ACCOUNTABILITY IN THE PUBLIC SECTOR

LECTURERS
Dr. D.G. ADEBISI
AND
O. WRIGHT
ACCOUNTABILITY IN THE PUBLIC SECTOR

Introduction: There are 36 States and 774 Local Government each of which are allocated allocation resources every month aside from major allocation to the Federal Government without commensurate provision of the public with adequate social amenities. The chapter differentiates between accounting in the public sector and private sector and the concept of public accountability.

Concept of Accountability in the Public Sector

Accountability is an obligation to answer for the execution of one’s assigned responsibilities. It is the requirement to provide explanation about the stewardship of public money and how this money has been used.

Accountability comprises two distinct components:

(a) Rendering of accounts;

(b) Holding to account.

Rendering Of Account

It is by rendering of accounts that the information about the behaviour of a public organisation can be obtained. This means that without rendering of accounts, there can be no accountability.

Holding To Accounts

This involves the exercise of judgment and power over public officials. Public accountability can be achieved only if those who receive the accounts have power and ability to take actions on the basis of those accounts.
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Accountability is not just about the responsibility of public officers and the institutions to the people they support to serve but also includes a willingness on the part of the office holder to submit to scrutiny appropriate to the office he is holding. The principal means by which government department discharge its accountability responsibility is through public reporting which leads us to the concept of fiscal transparency.

Fiscal Transparency

This is the aspect of accountability which requires government to carry out all aspects of budgeting responsibilities with openness, trust, basic values and ethical standards so that it will have nothing to hide from public. Where a government has something to hide, public reporting is more likely to be infrequent, unreliable and less comprehensive in order to hide material facts.

IMF Code Of Good Practices And Fiscal Transparency

The IMF stipulates a number of code of good practices and transparency. These include:

(a) Clarity of Roles and Responsibilities: The government sector should be separated from the rest of the public sector and from the rest of the economy. Also policy and management roles within the public sector should be clearly stated and publicly disclosed.

(b) Open Budget Process: There should be clear procedures for budget execution, monitoring and reporting. The budget preparation should be guided by well-designed macroeconomic and fiscal policy objectives.
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(c) **Public Availability of Information:** The public should be provided with comprehensive information on past, current and projected fiscal activity on major fiscal risks. The central government should publish information on the level and composition of its debts and financial assets, significant non-debt liabilities and natural resource assets. Fiscal information should be presented in a way that facilitates policy analysis and promotes accountability.

(d) **Assurances of Integrity:**

1. Fiscal data should meet accepted data quality standards and budget forecasts and updates should reflect recent revenue and expenditure trends, underline macroeconomic development.
2. Data in fiscal reports should be internally consistent and reconciled with relevant data from other sources. Major revisions to historical fiscal data and any changes to data classification should be explained.
3. Ethical standards of behaviour for public servants should be clear and made public.
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4. Purchases and sales of public assets should be internally audited and audit procedures should be open to review.

5. Fiscal information should be independently scrutinised. All public finances and policies should be subject to scrutiny by national audit body or an equivalent organisation that is independent of the executive.

The national audit body or equivalent organisation should submit all reports, including its annual report to the legislature and publish them.

CONDITIONS THAT FACILITATE THE PROMOTION OF PUBLIC ACCOUNTABILITY

In addition to the two conditions of rendering of accounts and holding to account, earlier discussed, the following conditions will also facilitate the promotion of public accountability.

(a) Existence of democratic institutions that allow for changes in leadership through free and fair elections.

The assumption that public accountability will be enhanced by a civilian government replacing a military government will remain a mirage as long as the leadership can always ‘dance’ to the legislators ‘tunes’ coupled with the ability to rig elections unabated. And as such, public accountability can never be enhanced.

(b) The existence of leadership that genuinely believes in and 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.
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(c) Public accountability needs the presence of active investigative media that will help to keep the leadership on their toes

(d) Public accountability will be enhanced if the generality of the populace do not believe that embezzlement of public funds is parts of the “political manifesto” which the political leaders must achieve while in office at the detriment of the original manifesto.

(e) Urgently address the issue of poverty through poverty reduction targeted government expenditures. The impoverished and unemployed persons that rely solely on political leaders for survival are more likely to view accountability of political leaders as ability to provide for their needs irrespective of the source of the money.

MEASURES IN PLACE TO ENHANCE PUBLIC ACCOUNTABILITY

The following are the major measures in place to enhance public accountability in Nigeria:

(a) The Fiscal Responsibility Act 2007

(b) The Public Procurement Act 2007

(c) The Freedom of Information Act 2011. This was signed into law on 28th May, 2011. It is expected to enhance transparency and accountability in the county.
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MEASURES IN PLACE TO ENHANCE PUBLIC ACCOUNTABILITY cont.

(d) Nigeria Code of Conduct Bureau
(e) Independent Corrupt Practices and Other Related Offences Commission (ICPC)
(f) Economic and Financial Crime Commission (EFCC)
(g) Public Accounts Committee of the two Houses of the National Assembly
(h) Office of Auditor- General for the Federation and Office of Auditors- General in the States and Local Governments.
(j) Revenue and Inspectorate Departments of the Office of Accountant-General of the Federation.
(k) Office of Special Adviser on Project Monitoring in the Presidency

Introduction of new Public Financial Management System such as :
ii. Integrated Payroll and Personal Information.
iii. The Treasury Single Account (TSA).
iv. The creation of efficient Units E-unit) in all MDAs.
v. The presidential Initiative on Continuous Audit ( PICA).
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WHY THERE STILL EXISTS NO EFFECTIVE PUBLIC ACCOUNTABILITY IN NIGERIA

(a) Nigeria still ranked lowly in corruption perception index. The 2010 Transparency International Corruption Perception Index show that Nigeria ranked 134 out of 138 countries survey, scoring 2.4 out of 10.

(b) Nigeria still rated lowly for Budget Transparency International Budget Partnership. The 2010 Budget Index Scored Nigeria 18 out of 100 compared to Ghana and Liberia with 54 and 40 points respectively.

(c) The continuing existence of special government funds.

The special government accounts include:

<table>
<thead>
<tr>
<th>S/N</th>
<th>Other Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>i</td>
<td>10% Cocoa Levy</td>
</tr>
<tr>
<td>ii</td>
<td>5% Sugar Development Levy</td>
</tr>
<tr>
<td>iii</td>
<td>10% Rice Levy</td>
</tr>
<tr>
<td>iv</td>
<td>7% Port Levy</td>
</tr>
<tr>
<td>v</td>
<td>2% Nat. Automotive Council Levy</td>
</tr>
<tr>
<td>vi</td>
<td>ECOWAS Levy</td>
</tr>
<tr>
<td>vii</td>
<td>1% Comprehensive Import Supervision Scheme (CISS) Pool Levy</td>
</tr>
<tr>
<td>viii</td>
<td>0.5% Nigerian Export Supervision Scheme (NESS) Levy</td>
</tr>
<tr>
<td>ix</td>
<td>2% Education Pool Account</td>
</tr>
<tr>
<td>x</td>
<td>Service Charge Pool Account</td>
</tr>
<tr>
<td>xi</td>
<td>EFCC Recovery Fund</td>
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</tbody>
</table>
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The special government accounts include:

<table>
<thead>
<tr>
<th>S/N</th>
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</tr>
</thead>
<tbody>
<tr>
<td>xii</td>
<td>10% Steel Pool Levy Account</td>
</tr>
<tr>
<td>xiii</td>
<td>100% Cigarette Levy</td>
</tr>
<tr>
<td>xiv</td>
<td>Customs Textile Levy Pool</td>
</tr>
<tr>
<td>xv</td>
<td>IMPL Committee on FGN Landed Property</td>
</tr>
<tr>
<td>xvi</td>
<td>Cement Levy (Nigeria Customs Service)</td>
</tr>
<tr>
<td>xvii</td>
<td>25% Husk Brown Rice Levy Pool Account</td>
</tr>
<tr>
<td>xviii</td>
<td>30% Levy on Sanitary Pool Account</td>
</tr>
<tr>
<td>xix</td>
<td>30% Levy on Wines Spirits</td>
</tr>
<tr>
<td>xx</td>
<td>Cheque Operational Account</td>
</tr>
<tr>
<td>xxi</td>
<td>Pension Bond Redemption Fund</td>
</tr>
<tr>
<td>xxi</td>
<td>Consolidated Pool Account</td>
</tr>
<tr>
<td>xxiii</td>
<td>MOFI Optional Account</td>
</tr>
<tr>
<td>xxiv</td>
<td>Monitisation (Fixed Assets)</td>
</tr>
<tr>
<td>xxv</td>
<td>FCT House Sales Proceeds Account</td>
</tr>
<tr>
<td>xxvi</td>
<td>Monitisation (Motor Vehicle)</td>
</tr>
</tbody>
</table>
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<table>
<thead>
<tr>
<th>S/N</th>
<th>Other Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>xxvii</td>
<td>65% Wheat Flour Levy Pool Account</td>
</tr>
<tr>
<td>xxviii</td>
<td>15% Wheat Grain Levy Pool</td>
</tr>
<tr>
<td>xxix</td>
<td>FGN Signature Bonus Account (Dollar Denominated)</td>
</tr>
</tbody>
</table>

(d) There also exists special accounts with off-shoot from the Federation Account. They include:

a. 1.68% FGN Development of Natural Resources
b. 1% FGN share of Derivation and Ecology
c. 0.5% FGN Stabilisation Account

These funds do not require appropriations from National Assembly and the government does not render account to the public for the funds.

The government should take a look at these special accounts and offload them into the national budget. Where the government decides not to off-load all of them, it should render annual accounts to the National Assembly and the public on the use of the accounts retained.

(e) Non-provision of penalties for breaches of Fiscal Responsibility Act. Unless this particular area is addressed soon, the purpose of enacting the act may be defeated.

(f) Non-establishment of National Council on Public Procurement. Since the Public Procurement Act came into existence in 2007, the provision of the Act requires the establishment of National Council on Public Procurement which is to be headed by the Minister of Finance, has not been complied with. This is the council that the BPP is supposed to report persistent breached of the Procurement Act to.
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Questions

(1) (a) What is Accountability?

(b) Differentiate clearly in relation to Public Accountability between Rendering of Accounts and Holding to Accounts.

(2) (a) What is Fiscal Transparency?

(b) Enumerate four (4) IMF Code of Good Practices on Fiscal Transparency.

(3) (a) State five (5) conditions that facilitate the promotion of Public Accountability.

(b) State six (6) of the measures put in place by the Federal Government of Nigeria to enhance Public Accountability.