Accountability in the Public Sector: The Role of Professional Accountants in the Present Democracy in Nigeria

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Abstract—The main objective of this paper is to highlight the essential role of professional accountants in enhancing public sector accountability in the present democratic era. The spate of public sector unaccountability scandals in the present democratic era in Nigeria evidently engenders the quest for proper accountability in the public sector. The paper begins with a conceptualization of accountability from the public sector perspective. It also attempts to cursorily highlight the nexus between public sector governance and accountability, before examining the issues currently undermining public sector accountability in Nigeria. It ends by pointing out the ways in which professional accountants can contribute to public sector accountability in Nigeria. In line with the many issues articulated in this paper, it is believed that a sense of value reorientation and strict adherence to professional code of ethics by professional accountants, among others, would reposition professional accountants to effectively contribute to public sector accountability in Nigeria.

Index Terms—Accountability; Governance; Professional Accountants; Public Sector.

I. INTRODUCTION

Globally, there has been a growing advocacy for improvement in public sector accountability over the years. This increasing push for accountability in the public sector is not only borne out of the understanding that it is the inalienable hallmark of modern democratic governance but also because lack of accountability poses various socio-economic risks to the public sector prospects of any country [16] [3]. It is not debatable, particularly in developing countries of the world, that the absence of accountability, drives and is also driven by, various unethical public sector practices.

In Nigeria, the public sector reportedly had an amiable history and a strong corrupt-free international reputation before the advent of petrodollars. However, the indigenization of services and the explosion of oil discoveries and contracts, led to the abandonment of core activities and values [16]. This significant change formed the basis for a shift to public sector irresponsiveness, inefficiency and unaccountability. Reference [11] noted that this declension in public sector accountability in Nigeria reached its lowest ebb during the military era. In fact, it is held that the failure of the successive military governments, in the area of accountability, purportedly fueled the agitation for democratic governance in Nigeria. Unfortunately, after more than 20 years of democratic rule, this envisaged hope remains an illusion as the country’s public sector is still being plagued with incessant cases of unaccountability by some top public servants and political office holders [18].

In view of the need to overhaul the image of Nigeria which had been badly eroded by the pervasive corruption, fraud, embezzlements and cupidity in the public sector, the Federal Government of Nigeria initiated some regulatory agencies, laws and measures. Some of these agencies include the Code of Conduct Bureau established in 1999, the Independent Corrupt Practices and other Related Offences Commission (ICPC) in 2000, Economic and Financial Crimes Commission (EFCC) in 2002 and Fiscal Responsibility Commission in 2007 ([27], [2019]). The more recent measures at enhancing accountability include the Treasury Single Account (TSA) and the Integrated Payroll and Personnel Information System (IPPIS) which are currently generating mixed feelings among Nigerians with regards to its intention and socio-economic implications [31].

However, in spite of these and other institutional mechanisms established to check the excesses of corrupt public officers and their surrogates, and enhance public sector accountability, the preponderance of this traversing socio-political epidemic in Nigeria remains worrisome [18]. This unfortunate reality, which steers us all in the face, suggests an important point and that is that, Government cannot single-handedly enhance public sector accountability in Nigeria without the supporting role of key stakeholders and professionals.

Thus, the main objective of this paper is to highlight the role of professional Accountants in enhancing public sector accountability in the present democratic Nigeria. In view of this objective, the desk review analysis method is employed for this paper. This method is deemed appropriate for the paper since it facilitates the highlight and analysis of the viewpoints in existing related literature on the subject matter. Therefore, the objective of this paper, and the related conceptual issues and questions implied by it, constitute the sectional structure of this paper.
II. THE CONCEPT OF ACCOUNTABILITY: THE PUBLIC SECTOR PERSPECTIVE

The term accountability has different meanings and connotations in literature. According to [2], accountability is the obligation owed by an individual or institution saddled with a responsibility or occupying a position of trust to provide appropriate response to relevant stakeholders, for actions carried out in the discharge of assigned duties. Ideally, accountability is premised on clarity of responsibility definition, reporting mechanisms, and a system of review, rewards, and sanctions. More so, accountability is a revolving and multi-directional obligation which flows from subordinates to superiors (upward), between superiors and subordinates (downwards), and laterally among profession peers [9] [23]

In the public sector, accountability is linked to the processes that obligate public officials and institutions to explain, justify, rectify and accept the consequences of their actions and decisions taken in their capacity as public trustees [20]. Reference [13] defines accountability as the process whereby public sector entities, and the individuals within them, take responsibility for their decisions and actions, including their stewardship of public funds and all aspects of performance, and submit themselves to appropriate external scrutiny. Reference [25] agree that accountability in the public sector implies conformity with a system of administrative actions, as well as, a framework for reporting and checking on actions taken.

Thus, in summary, public sector accountability involves systems, mechanisms, processes and measures intended to ensure that public sector agencies and their staffers are responsible for their collective and individual actions, as well as the decisions leading to them.

III. PUBLIC SECTOR GOVERNANCE AND ACCOUNTABILITY: THE NEXUS

Governance is a widely used socio-political vocabulary which outside the political ambience, attracts different meanings and perceptions ([28]). According to Ojo, Aworawo and Elizabeth (2014), the United Nations Development Programme (UNDP) defines governance as the exercise of economic, political and administrative authority to manage a country’s affairs at all levels. Governance embodies structures, responsibilities, approaches, capabilities that engender control, scrutiny and accountability [28]

Reference [17] explains governance as an emerging interactive process which relates to the quality of relationship between the government and the citizens which seeks to reconcile their social interests and ensure a social equilibrium through the effective and efficient realization of social goals. Moreover, beyond the pursuit of efficiency, effectiveness and economy, another important goal of public sector governance is accountability [29] [6]. Thus, it is reasonable to posit that good governance is the defining rod of public sector accountability. In other words, without good governance, there can be no accountability.

On the other hand, accountability which is an established fundamental necessity for building public trust in leadership and the public sector at large, also fosters good, ethical governance. Thus, accountability is not only esteemed as one of the cornerstones of good governance but is also adjudged as a key determinant of the state of public sector governance. Reference [17] asserts that strict observation of accountability in the management of public sector affairs can promote good governance while the lack of it is the major course of bad governance.

Reference [22] notes that government is accountable to the people through the legislature for how it manages the power and resources entrusted to it. In turn, the legislature on behalf of the people, is responsible for seeing that government accountability, probity and transparency actually exists. Public sector agencies are directed and made accountable through various forms of legislation. Specific laws establishing statutory bodies, or governance procedures and directions, impose direct accountability requirements on government agencies.

In essence, public sector governance and accountability issues are fundamental to socio-economic and political development. Public sector governance concerns accountability tasks in relation to the specific goals of this sector, which are not limited to service delivery but also include the impact of the policies on the community or the society at large [28].

IV. THE PERSPECTIVES AND DIMENSIONS OF PUBLIC SECTOR ACCOUNTABILITY

There is no singular or universally acceptable perspective to classifying accountability. This explains the observation that in literature, different scholars attempt to classify accountability in different, though sometimes, overlapping perspectives [14].

Reference [19] identifies four dimensions of public sector accountability. The first dimension proposes that individual who acts or exercises authority is the one who should be obliged to answer for such action taken by him (individual accountability). The second dimension refers to the efficiency and economy of operations (managerial accountability). The responsiveness of appointed public officials to the political executive as well as to the public or governed is described as administrative accountability. This type of accountability involves a sound system of internal control, which complements and ensures proper checks and balances supplied by constitutional government and an engaged citizenry [14] while the obligation of complete adherence to financial rules and regulations constitutes fiscal accountability.

In addition, [14] identifies three other segments of public sector accountability namely: financial accountability, political accountability and social accountability. Financial accountability entails the obligation of those in possession of resources or position of trust, to report on the intended and actual use of the resources or of the designated office. Political accountability revolves around free, fair and transparent periodic elections which provides a control structure through which elected and appointed officials are held answerable for their actions while holding public office. Social accountability is described as a demand driven approach that relies on civic engagement and involves ordinary citizens and groups exacting greater accountability for public actions and outcomes.
Reference [5] who believes that achieving one dimension of accountability often requires compromises of other forms of accountability, further broadens the dimensions of accountability to include professional accountability. Under professional accountability, professionals such as Chartered Accountants, Doctors and Engineers who belong to one association or the other are expected to act in compliance with their professional ethics and code of conduct. They are also accountable to both the public and their professional body [30]. This dimension of accountability is therefore key because an individual’s professional accountability for the quality of his or her own work is one of the significant components of the models of accountability [10].

V. ACCOUNTABILITY IN THE NIGERIAN PUBLIC SECTOR: THE ISSUES IN THE PRESENT DEMOCRATIC ERA

In the current democratic dispensation, the appalling state of public sector accountability in Nigeria is not a happenstance; it is a product of several issues which stem from perceptual, attitudinal and institutional lapses. These issues are identified by [24] [20] [23] to include:

1) Wrong Conceptualizations of Accountability: There is the issue of misconception and multi-varied perspective about what accountability entails. In other words, accountability means different things, to different people. Accountability is one of those words that is more often used than understood. Inability to understand the fact that accountability is not just about reporting performance but rather it also requires review, including appropriate corrective actions and consequences for individuals [8]. Wrong or improper conceptualization of accountability creates some sort of 'accountability expectation gap’ in the public sector.

2) Undue Proliferation of Agencies: The undue proliferation of public sector agencies which often results in overlapping and unclear responsibility jurisdictions is yet another factor that has undermined accountability expectations in the public sector. This is because apart from unnecessarily increasing the cost of governance, these interfaces and overlapping jurisdictions created by the multiplicity of agencies and organizations makes room for opportunism, evasion and the tendency to pass the buck when something goes wrong.

3) Absence of Effective Accountability Mechanisms: Accountability mechanisms refer to the institutionalized processes of holding the public authorities to account ([20]. Reference [24] posit that when accountability mechanisms are effective they become powerful tools which enhance service delivery through the provision of constructive assessments and motivating decision makers to avoid negative external critiques. The implication is that lapses in the approaches, mechanisms or processes of accountability makes public sector a social caricature devoid of public confidence both within and outside the country. Sadly, taking Nigeria as a case in point, this happens to be one of the many hydra-headed issues that has frustrated public sector accountability in the country.

4) Conflict of Interest: objectivity and selflessness are indispensable requisites of good governance and accountability. However, the tendency for those high placed echelon in public sector to allow their personal preferences and interests to dictate their actions undermines the equanimity of the public sector accountability. Reference [23] believe that the social decadence that manifests in form of crave for self-aggrandizement and the get-rich-quick syndrome accounts for the heightening dimensions of shady and unethical practices observed in the Nigerian public sector.

5) Weak Institutions: the institutions set up to ensure accountability in Nigeria are fragile and thus have not been able to successfully and effectively carry out their assigned roles According to [23], agencies such as the EFCC, the Police, legislature, and even the Judiciary which by popular expectation is supposed to be the final hope of the common man, have at several instances been alleged of corrupt and sharp practices. Even though the laws are there, they are not effectively enforced as such errant public sector officials ride on the weakness of the law enforcement to perpetrate corruption with a high level of impunity [27]. Reference [20] asserts that “accountability can be carried out effectively through the institutions which are constitutionally protected, structurally independent, functionally autonomous and behaviorally impartial”.

6) Information Hoarding: information is the bedrock of accountability. The IMF code of good practices and fiscal transparency prescribes that comprehensive information on past, current and projected fiscal activity should be provided to the public [27]. This of course is what aids fiscal accountability. However, the high level of confidentiality and excessive hoarding of information that characterizes some part of the public sector in Nigeria hinders whistleblowing and encourages the perpetration of unethical practices [23].

Besides these, ethnic and tribal sentiments, corruption, religious dichotomy and military culture have also been highlighted as other factors that militate against accountability in Nigeria [21] [14].

VI. PUBLIC SECTOR ACCOUNTABILITY IN NIGERIA: THE ESSENTIAL ROLE OF PROFESSIONAL ACCOUNTANTS

Beyond the trainings, certifications and specializations that popularly defines a professional accountant, [12] defines a professional accountant also in the light of core competences and societal expectations which such accountant must match up with. It is in line with this, that professional accountants in the public sector, are reasonably expected to demonstrate high level of integrity, probity and transparency in the course of their duties. However, the observed compromise of many professionals which has given rise to prevalent cases of anti-social practices in Nigeria has also rubbed off on some professional accountants in the public sector [30]. In spite of this, the fact remains that public sector accountability should be spearheaded by professional accountants. It is therefore pertinent to highlight and reiterate the identified roles of professional accountants in enhancing public sector accountability in Nigeria. Professional Accountants in this context is defined as members of the Institute of Chartered Accountants of Nigeria (ICAN) and Association of National Accountants of Nigeria (ANAN) in the civil and public service.
Reference [14] identifies five ways in which professional accountants and professional accounting bodies can support the achievement of public sector accountability in Nigeria. It is worthy of note that these recommendable ways as highlighted below, have also been corroborated by other scholars.

Firstly, it is held that professional accountants should be adequately grounded in and committed to applying the IPSAS in public sector reporting to promote greater accountability and transparency in public sector financial management. [27] agrees that preparing financial statements of government in line with IPSAS will not only enhance public sector financial management and accountability within the country but it could also enhance foreign perception about the country’s public sector accountability and thus attract more foreign investment in the country.

Secondly, professional accountants should encourage and be encouraged by their professional bodies to expose acts of financial irregularities within the public sector through whistle-blowing. As stakeholders, professional accounting bodies can support this quest for enhanced public sector accountability by shielding member-whistle blowers who may be prone to victimization by the culprits or their surrogates. Reference [7] does not contradict this view, its code of ethics infers that the attitude of glossing over observed irregularities by professional accountants is unethical and unprofessional. Taking such unprofessional stance will not help the situation as far as public sector accountability in Nigeria is concerned [1].

Thirdly, Accountants in the public sector should exemplify financial accountability in line with set efficiency benchmarks by ensuring judicious use of resources to actualize objectives. Reference [15] and [30] also reiterate this fact that there is a growing emphasis on demonstrating accountability through effective use of public assets and funds in the delivery of services and the pursuit of government objectives.

Fourthly, professional accountants should make efforts at ensuring timely reporting which would aid proper and timely scrutiny by the relevant public sector authorities where such need arises. [4] explain that timeliness is determined by the number of days that have elapsed between the fiscal year-end and the date that the financial report becomes available to the public.

Ultimately, the need for value reorientation and a strict adherence to professional ethical code of conduct by professional accountants in the public sector is pertinent. Reference [1] sue for a renewed consciousness among professional accountants that they must continue to lend not only credence to credible stewardship reports of persons in fiduciary positions, through their attest function but also raise red flags for observed improprieties.

VII. MODES OF ENHANCING AND PROMOTING ACCOUNTABILITY IN THE PUBLIC SECTOR IN NIGERIA

The ways and means accountability can be enhanced in the public sector as opined by [14],

1) Rendering of Account: It is expected that accounts should be rendered in all public organizations. Public accountability can be achieved only if those who receive the accounts have the power and ability to take actions on the basis of those accounts.

2) Accountable Leadership: The existence of leadership that genuinely believes and is committed to the notion of public accountability and will therefore ensure that the laws to safeguard public fund are enforced irrespective of the might of the public officer concerned.

3) Investigative Reporting /Media Attention: Public accountability needs the presence of active investigative media that will help to keep the leadership on their toes.

4) Public Enlightenment: public accountability will be enhanced if the generality of the populace does not believe that embezzlement of public funds is part of the ‘political manifesto’ which the political leaders must achieve while in office.

5) Whistle Blowing Policy: ‘whistle blowing’ should be encouraged in the public sector whereby any public official who encounters mismanagement or wrong doing in the conduct of government business may blow the whistle by taking the case to the public arena. The prospect that somebody may go public can deter some officials contemplating wrong doing.

6) Openness in Governance: All unethical and corrupt practices should be exposed as much as possible while those who indulge in them should be promptly and severely punished in accordance with the law. To this end, there should be full implementation of the freedom of information Act (FOIA), 2011 so as to promote openness and feedback in public governance and management.

7) Encouragement of Due Process: There should be strict compliance with due process and public procurement procedure as spelt out in the public procurement Act (Nigeria, 2007) as doing this will help curb corrupt practices and instill financial discipline in budget implementation by the public bureaucracy. Moreover, there should also be strict adherence to the provisions of the Fiscal Responsibility Act

8) Review of current method of Asset Declaration: The present method of secret declaration of asset by public officers’ leaves much to be desired. As such there is need to institute a more open method of declaring assets so as to afford the opportunity for patriotic citizens to scrutinize and report any incorrectly declared assets to the appropriate authorities.

9) Strengthening of Anti-Graft Bodies: All anti-graft bodies such as the Economic and Financial Crime Commission (EFCC), Independent Corrupt Practices and Other Related Offences Commission (ICPC), Code of Conduct Bureau (CCB) and Code of Conduct Tribunal (CCT) should be further strengthened by way of being adequately staffed, equipped and funded to make them more effective institutional mechanisms for fighting corruption. Furthermore, other law enforcement agencies notably the police should be strengthened so as to build their capacity to detect, investigate, prosecute and even deter or prevent corruption.

10) Deletion of Immunity Clause: The immunity clause should be expunged from the Nigerian Constitution. By doing so, political leaders who are fingered for corrupt practices can be prosecuted while in office.
VIII. CONCLUDING REMARKS

This paper set out to highlight the role of professional accountants in enhancing public sector accountability in the present democratic era in Nigeria. The desk review analysis carried out in this paper was useful in establishing and explaining the concept and dimensions of public sector accountability, good governance as well as the place of professional Accountants in rectifying the public sector accountability equation in Nigeria. This paper posits that there is an intertwining relationship between accountability and good governance in the public sector. The implication of this stance is that, as much as good governance serves as a key defining rod of public sector accountability; so also strict observance of accountability in public sector affairs is a sine qua non for good governance.

The enormity and complexity of the perceptual, attitudinal and institutional impediments of public sector accountability discussed in this paper raises a food-for-thought. The fact remains that because of the established nexus between public sector governance and accountability, the modes of enhancing public sector accountability issues identified in this paper must be taken seriously. This is indispensable if good governance is to be entrenched in the public sector and if Nigeria is to positively ‘rebrand’ itself in the committee of nations.

Moreover, in view of the hydra-headed nature of the situation at present, it is reiteratedly inferred in this paper, that no government, no matter how sincere and determined, can singlehandedly achieve public sector accountability in Nigeria. All stakeholders and professionals must be involved. It is ultimately concluded that professional accountants, given their accounting reporting and attest functions, which they perform across several arms of the public sector, have strategic roles to play. It is believed that the performance of these roles, as highlighted in this paper, can contribute significantly in steering public sector accountability in Nigeria closer to a desirable, ‘expected end’.

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