a society is multi-faceted. It is expected to provide social services at the grassroot, to get him informed about what is worthwhile, socially acceptable, desirable and purposeful about himself, his environment and society. It is also expected to make the individual worth living and worth living with (Tella, 1990).

Several evidences on the mismanagement of public funds among Nigerian Public Agencies and officials have been under the spotlight of the media. Nigeria being transformed from dictatorial rule to a majority and democratic government, has also experienced major change in fiscal policy and financial accountability. Greater emphasis must be placed on financial management and the accountability of government departments and compliance with relevant legislation (Nur and Suhaiza, 2008).

Against the backdrop of heightened realization that economic development and the fight against poverty can effectively be enhanced under an environment of good governance, and that fiscal (inclusive of budget) accountability and transparency the key instruments for achieving good governance, a sharp focus is now on fiscal accountability and transparency. Impassioned calls for fiscal transparency are also increasingly being directed to countries richly endowed with natural resources, encouraging both governments and companies to detail sources of revenues, the exact amounts, how these revenues are spent, and the policies underpinning budget allocations (ECA, 2005).

This paper gives critical analysis of accountability and transparency in public financial management in Nigeria. It gives an overview of financial management and accountability in Nigerian public service, the challenges of accountability and transparency, prospects of accountability and transparency in public financial management in Nigeria, while the last segment of the paper is the concluding remarks.

CONCEPTUAL EXPLANATIONS:

There are two concepts central to our discourse in this paper. These are accountability and transparency. In this section, attempt shall be made to explain these concepts in relation to this study.

The concept of accountability connotes a sense of responsibility. It enjoins a given expectation out of a stewardship from time to time. Hence, accountability informs a state of answerability, and entreats a fellow entrusted with certain official responsibilities to always make clean records for the day of reckoning. That is, being able to make an unambiguous explanation at any time so demanded to render the details of stewardship. According to Stewart, "Public accountability rests both on giving an account and on being held to account" (Hondeghem, 1998).

Accountability is defined by Merrican Webster dictionary as the quality or state of being accountable especially an obligation or willingness to accept responsibility to account for ones actions. In other words, it means saying what you mean, meaning what you say and doing what you say you are going to do – taking responsibility for words and actions (Orogun, 2009). According to Adesola (2001: 61) accountability can be best explained thus:

> *…the person who holds or manages a given amount of resources for the benefit of another person is an agent. As an agent, he must operate according to the mandate*

> *given to him and he must perform to the satisfaction of those who are to benefit from his achievement. The managers of a business enterprise are agents to the business owners as well as those who will benefit from the activities of the business, including the society at large. At the end of each period of operation, the managers will render accounts of stewardship for the information of those who may be interested in the operation of the business.*

Primarily, accountability is the fundamental prerequisite for preventing the abuse of power and for ensuring that power is directed towards the achievement of efficiency, effectiveness, responsiveness and transparency in the business of the government. Open, transparent and accountable government is an imperative prerequisite for community-oriented public service delivery because without it covert unethical behaviour will result (Raga and Taylor, 2007).. However, ethic standards, values and accountability in the public service could be measured and evaluated.

Accountability structures help to reflect the preferences of the public as citizens and consumers in the public realm. Accountability also serves as a quality control device. Public accountability is the requirement that those who hold public trust account for the use of that trust to citizens or their representatives. It underscores the superiority of the public will over private interest for those engaged in the provision and delivery of services to the general public.

Accountability requires that those who hold positions of public trust should account for their performance to the public or their duly elected representatives. Accountability, therefore, implies that decision makers are monitored by, and are responsible to, others, each of whom is, in turn, responsible to the people of the country. In respect of public financial management, there are at least three independent and essential mechanisms through which accountability is enforced. Importantly, Part III of the Charter on the Public Service in Africa on Rules Governing Relation between the Public Service and the citizens contain many provisions which make it obligatory for the Public Service to render services to the public efficiently and effectively with due diligence to the rights of the customers. This service charter forms the basis for measuring effectiveness in terms of quality and timely delivery of services in the public service. The Charter also spells out the mandate areas of the organization, its range of customers, the range of services provided, quality expectations, schedules and time of delivery, avenues for lodging complaints and of seeking redress, among others (Chukwuebuka and Chidubem, 2011). Particularly, Article 21 of the Charter deals on the behavioural conduct of a public servant. It states that professionalism resides in how skilfully and how well a public service employee performs his/her functions and duties and that it also manifests itself in employee's behaviour at work and in her/her constant effort to improve, reinforce and update his/her knowledge, refine the skills that are necessary for carrying out his/her tasks and enhancing his/her output and productivity (Adegoroye, 2005).

Four important criteria are regarded as basic to accountability. These are fiscal, managerial, programme and individual accountability. Fiscal or financial accountability is concerned with adherence to applicable laws, rules and regulations, consistency with appropriate principles, concepts and conventions; accuracy and fairness of reports and legitimacy of expenditure. Managerial accountability deals with the generation of essential information for decision-making and the need for economy, efficiency and effectiveness of operations (Omopariola, 1991). Programme accountability is primarily concerned with the overall evaluation of programme impact and the extent to which intended goals and aspirations are attained. Individual accountability is related to personal qualities and conduct demonstrated by accountable officers. It involves such attributes as commitment, honesty, trust, probity and integrity. Transparency is the art of doing things in the open without any secrecy so that everything is known and understood by everybody. It goes without saying, therefore, that individual accountability does enhance overall transparency. In fact, accountability and transparency are Siamese twins. They are inseparable. They interact and overlap. It is impossible to be transparent without being accountable and it is impossible to be accountable when one is not transparent (Omopariola, 2002).

Transparency on the other hand is the openness of government activity to the members of the public. It can also be defined as an ethical concept implying openness, honesty and forthrightness in official dealings and relationship. It is the negation of corruption and unwholesome practices in the public service (Adebayo, 2004).

Transparency is a moral virtue, which stresses sincerity, truthfulness and openness. Since operators in the public sector are trustees in a sense, they necessarily must be honest; otherwise, they will abuse the confidence and trust reposed in them by the public and this will ultimately lead to lack of confidence in the essence of government as an institutions. A similar case of failure, which marks the activities of centralised states in Africa and which has led to the new craze for, as well as allegiance to indigenous cum-informal institutions may also apply in this circumstance (Oladoyin, et al, 2005). Transparency refers to unfettered access by the public to timely and reliable information on decisions and performance in the public sector. It is about the sharing of information about government decisions and activities, good records management and access to information are of interest to all segments of the society, investors, the research and development, community, the media and the ordinary citizen.

Transparency in the broadest terms literally means something that can be seen through. When we talk of transparency in terms of Government spending, we are referring to Government opening its books to the public so that tax payers can see exactly where the money is going. Transparency ensures that the citizen's funds are spent efficiently by making all decisions in the open and on the record. Transparency means that citizens can review and question policy makers' decision, examine documents, root out inefficiencies and hold officials accountable for the way revenues as spent (Orogun, 2009).

FINANCIAL MANAGEMENT AND ACCOUNTABILITY IN NIGERIAN PUBLIC SECTOR: AN OVERVIEW:

Public finance and particularly the financial management and accounting of government institutions have become fundamentally important. This matter has received global attention and substantial innovation and fiscal reform had been introduced (Hennie and Bekker, 2009). Ordinarily, management of the resources of any economy should lead to poverty reduction, improvement in the standard of living of its citizens, mitigation of inequalities in income distribution and improve the general well being and economic development of the economy. However, in spite of the visible attempts by the various governments of sub-Saharan Africa to manage their vast financial and other resources, there exist what has been referred to as "the paradox of plenty". The main concern of public financial management is how to efficiently and effectively utilise public resources to meet the needs of the community in an equitable manner.

Public financial management is a vast field of endeavour which encompasses the whole processes of formulating and implementing decisions made on government services, expenditures, taxes, public debt and other revenue. For the Federal, State or Local Government, public financial management is vital in the governance than other matters; since money (funds) is the hub of the wheel of every government activity. Public financial management is all about government's management and control of its income and expenditure. This presupposes that the management and control involves governments' budget usually prepared annually or through developmental plans for a specified period depending on the government's needs. Thus public financial management deals with judicious use of funds and also ensures accountability and financial control.

Public sector financial management is crucial to a country's economic development. Issues such as extravagance, wastage, embezzlement, and corrupt practices will affect the development of a country. As taxpayers, who are the providers of funds, citizens expect their Government to provide value-for-money services to them. Public officials and their offices are therefore accountable for the efficient and effective management of funds provided by these taxpayers to achieve the intended outcomes of the specified activities (Patton, 1992). This is the concept of public accountability, which links to financial (management) accountability, the latter being the most apparent accountability concept in the public sector arena (Azis, 2008).

Generally, public service is designed as an agent of fruitful change and development in the state. Recently, most developing states have fashioned their public service in a style to drive and invigorate their backward economies. Successive scholars have noted that the public service in Nigeria failed to measure- up with their counterparts across the globe because it lacks in transparency and accountability (Chukwuebuka and Chidubem, 2011).

Government financial management – the branch of financial management concerned with the management of government operations – can be defined as the administration of the ways in which the government derives its financial resources, records, restricts and accounts for their use. In other words, it is the management of the inflows into and outflows of funds from the management of the inflows into and outflows of funds from the government treasury. Government financial management practices are derived from a number of sources, such as the constitution, statues, administrative and other requirements and the pronouncements by the accounting and financial professions. The primary purpose of government financial management practices is to ensure that the financial resources available to the government are spent in such a way as to maximize the benefit to the citizens (Omopariola, 2002).

The evidence of accountability and transparency paralysis are not hard to find in contemporary Nigerian society. A few of them are cited below. They range from documented real-life experiences to survey-based researched data. Perhaps the most tragic evidence is the near-complete breakdown of law and order. Nigeria has gradually degenerated into a society without a discernible legalistic framework for law enforcement or visible platform for moral/judicial redress. In contemporary Nigerian society, anyone favoured in political patronage can literally do almost anything and get away with it. Some of the more common crimes routinely staged by the politically-connected mavericks include money-laundering schemes, uncontrollable theft of public money, assassin killing of political opponents, willful manipulation of electoral votes, forceful extortions, and other self-gratification conspiracies (Omotoye, 2011).

By the time Nigeria attained independence in 1960, the Public Account Committee (PAC) system had become a well-established mechanism for the parliamentary control of public finances. Under section 13 of the Audit Act, 1958, the Accountant-General of the Federation had the responsibility to present to the Auditor-General of the federation the reports of accounts showing the full financial situation of the federation of Nigeria, on the first day of each financial year. Included under these accounts were (1) an abstract account of receipts and payments; (2) a statement of the assets and liabilities at the close of the financial year; (3) a detailed statement of revenue and expenditure arranged according to sub-heads; and (4) such other statements as the National Assembly may require.

To ensure prudent management of public resources, the National Assembly passed the Fiscal Responsibility Act, No. 31, 2007. The Act established for the Country the Fiscal Responsibility Commission and charged it with functions and powers that are aimed towards achieving transparency and public accountability in the Country. Membership of the Commission is such that could really ensure its independence. One of the essential features of the Act is the provisions on “Budget Execution and Achievement of Targets.” Specifically, the Acts provides that the Accountant-General shall prepare for each financial year, Annual Cash Plan form which shall be prepared and published a “disbursement schedule” for the purposes of implementing the

Appropriation Act. The Act prohibits unilateral virements by the Executive as such can only be affected with the approval of the National Assembly.

For the purposes of accountability, the office of the Accounting Officer is a very strategic one indeed. The Accounting Officer is the Permanent Secretary or the Head of a Department and he is designated for this function by the minister of finance. These officers are expected, among other things to collectively and individually (as the case may be), ensure that the proper system of accounting as prescribed by or under the authority of the Minister of Finance is established and maintained. They are expected to produce when required by the Accountant-General or his deputies, or by the Auditor-General or his deputies, all cash, stamps, securities and account books, records or vouchers in their charge. They are also expected to promptly reply to any queries from the Accountant-General or the Auditor-General.

Civil Service (Re-Organisation) Decree of 1988 (Decree 43) provides for the establishment of an Audit Alarm Committee. The intention was to prevent irregular payments before they are made. Its membership comprised of the Auditor – General as chairman, Accountant-General of the federation and one representative of the president as members. The committee was charged with the responsibility to examine all cases of alarms raised and brought before it. All prepayment audit queries raised by the Internal Auditor but overruled by the Chief Executive must be referred to this committee. It is an offence for any officer to process any queried payment under the audit alarm system any further, without an audit certificate issued by the Auditor-General once a prepayment audit alarm has been raised. Unfortunately, this important provision bas been repealed by the adoption of Ayida Committee Report (Omopariola, 2002).

Indeed, there has been rather a co-existence of abundant resources and wealth and extreme poverty in these economies unlike their developed counterparts. For example, a recent World Bank report estimated that 80 percent of oil revenues in Nigeria benefits only 1 percent of the population (World Bank 2004). The country which ranked sixth in World oil output is ranked 151 out of 171 countries in human capital development (UNDP Index 2004). About 60 per-cent of the population live in abject poverty (CBN, 2006). Before the debt forgiveness of 2006 the country was listed among the heavily indebted nations of the world with the external debt stock standing at a whopping $37.5 billion (Okonjo-Iweala 2006).

About 60 percent of the population live on less than US$1 per day. No wonder, Jayawickrama (2008) noted:

> *The overwhelming majority of people, in all countries across the globe, are not economists or accountants, nor are the actively involved in the government of their countries. Neither the intricacies of financial management, nor the relative merits of different systems and the philosophies underlying them, are ever likely to be the focus of their attention. But it must astound and appall them when they discover, usually long after the event, that those who had taken upon themselves the responsibility of governance had actually robbed them, and that the management system had not been able either to detect or to prevent such pillage.*

The growing international focus on transparency is amply demonstrated by the proliferation in recent years of initiatives aimed at directly and indirectly promoting and enforcing transparency practices. These include the United Nations (UN)'s *Convention Against Corruption*, the International Monetary Fund (IMF)'s *Code of Good Practices on Fiscal Transparency*, the Organization for Economic Cooperation and Development (OECD)'s *Best Practices for Budget Transparency*, the Global Reporting Initiative, and the Global Transparency Initiative (ECA, 2005).

Proper and effective financial management of public finances of Government Departments is of fundamental importance for every citizen of Nigeria. Greater accountability by Government Departments and the limitation of irregular and wasteful expenditure would benefit every taxpayer, non tax payers, as well as those individuals who are benefiting from the social structure of the Country. The most important role of Government is to be the trustee of the Nation and to properly administer and to account for the monies it receives and to spend it effectively according to an agreed program within its line function. In the context of developing countries, "although many are attempting to promote public accountability as a part of public sector reform, their situation remains unsatisfactory compared to advanced countries" (Kim, 2009). Although, admittedly, these reforms have been able to improve public service delivery to a certain extent, it seems various equally important (if not more important) issues such as accountability system, corruption and mismanagement, decentralization and community participation, and enforcement of rules and regulations, have not been sufficiently dealt with (Siddiquee, 2002). This failure has been partly attributed to the distinctive and serious challenges faced by these countries, mainly considered to be due to the lack of transformational leadership and political will.

THE CHALLENGES OF ACCOUNTABILITY AND TRANSPARENCY IN PUBLIC FINANCIAL MANAGEMENT IN NIGERIA:

Accountability and transparency are a *sine qua non* for effective service delivery in the public sector. These virtues enable a government to be responsive to the governed. For too long, and all historically speaking, that is, if one takes a long view from the colonial era, and also as a result of the long spell of military intervention in the country's polity, these virtues of modern government the world over have remained a fairy tale and a mirage for the Nigerian people. The issue of Transparency and Accountability in financial issues is one that cannot be readily glossed over. Generally, Transparency and Accountability constitute pivotal features of any respectable public official or professional practitioner. An effective government rest majorly on the available human and material resources which the nation could mobilize and harness for government.

Without mincing words, the issue of transparency and accountability has become a subject of global concern and worry as it underpins the very essence of human development at every level of human relationship. Official misconduct by public officer and unethical practices have assumed disturbing dimensions, these manifest in political life, administrative, corruption, bribery, money laundering, contract fixing etc. these problem have become news worthy in every facts of our public life and exposing official misdemeanour and sharp practice has become the order of the day. The Nigerian media have devoted much of their reports to unethical conduct in public dealings.

The twin concept of accountability and transparency has recently gained currency in the argot of institutions of global governance. All manners of state actors, authoritarian and quasi-democrats, non-governmental actors and sundry policy salesman have bought into the concept almost unconsciously without interrogating its origin and implications for policy and state sovereignty (Adejumobi, 2007).

Finance and its prudent management are the bedrock of effective functioning of government. No one can doubt the need for efficient financial management in any modern system. Financial management is the bedrock of government management and its framework should provide the principal source of reference for guiding managers and their financial advisers in the efficient, effective and proper use of public resources. In the field of public financial management, transparency implies that the procedures and methods of decision making and the disbursement of public *funds are open and visible to all.*

Since independence in 1960, Nigeria has battled integrity, transparency and accountability problems within its public service. The crisis of Governance over the past decades in Nigeria has been associated with the collapse of ethical and professional standards in virtually every aspect of our national life. Thus, successive Nigerian governments have not only been unable to achieve the major national economic and technological development objectives of the country, they have also failed on the basis of each of our five criteria for measuring the soundness of government financial management. The reasons for this tragic failure can be traced to a number of conceptual errors in addition to corruption and unserious attitude of the Nigerian public administrators to probity, accountability and transparency (Omopariola, 1984; Ogunlade, 1995; Eso 2001). Nigeria's performance and placement in the accountability and transparency scoreboard in the world has made the current exercise not only worthwhile but timely considering the most recent rating of Nigeria as one of the most corrupt country in the world.

That there is a serious problem of accountability and transparency in the Nigerian public sector is not only well known but fairly well documented. General and specific allegations both from within and outside the public service seem to suggest that the problem is not only real but also enduring. For example, in addition to incontrovertible evidence from audit reports, it is the claim of Nwabuokel that the Nigerian government lost huge sums of money on many projects such as: Earning from crude oil sales during the Gulf War … 12 billion U.S. dollars; Expenditure on peacekeeping operations in Liberia and Sierra Leone … 10 billion U. S. Dollars; Abuja Stadium … 38 billion naira; National Identity Card Project … 27 billion naira; Ajaokuta Steel Mills Complex (which was based on Russian outmoded technology several billions of naira) (Nwabuokel, 2001).

In a very recent work on Nigeria by Stevens and Freinkman (2008) on "Stocktaking the Reforms in Public Financial Management", the authors employed the Global Standards and the Public Expenditure and Financial Accountability (PEFA) framework to assess Public Sector Financial Management performance in Nigeria from 1999 to 2007. PEFA is a product of a collective effort by EU, IMF and World Bank to develop an integrated framework which contains 28 high level Performance Indicators, each with graduations to benchmark countries and the performance of their governments in public financial management. The study found that the PEFA diagnostics revealed a trend towards a system-wide upgrade in Nigeria's Public Sector Financial Management (PFM) system. However, Nigeria was found to have performed woefully in most of the 28 performance indicators. Some of their findings include, *inter alia*,

a) overall rapid fiscal expansion which could not translate in improvements in the economic and social conditions,

b) excessive spending outside the annual budget with extra budgetary spending averaging 42% of the GDP within the preceding three years from 1999, and

c) poor quality of spending with persistent inefficiency and leakages in both current and capital budgets.

The study concluded that as a result of the above, health outcomes , literacy rate (including enrolment of girls in the primary schools), and general standard of living remained extremely low and unacceptable for a country of Nigeria's standing and ambition (Nwezeaku, 2010).

There is no gainsaying the fact that the level of corruption in the country calls for seriousness on the part of all to combat the vice that has denied the generality of Nigerians maximum benefit from the abundant resources that providence has provided for the country. Professor David Fourier (2006) of the University of Pretoria says that the absence of the profit measure in the public sector makes analysis and evaluation of management performance more difficult than in profit orientated firms. The aim of financial management in the public sector is to manage limited financial resources with the purpose to ensure economy and efficiency in the delivery of outputs required to achieve desired outcomes (effectiveness) that will serve the needs of the community (appropriateness).

As noted by Joseph (2006), "Transparency is even more important in public institutions". He further goes on to say that the problem of transparency affects each and every organization be it public or private. Short of fundamental changes in their governance, the most important way to ensure that public administration are more responsive to the poor, to the environment, to the broader political and social concerns is to increase openness and transparency. In the context of administration, Ake (1993), observes that one would have left the track of exhibiting transparency when there is no violation of moral principles surrounding an officer jurisdiction. He explained further that transparency is closely associated with morality, that is, those practices and activities seen as right or wrong by members of the society. To Garde (2007), transparency as an act becomes part of a public official if certain incentives must be put in place to serve as a morale booster because it will enable the official to promote his healthy behaviour, transparency, honesty and full loyalty.

PROSPECTS OF ACCOUNTABILITY AND TRANSPARENCY IN PUBLIC FINANCIAL MANAGEMENT IN NIGERIA:

Accountability and transparency foster good, ethical governance and are fundamentally needful for building public trust in leadership. Abused and neglected over time, the Nigerian public has gradually grown accustomed to not trusting its leadership any longer. People have become virtually disconnected from the government- not only in the political sense, but particularly in the civic, moral and ethical sense of duty. They have stopped to expect anything good from their government and have lost the sense of attachment and obligation to duty and society. Without a reawakening of the culture of accountability and transparency lost over the years, the trusting relationship needed to forge—between the government and the governed—for the actualization of good governance will not materialize.

All over the country today, the cry for efficiency and effectiveness in the management of the country's dwindling resources is loud and clear. One sure way of achieving this objective is to promote transparency, honesty and accountability. Experience in other countries have shown conclusively that the most enduring antidote against corruption in any society is a punitive moral climate which does not tolerate or spare it. It is the substratum upon which legal provisions can operate in a meaningful way. Unfortunately accountability law breakers are seldom punished in Nigeria. Since one of the major factors forcing people to comply is the fear of sanctions, it is of paramount importance that penalty provisions in the appropriate accountability regulations should henceforth be strictly enforced (Omopariola, 2002).

Accountability and transparency are instrumental in fostering communal trust and goodwill, and almost inevitably pay off in economic and social dividends. The current investment climate in Nigeria is so unattractive that not even Nigerian citizens in the Diaspora are willing to invest at home, talk less of prospective foreign investors betting their money on the country.

Accountability is not a pleasant subject for most of the people. There would be a few volunteers for reporting on their performance. It is, therefore, desirable that the tone should be set by the legislators by demanding accountability at all levels and creating a set of incentives for proper performance reporting by public managers. For example, they should enact laws requiring service plan reports to be published, generally accepted accounting principles to be followed, and performance reports to be issued. They should endorse resource allocation for creating and strengthening institutions of accountability. They should examine the performance reports of departments in depth with a view to holding managers accountable and suggesting improvements.

Nigeria's young democracy is tottering on the edge of collapse because the grassroots institutions and pillars that are needed for sustaining implemented reforms are bugged in outrageous corruption. At the very minimum, a proportionate platform for sustaining an enduring democracy must consist of following components: transparent judiciary; capable law enforcement; viable electorate; an established culture of communal accountability; and a sense of recognition of duty by the government and the governed. Such a proportionate platform will help ensure survivability for Nigeria's infant democracy (Omotoye, 2011).

Financial accountability demands three prerequisite conditions to operate successfully: good financial reporting, sound management system and effective organizational arrangements. In government, the first is a function of accounting system, which requires timely rendition of accurate and reliable financial information. The second is a function of budgeting and budgetary control measures relating to procedures and methods put in place to guide the allocation of public funds to the various ministries, departments, divisions, programmes, projects and activities. The third is a function of control involving clear definition of responsibilities at the organizational as well as the functional levels, the various controls in terms of checks and balances built into the system and the capacity to direct and coordinate financial matters through the use of central agencies such as the treasury and budget ministry.

To ensure prudent management of public resources, the National Assembly passed the Fiscal Responsibility Act, No. 31, 2007. The Act established for the Country the Fiscal Responsibility Commission and charged it with functions and powers that are aimed towards achieving transparency and public accountability in the Country. Membership of the Commission is such that could really ensure its independence. One of the essential features of the Act is the provisions on "Budget Execution and Achievement of Targets." (Tony, 2009). Specifically, the Acts provides that the Accountant-General shall prepare for each financial year, Annual Cash Plan form which shall be prepared and published a "disbursement schedule" for the purposes of implementing the Appropriation Act. The Act prohibits unilateral virements by the Executive as such can only be affected with the approval of the National Assembly.

The concept of public accountability should be enforced in such a manner that it encourages public managers to improve effectiveness of public financial management rather than deter them from doing so. It is essential that all tiers of Government strive to be transparent in their dealing and be accountability for all their actions. In terms of revenue, the Government has embraced the use of online pay direct software, powered by the interswitch to ensure that a high percentage of revenue enters the treasury. The financial system in place has been used to monitor Government revenue there by blocking leakages in the system.

The presence of such a high level of mismanagement of government finances shows quite clearly that all the three prerequisites are seriously lacking in Nigeria. Consequently, there is an urgent need for attitudinal, moral and spiritual change; the kind of change that will help to demolish morbid desire for naked power and domination, abuse and misuse of power and office, greed, selfishness and intolerance, nepotism, favouritism, jobbery; bribery and other forms of corruption and erect in their places, probity, tolerance, altruism and devotion, equality of treatment, justice, equity and fair play for all. The above vices have affected the conscience of a lot of people into believing in wrong things and acting wrongly. Since conscience can be educated; it becomes the responsibility of everyone in Nigeria irrespective of age, sex or religion to redirect his/her conscience to the universally accepted values system where the pride of place is given to such factors as character, honour, merit, patriotism and performance (Omopariola, 2002).

The ongoing transparency crusade is already reaping early international dividends. In 2005, the Paris Club in recognition of Nigeria's anti-graft campaign extended a much-needed debt relief—totalling eighteen billion dollars—to the nation; thus enabling Nigeria to become the first African nation to settle with its official leaders. The nation's international credit rating has also improved, clearing the way for credible Nigerian financial institutions to solicit for international credit. While a rating of BB- is still considered to be well below investment grade, the mere existence of a credit rating alone is significant. It can provide a benchmark to evaluate risks relative to other emerging markets, help deepen domestic capital markets, and further help promote public sector transparency. Consequently, Nigeria's current rating is on par with that of many other emerging economies.

CONCLUSION:

Given the rather elaborate constitutional, statutory, administrative and other provisions put in place to ensure probity, accountability and transparency by public functionaries, the popular belief of many people in this country and abroad that there is a serious problem of accountability and transparency in Nigeria is very instructive. It goes a long way in explaining the reasons why Nigerians are wallowing in avoidable poverty despite the country's huge resources. It is generally agreed that the notion of accountability means that the public should be able to control the policies and behaviours of public institutions and officers and hold them answerable for what they do and / or failed to do. Agreement on how to operationalise this concept is more elusive. However, together with the traditional concept of formal, hierarchical accountability, the concept of subjective accountability as formulated by (Mosher, 1980) which relies on individual responsibility together with experience, values, and professional relationships is the most appropriate element of accountability to focus in Nigeria.

Any serious administrative and policy reform in Nigeria must substantially address the notorious lack of transparency in the private sector and financial markets, especially real estate and stock markets. Past studies, including a 2006 Royal Institute report by Michael Peel (Chatham House, 2006) portray strong evidence that landed properties in Nigeria is one of the prime outlets routinely used by looters of public treasury to launder illicitly acquired wealth. In light of the unanimity of similar findings, suggestions to improve the supervision of land ownership and financial markets need to be taken very seriously (Omotoye, 2011).

Nigeria has a lot of people at home and in the Diaspora to assist in the efficient management of available resources. It is only then that Nigeria can reasonably be expected to seriously become the first black super power that would be made a model for Africa in terms of democracy, education, technology, social service, etc. as envisaged by Nigeria's founding fathers.

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