External Control System and Accountability in Nigeria's Local Government Administration: An Impact Analysis

Harrison Otuekong Ataide
Obong University, Obong Ntak
Akwa Ibom State, Nigeria
harrisonataide@yahoo.com
08069301344

&

Martins Tom Enebong
Obong University, Obong Ntak
Akwa Ibom State, Nigeria
eneobongmartins@gmail.com
0708224755

Abstract
There is a loud public outcry that Local government finances may not be managed in strict compliance with procedures provided by law and that this has led to the absence of tangible impacts at the grassroots level. This study examined the impact of the external control agencies in the enhancement of accountability in Nigeria's local government system. The study utilized descriptive method using exploratory survey for secondary data for analysis. It was revealed that the Office of the State Auditor General in Nigeria exhibits institutional capacity, which is punctuated with financial and human resources limitations and poor support from various stakeholders. Another major finding of the study showed that there is lack of harmonization of relevant policies and coordination mechanisms to support supervision, mentoring and inspection of local government accounts, even with the existing external control framework from the Office of the State Auditor General. The paper recommended that the Office of the State Auditor General should be restructured to eliminate organizational structural deficiencies inherent in the system through accounting and financial systems reforms in line with global best practices, to replace mere irregular routine inspection and monitoring exercises. It was also recommended that the Office of the Auditor General of the State government that has the duty to inspect, audit and review local government accounts and finances should be accorded legal independence through a legislation, to insulate it from undue political influence, in order to properly equip it to correct the anomalies associated with lack of transparency and accountability in local government financial administration in the country.

Keywords: Local Government, External Control, Accountability, Public Administration

1. Introduction

In recent years, the machinery for applying the control mechanisms by the Office of the State Auditor-General in Nigeria seems to have collapsed, hence there is widespread financial improprieties and abuses in the county's local government accounting and financial system. There is so much public outcry over the misuse of local government finances particularly in respect of gross mismanagement and scandalous embezzlement of local government funds, extravagance and wastages of local government resources, misappropriation of local government finances, contract abandonment, overprizing of goods/service, salaries padding, and all other forms of corruption (Udu, 2013).

The duties of the State Auditor-General are, among others, to audit and report on the public accounts of ministries and extra ministerial departments and other bodies created by an Act of the legislature. The objectives of local government auditing and other financial controls seem to have been defeated in Nigeria and there is widespread accusation by the public that the external auditors from the Office of the State Auditor General merely express true and fair view without attempting to conform to professional standards, legal requirements and other regulatory processes and procedures as laid down by law and other government financial documents. The mere reprimands meted out on those that abuse public accounting and financial processes and procedures do not necessarily improve accountability in public sector management.

The challenge of making the public sector efficient and effective in ways that nurture the ideals of good governance in Nigeria has been more emphasized in the recent times. This has brought about the wave of public sector reforms, with the objective of enhancing public accountability as part of good governance and development imperatives. While some of these reforms were spearheaded by international donor agencies such as the International Monetary Fund (IMF) and the World Bank, under whose aegis a series of debates on their worthiness as development strategies continues to rage on, accountability is nonetheless viewed as a critical matrix in improving public sector management (Muthien, 2000).

Part of the initiative has been to reorient the new public management (NPM) paradigm into the local government system in Nigeria, where the shift seeks to break the rigid bureaucratic structures and open them up for people's participation, transparency and responsiveness to community needs, in pursuit of the public interest. The increasing volume of public sector literature places emphasis on broad structural and transformational processes in which local governments can become viable units of government for effective service delivery. It is only such effort that can ensure accountability and good governance in this sector. (Keen and Scase, 1998).
The rationale for control and accountability in public administration and management is to ensure efficient and effective resource utilisation to foster public service provision, good governance and development. Public accountability constitutes the pivot of democratic governance and public administration (Muthien, 2000), as it is one of the most effective safeguards against the misuse of power, resources and abuse of public authority. Historically, the notion of accountability became necessary because of the realisation that the state and its machinery, once uncontrolled, could extend to the verge of absurdity. This position is aptly put by Schwella (in Muthien, 2000), when he states:

> "If men were angels, no government would be necessary. If angels were to govern men, neither external nor internal controls on government would be necessary. In framing a government, which is administered by men over men, the great difficulty lies in this: you must first enable government to control the governed; and in the next place oblige it to control itself".

He (Schwella) states further that the essence of control is that any movement towards a more professional ethos in public sector management demands improved frugality in resource utilisation, increased responsiveness to the citizenry, transparency and generally accountability (Muthien, 2000). In this regard, accountability has become the cornerstone of public administration and management because it constitutes the principle that informs the processes in which those who hold and exercise public authority can be held responsible or answerable for their actions or inactions (Aucoin and Heintzman, 2000). It is an obligation to expose, explain and justify actions taken on behalf the public in service delivery. Control as a managerial activity and process seeks to ensure the elimination of waste, the effective use of human and material resources, and the protection of employee interest and general welfare within organisations (Basu, 1994).

From literature, there is no gainsaying that the Nigerian Local Government accounting system is weak, a harbinger for poor accountability. Weak administrative systems tend to be associated with poor organisational structures that do not offer clear description of responsibilities and do not spell out clear lines of authority, communication and accountability (Pauw *et al*., 2002). The implications of poor control systems of local government system cannot be overemphasized. Across the country, local government councils exist only in name not in service delivery as many local governments lack basic infrastructure such as electricity, water supply, hospitals, good roads and schools. Poor financial administration, utter mismanagement and misappropriation of financial resources in the local governments heighten poverty, unemployment, and crime rate in the country, etc.

The study aims at evaluating the capacity and effectiveness of control systems put in place to enhance accountability in local government administration in Nigeria. Specifically, this study seeks to evaluate the role of external control mechanisms in the enhancement of accountability in the local government system in Nigeria. Emphasis is placed more on the factors affecting institutional capacities for implementing policies and the managerial practices in accounting processes and procedures for transparency and accountability in local government administration in the country.

2. Conceptual Discourse

There are three basic concepts that are central to this work. These are local government, external control and accountability.

Local Government: A local government is a government at the grassroots level of administration meant for meeting peculiar grassroots needs of the people (Awofeso, 2004). It is the lowest unit of administration with its own laws and regulations. It has a defined geographical area with common social and political ties among its inhabitants (Fadeyi, 2001).

United Nations defines local government as a political sub-division of a nation or state which is constituted by law with a substantial control of its local affairs including the power to impose taxes, or exact labour for prescribed purposes. The governing body of such an entity is elected or otherwise locally selected. Osakede and Ijimakinwa (2014) define local government as that tier of government closest to the people, ― which is vested with certain powers to exercise control over the affairs of people in its domain.

The International Encyclopedia of Social Sciences (1976:10), defines local government as ―a political sub-division of national or regional government which performs functions which nearly in all cases receive its legal power from the national or regional government but possesses some degree of discretion on the making of decisions and taxing power.

The 1976 Nigerian Local Government Reforms Hand Book define local government as government at the local level exercised through representative councils established by law to exercise specific powers within defined areas. The document states also that these powers should give the councils substantial control over local affairs as well as the staff and provide them with institutional and financial powers to initiate and direct provision of services. Local governments are empowered by law to determine and implement projects so as to compliment the activities of the state and federal government in their areas of jurisdiction through devolution of functions to these councils which should guarantee active participation of the people and the involvement of their traditional institutions to meet their local needs and preferences.

The 1999 Nigerian constitution (as amended) stipulates the functions and powers of the levels of government in such a way that no one level of government can single handedly perform the functions of service delivery to the people. Therefore, cooperation has become an important prerequisite for governance (Fatile and Adejuwon, 2009). Nigerian federalism, like other federal systems of government, is characterized with diverse ethnic groups, languages, cultures, political affiliations as well as struggle for political power. The need to cater for these diverse elements and ensure service delivery at the grassroots level necessitated the creation of local governments (Fadeyi, 2009).

Local government was therefore made to be the third tier of administration with its autonomy. This autonomous nature of local government still allows for interaction with the central and state governments. The characteristics of the federal system of government are inter alia the separateness and independence of each level of government, mutual non-interference in the distribution of power, the existence of the court of law to act as an arbiter in intergovernmental dispute if any (Fatile and Adejuwon, 2009).

Accountability: The concept of accountability or public accountability is a universally accepted standard for public administration in theory and practice, although its specific meaning and institutional application may vary from one place to another or one institution to another. Traditionally, the notion of accountability involves individual responsibility for performance of specified duties and the top-down control within an official hierarchy (Wolf, 2000). Wolf (2000: 16) indicates that, "even where accountability in public administration is not at all an institutional reality, the concept has a powerful potential as a tool for democratic reform". While there may be a considerable difference between the realities of today's public administration in practice and the classical theories of Public Administration from which the concept of accountability has evolved, the accountability requirements have remained vivid in pursuit of public sector responsiveness and improved performance.

Haque (2000) looks at public accountability from the entire governance system as the "answerability of public officials to the public for their actions and inactions for which they are subject to both external and internal sanctions". Generally, public accountability is the liability of government servants to give a satisfactory account of the use of official power and/or discretionary authority. It is an obligation to expose, explain and justify actions taken on behalf of the general public in terms of service delivery or otherwise to the people.

Spiro (in Gildenhuys, J. 1997), in his own conceptualisation identifies the primary connotations of accountability and states that accountability is simply a responsibility, a cause and an obligation. He goes further to explain that accountability as a responsibility makes a person who undertakes an assignment under the control and command of another person or institution to be responsible (answerable) to his or her principal for the efficient, effective and responsible execution of that assignment. For accountability as a cause, this author asserts that a person, due to his or her personal conduct, becomes the reason for the success or failure of a specific programme or an event. To this scholar, accountability as an obligation means looking at the ultimate resting of the burden of explanation on the person exercising the required assignment. For instance, the accounting officer in a Ministry, Department or Agency of government is responsible for effective, efficient and responsive management of public resources, but the minister concerned is obliged to account and report on this to the Legislature. This is accountability.

The concept of accountability in the public sector involves the following:
Undertaking official decisions/activities in a transparent way and capturing various stakeholders' interests; making optimal use of resources, taking due consideration of value for money and cost-benefit analysis, with zero tolerance to waste and corruption; adhering to ethical and professional standards and regulations in accordance with best practices; responding to community needs as much as possible with prioritization relevance as the guiding principles; implementing useful feedback mechanisms and information flow to the public; and fostering awareness in the society

for community participation and stimulating cooperative relationship within the civil society.

Going by the foregoing literature, accountability can be understood to be the answerability for performance and the obligation that public functionaries (elected and appointed officials) have to give a satisfactory explanation over the exercise of power, authority and resources entrusted to them on behalf of the public, the taxpayers.

External Control Systems: In this paper, external control systems are conceptualized as institutional or organisational arrangements set out under the framework of administrative control to operate from outside the provinces of particular government Ministries, Departments or Agencies, with the aim of ensuring effective and efficient supervision and monitoring to enhance effective performance in the public sector. They relate specifically to organisational arrangements in the form of measures and mechanisms undertaken by the Office of the State Auditor-General to ensure accountability, efficient and effective performance in Nigeria's local government financial administration.

3. Theoretical Basis of the Work

Traditionally, according to Peters (1995), there has been two broad schools of thought regarding the question of accountability. The first school assumes that responsibility is "an inward sense of a person's obligation". This implies that civil servants have ethical values and professional standards that would guide them in the performance of their tasks. The proponent of this school is Carl J. Fredrich, (1940). The second position propounded by Herbert Finer (1941) postulates that personal obligation is not enough and some external forces have to be employed in order to enforce responsible behaviour. This assumes that ethical values alone are not sufficient, and thus, punishing behaviour would be necessary, while at the same time recognising the need to reward outstanding performance by civil servants (Peters, 1995). In short, Finer calls for internal and external controls to enhance accountability. According to Jackson (2009), Finer argues for accountability as a direct external accounting to another for one's actions, that is, enforcing a responsible conduct, whereas Friedrich argues for eliciting responsible conduct by way of personal obligation.

This study was underpinned by the above theoretical orientation involving the two schools of thought. The two schools of thought trigger the debate, whether the existence of external control institutions per se promotes accountability or whether certain conditions must be in place before the system and the institutions can create any significant impact in fostering positive change.
The debate is further enhanced by the views of Laver and Phillip (1999) (in Muthien, 2000), that "the history of centralised state agencies demonstrates that excessive control of public institutions does not guarantee increased effectiveness", but may instead, constrain efficiency. Also, Olowu (2003) postulates that, while horizontal (internal administrative) controls play a vital role, they can be abused and thus may fail to ensure good governance, unless they are subjected to appropriate central or citizen accountability mechanisms (external controls). This orientation enriches the view that external control systems are critical in enhancing public sector accountability. From this theoretical perspective, this study adopts the position of the second school of thought with modification to fit into the Nigerian peculiar circumstances. There is a significant relationship between the second school of thought and the proposition in this work. In this study, the proposition is based on the framework that having a good legislation, monitoring exercises, penalties and reprimands against deviant public officials does not guarantee accountability and effective performance. There is need for system reforms in terms organizational restructuring to curb institutional failure associated with the operation of the office of the State Auditor General in providing external control for achieving accountability in Nigeria's local government financial administration. There is need to apply external forces to enforce responsible behaviour in the Nigerian local government system as postulated by Herbert Fine (1941).

4. Regulatory Framework for Local Government Accounting

The relevant sections of the 1999 constitution on powers and control (that is budgeting and auditing) over public funds at the federal and state levels as well as those pertaining to the public revenue allocation are Sections 80 to 88, 120 to 128 and 162 to 168 respectively. However, the local government accounting is guided by the same regulatory instruments, Oshisami (2004), ICAN (2010).

The regulatory provisions are specifically provided for in the following documents:

(a) Nigerian Constitution: The 1999 Constitution of the Federal Republic of Nigeria is the major legal instrument that controls and dictates the revenue collection and payment procedures of public finances. It is the primary and supplementary legal framework for accounting and financial reporting in government. The 1979 Constitution provides for the following very essential part in public sector accounting: (i) How the funds are to be operated (which is widely agreed as the bedrock of accounting in the public sector), (ii) Auditing and investigations as an instrument of control for the operation of the accounting system. (iii) The budgetary process.

(b) Financial Memorandum: The "Financial memorandum" (FM) as a legal framework in the third tier of government serves various purposes as an accounting and financial control instrument. Basically, it is a code of regulations, a body of governing rules and includes many techniques for harmonization of records of some economic transactions and events. Financial Memorandum provides the necessary guide for maintaining transparency and accountability in the public sector accounting (Oshisami 2004). Financial Memorandum also provides for rules which specify actions acceptable and those deemed unacceptable in accounting procedures, processes and practice. These rules are not expected to be varied under any circumstance especially those rules dealing with how to open bank accounts, revenue collection, security of documents, and so on.

The civil service being a complex and large organization requires set standards in order to ensure uniformity and conformity of application. There is also the need to develop effective means of communication in order to obviate costly errors. Like all large organizations, local government machinery requires rules which help safeguard its assets either from misuse or misappropriation. Hence it requires a code such as this to achieve its aims.

Almost every chapter in the Financial Memorandum begins with definitions of the subject matter of the chapter. This is one way of avoiding misconception of the framework that is being laid down. To an undiscerning mind, this might seem superfluous or even unnecessary but definitions go beyond providing meaning for terms used, to delineating authority, scope of responsibilities and the nature of their responsibilities. This is to guide account officers and other managers who are responsible for effecting, operating or interpreting the provisions of the Financial Memorandum in the interpretation of its provisions in their contextual spirit without any misconception.

(c) Appropriation Acts: Appropriation Acts are made every year for the purpose, not just for controlling financial and accounting matters, but primarily to cater for financial issues for the year (Oshisami, 2004). Appropriation Acts are thus enacted each year principally for the appropriation of public moneys for the services to be rendered during the year to which it applies.

(d) The Public Accounts Committee Act: This Act established the Public Accounts Committee to, among other things, examine the audited accounts of all ministries and extra ministerial departments and the Auditor-General for the Federation's report thereon. There are also Public

Accounts Committees in all States of the Federation. Public Accounts Committee is a committee of the legislature under sub-sections 85(5) and 125(5) of the 1999 Constitution.

(e) Treasury and Finance Circulars: They are extra-administrative instruments that are employed for the amendment or modification of available provisions of financial regulations, civil service rules and the introduction of new policy guidelines regarding treasury and financial matters in public service.

(f) Finance (Control and Management) Act: This Act governs the management and operation of all government funds. It regulates the accounting system, the books of accounts to be kept and the procedures to be followed in the preparation of accounts and financial statements. It also dictates the principles of valuation of government investment and which securities should form part of government's portfolio. The Act restricts the management of government fund investments to risk minimization and inhibits the Accountant-General of the Federation or of the States from pursuing the maximization of rate of return. Section 24 mandates the Accountant-General of the Federation to prepare, sign and present for audit, the accounts showing fully the financial position on the last day of each financial year of the Consolidated Revenue Fund (CRF) and of the funds specified in the First Schedule. The same goes for the Accountants-General of the States as specified by the law in that respect.

5. Audit of Local Government Account

The Auditor-General of each State of the Federation is required under the 1999 Constitution to take charge of the audit of the third tier of government, the local government. In the course of exercising this duty as contained in the constitution, the Auditor-General is not to be compelled or directed or controlled by any other body or persons. Auditing is the last stage of accounting control for purposes of financial accountability. Effective auditing is a prerequisite for accountability in public service. In fact, auditing constitutes an inevitable control mechanism for ensuring proper management of economic resources and for ensuring compliance with prescribed financial policies and regulations in the local government. The Financial Memorandum provides for the major books of accounts to be kept by the local government treasuries. The auditor is duty bound to examine the books of accounts of the third tier of government, to express an opinion whether the accounts give true and fair view of the operations and financial transactions of government.

It is sad to note here that despite all these safeguards provided by law and practice for the control of local government accounting system, the entire local government financial system seems bedeviled by the corrupt practices prevalent in the system. Consequently, there are raging increase in cases of mismanagement, scandalous embezzlements, extravagance, wastage, misappropriation, contract abandonment, Overprizing of goods/service, salaries padding, capital flights and all other forms of corrupt practices in the local government administration across the country (Udu, 2013). In effect, the objectives of local government auditing seems to have been defeated in the Nigerian local government system owing to widespread abuse of office by auditors and the chieftains of local government administration in the country with particular reference to their failure to conform to professional standards, legal requirements and other regulatory framework in respect of public finance in this sector. Unegbu and Kida (2011) state that the government auditor must satisfy himself that the books and account submitted were prepared in compliance with the statutory provisions and regulations as well as that good accounting principles and practice were followed in their preparation. This is hardly done in the local government system in Nigeria because of undue influences from the political class.

6. Institutional Capacity of External Control Agency

One of the objectives of this study was to assess the institutional capacity of the external control agency, which is charged with the duty of promoting accountability in Nigerian's local government. As earlier noted, the research is focused mainly on one institution of government, namely the Office of the Auditor-General (OAG). It is important to note that the performance of any public agency and the ability of that agency to achieve its objectives largely depend on the nature of its structural arrangements and the workload before it. This can effectively be assessed based on the strength of its institutional capacity particularly in terms of the human and financial resources at its disposal, enabling legislation, planning capabilities, and support from the relevant stakeholders. The need to have adequate number of well qualified human personnel that operate under a focused policy framework and an enabling environment for purposes of enhancing accountability is an important feature in the quest for effective external control system in the local government system. In the same vein, the ability to undertake meticulous corporate planning, mobilisation of sufficient financial resources, and management collaboration with other stakeholders are very critical to achieve effective administration of local government finance. It is the Office of Auditor-General for local government that is saddled with the duty to provide the external control of the accounting and financial administration of the local government system in Nigeria for public accountability. The issue therefore is whether that office has the capacity in terms of human and material resources to achieve this vital control.

The office of the Auditor-General for local government was established in 1999, in line with the Civil Service Reform of 1998. It was excised from the State Audit Department as it was then known. The office operates within the following legal framework:
a) The Nigerian Constitution of 1999
b) The Local Government financial memoranda
c) Guidelines on local government operations
d) Updated circulars issued from time to time
The Office of the Auditor-General is charged with the cardinal duty of promoting accountability and good governance in public offices. In Nigeria, it is an institution mandated to audit all public accounts, make report on such accounts and exercise its oversight role over the use of public resources.

The Office of the Auditor-General is headed by the Auditor-General as the Chief Executive Officer with audit staff under him. The primary task of the office is to audit the accounts of all the local government councils within his State jurisdiction. Specifically, the office is to carry out the following functions:

i. prompt conduct of audits and preparation of financial reports on local governments;
ii. issue of audit warrants (approval) of release of funds to spending departments from the consolidated fund of the local governments;
iii. verification of pension and gratuity papers of retired local government staff before payment is made;
iv. ensuring that proper disbursement and accountability of funds is carried out by local governments;
v. identification of any misuse, fraudulent practices and breach of financial regulations;
vi. prompt review of audit reports of contracted audit firms on local governments, and;
vii. provision of technical guidance to the Public Accounts Committee during discussions with various local accounting officers on issues raised in the Auditor-General's report.

The high level of workload described above points to the fact that the OAG requires appropriate number of a well-motivated and well equipped human resources.

The issue of capacity building in form of training programmes is also of essence to the successful performance of the above stated functions. It is the position of this paper that poor quantity and quality of manpower and inadequate capacity building programmes for the available staff of the Office of Auditor-General in Nigeria's local governments is the bane of poor financial control in the local government system in the country.

This study found out that the main problem in this regard is the inadequate institutional capacity of this controlling agency, the Office of Auditor-General for Local Government, characterised by the inadequacies in human resources, finance and more importantly and lack of political will on the part of the political class.

7. Impact Analysis

The establishment of external control system in local government administration in Nigeria was a measure for promoting public accountability in financial administration of the local government system. The emphasis is placed on adherence to accounting standards and financial regulations, fostering of proper resources allocation and utilisation, transparency, accountability and responsiveness to community needs.

It was discovered in the course of this study that there is a loud public outcry that the Office of the Auditor-General for Local government has failed to achieve the objectives for which that office was meant to achieve in the external control of accounting and financial administration in local governments in Nigeria.

This study also found out that this failure in control of the finances of local governments in the country in terms of appropriation and misappropriation of such finances contributes in no small measure to the absence of any meaningful improvement in the living conditions of the Nigerian masses. This accounts for the near absence of basic infrastructural facilities in most rural areas in Nigeria, particularly in respect of rural road network, rural electricity and water supply, educational and medical facilities in the rural communities, and the worst of them all, lack of employment opportunities for the teeming youths in the country who now resort to criminal activities to occupy them.

The study also found out that even in the urban areas in the country, electricity supply is so erratic that those that depend on electricity power for their business operation cannot make any headway in their businesses without recourse to alternative sources of power at an overbearing cost. The high unemployment rate in the country has pushed a greater percentage of the youth population into criminal activities. This in turn has led to high level of insecurity culminating in loss of lives and property in the country. This study found out in particular that wanton corruption by the public officials and political office holders in government is the major cause of the poor socio economic development of the Nigerian local communities and the Nigerian society at large.

Aluko, (2006) chronicles a series of cases of funds mismanagement and misappropriation in the Nigerian Local government administration. He highlights the following to be the various forms of corruption that hinders accountability in the local government system in Nigeria:

i. funding of political parties
ii. inflated contract prices or quotations
iii. collusion between external auditors and government functionaries
iv. collusion between supervisory ministries/bureau and local government chairmen
v. collusion with citizens who benefit from thieving public funds.

The cases cited by Aluko, (2006) include that of:

(a) The chairman of Sanga local government in Kaduna State that awarded a contract of N3, 171,375.00 for the rehabilitation of his office, in which N906,044.00 would have been enough for the project.
(b) The Chairman of Ilorin South LGA in Kwara State, who claimed to have paid N19 million to a contractor for the Gaa-Akanbi and Niger roads which had been rehabilitated by the state government in the previous year.
(c) The Chairman of Ekime Mbano Local Government Area of Imo State, where some projects which were said to have been executed by the council did not exist at all. These

projects included the rehabilitation of the Umuezeala autonomous community road and Nkwo – Umuezeala -Aba road, for which payment of N172, 000 and N 417, 000, respectively when the roads were not rehabilitated or the contractors paid as claimed..

(d) The Chairman of Ibadan North-East Local Government of Oyo State was suspended on 30 April, 2001 for awarding a contract for the rehabilitation of one kilometer road in Aremo for N76million.

Other reported cases of lack of accountability in the local government financial administration and misappropriation of local government funds in Nigeria include the report in Sunday Punch Newspaper of June, 2010 where the Chairmen of Ikenne and Owode Local Government Areas of Ogun State were reported to be among the chairmen in the state who diverted to themselves the N30 billion excess crude oil money allocated to 20 Local government Areas of the State in 2009. Another one is that of the former chairman of Damban Local Government Area in Bauchi State, who, with the treasurer of the council were convicted and sentenced to 17 years imprisonment for misappropriation of local government funds while in office as the chairman and treasurer respectively for awarding contracts for the drilling of boreholes in Azir and Ngwalimi villages in the Local Government Area for the sum of 7 million but releasing only N1 million to the contractor while converting the remaining N6 million to their personal use (Gold, in Adeyemi, 2012). Still, another case reported, is that of the former chairman of Dekina Local Government Area in Kogi State, who was alleged to have collected money for security vote twice in one month and money for same project execution twice, (Sowe, in Adeyemi, 2012).

Furthermore, there is yet another case reported that involved the former caretaker committee chairman of Kala Balge Local Government Council in Borno State, Mr. Zanna Abubakar who was arraigned in court by ICPC for misappropriation of N23, 825,000.00 belonging to the council while serving in office (Ingobro, cited in Adeyemi, 2012). There is also a report of how ICPC arraigned the former chairman of Awe Local Government Area of Nasarawa State alongside two top principal officers for corrupt practices involving N23,503,940.00 (Ameh, 2008). In the same vein, Oyelude (2010) reports that the chairmen of Gwer East and Gwer West Local Government Councils in Benue State were made to refund N56 million and N54 million respectively and stayed out of office for six months in 2010. All these misappropriation of local government funds are indicators that there is no control of local government finances in the country, hence no accountability in the system.

Seligson (2002) identifies "corruption as a factor which ensures that bribes are not reported by either party to the transaction, thus denying the treasury needed tax revenues. This tax loss is compounded because the bribe often serves to circumvent the reporting of normal business transactions that otherwise would have produced tax consequences (e.g. construction permits, ad valorem taxes, sale taxes and import and export taxes). Furthermore, public services are focused towards assisting those who pay bribes, denying those services to those who do not, thereby resulting in uneven and often inferior services to many". All these happen in the local government system in Nigeria and they happen because both the internal and external control systems of financial administration in the local governments for public accountability in the country have utterly failed with all intents and purposes.

8. Conclusion

The rationale for control and accountability in administration and management is to ensure efficient and effective resource utilisation to foster public service provisioning, good governance and improved socio economic development. This study uncovered that despite the existing internal and external mechanisms put in place to enhance accountability at the local government level in Nigeria, there is loud public outcry on the gross mismanagement of public funds in the local government system in Nigeria and that there is also high level of incompetence in the control process of local government financial administration due to several factors inherent in the system, particularly poor quantity and quality of manpower, lack of capacity development of the available manpower, poor finances and other resources, lack of will power on the part of the political class and wanton corruption by those in government.

9. Recommendations

This study makes the following recommendations:

1. A total overhaul of the external control system of the accounting and financial processes and procedures in local government financial administration.

2. A comprehensive review of the enabling laws through constitutional amendment, to remove any form of undue political influence or any form of control from any quarters on the external controlling agency of government at the local government level in respect of the control processes, rules and regulations concerning local government accounting and financial management.

3. The independence of government agencies involved in the external control of local government accounting and financial administration, particularly the Office of Auditor General in the States should be given constitutional guarantee, entrenched in the constitutional amendment recommended in this work.

4. The State government that is constitutionally charged with the responsibility to oversee local governments within its bounds should make relevant laws to checkmate and prosecute erring government officials that breach extant accounting and financial regulations, processes and procedures regarding accounting and financial administration in the local government system in the State.

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