Examining Public Accountability and Policy Issues in Emerging Economies:
A Case Study of the Federal Ministry of Transport, Nigeria

A Thesis submitted to the University of Manchester for the degree of
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ABSTRACT

Although public accountability first became an issue in the 1980s, little has changed over the three decades since. In particular there have been calls for more public accountability research in the context of emerging economies (Uddin and Tsamenyi, 2005; Kim, 2009; Guthrie and Parker, 2012). This thesis responds by using a case study of the Nigerian Federal Ministry of Transport to examine public accountability issues in depth. It addresses the following research questions: What are the current Nigerian accountability structures and how should they work? What is the difference between what should happen (i.e. the structures) and what is happening (practices)? Why have public accountability reforms been difficult to implement effectively?

This study uses a critical accounting and case study approach. Evidence was gathered using a triangulation approach, and included: interviews, documents, newspapers, speeches, photographs and observation in a number of contexts. For the analysis, this study develops a unique theoretical approach which applies New Institutional Theory (NIT) (paying particular attention to decoupling and coercive isomorphism), within broader Political Economy Theory (PET) and drawing on notions of imperialism.

This study finds that Nigeria has in place formalised structures that should ensure public accountability, but there are state norms which render these structures ineffective. Hence, formalised structures do not work as intended. Based on NIT and imperialism, this study finds that the role of the state within Nigeria and the nature of relationship with external financial institutions produce coercion which is not as strong as NIT advocates, consequently, this is labelled subtle coercion. Because coercion is subtle, the state is able to resist. Furthermore, this study finds that decoupling can be understood from the cultural perspective. Moreover, based on PET and decoupling, it finds political interference to be a major issue and politicians are not genuinely interested in pursuing accountability reforms.

This study contributes new and in-depth evidence to the growing body of literature about public accountability in emerging economies. Until now, no study has used the concept of imperialism to extend NIT in public accountability research. Predominantly, this study extends our knowledge of NIT and serves as a base for further studies on subtle coercion. Finally, this study informs policy makers by increasing their understanding of why transferring accountability policies from advanced nations to Nigeria and similar emerging economies may prove problematic.
DECLARATION

I declare that no portion of the work referred to in the thesis has been submitted in support of an application for another degree or qualification of this or any other university or other institute of learning.
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DEDICATION

This thesis is dedicated to my family. A special feeling of gratitude to my loving parents: HRH (Alh.) Ibrahim Sulu-Gambari, (Late) (Alh.) Hassanat Sulu-Gambari and (Alh.) Aduke Rafat Sulu-Gambari, whose affection, love, encouragement and prayers guided me towards this success and honour.

This thesis is also dedicated to my brothers/guardians, Barrister (Alh.) Abubakar Sulu-Gambari and Dr Suleiman Sulu-Gambari, who supported me throughout the process and inspired me when I faced difficult times.
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<td>ASCSN</td>
<td>Association of Senior Civil Servants of Nigeria</td>
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<td>AUC</td>
<td>African Union Commission</td>
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<tr>
<td>BPSR</td>
<td>Bureau of Public Service Reforms</td>
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<td>CBN</td>
<td>Central Bank of Nigeria</td>
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<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
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<tr>
<td>CTC</td>
<td>Competitive Tendering and Contracting</td>
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<td>EFCC</td>
<td>Economic and Financial Crimes Commission</td>
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<td>EITI</td>
<td>Extractive Industries Transparency Initiative</td>
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<td>EU</td>
<td>European Union</td>
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<td>FMT</td>
<td>Federal Ministry of Transport</td>
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<td>FOI</td>
<td>Freedom of Information</td>
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<td>FRAB</td>
<td>Financial Reporting Advisory Board</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>IFRS</td>
<td>International Financial Reporting Standards</td>
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<td>IMF</td>
<td>International Monetary Fund</td>
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<tr>
<td>INSOTAI</td>
<td>International Organisation of Supreme Audit Institutions</td>
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<td>IPSAS</td>
<td>International Public Sector Accounting Standards</td>
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<td>MAN</td>
<td>Maritime Academy of Nigeria</td>
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<tr>
<td>Acronym</td>
<td>Description</td>
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<tr>
<td>MD</td>
<td>Managing Director</td>
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<td>MDA</td>
<td>Ministries, Departments and Agencies</td>
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<td>NEEDS</td>
<td>National Economic Empowerment and Development Strategy</td>
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<td>NCB</td>
<td>National Coal Board</td>
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<td>NIT</td>
<td>New Institutional Theory</td>
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<td>NPM</td>
<td>New Public Management</td>
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<td>NRC</td>
<td>Nigerian Railway Commission</td>
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<td>NSC</td>
<td>Nigerian Shippers Council</td>
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<td>OAGF</td>
<td>Office of the Auditor General of the Federation</td>
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<td>OWT</td>
<td>One World Trust</td>
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<td>PAC</td>
<td>Public Accounts Committee</td>
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<td>PAR</td>
<td>Public Accountability Reform</td>
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<td>PDP</td>
<td>People’s Democratic Party</td>
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<td>PET</td>
<td>Political Economy Theory</td>
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<td>Acronym</td>
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<td>PFI</td>
<td>Public Financial Instrument</td>
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<td>Presidential Projects Assessment Committee</td>
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<td>Policy Support Instrument</td>
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<td>Revenue Mobilisation, Allocation and Fiscal Commission</td>
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<td>United Kingdom</td>
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<td>US</td>
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<td>USA</td>
<td>United States of America</td>
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<td>VFM</td>
<td>Value for Money</td>
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<td>WB</td>
<td>World Bank</td>
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<td>WTO</td>
<td>World Trade Organisation</td>
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CHAPTER ONE: INTRODUCTION

1.0 General overview

This thesis responds to calls for more public accountability research in the context of emerging economies (Rahaman et al., 1997; Rahaman and Lawrence, 2001; Rahaman, 2010; Uddin and Tsamenyi, 2005; Kim, 2009; Hopper et al., 2008; Guthrie and Parker, 2012). It critically examines and improves our understanding of public accountability issues in an emerging economy, using Nigeria as an exemplar.

The late 20th century witnessed a rapid development in public accountability research (Hood, 1991; Oliver, 1991; Pallot, 1992; Sinclair, 1995; Lapsley, 1998; Bovens, 2010), when international public sector organisations came under increasing pressure to become more accountable so as to improve output and services rendered to the public. Consequently, these developments have led to researchers examining issues of public accountability from several perspectives.

To date, debate continues about how to best describe public accountability. In advanced economies, for example the United Kingdom, Australia and Canada (countries which practise the Westminster style of governance) public accountability is described using a number of processes which form part of an overall public accountability structure. However, public accountability is also described as rhetoric tools which are chameleon-like and subject to promiscuous use. Hence, developed countries are faced with a number of public accountability issues.

Traditionally in Westminster style democracies, public sector organisations are run by public officials who are expected to demonstrate probity, transparency and accountability (Public Administration Select Committee, 2002). However, such expositions are unsatisfactory because Lonsdale (2008) drew our attention to the issue of public officials who do not always comply with rules and regulations which are intended to create accountability. Similarly, Sinclair (1995) suggested that public officials might be manipulating organisations for personal needs, in contrast with the demands of the citizens.

The New Public Management (NPM) doctrines began by problematizing the traditional public administration/practice, delivery of public services and ways of accountability (Poulson, 2009; Dubnick and Frederickson, 2010). NPM is a label used to depict
management culture which emphasizes the importance of the public by stimulating accountability for results. NPM shifted the emphases from a traditional public administration to public management, therefore, shifting the state towards ‘managerialism’. This was achieved in a number of ways including the implementation of accrual accounting (Power and Laughlin, 1992; Watkins and Arrington, 2007; Bogt et al., 2010), public sector scrutiny (Hood, 2006; Lapsley, 2008), and the implementation of Public-Private Partnerships (PPP) (Heald and Georgiou, 2011; Shaoul et al., 2012).

NPM emphasized greater public scrutiny of expenditure plans and public sector finances (Lapsley, 2008). However, the existing accounts of NPM fail to resolve the concern that there are several criticisms of NPM doctrines in western democracies (Lapsley, 2008; Lapsley, 2009; Arnaboldi and Lapsley, 2009). Also, public accountability is being narrowly described as a two way (principal-agent) relationship (Hood, 1991; Mulgan, 2000; Christensen and Parker, 2010; Shaoul et al., 2012; Smyth, 2012). Arguably, these have increased the debates about the problems of public accountability and NPM.

Despite this attention and rising interests, the generalizability of much published research on public accountability issues is problematic. Most studies have been carried out in the context of advanced economies; therefore, there have been insufficient data from the perspectives of emerging economies, where public accountability issues are also prevalent.

Public accountability problems in emerging economies are even more complicated by various issues, such as: political instability and interference, poor governance, corruption and lack of capacity to develop regulations (Therkildsen, 2001; Kim, 2009; Rahaman et al., 1997; Rahaman and Lawrence, 2001; Rahaman, 2010). Moreover, public sector organisations in emerging economies are characterised by economic uncertainty, poor performance and the notion of private gain (Uddin and Tsamenyi, 2005). As a result, the ideas of NPM were attractive to governments in emerging countries (Lapsley, 2009).

Most research argues that NPM doctrines are advocated by powerful external institutions such as the World Bank (WB) and International Monetary Fund (IMF). Also that emerging economies are being coerced to implement NPM doctrines because of resource dependency factors. Though western reforms were implemented to remedy these issues, nevertheless, questions remain about the appropriateness and implications of western-driven public accountability doctrines (Uddin and Hopper, 2001; Rahaman et al., 2007; How and Alawattage, 2012; Uddin et al., 2011). This has led to disconnections between
practice and accountability structures which also make research in emerging economies interesting.

Nigeria is an example of an emerging economy\(^1\). Though the county has the largest natural resources in the African continent (i.e. is the biggest exporter of oil and natural gas) the public sector organisations in Nigeria have underperformed and citizens show a great dissatisfaction with their approach towards accountability. Nigeria is a good case because it recently surpassed South Africa to become the largest economy in Africa. Nigeria has recently been classified as a MINT\(^2\) (Mexico, Indonesia, Nigeria and Turkey) economy which refers to the emerging economies that have the potential to become the next economic giants. In addition, the Nigerian public sector has often been associated with mismanagement and poor service delivery to the public (Nigerian Performance Monitoring and Evaluation report, 2011). Moreover, it was observed that there are tensions between the public officials and the politicians/public sector political appointees. Despite the fact that many emerging economies have implemented reforms, the scope of the reforms in Nigeria appears to have been ineffective.

1.1 The aim of the study and development of the research questions

This study argues that addressing public accountability through the lens of an advanced economy is inappropriate and is especially problematical in the context of NPM. Therefore, this thesis seeks to provide an in-depth understanding of public accountability issues in an emerging economy (of which Nigeria is an example), by assessing both what should happen in practice and what actually takes place. This will be addressed through the following research questions;

- **What are the current Nigerian public accountability structures and how should they work?**
- **What is the gap between what the regulations indicate should happen in terms of the structures and what is happening (practices)?**
- **Why have the current public accountability reforms been difficult to implement effectively?**

This section discusses first, why a case study method is deemed to be most appropriate. Second, with regards to how these research questions emerged, the subsequent sub-section

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\(^1\) In accordance with International Monetary Fund (IMF) classification, see: www.imf.com.

\(^2\) Visit: http://www.bbc.co.uk/programmes/b03p824m
describes the link between the research questions and the empirics/case study and the theoretical approach.

1.1.1 Research question one and the case study approach of this study

The first research question (What are the current Nigerian public accountability structures and how should they work?) has an empirical focus. By illustrating the current public accountability structure, this study increases the understanding of the instances where public accountability problems are prominent. Specifically, it identifies laws that govern the activities of public sector organisations in Nigeria. It specifies links and provides requirements in which public sector organisations in an emerging economy such as Nigeria can be held accountable.

Moreover, Nigeria has been cited as one of the most successful instances of transplantation of the Westminster model to underdeveloped or emerging nations (Tansey and Kemode, 1967). Consequently, this study considers whether there are more complex views of public accountability in Nigeria than the version of Westminster orthodoxy.

In order to achieve these, this thesis uses the case of the Federal Ministry of Transport (FMT); this is complemented by a study of two of its agencies and other relevant government structures. Through this approach, it is possible to capture different views and interpretations.

FMT has a number of features which makes it a good case for this study. Firstly, the ministry plays a crucial role in delivering development in Nigeria and it is accorded high priority by the government as a result. Secondly, the FMT has never been far from controversies. For instance, in previous years, it has been associated with decay, mismanagement and poor service delivery (Nigerian Performance Monitoring and Evaluation Report, 2011). Thirdly, there are a number of interesting agencies under the ministry which provide rich data, these include: the Nigerian Ports Authority (NPA) and Nigerian Maritime Administration and Safety Agency (NIMASA).

This study shows that NPA has adopted PPP, hence, it offers multi-dimensional views to this study. Finally, hitherto issues of public accountability have not been examined using the FMT as a case study in Nigeria. Most studies have been in other sectors, such as petroleum and agriculture. Therefore, this thesis aims to provide in-depth evidence as to
how public accountability policies and practices have been deployed within a significant area of the Nigerian public sector (i.e. Transport). By doing so, the in-depth data can also drive theoretical approaches for both the second and third research questions.

1.1.2 Research questions two and three and the theoretical approach of this study

The close connection between theory and research questions can be implied by what they add to study. Whilst theories can rely on research questions, similarly, research questions can rely on theory (Fawcett and Downs, 1986).

This thesis takes a critical accounting research approach to the study in order to examine more closely the issues of public accountability in Nigeria. Such an approach draws on Burrell and Morgan’s (1979) radical humanism and radical structuralism. This view allows the research to identify the limitations and gaps in the existing social arrangement in the Nigerian public sector. Most importantly, this approach proposes that accounting researchers feature new theoretical constructs in investigating and analysing data (Cooper, 2008).

There have been calls for the use of theoretical blending rather than relying on the content of a preselected theory to explain complexities where a single theory does not neatly match the issues which emerged (Humphrey and Scapens, 1996; Jacobs, 2012). Within this approach, this thesis adopts a unique theoretical framework which offers rich and mixed views for the study. For this study, features of New Institutional Theory (NIT) (particularly, coercive isomorphism and decoupling) are applied within a broader Political Economy Theory (PET).

Uddin and Hopper (2001) and How and Alawattage (2012) suggest that emerging economies are influenced by problems of political interference. This research adopts the classical political economy approach. This perceives public accountability structures as a means of maintaining a favoured position to those who control resources (Deegan and Unerman, 2011). PET draws on the variations between regulations and accounting/accountability practices by linking institutions with political structures (Chapman et al., 2009). Therefore, this approach is applied in order to identify whether there are accountability problems in the FMT.
In addition, whilst PET offers broader explanations to the public accountability problems in this research, NIT goes further by providing specificity to these explanations. This approach is embedded in isomorphic pressures, such as mimetic, normative and coercive. One prominent aspect is that the roles of external financial institutions such as the WB and IMF in facilitating accounting and accountability practices in emerging economies are examined. Moreover, this study extends the theoretical framework to include notions of decoupling and imperialism.

First, decoupling means that the formal structures are mythical, symbolic and ceremonial (Meyer and Rowan, 1977). By examining, the second research question (What is the gap between what the regulations indicate should happen in terms of the structures and what is happening (practices)?), this study contributes to NIT (particularly, the notion of decoupling). It provides several instances which re-emphasize that decoupling can be seen as a result of political imperfection (How and Alawattage (2012) and can be understood from cultural perspective (Alawattage and Wickramasinghe, 2009). Through this approach, this study illustrates that though public organisations often present themselves to be compliant (i.e. the structure), decoupling can provide explanations as to why there are gaps and show the need for public accountability reforms in the FMT.

Second, no previous study has adopted the notion of imperialism in extending NIT, particularly in the field of public accountability research. This study provides a new understanding that NIT is insufficient in providing all the explanation to the nature of public accountability problems in an emerging economy such as Nigeria. By examining the third research question (Why have the current public accountability reforms been difficult to implement effectively?), not only is this study able to provide the specific instances but it also contributes to theory.

For instance, one definition of imperialism is that it emphasizes an asymmetrical relationship of dominance and dependence between western and developing countries (Gallagher and Robinson, 1953; Davie, 2000; Fukofuta and Jacobs, 2012). Prominently, Annisette (2004) provided that institutions such as the WB and the IMF are agents of imperialism. This is because Annisette (2004) and Dixon (2007) found that the WB and IMF impose western practices through conditions attached to loans which are given to emerging economies.
Moreover, there are two forms of imperialism (Annette, 2000; Davie; 2000). One is through resource dependency (i.e. coercion) and the other is through collaborative approach (Therkildsen, 2001).

Historically, Nigeria is a former colony of the west (i.e. Britain), and as a result, established a strong relationship with many western countries, thereby becoming subject to their practices. However, in recent times, it is Nigeria’s relationship with the WB and IMF which appears to be most significant. Since Nigeria is in a fortunate position (compared with other emerging countries such as Ghana, Uganda etc.) with substantial natural resources, it adopted the current public accountability reforms based on collaboration with WB/IMF rather than being subject to conditionality. Therefore, these agents of imperialism are unable to bring about strong coercion.

Hence, in this study, imperialism extends NIT by informing it that under certain circumstances, some emerging economies can demonstrate ‘subtle coercion’ (see chapter 5 for further details).

1.2 Motivations of the study

This study has both personal and academic motivations (empirical gap motivation).

Personal motivation

My personal motivation for this study arises from a growing interest about public accountability controversies in Nigeria. Prior to the commencement of the PhD programme, I genuinely enjoyed reading articles, papers and commentaries about public sector organisations and how they claim to be compliant with all the rules of public accountability, in contrast to the accusations of the general public. For instance, in 2010, Mr Idumagbe John (journalist) reported in the Sahara newspaper that “breaches of contracts and public trust occurred in Nigeria every minute”. Such a statement even makes it more interesting for me to examine the issues of public accountability in Nigeria.

In addition, I have a Bachelors’ degree in Accounting from the University of Cape Coast Ghana. I also have an MSc in Accounting and Finance from the University of Manchester. Apart from the above, my experience and findings during my Master’s dissertation on - intergovernmental organisations accountability, using the World Trade Organisation as a case study, also played a role in motivating me to research public accountability issues. I
aimed to demonstrate that I have in-depth knowledge of research on public accountability issues in order to achieve a career as an academic and consultant in this field.

Finally, my motivation also arises from the consistent demands for a more globally accountable public sector. However, whilst investigating some relevant literature, it became clear that there is insufficient knowledge/research in the context of emerging economies.

**Academic motivations – The need to fill the existing empirical research gap**

My academic motivations for this study arise from the fact that there is an empirical gap in public accountability literature. Several studies have extensively produced research and evidence of public accountability issues albeit from an advanced economies perspective (Sinclair, 1995; Mulgan, 1997; Dubnick and Justice, 2004; Bovens, 2005; Hood 2010). Similarly, evidence about the effectiveness and criticisms of public accountability reforms have been approached through this lens (Lapsley, 2009; Roussy, 2013; Christensen and Parker, 2010; Shaoul et al., 2012; Smyth, 2012). However, far too little attention has been paid to providing in-depth empirical evidence from the perspective of emerging economies.

Because of this gap, there is now an increasing interest in research in emerging economies. This has led to a major growth in the number of accounting scholars from emerging economies (Hopper et al., 2008; Rahaman, 2010).

Furthermore, Humphrey et al. (2011) explained that accountability is much more than a neutral device that can be put to work without regard for the setting in which it is deployed. Similarly, Guthrie and Parker (2012) stated that researchers should be urged to escape the iron cage of conservatism and replication and instead desire to be different in their approach. Thus, Rahaman et al. (1997), Rahaman and Lawrence (2001), Rahaman (2010), Kim (2009), Broadbent and Guthrie (2008), Guthrie and Parker, (2012), all argue for the need to increase the awareness and understanding of public accountability issues and process in emerging economies, thus, the need to lessen the gap which has been created by past literature.

In addition, Guthrie and Parker (2012) revealed that there is a need for researchers to participate in public policy/reforms debates. According to Guthrie and Parker (2012), only
by this will readers benefit from critical analysis of the ways in which accountability is perceived and be provided with directions for future through the exploration of policy alternatives. In view of these, this research aims to provide an in-depth understanding of issues of public accountability in an emerging economy such as Nigeria.

Finally, platforms for journal publications such as Research in Accounting in Emerging Economies (RAEE) and Accounting and Finance in Emerging Economies (AFEE) advocate the need to conduct more studies in emerging economies, so that these countries will not be seen as just mimicking what is done in the advanced or industrialised economies.

This thesis identifies a number of public accountability gaps and problems albeit from the advanced economy perspective.

Bovens (2010) and Smyth (2012) identified the need to move beyond narrowing the concept of public accountability to a synonym or interchangeable word. The researchers also suggested that this could influence how research in this area is approached. This gap was further suggested by Shaoul et al. (2012) who show that problems arise when we limit public accountability to a two-way relationship (for example, between principals and agents). By doing so, researchers fail to examine the broader picture; therefore, they argue that there is a need to take a multifaceted approach in future research.

More so, I found that there are problems of sanctions implementation and transparency in advanced economies (Bovens, 2010; Hood, 2010). On the one hand, Bovens explained that finding who to blame for breaches of accountability practices limits the implementation of sanctions. Hood, on the other hand, illustrated the need to explore the possibility that there can be transparency without accountability and that there can be clauses which undermines transparency and scrutiny at the expense of the public. I was therefore motivated to provide evidence which could substantiate these claims from an emerging economies perspective.

In addition, the literature demonstrated the importance of understanding the accountability structures in public organisations. Mulgan (1997) and Andre (2010) subsequently, demonstrated that simply assuming that an accountability structure (for example, the Westminster model) is unproblematic. Hence, I was motivated to explore this within the settings of this study.
More interestingly, through NPM reforms there are introductions of western practices by the WB/IMF (for example, accrual accounting and PPP) in emerging economies (see section 2.6 of the literature). Nevertheless, the literature provided criticisms of NPM (Lapsley, 1999 and 2009). For instance, Lapsley (2009) and Shaoul et al. (2012) explained that there is a rhetoric tool around NPM reforms which says that their objective is to lower cost per unit of services and improve public accountability. Hence, I was motivated to explore the problems around the implementation of NPM doctrines in an emerging economy (particularly, accrual accounting and PPP) using the case study approach.

In summary, the identification of these gaps did not only motivate me to focus on providing in-depth evidence from the emerging economy perspective, but also motivated me in subsequent data collection which in turn shaped successive analyses.

1.3 Outline of Thesis

This thesis is organised in eight chapters and proceeds as follows:

Chapter Two - Literature Review

This chapter begins by reviewing the relevant literature concerning public accountability. Considering that public accountability is such a huge area of research, this chapter reviews relevant issues from an accounting perspective. It achieves this by splitting the chapter in two. First, through the perspective of advanced economies it reviews issues regarding the origins of public accountability, the meaning and conception of accountability, the dimensions of public accountability, the Westminster model/public accountability structure and the limitations of public accountability. In the second section, the chapter reviews the scant literature from the perspective of emerging economies.

Chapter Three - Nigerian Background

This chapter provides relevant information about Nigeria. This chapter explores the public sector organisation (i.e. FMT and two of its complementary agencies) in which the research is based and provides explanations or justifications for the choice of the case sites. In addition, this chapter outlines and explains the institutionalised accountability framework, the role of key government structures and the most prominent public accountability reforms which were implemented in the Ministry.
Chapter Four - Paradigm, Methodology and Research process

This chapter provides descriptions of the philosophical perspectives and paradigms of the research. This chapter examines the Burrell and Morgan (1979) sociological framework which provides a debate between subjectivism and objectivism philosophical approaches of accounting research. It also identifies that there are different paradigms in accounting research, such as; interpretive, functionalist and critical accounting research perspectives. This chapter explains the choice of the critical accounting perspective as the most appropriate perspective for studying public accountability issues in an emerging economy such as Nigeria and in the FMT. It then examines the qualitative methodology and case study research approach in this study. Finally, this chapter gives details of the fieldwork carried out, which includes interviews as well as documentary evidence from primary and secondary sources.

Chapter Five - Theoretical Framework

This chapter begins by examining a number of possible theoretical approaches that have been explored in public accounting and accountability research. It then provides explanations as to why these approaches are not adopted in this study. This chapter subsequently describes the theoretical dimensions of the study. It chooses to move beyond the constraint of a single theoretical approach because this approach does not neatly match the study; instead, it adopts a unique theoretical blend approach. Therefore, it provides an illustration of notions and approaches and explains how these combine together in relation to the research phenomenon.

Chapter Six - Empirics

This chapter provides the detailed findings from the case study which emerged from various sources. The map/outline for this chapter is illustrated in Figure 1.1 below:

Figure 1.1: Illustration of the Empirical Chapter Map

<table>
<thead>
<tr>
<th>Empirical chapter map:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 6.1      ➔  Research Question One</td>
</tr>
<tr>
<td>Section 6.2      ➔  Research Question Two</td>
</tr>
<tr>
<td>Section 6.3      ➔  Research Question Three</td>
</tr>
</tbody>
</table>
In this chapter, the research questions are addressed in detail. First, it examines the addresses the first research question by investigating the current Nigerian public accountability framework and providing an illustration of how they should work. Secondly, it examines the second research question by exploring the challenges or gaps of the current public accountability structure in the FMT. Finally, it addresses the third research question by examining why public accountability reforms have been difficult to implement effectively.

Chapter seven – Thematic Analysis

This chapter extends the empirics by providing analyses of themes which emerged in relation to the theoretical framework. These themes are evaluated for theoretical and prior published research conformity and for contrast. As a result, several interpretations are provided in this chapter.

Chapter Eight - Contributions and Conclusions

This chapter reviews the research aim by discussing how it has been addressed in this study. In addition it provides the contributions of the study, identifies the limitations, contributions, implication to relevant literature, and recommends future work. It also reflects on the research process and provides overall conclusions.
CHAPTER TWO: LITERATURE REVIEW

2.0 Introduction

A large and growing accountability literature shows a debate about the nature of public accountability and its conception. This chapter focuses on the review of relevant issues or areas of public accountability from an accounting perspective. While this chapter will start with a review of advanced economy literature it will also review the much smaller body of literature focusing on emerging economies practices and systems.

This chapter commences with a discussion of the multiple origins of public accountability focuses on the Westminster style because it has been adopted by many countries where there has been Anglo-Saxon influence. This includes the Commonwealth nations, one of which is Nigeria.

This chapter is organised in seven sections, commencing by reviewing the origin of accountability from a historical perspectives in section 2.1. In this section, the chapter signals the role of Westminster’s style of public accountability amongst others.

In section 2.2, this chapter reviews the conception and meanings of accountability in general. This is followed by Bovens’ (2010) explanation of accountability as a mechanism and virtue.

However, this research seeks to extend the concept of accountability in order to incorporate the multidimensional features of the public sector context; consequently, this is provided in section 2.3 where this chapter also reviews the dynamics and streams of public accountability. In addition, this chapter reviews the public accountability structure from the Westminster style perspective in section 2.4 whilst in section 2.5 some limitations of public accountability are provided.

Section 2.6 reviews the literature on public sector reforms. In this section, the relevant techniques/mechanisms of New Public Management (NPM) are reviewed; especially, accrual accounting, public-private partnership (PPP) and public sector audit/scrutiny.

In section 2.7, there are reviews of the definitions of an emerging economy and some perceived problems within emerging economies before the advent of NPM reforms. It also reviews the limited perspective of public accountability and public accountability reforms.
from the experience of emerging economies. This chapter concludes with a summary in section 2.8.

2.1 Differing origins of public accountability

There are different streams of public accountability, as shown in Figure 2.1. The difference between the historical perspective and the other streams is that the historical perspective offers a key aspect regarding the Westminster style of accountability. This is important because it may provide insight to the first research question: *What are the current public accountability structures and how should they work?*

In addition, much research has been associated with the Westminster style of accountability (Stone, 1995; Mulgan, 1997b; Gamble, 2006; Gamble and Lapsley, 2008; Lonsdale, 2008), particularly in countries which have had significant influences from this style of Anglo-Saxon accountability. This form of accountability was adopted by most Commonwealth nations (for example, Australia, Canada, India and Nigeria) upon being granted responsible government.

**Figure 2.1: Illustration of Relevant Origins of Public Accountability.**

The Figure is quite revealing in several ways. First, from the historical perspective Dubnick (2002) explained that public accountability in its many forms emerged from the etymological bondage of accounting. According to Dubnick, the root of accountability can
be traced back to 1085 during the reign of King William I of England (also known as William the Conqueror), when accountability ran parallel to an accounting initiative implemented by the King.

King William sent men to all the shires in England; to each shire to find out what or how much (worth) landholders had in land and livestock. This record was held in a book known as the “Domesday book”. The judgment of the Domesday assessors was final and whatever the book said about who held material wealth or what it was worth became law with no appeal. By the end of 1086, this system had evolved into a highly centralised administrative, auditing and accounting process and for a long time it remained a sufficient form of accounting and accountability in England. In addition, Gamble (2006) explained that this system developed into the Westminster style of government over the centuries.

Gamble (2006) explained that the idea of accountability is an antecedent of the struggle between the monarchy and the church concerning who retains the powers and control over the British parliament. In addition, Gamble and Lapsley (2008) elaborated that the Westminster model encompasses accountability functions and plays an important role in the civil service and public organisations. At the heart of the Westminster model of government is the elected parliament by which accountability is exercised. The most important mechanism by which accountability is exercised is the manner in which responsible public officials are held accountable to the parliament, and the manner in which public organisations were subject to parliamentary scrutiny or to open debates (Gamble and Lapsley, 2008).

The Westminster style of public accountability is explored further in section 2.4 in this chapter. Moreover, Nigeria has been cited as one of the most successful instances of transplantation of the Westminster model to underdeveloped or emerging nations (Tansey and Kemode, 1967). Hence, a substantial part of Nigeria’s constitution of 1963 was modelled in the Westminster style. Even though many emerging commonwealth countries have re-written their constitution, Gamble and Lapsley (2008) argued that a Westminster style of accountability still persists in emerging nations. According to Gamble and Lapsley, these usually come as conditions of the funds provided by external powerful institutions to underdeveloped nations in need.

In another perspective, Peck and Perri (2006) shared that the origin of public accountability can be understood from a sociologist’s points of view. Peck and Perri explained that the
history of public accountability can be traced back to 1893 and to a French sociologist known as Emile Durkheim. Much of Durkheim’s work was concerned with how society maintained integrity and coherence and was preoccupied with the study of sociology as a legitimate science. Durkheim identified several fundamental world views that tend to recur in social life; such as, collectiveness and dynamic relations in the society. Within these, he put forward that accountability may be similar to the idea of appropriate conduct which is central to the society.

The academic perspective offers a different point of view regarding the origin of public accountability. Messner (2009) explained that the notion of accountability originated from accounting literature. The explosion of research in the field of public accountability can be traced back only to the late 20th century (Lapsley 1998, Pallot 1992, Broadbent, 1999) when there was a growing demand for public accountability. This demand for greater accountability is on-going in the 21st century as Andre (2010) emphasizes that public sector organisations remain under the constant accusation of lack of accountability by citizens.

Many researchers have contributed to the understanding of public accountability. Blagescu et al. (2006), Sinclair (1995), Dubnick (2002) and Bovens (2010) commented on the classifications of accountability. Mulgan (2000) and Scott (2005) provided multiple meanings to public accountability. Rahaman (2010), Kim (2009), Broadbent and Guthrie (2008) and Guthrie and Parker (2012) explained that the concept of public accountability is not equally interpreted throughout the world; hence, they emphasized the need to conduct more research into the context of emerging economies. Messner (2009) illustrated some limitations of accountability. It is important to note that public accountability is a huge subject area of research. For this reason, this literature will only focus on those issues relevant to the development of this study.

This section shows that there are different origins which emphasise the idea of accountability. However, this section focuses on King William’s system that further developed into the existing Westminster style of government, because this style of government plays an important role in public accountability and perhaps reflects the influence of advanced nation’s accountability on emerging economies. This section shows that understanding the history of public accountability is important because it provides a better understanding of the meaning of the concept and its much debated problems.
2.2 The concept and meaning of accountability

Dubnick and Justice (2004) pointed out that accountability is characterised by “notorious ambiguity” and can have different meanings. Over the years, a series of interchangeable and often related concepts such as, answerability, transparency and responsibility have been used to explain the phenomenon (Sinclair, 1995). Basically, accountability involves the implicit and explicit expectations regarding the provision of accounts. Bovens (2005) emphasized the need for individuals or organisations to answer or provide a justification or narrative ground about how they have conducted themselves or affairs in the way they did. However, some authors are strict in the sense that they emphasize the need for rewards or sanctions as an instrument to formalize the concept (Robert and Scapens, 1985; Bovens, 2010; Smyth, 2012).

Other explanations of accountability can be found in Robert and Scapens (1985) and Gray and Jenkins (1993) who state that the concept of accountability is primarily associated with power delegation from stakeholders (principals) to managers (agents).

At this point it appears that there are so many definitions of the concept that makes it problematic to narrow down. This point is taken into consideration in order to gain an understanding of the conception of accountability in this study. Smyth (2012) argued that this confusion might be a problem and might saturate the literature on accountability. Overall, the argument here is that accountability needs to move beyond the constraints that any of the above concepts is synonymous to its meaning.

In addition, the concept is clearly very broad. However, considering different understandings of the concept provides a good framework for addressing the issues of accountability. One possible starting point is the work of Bovens (2010), who distinguished the concept into two main classifications: accountability as a “mechanism” and “virtue”.

2.2.1 Accountability as a mechanism

Accountability as a “mechanism” carries a notion in which the relationships between principals and agents (i.e. sovereigns and subjects, fora and actors) are the determining elements of the concept. According to Bovens (2010), the principals possess the power to make decisions that have impact on people’s lives; hence, adequate mechanisms need to be put in place to ensure accountability.
Accountability is said to have some key features; first compliance and being held to account; second, transparency and giving accounts and third is responsiveness to accounts (AccountAbility, 2008; Hood, 2010; Joannides, 2012). An illustration of accountability as a mechanism is provided in Figure 2.2. This usually involves the provision of information by an actor/public official/organisation to a forum (for instance, institutions, activist groups, committees), debates between parties, and the imposition of sanctions (formal or informal) on occasions where the actor is found to have carried out an illicit act or underachieved (Dubnick, 2002; Bovens, 2010; Hood, 2010; Joannides, 2012).

Figure 2.2: Illustration of Accountability as a Mechanism.

Bovens (2005) argued that the first and foremost function of public accountability is that the public can pass open judgement on performances and sanction appropriately. The researcher explained that this process ensures that actors (i.e. individuals, public officials etc.) give account for their conducts. In addition, Bovens (2010) framed the concept of accountability as a mechanism within four interrelated questions; “for what”, “by which means”, “who” and “to whom”? The answers to these questions are not simple, especially in complex western democracies such as the United Kingdom and United States of America, where public officials are required to face multiple sources of legitimate authority and competing expectations for performance (Dubnick, 2002).

Out of the above questions; “for what” and “by which means” questions have been largely addressed in literature that is limited to accountability and transparency (McKernan, 2012, Hood, 2010). On the other hand, the “who” and “to whom” questions have been under-explored (Bovens, 2010). This is important to the analysis in this study, particularly,
Bovens’ argument that there is a challenge when it comes to finding who to blame when it comes to accountability issues, hence, there is no general answer as to “who” should render accounts to fora. He argues that this depends on the institutional context or dynamics of accountability, for instance, in a legal context – the organisation is seen as a legal entity, whereas, in a political context – the top or senior officials are required to give account respectively. Nevertheless, the actual account giving in accordance with Bovens (2010) consists of three stages:

a. That the actor/public official/organisation feels obliged to inform the forum about his or her conducts or affairs.

b. That the forum has the authority to interrogate the actor and to question the adequacy and legitimacy of information provided.

c. Lastly, that the forum has the authority to pass judgement (i.e. approve/disprove, announce/denounce, accept or condemn) on actors/public officials/organisations acts/activities.

When considering to “whom” the account should be rendered, similar to the “who” question, a number of contexts arise. For instance, within a political context accounts are rendered to a political forum; within a legal context accounts are rendered to courts; within an administrative context accounts are rendered to a quasi-legal forum; whereas, within European Union (EU) governance accounts are rendered to the EU Parliament. However, Stone (1995) argued that accountability through the Westminster parliamentary system might be influenced by the unpredictable nature of parliamentary interests. In addition, Joannides (2012) explains that generally the concept of accountability implies a relationship between people or parties and raises questions of to “whom” accounts should be directed. According to the researcher, accounts are owed to “others” who are the principals.

In summary, given this notion of accountability as a mechanism, this study extends the idea that the concept can mainly be viewed as highlighting the issues of the subject area through the lens of two-way relationship, by checking for under achievements, misconducts and imposing discipline. Hence, this study exercises caution and identifies that accountability has become more multifaceted (Shaoul et al., 2012).
2.2.2 Accountability as a virtue

Undoubtedly discipline is an essential component of accountability; however, it should not be seen as the most important one. Blagescu et al. (2006) believe that accountability should be less of a mechanism and more of a control and learning process. Being accountable should be about being transparent, engaging with dialogues and learning from interactions. They argued that this will generate ownership of decisions and enhance sustainability of activities, ultimately providing a pathway to better performance.

The concept of accountability as a “virtue” originated from an idea put forward by an organisation known as One World Trust (OWT). OWT was established in 1951 by a group of UK parliamentarians. This organisation is an independent body that conducts research, develops recommendations and advocates for reforms to make policy and decision-making processes in global governance more accountable to the people they affect, and to ensure that international laws are reinforced and equally applied to all. The organisation developed practical tools and recommendations in support of organisational reforms, identifying gaps in the accountability of governance systems, and highlighting opportunities for cross-sector learning, this is known as ‘the GAP framework’. The GAP framework provides guidance to organisations on how to operationalize the understanding of accountability. It identifies the five dimensions that make an organisation more accountable to stakeholders: transparency, participation, evaluation, complaints and response.

It is probably worthwhile to begin with Transparency because of its importance to the research questions of this study. It plays a role in examining one of the ways in which public organisations may choose to demonstrate being accountable. The term ‘transparency’ has a Latin root and according to Hood (2010) transparency broadly means the conduct of activities in a fashion that makes decision, rules and other information visible from the outside. Transparency increases the number of things that are made visible and in so doing it encourages greater openness.

In addition, transparency has often appeared in lists of various issues for good governance; for instance, in the World Bank’s (WB) governance ranking and in the International Monetary Fund’s (IMF) lending requirements. Hence, in modern times there have been global investments in technologies that improve transparency (Robert, 2009). This is
important because it suggests the global effort to improve the reliability, relevance and accessibility of information. Consequently, there have been investments in documents that enhance transparency and facilitate scrutiny in the public sector, such as annual reports and other publications. Ultimately, regulators have invested heavily in the potential of transparency; the rules have been gold plated and pursued. These suggest the belief that transparency is very important to public accountability.

The possibility of complete transparency in the public sector is alluring. Part of this allure is that it seems to promise the user such omniscience at the same time it makes the official subject to scrutiny. However, Hood (2010) identified some limitations to transparency as an accountability virtue.

Hood (2010) referred to transparency and accountability as ‘siamese twins’. He argued that transparency happens to be one of those ideas that are endorsed without much reflection on the principle of governance. For instance, there can be transparency without accountability in the sense of authoritative democratic reforms in which public officials have to answer for their actions. However, this does not imply a duty to answer the general public over every decision that may be of public concern. Similarly, Hood (2010) argued that there might be clauses used to undermine openness at the expense of public interests. Hence, transparency from this perspective may appear to involve a sort of masking of the complexities of organisations’ activities. Despite the good intentions of transparency, it is important that this study keep in mind the possible limitations it might possess.

Moreover, the other dimensions of the GAP framework include transparency, participation, evaluation, complaints and response. These are summarised in Table 2.1 below;
Table 2.1: Tabular Presentation of the Concept of Accountability as a Virtue

<table>
<thead>
<tr>
<th>STANDARD</th>
<th>KEY CHALLENGES</th>
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<tr>
<td><strong>PARTICIPATION</strong>- to be accountable, an organisation needs to understand the needs and interests of the public/stakeholders. This is best achieved if the organisation engages with its stakeholders and develops participatory approaches to decision making.</td>
<td>IMPLEMENTATION- ensuring participation of all relevant actors is much difficult if not impossible. Participation for accountability is intimately bonded with issues of power. There’s no escaping the fact that a degree of power needs to be coded to stakeholders for an organisation to be accountable.</td>
</tr>
<tr>
<td>In order to strengthen participation, there must be changes; for instance, accountability should be more than acquiring approval for or acceptance for activities.</td>
<td>UNDERSTANDING BENEFITS- a challenge remains concerning how benefits can be highlighted so that participation guidelines do not engage a tick box mentally.</td>
</tr>
<tr>
<td><strong>EVALUATION</strong>- ensures that organisations are accountable for their performances. This tests whether organisations are achieving their goals, objectives and meeting standards. It allows stakeholders hold organisations to account to what they have promised.</td>
<td>REPORTING VS LEARNING- balancing these can be difficult when carrying out evaluations. There might be issues with method and process compatibility.</td>
</tr>
<tr>
<td>Areas of evaluation include: financial performance, social impact, compliance with legal requirements and relevant codes of conducts.</td>
<td>IMPATIALITY/INDEPENDENT EVALUATION CONSTRAINTS.</td>
</tr>
<tr>
<td><strong>COMPLAINTS &amp; RESPONSE</strong>- this is the mechanism through which stakeholders can hold an organisation to account by querying a decision, action or policy and receiving an adequate response to their grievances.</td>
<td>RESPONDING TO LEARNING- ensuring that the information and findings from evaluations feedback into an organisation to improve the management it crucial but can also prove complex.</td>
</tr>
<tr>
<td>Although, transparency, participation and evaluation can be used to minimise the need for complaints. However, this provides that stakeholders and actors become aware of issues that require responses and immediate attention.</td>
<td>WHAT CONSTITUTE COMPLIANCE? Many organisations can’t respond to much complaint due to limitation of scope. This why it is important for an organisation to have clear standards on what constitutes. After which complaints can then be examined based on compliance with such standards.</td>
</tr>
<tr>
<td>SOLVING ISSUES- sometimes complaints made are related to events that already occurred. Such instances make it difficult for organisations to change the outcome or solve such issues.</td>
<td></td>
</tr>
</tbody>
</table>

Source; Blagescu et al. (2006)

It is not easy to establish empirically whether an organisation lives up to these notions of accountability. A major reason is that each organisation has its own institutional context.
so it is different from any other. Thus, the above notions may become ideographs and symbolic concepts which need extensive investigation.

So far this section has focused on explaining the meaning of accountability. It is now necessary to describe accountability in the context of the public sector.

2.3 Meaning and dynamics of public accountability

It is important to move the discussion to focus on the public aspect, since the characteristics of this are broad in nature (Sinclair, 1995). The word “Public” according to the Oxford dictionary means “openness”, hence it is suggested that information provided by public officials or organisation will be accessible to and debatable by the general public. Shaoul et al. (2012) explain that the public sector context requires multidimensional external reporting instruments which cover multiple areas. This implies that accountability in the public sector is complex and multifaceted; as was indicated in section 2.2.

According to Sinclair (1995), public accountability is concerned with usage of public funds and conduct of public organisations and their officials. However, this explanation has been expanded. For instance, Mulgan (2000) revealed that public sector accountability concerns the relationship between politicians and citizens as well as between politicians and public managers or officials. Andre (2010) provided an important explanation that when assessing a public sector organisation’s accountability, modelling both the structures and outputs of accountability is important, because the connections between these structures and outcomes can explain if an organisation is accountable or if accountability is broken. He also explained that public accountability is characterised by varieties of activities which can occur at various points in time. This study takes the expanded concept of public accountability into account in its approach.

Mulgan (2000) provided three features which further contribute to the understanding of public accountability. In essence; accountability is external to the account-givers, accountability involves social interaction and implies the rights of authorities. According to Mulgan, public managers and officials are mainly concerned with delivering services on behalf of government and citizens without any motive for commercial success and hidden motives. However, the reality is that public managers, officials or civil servants are awarded many opportunities to exercise discretion in the course of their work. Hence, in many countries the public sector has been implicated in scandals and controversies. In
view of these, there have been many approaches to addressing public accountability issues. For instance, in the United States several accountability solutions had been provided for problems as they arose, without regard to elegance of design or redundancy; as scandals arose, new accountability relationships were instituted to prevent such circumstances from arising in the future (Romzek, 2000).

Moreover, public accountability has extended the idea that accountability is limited to a principal – agent relationship and vice versa (Sinclair, 1995; Andre, 2010). It has introduced the idea that actors can be accountable to a number of parties within and outside an organisation. To this end, one way of presenting the dynamics (i.e. different streams and forms) of public accountability is illustrated in Table 2.2 below;

*Table 2.2: Dynamics of Public Accountability*

<table>
<thead>
<tr>
<th>Dynamics of Public Accountability</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Public accountability streams:</strong></td>
</tr>
<tr>
<td>Upward</td>
</tr>
<tr>
<td>Downward</td>
</tr>
<tr>
<td>Haphazard</td>
</tr>
</tbody>
</table>

Table 2.2 presents some dynamics of public accountability which are important to the study. These accountability dynamics are essential to understanding the relationships and legitimate performance expectations of public administrators, officials or organisation as a whole and are expanded below.

### 2.3.1 Public accountability streams

*Upward accountability* is an important stream to this study. Upward accountability emphasizes that relationships are rooted in a hierarchical or high group approach, in the sense that social interactions are generated by intricate rules with an established pecking order of authority governed by status. Upward accountability is embedded by status quo; here accountability is owed to authorities in higher positions of the social order such as courts, parliament, and high office holders (Hood, 2010). Perhaps, another reason why this
may be important is because it relates with Stone’s (1995) point that this stream might be linked with the Westminster style of accountability.

In the public sector, most financial reporting and accountability for finances are embedded in the upward stream of accountability (i.e. from public organisation to parliament). Dubnick (2007) argued that in upward accountability information or right to access is conditional or varies with status and a ‘need to know’ basis, therefore, it is unlikely that the public has equal rights to information about governance and public organisations. Hence, top management might limit information and responsibility among employees and this might establish a non-responsive norm in the organisation (Butler, 2005; Andre, 2010).

**Downward accountability** on the other hand, involves accountability to multiple stakeholders (e.g. citizens and society), to whom public organisations are accountable. Here social interaction is less governed and there is no strict pecking order of status or authority (Sinclair, 1995; Andre, 2010; Hood, 2010).

In addition, accountability in the downward stream embraces human rights (Dubnick, 2007) as one means of answerability of office holders to citizens, hence, the notion of holding public officials accountable to citizens is frequently advocated as a model of extended democratic accountability.

**Haphazard accountability** in the public sector, suggests an emphasis on processes and structures that make the accountability environment unpredictable for individuals or organisations (Romzek, 2000; Hood, 2010). Hood explains that it is seen as a ‘contrived randomness’ in an allocation of individuals to positions in such a way as to minimise the elements of predictability and trust amongst office holders, hence, it serves as basic prerequisites for organised governance and anti-corruption.

According to Hood (1991), haphazard accountability is institutionalised in various ways. For example, multinational corporations post their functionalities around their world-wide domains in a capricious process, religious orders limit the tenure of their members in any one place and post them to new locations and positions in ways that cannot readily be foreseen and there can be unpredictable posting in bureaucratic field administration structures.
In summary, section 2.3.1 confirms that public accountability is multiple and fragmented. Perhaps, more importantly, though, this section confirms that accountability is continually being constructed. Hence, a narrow conception will prove inappropriate for this study, because the scale and complexities of public sector organisations might create new issues for research in this field. In addition, the following section further extends these points by providing several forms of public accountability.

2.3.2 Forms of public accountability

**Legal and regulatory accountability** relationships in the public sector involve detailed external oversights of performance and compliance with established mandates, such as legislative, rules, regulations and constitutional structures. It is linked with liberal political theory in which bureaucrats deliver outputs while politicians are responsible for outcomes (Hodges, 2012).

The term ‘legal’ conveys the level of scrutiny typical in judicial proceedings. Courts in most advanced countries are essential to accountability of public institutions. For many European countries, individual courts and the European Courts of Justice are important for the administration of justice and also serve as a forum for settling public accountability disputes. The rule of law requires the public sector to carry out its activities in accordance with well-established and clearly written rules. Therefore, legal standards, penal process, administrative statues or precedents are effective in the control of accountability misconducts. Although, legal accountability is often supported by the weight of rule of law, Romzek (2000) revealed that it can at times manifest in arenas beyond courts of law. Legal accountability exercises power through the legal standards and legislation, however, Ackerman (2005) argued that the legal system can only follow up a specific number of cases, thus it does not make it the sole form of accountability to the public. Another limitation is that the underlying relationship of legal accountability is that of principal-agent; whereas the accountability standard focuses on whether the agent has complied with the principal’s expectations (Romzek, 2000), this is said not to be very effective considering the broadness of the concept of public accountability.

**Regulatory Accountability** on the other hand, is becoming increasingly difficult to ignore, consequently, this study takes this into consideration. It is the level of accountability of those who promulgate with the content of regulatory provisions. Many regulations are prescriptive in telling regulated entities what to do and how to do it (May, 2007). As a
result, regulations may appear as a mechanism for public accountability. Nevertheless, Shaoul et al. (2012) explained that regulatory accountability involves the account-giver following rules and operating standards which controls behaviour. The researchers explained that when the account-giver is called to account for actions, there is a test to see if he or she has operated within the rules or whether the rules justify the behaviour or not. Hence, it can be suggested that in the public sector, actions of public officials/account-givers should conform to regulatory responsibility.

**Political accountability** relationships afford managers or senior public officials the choice of being responsible to the concerns of key stakeholders, such as clientele groups, elected officials and the general public. A key aspect of this is that such officials are known as ‘political bureaucrats’, who often look forward to political support; conversely, they face external sources of expectations and are answerable to external groups (Romzek, 2000).

This study considers the possible limitations of political accountability. For instance, the public officials may often anticipate and respond to politician’s agenda or expectations; this is seen to go beyond their obligations as public office holders.

**Professional accountability** systems are replicated in work arrangements that afford high degrees of autonomy to individuals who base their decisions-making on internalised norms of appropriate practice (Dubnick, 2007).

The term ‘professional’ is intended to convey the sense that accountability reflects specialised knowledge and expertise that are traditionally accorded to professionals. It is often used when institutional leadership recognises that special skills, experience or working methods are needed and defers to individuals who have that specialised knowledge (Romzek, 2000). Under this system, public officials face questions about whether their performance is consistence with norms derived from professional or work experience.

It is important to understand that different streams and forms of public accountability present dynamics that may vary amongst public organisations. In addition, Campbell and Wilson (1995) revealed that forms and streams of accountability may clash. There are instances where accountability to one authority under a standard violates the expectations of the legitimate sources of authority under another standard.
Romzek (2000) believes that an organisation can be answerable to all the dynamics of public accountability (illustrated in Table 2.2). However, what makes these dynamics important to this research is the understandings that public sector officials/organisations can shift from one form of accountability to another. For instance, an immediate supervisor can issue a direct order to subordinates (upward accountability) and then anticipate and respond to subordinate expectations, perhaps regarding work assignments and working conditions (political accountability). Hence, while there may be fairly stable patterns of public accountability, there are often shifts in the priority assigned to accountability expectations and one type of public accountability stream or form may trigger another.

2.4 The structure/process of public accountability – the Westminster model

The first indication of the influence of the Westminster model on public accountability was signalled in section 2.1 of this chapter. Section 2.1 indicates that countries such as United Kingdom, Australia, Canada and some emerging economy countries have been influenced by this style of public accountability.

The Australian literature (Thynne and Goldring, 1987; Mulgan, 1997b) shows that public accountability may be understood within a general structure of constitutional authority relationships in which ministers, public officials and organisations are accountable to the parliament. Consequently, a number of processes have been identified as parts of the overall process of public accountability. This is illustrated below:

Figure 2.3: Illustration of Westminster Model.

Figure 2.3 is quite revealing in several ways. First, the Figure demonstrates that perhaps the most fundamental part of the process is reporting or the provision of information. This is important because it is the first indication of whether funds have been spent on designated purposes. However, the provision of information in itself is not sufficient to achieve public accountability (Mulgan, 1997a). Hence, this is complemented by the process of information seeking and investigation on the part of those to whom accountability is owed.
In the third phase, Uhr (1993) indicates that public organisations are subject to oversight. Oversight may take the form of assessment of performance or verification, for example auditing of accounts. On the international level, the International Organisation of Supreme Audit Institutions (INTOSAI) provides the framework for audit institutions to improve auditing worldwide. Likewise, Lonsdale (2008) stresses that the National Audit Office (NAO) is important in the UK as a government structure which provides auditing and oversight functions. Lonsdale explained that key features of the NAO are its independence, ability to choose its own work programmes and subsequently provide reports to a cross party parliamentary committee (for example, in the UK, the House of Commons Public Accounts Committee). Elsewhere, Ackerman (2005) has pointed out a limitation that it is virtually impossible to oversee the entirety of operations of public sector organisations. Ackerman maintains that Audit Offices can only perform a limited number of audits and review a limited number of complaints.

Despite such limitation, Lonsdale (2008) emphasizes the importance of the NAO having a good relationship with the parliament which examines most of its reports and vice versa. This suggests that the committees are interested in the outcomes of the work of the NAO. For example, an NAO guide (National Audit Office, 2006) provides that members of the parliament have strong interests in ensuring that the needs of the NAO are often met and that there is equality of access to services.

Nevertheless, the most effective aspect of the parliamentary work is its scrutiny function (Mulgan, 1997b). The scrutiny function ensures that public officials are held accountable for their decisions, that their decision-making process is clear and accessible to the public and that there are opportunities for the public and their representatives to improve the public sector (Centre for Public Scrutiny, 2014). In addition, the parliament gives instructions or criticisms to the giver of accounts. Hence, it may be suggested that the most compelling power of the Westminster model is parliamentary critical judgement.

It is also important to note that Figure 2.3 may have suggested a link between Westminster model and upward accountability stream as depicted in Section 2.3.1; where public officials are accountable to their immediate supervisors and public organisations report to a range of external institutions and eventually to the parliament. However, there may be possible weaknesses to this structure. There are debates about the reliance of this model, and whether this style of accountability through the parliament is sufficient, given the
complexities of public organisations (Stone, 1995). Moreover, public accountability may suffer from some of the limitations of upward accountability as signalled in section 2.3.1.

On the other hand, the significance of reviewing this area of renewed academic interest is that it offers the opportunity to also examine the relationship between politicians and public officials in view of public accountability. According to Bovens (2005) and Shaoul et al. (2012) public officials may have accountability relations with different constituencies; politicians in terms of elected representatives, and to auditors and inspectors. In addition, this study considers that there may be more complex views of public accountability than the version of Westminster orthodoxy. Hence, it may be possible (particularly, in emerging economies) that the current public accountability structures were a replacement of the Westminster model or it may be that the current structures are additions/improved version of an already influential structure in place.

2.5 Overall limitations of public accountability

Despite the widely shared calls for greater accountability in the public sector, some researchers suggest that there are limits to the phenomenon. For instance, in accounting research, Gray (2002), Shearer (2002) and Young (2006) criticized the extant financial and management accounting practices in contributing to what they see as a limited understanding of public accountability. Sinclair (1995), after carrying out accountability investigation on public sector managers, explained that there are risks, exposure and invasiveness which limit accountability.

In addition, Messner (2009) explained that it is reasonable to demand more accountability; however, accountability in itself might become more problematic. For example, the reason why a person or public official took a particular course of action might not be clear to this person (i.e. decision might be taken in an instinctive way). In such situation, accountability is limited by the opaque nature of the person’s experience; hence, the person cannot give a full account of what he or she was not fully conscious.

Further, Messner (2009) explained that accounting may promote a style of accountability which falls short of mutual responsibilities, especially when human beings are portrayed as purely economic agents who relate with each other through self-interest. On the contrary, Burtler (2005) believes that the practice of giving account is a major means of enacting one’s responsibilities. He explained that an account is a type of narrative; hence, it depends
on the ability to relay a set of sequential event with plausible transitions and being able to draw upon a narrative voice which is directed towards an audience with the aim of persuasion. A serious weakness with this argument, however, is that there is a limit to what a person or public official can actually recount; hence, there is a limit to public accountability.

In summary, this section draws out some limitations to public accountability. Considering these limitations is important, because this study cannot assume that the demands for accountability are always fully met in the public sector organisations; especially, if we want to gain a broader understanding of the structure, practices and complexities of public accountability from an emerging economy context.

2.6 Public sector reforms

Public perception about accountability problems is difficult to ignore. Hence, it is important for this study to examine relevant public accountability reforms because they are implemented to remedy problems or reduce the gaps between the real and actual domains of public accountability (Roussy, 2013). In addition it is important in answering the third research question why have the current public accountability reforms been difficult to implement effectively?

In the past few decades, there have been reforms in the public sector across the globe (Smyth, 2012) and consequently much more literature has become available in this area. Public sector reforms are usually based on the notions of economic liberalisation, privatisation and limited government intervention. Nevertheless, Campbell and Wilson (1995) explained that public sector reforms have always enjoyed significant support from governments in Europe, Australia, New Zealand and the United States. In western democracies, several reform efforts have gone under the label of reinventing government, public sector services and managerialism, with the intent of increasing responsiveness and efficiency of public managers. Hence, Pollitt and Bouckaret (2011) suggested that this will improve performance results in the public sector and enhance accountability.

In addition, public sector reforms, whether focused on efficiency or accountability, involve making changes in power relations between politicians and bureaucrats, between state and society and between society and public organisations (Therkildsen, 2001). According to Reichard (2010), public sector organisations have been subject to changes and the umbrella
term used to characterise these changes is called ‘New Public Management (NPM)’. Similarly, Hoque and Moll (2001), Hood (1995) and Therkildsen (2001) provided that most public sector reforms or initiatives are inspired by the concept of NPM. A diagrammatic illustration of the key reforms relevant to this study is provided below:

Figure 2.4: Public Sector Reforms Inspired by NPM Concept.

NPM has been characterised as having a number of dimensions (Lapsley, 2009), however, given that the NPM phenomenon is multi-faceted, not only in design, but also in its effects, this study examines NPM from three relevant perspectives (as seen in Figure 2.4); inducing change via accrual accounting mechanisms, placing the public services in market services, and the displacement of old-style public accountability with newer initiatives or reforms.

2.6.1 NPM

Internationally, NPM reforms have sought to reduce the scope and scale of the public sector in many ways (Shaoul et al., 2012). NPM is an influential set of management techniques drawing on private sector performance practices and criteria. It has been widely deployed by governments seeking to modernize and transform their public sectors and has achieved global significance. The ideas of NPM have proved to be irresistible to governments in debates on current and future developments in the public sector organisations of advanced economies and increasingly so in emerging countries (Lapsley, 2009).
NPM is a label used to depict a management culture that emphasizes the centrality of the consumers or public, as well as accountability for results. It achieves this by shifting the emphasis from a more traditional public administration to public management, therefore, pushing the state towards ‘managerialism’.

There is no single acceptable explanation as to where the NPM came from. Initially, NPM was demonstrated by the appointment of a U.S.A industrialist (Sir Ian Macgregor) in the 1980s to transform the United Kingdom’s nationalised steel and coal industries. The impact of this initiative is particularly evident in the UK’s National Health Service (Lapsley, 2009). Hood (1991) on the other hand reveals that the idea was built around a familiar tale of the post-World War II development of public choice and it derived its theoretical foundation from the principal-agent theory. Although, this is also debatable, since Bogt et al. (2010) argued that NPM cannot be considered as a theory and neither could it be considered as a set of guidelines.

The primary characteristics of NPM vary from country to country and have developed over time. In the UK public sector, NPM exhibited a number of significant impacts on public reporting and accountability. Firstly, it promoted accountable management in the public sector; each public sector department had clearly defined objectives and responsibilities (Gray and Jenkins, 1993).

Secondly, the reform process involved the loss of functions by central government to alternative service delivery systems. Greater external accountability was to be achieved through a framework that explicitly set out each public organisation’s aim and objectives, accountability and reporting (Rhodes, 1994).

As NPM reforms remodelled the public sector, a corresponding transition in the nature of accountability has been extensively identified in the literature (Poulson, 2009). Accountability has changed from procedural accountability which focuses on adherence to proper procedures in relation to accountability for finances and fairness to performance accountability (Dubnick and Frederickson, 2010).

Nevertheless, Bovens (2005) concludes that whatever is the nature of NPM, an important function of public accountability is so that citizens can judge the performance of the government and public officials and sanction them when necessary. The process of examination of accounts or reports in which these judgements are based is important to this
study. For example, NPM reforms in the UK public sector were known for demanding more inspection and external scrutiny of public organisations to parliament. In 1979, the departmental select committees were charged with examining two aspects of public organisations or bodies; spending, and policies and administration. The most important of these committees is the Public Accounts Committee (PAC) whose responsibility is to examine accounts that show expenditure appropriations and any other accounts presented to parliament. The Comptroller and Auditor General also had and still has the power to report any inefficient and ineffective use of public funds, hence, he may report on the value for money (VFM) achieved by public organisations (www.parliament.uk/parliamentarycommittees).

2.6.2 Accrual Accounting

A major change in public accounting brought about by NPM has been a move to accrual accounting (Power and Laughlin, 1992; Watkins and Arrington, 2007). This was presented as a basic element of NPM reforms in the late 1980’s and early 1990’s, since then, its adoption has become increasingly popular around the world. This move is particularly important in countries like New Zealand, Australia and the United Kingdom (Bogt et al., 2010); however, many emerging economies, for example Nigeria, have been slower in adapting it.

The introduction of accrual accounting in public organisations is considered as a considerable contribution to, among other issues, the provision of more accurate and relevant management information, more efficient financial planning and control, better decision making, and better formulated and developed policies (Humphrey et al., 2011). Bogt et al. (2010), analysed debates about the pros and cons of public sector accrual accounting and the financial statistics of cash-based accounting. This gives attention to roles played by various actors – such as politicians, accountants, economists - suggesting that the technical aspects of the two accounting systems were overshadowed by these actors’ motives towards isomorphism.

Practically, the implementation of accrual accounting implies that it has defeated the competing but conventional public sector cash accounting (Christensen and Parker, 2010) Hence, while it is presumed that the conventional practice brought temporal consistency and comparability to public accounts, the adoption of accrual accounting brought changes to accounting for assets and liabilities; valuation and recognition of assets with
consequence to recognition of depreciation expense and recognition for accrued liabilities, such as classification of loans as capital transactions rather than revenue transactions.

Table 2.3: Comparing the Conventional Accounting/Accountability Practice to the Implementation of Accrual Accounting Reforms in the Public Sector.

<table>
<thead>
<tr>
<th></th>
<th>Status Quo: Cash basis Accounting</th>
<th>Accrual Accounting</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Conceptual framework</strong></td>
<td>None: because, accounting framework was built up over time.</td>
<td>It used Statement of accounts concepts i.e. objectives of Financial Reporting for Public Sector Organisations.</td>
</tr>
<tr>
<td><strong>Basis</strong></td>
<td>Cash</td>
<td>Accrual</td>
</tr>
<tr>
<td><strong>Prioritised Purpose</strong></td>
<td>Accountability: report on cash expenditures and receipts in terms appropriated by the parliament (the financial reporting heritage: to avoid deception).</td>
<td>Performance: to report on financial position, performance and cash flows (emphasis on costs and disclosures of surplus/deficit and net debt).</td>
</tr>
</tbody>
</table>

Source; Adapted from Christensen and Parker (2010)

Evidently, accrual accounting brought some significant changes to the public sector (see Table 2.3). The change from the traditional cash based accounting system challenged the meaning of public accountability. According to Saliterer and Korac (2013), this re-design of the accounting system enhanced efficiency and became essential in dealing with public accountability issues. However, some researchers have contested and debated its impact (Barton, 2002; Christensen and Rommel, 2008); a major criticism is that in a public system where assets often represents a future stream of expenses rather than income-earning capacity, the adoption of accrual accounting proves controversial and problematic.

Furthermore, Christensen and Parker (2010) critique the adoption and implementation of accrual accounting saying that the idea is central and rooted in private sector accounting practice, hence, it has become an avenue for the private sector to influence government and
activities of public sector organisations (i.e. it promotes performance and not accountability).

### 2.6.3 Marketization

*Marketization* is driven by pressures from economic crises and structural adjustments (Therkildsen, 2001). It aims to reduce cost and refocus the activities of the public sector, to change the way public organisations work and to promote the role of market and non-governmental actors both in service provision and the economy in general.

Whitfield (2006) explored the impacts of marketization policies in the UK public sector and defined them as the process by which market forces are imposed on public services, which have traditionally been planned, delivered and financed by local and central government. He further categorised marketization policy into five features; commercialisation of services, commercialisation of labour, restructuring of the state for market mechanism, embedding business interests in public policy making and restructuring of democratic accountability and user involvement.

In addition, Whitfield (2006) revealed that marketization is made up of a number of key elements, such as; Privatisation, and Competitive Tendering and Contracting (CTC), Public-Private Partnership (PPP) and Public Finance Initiative (PFI). These are summarised in Table 2.4 below. Of these, PPPs are worthy of special consideration in relation to public accountability because PPP create multiple conflicts of interest which consequently offer multidimensional views of public accountability (Shaoul *et al.*, 2012).
Table 2.4: A Summary of Other Elements of Marketization Policies

<table>
<thead>
<tr>
<th>Elements</th>
<th>Key Challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Privatisation- is a comprehensive strategy for permanently restructuring the welfare of public organisations and public services in the interest of capital. According to Whitfield (2006), it involves the transfer of ownership of public assets to private sector, the reduction or dilution of accountability of public organization via the use of new organisational structures and implementation of changes via commercialisation of public organisations.</td>
<td>Whitfield (2006) argues that privatisation is elusive in the United Kingdom by selling off public assets through stock market floatation to private investors. Whitfield (2006) argued that ownership is permanently transferred to private investors and therefore the government is unable to control public organisations in favour of its citizens.</td>
</tr>
</tbody>
</table>

| Competitive Tendering and Contracting (CTC) - involves exposing public sector organisations to competition (Hoque and Moll, 2001). | The debate about CTC largely revolves around whether it does in fact lead to better outcomes compared with the traditional public service provision. Key issues in the debate include the impact of CTC on accountability; the extent, source and sustainability of cost savings; equity and distributional impacts and the suitability of particular activities for contracting (Competitive Tendering and Contracting by Public sector agencies, 1996). |

| PPPs & Private Finance Initiatives (PFI) (See Broadbent and Laughlin, 1999). This initiative was designed to inject private sector funds into public sector capital projects to enhance provision and transfer private sector capital management expertise to the public sector. | Lapsley (1999) argues that the PFI policy has rather rendered major public sector capital projects invincible. According to Lapsley, costs are exceptionally high; hence the claimed efficiencies of PFI’s are highly debatable. |

Source; adapted from Whitfield (2006)

2.6.3.1 Public-private partnerships (PPPs)

PPPs are a classic policy issue (Hodge et al., 2010). However, the degree to which PPPs constitute a genuine policy delivery solution to the provision of infrastructure and to the enhancement of accountability in the public sector is still debatable.

The international importance of PPP cannot be over-emphasized, the United Kingdom pioneered the idea through the use of private finance for public infrastructure in the 1990s (Heald and Georgiou, 2011), though there were earlier precedents, particularly in Francophone and Spanish speaking countries. Another explanation provided by Shaoul et al. (2012) was that the reform process in the UK included the Treasury’s decision that
Unlike most other countries, the UK public sector’s financial reporting should comply with private sector reporting regulations in light of recommendations from the Financial Reporting Advisory Board (FRAB).

Heald and Georgiou (2011) defined PPPs as arrangements typified by joint work between the private and public sector. They cover all types of collaboration across the interface between private and public sector to deliver policies, infrastructure and services (Wettenhall, 2003, 2005; Heald and Georgiou, 2011). Moreover, Hodge and Greve (2007) and Hodge et al. (2010) explained that there are five different families of PPPs, these include:

a. Institutional cooperation for joint production and risk sharing (such as the Netherlands Ports Authority),

b. Public policy networks (where loose stakeholder relationships are emphasized),

c. Long-term infrastructure contracts (LTICs), which emphasizes tight specifications of outputs in long-term legal contracts (as exemplified in the UK projects),

d. Civil society and community development, and

e. Urban renewal and downtown economic development.

These five families cover an array of PPP types in terms of the provision of infrastructure. These also extend the scope of PPPs beyond the PFI experience in the UK.

Moreover, in terms of public accountability, Shaoul et al. (2012) show three key elements of PPP. First, a PPP policy involves clearly defined projects, which share risks and rewards between private and public sector partners. Second, it involves the decision making, operation, construction and termination stages of projects during which information is needed for public accountability purposes. Last, it involves a financial institution that provides private finance for projects that traditionally have been publicly financed.

The objective of this partnership policy is to transform the nature of service provision and obtain value for money while improving accountability to citizens. However, the implication is that control over much public expenditure is lost to the private sector; this according to Shaoul et al. (2012) raises a question as to whether the PPP can deliver public accountability. This is important, because one of the case study organisations, the Nigerian Ports Authority (NPA) adopts a PPP mechanism for its operations.
Rhodes (1994) suggested that a number of accountability issues flow from the structure and nature of PPPs. For example, public sector organisations are held responsible for the services they do not deliver (Shaoul et al., 2012). Shaoul et al. (2012) also explained that PPP in its complexities may hinder accountability by providing more room for hidden practices in the public sector. The researchers argued that there is rhetoric around PPP that says their objective is to transform the nature of services and improve accountability to its citizens. Smyth (2012) revealed a number of resistances towards the idea claiming that the policy, instead of addressing public demands in an equitable manner, was converting public services into business and commercial services.

In summary, marketization policies should not simply be limited to the nature of public services and public sector capital projects funding alone. It is, therefore, important to this study to examine the possible impacts of this NPM derived policy, particularly the role of PPP projects in relation to public accountability.

2.6.4 Public accountability reforms

This section explores some specific public accountability reforms which show that a well-functioning public sector organisation does not operate in a vacuum (Glynn and Murphy, 1996). Consequently, public sector organisations are grounded in multiple policies that closely ensure accountability and include; performance measurement, public sector audit or scrutiny and empowerment of users (World Bank Reports, 2000; Therkildsen, 2001; Lapsley, 2008; Hood, 1991), all being inspired by the NPM concept. Amongst these, public sector scrutiny is of particular importance to this study.

2.6.4.1 Public sector audit/ scrutiny

The adoption of public audit as a reform can be traced back to the New Zealand landmark document of 1987 (Hood, 2006). The New Zealand document is a treaty applied in key areas of the New Zealand Government social policy. Hood explains that the emphasis was on promoting public accountability by enhancing greater scrutiny of expenditure plans and public sector finances. Moreover, this initiative implies that audit is not about rendering of account per se, neither is it about ensuring a statement of account or evaluation of performance of public officials, instead the role of audit is more concerned with the evaluation of value for money and effectiveness reviews of public sector organisation’s
activities (Lapsley, 2008). In addition, Lapsley and Pallot (2000) revealed that increased auditing improves transparency, service delivery and accountability.

There are many ways of holding public organisations accountable. Theobold, (2002) highlights that one essential way is through the establishment of independent watch dog agencies (an example of a watch dog agency is revealed in section 2.4 as NAO). Sikka et al. (1998) provided that in advanced economies the office of the Auditor – General acts as an agent for change. In addition, Messner (2009) explained that the PAC also plays an important role in ensuring public scrutiny. This is evident in its ability to request accounts from public organisations and scrutinize them for compliance with accountability requirements and call public officials for cross examinations. These views are supported by the Westminster model of public accountability in section 2.4, where it was discussed that the NAO and the parliament play an important role in scrutiny.

However, we should not assume that audit in the public sector is unproblematic. Humphrey and Moizer (1990) raised concerns about audit expectations in the public sector. They explained that audit expectation gaps arise as a result of issues with audit independence. Gendron et al. (2001) concluded that there are issues about auditors not being able to withstand audit-client relationship pressure. These are important to this study. Moreover, the Flanagan Report (2007) argue that excessive and uncoordinated scrutiny and inspections to a degree produced unintended effects of public officials spending more time worrying about inspections rather than focusing on organisational objectives or strategies.

2.6.4.2 Performance measurement

In the public sector, performance is regarded as a multi-dimensional concept ranging from concerns about efficiency, effectiveness, responsiveness to service needs and citizens satisfaction (Saliterer and Korac, 2013). The development of performance measurement has attracted considerable publicity in many countries (i.e. Australia, New Zealand), particularly because of its impact on accountability.

Performance measurement reforms are expected to enhance accountability through the basic idea that public sector organisations comply with rules, laws and regulations that reflect inputs, processes and outputs given the resources provided (Lapsley, 2008). For example, in the United States, the Government Performance and Result Modernisation Act
(2010) emphasises on public organisations’ inputs (i.e. budgetary levels, compensation costs), processes, as well as outputs (i.e. quality, achievements) and accountability.

Moreover, according to Lapsley (2008) this line of reasoning increases public accountability by making targets explicit to public officials and managers and by monitoring the extent to which targets are met, the public can in turn hold public officials or the organisation accountable for their performances. Other authors have recognised performance measurement as a crucial but difficult aspect of reforms (De Lancer and Holzer, 2001; Hatry, 2002; Torres et al., 2011). The researchers suggest that public officials are required to undergo behavioural changes as a result of this policy which is difficult. In addition, Modell (2005) explained that reform may fail if statistical data, reports or information used to measure performance become irrelevant.

### 2.6.4.3 Empowerment of users

The empowerment of users is not an NPM invention as such, but its purpose is to increase transparency and to empower the citizens or the public. There are, however, conflicting views as to what empowerment actually means. For Hood (1995), it means regarding people as consumers and customers, consequently, this reform enhances consumer sovereignty in relation to public sector organisations or public service providers. On the other hand, Therkildsen (2001) explains that empowerment means that the public is regarded as citizens, hence the power should lie in the hands of the public and the public organisations should be accountable to them.

Such a reform is evident in the Citizen’s Charter which was adopted in the UK in 1991. The main objective of the Citizen’s Charter was to improve the quality of public services, to create or strengthen public complaints commission, to ensure transparency and rights to information and to make public sector organisations more accountable to the public (Therkildsen, 2001). The prevailing theme, identified by a number of researchers (Glynn and Murphy, 1996; Lapsley 2008) running through these reforms, attempts to make the public sector organisations more efficient, effective and accountable for their deployment of services.

Nevertheless, public accountability remains a challenge and while being in favour of efficiency, responsiveness and public accountability remains a rhetoric stance, the reality
of public sector reforms represents a substantial challenge, not the least of which is how and whether reforms have enhanced change.

Looking back at NPM in general, it is still appropriate to reconsider the impact of the reform on public accountability. Whether or not NPM has had positive effects on the administration of public sector organisations, the quality of services or public accountability in general remains controversial. However, this does not alter the fact that NPM still plays an important role in research in the public sector, consequently, in this study.

Aside from the professed claim to promote public goods and services, Hood (1991) argued that NPM rather dented public service by being ineffective in its ability to deliver its promise for lower cost per unit of service. The paper by English et al. (2010) about accountability in custodial services reveals tension between private and public sector values. Hood (1991) further explained that instead of promoting the interest of public service customers, NPM became a self-serving movement which is most beneficial to elite groups of new management, such as, the top officials and officials of the central government. In addition, in New Zealand, the reforms exhibited an ambivalent attitude towards political control (Mulgan, 2008). While those implementing NPM wished to re-assert political control over policies and limit their control over day to day operations, on the contrary, Mulgan explained that it instead restricted the scope of effective mechanisms of public accountability.

Finally, the paper by Lonsdale (2008) raised an important point that individual public official knowledge is imperative to the success of reforms. While examining the factors that shaped scrutiny, he argued that knowledge is central to NPM reforms. Harun et al. (2013) used Indonesia as a case study and maintained that it is important to recognize the need for a modern human resource management system to implement NPM changes successfully. In other words, NPM implementation needs to be backed up by a skilled and appropriate public sector workforce.

The degree of NPM consistency is often overestimated. With the criticisms like the ones above, NPM reforms remain subject to constant adjustments. Ironically, one of the most striking things to stand out is that public service might now be assessed and spoken of in terms of actual or likelihood to failure (Bovens, 2005). In such instance, even a body born
in the midst of NPM reforms, such as, the UK’s Audit Commission charged with independent verifying the value-for-money provided by public services may be deemed to have failed, regardless of its rigorous investigations and assessments that the body itself conducted. This is suggested by the abolishment of the UK Audit Commission on 30th January 2014.

Nevertheless, NPM is still very influential in relation to public accountability and this has influenced powerful institutions such as the WB, IMF and the global economy to apply NPM practices to emerging economies (Lapsley, 2009). Lapsley explained that NPM carries a notion of efficiency, effectiveness and economy in the public sector, such notions making the idea of NPM more attractive and irresistible to policy makers in emerging economies. However, it is also important to note that there are problems about how the WB/IMF takes western forms of accountability and applies them to emerging economies. In this respect, section 2.7 onward reviews the literature from an emerging economy perspective.

2.7 The emerging economy perspective

The overarching objective of this research is to provide an in-depth understanding of issues of public accountability in emerging economies. Up to now, most public accountability research reviewed has been carried out in the context of advanced countries. This study on the other hand, will shift the attention of research to public accountability issues in an emerging economy.

2.7.1 Definitions of an emerging economy

Defining an emerging economy is not straight forward. Though, the idea of ‘poverty’ has often been used to describe emerging economies, poverty is not unique to emerging economies alone (Hopper et al., 2008). Nevertheless, a series of words have been used to describe what an emerging economy is. These include; developing, less-developed, third-world, non-western countries etc. The IMF referred to emerging economies as countries in transition, countries with low per capita income, moving from closed to open markets in order to integrate with the rest of the world.\(^3\)

\(^3\) http://www.imf.com [accessed 18/07/2012]
2.7.2 Problems of emerging economies (pre – reform agenda)

Questions have been raised about why emerging economies needed public accountability change. The consensus illustrated by many researchers (Grindle, 2004; Kim, 2009; Uddin and Tsamenyi, 2005) is that before the implementation of western driven reforms, most emerging economies were faced with a number of constraints which proved problematic for accountability in the public sector.

For instance, Grindle (2004) suggests that the call for reforms can be attributed to the need to improve the problems of wasted resources and undelivered services in the public sector. Moreover, Kim (2009) argues that change is necessary because, emerging economies are characterised by corruption, political instability, and weak rule of law. Kim (2008 and 2009) also drew our attention to the problems of the culture of secrecy (i.e. lack of transparency), the lack of capacity to develop regulations, and poor monitoring in emerging economies.

Hopper and Wickramasinghe (2005) found that cultural and political influence over decisions often hinder and bypass formal accountability systems in the public sector. This view of politics is supported by Kim (2009) who suggested that in many emerging economies, the executive branch plays a substantial part in public service delivery. This lack of separation between politics and the economy creates a blur between the boundaries of politics and public administration which hinders accountability. In addition, Uddin and Tsamenyi (2005) identified economic uncertainty, poor performances of state owned enterprises and the notion of private gain versus public goods as problems of emerging economies.

Emerging economies therefore proposed the need for reforms. One reason for this reaction was to tackle the failure of accountability in the public sectors. For instance, Kim (2008) believed that through globalisation and reform implementation, people will come to expect more accountability. However, there is an increasing concern about public accountability reforms in emerging economies taking the form of what is being done in western economies in an uncritical way. This idea has been challenged by a number of researchers (Stiglitz, 2002; Uddin and Hopper, 2003; Uddin and Tsamenyi, 2005).
2.7.3 Public accountability - the limited perspective in emerging economies

In advanced economies, there are a number of factors or forces other than the public sector which are instrumental for socio-economic development. However, in most emerging economies, the public sector is regarded as the major vehicle for advancement and development (Rahaman et al., 1997). Given this perceived significance, Rahaman (2010) accused literature of presenting reviews and analysis of public accountability issues of emerging economies in the context of a global or advanced nations. According to Rahaman, this is an incomplete analysis that offers opportunities for contextual research.

The status quo is influenced by pressures exerted by advanced economies via powerful institutions such as the IMF, WB and World Trade Organisation (WTO) who sway emerging economies into embracing the western notions of accountability (Rahaman, 2010). For instance, Uddin and Tsamenyi (2005), in a study carried out in Ghana, exemplified the strong coercion that comes with adopting the western form of accountability in this country. Though, this form of accountability carries the notions of efficiency, effectiveness, transparency, it may not necessarily be the solution. These points raised here will be further developed in Chapters 5 and 7.

In addition, this limited attention to the context of emerging economies is also evident in WB’s annual published indexes which reflect several dimensions of governance in the world (see, Table 2.5). Such dimensions include; government effectiveness, voice and accountability, rule of law, control of corruption, regulatory quality, and political stability.

For example, the voice and accountability dimension illustrates the extent to which the citizens or public are able to able to participate and associate with their government, public organisations and the perception that government and public officials can be held accountable for their actions. Whereas, the rule of law dimension illustrates the extent to which the public have confidence and abide by the rules of the society in particular the quality of courts and sanctions as well as the likelihood to crimes⁴.

Table 2.5: Selective Governance Indicators across Selected Countries, 2010

<table>
<thead>
<tr>
<th>Country</th>
<th>Voice and accountability</th>
<th>Rule of law</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Zealand</td>
<td>96.7</td>
<td>98.1</td>
</tr>
<tr>
<td>Australia</td>
<td>95.2</td>
<td>95.3</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>91.9</td>
<td>94.8</td>
</tr>
<tr>
<td>Germany</td>
<td>92.9</td>
<td>92.4</td>
</tr>
<tr>
<td>Poland</td>
<td>81.0</td>
<td>69.2</td>
</tr>
<tr>
<td>Italy</td>
<td>75.8</td>
<td>65.6</td>
</tr>
<tr>
<td>Ghana</td>
<td>63.0</td>
<td>54.0</td>
</tr>
<tr>
<td>India</td>
<td>59.2</td>
<td>54.5</td>
</tr>
<tr>
<td>Nigeria</td>
<td>27.0</td>
<td>10.9</td>
</tr>
<tr>
<td>China</td>
<td>5.2</td>
<td>33.0</td>
</tr>
</tbody>
</table>

Source: The worldwide Governance Indicators, 2011 update. (Note): Percentile ranks indicate the percentage of countries worldwide that rate the selected countries (the higher the values, the higher the performance).

However, the point that emerges from Table 2.5 is that in spite of adoption of western notions of accountability, many emerging countries still fall behind in the pecking order. This does not only make the concept of accountability a more daunting task for the latter but further infers that general accountability ideas are not directly transferable and have little predictive power in an emerging economies’ perspective.

2.7.4 Public accountability reforms – the experience of emerging economies

Over the years, there have been several attempts to reform emerging economies’ public sectors. It is believed that public sector reforms will lead to cheaper, better services and that a reformed public sector would have better controls because it would be more accountable and serve the interest of the public (Uddin and Tsamenyi, 2005). For instance, the public service reform (1993) in Uganda, structural adjustment program in Ghana (World Bank, 1995), and National Economic Empowerment and Development Strategy.
NEEDS) reforms (2004) in Nigeria were reforms which set out to improve public accountability. Amongst the objectives of these initiatives were attempts to strengthen the rule of law, promote democratisation and the role of media, to strengthen anti-corruption measures, improve public accountability and depoliticize the public sector in the emerging countries.

Kim (2009) and Rahaman (2010) explained that the adoption of reforms in many emerging economies are driven by pressures from emulation of advanced economies, foreign institutions (such as WB and IMF) and some domestic demands for change which arise as a result of political debates. Similarly, Uddin and Tsamenyi (2005), Hopper et al. (2008) and Tsamenyi et al. (2010) explained that most public sector reforms in emerging economies are advocated by transnational bodies such as IMF and WB based on policies which bring about private management styles (i.e. NPM). Therkildsen (2001) argued that the adoption of these reforms from IMF and WB is as a result of the lack of capacity to develop dedicated well-grounded reforms in emerging economies.

Undoubtedly, the IMF and WB play an important role in shaping governmental policies in many emerging economies (World Bank Report, 2000). Since, the 1980s the WB has supported many accountability and civil service reforms in emerging economies. Typically, both WB and IMF require that recipient countries are accountable to them for the use of funds, especially when these funds are donated. For most emerging economies, NPM may prove complicated due to the fact that privatisation is usually imposed on them by the WB and IMF (Tsamenyi et al., 2010), even when this might not be the appropriate solution.

Uddin and Hopper (2003) suggested that although the NPM reforms have improved the technical experience and capacities of public sector organisations in emerging economies, they may not have necessarily improved public accountability. Stiglitz (2002) argued that many WB prescriptions are made without studying the complexities of the beneficiaries. Hence, while the claim of the WB and IMF lies upon efficiency and benefits for the public (Shaoul, 1997), the suspicion is it might further weaken an already fragile institutional accountability framework already in place (Kim, 2009). Similarly, Uddin and Hopper (2003) questioned the claim by the WB that Bangladesh’s privatisation had been successful, finding that only one out of eleven organisations could be judged to be successful. Consequently, it is suggested that the reforms serve other interests rather than
public interests. Another example of this can be found in Uddin and Tsamenyi’s (2005) public sector reforms research from the Ghanaian point of view, where it was found that little or no benefits of public sector reforms goes to the public. Uddin and Tsamenyi (2005) discussed that reforms aimed at improving farmers for example became problematic and one of the reasons is because Ministers/politicians interfered with public sector organisations.

Although extensive research has been carried out on politics, not much study exists which adequately covers the issue of political interference in emerging economies public sector. Observers of reforms in emerging countries hold a view that reforms appear to emerge as a by-product of “political struggles” (Bates and Krueger, 1993). Similarly, Uddin and Hopper (2003) stated that “it is unwise to assume that efficient forms of accounting will automatically flow from policies increasing the role of the private sector. Accounting is socially and politically determined…….” Perhaps this could be an exaggeration, but there is no doubt that policy making and implementation process is highly political. Politicians and bureaucrat elites play a central role in policy decisions and implementation in emerging countries for several reasons and because of their positions they ought to have substantial power over policy agendas. Hence, the influence of political administration may also be important in approaching the third research question of this study. Thus, this study attempts to provide an in-depth understanding of the nature of political interference on public accountability.

From the above, the study gathers that there are problems about how emerging economies approach public accountability. Public accountability in emerging economies seems to be complicated by deficiencies or issues in adoption and impact. The cases cited above are not unique to these emerging economies alone, rather they provide examples of western-driven policy failures.

2.8 Conclusion

This first part of this chapter was designed to review the literature from an advanced economies’ perspective. As a result, this part gave accounts of several noteworthy issues of public accountability. For instance, this part demonstrated that a narrow conception of public accountability may prove problematic. Shaoul et al. (2012) suggested that there is a
need to move beyond addressing accountability issues based on agency theory or a two-way relationship.

On the other hand, Hood (2010) raised concerns about the issues of transparency. Hood explained that there might be clauses that undermine openness at the expense of public interests. This issue is applicable to the upward accountability stream (similarly, Westminster model) where our attention was drawn to the issue that it is unlikely that the public has equal rights to information. Hood indicated the need for good financial reporting and accountability practices to be imbedded in the upward stream. In addition, this part hinted that there are often shifts in priorities assigned to public accountability expectations by public officials and managers.

Finally, issues about Westminster model and NPM doctrines were discussed. Concerns were raised about whether public accountability through the parliament is sufficient and about the independence and objectivity of audit offices. Knowledge was identified to be a limiting factor to NPM. Another issue raised was that NPM reforms often create tensions and debates between private sector and public sector values and whether they achieve accountability in the public sector. Overall, it appears that public accountability issues in advanced economies are framed within the boundaries of the need for better conception, transparency, effectiveness, competitiveness and improved public sector services.

However, a number of issues emerged from the review of the literature from emerging economies perspective. For instance, it was identified that emerging economies suffer from problems such as, cultural factors, secrecy, the lack of capacity to develop regulations and political instability. Although, many emerging economies have adopted western reforms, there are still issues about whether these reforms are the necessary solutions to public accountability problems.

Perhaps the most important issue lies in the fact that most emerging economies appear to be coerced to adopt western doctrines which come as a result of IMF and WB conditions for the funds provided.

The key issues between advanced and emerging economies appear to be significantly different. For instance, the focus of advanced economies seems to be on moving their public sector forward. This is reflected in their better established framework, freedom of information, political stability and their habitual drive for better public sector services.
However, public accountability in emerging economies, although the implementation of western reforms suggests that there are improvements, is still much weaker than in the advanced countries.

In addition, there seem to be a number of studies which have looked at the nature and consequence of public accountability reforms in emerging economies, whereas, there is still insufficient empirical data which offers an in-depth explanation as to why these reforms have not worked effectively.

These points and especially the fact that far too little attention has been paid to emerging economies make it important for this research to provide an in-depth understanding of issues of public accountability from an emerging economy perspective.

For these reasons, in the following chapter the study explores the relevant background of Nigeria and the public sector organisation where this case study is based.
CHAPTER THREE: NIGERIAN BACKGROUND

3.0 Introduction

The objective of this chapter is to provide relevant background information about Nigeria and the chosen cases.

Section 3.1 draws out some relevant historical background about the country. Section 3.2 explores the background and structure of the Federal Ministry of Transport (FMT), and the two agencies examined in this study; the Nigerian Ports Authority (NPA) and Nigerian Maritime Administration and Safety Agency (NIMASA).

Furthermore, this chapter provides details of Nigeria’s institutionalised accountability framework and important government accountability structures in section 3.3. Finally, the chapter provides key public accountability reforms implemented in the FMT in section 3.4.

3.1 Country overview

Nigeria is a country of 170 million people. Though there are over 500 ethnic groups, the population is mainly divided between three ethnic groups (Hausa-Fulani, Igbo and Yoruba) each with its own distinct language and culture. Nevertheless, English is the first and official language of the country.

Nigeria is the largest country in West Africa; geographically, the country is located between latitude 4° and 15° north of the equator, covering 923,000 square Kilometres. It is also the biggest exporter of oil in Africa, with the largest natural gas reserve in the continent.

Nigeria came under British rule in 1864. Prior to this, the country was divided into several kingdoms (for instance, Kingdom of Lagos, Kingdom of Opobo etc), these Kingdoms later became protectorates and under the control of Britain. Nigeria gained independence in 1960, and the country is known as one of the successful countries for the transplantation of Westminster style of governance amongst many other British colonies. In view of this, Nigeria adopts the upper and lower houses of bi-camera legislature (i.e. the Senate and the House of Representatives) - this style of governance was known to be the best form of governance as at that time (Tansey and Kemode, 1967).
There are huge reserves of human and natural resources in Nigeria. As a result, Nigeria is poised to build a prosperous economy and to significantly reduce poverty. To do this it needs to provide infrastructure services to enable economic growth to take place.

Nigeria is currently the largest economy in Africa. This is because Nigeria has recently rebased its gross domestic product (GDP) data; as a result, the country has surpassed South Africa. By way of example, the Nigerian GDP for 2013 totalled $US488bn whereas South Africa’s GDP totalled $US370bn.

Similarly, Nigeria is classified as a MINT economy. This acronym refers to the emerging economies of Mexico, Indonesia, Nigeria and Turkey. According to Goldman Sachs, these countries have the strongest prospects of joining the ranks of world economic powers. This makes Nigeria an important player in international development and a suitable case study.

It is also important to state that Nigeria is classified as a Policy Support Instrument (PSI) country, which means that the country does not necessarily need the financial assistance of multinational financial institutions (such as the International Monetary Fund (IMF) and World Bank (WB)) or any advanced economy. In essence, Nigeria has the natural resources and capacity to finance its economic, social and development programs.

The development of accountability in Nigeria can be traced back to the amalgamation of the Northern and Southern protectorate by Lord Frederick Lugard (Governor-General of Nigeria) in 1914. The amalgamation also drove the establishment of what seemed to be the best form of accountability practice (Bureau of Public Service Reform (BPSR) report, 2004). During this time, much emphasis was placed on the proper utilisation of revenues which came from taxes on importation of alcohol for state infrastructure development (i.e. harbours, railways and hospitals). However, oversights and controls were based on the military and indirect rule systems and for a long time these systems prevailed.

Several years later, the public sector expanded. Subsequently, in 1954 the country established Public Service Commissions in each of the three regions of Nigeria (i.e. north, west, and east) to oversee service delivery in the state. This evolved from the colonial

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5 This means that the value of Nigeria’s GDP has been recalculated to include sectors such as telecommunications and financial services. Therefore, revealing that growth comes from different sectors.
7 http://www.bbc.co.uk/news/magazine-25548060
service as an accountability mechanism in Nigeria and by 1966 the role of the public organisations shifted from maintaining law and order to facilitating realisation of national development by expanding development beyond harbours, hospitals and railways and ensuring proper utilisation of funds for the development. This indicated the importance of public accountability to the country. Subsequently, public organisations were streamlined to ensure accountability and good governance. However, there were some challenges and obstacles.

Nigeria went into civil war in 1967, which lasted for three years and led to the military taking over the government. As a result of this, there was a patent inability to cope effectively with challenges of the complex, development-hungry and accountability-driven Nigerian society. The military intervention caused a lot of deterioration to the public sector, public accountability was heavily impeded. This intervention lasted for 33 years, consequently, the country was highly distressed by its prior potentials of becoming one of the most accountable and democratic societies in Africa.

Nigeria regained democracy in 1999, when the country elected former head of state Gen. Olusegun Obasanjo as a civilian president and under the flagship of the People’s Democratic Party (PDP). It is important to state that whilst in theory Nigeria practises a multi-party political system; PDP has been in administration since 1999.

The key test to the political, governance and administrative consistency in Nigeria lies in her ability to eradicate ethnicity in the political parties. For instance, PDP is divided between different zones and ethnic regions, each taking turns at leadership (every 4-8 years). Although it is the same party, there is a difference in the power base and when there is a change in government, there is also a change in the policy, governance and administrative structure. The present civilian government (i.e. since, 2011), however, has shown commitment and set the tone for change in public services. This also re-emphasized the importance of accountability in the public sector.

**Nigeria and the problems of abandoned Projects**

A serious and persistent problem of public accountability in Nigeria surrounds procurements and abandoned projects. Several leading newspapers (such as This Day,

10 Usually the presidents, governors and other political leaders are elected, and under the present constitution, for four years, renewable only once.
Punch, Vanguard and Premium Times) and a presidential committee\textsuperscript{11} set up to review abandoned projects show that as at 31/13/2013 there were about 11,886 abandoned projects with an estimated capital value of about $US47bn to complete in Nigeria. Normally, these figures should compel public organisations to accelerate completion, but this is not the case. In a recent quote by President Goodluck Jonathan:

“The lack of continuity that results in abandoned projects in the country has led to problems of misuse of resources and calls for a necessary form of national development planning” (President Goodluck Jonathan: on the 11th April, 2014).

In similar way, the Committee on Marine Transport stated that;

“The contractors are deliberately abandoning projects with a view to ask for an upward review of the contract sum” (Committee on Marine Transport: on the 27th March, 2014)

The Punch newspaper on the 8th of December 2013 reported that the government is to probe over 368 companies for neglect of roads and other capital projects. Moreover, the Compass newspaper on the 11th of November 2011 reported that senior officials are arraigned for a $US32bn scam and abuse of the Procurement Act. The Public Accounts Committee (PAC) stated that:

“The practice of manipulating the Procurement Act is a common practice amongst Ministries, Departments and Agencies (MDA)” (PAC: on the 29th March 2014)

This problem was also pointed out by the Vanguard newspaper on the 28th March 2014. It was reported that the PAC lampooned NPA management for the embarrassingly slow pace of projects, saying it was an eyesore.

In general, abandoned projects and procurement fraud remain at the heart of public accountability issues for Nigeria’s MDAs. This study will conduct investigations into public accountability in relation to issues of procurements and abandoned projects. However, whilst there are twenty seven Federal Government Ministries in Nigeria, this research focuses on FMT and two of its agencies. By doing so, this study also examines accountability problems from the infrastructure point of view.

\textsuperscript{11} Also known as Presidential Projects Assessment Committee (PPAC): A temporary committee set up by the current president to investigate abandoned projects.
3.2 Federal Ministry of Transport (FMT)

During the colonial era, the transportation sector was fashioned for the export of cash crops from Nigeria and the import of mass produced consumption goods. However, with the advent of Nigeria’s independence in 1960, the transport sector embarked on massive re-orientation. As a result, the FMT was established by the Nigerian government and became an instrument for development in the country.

It is important to stress that all ministries are important in their role in delivering development; however, the Transportation Sector plays a crucial role in Nigeria. FMT is a public sector organisation which aims to provide efficient, sustainable, affordable and environmentally friendly transportation system. Transportation comprises of road, rail, water and air\(^\text{12}\). According to the Central Bank of Nigeria (CBN) report (2003), transportation shapes the destiny of the nation, therefore, a vibrant, effective, efficient, responsible and accountability driven transport sector should enhance economic development in Nigeria. It is for these reasons that FMT has been accorded high priority and the sector enjoys a large resource from the government. For instance, in the year 2012, a total of =N= 54.8bn ($US351.3m)\(^\text{13}\) was budgeted and provided to the ministry; whereas, other sectors such as Health, Education, Finance and Environment had allocations of $US1.8bn; $US75.6; $53.5m and $US25.6m respectively\(^\text{14}\). Moreover, the CBN report (2003) explained that FMT is important not solely because of its huge resource allocations but also because of its affinity with efficiency, effective coordination of activities, value for money and demand for accountability. Therefore, FMT stands out as the best provider of rich material on the issues of public accountability in Nigeria.

This research’s focus is timely and relevant. At a time when the public sectors of many economies have faced severe reduction in funding as a result of the still unfolding financial crisis of 2008, on the contrary, FMT has enjoyed increasing budget and funding each year. However, although FMT has enjoyed high budget, there are still many problems. For instance, the Nigerian Performance Monitoring and Evaluation report (2010) illustrated that only 31% of roads were in good condition, there is a need for the rejuvenation of the railway lines and 57% of the port is in need of rehabilitation. The sector has experienced

\(^{12}\) www.directory-nigeria.org


\(^{14}\) www.budgetoffice.gov.nga
decay, mismanagement, and poor service delivery to the public (the Nigerian Performance Monitoring and Evaluation report, 2011).

FMT is structured to include two taxonomies, these include; the politically appointed officials and civil servants (also known as pool officers). These taxonomies are also mirrored in all the agencies of the FMT. Moreover, the breakdown of the ministry’s structure is illustrated below in Figure 3.1.

On the one hand, political appointees are recommended for positions by the executive arm of the government (i.e. presidency) and by politicians. The political appointees occupy the highest positions in the FMT and in other public sector organisations in Nigeria (as seen in Figure 3.1 below); these include the Honourable Minister, Permanent Secretary, and Directors who take responsibility for finance, accounts, land transport, rail transport, coordination and planning. These officials are usually appointed each time there is a change in the political settings of the country. On the other hand, there are pool officers who make up most of the organisation. A pool officer is an appointee of the Accountant-General of the federation to occupy certain post in the Ministries, usually for a period of time (hence, he is not staff of any ministry but staff of the Accountant-General of the Federation). These Officers are sometimes moved from one public sector to another in order to improve efficiency and quality of service in the ministries, however, over the years this has not been fully achieved.

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15 Political changes in Nigeria occur every 4 years; the last change was in the year 2011. In essence, the next change will be in the year 2015.
16 Interview with an official of the Federal Ministry of Transport
17 Interview with an official of the Federal Ministry of Transport
Figure 3.1: Illustration of the Organisational Structure of the FMT, Nigeria. Source: revealed from fieldwork.
One major problem with this distinction is that civil servants suffer problems of low remuneration. Although no one knows how much the political appointees earn, it is however evident from public officials and press statements that this is a major concern for the lower level officials. For instance, the leader of the Association of Senior Civil Servants of Nigeria (ASCSN) stated that:

“It is a common Knowledge that civil servants are the least paid employees in the public sector of the economy” (leader of ASCSN: 29th October 2009)

In the same way, Vanguard newspaper reported on the 20th October 2013 that the leader of ASCSN demanded for an upward review of civil servant salaries. ASCN leader complained that the Revenue Mobilisation, Allocation and Fiscal Commission18 (RMAFC) raised the remuneration of political appointees, judicial officers, and permanent secretaries without doing the same for civil servants.

In terms of the FMT’s structure, the organisation consists of several parastatals or agencies, each specialising in an aspect of the ministry’s affairs (see Figure 3.2, below). In view of these, FMT is a locus for a rich vein of investigations which offers greater insight to this study.

18 This organisation periodically reviews the revenues of officials of the MDAs
In this research, NPA and NIMASA are the agencies investigated in order to complement the FMT.
The fieldwork is conducted in the FMT and complemented by NPA and NIMASA, so that this study provides multi-perspectives and understanding of the issues of public accountability.

Though the choice of these agencies was particularly based on two points, these include: accessibility and accountability problems. First, these agencies have both often appeared controversial and on many occasions have been reported as corrupt and unaccountable. Second, the researcher was confident about gaining access into the research sites. Therefore, it is expected that they will be suitable for this research. Most importantly, these organisations will offer critical and in-depth understanding of public accountability issues at various levels within a public organisation and they offer both conformity and contrast with each another.

**NIMASA**

The Nigerian Maritime Administration and Safety Agency was established in 2006. NIMASA is committed to advocating global best practices in the provision of maritime services in Nigeria. Its functions include provision of effective Maritime Safety Administration, Maritime Labour Regulation, Marine Pollution Prevention and Control, Search and Rescue, Cabotage\(^{19}\) enforcement, Shipping Development and Ship Registration, Training and Certification of Seafarers, and Maritime Capacity Development\(^{20}\).

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\(^{19}\) Trade or navigation in coastal waters

\(^{20}\) www.nimasa.gov.ng
Figure 3.3: Illustration of NIMASA Organisational Structure. Source: revealed from fieldwork
NIMASA is a traditional public sector agency. The Director General and Executive Directors (Maritime and safety, Admin and finance, Maritime labour and cabotage) are politically appointed, whereas, the other lower posts are pool officers as shown in Figure 3.3.

However, there have also been issues and controversies in NIMASA itself. On the 1st January 2011, there was a petition written to the FMT to probe into NIMASA’s sudden increase in cabotage vessel financing from US$11million to US$80million. There have been fears that funds have been stolen, contrary to public interest and diverted into personal use.

**NPA**

The history of the ports and waterways transport in Nigeria dates back to the middle of the nineteenth century; this was long after the onset of seaborne trade and transactions which followed the adventures of early explorations of the Nigerian coast by the British Empire.

The Nigerian Port Authority (NPA) was established in 1954 by the Ports Act of the Federation of Nigeria law amended 1999, and is an operating authority with the responsibility of providing all port services. NPA’s statutory duties include: providing safe and navigable channels, offering cargo handling and storage services, maintaining port facilities and equipment.

NPA, unlike other agencies of FMT, is a commercial agency. Hence, it enjoys greater autonomy and has adopted public-private partnerships (PPP) in some of its activities. As mentioned in the literature, PPP might offer multiple conflicts of interests and multidimensional views of public accountability which also makes the choice of NPA important to this study. As a result of its commercial nature, NPA unlike other public organisations is audited by private auditors. Nonetheless, the political appointees and pool officers’ taxonomy is also evident in the FMT, see Figure 3.4 below:
Unlike NIMASA which uses a traditional public administration nomenclature of directors and officers to label the roles of employees, NPA adopts the managerialism approach. This is not to say that NPA is without controversies. In July 2012 there was the controversial sacking and replacement of the managing and all the executive directors by the president of Nigeria. The reason for this act was not given and still remains a mystery and the new Managing Director will be the third in the last 3 years.

Over the years, the organisation has often been linked with scams worth millions of dollars and often these are frequently linked with its supervisory body (i.e. FMT). Perhaps the most serious criticism is that it has repeatedly been referred to as the ‘Nigerian Port of Corruption’ by the public (Daily Independent newspaper, June 18, 2012).

In addition, there have been reports of contentious increase in charges of terminal operations in the form of Cargo Tracking services. This service is usually free in most countries (for instance, Ghana), however, this was forced on stakeholders, a lot of money was made and there were fears that the funds were diverted into private pockets, which prompted the Minister of Finance to abolish the service in June 2012.
In addition, on October 2012, a $2bn ($US 7.8m) scam in the Agency was revealed by the OAN Agency news (October 8, 2012) this money was reported to have been shared amongst political appointees of the agency.

In summary, the aim of this research is to gain an in-depth understanding of public accountability issues in this emerging economy, by assessing what should happen in practice and what actually takes place. Therefore, this research is applied within a case study approach of the FMT and complemented by perspectives from two agencies, NIMASA and NPA.

3.3 Nigeria’s institutionalised accountability framework

Public accountability in Nigeria revolves around key regulatory frameworks and relevant, distinct but related governing bodies which include:

3.3.1 Regulatory framework

The regulatory framework comprises of a set of established precedents or instruments according to which accountability is practiced, the most important of which are;

- The 1999 constitution of the Federal Republic of Nigeria;
- The Financial regulations of 1958 (revised 2009);
- The Audit Act of 1958 and

Accountability is mainly framed within the above regulatory instruments. The constitution and the financial rules and regulations serve as the background for accountability process in Nigeria. Whether these regulatory instruments are suitable for their intended purposes will be investigated in this study.

3.3.2 Relevant government structures - oversight bodies

The vital oversight bodies include PAC, the Office of the Auditor-General of the Federation (OAGF) and the Economic Financial Crime Commission (EFCC). The establishment of the EFCC is as a result of a reform initiative, this will be discussed in section 3.2. These government bodies play important roles in the accountability process of public sector organisations in the Nigeria. This is illustrated in Figure 3.5 below:
**OAGF**

The Office of the Auditor-General for the Federation (OAGF) is a separate and independent entity whose existence, powers, duties and responsibilities are provided for under section 85 of the Constitution of the Federal Republic of Nigeria 1999.

Section (85) of the 1999 constitution provides that OAGF is responsible for ensuring accountability of public expenditure at every level of operations and activities of ministries and public parastatals. Hence, OAGF is responsible for promoting accountability in management of public funds and auditing government statutory corporation, commissions, authorities and agencies. Below is an illustration of the organisational structure of the OAGF:
From the Figure above, it is apparent that OAGF is apparently well structured to carry out a variety of functions in ensuring accountability in the public sector. This can be seen from its various departmental roles and directors’ scope of work. The OAGF in accordance with the constitution audits the public sector organisations and submits reports to the national assembly for review. The OAGF has the power to carry out periodic checks and to access books, records, returns and other documents related to the organisation concerned.

According to the constitution, the Auditor-General has the power to scrutinize all financial statements, information of federal ministries, agencies and other government parastatals after which OAGF reports any mismanagement, inefficiency and breach of accountability to the PAC. Hence, it is the duty of the Auditor-General to provide information as promptly and accurately as possible to the PAC, in order to enable the committee to ascertain how funds are being utilized and how the activities of the public organisations are being conducted in view of achieving accountability. In accordance with Section 85(5) of the 1999 Constitution, the OAGF shall, within 90 days of receipt of the Accountant - General’s financial statement, submit his report to the PAC, which reviews whether public
money was spent for the approved purpose with due regard for accountability, efficiency, economy and effectiveness.

However, there are strong criticisms about the impact and role of the OAGF as an oversight body. For instance, Oyerinde (2010) believes that there are issues of lack of independence and authority which have adverse effect on management of public funds. Whether the OAGF still carries out its functions as prescribed will be investigated in this study.

**PAC**

Committees are the engine room of the Nigerian legislative (i.e. House of Representative) or parliamentary system; they serve as a medium where by the legislative carries out its oversight functions as well as other types of work. According to Section (62) of the constitution, committees are created to oversee government, organisations and society.

As pointed out earlier, PAC examines the account of public organisations on the basis of observation raised by the Auditor-General’s report. It is the duty of the PAC to ensure that all issues highlighted in the report are properly addressed and in situations where any accused public official or organisation is found guilty of breach of accountability it is the duty of the PAC to impose appropriate sanctions on them.²²

PAC sittings usually consist of the Chairman (who uses a court-like ‘judge’s hammer’ to impose the committee’s decisions) and other members of the legislature, members of the PAC are usually seated in a round table format.²³ The PAC holds about 20 formal meetings in a year.²⁴ However, given the size of public organisation in Nigeria, it is yet unclear how petitions (the few selected out of many) to be addressed are decided, nevertheless when they are decided, the constitution mandates that the PAC address them. Also, it becomes mandatory for the concerned public organisations to defend allegations petitioned against them.

In spite of this framework, the result in the last few decades has been a weakened public service with an overly-expanded public expenditure profile and misappropriation of funds. Most especially, there are issues surrounding ‘procurements, contracts and abandoned

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²² From personal communication with a member of the PAC
²³ From observation
²⁴ From personal communication with a member of the PAC
projects’ where the public organisations in Nigeria have been reported not to be accountable and wasteful of public resources (Bureau of Public Service Report, 2004).

As a result, a number of policy reforms were implemented to address and provide a stronger accountability platform for the government and public organisations in Nigeria (Bureau of Public Service Reform Report, 2004).

3.4 Public accountability reforms in Nigeria

In the past few years, Nigeria has been carrying out an ambitious policy and reforms agenda. The existing regulatory and government structures have failed to address the problems of accountability in the public sector. Therefore, some important reforms were put in place to tackle the shortcomings. These are illustrated in Table 3.1 below:

Table 3.1: Illustration of Key Reforms Implemented in the Public Sector

<table>
<thead>
<tr>
<th>Year</th>
<th>Public Accountability Reform</th>
</tr>
</thead>
<tbody>
<tr>
<td>1972</td>
<td>Udoji Commission Reform</td>
</tr>
<tr>
<td>1986</td>
<td>Dotun Phillips Reform</td>
</tr>
<tr>
<td>2002</td>
<td>Extractive Industries Transparency Initiative (EITI)</td>
</tr>
<tr>
<td>2004</td>
<td>National Economic Empowerment and Development Strategy (NEEDS)</td>
</tr>
</tbody>
</table>

Prior to 2004, some accountability reforms were implemented. For instance, in 1972 the Udoji Commission implemented reforms which focused on increasing efficiency and effectiveness within the context of meeting challenges of accountability-oriented society: this introduced open reporting system for performance evaluation in the public sector. On the other hand, in 1986, the Dotun Phillips Reform was implemented to improve accountability by enhancing checks and balances, speed of operations, professionalism and aligning authority with responsibility. Nevertheless, as indicated earlier, these reforms were not as effective during the military regime era.
With the new democratic governance came along the 2002 Extractive Industries Transparency Initiative (EITI) which was adopted to improve governance and accountability in the Nigerian petroleum sector. This reform commissioned the first audit of the petroleum ministry since 1956. One criticism is that EITI reforms also pursued privatisation and liberalisation and this was frowned upon by public sector organisations.

Nonetheless, in 2004, the government set up a committee to re-implement a revised *Extractive Industries Transparency Initiative (EITI)* reform. This implementation meant that the government would sell their equity stakes to the private sector; hence, there would be privatisation and market liberalisation of key public sectors. The EITI was redesigned to attract private capital investments in areas such as roads railway, water, ports and infrastructural development. As a result, the role of the government would be as a facilitator, providing the enabling environment for the private sector to invest and operate in a free market system. The reform also proposed that public organisations subscribe to the International Standards for Organisation (ISO). The assumption is that with EITI, transparency would be enhanced, hence, the assertion that the public sector is efficient, effective and answerable to the public. However, the EITI reform was mainly evident in the Federal Ministry of Petroleum. Such limitation was unsatisfactory because reforms were also needed in other public sector organisations.

### 3.4.1 National Economic Empowerment and Development strategy (NEEDS), 2004

The most comprehensive reform agenda was the National Economic Empowerment and Development Strategy (NEEDS). NEEDS sought to align previous reform initiatives into a single entity, in order to properly focus on addressing the overall goal of promoting good governance and national development. Nigeria, under the *PSI framework*\(^25\) sought the cooperation of IMF and WB in preparation and endorsement of the NEEDS. The reform was adopted on a participatory platform, this was intended to ensure that the program is consistent with a comprehensive framework for macro-economic, structural and socio policies, aiming at fostering growth and poverty reduction. In view of this, NEEDS was driven by three different reforms; the privatisation and market liberalisation, the service delivery reform and most importantly the “*transparency and accountability reforms*”.

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\(^25\) In essence, under a non-borrowing consultation basis
Since the NEEDS reforms were inspired by the WB and IMF, there is a suggestion that these reforms were inspired by NPM doctrines.

*Figure 3.7: Illustration of NEEDS and its Accountability Framework*

As seen in Figure 3.7, NEEDS proposed efforts to refocus public organisations’ activities towards enhancement of the provision of basic social services. The “*Service Delivery Reform*” was accompanied by modest programmes of measurement and monitoring of inputs, outputs, processing and outcomes. The idea behind this reform was to make policy makers, ministers and public officials more aware of the need for accountability of resources used for the results obtained. As part of the reform every public organisation or agency was encouraged to implement a service delivery charter which checklists’ processing, deadlines and other benchmarks for the delivery of public services.

However, the government’s main emphasis was still aimed at providing greater ‘*transparency and accountability*’ within ministries, agencies and departments. The emphasis was placed on strengthening control over public expenditure. The key element of this strategy included making public procurement and contracts more open, competitive and to meet accountability requirements. This recommended that authorities renew efforts
to secure the passage of a public procurement bill, which became the *Procurement Act, 2007*.

In the transport sector, NEEDS focused on improving infrastructure development and services. The reform encouraged private partnership, stressing the importance of sustainable roads maintenance arrangements. For instance, the Nigerian ports witnessed an institutional restructuring, the reform also created a prominent role for the ports with other West African states, seeking to achieve efficiency, the capacity to handle modern shipping activities and proper utilisation of public resources.

Furthermore, the government signalled their commitment to the transparency and accountability reform by establishing an important oversight body and anti-corruption agency known as the Economic Financial Crimes Commission (EFCC) in order to stop the ‘*business as usual syndrome*’ in the public sector.

The EFCC played significant roles in enhancing accountability in the public sector. The EFCC was established in 2004 and was empowered to investigate fraud, money laundering, looting and any form of corrupt practices in private and public sector, embezzlement etc. This helps to mitigate those practices that potentially intensify poor accountability in the public organisations.

The organisation has also enjoyed support and collaboration from international bodies. For instance, on the 25th January 2012, the U.S Government expressed its desire to support the commission. This was aimed at expanding the commission’s capacity and improving the overall success of its operations.

The EFCC’s greatest power remains its ability to arrest and prosecute any accused public official in the court of law. Since its establishment, the organisation has recorded a number of successes in this regard. For example, the EFCC collaborated with the British government in jailing the former Delta State governor, James Ibori, in 2010. However, in the past few years the organisation has rarely prosecuted accused public officials. In view of this, the EFCC has exposed itself to questions from the public concerning the level of commitment and determination of their officials in tackling issues of accountability in the public sector. In addition, the EFCC was utterly driven by the former president Gen.
Olusegun Obasanjo, however, the organisation has not received the topmost support after the former president’s tenure ended in 2007.

To conclude, earlier reforms (i.e. Udoji Commission Reform, the Dotun Phillips reform etc.) were aimed at shaping national development, albeit in the mould of the colonial age and military era. Though EITI reform was implemented during the democratic era, it was frowned upon by Federal Ministries (except for Petroleum) because it mainly focused on the oil sector and pursued privatisation. The current reforms (i.e. NEEDS) however, were driven by the Nigerian authorities and powerful institutions, such as the WB and IMF (Bureau of Public Service Reform Report, 2004). Some of the doctrines of the NEEDS reforms were inspired by the NPM concept. For instance, NPM doctrines include: private-sector style management practices, competition in the public sector through contract tendering and strong consideration for efficiency, effectiveness and value for money. These are very similar to the reforms proposed by NEEDS.

3.5 Conclusion

This chapter has provided relevant information about Nigeria, exploring the background of the FMT, different organisations under it, key regulatory frameworks, some relevant government structures and reforms. One major advantage is that conducting investigations in the FMT, complemented by NPA and NIMASA offers a rich, critical and in-depth analysis and understanding of public accountability issues in Nigeria.

By exploring the Nigerian background, this chapter shows that public accountability issues mostly surround problems of procurements and abandoned projects. The chapter has given account that regulations are important to ensuring public accountability and that some important reforms have been implemented to address public accountability problems.
CHAPTER FOUR: PARADIGM, METHODOLOGY AND RESEARCH PROCESS

4.0 Introduction

Choosing an appropriate research methodology for public accountability issues is not straightforward, particularly considering the never-ending debate between philosophical perspectives and paradigms in academic research.

Morgan (1983) explained that methodological choice is not solely a matter of choosing an approach that seems suitable or based on feeling, but rather choice should be related to research problems or aims to be investigated. Consequently, the choice of methodology of this study was governed by the central aim of the research; which is to gain an in-depth understanding of the public accountability issues in emerging economies of which Nigeria is an example, by assessing both what should happen in practice and what actually takes place. As a result, the study adopts a critical accounting perspective in examining the research aim and addressing the research questions, in essence; what are the current Nigerian public accountability structures and how should they work? Second, what is the gap between what the regulations indicate should happen in terms of the structures and what is happening (practices)? and finally, why has it been difficult to implement accountability reforms effectively?

The first section of this chapter broadly describes the sociological framework by Burrell and Morgan (1979), paying particular attention to the nature and dimensions of social science research. Secondly, the chapter elaborates on the paradigm of accounting research, drawing out the critical accounting perspective within which the study lies.

Ryan et al. (2002) explained that there cannot be a universally adopted methodology in accounting research. This chapter describes a qualitative, case study approach which draws on multiple sources of evidence, for instance, semi-structured interviews, documentary analysis and observation. Finally, based on the critical accounting foundation, the chapter provides a rich description of the research process (i.e. qualitative data and content analysis) adopted in this study.
4.1 Burrell and Morgan’s (1979) Sociological Framework – philosophy and assumptions about the nature of social science

Burrell and Morgan (1979) came up with the idea that all theories of organisations are based upon philosophies of science. The term ‘philosophy of science’ is often used interchangeably with the term ‘paradigm’ (Burrell and Morgan, 1979; Kuhn, 1996). Burrell and Morgan (1979) presented two main dimensions of academic research. The first dimension is an assumption about the nature of society, while the second is about the nature of social science. More than three decades have passed and yet these dimensions still play a massive role in academic research.

Burrell and Morgan explained that the approaches to the study of society are located in a frame of reference of one kind or another. Under this assumption, different theoretical approaches reflect different perspectives on issues and problems worthy of study. On the other hand, cohesiveness is assumed in society, hence, there is little problem with the status quo. This suggests the need to understand why society holds together, instead of falling apart.

Burrell and Morgan illustrated some assumptions about the nature of social science. Burrell and Morgan assumed that all social scientists approach their subjects through implicit and explicit assumptions about the nature of the social world and the means through which the social world can be investigated. In view of this, the nature of the social world was conceptualised into four main assumptions (Burrell and Morgan, 1979), these are: ontology, epistemology, human nature and methodology.

**Ontology** is concerned with the reality or phenomenon under investigation. Within this assumption, social scientists are faced with a number of basic questions; whether reality is external or a product of individual consciousness? Whether reality is given ‘out there’ in the world or a product of one’s mind? Whether reality is an objective nature or a product of knowledge?

Second, is the assumption about the grounds of knowledge, known as **epistemology**. According to Burrell and Morgan, this concerns how researchers begin to understand the world and how it is communicated to others. For instance, whether the nature of knowledge can be communicated as being hard, real and in intangible forms or is
knowledge softer, more subjective based on insight of a unique and essentially personal
time? Burrell and Morgan explained that these determine whether knowledge is acquired
from personal experience or not from personal experience.

Conceptually separate from both ontological and epistemological issues is a third
assumption of human nature, particularly the relationship between human beings and
environment. Within this, perspectives in social sciences which involve a view of human
mechanistic and deterministic response to the external world can be identified. Burrell and
Morgan revealed two views; first, they explained that man is a product of the environment.
In their explanation they depicted that man is conditioned by external circumstances and is
essentially the subject and object of enquiry. In the other dimension, Burrell and Morgan
explained that researchers may also attribute man to have more creative roles, free will and
that men may be regarded as the creator and controller of his environment. These two
views prompted the philosophical debate between Voluntarism and Determinism
(summary of this is provided below).

The assumptions illustrated above have a direct implication on the nature of methodology
(Burrell and Morgan, 1979). Rist (1977) explained that methodology can be assessed in
relation to the social framework being adopted. The range of choice is so large that it is
regarded as science by traditional natural scientists. For instance, it is possible to identify
methodologies applied in social science research as being hard (in essence, real and
external) or as being soft (in essence, personal, qualitative and of more subjective quality).
Therefore, methodological assumptions concerns the way in which researchers attempt to
obtain knowledge or investigate the social world.

Burrell and Morgan (1979) explained that the four approaches of nature social science are
based on two broad somewhat polarised dimensions, in essence, ‘subjectivism –
objectivism’. Although the four approaches are relevant to the understanding of social
science, they prompt great philosophical debates between the advocates of subjectivism on
the one hand and objectivism on the other (see Table 4.1, below):
Table 4.1: Summary of Philosophical Debates between the Advocates of Subjectivism and Objectivism (Burrell and Morgan, 1979)

<table>
<thead>
<tr>
<th>Subjective approach to social science</th>
<th>Objective approach to social science</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Ontology</strong> - strands of debate between Nominalism and Realism</td>
<td></td>
</tr>
<tr>
<td>Nominalism</td>
<td>Realism</td>
</tr>
<tr>
<td>It explains that the social world external to individual knowledge is made up of more than just names and labels which are used to structure reality. It does not admit that there is a real structure in the world which there are concepts available to describe.</td>
<td>It postulates that the social world is external to individual knowledge. That a real world is made up of hard, tangible and relatively immutable structures and that realists maintain they exist as empirical structures.</td>
</tr>
<tr>
<td><strong>2. Epistemology</strong> - strands of debate between Anti-Positivism and Positivism</td>
<td></td>
</tr>
<tr>
<td>Anti-Positivism</td>
<td>Positivism</td>
</tr>
<tr>
<td>It explains that the social world is essentially realistic and can only be understood from the point of view of individuals who are directly involved in the activities which is to be studied.</td>
<td>Seeks to explain and predict what happens in the social world by searching for regularities and casual relationship between constituent elements, based on the traditional approaches which dominates the natural science.</td>
</tr>
<tr>
<td><strong>3. Human nature</strong> - strands of debate between Voluntarism and Determinism</td>
<td></td>
</tr>
<tr>
<td>Voluntarism</td>
<td>Determinism</td>
</tr>
<tr>
<td>Postulates that man is completely autonomous and free willed.</td>
<td>Regards a man and his activities as being completely determined by the situation or environment.</td>
</tr>
<tr>
<td><strong>4. Methodology</strong> - strands of debate between Ideographic and Nomothetic</td>
<td></td>
</tr>
<tr>
<td>Ideographic</td>
<td>Nomothetic</td>
</tr>
<tr>
<td>Postulates that one can only understand the social world by obtaining first-hand knowledge of the subject under investigation. It places emphasis on getting close to one subject and exploring its detailed background and life history.</td>
<td>Lays emphasis on the importance of basic research upon systematic protocol and techniques. It focuses on process of testing hypothesis and the use of quantitative techniques.</td>
</tr>
</tbody>
</table>
It is important that this study has an understanding of the philosophical properties of academic research as suggested by Burrell and Morgan (1979). This study attaches importance to the subjective philosophical approaches, by locating the research within the ‘Nominalism - ontology’ and ‘anti-positivism - epistemology’ perspectives. Through voluntarism, this study attempts to provide explanations to the relationship between the public officials, politicians and their understanding of the public accountability structure (Kuorikosi et al., 2008). Finally, the methodological approach adopted in this study is ideographic and qualitative case study approach. The subjective approach enables the research to provide in-depth understanding of the public accountability issues in the Federal Ministry of Transport (FMT).

4.2 Research paradigm in accounting

A number of researchers have suggested that accounting studies should choose perspectives provided by the ontology, epistemology and methodology that are consistent with the nature of research (Hooper and Powell, 1985; Cassell and Symon, 2004; Fleetwood, 2005; Broadbent and Guthrie, 2008; Parker, 2012). In addition, Fleetwood (2005) pointed out that the way accounting researchers think about the world (i.e. ontology) influences the knowledge that can be gained from it (i.e. epistemology) and how it can be investigated (i.e. methodology). For instance, it would be inappropriate to adopt an objectivist approach in examining public accountability issues and then apply people’s interpretations to validate knowledge. Similarly, it would be inappropriate to apply quantitative models in the world of subjectivism.

The assumptions used by Fleetwood (2005) are the same as those revealed by Burrell and Morgan (1979); where there were sociological debates regarding subjectivism – objectivism. Accordingly, Burrell and Morgan (1979) recognised two major analytically distinct paradigms of accounting research, in essence – interpretive research and functionalism. These two paradigms have been considered in the classification of accounting research for many years since there were disclosed by Burrell and Morgan (1979). However, Ryan et al. (2002) revealed an alternative paradigm of accounting research which went beyond Burrell and Morgan’s dimensions. Ryan et al (2002) explained that when the accounting researchers’ view is shaped by both radical
structuralism and radical humanism, this is referred to as critical accounting research (see Figure 4.1, below);

Figure 4.1: Ryan et al. (2002) Classification of Accounting Research Paradigm.

Source: Adapted from Ryan et al. (2007)

Ryan et al. (2007) pointed out that the classifications above are useful in indicating the nature and range of alternative approaches in accounting research. Regardless, Figure 4.1 is quite revealing, it illustrates that whilst some researchers are concerned about regulations and the creation of order in society (i.e. expanding how society is held together), others are interested in radical change (i.e. conflict and inequalities in the society). However, in between these two extremes and between radical humanism and structuralism is an intermediate position known as Critical accounting research paradigm which is adopted in this study.

The reasons why both interpretive and functionalism perspectives are not applicable in this study are because:

First, interpretive research is determined on understanding the world as it is, to understand the fundamental nature of the social world at the level of subjective experience. It seeks explanation within the frame of reference of the participant as opposed to the observer of action (Burrell and Morgan, 1979). However, Scapens (2008) critiqued the paradigm in
relation to accounting research. According to Scapens (2008), interpretive research has been following rather than having an impact on accounting practice. He suggested that interpretive research should adopt social critique and socio-political perspectives, therefore signalling for a more thorough critical accounting research perspective.

Similarly, the functionalist framework represents a perspective which is rooted in regulations and approaches its subject matter from an objectivist point of view (Burrell and Morgan, 1979; Ryan et al., 2002), it is characterised by social order, status quo, consensus, social integration and actuality. The main limitation of this paradigm to this study is that it applies models and methods of natural sciences to the study of human affairs. On these bases, the most suitable paradigm for this study remains the critical accounting perspective.

4.3 Critical accounting research perspective

Critical accounting research combines Burrell and Morgan’s (1979) radical humanism and radical structuralism. Radical humanism provides critique of the status quo and radical structuralism provides that the contemporary society is characterised by fundamental conflicts generated by political crisis. According to Burrell and Morgan (1979), the evolution of political economy can be traced to radical structuralism. Under critical accounting paradigm, this study demonstrates that the social world is normalist, anti-positivist, voluntary and ideographic (Burrell and Morgan, 1979; Ryan et al., 2002). This view emphasises the importance of identifying the limitation of existing social arrangements (Burrell and Morgan, 1979). In addition, critical accounting research views society as being shaped by social structures, in essence, the focus is on deep-seated internal contradictions, structure and analysis of power relationship in accounting research (Burrell and Morgan, 1979).

Baxter and Chua (2003) pointed out that a critical accounting perspective provides a platform for critique, change and improvement. From an historical point of view, Baxter and Chua argued that the term was derived from the German philosopher Habermas’ ‘critical theory’. On the other hand, the researchers also pointed out that another strand of critical accounting research was derived from French philosopher Foucault’s ideas about incorporating political ideologies in accounting research.
From Habermasian insight, the critical accounting perspective envisaged that researchers seek to understand the social reality under investigation (Ryan et al., 2002). Consequently, this study aims at gaining an in-depth understanding of public accountability structure and issues within the FMT. Furthermore, Laughin (1995) revealed that the critical accounting perspective sets out, not only to describe, but also critique and qualitatively transform social reality.

This study is an in-depth analysis of the current gap between the public accountability practice and structure. This is also motivated by the peculiarity of critical accounting research which goes beyond interpretive research and defines its epistemology as being multi-disciplinary and multi-faceted.

On the other hand, drawing loosely from a Foucauldian view of critical research, this study investigates the socio-political and institutional context of public accountability and accounting practices within the FMT. Subsequently, this study applies a critical perspective in analysing the accounting and accountability reforms to understand why these reforms do not work effectively.

Furthermore, a number of broad theoretical frameworks have been attributed to critical accounting research, for instance, theory of Marxism, structuration theory and political economy theory (Laughin, 1995; Ryan et al., 2002; Rosendler, 2006). However, given that there are a number of issues particular to emerging economies, this study adopts the broader political economy perspective (this is explained in chapter 5). Critical accounting perspective is important because it provides the framework for accounting researchers to feature new theoretical constructs in investigating and analysing data (Cooper, 2008).

In conclusion, though the Habermasian and Foucauldian views of critical research provide understanding and rationales for adopting a critical accounting perspective approach, this study only draws loosely from them. Moreover, like most previous accounting development issues, studies reveal that the Western countries have dominated the realm of the current critical accounting literature (Wallace and Briston, 1993; Rahaman, 1997; Rahaman et al., 1997; Rahaman, 2010). For instance, in the two decades since the inception of the Critical Perspectives on Accounting Journal in 1990, it had published 651 articles and only 9 articles are focused on emerging countries, particularly African
countries (Rahaman, 2010). Therefore, considering this scarcity in the context of emerging economies, this study also adopts a critical accounting perspective approach.

4.4 Research methodology - qualitative research

According to Ahrens and Chapman (2006), methodology is the general approach to studying a research topic and they subsequently identified that qualitative research is a category of methodology. Nevertheless, Denzin and Lincoln (2000) explained that the open-ended nature of qualitative research leads to perpetual resistance against attempts to impose a single umbrella definition over it.

Qualitative research is a field of enquiry in its own right; it cuts across discipline and subject matter (Denzin and Lincoln, 2000). For instance, concepts and assumptions such as critical pedagogy, critical cultural studies, positivism and many other qualitative perspectives or paradigms have influence on the direction of qualitative research. Accordingly, qualitative methodology offers a critical perspective to accounting research (Fleetwood, 2005). As Fleetwood observed, the critical ontology which involves both subjectivist and objectivist views influences the way we investigate. However, Ahrens and Chapman (2006) explain that qualitative research acknowledges that social reality is emergent and subjectively created through human interaction. Hence, the methodological approach of this study is aimed at adopting a subjective and a critical view.

In addition, qualitative research involves the collection of a variety of empirical materials. As a result, specific research methods may be used for different methodologies. However, for a qualitative methodology, methods such as interviews, observation, and questionnaire are mainly adopted (Ryan et al., 2002). Qualitative studies involve reflection on data and theories. By reflecting on data, qualitative research contributes and addresses research questions (Ahrens and Chapman, 2006). However, the task of connecting data to theory and research questions is an exercise which involves great discipline.

In conclusion, one main feature of qualitative research which is beneficial to this study is that unlike other approaches, it grants the opportunity to understand a given research problem from the perspective of the local population involved, obtaining culturally specific information about accounting practices, behaviour and social context (Yin, 1984). Furthermore, most research approaches to studies regarding organisational structures and
accounting process have adopted the case study approach (Ryan et al., 2002); this offers an in-depth understanding of the research phenomenon (i.e. FMT) and as a result, this study adopts a qualitative case study approach.

4.4.1 Case Study - motivation

“Case study research is remarkably hard, even though case studies have traditionally been regarded to be ‘soft’ research. Paradoxically, the softer the research, the harder it is to do (Yin, 2003; pp 142)”.

Case study approach is common in accounting research, consequently, the study is gaining acceptance in public sector research (Broadbent and Guthrie, 2008).

A major reason for choosing a case study approach is because case studies offer us the possibility of understanding the nature of accountability practices (i.e. techniques, systems, and procedures) adopted within a particular organisational setting (Yin, 2006). For instance, the case study approach can be adopted to provide a description of accounting and accountability practices within a public sector and to explore and explain the gaps in accounting practices; therefore, this research is a case study of FMT.

It is also important to note that there are some limitations. The first is that a case study approach is often criticised for relying on a small sample size, therefore one limitation is that researchers cannot generalise (Yin, 2006). Nevertheless, it is argued that case studies are appropriate in areas where researchers seek to apply theories in new contexts (Ryan et al., 2002; pp 149).

Another limitation is that this study is a ‘one country study’. However the motivation is that in order to get sufficient in-depth and rich data to address the research questions a one country study was the only pragmatic approach. Thereafter the findings generated by this case study will provide a basis for some further research in other similar emerging economies.

4.4.2 Research process and data collection

This study adopts a qualitative case study approach of FMT complemented by perspectives from its agencies. These include the Nigerian Ports Authority (NPA), Nigerian Institute of Maritime Administration and Safety Agency (NIMASA) and other government structures (such as, the Office of the Accountant-general of the Federation (OAGF), Economic
Financial Crime Commission (EFCC) and the Public Accounts Committee (PAC\textsuperscript{26}). An important rationale for the choice of case studies is the constant controversies and accusations which surround them (Ryan \textit{et al.}, 2002). Consequently, the empirics raised a number of critical issues of interest and relevance which played a role in the development of the theoretical framework for this study.

Secondly, FMT has been controversial and is significant. The size and structure of the public sector organisations were attractive features of FMT to this study. For instance, while FMT and NIMASA adopted the traditional public administration, NPA on the other hand, adopted a public-private partnership model in its administration. This distinction enhanced the multi-dynamic and multi-perspective nature of the research (Ryan \textit{et al.}, 2002).

Finally, accessibility played also an important role in selecting FMT as the case study, as being able to gather in-depth explanations to the research aim and questions were also very influential.

The study was conducted using a triangulation approach, this included: Semi-structured interviews, documentary analysis of the most recently published reports, observation and other supplementary sources. The triangulation approach is supported by Hoque \textit{et al.} (2013). According to the researchers, in order to capture the multi-level of complexities of a phenomenon, researchers need to collect data from different sources. They further explained that by collecting different kinds of data on the same phenomenon, researchers can improve the accuracy of their judgements. Hence, the approaches adopted in this study are as follows:

\textbf{4.4.2.1 Interviews}

The primary data collection method was obtained through an in-person semi-structured interview which allowed for flexibility in structure and consistency (Ritchie and Lewis, 2003). The interview probe was developed based on the questions and issues of research. The interviews were conducted in English\textsuperscript{27} and each interview took 45-60 minutes. The

\textsuperscript{26} The Background and description of the research sites is provided in the Nigerian Background chapter (i.e. chapter 3)

\textsuperscript{27} This is also the official language of Nigeria.
interviews were recorded, transcribed and coded using qualitative data analysis techniques, such as content analysis.

The interviews were carried out in two stages, these include; the ‘initial interviews’ and the ‘follow-up interviews’. In total, 30 interviews were conducted (see Tables 4.2, 4.3 & 4.4).

To begin with, the initial interviews were conducted between the months of July-November 2012. This study adopted a ‘snowball technique’ during the initial interview sessions. This technique was introduced as a means of studying the hard to reach population (Heckathorn, 2011) of the FMT. Therefore, contacts were made through personal association with members of each organisation and each participant was asked to recommend other qualified participants. Fifteen interviews were conducted, these include; four interviewees from FMT, four from NPA and three from NIMASA. Also, based on participants’ responses, the researcher conducted one interview at the Economic Financial Crime and Commission (EFFC), two at the Public Accounts Committee (PAC) and one at the office of the Auditor – General of the Federation (OAGF) in order to gain a more comprehensive understanding of the research issues.

In addition to these, follow-up interviews were conducted between the months on July-September, 2013. The aim of the follow-up interviews was to address the gaps identified in the empirics and to provide more evidence for the theoretical analysis chapter. Hence, another six interviews were conducted, which include; one interviewee from FMT, one from NPA, two from NIMASA, one from PAC and one from OAGF (see Table, 4.3 for summary).

In the last stage of the interviews, the researcher interviewed two groups of delegates from various Nigerian public sector organisations who attended International Public Sector Accounting Standards training organised annually by the University of Manchester. This training seeks to remedy the problems of public sector accounting in the Nigerian public sector, with the expectation that the skills acquired will be transferred into practice. Consequently, the interviews were carried out at Manchester Business School between 26th of August – 6th September, 2013. These delegates are referred to as “IPSAS trainees” for the purpose of this research. A total of nine interviews were conducted (see Table, 4.4 for summary). The aim of these interviews was to improve the robustness of the research and to confirm the findings which emerged from previous data collection.
All interviews were conducted with senior government officials who had a high level of involvement in the operations of the organisation and were asked to reflect on their experiences. These senior officials’ positions include chairman, directors, deputy directors, assistant directors, general managers, assistant general managers, senior public administrative officers and heads of departments, with an average of seventeen years of experience in public organisations. Most had Masters degrees and broad experience in several departments and positions, also with an average tenure of three years in current positions. In addition, all interviewees were deliberately not handed questions prior to the interviews, the reason for this was to be able to document their initial reactions to the questions raised.

Table 4.2: Summary of Initial Interviews for each Organisation

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Interviews</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Ministry Of Transportation (FMT)</td>
<td>1 Director, 1 Deputy Director, 1 Assistant Director, 1 Senior Official</td>
</tr>
<tr>
<td>Nigerian Inst, of Maritime &amp; Safety Agency (NIMASA)</td>
<td>3 Assistant Directors</td>
</tr>
<tr>
<td>Nigerian Port Authorities (NPA)</td>
<td>1 General Manager, 2 Assistant General Managers, 1 Head of Department</td>
</tr>
<tr>
<td>Economic Financial Crime &amp; Commission (EFCC)</td>
<td>1 Head of Department</td>
</tr>
<tr>
<td>Office of the Auditor General of the Federation (OAGF)</td>
<td>1 Senior Official</td>
</tr>
<tr>
<td>Public Accounts Committee (PAC)</td>
<td>1 Deputy Director, 1 Chairman</td>
</tr>
</tbody>
</table>

Table 4.3: Summary of Follow-Up and Confirmatory Interview for each Organisation

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Interviewees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Ministry Of Transportation (FMT)</td>
<td>1 Assistant Director</td>
</tr>
<tr>
<td>Nigerian Inst, of Maritime &amp; Safety Agency (NIMASA)</td>
<td>2 Assistant Directors</td>
</tr>
<tr>
<td>Nigerian Port Authorities (NPA)</td>
<td>1 General Manager</td>
</tr>
<tr>
<td>Office of the Auditor General of the Federation (OAGF)</td>
<td>1 Senior Official</td>
</tr>
<tr>
<td>Public Accounts Committee (PAC)</td>
<td>1 Deputy Director</td>
</tr>
</tbody>
</table>
Table 4.4: Summary of (Confirmatory) Follow-Up Interview with the IPSAS Trainees

<table>
<thead>
<tr>
<th>Organization</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-TECH (Consultant to the Public Sector)</td>
<td>1 Director</td>
</tr>
<tr>
<td>Power Holding Company of Nigeria (PHCN)</td>
<td>1 Manager</td>
</tr>
<tr>
<td>Federal Capital Territory Administration (FCTA)</td>
<td>2 Senior Officials</td>
</tr>
<tr>
<td>Consultant to the Ministry of Health</td>
<td>1 Consultant</td>
</tr>
<tr>
<td>National Agency for Food and Drug Administration and Control (NAFDAC)</td>
<td>1 Director</td>
</tr>
<tr>
<td>Nigerian Airspace Management Agency (NAMA)</td>
<td>1 Director</td>
</tr>
<tr>
<td>Sokoto State</td>
<td>1 Commissioner</td>
</tr>
<tr>
<td>Adamawa State</td>
<td>1 Parliamentarian</td>
</tr>
</tbody>
</table>

Total number of interviews conducted | 30

4.5.2.2 Documentary analysis

Documentary analysis was explored in this research to compare and interpret the information gotten from interviewees in order to increase the robustness and reveal any contrasting views between interviewees’ responses and the written records.

The documents used for analysis include the following: annual reports, audit reports, extracts from the Constitution, Financial Regulations Act, Procurement Act, Freedom of Information Act, financial transcript (sample), public service rules and guidelines, minutes of International Monetary Fund (IMF) executive board meetings on National Economic Empowerment Development Strategy (NEEDS) reforms, Speech document by Managing Director of NPA to the World Bank and Speech by Head of investigation EFCC on fight against corruption. Most of these documents were obtained in hard copies as there were unavailable on public websites.

4.4.2.3 Observation

Another key data collection technique adopted in this research was observation. Observation was adopted as a requisite tool for further enquiries. This method provided supplementary insights and verification of participants’ claims as well as the research issues. Basically, two styles of observation were adopted in this study, namely; observation as a participant and complete observations.

First, the ‘observation as a participant’ approach was adopted (Mckernan and Mckernan, 2013; Ritchie et al., 2013). Observing as a participant involves observing unobtrusively as possible, engaging in the setting to some extent but usually for a short period of time or...
perhaps just once. Ritchie et al. (2013) explained that in this scenario, the researcher is open about his purpose, may be recording in the setting but does not attempt to form any relationship or engage more deeply. Consequently, the researcher observed a group (i.e. the PAC). A PAC sitting was held on the 6th of November, 2012. During this sitting, the PAC conducted a status enquiry (both financial and non-financial) of public organisation X. The sitting was held at the House of Representatives (i.e. Parliament) and lasted for an hour. It is important to mention that access to this event or sitting was not obtained by simply walking into the Parliament, but through the Office of the Auditor-General of the Federation (OAGF).

Similarly, the researcher observed the IPSAS trainees from the Nigerian public sector organisations. This observation was carried out at Manchester Business School between 26th of August – 6th September, 2013.

Secondly, the researcher adopted a ‘complete observation’ approach, where the emphasis was on what the researcher could see during the field work visit (Mckernan and Mckernan, 2013; Ahrens and Chapman, 2006). Ritchie et al. (2013) explained that a complete observer is detached from any engagement. He may be sitting or walking in a room or public place. Therefore, the researcher upon securing approval was able to move and walk around the organisation premises; from this, some images describing some relevant issues were captured (See Appendices, A & D). This emphasised the immediacy through which the researcher experienced the data. The aim of these observations was to gain more insights of how things are done in practice.

The benefit of the observation method is that it provides perspectives from the natural environment of the participants and organisations (Mckernan and Mckernan, 2013). For instance, during the PAC sitting there were non-verbal behaviour, facial, body movements and gestures which were witnessed by the researcher and which are not available in other sources of evidence. However, caution needs to be applied here. There is a problem of unpredictability of observable environments to researchers (Chalmers, 2013). This means that there is a possibility of researchers being influenced by the perceptions of participants.

28 Anonymity is maintained
29 Access through this means usually takes a long time and in most situations it is very difficult.
30 This was after an interview session with a participant in the OAGF, who informed the researcher of their next visit to the PAC, hence, the researcher secured the permission and approval to go with the OAGF team as a research member.
during observations. The challenge here is to apply observable findings in such a way that
the reliance on such judgement is minimised. To address this, observation in this study is
adopted within a triangulation approach where there are various sources of evidence which
confirmed or contradicted the emerged findings.

**4.4.2.4 Other Supplementary Sources**

In order to increase the robustness of the study, relevant ‘newspaper articles’ were used to
support, compare and extend the empirical analysis. This approach was attractive because
it revealed the perception of the public domain about public accountability. The primary
consideration in the selection of these newspapers was based on prominence. For this
reason, the researcher reviewed articles from popular newspapers (for example, Punch and
This Day). These were triangulated with articles from other less popular electronic
newspapers (such as, Agency News, Compass, Daily Independent, Nigerian News, Nigerian
Eye, Nigeria World, Premium Times, Sahara News Reporters and Vanguard) from the Nigerian
newspapers index
d. The newspapers were surveyed from May, 2008 to
December, 2013, this is because papers prior to the year 2008 proved problematic to
obtain. From this process, key words such as public accountability, reforms, contracts,
FMT, NPA, NIMASA, PAC, governance, transport development were used and news
articles which formed parts of the analysis were collected. The benefit of this is that it
provides broader range of evidence and multiple accounts to the research issues.

Supplementary data were also gathered from organisations ‘websites’. Also, while carrying
out the empirics derived from the data collection, the researcher’s queries were followed
up with ‘telephone conversation’ with appropriate participants when needed to give further
clarification and explanation about some important issues.

Finally, further ‘discussions’ were used to confirm points in this study. Phillips and Hardy
(2002) and Wodak and Meyer (2009) provided that the fundamental concern of discussions
is with the ways in which language and phenomenon interrelate. Therefore, discussions
improve our understanding of a given phenomenon.

Discussions served the purpose of increasing the reliability and validity of this study. Most
importantly, they confirmed or contradicted the findings which emerged from this study.

Accordingly, discussions were carried out with African Union Commission (AUC) officials in order to get the Pan African and international perspectives. These discussions were carried out between 16\(^{th}\) of February – 28\(^{th}\) of April, 2014 at the AUC headquarters in Ethiopia.

These discussions were unpredictable. This means that the discussions had no official time and venue. The first 15 minutes of the discussions were mostly relevant because the discussant often went out of scope of the issues raised; therefore, making it difficult to code the data (Turner, 2010). Moreover, this was not digitally recorded conversation, however, notes were taken during these discussions and the responses were incorporated into the thesis through a colour coding approach and content analysis\(^{32}\). This approach matched the responses to the findings and contributed to the construction of interpretations of the themes which emerged (Schreier, 2012).

4.4.2.5 Challenges

A number of challenges need to be considered. For instance, the ‘This Day newspaper Company’ is popularly known to support the current political administration (i.e. pro PDP). Therefore, the researcher was cautious about possible bias from this newspaper. However, the research sought to mitigate this by taking a broader perspective and examining other newspaper articles.

Furthermore, it was initially difficult getting the cooperation and collaboration of the participants; most of whom were scared of the research area. These participants requested that the researcher present an approved letter from the heads of the organisations prior to their involvement. This was not easy to obtain, however, after getting such approval they all agreed to participate. FMT and NIMASA were easier to gain access to than others, while it took only a few weeks to gain access into these organisations; it took months to gain access into NPA, OAGF, PAC and EFCC.

Another important challenge was that on approval NPA recommended (in advance) certain employees to participate in the research, hence, limiting the participant’s choices in terms of number and scope of participants. In spite of this, the participants appeared to speak freely, providing their own perspectives on the research issues. Although this is not a

\(^{32}\) As provided in section 4.4.3
challenge; this study exercised caution by anonymising the respondents so that responses cannot be traced to individual participants.

### 4.4.3 Qualitative Data Analysis

How useful a method is depends on the research questions, nonetheless, there are many qualitative data analysis methods adopted in interpreting data, for instance, coding, content and documentary analysis (Schreier, 2012).

Schreier (2012) explained that qualitative content analysis is a systematic way of describing the meaning of qualitative data or materials. Consequently, content analysis can be applied to a wide range of materials, for instance; interview transcripts, newspaper articles, websites and many more (Schreier, 2012).

Given that this is a case study, a major rationale for adopting a content analysis approach is that it is concerned with the case ‘in its entirety’ (Schreier, 2012: pp 25). Hence, the issue of the research is analysed not in isolation but in relation to many other aspects of the participants’ understanding of public accountability practice.

Secondly, when dealing with lots of rich materials, it can be very useful to focus on selected aspects, for this reason, another rationale for adopting a content analysis approach is because, with qualitative content analysis, the research questions specifies the angle from which the researcher examines the data. Moreover, when other important aspects come up during analysis the researcher can change the coding frame to include the new aspects, which gives a more holistic view of the materials (Fruh, 2007).

The content analysis of this study started with the coding of interview transcripts. Coding is a popular and widely known qualitative data analysis method (Saldana, 2009; Schreier, 2012). Dey (1993) explained that coding is always a conceptual process; by creating a code, you identify your data as an instance of a given concept. Furthermore, conceptual coding is an analytical process, which is aimed at generating theory, to open up your data and with a focus on how structure, categories and data interrelate with each other (Schreier, 2012).

For interviews, the study adopted coding as a conceptual device. This involved identifying the coding categories using transcribed interviews, assigning codes or symbols for identification, distinguishing the relevant from irrelevant information, identifying patterns
and grouping similar responses together under concepts, and finally, analysing in accordance with the emerged concept and topical discussions. As a result of these, the researcher was able to identify gaps in concepts as well as the underlying reasons for such gaps. Most importantly, on several occasions, the researcher refined and linked the concepts in an iterative process.

In addition to the above, observational notes and documentary evidence were also analysed. These secondary data source approaches were important resources for triangulation, hence, increasing the validity and comprehensiveness of the research. This type of approach is particularly employed in case studies, because it provides insights into practices that were not evident in the interviews (Yin, 2006).

4.5 Summary

In summary, whether it is clearly expressed or not, there are philosophical beliefs behind any accounting research. This chapter has provided a description of the philosophical foundation of the methodological and theoretical choice. It commenced by illustrating Burrell and Morgan’s (1979) philosophical assumptions about the nature of social science. In view of these, this chapter narrows the study down to a subjective philosophical approach.

Furthermore, this chapter identified the critical accounting paradigm as the basis in which the unique theoretical approach adopted in this study is founded. A critical accounting perspective enables researchers to critically examine accounting and accountability practices. Thus, this chapter also illustrated how the research was investigated. The study subsequently pursues the critical theoretical construct in analysing and interpreting the issues of study by adopting a multi-theoretical approach.

Moreover, this study adopts a qualitative-case study methodological approach, with an emphasis on understanding and investigating the research problems from the perspective of the local setting. One major limitation is that it is difficult to generalise using a case study approach, however, it may be possible that some generalisation can be drawn between the Nigerian context and other emerging economies. Subsequently, theories will be used to

33 The essential composition of this theoretical framework/construct will be discussed in chapter 5.
argue the findings of the case study in a particular context, which can then be applied in other similar aspects (Ryan et al, 2002; pp 149).
CHAPTER FIVE: THEORETICAL FRAMEWORK

5.0 Introduction

Theories are abstractions of reality; consequently, one particular theory cannot provide a full account or description of a specific matter (Humphrey and Scapens, 1996; Jacobs, 2010a). This chapter develops a theoretical framework which is consistent with two objectives. Firstly, as the paradigm chapter identified, the study is framed within the critical accounting perspective, so that a critical theoretical approach is appropriate. Secondly, while several theoretical approaches have been adopted in analysing public accountability issues in western economies, this thesis is interested in an emerging economies’ perspective.

This chapter commences by providing a number of popular theoretical approaches that have been explored in public sector accounting and accountability research, such as; Legitimacy, Stakeholder, Agency, Foucauldian and Habermasian theoretical perspectives. In this chapter, there are explanations as to why these approaches are not adopted. Subsequently, this chapter illustrates the theoretical direction of the study; which is to apply the most popular New Institutional Theory (NIT) within a broader political economy theory.

Furthermore, the chapter provides an illustration of a more comprehensive understanding of the application of the theories within an emerging economy context. In essence, it gives an explanation of key notions of the framework such as; classical political economy, decoupling from a political imperfection/interference perspective, decoupling from a cultural perspective and approaches based on imperialism.

It also pays particular attention to how the theoretical and conceptual positions combine together in relation to the research phenomenon. Finally, the chapter summarises some limitations and challenges relating to the application of the adopted theoretical framework to the study.
5.1 Differing theoretical perspectives of public accountability research

What can be considered a theory? While this question remains subject to academic debate, Llewellyn (2003) argued that there are different levels of theory, as a result, she concluded that theories do not focus on significant empirical phenomena which characterise accounting practice. Nevertheless, Goddard (2010) explained that there are a number of theoretical approaches adopted in public sector accounting research. But while Jacobs (2012a) explained that there is an increasing demand for the application of critical theoretical perspectives in the public sector, the issue of the most appropriate theoretical framework remains debatable.

Consequently, a number of popular theoretical frameworks have been adopted in public sector accounting and accountability research, for instance, Legitimacy theory (Lindlom, 1994; Deegan, 2002, 2007), Stakeholder theory (Gray et al., 1996; Unerman and Barnett, 2004), Agency theory (Mayston, 1993), Foucauldian theory (Miller and Rose, 1990) and Habermasian theory (Laughlin, 1991; Singh, 2002; Dillard, 2002). Each are now briefly considered in turn.

To begin with, Legitimacy theory has been used by numerous accounting researchers in social and environmental reporting studies. Legitimacy theory is used to explain the systematic changes in corporate annual reports and environmental disclosure policies (Deegan and Rankin, 1996), it emphasises that an organisation’s activity is congruent with social values in a broader societal system (Deegan, 2007). However, a major reason why this approach is not applicable to this study is that legitimacy theory maintains that public sector organisations are more likely to disclose only the information which reflects that they primarily conform to societal expectations; therefore, failing to provide other miscellaneous or additional explanations of the issues within public sector organisations (Wilmshurst and Frost, 2000). In this case, some issues that may affect accountability practice in public organisations may be tagged unimportant. Hence, this is not sufficient and makes the adoption of legitimacy theory challenging.

Another rich theory adopted in examining the complexities of the public accountability research is Stakeholder theory. Stakeholder theory emphasises the interplay and

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34 Though, not the focus of this study - Llewellyn illustrated and distinguished five different levels of theory, which are, metaphorical theories, differentiation theories, concept theories, theorizing by setting and theorizing by structures.
communication between an organisation and its stakeholders (Deegan, 2007). According to Gray et al. (1996), stakeholders are identified by reference to the extent to which the organisation believes that the interplay within various stakeholders groups needs to be managed in the interest of the organisation. Therefore, instead of being motivated by the demands of the public, public organisations are rather driven by their own interest. While stakeholder theory regards a ‘two-way open dialogue’ as an important communication and accountability tool (Qian et al, 2011) this is not necessarily adopted in practice. Consequently, such a tool is too narrow for this study and a simple interplay between stakeholders and the public sector organisation as a tool for investigation is not adequate, especially considering the diversity of the beneficiaries of the public services provided by the empirical setting under investigation (Mayston, 1993).

Jacobs (2012a) revealed that Agency theory is an example of an economic theory and after new institutional theory is the second most common theoretical approach adopted in public sector accounting research. Jacobs (2012a) and Mayston (1993) explained that agency theory provides insight on accountability issues through the lens of inter-relationship between welfare and capital, efficiency and information, principal and agents. Although Jacobs (2012a) acknowledged that many public sector reforms being undertaken have adopted an agency theoretical approach as a basis and foundation, nevertheless, there are a number of limitations which does not make agency theory the most suitable framework in evaluation of reforms in this study. First, it is very difficult to narrow down agency relationships when dealing with issues of the public sector, especially regarding identification of the ‘principal’. Although Mayston (1993) attempted to categorise the principal in three categories (i.e. consumer of public services, politicians and electorates), the increasing complexity in the public sector makes this categorisation insufficient to incorporate the multiple issues. Most importantly, Seal and Vincent – Jones (1997) argued that agency theory is inadequate in itself, because the issue of ‘trust’ needs to be considered but trust is a difficult concept to measure.

Another significant discussion is that legitimacy, stakeholder and agency theory are classified as descriptive theories (Goddard, 2010) which makes them inappropriate to this study. Similarly, two other popular theoretical approaches in public accountability research include theories based on the work of Foucault and Habermas (Goddard, 2010). The use of Foucauldian theoretical approach in public accountability research peaked in the late
1990s (Jacobs, 2012a). Though the first wave of Foucauldian theory drew from the notion of genealogy, supervision, administration and discipline of people, Miller and O’Leary (1987) mentioned that issues of accountability were more generally addressed in the second wave of using Foucauldian theory where the notion of governmentality was incorporated. Several of the more recent papers reflect a shift towards the notion of governmentality and accountability; for instance, Sargiacomo (2008) examined the growth of accounting and accountability of government in the Italian feudal state, and Kurunmaki and Miller (2006) adopted the concept of governmentality to examine performance measurement in the UK public sector. However, the main criticisms of this theoretical approach is that it has been accused of drawing on theories of risk (Beck, 1992; Power, 2007; Jacobs, 2012a. Particularly, this approach mainly appeared in numerous investigations in public sector research as descriptive and explanatory in construct. These issues make the application of Foucauldian theory unsuitable for this study.

Finally, while a number of public sector research works have been inspired by Habermasian theory ideas, only a few researchers have adopted an explicit Habermasian theoretical framework. The use of a Habermasian theoretical approach peaked between 1999 and 2002, with Laughlin and Broadbent being the most consistent users. Since 2004 there have been relatively few direct references to this theoretical approach in public accountability research (Jacobs, 2012a), this could suggest that Habermas has lost popularity amongst researchers in this field. However, the challenge of adopting Habermasian theory to this study is that it places emphasis and idealizes the bourgeois public sphere by presenting discussion on rationalities of instrumental moral-practices. In essence, the bourgeois sphere mainly accepts the society the way it is and does not explore inequalities, power and class struggles (Deegan and Unerman, 2011). However, critical accounting research tends to be grounded in classical perspective (Deegan and Unerman, 2011; pp 433), recognising inequality, power and conflicts, which is the approach of this study.

Aside the distinctive theoretical limitations illustrated earlier, there is no theoretically- pure framework adopted in public sector research. Furthermore, an important point is that the majority of the research on public accounting and accountability issues has been classified as technical, descriptive, interpretive, functionalist and sociological in nature (Broadbent and Guthrie, 2008).
Similarly, Goddard (2010) reviewed 188 public sector accounting research papers and suggested that 35% of the papers are descriptive, 28% functionalist, 11.7% interpretive and identified the recent trend towards critical theoretical approach (see Table 5.1, below).

Table 5.1: Journal Papers Categorised by Theoretical Approaches

<table>
<thead>
<tr>
<th>Theoretical Approach</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Descriptive</td>
<td>35.6%</td>
</tr>
<tr>
<td>Functionalist</td>
<td>28.3%</td>
</tr>
<tr>
<td>Alternative / other</td>
<td>17.5%</td>
</tr>
<tr>
<td>Interpretive</td>
<td>11.7%</td>
</tr>
<tr>
<td>Normative</td>
<td>6.9%</td>
</tr>
</tbody>
</table>

*Source: Adapted from Goddard (2010) and Jacobs (2012a).*

Furthermore, Humphrey and Scapens (1996) and Jacobs (2012a) suggested that case studies need to move beyond being simply descriptive and illustrative of a single theoretical perspective. A single theoretical approach is insufficient in investigating the comprehensive and multiple perspectives nature of the public sector (Humphrey and Scapens, 1996; Jacobs, 2012a). This highlights the importance of public sector case studies research as a site for theoretical development.

Humphrey and Scapens (1996) and Jacobs (2012a) argued that there is a need for theoretical blending rather than relying on the content of pre-selected theory to explain situations where a single theory does not neatly match accounting cases. Another interesting point is that Modell (2013) proposed greater theoretical applicability and development in indigenous accounting setting.

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35 This was a review of 188 public sector research papers (Goddard, 2010), in the following journals: Financial Accountability and Management (FAM), Journal of Public Budgeting, Accounting and Financing Management (JPBAFM), Critical Perspective on Accounting (CPA), Accounting, Organization and Society (AOS), Accounting, Auditing and Accountability Journal (AAAJ), Management Accounting Research (MAR), Journal of Accounting and Public Policy (JAPP), Research in Government and Non-Profit Accounting (RGNAA).
5.2 The theoretical framework/construct of the study

The approach adopted in this study is a unique theoretical triangulation approach; framed within political economy theory, and drawing on notions of new institutional theory (in particular, decoupling and coercion).

This approach is subsequently applied within an emerging economies context. This involves incorporating elements of the concept of imperialism within the theoretical construct. Through this theoretical triangulation approach, it is possible to capture multiple interpretations or different views of the research issues (Hoque et al., 2013).

Therefore, two diagrams are presented in this section. The first provides a general introduction of the blended theoretical approach (see, Figure 5.1) and the second shows the specific application of this approach to emerging economies context (see, Figure 5.2).

Figure 5.1: Theoretical Framework

Classical Political Economy Theory

- New Institutional Theory (NIT)

Isomorphism: Mimetic, Normative and Coercive

Decoupling

Coercive **
**This study particularly draws on the notion of coercive isomorphism in providing explanation of the issues and findings of the research.

For this study, Figure 5.1 is synthesized with emerging economies context. Thus, the Figure below illustrates a number of features which are applied within this study.

*Figure 5.2: Unique Theoretical Framework in Relation to Research Context*

Again, the rationale for adopting the theoretical approach depicted in Figure 5.2 above emerged from the multi-perspective nature (Hoque et al., 2013) or complexities of issues of public accountability in relation to emerging economies. However, while this can be understood as a constructive response to the complexities of the research, it is important to
explain what the respective positions in Figure 5.2 reflect and how they combine together. These explanations are provided in the subsequent sections.

5.2.1 Framing in a political and emerging economy perspective

Starting broadly from the political economy perspective; there is a general consensus that ‘political economy’ originated in the 19th century (Woodward, 2000). Tinker (1980) conceptualised political economy and argued that the theory relies on the social relations of production, an analysis of the division of power between interest groups in a society and the institutional processes through which interests may be advanced. Cooper and Sherer (1984) then extended Tinker’s conception by arguing that the study of accounting should recognise the issues of wealth, power and conflict which exist in societies.

In addition, Deegan and Unerman (2011) explained that political economy theory has been dominated by two theoretical positions; classical political economy and non-classical (bourgeois) political economy. Again, what these two positions tell us about public accountability differ. While the non-classical position emphasises social justice and environmental harmony perspective (mainly through the lenses of stakeholder and legitimacy theory), classical political economy tends to perceive public accountability structures as a means of maintaining a favoured position for those who control resources (Deegan and Unerman, 2011) with a commensurate degree of rigour and understanding of social and political issues. Tinker (1980), Cooper and Sherer (1984), Deegan and Unerman (2011) explained that political and social problems deserve systematic investigations in accounting and accountability research. They argue that under a critical political economy approach, investigations of accounting and accountability issues are framed within the premise that public accountability problems are potentially a reflection of the problems in society and the public interest which should be critically analysed.

Alawattage and Wickramasinghe (2009) and Chapman et al. (2009) argued that political economy theory should be used in analysing the role of accounting in large public organisations. They explained that political economy draws on variations in regulations and accounting practices, linking institutions and political structures, and therefore it can be used as an approach in identifying accounting and accountability problems. However, the focus of this chapter is to pursue the theoretical framework from an emerging economy perspective. For instance, William (1999), Uddin and Hopper (2001), Hopper and
Wickramasinghe (2005), Alawattage and Wickramasinghe (2009) have all approached research in the context of ‘emerging economies’ or less-developed countries from the perspective of political economy theory.

How and Alawattage (2012) used political economy and new institutional theory to examine why the accounting regime in a Malaysian company remained decoupled from operations. They argue that the roles of accounting assumed within political hegemonies of emerging economies are rooted in political imperfections.

Uddin and Hopper (2001) examined how state politics involving political parties interact with labour resistance at the point of production to transform controls and accounting. Given that the issues raised in Uddin and Hopper (2001) were particular to Bangladesh, the researchers adopted a political economy perspective framework and Burawoy’s key constructs, in essence, political coercion, consent, internal state and gaming. As a result, their main findings were that state politics render technically sound accounting systems ineffective, hence, leading to public sector deficit.

Another example of the use of a political economy perspective in emerging economies can be seen in Hopper and Wickramasinghe (2005). They examined the imposition of western laws in Sri Lanka, using the theory of cultural and political economy. The researchers took a non-deterministic position and postulated that theories on emerging economies must be developed by iterating indigenous data and incorporating the social and political dynamics. They argue that accounting is influenced by the organisational and social context in which it operates and through this framework they concluded that imposing western laws onto a traditional Sinhalese village creates tensions and unanticipated consequences.

It is therefore evident that theoretical insights have been drawn from a broader classical political economy perspective in analysing issues particular to emerging economies. While the above studies adopted approaches from political inference, culture, decoupling and new institutional theory, this study seeks to blend the theoretical perspectives together; it also extends the framework by incorporating approaches based on imperialism and NPM to

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36 Burawoy’s (1979, 1985) early work on Allied Corporation was an intensive case study: with a premise that whilst capital may coerce workers it must also secure their co-operation by obscuring the exploitative character of its control. This work was subsequently compared with case studies from other countries, including emerging economies not dissimilar to Bangladesh, hence, Uddin and Hopper (2001) utilised Burawoy’s offered comparative analysis in their theoretical construct.
provide a more comprehensive framework in addressing the issues of research. In the subsequent sub-sections, these elements or approaches and how they do or do not combine together will be explained.

5.2.2 New Institutional Theory (NIT)

Whilst political economy theory offers broader explanations to the public accountability problems in this research, NIT goes further by providing specificity to these explanations.

NIT is regarded as the most common theoretical approach in public sector research (Dillard et al., 2004; Van Helden, 2005; Jacobs, 2010a). The roots of institutional theory run richly through the formative years of social science, peaking in the nineteenth century when there was an increase in the awareness and interaction of organisations in the same industry regarding how similar they were (DiMaggio and Powell, 1983).

A predominant factor underlying the growth of the NIT is the wide range of its applicability (Dillard et al., 2004). Initially, new institutional theorists assumed that institutional ideas are mainly applicable in the private sector (Broadbent et al., 2001), however, now it has been established that the theory is applicable in public sector organisations, albeit to varying degrees (Scott, 2005).

Jacobs (2012a) revealed that most public sector research has remained wedded to the central themes of new institutionalism, particularly the ideas of isomorphism – Normative, Mimetic and Coercive. Normative isomorphism stems from pressures from the accounting profession to adopt a particular form of institutional practice; hence, the degree of professionalism and technical function becomes the dominant accountability and performance measurement for organisations in this case (March and Olson, 1996). On the other hand, the force behind mimetic isomorphism is uncertainty; here organisations are seeking to emulate the practice of others in order to become legitimate (DiMaggio and Powell, 1983).

However, Figures 5.1 and 5.2 draw on ‘coercive isomorphism’ to unveil the issues and investigate the research questions of the study from the perspective of new institutionalism. The difference between coercive and the other forms of isomorphism is that coercive isomorphism is linked with power and submission (DiMaggio and Powell, 1983). However, some theorists have extended coercive isomorphism to the idea of resource
dependency (Tolbert, 1995; Oliver, 1997; Modell et al., 2007). A prominent aspect of this expansion on accounting research in emerging economies is that it emphasizes the role of external financial institutions (such as the World Bank (WB), the International Monetary Fund (IMF), etc.) in facilitating accounting and accountability practices as well as reforms (Adhikari and Mellemvik, 2011). Hence, it is assumed that good accountability practices flow through coercion and NPM has become a tool for such coercion; a tool to promote neo-liberal and imperialism ideas37 (Rahaman et al., 2007; Uddin et al., 2011). The theoretical position adopted here argues that accountability reforms in emerging economies are influenced by globally disseminated ideas; in essence, the active participation of global financial institutions and the adherence to the globalised ideas which contribute to the pursuit of modern public administration and to filling the resource gap in emerging economies (Adhikari and Mellemvik, 2011).

5.2.2.1 Decoupling

NIT has also provided a further important notion in Figure 5.1, i.e. ‘decoupling’. The notion of decoupling is perhaps best explained by Meyer and Rowan (1977), who argued that formal organisation structures are mythical, deceptive, and mainly engage in ceremonial conformity or symbolic dressing. Meyer and Rowan explained that organisations that reflect institutional rules tend to buffer their formal structures by building gaps between structure and actual work activities. In other words, practice is not necessarily integrated with public accountability structure, though there is an expectation to conform to the structure.

The notion of decoupling is not necessarily an emerging economy and public accountability phenomenon - it has been mainly adopted in management accounting studies. For instance, Berry et al. (1985) presented a classic case of the British National Coal Board (NCB) as a clear point of reference; the researcher observed how NCB manages business through a decoupled control system, finding that the system was weak. Nevertheless, some research has been in the context of the public sector in emerging economies (Siti-Nabiha and Scapens, 2005; Uddin and Hopper, 2001; Rahaman, 2010; How and Alawattage, 2012).

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37 This will be explained in more detail in the subsequent sub-section of the theoretical framework.
**Decoupling as a result of political imperfection/interference:**

How and Alawattage (2012) extended the notion of decoupling to provide theoretical and empirical explanations of political imperfections within the public sector in emerging economies. Their study found that accounting in a Malaysian company did not rationalise the way the non-accounting activities were performed or decided, arguing that this was a decision that had always been carried out based on political patronage. Therefore, it may be argued that public organisations in emerging economies may be rooted in the “political imperfections” within which they operate – decoupling may be implied by these political imperfections at both macro and micro level. Not much has been written about political interference/human override over public accountability in accounting research. Fukofuka and Jacobs (2012) on the other hand, highlighted that the field of accounting is not entirely autonomous, but rather strongly linked with politics.

As such, a number of studies have theorised that political interference renders public accountability ineffective (Uyangoda, 2000; Alawattage and Wickramasinghe, 2009; Fukofuka and Jacobs, 2012). Moreover, Alawattage and Wickramasinghe (2009) explained that politicians usually have the power to recruit, promote and transfer personnel across the state bureaucracy and also explained that for politicians, satisfying their political agenda through mobilising public resources is most important. They theorised that politicians institutionalise political patronage within public organisations. This kind of relationship keeps the public officials under an obligation to satisfy the political class; hence, such officers cannot refuse political requests even if they hinder the organisation’s accountability system. This therefore, creates a coercive human override over public accountability structures, which may create situations for breeches or inconsistencies in such structures.

**Decoupling as a result of cultural/indigenous resistance:**

First, it was Siti-Nabiha and Scapens (2005) who demonstrated how the implementation of a performance evaluation system in a state-owned company became decoupled from the internal operating systems. Other researchers theorised that accounting practices and reforms proposed by external financial institutions were not implemented in the manner intended by such organisations (Uddin et al., 2011). This was referred to as ‘decoupling’ – whereby accounting and accountability practices based on the so-called best western
models have not suited all emerging economies equally well (Siti-Nabiha and Scapens, 2005). Consequently, a study by Uddin et al. (2011) found that the involvement of external institutions through resources and technologies forced the Ugandan state to continue to maintain a foreign participatory budgeting system. In similar vein, Rahaman et al. (2007) revealed how the World Bank lending operations to the Ghanaian public sector implied accounting technologies (under the umbrella of ‘efficiency and accountability’) to cover up the relationship between the World Bank and the public institution (i.e. Volta River Authorities).

Others reveal that the basis for decoupling can be better understood from a cultural perspective. Christensen et al. (2008) and Regan (2010) surmised that this is a means by which imperial institutions seek to incorporate emerging countries into their moral universe, a universe which is alien to these countries. In addition, Regan recognised that incorporating imperialism38 in the investigation of public accountability issues will involve thinking about and articulating the role of culture in modern imperial experience. From their points of view, NPM is a tool for imperialism and is seen to have an ambition of incorporating imperial policies in the form of accounting and accountability practices to replace the existing and indigenous organisational practices. As a result, there is cultural resistance which hinders NPM’s successful implementation.

Furthermore, Gray (1988) and Masoe (2010) suggested that empirical testing of the impact of culture on the introduction of western accounting and accountability systems on emerging economies should be carried out. For instance, in the case of Solomon Island, Masoe revealed that the underlying principle of western accounting and accountability system may contradict the collective social framework evident in Solomon Island, resulting in disempowerment of indigenous practices. Consequently, Masoe discovered that the introduction of western accounting systems in the Philippines was done in a manner that frustrated the norms in society and public organisations; this provoked resistance by the Philippine indigenes.

In view of these results, Lapsley (2009) emphasized that understanding the resistance put up by beneficiaries of imperialist ideas is important. Perhaps this may explain why some public accountability reforms been decoupled or have not been implemented effectively in

38 The concept of imperialism is explained in detail in the subsequent sub-section.
emerging economies. Fukofuta and Jacobs (2012) explained that most resistance to imperial policies take a complex forms. Davie (2000) theorised that resistance appears as a variance between imperialist ideas and emerging economies practices, therefore creating a gap which hinders the successful implementation of the imperial or NPM policies.

Although decoupling may seem to be the answer for inherent socio-political imperfections, nevertheless, this study cannot just assume that there is decoupling, because it is possible that public sector organisations are truly concerned with public accountability. As such, the gap and inconsistency between what the regulations say in terms of the structure and what is happening in practice may not be significant (Carruthers, 1995). However, if decoupling is discovered, it will provide a rich insight for Figures 5.1 and 5.2 and in interpreting the empirics from the study.\footnote{The implication of this will be explored in chapter 7.}

Looking back at the incorporation of NIT in Figures 5.1 and 5.2, the choice of the NIT as an element of the theoretical framework for this study also highlights the need to understand the self-interest\footnote{This will be revisited in the discussion chapter.} which resides within various exemplars of formal organisations (Covaleski and Dirsmith, 1988). Furthermore, NIT helps in gaining insight into the public accountability reforms proposed to the FMT by external financial institutions and the response by the public officials to the pressures exerted by these reforms.

In conclusion, the question as to how effectively NIT can be synthesized with other theoretical perspectives has also been addressed to an extent. There seems to be a trend towards an approach where NIT is combined with other theoretical perspectives; for instance, Hopper and Major (2007) extended a new institutionalism approach with ideas of budgetary instrumentalism. Petterson (1995) illustrated how difficult it is to differentiate between the use of NIT and aspects of political theory. To this end, this study draws on coercive isomorphism and decoupling, from NIT within a broader political economy perspective, to address the issues of the study.

However, despite its applicability, NIT in this study suffers from a major drawback. This study has shown that NIT is insufficient in providing all the explanations to the public
accountability issues in relation to emerging economies; therefore, the concept of imperialism is used to extend NIT.

5.2.3 Concept of Imperialism and How it Extends NIT

No previous study has adopted the notion of imperialism in extending NIT, particularly in the field of public accountability research.

What is imperialism?

The ambiguity surrounding the meaning of imperialism and the various forms it adopts in public sector research can be viewed as an incessant battleground for imperial discourse (Davie, 2000). In general, imperialism refers to an asymmetrical relationship of dominance and dependence between separate groups, societies, parties or institutions (Stephen, 2012). Moreover, Gallagher and Robinson (1953) described imperialism as a high state of capitalism, inevitable foreign investments and a political function of integrating new reforms into an expanding economy.

More critically, Robinson (1986) and Wessling (1978) defined imperialism by describing it as a central mechanism for unequal bargains between advanced countries and selected indigenous emerging countries. Similarly, Davie (2000) argued that imperialism emphasizes not the changes or reforms but rather the nature of relationships. This is often characterised as typically the relationship between the western and the developing countries.

Having defined what is meant by imperialism, this study will now move on to discuss its classifications. According to Annette (2000) and Davie (2000) imperialism may be classified into two broad categories.

First, imperialism concerns the idea of resource dependency and unequal developments. This provides opportunities to conceptualise indigenous reactions to reforms as advocated by western countries. Moreover, this relies on weaker countries being integrated into the roles of advanced countries, so that the decisions governing public administration and accountability are administered by the interests of the later. Critics argue that this perspective of imperialism produces a ‘one-eyed analysis’ (i.e. through coercion) of
domination and exploitation of non-western societies (Lapsley, 1999; Rahaman et al., 2007).

Second, instead of the logic of resource dependency (i.e. through coercion) and conditionalities, imperialism is viewed in terms of western institutions advocating a particular political economy (Peet, 2003). Davie (2000), Peet (2003) and Collins et al. (2010) theorised that imperialism can be as a result of collaboration. Therefore, collaboration may take place through not only the discussion of the nature of western domination and political control but also the way in which reforms are implemented.

It might also be important to note that Nigeria is a former colony of the west (particularly, Britain) and as a result, established a close relationship and was subject to western practices. However, in recent times, relationships with the external financial institutions such as the IMF and the WB are more prominent and matter the most.

Nonetheless, “imperialism can be as a result of collaboration” is at the heart of understanding how imperialism has contributed to subtle coercion as illustrated in Figure 5.2. Moreover, imperialism has been a fundamental concept in the exploitation of cultural issues in emerging economies; therefore, it provides explanations to the third research question.

**How imperialism is manifested through external financial institutions**

Over the last couple of centuries, emerging economies have come under significant western influence, none more directly than through the involvement of external financial institutions (such as WB, IMF) and multinationals in their economic, social and political development affairs (Rahaman, 2010).

Authors are especially critical of the increasing influence of institutions like the IMF and WB (Annisette, 2004; Peet 2003). According to Peet (2003), advanced countries came to dominate the post-war international social and economic agendas. The researcher argues that the WB and IMF were set up as western dominated institutions, as a front for western policies to facilitate a newer world characterised by a more subtle effective imperialism.

The impetus for imperialism was the creation of policy agendas in support of western advocacies (Veltmeyer, 2011). The WB along with its sister organisation (IMF), stand at the centre of promoting western policies (such as, public administration and accountability
policies) (Annisette, 2004). Annisette shares the view that the WB and IMF are agents for change and complex policy implementation but Mir and Rahaman (2005) went further by describing them as ‘imperialist institutions’.

As far as the IMF is concerned, in the beginning, the IMF loans were mainly in the circle of the funding institutions or countries. By the mid-1970s, the IMF took a more interventionist stance by which loans to emerging countries were granted subject to conditions. These conditions tend to require the adoption of western style policies/practices. Although, critical analyses suggest that where conditions are imposed reforms were more of façade than actually having any substance (Uddin and Tsamenyi, 2005; Rahaman, 2010).

Likewise, for the WB, in the 1950s the focus shifted towards project lending to emerging economies. At this time, social upheaval, transformative political possibilities, poverty reduction and public administration became the WB’s main focus area (Peet, 2003). Subsequently, Dixon (2007) provided that reforms are imported under structural adjustment programs. Both WB and IMF were involved in structural adjustment policies and as a result, both were criticised for wholesale and improper implementation (Lapsley, 1999 and 2009).

NPM has been increasingly incorporated into these structural adjustment programs and others. Lapsley’s argument exemplifies the prominence accorded to NPM (in the broad sense of theory) that is reflective in the practices of public sector organisations. Thus, this present study does not only integrate imperialism in a broader theoretical framework (as shown in Figure 5.2) but also explores ‘NPM as a tool for imperialism’.

5.2.3.1 NPM as a tool for imperialism

As indicated earlier, external financial/ imperialist institutions have been promoting NPM reforms in emerging economies since the 1980s (Allen, 2009). As explained in chapter two, the idea of NPM has proved to be irresistible to public sector researchers. NPM has been adopted globally, incorporating private sector criteria in public sector administration. Lapsley (2009) suggested that given the scale and complexity of NPM, accounting researchers should adopt a combined theoretical approach to investigate the phenomenon. In addition, Jacobs (2012a) suggested that theorists should make greater efforts to develop
and extend concepts into a developed theoretical framework in order to inform the understanding of accounting and accountability practices in public sector entities.

Imperialist institutions’ expansion is a complex process. Sub- section 5.2.3 suggests that there are alternative perspectives regarding how NPM is used as a tool for imperialism.

One way is through coercion. Allen (2009) and Fukofuka and Jacobs (2012) emphasized that imperialist institutions through their powers, use NPM as a tool in dominating and influencing the accounting and accountability practices of emerging economies. Similar themes are evident in Davie (2000), Dixon (2007), Lapsley (2009) and Regan (2010). From this perspective, NPM is seen as a rationale or instrument, wrapped in a language that emphasises the various economic and social deficiencies (such as poverty eradication, lack of efficiency, transparency and accountability) that it intends to rectify (Rahaman, 2010; Regan, 2010). However, Dixon (2007) theorised that these intensions are not the true purposes of the reforms. Instead he argued that reforms may worsen the situation and that their purpose is essentially to promote the relationship between the imperial institutions and the local public organisations. For instance, Dixon (2007) discussed the unexpected and unintended effects of NPM in Kiribati through the adoption of an imperialistic approach - investigating an IMF’s official claim of transparency and accountability in the region.

Alternatively, in another study, voluntary cooperation or request for imperial interventions by emerging countries. For example, Therkildsen (2001) emphasized the significance of collaboration between imperialists and emerging economies - this aspect of the concept is essential in this study, especially in understanding the adoption of the diverse and complex accountability reforms issues in an emerging economy like Nigeria.

Nonetheless, the NPM concept is usually associated with the implementation of private sector financial management practices, such as accounting and scrutiny practices and models such as public private partnerships, in public sector organisations. This understanding of the NPM concept was adopted in a case study of Nepal, where NPM reforms exposed the country to various financial management practices such as accrual accounting and accounting standards (Jayasinghe and Adhikari, 2013). The implication of this was that Nepal’s financial management practices became based on the first world or imperial criteria, despite the fact that these practices were promoted by coercive and
normative pressures and struggled to generate a positive impact in the country’s public accountability structure (Jayasinghe and Adhikari, 2013).

Using the same framework, Rahaman and Lawrence (2001) discussed how the financial management system in the Ghanaian public sector reflected a continuous relationship with external financial institutions or western powers. Uddin and Tsamenyi (2005) extended this framework on Ghana, by evaluating the financial and performance measurement systems and the extent to which they serve the Ghanaian public interest. Although this is not the aim of this study, Rahaman et al. (2007) also incorporated imperialism into a slightly different theme by exploring the role of accounting and democratic deliberation on water privatisation in Ghana, illustrating how the WB influences accounting and financial technology practices.

There are different perspectives regarding how NPM is used as a tool for imperialism. Within, NPM, the role of accounting is very important. Hence, there have also been several attempts through an imperialism framework to investigate accounting and accountability issues in emerging economies; Moreover, Davie (2000) adopted elements of imperialism to highlight how accounting is mobilised by powerful actors and the role accounting plays as a tool for imperialism in Fiji.

Certainly, accounting has an unmistakable power in imperialism (Davie, 2000). Accounting promotes disclosure and makes visible the linkage between external financial institutions and beneficiaries structures. Nonetheless, Davie theorised that accounting might recognise indigenous corporation to western penetrations by highlighting the politics surrounding its application. Therefore, accounting presents many more aspects of accountability issues than may be popularly perceived. Through the imposition of NPM, there is space for critical accounting research (such as this) to investigate the role of accounting within a public sector organisation (such as FMT) and whether NPM can be used as a tool for coercion – issues which have never been examined by researchers in this field.

This present study therefore, seeks to explore how NPM is deployed within the empirical setting. From this, the reason why these reforms do not work effectively and the resistance to these NPM reforms can be explained. This is particularly examined via the approach voluntary cooperation for imperial intervention.
5.3 How imperialism extends NIT – *the prominent notion of subtle coercion*

The main argument to emerge from Figure 5.2 is that NIT is insufficient in providing all the explanations to the nature of public accountability problems in an emerging economy such as Nigeria.

Nigeria is in a fortunate position because it has natural resources capable of funding and sustaining its public sector projects compared to countries such as Ghana, Uganda, Kiribati, and Nepal etc. Since, Nigeria is choosing to collaborate with IMF and WB, therefore, these agents of imperialism (Annisette, 2000; 2004) are unable to bring about stronger coercion as they would if reforms were implemented based on resource dependency.

Although, many new institutional theorists have reflected on the views of power, wealth (re-) distribution, capitalism and exploitation of less advanced nations (Gallagher and Robinson, 1953; Dixon, 2007; Regan, 2010). This is because most reforms have been implemented in emerging economies through resource dependency and coercive isomorphic pressures.

What NIT fails to capture is that there are instances where reforms might be implemented on a collaborative basis; hence, the coercive pressures in this circumstance are subtle. The notion of imperialism helps us in explaining and understanding this kind of coercion.

Perhaps to better understand the rationale for using imperialism to extend NIT it is helpful to briefly review how subtle coercion emerged as a theoretical construct. A good starting point is the idea of resource dependency with regards to the coercive pressures which comes from it. This is believed to be the most common paradigm governing the roles of external institutions such as WB and IMF in emerging economies (Collins *et al.*, 2010). As a result, several researchers have criticised the application of this paradigm within the emerging economies contexts (Rahaman and Lawrence, 2001; Uddin and Tsamenyi, 2005; Jayasinghe and Adhikari, 2013). Within this paradigm, there is a danger that emerging economies researchers may be constrained in their approach, particular in terms of public accountability investigations. Therefore, such paradigm does not only contribute to the debate about the applicability of NIT but also favours greater theoretical diversity.
At this point, two main questions need to be asked. First, what are the implications if the roles of the WB/IMF in some emerging economies are based on collaboration? Second, what does this mean for coercive isomorphism as advocated by NIT?

This can be exemplified by using the case of Nigeria. Prior to the implementation of current public accountability reform, the Nigerian public sector organisations were faced with constraints of inefficiencies, poor accountability, political issues, waste and undelivered public services. As indicated in chapter 3, subsequently, the NEEDS reform was as a result implemented based on collaboration (rather than resource dependency) with the WB/IMF.

This imperialist collaborative approach therefore emerged as the outcome for the need for social, economic and public sector change. Consequently, western oriented accounting, financial management and public administration practices formed integral parts of the NEEDS reform. Therefore, the pressure to adopt western oriented reform can be associated with the desire to move forward in terms of public accountability. Moreover, Nigeria did not have the capacity to develop these reforms; hence it turned to WB and IMF which have been prominent in the advocating for developments in emerging economies.

Therefore, imperialism extends NIT by informing it that just as an imperialism approach in certain emerging economies can be subtle (i.e. as a result of collaboration), so can coercive isomorphic pressures. Subtle coercion further provides answers to the third research why have the current public accountability reforms been difficult to implement effectively?

5.4 Limitations and concerns

There are some limitations and concerns posed by the theoretical framework adopted in this study. For instance, recent developments in the field of public accountability have recognized that the concept of democracy plays an important role in both theoretical and empirical analysis (Papadopoulos, 2010; Trechsel, 2010). Hence, it is becoming increasingly difficult to ignore the significance of democratic ideas, particularly the relationship between politicians and electorates regarding public accountability issues. However, this study takes a different approach; it rather sought to critically examine the relationship between politicians and public officials. The reason for this is that in the context of Nigeria, the public accountability issue is not about the notion of democracy but
rather about the way that officials organise the execution of projects, especially considering the complex nature of politics and political patronages in the country.

Furthermore, democratic accountability mainly provides a two-way analysis, such as, in the context of the political authorities (agents) and electorates (principals), with the former justifying itself and its actions to the latter (Mayston, 1993). The problem here is that it implies an agency relationship, which in turn may be descriptive in nature and not sufficient in explaining the complex issues of the study. This may also imply that votes and referendums are the ways in which the activities of the public sector organisations are legitimised (Trechsel, 2010); the issue here is that with emerging economies, particularly in Africa, there is evidence of a democratic deficit (Rahaman et al., 2007), which further makes the application of the concept challenging to this study.

Another limitation is that incorporating imperialism may imply an archival methodological approach (Decker, 2013). However, since archives in emerging economies, particularly African countries, suffer from suppression and deficiency of information, this is problematic. This study, when investigating why the current public accountability reforms have not been implemented effectively, has mitigated this challenge by examining the most current public accountability reform in the empirical setting (in essence, between 2004-2012).

Furthermore, Young and Preston (1996) and Modell (2013) raised a number of concerns in relation to using a multiple theoretical perspective approach. They argued that this approach may not be consistent with the paradigmatic underpinning. Therefore, the failure to articulate a paradigmatic foundation may affect the rationale for multiple theoretical approach or theoretical development. This concern was addressed earlier, in chapter 4, where it was indicated that the study adopts a critical accounting paradigm. With a critical accounting paradigm, there is the advantage and rationale for blending theories with or without diverse pragmatic origins (Goddard, 2010; Jacob; 2012b). Furthermore, critical accounting researchers often mobilise multiple theories to make sense of the complexities of research (Modell, 2013).

Finally, there may be some concern over the development of the indigenous theoretical framework which emerged from the empirics of the study. In view of this, it is important to state that critical accounting paradigm justifies such research; it provides a coherent
framework that requires close intertwining of empirical and theoretical framework (Modell, 2013).

5.5 Conclusion

Qualitative research has been referred to as being ‘heavily and theoretically front-loaded’, as a field where theories are not clearly related to the research problem or empirical case (Vaivio, 2008). Though theories may allow researchers to verify the empirics and research problems, it was identified that a single theoretical approach in public sector research is insufficient in investigating its comprehensive and multiple perspectives nature.

This chapter commenced by illustrating a number of popular theoretical approaches that have been adopted in public sector accounting and accountability research, for instance, legitimacy theory, stakeholder theory, agency theory, Foucauldian theory and Habermasian theory. As a result, it provided reasons why these approaches are not suitable for examining and investigating the issues of this study.

While recognising that there is no theoretically-pure framework in public sector research and that the rationales for the adoption of each theoretical approach differ, this chapter illustrated how the unique theoretical framework used in the study was been developed based on the critical accounting paradigm foundation. Hence, it also identified that there is a recent growth or trend towards critical theoretical approach in accounting and accountability research.

Moreover, Figure 5.2 illustrated that multiple theoretical perspectives may be used to identify the connections between different contexts. It draws on a broader political economy theory, paying particular attention to issues relating to emerging economies, borrowing from the notions of decoupling and coercive isomorphism. Though a similar approach has been adopted in management accounting research, the approach adopted here goes further to incorporate the approaches based on of imperialism, NPM, human override and culture (as illustrated on Figure 5.2).

Most prominently, it provides that NIT is insufficient in providing all the explanations to the public accountability issues in relation to emerging economies; therefore, the concept of imperialism is used to extend NIT.
Nonetheless, there are some limitations and concerns posed by the theoretical framework. However, a unique theoretical framework applicable to emerging economy context is not only provided, there is also a contribution to social sciences and accounting; having engaged with accountability issues, which have recently gained increasing significance in contemporary accounting research.
CHAPTER SIX: EMPIRICS

6.0 Introduction

The application of the theoretical framework in this study is approached in two chapters. The present chapter provides data and detailed empirical findings in relation to the research questions of the study. These findings were discovered through interviews, observations, photographs, documentary and newspaper analyses and by examining public accountability issues at the Federal Ministry of Transport (FMT). Moreover, the findings from the FMT are complimented by the findings from the NPA and NIMASA agencies and other key government structures.

Chapter 7 provides the analysis, in particular, relating it to the theory. This chapter explores themes which emerged from the empirical analysis of the research questions. Most importantly, the study also establishes the relationship between the empirics and the theoretical premises.

Chapter Outline

The present chapter is divided into three sections (i.e. 6.1, 6.2 and 6.3). Section 6.1 addresses the first research question by explaining the current Nigerian public accountability structure and how it should work. This section examines extracts from key regulatory frameworks, specifying links and providing details of how the FMT can be held accountable. Most importantly, it provides an illustration by pulling together the regulatory framework from various sources and from participants’ responses regarding the current accountability structure.

In section 6.2, the chapter moves to address the second research question by exploring the gap between what the regulations indicate should happen in terms of the structures and what is happening (the practices). From this section, evidence in the form of challenges and inconsistencies rendering the current formalised structure ineffective are provided.

Finally, as explained in the Nigerian background chapter, a number of reforms have been implemented to complement and provide a stronger public accountability platform for the ministries, departments and agencies. For this reason, section 6.3 examines why the current public accountability reforms have been difficult to implement effectively. In particular, it examines and compares NPM external reforms with indigenous reform initiatives and
draws out limitations to the successful implementation of public accountability reforms in Nigeria.

SECTION 6.1

“The current public accountability structure of FMT”

This section presents key features of the current public accountability structure of the FMT, Nigeria. It examines the regulations, narratives, interviews and discourse evidence which addresses the first research question of the study (i.e. *what are the current Nigerian public accountability structures and how should they work?*).

As explained in the Nigerian background chapter, most issues of public accountability in Nigeria revolve around procurement and abandoned projects. Therefore, one key approach of ensuring completion of projects and improved procurement services is through the implementation of a regulation known as the Procurement Act, 2007. Other key approaches include compliance with the 1999 Constitution, the Financial Regulations, 1958 (revised 2009) and the Audit Act (1954).

The sub-sections that follow move to address the first research question. These sub-sections aim to provide an overall illustration of the current Nigerian public accountability structure. Section 6.1.1 starts by examining what the regulations say about public accountability. During this process, newer regulations are examined because older ones are out of date. Subsequently, this section examines the Procurement Act because key concerns revolve around procurement and non-complete/abandoned projects. This is followed by the examination of the Constitution and the Financial Regulations. By linking key extracts of regulations to interview responses in section 6.1.2, this study identifies unwritten views from which an illustration of the current formalised structure is provided.
6.1.1 What the regulations say about public accountability

As mentioned in section 2.4.2 in the literature review, regulations play an important role in public accountability, and as in other organisations, FMT and its agencies operate within a number of regulatory frameworks.

This study found that regulations are out of date. AGF, IP2 commented that;

“"The truth is that most of the regulations we have now are copied from the old British-colonial system of governance. These have negative effects, especially on current decisions that need to be made... (AGF, IP2)"

The Financial Regulations and Procurement Acts are newer than the Audit Act. The implication of this is that public audit appears to be carried out in an informal manner. Also, the FMT is therefore inclined to adopt or adhere to relevant extracts in the newer regulations, such as the Constitution of 1999, Procurement Act of 2007 and the Financial Regulations, 1958 (revised in 2009).

Moreover, this study found that the most predominant regulation is the Procurement Act. This Act was established by the government as a regulatory framework responsible for monitoring and oversight, harmonising the regulations with practice, setting standards, ensuring accountability, probity and transparency in public sector operations as well as in all other related matters (Procurement Act, 2007). Thus, there are a number of extracts (i.e. acts, sections and subsections) which demonstrate the regulations’ expectation of how accountability should be practiced in FMT. Based on the examination of the Procurement Act, Table 6.1 shows a step by step accountability practice within the Ministry and its agencies;
<table>
<thead>
<tr>
<th>Steps</th>
<th>Relevant Extracts from the regulation</th>
<th>In Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 1</td>
<td>Act (16) section (1) subsection (b) – “No procurement proceeding shall be formalised until the procuring entity has ensured that funds are available to meet the obligations”</td>
<td>Adequate appropriation of funds</td>
</tr>
<tr>
<td>Step 2</td>
<td>Act (24) Subsection (2) – “Offering every interested bidder equal simultaneous information and opportunities to offer the goods and works needed”.</td>
<td>Advertisement</td>
</tr>
<tr>
<td>Step 3</td>
<td>Act (16) (1) (d) – “the bidding process should be in a manner which is transparent, timely, equitable for ensuring accountability and continuity with this act and regulations deriving there from. (e) “With an aim of achieving value for money and fitness for purpose”.</td>
<td>Transparent prequalification and bidding</td>
</tr>
<tr>
<td>Step 4</td>
<td>Act (30) – “All bids shall be submitted before the deadline or date specified in the tender document or any extension. “</td>
<td>Timely bid submission</td>
</tr>
<tr>
<td>Step 5</td>
<td>Act (31)(1) – “ All bids shall be first examined to determine if (a) they meet the minimum requirement stipulated by the documents (b) have they been fully signed (c) are substantially responsive to the bidding documents (d) are generally in order. “</td>
<td>Bid evaluation</td>
</tr>
<tr>
<td>Step 6</td>
<td>Act (35)(1) – “ (1) A mobilisation fee of not more than 15% may be paid to the contractor (2) once a mobilisation fee has been paid to a supplier or contractor no further payment shall be made to a supplier or contractor without an interim performance certificate issued in accordance with contract agreement. “</td>
<td>Approval, contract &amp; execution</td>
</tr>
<tr>
<td>Step 7</td>
<td>Act (36) (2) – “ Any payment due for more than 60 days from the date of submission of the invoice, valuation certificate or confirmation or authentication by the ministries, government agency, parastatals shall be deemed a delayed payment (3) shall attract interest (variation) at a rate specified in the contract.</td>
<td>Project/contractors payment</td>
</tr>
<tr>
<td>Step 8</td>
<td>Act (38) (1) –“ Every procuring entity (Ministry, Agency, parastatals etc) shall maintain a record of the comprehensive procurement proceeding (5) the records and documents maintained shall be made available for inspection by the Auditor- General of the Federation upon request.”</td>
<td>Records, accounts and documentation</td>
</tr>
</tbody>
</table>

*Source: the Procurement Act, 2007*
Most decisions concerning the operations and activities of FMT are influenced by these extracts from the regulation. However, it is also important to note that these steps represent a starting point for what is commonly referred to as the “Due-process”.

The Due-process, as defined by one of the participants of the study, is a process aimed at providing transparency and accountability in procurements, and awarding of contracts. Public organisations must abide by these rules and regulations.

On the contrary, critics argued that accountability in terms of conduct and compliance with the Procurement Act is a challenge for FMT. By way of example, the researcher discovered that there are a number of issues with the Procurement Act, the narrative following from the Nigerian Port Authority’s (NPA) website explained that;

“In principle the Procurement Act is good because it has established process needed to guide civil servants in the way they spend government resources, but I also feel that the Procurement Act is too bureaucratic in terms of its nature. Parts of its requirements are also cumbersome in their implementation”.

True to this narrative, the Procurement Act consists of a number of steps which could be a long and burdensome process. In addition, public accountability through the Procurement Act is not just simply grouping together the steps (as revealed in Table 6.1), but involves a much more complex and comprehensive structure. It also involves extracts from the Constitution and the Financial Regulations. Together, these make up the accountability structure (as inferred by the regulatory framework). At this point, the researcher began to raise the question – how do these extracts combine to inform a more comprehensive public accountability structure? In an attempt to address this, the analysis of the regulatory evidence exemplified that perhaps, the most important element in Table 6.1 is the ‘record, accounts and documentation (i.e. step 8)’, because, the explanation of this step, informs or fuses with key extracts from the Constitution and the financial regulation. These extracts are explored in Table 6.2 which in essence expands and affirms the Due-process shown in Table 6.1.

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41 As indicated by the interviewees.
42 Managing Director of NPA
43 www.nigerianports.org/news.aspx?id=102, [last accessed on 23/01/2013]
### Table 6.2: Tabular Illustration of Relevant Extracts from the Constitution and financial regulations

<table>
<thead>
<tr>
<th>Steps</th>
<th>Relevant Extracts from the regulation</th>
<th>In Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 9</td>
<td>(111) (a) the accounting officers of ministries and government department and agencies should ensure that proper budgetary and accounting systems are established in his Ministry or extra ministerial department to enhance internal control, accountability and transparency (c) Ensures that the monthly and other periodical accounting returns and transcripts rendered to the office of the accountant-general of the federation as required by the financial regulations (d) He is responsible to answer all audit queries issued to his Ministry (<a href="#">Fin.reg, 2009</a>).</td>
<td>Internal Control. Preparation of accounts, records (i.e. from step 8) in form of transcripts. Forwarding transcripts to the accountant – general</td>
</tr>
<tr>
<td>Step 10</td>
<td>(107)(a) The accountant – general is the head of the Federal Government Accounting Services and treasury. (ii) He serves as the chief accounting officer of the receipts and payments of government of the federation. (b) Supervises the accounts of the federal ministries and extra Ministry departments (f) maintain and operates the federal accounts. (<a href="#">Fin.reg, 2009</a>). (85) Shall submit the financial statement to the auditor general who shall submit report to the national assembly. (<a href="#">Constitution, 1999</a>).</td>
<td>Accountant-general, receives the transcripts, He prepares a consolidated financial statement for all ministries and agencies and departments.</td>
</tr>
<tr>
<td>Step 11</td>
<td>(85)(1) There shall be an Auditor-General for the Federation who shall be appointed in accordance with the provisions of section 86 of this Constitution. (2) The public accounts of the Federation and of all offices and courts of the Federation shall be audited and reported on to the Auditor-General who shall submit his reports to the National Assembly; and for that purpose, the Auditor-General or any person authorised by him in that behalf shall have access to all the books, records, returns and other documents relating to those accounts. (<a href="#">Constitution, 1999</a>). (109)- He examines and ascertains all accounts relating to the public funds and properties as to whether in his opinion; (a) the account has been properly kept (b) all public monies have been fully accounted for (<a href="#">Fin.reg, 2009</a>).</td>
<td>Auditor-General audits and scrutinises the financial statement and reports. He produces a report which is sent to the PAC in the parliament for enquiry and actions.</td>
</tr>
<tr>
<td>Step 12</td>
<td>(89)(1) For the purposes of any investigation under section 88 of this Constitutional and subject to the provisions thereof, the Senate or the House of Representatives or a committee appointed in accordance with section 62 of this Constitution shall have power to: (a) procure all such evidence, written or oral, direct or circumstantial, as it may think necessary or desirable, and examine all persons as witnesses whose evidence may be material or relevant to the subject matter; (c) summon any person in Nigeria to give evidence at any place or produce any document or other thing in his possession or under his control, and examine him as a witness and require him to produce any document or other thing in his possession or under his control, subject to all just exceptions; and (d) Issue a warrant under this section may be served or executed by any member of the Nigeria Police Force or by any person authorised in that behalf by the resident of the Senate or the Speaker of the House of Representatives, as the case may require (<a href="#">Constitution, 1999</a>).</td>
<td>Reviews the report, conducts investigations and inquiry and reports to the government for further implementation of fines and sanctions.</td>
</tr>
</tbody>
</table>

*Source: the 1999 Constitution and the financial regulation, 1954 (revised, 2009)*
Table 6.2 defines various roles. The Ministry’s accounts officer maintains a record of the procurement proceeding and prepares accounts in the form of transcripts. The Accountant-General receives the transcripts and prepares a consolidated financial statement for all ministries, agencies and departments. The Auditor-General scrutinises the financial statement, reports and produces an Auditor-General’s report which is sent to the Public Accounts Committee (PAC) in the parliament for enquiry and actions.

In respect of the tabular analysis of the regulatory framework, the researcher established that; on the one hand, the regulations might appear convincing- in essence, there is the expectation that the provisions will be adhered to. On the other hand, there is room for caution. For instance, there is always likely to be a difference between what the regulations say should happen and what is happening in practice\textsuperscript{44}. That is, do the actors/officials within the structure actually carry out their functions as they should? This suggestion of lack of compliance makes the description and analysis of the current public accountability structure incomplete. For this reason, the next subsection examines the structure from the perspective of the participants in this study.

6.1.2 The unwritten rules: what the interviewees say about the regulations

Whereas the analysis of the regulatory documents played a fundamental role in illustrating what the current public accountability structure should be, the interviewees revealed different perceptions about actual practice.

To begin with, when the question about what the rules say about public accountability structure was asked, it was established that the dominance of the Due-process could not be downplayed. As one of the interviewees from FMT put it;

“\textquote{This is a public accountability system; so we start from the Due-process; we generate a voucher and make sure that all the necessary documents are attached. We now look into whether you have already done that job before, if you have done the job we will now rate you based on the certificate that is generated or based on the documents of either the job or from the procurement (FMT, IP2).}.”

This finding does not only demonstrate the interviewee’s attempt to illustrate the Due-process, but also confirmed the Procurement Act as a preliminary and dominant act in establishing accountability in the FMT. From the interviewees’ point of view, the regulations act as a step by step process in which the organisation operates. Furthermore,

\textsuperscript{44}This is explored in section 6.2
participants in NPA explained that any activity that passes within the law is inherently transparent and equitable in the Ministry. These participants explained that;

“I think that these laws are a process at which you drive the organisation on being transparent and accountable in its operations (NPA, IP3)”.  

“We have the Due-process, the Procurement Act and the Financial Regulations. So we take it step by step, this is how we conduct the aspect of finance and even if you talk about the relationship with third parties or contractors, it is also treated there (NPA, IP2)”.  

Similarly, NIMASA, IP1 explained;

"we don’t just spend the agency’s fund; we make applications for what we need. This application goes through the Due-process, to ensure that you are able to account for what you are given (NIMASA, IP1)”.  

The above responses suggest that regularity and compliance are important to the FMT. An implication of this is the possibility of a narrow conception of public accountability by the officials of the FMT.

Another important point is that the regulations appear as the reference points to FMT. These regulations are treated something like a ‘bible’ and sworn-on by public officials in the Ministry and its agencies. NPA, IP2 presented a document in the form of an oath that all public officials involved in procurement, especially the accounting officers and senior officials are required to sign (see Figure 6.1 below);

\[Figure 6.1: Oath of Allegiance for Public Officers involved with Procurement\]

\begin{verbatim}
Oath of allegiance for Public Officers involved with procurement

....................................................... do solemnly swear/affirm that I will in the discharge of my duties be governed at all times by the principles of honesty, accountability, transparency, fairness and equity. I will use the best of my abilities and endeavours to discharge my responsibilities in a way and manner that promotes the objectives of the Public Procurement Act 2007, and policies and regulations made there under the constitution of the Federal Republic of Nigeria 1999 and other laws in that regard, that I shall not take advantage of any information that comes to me for any personal gain or extort money or blackmail a party/bidder of the procurement proceedings.

So help me God.

Name: ____________________________________  
Designation: ____________________Agency: ________________  
Signature: ____________________ Date: ________________  
\end{verbatim}

Source: presented to researcher by the interviewee as a code of conduct by for public officers
Within this Figure are strong pledges to honesty, accountability, transparency, fairness and equity. This oath must be interpreted with caution. Although, in the literature it was found that public accountability needs to move beyond the constraint of a single language or interchangeable words such as those in Figure 6.1, nevertheless, the fact that all these concepts are contained within a single oath raises the question whether it is possible for the public officials to comply with all these principles.

The interviewee presented the above Figure as if it was a mechanism which represented an important channel of public accountability in the Ministry. Most importantly, the interviewee expressed that the public officials are subjected to this oath. As tidy as it may appear, it was suggested that there are issues regarding compliance with it. For instance, the interviewee stated;

“The fact that people in the past might not have complied with them, there is nothing we can do right now. But they remain a strong reference point for everybody in the agency and the public sector.“

“However, there will be no need for compliance if we assume that there will be no departure from the norm. This is why the auditing stage is important; it is what we do in audit – to find breach (NPA, IP2)“.

From these statements, it appears that compliance with the accountability regulations has often been breached. Nonetheless, the interviewee also argued the need for them.

Within the second comment is a concept of the role of audit, thus, it became clear that the Ministry usually prepares monthly and periodic accounts in the form of transcripts which are sent to the accountant-general for a more comprehensive financial statement. This is similar to what the Financial Regulations and Constitution say (see step 10, Table 6.2). To confirm this, some interviewees commented that;

“The remission of accounts is the same; we send our monthly transcript to the office of the accountant general of the federation, which goes to the auditor-general and then the national assembly. However, the national assembly has the right to ask us to give more details and how far we have gone on certain projects (FMT, IP2)“.

In the same way, NPA, IP2 explained that

“But we have these auditors from the auditor general’s office who come from time to time, like I have their report here, I have it as domestic report of the of the external auditors(Private Auditors), in fact whenever external auditors (Public Auditors) come the first thing they ask for is where is the external auditors report (Private Auditors) …. Because all these, will fish out the weaknesses in the
system which will give them a brief for their assignment, so it is like a kind of synergy and they work together (NPA, IP2).

These comments imply that there is a considerable focus on the role of auditing in the accountability process. Prior studies have also noted the importance of audit, particularly in countries influenced by Westminster style of governance, such as Nigeria. On the other hand, what the regulations (see Tables 6.1 and 6.2) did not mention is the occasional visit of the auditors to confirm transactions of the ministries; in this case, the FMT and its agencies. This aspect of the accountability structure is unwritten. This means that the auditors often go about to make sure that the Ministry’s expenditure can be accounted for and as explained by NPA, IP2; ‘the auditor-general is in a way part of the monitoring unit’.

Again, the focus of the Ministry and its agencies is also on the Auditor-General’s role and his reports. This raises the question as to how effective these reports are in addressing accountability issues. One participant stated;

“There is the lack of proper accounting information disclosure. What we observe from the auditor-general’s office is that accountants are ready to quickly disclose information that may implicate certain political elites. How do we solve this? It remains a mystery. It is like the loyalty of the accountants has been compromised already... (AGF, IP2)”

Another narrated that;

“I think the problem at that point is that sometimes the Federal auditors use their reports to harass people. When they forward their reports, instead of using doing the right thing, they use it to dictate the excesses that were omitted in the statements and then find a way to take care of themselves - I can say it. It all stops at the point where they forward their results to the Ministry and doesn’t go beyond that (FMT, IP3)”.

These statements raise important issues which suggest that the Office of the Auditor General (OAGF) is unreliable and that the accountability structure is ineffective as a consequence. These suggested implications are not consistent with the regulatory framework, and may have an effect on accountability in the Ministry. However, FMT, IP2 and FMT, IP3 referred to the practice of generating reports, which are sent to the PAC. This practice confirms that the PAC is central to the accountability structure and this is consistent with the Financial Regulations and the Constitution (see Table 6.2).
In addition, the concept of answerability is demonstrated within the current public accountability structure. An interviewee explained that;

“it is the audited account that is forwarded to the PAC and then in that report he raises issues and those issues are like queries – where money was moved from and to where, why people collected money in advance without preparing for it, why projects set up to be completed up to some level are abandoned, why some money cannot be refunded. These are some issues that are in such reports (PAC, IP1)”.

There are similarities between this comment and the point made by Uhr (1993) in the literature which established that public organisations are subject to scrutiny. Hence, the PAC holds hearings, at which as PAC, IP1 explained the Ministry is invited to come and defend the allegations in the auditor-general’s report. The interviewee mentioned that;

“If they are able to convince the committee that the money was spent in the manner it was supposed to, everything is fine. But, if they cannot convince the committee, the committee will prepare reports to the house and the house will report to the government for sanctions to be implemented (PAC, IP1)”.

It is also apparent from this comment that the final step of the accountability structure is the implementation of sanctions. At this point the government approves or dismisses the recommendations made by the PAC. However, this step has not escaped the criticisms of the public regarding sanctions and its implementation. For example, there are questions raised about whether or not sanctions are implemented, whether or not the parliamentary or government sittings are effective?

Several interviewees commented that there is a culture of delay tactics which exists at the PAC and the parliamentary level. From their perspective, this hinders the current public accountability structure. This is supported by a quote from an article by the Nigerian newspaper agency (17/10/2012) which stated that;

“A damning report detailing how a former transportation minister, who allegedly stole billions of naira meant for rehabilitation and construction of federal roads, was listed for debate for the third time in a row by the senate. December came and went and it kept appearing on the order paper as ‘matter to be discussed next month’ and eventually disappeared completely from the calendar of the senate, and has not been re-introduced to date”

In this respect, the comment is confirming that the government sits to discuss and address the recommendations by the committees. In other respect, there is the issue of the effectiveness of the parliament sittings – as seen in the comment above, there may be
regular postponement of sittings, hence, issues may not get resolved and recommendations will not get implemented as a result.

This study further examined why this issue persists. As a result, PAC, IP3 explained that;

“Yes, but these postponements come because we want to investigate further into the issues. The case of Anenih for example, we cannot say because he was the Minister so we should hold him directly responsible for the fraud in the Ministry. It could also be that the directors and junior staffs are at fault too, so we have to conduct more investigation… (PAC, IP3)”

This finding is in agreement with Bovens’ (2010) suggestion that there is a general challenge when it comes to identifying who to blame for accountability issues within an organisation. However, Bovens explained that this depends on the institutional context, in essence, in a public organisation such as the FMT; the top officials are required to give accounts.

In another explanation, AGF, IP2 explains that;

“Most of these sanctions will affect the political networks. This is a major problem and as such will repeat itself over and over again (AGF, IP2)”

This comment suggests that some politicians are not genuinely interested in ensuring that the current public accountability structure functions effectively. However, while the time – delay tactics emerge as a confronting challenge to the effectiveness of the PAC, previous findings have also pointed out other issues particular to the Procurement Act and the regulatory framework in general. These indicate that there are gaps in the current Nigerian accountability structure which hinders its effectiveness.

6.1.3 Overall public accountability structure

In the literature (i.e. sections 2.4 and 2.5), it was hypothesized that when examining public accountability issues, modelling of the structure is important. This is because the connections between practices, structures, output can indicate and explain any areas where accountability is often breached.

Hence, based on the formal Nigerian regulatory framework and participant’s responses Figure 6.2 shows the public accountability structure as it is intended to operate.
**Ministry of Transport’s Agencies:**
- NPA (Accrual based)
- NIMASA (Cash based)

Maintains a record of the procurement proceeding, in form of accounts and report, **in accordance with** Procurement Act, 2007 section (38)

**Ministry of Transport**
Prepares accounts (i.e. financial transcript) and reports using Cash based method.
In accordance with: Fin. Reg. (4) (1) and constitution (85)

**Accountant-General**
Prepares Consolidated Financial Statement, in accordance with the financial regulations (4) (1) (ii) and constitution (85) (1).

**Auditor-General**
Audits the accounts, In accordance with the constitution (85) (1) and the financial regulations (4) (1) (i)

Auditor- General, scrutinizes the Consolidated Financial Statement, & Sends report to the PAC

PAC examines reports. In accordance with Section (62) of the constitution

**Source:** Adapted from research analysis.

**-** - The process starts from the Ministry of Transport.

- **- -** - Usual relationship between the constituents of the public accountability structure.

- **- - -** - Represents rare/ occasional enquiry visits of the Ministry and Agencies by the Auditor-General’s office and sometimes by the PAC.
The procurement process commences at the Ministry and concludes when decisions are communicated back to it. This process is an upward public accountability stream, following Hood’s (2010) explanation that accountability is owed to authorities in higher positions (e.g. the parliament and higher office holders). This Figure expands the basic Westminster model illustrated in section 2.5 of the literature and provides the relevant details for Nigeria.

The findings from Tables 6.1 and 6.2 demonstrate that regulations clearly identify the laws that govern the activities of the Ministry by specifying links and providing requirements in which the organisations can be held accountable. However, Figure 6.2 illustrates a more comprehensive view which can only be achieved by pulling together the extracts from regulations and explanations from various sources.

6.1.4 Summary

In summary, this section raises important themes which will be explored in chapter 7. One notable theme is that there is a narrow conception of public accountability by the officials of FMT. The other theme demonstrates that there is a persistent problem of unimplemented sanctions.

In addition, this section suggests that Nigeria has in place a formalised structure that is capable of ensuring good practices in procurements and oversights functions and this should ensure accountability in the public sector. However, there are some gaps in this structure. Consequently, section 6.2 provides and explores these gaps in details.
SECTION 6.2

“The gaps between regulations and FMT’s accountability practice”

This section examines the narratives, interviews, speeches, photographs, discourses, press reports and publicly available documents in view of the second research question of the study (i.e. what is the gap between what the regulations indicate should happen in terms of the structures and what is happening (practices)?). The section commences by examining how public accountability is conceived by the interviewees in the case study organisations. Sub-section 6.2.2 examines the problems of transparency by exploring issues of withholding, inaccessibility and timeliness of information in the FMT. This is followed by exploring the inconsistencies surrounding the financial management techniques practiced compared to the regulations. Finally, this section concludes with a summary.

6.2.1 Compliance with regulations: over and above other explanations of public accountability

It is important to note that the rationale for analysing how public officials view public accountability is based on the idea that the gaps or inconsistencies in FMT’s accountability structure may arise as a result of how they understand the phenomenon. In this respect, it was discovered that most participants in the Ministry view public accountability simply as compliance with rules and regulations, for instance as one interviewee stated;

“Essentially in terms of accountability, there are various rules and regulations. These are put as a way of ensuring compliance, which we must also adhere to (FMT, IP1)”. 

This statement acknowledges the previous discussions which resulted in the illustration of Figure 6.2, especially the role of the regulatory framework. This view was also supported by NPA, IP2, who explained that;

“We have been complying with the provisions of the acts; so that makes us accountable and with these we carry out our obligations as we have always done (NPA, IP2)”. 

And an examination of a publicly available document further revealed;

Government business, whether in form of policies, programs, activities or functions is carried out in accordance with laid down rules and procedures……. These guidelines are expected to aid in the achievement of probity, transparency and accountability (financial regulations, pg.1)
It is apparent from the comments provided above that the phenomenon is typically conceived as compliance with regulations. FMT, IP1 and NPA, IP2 agreed that compliance is a major guide to ensuring proper implementation of procurement and capital expenditure matters. However, this raises a number of topical discussions. Firstly, in relation to the kind of impact this conception has on the public officials in FMT. Arguably, from the comments above there is an indication that the officials of FMT and NPA probably comply as a result of normal practice. If this is the case, the Ministry might be experiencing a situation whereby regulations emerge as an instrument for controlling behaviour rather than holding people accountable.

In addition, a narrative on the NPA’s website revealed that;

“The Honourable Minister of Transport has reiterated the need for the management of the Nigerian Port Authority (NPA) to continue to ensure Due-Process and strict observance of the tenets of the Procurement Act in their dealings regarding award of contracts, ‘so that everyone can go to their various homes and sleep well’.”

This indicates that the public organisations and their officials comply with the rules and regulations in an unquestioned manner. In addition, the comment saying ‘so that everyone can go to their various homes and sleep well’ may indicate that the Ministry, agencies or public officials need not worry about the outcome of their jobs or activities (whether it is effective or not) provided compliance is observed.

Secondly, these comments also indicate that the limitation in conception could signify a more internal form of accountability in the Ministry; where external scrutiny, jurisdiction and sanctions seem to be insufficient and not of much importance.

Another criticism is directed towards this narrow conception of public accountability. NPA, IP1 argues that;

“We have a scenario in Nigeria; what I call an abiding trend; where public officials look for how to steal funds, once this window is found, everyone rushes like honey bees. This is within the rules and regulations and officials contrive all kinds of actions, companies spring up overnight and they start leaching on it and when caught for manipulating the laws, these officials are often charged (NPA, IP1)”.

45 www.nigerianports.org/news.aspx?id=236, [last accessed on 30/01/2013]
This criticism suggests that the narrow conception creates gaps which lead to immoral practices and eventually poor accountability. Nonetheless, NPA, IP1 however explained that there are prospects of a more external form of accountability in NPA. According to the participant, it is important to have broader understanding of public accountability in NPA because it is a commercial agency unlike other traditional public agencies of the Ministry (for example, Nigerian Maritime Administration and Safety Agency (NIMASA)). NPA, IP1 also further explained that prosecutions and sanctions are implemented when public officials step outside the regulatory boundaries. Although, when asked how often this happens? The interviewee could not recall any equivalent situation in NPA.

At this point, the interviewer raised the question – is compliance with rules and regulations absolute? Ironically, there are some other conceptions of public accountability which is different from the previous comments revealed by the interviewees. For instance, the PAC is rather concerned about regularity. This view was supported by an interviewee comment, who stated that;

“Public accountability, I see it as a process of holding public officers responsible for public funds which have been entrusted to their care for development purposes…… Basically, what it means is that the money spent by the government and its offices are spent for the purpose intended (PAC, IP2)”. 

In addition to the concept of regularity, the interviewee also commented on ‘holding people responsible’ for usage of public funds, which is questionable considering that the most common conception is mainly compliance with rules and regulations.

Regardless of the reservations by the comments above, the main concern of the interviewee in the Economic Financial Crime Commission (EFCC) was more about the kind and issues of accountability practiced within the FMT and its agencies, the interviewee commented;

“I conceive public accountability to be very poor, the rules and regulations are there, not followed and most times bent. Especially, when you talk about procurement, which is awarding of contracts, this is where you see problems (EFCC, Ip1)”. 

This comment illustrates an argument against the significance of Figure 6.2. The comment indicates a contrary perception based on the concept of false impression, whereby, the way in which people conceive accountability is different from the structure. This view was also followed by FMT, IP3’s explanation of what public accountability means;
“I look at public accountability in Nigeria and I call it a ‘tripod-stool’, meaning it will never stand right, this is just the nature. On paper we have a very accountable system, but in practice the compromises are huge – the political leadership for instance, undermines it and compromises the balance in the Ministry (FMT, IP3).”

These raise the question, why does Nigeria need good accountability practice? In response to this, PAC, IP3 explained that:

“We need good accountability practices, because corruption is still a serious issue. There is a need for us to strengthen the structures on ground in order to be able to combat foul play and corruption (PAC, IP3)”

In similar vein, NPA, IP5 explained that;

“The reasons are obvious; to ensure transparency in the public sector, to enhance discipline, ensure management of resources and eliminate corruption (NPA, IP5)”

One major issue of this sub-section is that there is a concern about political interference in the public sector. However, the end result is that the conception of public accountability is very limited and much more focused on regulations and compliance. This is in contrast with section 2.4.1 of the literature which maintains that a narrow conception can no longer be appropriate for achieving public accountability. Though this limitation might not be common to Nigeria alone, it is however central to the analysis of how interviewees perceive the gaps or issues that surrounds public accountability in the FMT.

6.2.2 Problems of transparency - withholding, inaccessibility and timeliness of information

Sub-section 6.2.2 analyses the issue of lack of transparency in the FMT. It is based on the information from regulations, practice as well as comments solicited during interviews with participants. Therefore, this section provides critical analyses of availability and access to information and timeliness of information.

Public information withheld

In the literature chapter, the Westminster model illustrated the importance of provision of information to the public accountability structure. Another important point was that the provision of information in itself is not sufficient to achieve public accountability; hence information has to be reliable, relevant and conform to legal responsibility. Moreover, the
role of information is seen in the Ministry as very important, but without necessarily considering whether it is reliable, relevant, timely, accessible or available. FMT, IP1 explained that ‘information is the core of the Ministry’s posture’. According to the participant, providing information is conceded as a standard procedure for all Nigerian ministries, departments and agencies. In contrast to these, NPA, IP1 presented an interesting narrative, stating that;

"You can tell noble lies… there are ways we can tell somebody what he wants to hear through the information we remit…. It is just those who require information, that information is given……..

He further stated that

The reason why we withhold information is because this information might have to do with contracts and so it is not what we can just give out to people (NPA, IP1)."

The statements above raise doubt on the quality and reliability of the information provided to the public and the term ‘noble lies’ is a major concern. This further indicates that there is a culture of deliberately withholding information within NPA. However, NIMASA, IP1 argued differently. The participant argued that it is important not to withhold information. By way of illustration, NIMASA, IP1 explained that one source of revenue for the agency is through a 3% levy on cargoes from both imports and exports. According to the participant, the details of the levies are made known to the public via annual reports. True to this narrative, the description of revenues sourced from levies is evident in the NIMASA annual report (2010, page 44).

**Inaccessibility of information**

*How accessible is information?* Most participants argued that the framework for accessibility of information in the Ministry is influenced by the ‘Freedom of Information Act (FOI)’. FOI was enacted in 2011 with the aim of making public records and information more accessible and also protecting records pertaining to government activities (including procurement and contracts) to an extent which is consistent with the public interest. The FOI also discloses that public institutions should update and are required to publish reports periodically and immediately when changes occur. In addition, there are a number of extracts (i.e. acts, sections and subsections), which emphasizes the regulation’s expectation about accessibility and availability of information in the public sector (See Table 6.4);
**Table 6.3: Tabular Illustration of Relevant Extracts from the Freedom of Information Act, 2011**

<table>
<thead>
<tr>
<th>S/N</th>
<th>Relevant Extracts</th>
<th>In summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Act (1) Section (1), the right of any person to access or request information, whether or not contained in any written form, which is in the custody or possession of any public official, agency, or institution, however described.</td>
<td>Information Should be accessible</td>
</tr>
<tr>
<td>2</td>
<td>Act (2) Section (1) A public institution shall ensure that it records and keeps information about all its activities, operations and businesses.</td>
<td>Availability of information and record management</td>
</tr>
<tr>
<td>3</td>
<td>Act (2) Section (2) A public institution shall ensure the proper organization and maintenance of all information in its custody in a manner that facilitates public access to such information.</td>
<td>Maintenance and accessibility of information</td>
</tr>
</tbody>
</table>

*S/N; Serial Number

*Source: The Freedom of Information, Act 2011*

Table 6.4 provides some regulations (extracts) which are designed to enhance accessibility and availability of information to the general public. The regulation was confirmed by NPA, IP4 who stated that;

“Well, Freedom of Information Act has come to stay. Your books are supposed to be made to the public. Any time you come, you get any information you want…. Prior to that why we didn’t release some certain information is because we reconcile whole lots of information before we give it out; reason is because we want to be consistent (NPA, IP4)”.

In contrast to NPA, IP4’s statement, the researcher found it rather difficult getting access to information regarding accountability in the Ministry and on several occasions, the researcher was unable to obtain copies of reports and other documents. This suggests that there is a problem of poor implementation of regulations. The overall response to the request for annual reports was poor, many public officials were unwilling to provide these reports and many requested for authorisation from the Heads of the organisation before giving consideration. As a result, the researcher had to travel long distances to obtain
Another interesting finding was that ‘information is said to be made public, only when it is made available on the website’; in essence, the participant may have concluded that the website is the major platform in which the Ministry, Agencies and other public organisations make information available. In view of this, the researcher examined the websites of the research sites and contrary to the participant’s claim found that the websites do not present the reports of the organisations. For instance, within the NPA’s website, there is a provision for ‘annual reports’, however, when explored further, no reports are made available; this situation is similar to other organisations of this study. In view of this, the researcher explored whether the interviewees where aware of the current situation and how concerned they were. As a result, PAC, IP2 commented that:

“You will pity Nigeria if you go to our website; people in the Market have a more vibrant website. There is nothing on our website except the names of managers, people are not interested in this, people know the auditor general and his work (PAC, IP2)”.

Looking back at Table 6.4, it is evident that records management is relevant to ensuring accountability in the Ministry and Agencies. Similarly, the Procurement Act, 2007 also maintains that records for all contracts should be managed properly. According to the Procurement Act (section 16, act 25) availability, completeness and record management is critical. However, these regulatory provisions would have been much more convincing if the practice within the Ministry and Agencies were free of inconsistencies.

For instance, from the researcher’s observation, it was discovered that there is still a problem of lack of computerised system and rather massive adoption of the manual system of record management in the research sites. The researcher observed in the NPA that official documents were stored in bags which were also piled on the corridors of the agency. It was also observed that officials from time to time search for documents within these bags (see, Appendix D). This is in contrast with section 2 (2) of the FOI Act as illustrated on Table 6.4

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46 This is consistent with the regulatory provision of FOI bill section 2 (7).
47 http://www.nigerianports.org/dynamicdata/annualreport.aspx, [last accessed on 05/05/14]
Difficulties also arose during the researcher’s fieldwork experience, where on some occasions the researcher was informed that NPA could not trace letters requesting that he be permitted to conduct fieldwork. These did not only delay accessibility into NPA but also meant that the researcher had to monitor the progress or status of requests. At this point, it is unclear why the preference for a more efficient system is commonly awarded lower priority in NPA. The response to this issue was poor and many simply acknowledged the need for change.

Further criticisms may be directed towards the operation of the FOI Act. This study also explored how effective the FOI Act is in tackling the problem of inaccessible information. There were mixed reactions towards this. For instance, NIMASA, IP4 explained that;

“I think the passing of the FOI bill is motivating…..so now, the government departments are compelled to release information to the public….Though, I know it is being challenged and information still remains difficult to get. An example is the case of Falana, who threatened to sue NNPC for non-compliance with the FOI act. This is why we have the judiciary, to help us control the inefficiencies… (NIMASA, IP4)”

The Nigerian Eye newspaper reported (on the, 22/06/2013) that;

“Falana threatened to sue the Nigerian National Petroleum Corporation for non-disclosure of crude oil term contracts, which was in breach of the FOI…..”

By way of contrast, NPA, IP5 explained that:

“Well, you see Karl Max will tell you that, the ruling party needs to protect itself. This is a common practice nationwide and may not be restricted to Nigeria alone. The FOI may try to correct this but the fact remains that, it takes a long time for information to be released under these provisions. This is one defect (NPA, IP5)”

The combination of the statements above provide the support for the premise that there is a gap between what the regulations indicated should happen and what is happening in practice. It further illustrates the issue of political interference rendering formalised structures ineffective.

Timeliness of information

During the fieldwork, it was discovered that a major problem associated with accountability and FMT’s accounting information system concerns ‘timeliness and
relevance’ of reports. The most surprising finding is that the most recently published reports by the organisations are years behind, see illustration in Table 6.5;

Table 6.4: Illustration of Timeliness and Availability of Research Sites Reports (as at: 04/05/2013)

<table>
<thead>
<tr>
<th>S/N</th>
<th>Organisation</th>
<th>Most recently published report</th>
<th>Hard Copies</th>
<th>Soft / Online copies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>NPA</td>
<td>2004</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>2</td>
<td>NIMASA</td>
<td>2010</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>3</td>
<td>Accountant-General’s Office</td>
<td>2008</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>4</td>
<td>Auditor-General’s Office</td>
<td>2008, 2009</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

S/N: Serial Number

Source: Adapted from research analysis

It can be seen from Table 6.4 that there is a serious issue of timing and relevance of accounting information. This answers the question why earlier in this section, NIMASA, IP1 used the annual report of 2010 to support his response. Hence, the researcher explored the reasons for these, and it was discovered that most reports are not published because there is the belief that the information are too sensitive for the public and that the organisations have no authorisation to do so. On the one hand, some participants explained that if information about the details of contracts is revealed to the public, then the contractors in charge of the Ministry’s project could be put at physical risk. Particularly, there is the fear that the public, whom usually despise fraud, theft, execution of substandard contracts etc. will react negatively. Hence, many demonstrated that it may be better to forgo timely provision of information for security and safety reasons. On the other hand, none of the participants could describe when such an instance had occurred in the Ministry.

48 Also made available to the public
49 This was not available at the Auditor-General’s office but at the PAC
In terms of authorisation to publish reports, most participants maintain that a major hindrance in the reporting system is that the Auditor – General’s report is not published in due time for review and for the public to ask questions when relevant.

By way of contrast, PAC, IP1 explained that the Office of the Auditor-General prepares its reports in due time for review by the PAC. However, there is an unwritten rule which asserts that *the Auditor-General cannot publish reports, until after such reports have been deliberated on by the PAC*. In view of this, PAC, IP2 commented that;

"The latest they are scrutinizing in the house is 2009 and the senate is in 2008, we are 5 years behind. We have to buckle up, you see timeliness in reporting and decision is very crucial, by the time you are doing a report that is 5 years, half of the permanent secretaries who took the decisions you are looking at might have left the system, half of those who have left the system might have died, so who do you hold accountable? (PAC, IP2)".

As found in the literature, there might be clauses used to undermine openness at the expense of public interests (Hood, 2010), hence, transparency in this case may appear to involve some masking of complexities. An example of such complexity in this case, is the established link between timeliness of information and holding public officials accountable for their actions. The interviewee also suggested that the relevance of the reports is hindered by the efficiency of the PAC. To confirm this, the researcher witnessed a PAC sitting held on the 6th November 2012. During this sitting ‘Organisation X’ was questioned based on the Auditor-General’s report of 2009.

As at 05/05/2014, the researcher further confirmed the details of Table 6.5. As a consequence, it is believed that NIMASA and Auditor-General’s Office have published only hard copies of reports for the years 2005 and 2010 respectively, whereas, the situation remains unchanged at NPA and Accountant-General’s Office.

Nevertheless, what is surprising is that the researcher discovered the rule which assert that ‘*the Office of the Auditor-General is not allowed to publish until after such reports have been deliberated on by the PAC*’; is a political and unofficial rule which is often disputed by the officials of the Office of the Auditor-General, nonetheless, it is still strictly complied with.

Evidently, there are many limitations to the provision of accounting information in general. First, FMT, IP4 established that in spite of the provisions of the newly enacted FOI Act,
there is still an inherent practice of restriction of information in the Ministry, which hinders provision of accounting information and accountability in contracts and procurement services. This statement was also supported by an article published in the Punch news (On the 27th August 2012), which noted that ‘there is a link between the opaque manner in which governmental business is run and the frequent disappearance of billions of naira into private pockets of officials who do not have to account to anybody’. The article further stated that;

"Nigerian policy environment is described as one of ‘planning without fact’. It is a matter of regret that most international assessment say that information on several areas are either not available or are available in such a dismal and unreliable conditions that they do not meet international standards"

6.2.3 Exploring the gaps of FMT’s financial management techniques

Given that public procurement has long been identified as a source of problem for the Nigerian public sector because of its history and potential for abuse, sub- section 6.2.3 explores the gaps between FMT’s accountability structure and practice from the financial management techniques perspective.

This sub-section, therefore, provides the interviewees’ perspective on the following key areas: financial reporting and accounting systems and the problems of diversity in accounting basis which is created by regulatory gaps.

6.2.3.1 Financial reporting and accounting systems

During fieldwork, some participants explained that there should be a renewed emphasis on the financial reporting techniques and accounting systems in the Ministry. Consequently, FMT, IP2 confirmed the view of PAC, IP2 that a consistent financial reporting framework and accounting systems is important to understanding whether or not the government’s resources are spent for the purposes intended, in essence, whether resources have achieved regularity. Similarly, prior studies (Thynne and Goldring, 1987; Mulgan, 1997b) have also noted the importance of this.

As a consequence, the researcher explored the financial reporting practices of the Ministry. The evidence indicates that there are a number of circumstances where the consistency of the financial reporting practices of the Ministry becomes debatable. Firstly, EFCC, IP1
explained that most of the problems regarding the FMT’s financial reporting arise from ‘payments for capital projects and procurement services’. In view of this, FMT, IP2 explained how such payments are made. According to the participant, the initial financial reporting technique practiced in the Ministry is to generate ‘vouchers’ when contracts or procurement services payments are due. This system ensures that appropriate payments are made to the right people or entity. Hence, the interviewee suggested good reporting practices within FMT. However, there are some reasons that cast doubts on the effectiveness of the voucher system. First, FMT, IP2 explained that;

“We have not been able to develop vouchers using computers, so that the details can be entered and the documents can be viewed to be there. What we do is pay and input the final payment into the computer (FMT, IP2)”.

Secondly, from the above statement, there is an indication that manual entries present a challenge to the Ministry’s financial reporting system. This differs from Robert’s (2009) argument that there have been global investments in technologies to improve transparency and public accounting. The interviewee who held a senior position in the Ministry explained that the situation where the payment entries are entered into the computer-based system is referred to as the ‘E-Payment’. The interviewee described the E-payment as a system where payments to contractors or vendors are made. The interviewee indicated that this system is open to fraud. Moreover, the E-payment reporting technique was criticised by EFCC, IP1, who commented that;

“They are using E-payments now. However, what happens is that the Ministry only records the final payments. We have seen situations where schedules for payments are printed for approval, signed, but when the payments are about to be issued – names of the contractors are changed and this final act is what is recorded in their records (EFCC, IP1)”.

It is not well understood why manual entries still play a huge role in the financial reporting practice of the Ministry- a picture of a senior official’s desk at the Ministry can be seen in Appendix A. Moreover, the comments above indicate a very serious irregularity in the payment for contracts and procurement services. According to the EFCC, this practice (i.e. E-Payment fraud) has been persistent over the years and it remains one of the ways in which the Commission tracks the spending of the Ministry and its agencies. Consequently, this raises the question; how traceable is the Ministry’s spending? On the 27th August 2012, an article published in the Punch newspaper stated that;
“It is pretty hard to track how much is spent on a particular government item, the structure of this spending and what has been achieved with the expenditure, hence, there is spending without monitoring”

According to the writer of this article, there is an inherent support for outright theft of large sums of money which in a more traceable environment would have been appropriated for the intended purpose. Furthermore, the EFCC has frequently drawn attention to the unsatisfactory condition of the accounting practice in the Ministry. With regards to the lack of monitoring mentioned above, EFCC, IP1 commented that:

“Mostly, procurement is where most crimes are committed and payments for these services are sometimes made without approval of the federal auditors in the Ministry, this is a practice that should not be condoned (EFCC, IP1)”.

Such instances in the Nigerian ministries and agencies were commented on in the most recent Auditor-General’s report\(^50\) (i.e. 2009; pg. 53) which noted that:

“A total sum of $US479m was deducted directly from the federal account without the certification of the auditor general for the federation”.

According to the Auditor-General, the practice of paying without proper authorisation departs from the provisions of the Constitution. Considering such statements, there are reasons to also doubt the reliability of the financial statements produced by the Ministry. Consequently, FMT, IP2 explained that:

“In terms of accounting, there is something we call “transcript”…… Every month, we reconcile all our books, including running cost, we also reflect those who have been approved particular roads and pay for their services. … So, at the end of the month we compile our transcript and send it to the Accountant-General which in the end forms part of the consolidated account (FMT, IP2) “.

The comment above also provides some explanations about the reporting system for the Ministry. A transcript on the other hand, reports the receipts and payments for many items, some of which include materials, supplies, constructions projects and capital expenditures (see Appendix B). However, it is important to state that while gathering this evidence the participant declined to make public the figures of the transcript. According to the participant, such information is deemed ‘sensitive and not for public consumption’\(^51\). Hence, the participant would not discuss the issues and shortcomings the transcript poses

\(^{50}\) As at 02/05/14 [Available at http://www.oaugf.gov.ng/AuditReport.html]

\(^{51}\) The issue of availability and accessibility of information will be analysed in the subsequent section
to the accounting and accountability system in the Ministry. As mentioned in the literature, Dubnick (2007) found a relationship between an upward accountability and conditioned or varied access to information, perhaps, this finding also corroborates with this premise.

Nevertheless, in the most recent published report of the Auditor-General’s report (i.e. 2009; pg. 35) it was noted that a consolidated transcript disclosed a variance of about =N= 10.7b ($US69m\textsuperscript{52})), this amount representing a significant amount of spending without justification. In view of this, the Auditor-General requested explanations from the Accountant-General for the source of variance and why other Ministries, Agencies and Departments have similar problems which were not corrected before incorporation into the financial statement.

Accordingly, the Auditor-General provides some reasons that cast some doubts about the accuracy of the transcripts and consequently, the financial statements produced by the Accountant-General. Moreover, the Auditor-General’s report (2009, pg. 288) noted;

“That the Maritime Academy of Nigeria\textsuperscript{53} had an operational branch which had not submitted account for a period of 10 years (i.e. from 2001-2009)”.

This indicates a non-submission of account statements\textsuperscript{54}; as a result, there is also an indication that the Auditor-General is limited in certifying the appropriateness and completeness of financial statements; this was confirmed by FV, IP6 and FV, IP8 while carrying out further enquires.

This led the researcher to question the interviewees about the consistency of the Ministry’s internal control system. In contrast with the Auditor-General’s findings, FMT, IP3 argued that the Ministry has a well-structured internal control system to prevent the gaps in their accountability structure, FMT, IP3;

“The internal Control system here is very good for ensuring checks and balances in the Ministry. But the problem is rather the administration; the administration is a product of political elites, who tend to compromise accountability (FMT, IP3)”.

\textsuperscript{52} Using OANDA exchange rate as at 13/02/2012; http://www.oanda.com/currency/converter
\textsuperscript{53} An Agency under the Federal Ministry of Transport
\textsuperscript{54} which should have been presented in compliance with section 85 (5) of the constitution and Section 808 (iii) of the financial regulations
It seems that FMT, IP3’s understanding of a consistent internal control system is quite questionable. How can there be a good internal control system, if the heads of the organisations are compromised? Likewise, the consistency of the internal control system was criticised by the EFCC. EFCC, IP1 critiqued the above statement by illustrating a scenario that occurred in NPA;

“The Bode George’s case was as a result of poor internal control measures….What Bode George did was that he approved above the procurement threshold\(^{55}\). For instance, a contract worth \(\text{=N=}100\) million; he split this into ten units of \(\text{=N=}10\) million each. In that way, it was within his authority to approve. He did this on several occasions (EFCC, IP1)”.

According to EFCC, IP1, Bode George was at the time the Chairman of NPA as well as the chieftain of the political party in power. EFCC, IP1 recognised the influence of power and politics in the internal controls system. The interviewee further stated that ‘what the Ministry has is an outward façade of normality, but much inward decay particularly regarding the usage of public resources’. At this point, there is a strong indication that the information provided by the reporting framework or the accounting systems may not take into account the gaps in practice.

**6.2.3.2 Exploring the diversity in accounting basis: problems created by regulatory gaps**

In the literature chapter accrual accounting was presented as a basic element of New Public Management (NPM) reforms. The issues of NPM implementation are explored in section 6.3. However, in this section, this study found that relevant regulations do not mandate the FMT and its agencies to adopt a particular accounting basis. Because of this lack of specification or wordings, all agencies adopt different accounting basis which they are in fact permitted to do. It was somewhat surprising to discover this gap. On the contrary, the Accountant-General’s report (2008, page 1) noted that;

“The Ministries, Agencies and Department’s statements are prepared on cash basis and in accordance with the requirements of the Constitution, Financial Regulations and the International Public Sector Accounting Standards (IPSAS)”

The above narration is unsatisfactory because it was further discovered that this isn’t the practice. Moreover, NIMASA, IP3 explained that;

\(^{55}\) See Appendix C for tabular presentation of thresholds.
“Both of them are allowed. What we use on the other hand is cash basis and as long as the financial regulations allow it, we are in line (NIMASA, IP3)”.

Based on this finding, Table 6.3 presents an illustration of the diversity in adoption. This variation plays an important role in the practice accountability in the FMT.

Table 6.5: Accounting Basis Practice in the Ministry and Some of its Agencies

<table>
<thead>
<tr>
<th>Public sector organisations</th>
<th>Accounting basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>FMT</td>
<td>Cash Basis</td>
</tr>
<tr>
<td>NIMASA</td>
<td>Cash Basis</td>
</tr>
<tr>
<td>NPA</td>
<td>Accrual Basis</td>
</tr>
</tbody>
</table>

Source: Illustrated from interviewees responses

Very little evidence is found in this study which suggests that the adoption of accrual accounting is a better accounting practice than cash accounting. This therefore challenges Christensen and Parker (2010) argument. Furthermore, the Accountant-General also mentioned the International Public Sector Accounting Standards (IPSAS) as a requirement for cash basis accounting which is debatable. Especially, if we consider the fact that the IPSAS is seemingly promoting the shift to accrual accounting in the public sector\(^{56}\). Moreover, there is a drive to fully adopt IPSAS accrual accounting in Nigeria by 2016. This was observed during the 2013\(^ {57}\) workshop held at the Manchester Business School (MBS) which was attended by a group of delegates from different public sector organisations in Nigeria. The aim of this workshop was to learn how to implement the accrual system and the pros and cons of the adoption.

In support of Table 6.3, evidence of cash basis adoption is illustrated in the Ministry’s transcript (See Appendix B) and the Accountant-General’s reports. Similarly, NIMASA also disclosed cash basis approach in its most recent report (i.e. 2010, page 67), where there is the disclosure of revenue or receipts, however, it is not yet understood why payments or expenditures were not reflected. This raises the question, *what does cash basis mean for procurement payments in the Ministry?* To answer this question, the researcher

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\(^{56}\) As indicated on the IFAC website; www.ifac.org/public-sector. last accessed on the 18/02/2013

\(^{57}\) This is held annually at MBS
had a conversation with one of the participants, who explained the connections to payments for contract and procurement services (as illustrated in Figure 6.3);

*Figure 6.3: Illustration Procurement Payments via Cash Basis*

According to FMT, IP2, the implication of the cash basis approach is that only the final incurred payment is recorded (as indicated in the diagram and in the transcript). According to the interviewee, the primary focus of the current cash basis approach is to ensure that funds are available in the Central Bank (where payment is made through) whereas, the secondary focus is to ensure that payments are properly made. Again, as explained in the financial reporting analysis section, the system seems to show a manual approach in the Ministry.

In a different explanation PAC, IP1 emphasized that the benefit of the cash basis to the Ministry is that it provides a clear understanding of resources allocation by the government to the Ministry, subsequently revealing how the resources were utilised. Therefore, he believed the cash basis approach increases accountability in the Ministry. This statement was criticised by NIMASA, IP2;

“We are practicing cash based accounting but we discovered that we are always running into default. Because by the time we are accounting for the current year’s payments and transactions, we neglect last year’s, whereas, we need to make new payments without reflection in accounts (NIMASA, IP2)”.
NIMASA, IP2 identified a serious weakness. Consequently, the researcher examined the nature of defaults the interviewee indicated in the above comment. In support of this, FMT, IP2 narrated that:

“Right now it is on cash basis; however, the greatest problem we are having is that we are having abandoned projects. We are trying to stop the situations where most of the projects government starts, stops and don’t finish. Cash basis does not address this. (FMT, IP2)”.  

At this juncture, it is important to state that the researcher on several occasions attempted to procure a list of abandoned projects from the FMT and agencies but was not successful. The researcher was told to stop calling and instead wait to be called on this particular issue. This researcher was informed that these public information are ‘sensitive and not for public consumption’.

True to this narrative, the cash basis has been known not to have the capacity to track partial payments of transactions; for instance, FMT, IP3 explained the issue of cash basis accounting in relation to an abandoned project, using an example of a recently abandoned road construction which he referred to as ‘Road X’.

According to the interviewee, the construction of Road X was approved in 2011 for a cost of =N= 2 billion ($US12.9m$\textsuperscript{58}) with an expected completion period of 24months. The interviewee explained that an initial mobilisation fee of =N= 200 million ($US1.3m) was released or approved for the project. However, the balance of =N=1.8billion ($US11.6m) remained in the Federal Government capital project account. FMT, IP3 pointed out that the cash basis did not allow the Ministry to recognise the remaining balance as accounts receivables.

The interviewee further explained that in 2011, a new government was sworn-in; consequently, the government was no longer interested in the project, in spite of the fact that contractors had commenced work, fees had been paid and many outstanding obligations lingered. FMT, IP3 then envisaged that the government might renew their interest in completing the project. According to the interviewee, this usually occurs after all the political conflicts have been settled. At length, the interviewee believed that there will be increases in contract prices (i.e. variations), hence, the balance, =N=1.8billion ($11.6m) is unlikely to be sufficient to ensure completion.

\textsuperscript{58} Using OANDA exchange rate as at 13/02/2012
It is apparent from the comments and explanations above that there are some public officials who oppose cash accounting basis. During a discussion with FMT, IP2 the participant explained that the political gains of cash accounting are perceived to be greater than its limitations and therefore there is limited motivation for change. The researcher further explored why FMT is slow in adopting accrual basis despite the above criticisms and what international best practices suggest. Consequently, FMT, IP2 narrated that;

“A child should crawl before he runs……. We are trying to get value for money first and foremost, the accrual basis a lot of problem associated with that. It is only when we are able to get the value of the money we are spending and remember we are still at a crawling stage. With time and as we introduce the information system, there is the tendency of moving to accruals (FMT, IP2)”.

The nature of the relationship between value for money and accrual accounting is unclear and the researcher was unable to retrieve much relevant information from the participants concerning this. However, this is interesting because it supports the point in section 2.7.2 in the literature which maintains that the move to accrual accounting might be more important to countries such as New Zealand, Australia and United Kingdom, but an emerging economy such as Nigeria has been slower in adapting it.

It is also important to state that NIMASA previously attempted to adopt the accrual accounting basis. However, NIMASA, IP2 explained that this was frowned upon by the Auditor-General. The interviewee explained that when the Auditor-General visited the Agency, he instructed that the accounts be reported on cash basis. At that point, it could be suggested that the OAGF lacks the technical capacity to investigate under the accrual accounting basis.

By way of contrast, Table 6.3 shows that NPA practices an accrual basis. NPA, IP3 explained that NPA, unlike other agencies of the Ministry is a commercial agency, hence, enjoys some level of autonomy. The first indication of accrual accounting adoption was found on NPA’s website, where it was revealed that;

“NPA has a joint venture with private organisations; a consortium of foreign and local companies for the maintenance of the Lagos water channels….. Management fees are paid from accruable revenue from ship dues”.

In other explanations NPA, IP3 argued that the commercial nature is a major justification for adoption of accrual accounting;

“The Ministry must follow the Federal Government, so they have their own accounting basis. We on the other hand, have moved to IFRS and we have adopted an accrual basis (NPA, IP3)”.

However, it is noticeable that the interviewee mentioned the ‘move to the International Financial Reporting Standards (IFRS)’, whereas, earlier in the analysis, the Accountant-General mentioned the International Public Sector Accounting Standards (IPSAS) as a ‘standard requirement adopted’ in the country. This perhaps indicates that there is a need to agree on a comprehensive suite of accounting standards in the Ministry and subsequently indicates that there is an issue of harmonisation.

Another important point was found in the Managing Director of the NPA speech – which was presented to the World Bank in Washington (Between 2nd – 5th June, 2009) that;

“There is a need for private sector orientation to tackle the excessive political pressure affecting operations…. The private sector will invest in equipments, terminal maintenance and concession of assets, whereas, the NPA shifts from port operators to landlords or regulators.”

Perhaps, tackling excessive political interference is another explanation for adopting accrual accounting in NPA. In addition, private sector orientation points out is that equipment or assets and investments are recognised for the first time in the financial statements, this is evident in the NPA annual report (2004; pages 41, 45 and 53). This also indicates that through accrual accounting basis, there is better management of assets.

**What does accrual basis mean for procurement payments in the Nigerian Ports Authority?**

Unlike the cash basis, the participants could not simply provide an illustration of what accrual accounting means to procurement payments. According to the participant, payments are made in mobilisation (through cheques or accounts transfer) and balances are recorded as payables (for instance, page 48 of the NPA annual report 2004), this ensures that no further payments are made without performance certification. The participant also explained that the aim of the process is to provide more comprehensive financial information and to ensure probity in the payment process.

The NPA’s annual report (2004) indicates the manner in which the agency evaluates its ability to finance a capital project, procurement services or meets its liabilities. This is
evident on page 47 of the report, where there is the recognition of accounts receivables from government. NPA, IP3 suggested that through the principles of accrual accounting, NPA is able to monitor its resources and that this leads to reduction in abandoned projects. In similar way, AGF, IP2 explained that:

“...the way projects have been recognised by the agencies that adopt accrual basis is different from the cash basis. With accrual basis, there is the proper interpretation of the state of the contracts awarded. This makes it easier to pick up where you left off. This is why I concur that it has reduced the problem of abandoned projects.... But it all boils down to approval and there is still a problem of too much diversity in the system... (AGF, IP2)”

Further criticisms were also directed towards the adoption of cash based accounting practice. Even after discussing with NPA, IP3 about the benefit of a cash basis approach, the participant would not reconcile that a cash basis on its own, has its own merits to ensuring accountability. One key finding that comes out of this analysis is that though there are some literature (Arnaboldi and Lapsley, 2009; Lapsley, 2008; Lapsley, 2009) which says that accrual accounting is not a sensible public sector policy, on the contrary this study argues that accrual accounting is working at NPA.

In conclusion, these findings suggest that the tension between both accounting bases could inhibit public accountability in practice. This also causes problems for the formalised public accountability structure illustrated in section 6.1, particularly the nature of financial reports received by the PAC. Based in these, PAC, IP1 explained that:

“You discover that when basically most of the ministries are on cash basis of accounting, some parastatals practice accruals, we need to find out from the accountant general why this disparity; why should certain parastatals form their own and decide to operate accrual basis of accounting why many are on cash basis (PAC, IP1)”.

Could it be that a change from cash to accrual based accounting could indicate less quality of scrutiny by the PAC? PAC, IP1 further stated that;

"Yes a lot of conflict. We also know that Nigeria is doing something to harmonise this situation, so may be in your work you can spot that as one of the flaws and recommend that all these be harmonised (PAC, IP1)”.

However, another important theme which emerged from this analysis is that the absence of appropriate regulations is hindering public accountability practices in FMT and in Nigeria. This issue was further raised, as a result, NIMASA, IP5 explained that;
“The absence of appropriate regulations remains a problem… if it was up to date then regulations will be consistent with the issues and current practices. Particularly regulations which demonstrate the sanctions… (NIMASA, IP5)”

By way of contrast, NPA, IP5 stated that;

“No, I don’t think so. The point here is that, we have thousands of acts or policies; the question is who will implement it? Unless, the people are motivated, no matter how rigorous the regulations may appear, it wouldn’t work….(NIMASA, IP5)”

Again, this suggests that there is an issue with capacity building in terms of ensuring public accountability in Nigeria.

6.2.4 Summary

Section 6.2 has given account of the gaps between what the regulations indicate should happen and what is happening (practices). This section shows interviews, speeches, photographs, discourses, publicly available documents and press reports’ concerns about fraud, corruption and abandoned projects. These have given rise to the concern that the public accountability structure may not be working well.

The investigations identified that the current formalised structure is superseded by implications of a narrow conception of public accountability, problems of transparency (such as withholding, inaccessibility and timeliness of information) and problems of financial management techniques (such as problems of financial reporting and diversity in accounting basis problems which is created by regulatory gaps).

Several themes emerged from this section. For instance, there is an image of efficiency created by how public accountability is perceived. There is an ambivalent embrace of poor accountability structure by public officials. Moreover, the absence of appropriate and poor implementation of regulations is hindering public accountability practice in the FMT.

As pointed out in the background chapter, there have been attempts to close gaps and address public accountability issues in Nigeria. These attempts have been in the form of reforms’ implementation. In the subsequent section, this study examines the relevant reforms implemented in the FMT. By doing so, the next section addresses the third research question of this study.
SECTION 6.3

“The problems of public accountability reforms implementation”

This section examines the third research question of this study. Why have the current public accountability reforms been difficult to implement effectively? This is achieved by examining narratives, interviews, speeches, reports, discourses and publicly available documents.

The first part explores the common limitations to the successful implementation of public accountability reforms in the FMT. This is followed by the debate about the successful implementation of foreign and local reforms in sub-section 6.3.2. Within this debate there are specific discussions about the Public-Private Partnership (PPP) policy and the establishment of the Economic Financial Crime Commission (EFCC). This chapter then extends the understanding in sub-section 6.3.3 by providing rich evidence regarding why ‘public sector scrutiny policy’ has been difficult to implement effectively. Therefore, sub-section 6.3.3 provides explanation to a particular issue which is evident in sections 6.1 and 6.2. Finally, there is a brief summary in sub-section 6.3.4.

6.3.1 Common limitations of public accountability reforms implementation

The first discussions and analyses of this section provide some common issues which limit the successful implementation of both local and foreign reform policy. There are five common reasons identified by participants, these include; hastiness in implementation, excessive loopholes, less trained officials, excessive political interference and the lack of motivation to promote reforms.

To begin with, NIMASA, IP1 explained that a major issue associated with the adoption of foreign (NPM) reforms for example is ‘hastiness in implementation’. Thus, NIMASA, IP1 stated that;

“We are too much in haste and we may either be progressing in error or in the right course. Most times we are progressing in error and then these errors cumulate, they drown us. This is the kind of situation we find ourselves….. This is why I think implementation is a problem and this can be prevented by testing foreign reforms to see where the likely limitations are, what could lead to abuses, so adjustments can be made before it is too late to avoid people from getting away with exploiting the situation (NIMASA, IP1)”.

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This finding was also observed during the 2013 workshop held at MBS which was attended by a group of delegates from different public sector organisation in Nigeria. During this observation, it was established that the Nigerian government aims to fully implement the accrual system of accounting by 2016. This is aimed at improving public sector development. This policy has not kicked-off and it is therefore likely that the implementation will be rushed.

In other explanations, NPA IP3 pointed out that ‘loopholes are excessive’ and that most of the reforms adopted from the IMF and World Bank are already ‘finished products’ which the NPA may not understand until there have been fully implemented, therefore, the interviewee suggested an initial experimental study using a smaller agency. NPA IP3 narrated that;

“We are like fire brigade, for instance, it took the ports of Antwerp in Belgium about fifty years to gradually adopt and perfect the landlord model (i.e. public-private partnership) and do you know how much it took us? It took us one year. It was just a case of, okay, we are ready to change from this to this. As a result, the casualty rate was massive, for instance, before the NPA staff was 15,000 and now we are not more than 5,000, this was not planned for (NPA IP3)”.

Moreover, one question that needs to be asked is how well-trained are the public officials in ensuring proper implementation of these reforms? FMT, IP3 explained that;

“On paper the management reforms were good, but I think when it comes to the people that are driving it, then we have a problem. They only brought consultants from Europe, UK and all these countries including World Bank, they give you the roadmap, templates and then we are to drive the reforms ourselves, and this is where I think there is a problem (FMT, IP3)”.

This statement also accords with what PAC, IP3 said;

“It is hard to find the square pegs in square holes. What I mean is that workers get into offices due to political considerations, party membership, patronages. So you find out that interviews are not done and as a result politicians insist on certain things to be overlooked... (PAC, IP3)”

There may be an indication that the public officials are not well trained in the proper implementation and application of the NPM reform elements. Moreover, in NIMASA’s annual report (2010) it was stated that;

“There is a challenge of attracting and retaining a high calibre of professionals needed to carry out the Agency’s mandate – the drive for compliance with international standards. This was due to the
lack of persons with requisite qualifications and uncompetitive remuneration to that of the private sector”

Also, an article in the Punch newspaper (27/09/2012) stated that;

“Today, government is dependent on foreign expertise to an unusual degree precisely because the domestic intellectual infrastructure, which should have provided the impetus for evidence-based policy making and theorisation of development alternatives, is in disarray”

Also, it may be suggested that the education level of the public officials is also a challenge to a successful implementation of reforms. Nevertheless, it was established during the interviews that most of the participants had a minimum of a master’s degree qualifications in Nigerian Universities. Perhaps the main issue is not about the level of education but the quality of education held by the public officials. This also indicates that there is a need for capacity building (i.e. training and quality education) of public officials, particularly for NPA employees.

Another important finding was that ‘excessive political interference’ is one of the factors that affect the successful implementation of the National Economic Empowerment and Development Strategy reform (NEEDS). This remains a persistent issue for the FMT.

From an agency’s point of view;

“Reforms in Nigeria have not been effective because they have been politicised. Each administration comes with its own ideas, the system is not allowed to work for long before new ways of doing things is introduced (NIMASA, IP1)”.

This is not surprising, as observers in emerging economies (Bates and Krueger, 1993; Uddin and Hopper, 2003) hold the view that reforms appear as a result of political struggles. By way of contrast, FV, IP8 responded that;

“….political interference is necessary because every government administration has its own manifesto and it is important to ensure that the ministries are in line with achieving the policies from the manifesto. … (FV, IP8)”

From the statements above, the issue of excessive political interference is exemplified. There is an indication that continuity in the government administration also poses a serious

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60 This is further explored in chapter 7
61 In the Nigerian Chapter, it was illustrated that a change of government leads to reforms affects reforms.
challenge to the successful implementation of accountability reforms. As a consequence, NIMASA, IP3 explained that;

“Continuity is a problem; most of these initiatives started but never correctly implemented. If we had concentrated on NEEDS we wouldn’t have been in the situation we are now (NIMASA, IP3)”.

True to this narrative, the IMF’s published progress report for August, 2007 on NEEDS implementation in Nigeria explained that some of the issues facing the NEEDS and delaying the commencement of the implementation of NEEDS II is monitoring, effective coordination and continuity. Similarly, IMF’s External relations Manger explained that;

“Continued political commitment is critical to preserving the recent macroeconomic gains and achieving the social goals of the NEEDS in Nigeria”

It was interesting to also find that a number of interviewees emphasized that the accountability reforms were not successfully implemented because the public officials are ‘not motivated to promote the reforms’. The participants explained that the financial motivation or remuneration for the public officials in the Ministry, particularly, the pool officers are poor. FMT, IP4 explained that;

“The remuneration is poor to motivate us. Another issue is that we don’t know what the political appointees earn, what they say is what we accept. With pressures like these, there is tendency that it will extend to our daily work, that sometimes there might be compromises. When you hear of systemic corruption, this is why. Because it is just a fact, the current remuneration system is not very conducive (FMT, IP4)”.

The researcher was unable to procure a copy of the remuneration schedule of the pool officers. Again, this stressed the earlier finding that there is a shortage of data and lack of transparency flowing through the current public accountability structure. Nevertheless, FMT, IP4 who held a senior position at the Ministry revealed that his annual remuneration sums up to =N=1.5m ($US9, 350) which he explained was not motivating. Perhaps, there is an indication that the public officials may not be executing their jobs well enough to ensure proper implementation of reforms.

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62 This has not been commenced yet (as at 08/05/2014).
63 During an IMF executive Board review of the NEEDS under the policy support instrument (15th Oct, 2007)
6.3.2 NPM vs. indigenous methods of public accountability

In the literature chapter, NPM reforms were revealed to have remodelled the public sector of so many countries, shifting the emphasis from a traditional public administration towards managerialism. In addition, in the Nigerian background chapter, NEEDS was identified to be inspired by the NPM.

As was pointed out in the background chapter, the decision to implement reforms in Nigeria is mostly driven by the highest authority (i.e. the presidency). An interesting point about the NEEDS is that it was prepared jointly and under a non-borrowing instrument basis by the Nigerian, IMF and World Bank authorities.

There are two components of NEEDS; these include foreign and local reforms components. The results of this study show that there is a debate about the value or successful implementation of foreign and local reforms. Based on this debate Figure 6.5 illustrates competing approaches on the most successfully implemented public accountability reforms.

Figure 6.4: Illustration of Competing Approaches Regarding the Implementation of Public Accountability Reforms

Why have the current public accountability reforms been difficult to implement effectively?

Competing approaches

**Problems of** foreign reforms components of NEEDS; For instance, public-private partnership (PPP)

**Problems of** Local reforms components of NEEDS: For instance, Establishment of the EFCC

Source: from interviewees’ responses

Figure 6.4 show that the participants’ responses were divided between two parties. These parties include those who were in favour of foreign and those in favour of local reforms components of NEEDS. It is important to state that those who favour foreign reforms find problems with the local/NEEDS reform and vice versa.

Therefore, the participants’ responses provided various problems or reasons why reforms have not been effectively implemented in FMT and its agencies. Using specific policy examples, this section examines the problems of both reforms in turn.

6.3.2.1 Exploring problems of foreign reforms implementation: Public – Private Partnership (PPP)

Many participants believe that the introduction of PPP in NPA was as a result of the IMF and World Bank’s suggestion to the NEEDS reform. By way of example, NPA, IP4 explained that;

“The suggestion by the IMF and World Bank is a good thing that happened to NPA and Nigeria. For instance, cargo handling has been given to private business to run. It was understood that government is not a good business man and since then there have been a whole lots of efficiency, revenue has improved, there is less expenditure and everything has improved (NPA, IP4)”.

In similar way, the Managing Director of the NPA stated in his speech – which was presented to the World Bank in Washington (Between 2\(^{\text{nd}}\) – 5\(^{\text{th}}\) June, 2009) that;

“The World Bank and Federal Government initiative shifted the operations of the NPA from port operators to landlords, attracting private sector participation so as to free public resources for public services and decreasing the cost to the Agency for a viable port sector”.

From the statements above, the influence of the IMF and the WB is prominent in the public accountability reforms in one of the Ministry’s agencies.

In addition, this study explored the idea that PPP is effective in the NPA. As a consequence, the Managing Director of NPA commented in an article by ‘THIS DAY’ newspaper (published on 9\(^{\text{th}}\) of May 2008) which stated that since the private involvement of ‘Apapa Limited’ (one of the leading global terminal operators) berth productivity had gone up (from 6 to 30 moves per hour), bringing in over $US136million as investments and savings in areas of operations, according to the Managing Director it was important to
ensure that proper diligence is given to the revenue providers. In support of PPP policy, AGF, IP2 explained that:

“I think PPP is effective, it has worked in our port operations. Also, the current administration has partnered with private bodies in the form of buses provisions in order to alleviate some of the problems of transportation and in return these private organisations were granted reduction in taxes, so I believe it is effective (AGF, IP2)”

In contrast to this, NIMASA, IP5 explained that:

“I don’t think PPP is suitable, given the level of corruption in the Ministry. You find out that the people with the expertise are not the ones partnering with the government but rather this is based on patronages. An example is the Lagos-Ibadan express way road construction. The man the government made partnership with had no idea of what he wanted to do. But, Mr Babalakin had somebody on the top of affairs and he got the job. Four years later he was unable to perform. This is the problem with PPP; the lack of employing professionalism and expertise is an immediate issue… (NIMASA, IP5)”

An article published by Premium Newspaper on the 29/07/2013 also corroborates NIMASA, IP5’s explanation, the article revealed that;

“Mr Babalakin’s company, Bi-Courtney was recently relieved of the multi-billion naira Lagos-Ibadan expressway by the Federal Government. Another of his company is on the verge of losing another N4 billion road contract in Akure, the Ondo state capital….”

Perhaps the most interesting criticism can be found in FMT, IP1 explanation that;

“It doesn’t matter whether these reforms come from advanced institutions or not. In the NPA, the foreign reform is like a beehive; the queen which is the advanced nation and institutions stay and send her workers (i.e. NPM reforms) to go and get things done (FMT, IP1)”.

The statement above suggests that difficulties arise in terms of implementing foreign policy in the FMT. Other prior statements show that some public officials object to the implementation and adoption of foreign policies. However, unlike other emerging economies who implement reforms based on resource dependency basis, the FMT is able to resist the full implementation of foreign policies in all its agencies. This indicates that there is a *subtle coercion* by the IMF and World Bank for the FMT and its agencies to adopt these practices. Perhaps, this is why FMT, IP1 emphasized that most of the reforms
proposed by the foreign institutions are ‘sometimes completely too alien’, hence the FMT is more interested in indigenous contexts.

In similar way, majority of the respondents believed that the local reform components of the NEEDS framework are more effective and remain the most successfully implemented accountability initiatives. Hence, these respondents rebutted and identified a number of limitations associated with the adoption of public-private partnership, particularly, in the NPA. EFCC, IP1, explained that;

“It is not working, the NEEDS is not working. Look, after two years of the New Public Management or whatever you want to call it and the so-called digital governance have failed to resolve the problems of mismanagement in the NPA, accountability remains in the despair. The way I see it, the Nigerian version of this global private public partnership is spectacular and carries devastating implications which could lead to a crucial paralysis of the agency. I think the public-private partnership is managed on behalf of the cliques of politicians, a typical example I gave you is the Bode George’s case. (EFCC, IP1)”.

From the statement above, there is another indication that the public-private partnership may not be particularly appropriate to the Nigerian context; this was further suggested by NIMASA, IP4 and IP6. Another interviewee also mentioned the disruption of a successful public-private partnership implementation as a result of political interference.

6.3.2.2 Exploring problems of Local reforms: the Establishment of the Economic Financial Crime Commission (EFCC)

Having, rebutted and identified some limitations and reasons for the denunciation of NPM oriented reforms, the respondents who favour local reforms respondents argued that accountability in the Ministry will improve if there is more support for the local reforms components of the NEEDS. Therefore, many participants commented on the establishment of the Economic Financial Crime Commission (EFCC). It is also important to state that there has been foreign collaboration with the EFCC. For instance, the Chairman of the commission stated that;

“We appreciate the tremendous support and assistance that the United States government has been giving the EFCC since its establishment”

65 www.efcc.org  [last accessed 31/11/2012]
In the Nigerian background chapter, the role of the EFCC in ensuring public accountability was discussed, this was also acknowledged by the respondents. In addition, NPA, IP1 made an interesting comment that;

“What runs into a hole determines the kind of instrument we will use to dig it. Every country adopts the kind of reforms that suits it… the kind of reforms should be determined by our historical or emerging experiences.

He further explained that;

I think there are two publics; one represent our local setting and the other is foreign. I think the foreign gives room to get away with so many things. But, if you remember in those days; if they make you the treasurer or president of a community, in charge of funds, you dare not steal it. If you do, your family will be exiled, you become outcasts and your family name is destroyed….. So making an example was the most important mechanism of accountability there was. This was why reforms during former president Obasanjo’s time were good; this was the concept behind the establishment of the EFCC. The idea of ‘scape goat’ is typical to our country; this was needed and implemented (NPA, IP1)”.

The interviewee’s view indicates the idea of ‘holding people responsible’ for their actions within the Ministry. In similar vein, the EFCC has also recorded a number of successes in ensuring accountability in the Ministry, the most popular conviction being the prosecution of Bode George. However, this study found that there a serious challenge which hinders the role and effectiveness of the EFCC in ensuring accountability.

As explained earlier in the background chapter, the establishment of the EFCC was mainly driven by the former president (Gen. Obasanjo). However, difficulties arose when he left and there was quick disapproval for the EFCC by the succeeding president. The key problem which hinders the effectiveness of the commission was explained by EFCC, IP1. The participant stated that;

“We have a big problem now and this is a Constitutional problem. Section 174 of the 1999 Constitution gives the attorney-general the power to stop, to take-over and drop any case. So you find out that the attorney-general says he’ll handle a case and that is the end of it. It all started during the Yaradua’s tenure (succeeding president to Obasanjo), when Aduaka (Attorney-general) found that clause and the situation remained the same. They have even started quoting the sections in letters to us, the section is violated and this is how they have bent the law (EFCC, IP1)”.
The interviewee then referred to an article in the Premium Times newspaper (31/07/2012) which illustrated and confirmed the interviewee’s claim, stating;

“The EFCC back-pedals and withdraws charges slammed on oil marketers in the oil subsidy trails, citing orders from the attorney-general. A counsel to the EFCC reported that they were instructed by the EFCC to drop the case”.

These comments raise a concern for the relevance of the commission and indicating that the establishment of the EFCC has not been successfully implemented over the years. However, it is important to apply caution here, because the researcher was unable to obtain a comprehensive list of EFCC cases that have been dropped in previous years. The inability to obtain this information reminds us of the persistent issue of transparency illustrated in section 6.2.

6.3.3 Exploring specific problems of public sector scrutiny: the Limitations of OAGF and PAC

Public scrutiny reveals a number of findings which are particularly interesting to this study. In the literature chapter, the issue of public scrutiny was identified as an NPM policy. Guthrie and Pallot (2000) pointed out that effective scrutiny improves transparency, service delivery and accountability. However, the debate about the effectiveness of scrutiny in the public sector is far from settled. In order to gain a better understanding why this NPM reform has been difficult to implement effectively; the researcher conducted a number of interviews, observation and documentary analyses at the OAGF and the PAC. As a consequence, it was discovered that public scrutiny carries well known limitations which hinder its success. These include problems of lack of OAGF independence, outdated audit regulations and lack of adherence to the current public accountability structure by the PAC.

Limitations of OAGF

The roles of both audit offices and parliamentary committees were demonstrated in section 2.5 of the literature chapter. Similarly, as discussed in the Nigerian background chapter, OAGF scrutinises the ministries and agencies and produces audit reports which is used by the PAC. The findings corroborate with this, as it was found that OAGF usually carries out investigations at the Nigerian ministries, departments and agencies before audit reports are produced. According to AGF, IP1, the aim of these investigations is to confirm regularity
within the Ministry’s operations, programmes, also to investigate procurements and contracts. However, NIMASA, IP1 refuses to fully accept this claim and instead raised an issue regarding the audit process. According to the interviewee;

“The problem we are having with the Auditors is that of ‘selective scrutiny’. There are many government departments which need to be investigated, but for some reasons known to them, the Auditor-General’s Office only investigates a few. Again, Auditors are also heavily involved with the procurement department of this organisation. People are talking about fundamental human rights, but a few are stepping on the rights of others and the auditors are not doing much to address these issues, in my opinion (NIMASA, IP1)”.

Though, the interviewee acknowledged that the OAGF does carry out investigations as narrated by AGF, IP1. Nonetheless, the interviewee indicated a limitation regarding audit process by commenting on the act of ‘selective scrutiny’. This finding was unexpected; hence, the researcher explored the issue further.

As a result, AGF, IP1 explained that the reason why there is such situation is because of the fact that the OAGF is heavily dependent on the government to provide funding for their activities and operations. In the same way, EFCC, IP1 narrated that;

“Auditor-General should be coming regularly, form Abuja to audit public organisations here and in other places. In such case, the auditors are entitled to logistics and travelling expenses which are meant to be provided, but this isn’t the case. The reality is that they are not financed in a way as to make them efficient and this is a major problem (EFCC, IP1)”.

This issue was put forward to the participants in the PAC. As a result, PAC, IP2 explained that;

“The financial independence is a persistent issue, yes. Especially, when it is the Ministry of Finance that decides how much the Office of the Auditor-General works with, by deciding the finances, they also indirectly determine the scope of work for the Auditor-General (PAC, IP2)”.

Evidently, the institutional arrangement put in place for the release of funds to the OAGF poses a serious challenge, especially knowing that the Ministry of Finance can withhold any item of expenditure when it so desires to exercise control. This arrangement/procedure is expressed in the financial regulation (2009, section 302, act 1). This differs from the published work of Lonsdale (2008) which explains that the key feature of Audit Offices is its independence. In general, therefore, it seems that the current priority of the government may not be to fully engage the OAGF in public sector scrutiny.
This raised a further question – *Does the Office of the Auditor-General set its own work programme?* Subsequently, AGF, IP1 narrated that the OAGF is free to set and choose its work programs. For instance, the interviewee explained that in the FMT there is a document which provides the details of the audit programmes within an audit year, this is known as ‘*program of work document*’. The program of work document is fashioned in line with the FMT’s operations, it involves; scrutinizing vouchers, revenue, pensions, capital expenditure etc. The researcher could not procure a sample of the program of work document as the interviewee explained that the documents also contains audit process which is still on-going, hence, releasing such document could hinder the audit investigations. However, at this juncture, it is important to state that the notion that the current audit work is sensitive may appear as an excuse, since the researcher was also denied an older version of an audit work program.

The interviewee also explained that there are some cases where the Office of the Auditor-General conducts ‘*special investigations*’ into some organisations, however, this is subject to a parliamentary directive (i.e. directive from the Senate probe or the PACs in the House of Representatives). AGF, IP1 explained that;

> “Special investigations come as a directive from the government, from the committees, particularly, on issues relating to fraud, money laundering and abandoned contracts where there is a need to investigate the percentage completion of projects, the financial value compared with capital expenditure, the value for money and also to confirm if the project is on-going (AGF, IP1)”.

Similarly, from the researcher’s observation of the PAC sitting (on 06/11/2012) in the House of Representatives; *the Chairman asked the auditors from the OAGF if there was a special audit on organisation ‘X’, which the Auditors replied – ‘No, there is none and it is not in our reports’*.

According to AGF, IP1, no one can put a number on how many special investigations are carried out each year. From the interviewee’s point of view, the government’s request for such scrutiny is usually prompted by newspaper articles on fraud, whistle blowers and in most cases is based on the senate or PAC’s interest in particular organisations; hence, there is no systematic approach.

As was pointed out in sections 6.1 and 6.2, it was also discovered that the regulations which unveil the Auditor-General’s duties as well as the issues recognized above include
the Constitution of 1999, the Financial Regulations, 1958 (revised 2009) and the Audit Act, 1958. The interviewee explained that the Constitution and the Financial Regulations are mostly adopted, given that the Audit Act appears to be obsolete. Nevertheless, the interviewee further articulated that there is an ‘Audit Bill’ which was recently submitted to the Parliament and currently with the Constitutional Review Committee for deliberation. The interviewee explained that the Audit Bill was designed to address the issue of independence and financial challenge of the Office of the Auditor General, however, the interviewee explained that there is no indication yet (as at 07/05/14) as to when the Bill will be approved and implemented. In the same way, PAC, IP3 explained that;

“….they (Parliament) are yet unable to finalise the legislation that ought to strengthen the office of the Auditor-General so that it becomes more independent. Few years into this submission and this has not been done. This bill will put in place stronger sanctions and give more power to the Auditor-General. He will have the power to employ the staffs he needs, those that meet his criteria and not those that come from the Federal Civil Service Commission. So yes, the absence of appropriate regulations is an issue for us and for public accountability… (PAC, IP3)”

**Limitations of PAC**

With regards to the limitations of the PAC, this raise a question of how effective is the PAC? The role of the PAC in the Ministry’s accountability’s process is seen to be very essential, nonetheless, it was discovered that much importance is placed on the PAC receiving the Auditor-General’s report without considering whether the committee is effective in its role. Most especially, whether the government deliberates and successfully implements the recommendations or reports by the PAC.

NPA, IP1 explained that the PAC is essential in the public scrutiny and certification of the performance of government on the Ministry’s projects. In view of this, the participant illustrated the diagram below;

*Figure 6.5: Illustration of Contract or Project from Commencement to Completion*

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commence | execution | completion
Stage    | Stage     | Stage
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**Source: Drawn by the participant**
The participant explained that most accountability issues in contracts occur between the execution and completion stages. He further explained that most projects/contractors are likely to have received more than 50% mobilisation fee at the execution stage and that some of the projects at this stage may probably be substandard contracts (for instance, a 9 inches’ road executed at 4inches). As a result many poorly constructed road infrastructure and abandoned projects emerge. The PAC conducts status enquiries confirming whether funds have been properly approved, whether the project has been carried out to the required standards, and to investigate if there is value for money. This means that oversight is carried out by the PAC from project commencement to completion.

Similarly, from the researcher’s observation of the PAC sitting (on 06/11/2012) the Chairman commented on the need to conduct a status enquiry on Organisation X which involves reviewing financial figures, how money was spent on projects and physical inspection of Organisation X’s projects. The chairman of the PAC also requested that Organisation X submit a report on all the projects within the past year which should involve the contract prices, mobilisation fees, status of the job completion, list of abandoned projects and their balanced figures.

One unanticipated finding during the PAC sitting was the ‘seizing of the press – camera’ by the Chairman. Consequently, the press man was asked to leave the room and it was prohibited to record the proceeding of the Committee. Hence, the PAC scrutiny is not entirely public and it is possible therefore, that this also has an implication on sanctions which should be implemented as a result of public hearings. With regards to this, a significant number of participants commented that a major hindrance to accountability in the public sector is that ‘sanctions are weak’. NIMASA, IP1 explained that;

“Like I said, someone stole billions of Naira and was sentenced to 6mths in prison, whereas, some other stole a mobile phone worth thousands and was sentenced to 4 years; I believe we have different kinds of laws- the weak laws for the highly influential, politicians and well to do and then the strong law for the less influential or less important (NIMASA, IP1)”

Similarly, FMT, IP3 commented that;

“Look at this situation; they are people who stole money, case taken to court with substantial evidence, but then they are acquitted. This was the case with James Ibori, but when he was arrested in the UK, he was jailed on the same offences (FMT, IP3)”. 
True to the narrative by FMT, IP3, James Ibori (a former governor in Nigeria) was convicted of money laundering and conspiracy to defraud at the Southern Crown Court, London and on April 17, 2012 was sentenced to 13 years in a U.K prison. The above findings suggest a persistent poor sanction implementation. Therefore the researcher further examined the motivation for improvement. Thus, NPA, IPA commented that;

“The motivation to correct this has always been there. It is this desire that led to the creation of the EFCC, ICPC and the rest. This desire goes way back to the previous administration where laws and sanctions were carried out through ‘coercive persuasion’ an example was the war against indiscipline (WAI) program during the military regime. Now, what we have is ‘moral persuasion’ and I believe this has led to the establishment of the bodies I mentioned earlier which still exist. Though, different approaches may have been used, the motivation remains to be there and this is what is important…. (NPA, IP5)”

Moreover, NIMASA, IP4 gave another expiation why sanctions are weak. The participant stated that;

“The prosecution system is quite weak. Why I said this? Is that there is room for adjournment in Nigeria. You can run a case for 20 years with no results, without sanctions. Yes, it can be delayed as long as the law allows it… look at the case of Babalakin and the Ministry of Transport for example. He was arraigned by the EFCC for taking mobilisation fees for the Lagos-Ibadan road construction and did not do the job. The case has not been solved till now and no deliberation on the matter. We call this ‘practice and procedure’… it is not a regulation neither is it in the constitution but it is what happens… (NIMASA, IP4)”

Further work was carried out to examine how effective the reports and recommendations of the PAC are, despite the above criticisms. Consequently, PAC, IP1 explained that;

“Well, we have our own shortcomings, which have always been an area the PAC seems to be weak in most cases rather, that is why we have not been able to achieve much, because none of our reports have actually been recommended by the government. The PAC has been doing so much work, so much reports, so many recommendations that align things, but there have not been able to produce such reports that the government has taken decision on….. The pronouncements, before they can be formal, has to pass through the house and most of them stop there (PAC, IP1)”.

A sample of the PAC reports could not be obtained. The participant explained that the reports are sensitive because they involve probes of top public officials and could pose security risks and therefore cannot be made available for the public review. In addition, the comment by PAC, IP1 raises a concern regarding the effectiveness of the whole
accountability structure. Consequently, PAC, IP1 recommended a system where the PAC could monitor the status of submitted reports and recommendations forwarded to the parliament. Nevertheless, the explanation suggests that there is a lack of adherence to the current public accountability structure in the FMT. In the end, this raises serious questions about the value of the system.

6.3.4 Summary

In summary, section 6.3 examines why the current public accountability reforms have been difficult to implement effectively. This section starts broadly by examining the common limitations or reasons hindering the successful implementation of public accountability reforms. This is followed by providing debates between foreign and local reforms. By doing this, this section provides specific analysis foreign and local policies (such as, PPP and establishment of EFCC).

More interestingly, this section explores the problems of public sector scrutiny policy. In contrast with NPM, public scrutiny in Nigeria has a number of drawbacks. These include: lack of independence, problems of outdated regulations, weak sanctions etc. Moreover, despite the fact that there is a similarity between the Westminster model and the current Nigerian public accountability structure, FMT appears not to follow-through well on the OAGF and PAC functions. It is also important to bear in mind that there are still issues with this model in advanced nations. However, this section illustrates that the problem is greater when it comes to the FMT and Nigeria.

Section 6.3 provides a number of insights for further analysis in chapter 7. This section identified that professionalism and capacity building is a problem for reforms implementation in the FMT. Again, this section further suggests the theme that there is a disconnection between conformity and practice of sanction implementation. Most importantly, this section provided that the nature of State relationship with the external financial institutions in the production and implementation of reforms has suggested a distinct theoretical premise known as 'subtle coercion'. This raises a question about the idea that western practices flow through coercion and whether NPM can be used as a tool.
CHAPTER SEVEN: THEMATIC ANALYSIS

7.0 Introduction

The present chapter extends the empirics by providing analyses of themes which emerged in relation to the multi-theoretical framework. A multiple theoretical framework is important because it provides both critical insights and interpretations of different themes or problems (Hoque et al., 2013) which emerged from the empirics. By adopting a multiple theoretical approach, this study improves our understanding of the diverse nature of public accountability problems, particularly in the context of an emerging economy such as Nigeria.

The themes from the empirics provide that there is a problem with the narrow conception of public accountability, persistent problems with sanction implementation, problems of implementation and lack of appropriate regulations, state relationship affecting accountability practices, problems with public scrutiny and whether New Public Management (NPM) can be used as a tool for coercion. These themes are analysed for theoretical and prior published research conformity and for contrast.

Section 7.1 carries out analyses based on the notions of decoupling and political economy theory (PET). This section, examines the narrow conception of public accountability from an image of the efficiency perspective. It explores why this narrow conception persists and the implications thereof.

Section 7.2 analyses the problem of sanction implementation. This analysis is carried out based on decoupling and political imperfection as illustrated in the theoretical framework.

Section 7.3 shows that in some instances there is a problem of poor regulations implementation and in other instances there is a problem of inappropriate/outdated regulations. Through PET, this section shows that regulations are often overridden by politicians. It also shows that politicians are not genuinely interested in pursuing implementation of more updated regulations.

The theme regarding the problems of transparency is analysed in section 7.4. Section 7.5 examined public accountability problems through the notions of imperialism, NIT and subtle coercion. As a consequence, section 7.5.1 explores the role of the state and how it hinders public accountability. This sections draws out the point that political appointees do
as they are told and that accounting is limited from addressing public accountability issues. This section also draws on the idea that good western accountability practices flows into Nigeria through coercion. Moreover, section 7.5.2 examines the role of auditing in ensuring accountability.

Based on imperialism and coercive isomorphism, section 7.5.3 examines the overall effects and reactions to western imperial doctrines. This section analyses the prediction that NPM can be used as a tool for strong coercion. This section also explores the relationship between external financial institutions (such as, Word Bank (WB)/International Monetary Fund (IMF)), ministry, public officials and implementation of reforms.

In section 7.6, this chapter is extended by exploring the possible drivers for change to the current public accountability structure. Therefore, potential drivers for change which include, public officials, Auditor-General, Public Accounts Committee (PAC) and education were analysed. Capacity building and retention problem was one of the factors indicated from analysing education as a driver for change. Finally, this chapter provides a conclusion in section 7.7.

7.1 An image of efficiency created by a narrow conception of public accountability

The empirical chapter established that public officials have a narrow conception of public accountability. The evidence suggests that compliance with regulations appear as an instrument for controlling the behaviour of public officials. By way of contrast, the empirical evidence also shows that this narrow conception is unsatisfactory because there are illustrations of gaps between regulatory compliance and practice. One question that needs to be asked is why does the narrow conception persist and what are the implications?

To explain the variations, this section considers the ‘decoupling’ approach drawn from NIT and shown in Figures 5.1 and 5.2 in the theoretical chapter. Decoupling exists when accountability structure becomes ‘a world to itself’; therefore, creating an image of efficiency while in reality such structures are disconnected from actual practice. In other words, Meyer and Rowan (1977) and How and Alawattage (2012) explained decoupling as a practice which is not integrated with structure even though there is an expectation to conform to such structures.
Decoupling can explain the variations between public officials’ conception and practice. The empirical evidence demonstrates that there is a link between compliance and public accountability. It is almost certain from the view of the MD of Nigerian Ports Authority (NPA) that complying with regulations is unconditional and the best way of achieving accountability (see, section 6.2.1). However, this claim is found to be problematic. Although some participants argued that the justification for this narrow conception is because of the need to tackle corruption, waste and indiscipline, but this study found that this is not the case. The key implication of this argument is that it may discourage non-compliant/non-regulatory practices which should naturally flow through from individual initiatives.

In similar way, May (2007) noted that regulations are prescriptive in informing entities on how to carry out their activities. In his explanation, May suggested that prescriptive regulations provide acceptable outcomes in achieving organisational objectives. By way of contrast, this study disagrees. Decoupling provides explanation to this because the evidence of gaps between the regulatory structure and practice matches the predictions of Meyer and Rowan (1977) and How and Alawattage (2012). Therefore, it may be interpreted that adherence with regulations creates an image of efficiency in the Federal Ministry of Transport (FMT).

Another interpretation from this approach is that there seems to be general acceptance of a poor accountability structure in Nigeria. Initial findings suggest that this acceptance will persevere for a long time. For instance, the empirical findings described accountability as a ‘tripod stool’ which means accountability is disproportional; however, this is not surprising. In similar way, previous researchers (Williams, 1999; Uddin and Hopper, 2001; Hopper and Wickramasinghe, 2009; Alawattage and Wickramasinghe, 2009) maintained that emerging economies are characterised by poor public accountability practices.

7.2 Decoupling and the problem of sanctions implementation

The previous chapter found that there is a problem of sanction implementations when public accountability procedures are breached. The empirics found that there are reasons why this problem persists, these include; issues of delay tactics in the PAC, the parliament and political constraints. This section considers two possible reasons: decoupling and the notion of political imperfection.
The empirical findings treat sanctions as weak. In sub-section 6.3.3, this study identified that there is an issue of delay tactics in the PAC. Though the PAC has the power to examine the activities of the ministries and forward reports to the parliament for implementation of sanctions, this study found a major drawback. There is huge variation between what the PAC should do and what the current practice is in terms of producing reports which facilitates sanctions. The study did not only find a decoupled sanctioning system but also discovered that there is an unwritten rule which implies that reports cannot be published unless deliberated on by the PAC. The implication of this is that parliament does not receive recent reports. Difficulties may arise if there are sanctions imposed based on outdated reports. As one participant explained; ‘most of the public officials involved might have retired or in worst case scenario, they passed away’. This unwritten rule suggests political interference: though this rule is unofficial, it is strictly adhered to. However, the parliament will not disclose further on this issue. He believes that the members of the PAC are too powerful to criticise and doing so may cause him to lose his job.

In a similar way, there is a culture of delay tactics at the higher authorities (i.e. the parliament). Sub-section 6.1.2 found that there are regular postponements of parliamentary sittings. This implies that sanctioning process is decelerated. From the parliamentary perspective this suggests a lack of follow-through of the formalised accountability structure illustrated the empirical chapter. By way of contrast, PAC, IP3 argued that the reason for the practice of postponement is because there is a need for further investigations on public accountability issues (see, sub-section 6.1.2 of empirics). This study finds a match between PAC, IP3 argument and Bovens’ (2010) prediction that there are difficulties when identifying who to blame for accountability breaches. However, it is important to bear in mind that there may be a possibility of bias in PAC, IP3’s response, especially given that the respondent is a member of the PAC and also happens to be a politician.66 These findings also differ from some published studies (Dubnick, 2002; Bovens, 2010; Hood, 2010; Joannides, 2012) which postulate that public accountability involves the imposition of formal/informal sanctions.

Further investigations extend the reasons for weak sanctions to delays coming from the judiciary, exemplified in the explanation of NIMASA, IP4 (see, sub-section 6.3.3 of the

66 In essence, a house of representative member
empirics). However, caution must be applied here because the researcher conducted investigations at the High Courts in Lagos, but was unable to gather evidence of cases taken up and dropped by courts.

Though the above arguments illustrate that there are disconnections between conformity and actual practice, this premise is not conclusive. In the theory chapter there was an extension of decoupling by How and Alawattage’s (2010) explanation of political imperfection. The researchers argued that public organisations in emerging economies are rooted in political imperfections or interference and as a consequence decoupling may also be implied. This study finds a correlation between the empirical evidence and the notion of political imperfection. For instance, it was found that sanctions are ineffective in the FMT because these sanctions affect political networks. The implication of this is that sanctions procedures are either slowed significantly or eliminated entirely. In a similar way, this also supports the premise that there is a coercive political human override over the current public accountability structure as depicted in Figure 5.2.

7.3 PET, the problems of implementation and the absence of appropriate regulations

The results of this study show that there is a problem of poor regulations implementation which hinders public accountability. The empirics show that regulations are a strong reference points but that they are often over ridden by politicians. Moreover, the key reasons why regulations are not adhered to, include; issues of outdated regulations and the lack of motivation to ensure proper implementation of regulatory provisions. Based on PET, this section discusses these reasons and touches on the implication for auditing.

As explained in the theoretical chapter, PET draws on variations in regulations and accounting practices by linking institutions and political structures (Alawattage and Wickramasinghe, 2009). This study finds that regulations are treated as something like a bible in the FMT (See sub-section 6.1.2). However, the main weakness found is that regulations are not adhered to and that public accountability procedures are often breached by politicians. By way of example, NPA, IP1 described this as an abiding trend which implies that the situation will endure. PET shifts the study’s attention to the lack of conformity with regulations which undermines the accountability structure which the relevant regulatory extracts prescribe.
Moreover, a key reason why there is lack of conformity to regulations is because they are out of date: this finding is prominent throughout the empirics. However, further criticism may be directed towards the role of the Office of the Auditor General (OAGF). The implication of outdated regulations is that auditing process has become informal. Therefore, limiting the impact of the OAGF in the formalised structure illustrated in the empirics. By way of example, it was indicated in the empirics that the Auditor General does not have the power to appoint his own staff. The empirics illustrate that staff of the OAGF come from the Federal Civil Commission (See, sub-section 6.3.3 of the empirics). Such constraint does not guarantee the quality of audit performed by the OAGF. This issue is an intriguing one and an investigation which focuses more on the role of auditing in ensuring accountability in emerging economies such as Nigeria is suggested.

Despite this, there have been efforts to address the issue of outdated regulations. For example, there is evidence which illustrates that an updated bill has been passed to the parliament for approval. However, as at 14/05/2014 this proposed bill has not been implemented. This indicates that politicians are not genuinely interested in pursuing newer audit regulations. This reflects the problems identified by PET which speculates that state politics render technically sound accounting practices ineffective, hence, leading to a deficit of public accountability (Uddin and Hopper, 2001). In order to address this issue, there is a need to correct this lack of motivation from politicians in Nigeria.

7.4 Decoupling, PET and transparency in the FMT

Exploring the second research question uncovered a serious problem of lack of transparency in the FMT. This inconsistency is due to public information being withheld, inaccessibility and issues of timeliness of information. What follows are theoretical explanations to this theme.

The empirical evidence indicates that public information is deliberately withheld. This finding has important implications for accountability in the public sector. NPA, IP1 argued that information is deliberately withheld because such information concerns on-going contracts. Though it is a general view that information relating to on-going contracts may be held at that phase, however, once this contract is concluded information should be released. Further investigations of the NPA public domain (i.e. websites) and reports suggest that this is not the case. Nonetheless, this finding was not totally surprising because
it corroborates with Kim’s (2009) observation that there is a culture of secrecy in emerging economies.

Another problem with transparency is that the Freedom of Information (FOI) Act which was implemented to enhance accessibility of public information is not achieving its purpose. At first, the empirical evidence suggests that the FOI Act will be carried forward into the FMT and that information will be accessible upon request. However, difficulties arose when an attempt was made to obtain reports. Decoupling can explain this culture of non-compliance with the FOI Act. So, it appears that FOI Act is not adhered to in practice and is another partially implemented accountability regulation.

Perhaps the most serious disadvantage of this theme is that there is a problem with timeliness of information. The empirics indicate that the recently published reports are years in arrears. In a similar way as section 7.2, there is an unwritten rule which does not allow timely publications of OAGF’s reports unless the PAC has deliberated on them. PET provides some explanations to this; however, this also undermines openness. Moreover, most participants suggest that public information is sensitive. It is also important to state that no participant could provide a clear distinction between what is sensitive and what is not. It is therefore suggested that the FMT re-assess the sensitivity of reports/information at the time of request.

Another limitation is that timely information is forgone for safety and security risks (see, sub-section 6.2.2 of the empirics). However, caution must be applied because the participants could not provide examples of such instances. At this point, such an explanation is unsatisfactory because it sounds more like an excuse than evidence.

The African Union Commission (AUC) officials are also very critical of this theme. During confirmatory discussions with AUC officials it was suggested that there is a big problem of data in African emerging countries (such as, South-Africa and Nigeria) and other less developed African countries. Further investigations found that the AUC uses estimates instead of current information in decision making. For instance the present Millennium Development Goal Report uses year 2010’s figures. It seems that there is an understanding that this situation will persist. One discussant said that; ‘Most African leaders will rather invest in what people can see. For instance, hospitals, roads and buildings even if these facilities are not needed. Investment in information is secondary
and this is a serious issue plaguing the development of public sector and the entire African continent’.

7.5 Explaining public accountability problems through the notions of imperialism, NIT and subtle coercion.

7.5.1 The role of the State - political appointees who do as they are told and the role of accounting

As was pointed out in chapter 5, the most common paradigm (i.e. the idea of resource dependency leading to strong coercion) which governs the role of WB/IMF in this area of research is insufficient in the case of Nigeria. Consequently, this study favours greater theoretical diversity which uses imperialism to extend NIT – hence, the notion of subtle coercion emerged.

In this section, this study explains that accounting has been unable to demonstrate strong coercive pressures in enhancing accountability in the public sector. Instead, coercive pressures which come from political interference (as illustrated in Figure 5.2 in the theory chapter) are much stronger. This section starts by exploring the empirical evidence which suggests that politicians influence the roles of public officials, including accountants. What follows is a specific analysis of accrual accounting in terms of whether it can address public accountability problems within the notion of collaborative imperial approach adopted in Nigeria.

The first indication of coercion was unveiled by PET which conceives that public accountability structures are maintained in favour of those who control resources (Deegan and Unerman, 2011). In addition to this, the empirics suggest a strong relationship/synthesis between PET and NIT as provided by Figure 5.2.

In most accounting research, NIT is centred on the ideas of isomorphism which include normative, mimetic and coercive isomorphism. However, the findings from the empirics did not demonstrate normative and mimetic isomorphic pressures in the FMT.

DiMaggio and Powell (1983) argue that coercive isomorphism arises when organisations are pressured to adopt or change their institutional practices; such pressures may be formal or informal. However, in the context of emerging economies Modell et al. (2007) theorised that coercive isomorphism arises as a result of resource dependency, although, this study
was unable to find an undeniable relationship between resource dependency and coercive isomorphism in the FMT.

By way of example, chapters three and six suggest that the NEEDS reforms can be seen as the beginning of imperialism through the WB/IMF, albeit based on collaborative arrangements in Nigeria. Adhikari and Mellemvik (2011) advocated that adherence with western accounting, and accountability practices might rectify the issues of public accountability in emerging economies. For instance, western driven accounting practices should promote efficiency and mitigate political interference, therefore playing a role in improving accountability in the public sector. This raises the question- *is this the same in the FMT?*

Contrary to expectation, it was established in the empirics (see section 6.2) that there are many inconsistencies that defy Adhikari and Mellemvik’s theoretical premise. These findings suggest that there are poor financial reporting practices flowing through the FMT structure.

The theory chapter provides that accounting has an unmistakable power in imperialism. This chapter further provided that accounting makes visible the link between external financial institutions and beneficiary structures (in this case the FMT). However, this study found a main limitation which is that accounting and accountants are monitored by politicians. The empirical chapter finds that it is not a matter of how good accounting practices are but how influential public officials (including those who occupy the accounting positions) are. This appears to confirm Davie’s (2000) premise that accounting might highlight the politics surrounding the application of proper accounting mechanisms – only in this case the accounting mechanisms appear inadequate.

Moreover, this study also suggests an issue of a lack of capacity building. This is exemplified PAC, IP3’s explanation that ‘it is difficult to find the square pegs in the right role’. Another explanation put forward by the participants is that ‘accounting innovations are still beyond the grasps of officials’. In essence, the complexities of accounting and accountability practices are met by lack of resources (i.e. proper training). This has given a possible reason why Nigeria and the FMT are pressured to collaborate with the IMF/WB in terms of reforms implementation in the first place. Moreover, this also indicates the difficulties faced by public officials in relation to the implementation of western doctrines.
As a result of the political interference issue, accounting is unable to demonstrate strong coercive pressures in enhancing public accountability. This also suggests that coercion is subtle. By way of contrast, FV, IP8 argued that political interference is necessary (see, section 6.3) because it is important to align the FMT’s practices with government programmes or objectives. However, caution needs to be exercised here because this study found that FV, IP8 is a political appointee, therefore, his response might be biased.

In other interpretations, the fear of losing jobs overrides public accountability. This is in agreement with Alawattage and Wickramasinghe (2009) who explained from a decoupling perspective that in emerging economies it is common for politicians to have the power to recruit, promote and transfer personnel across state bureaucracies. They theorised that politicians institutionalise political patronages within public organisations and the findings of this study are consistent with this premise. The implication is that the public officials remain under the obligation to satisfy the political class and therefore they do as they are told. In other explanations, this might also suggest self-interest as a major issue of the current public accountability structure. This self-interest coming from the fear of losing one’s job is still apparent in the emerging economies context, as first suggested by Covaleski and Dirsmith (1995).

This section also raises the question - can accrual accounting practices rectify the issues of public accountability?

Through the notion of imperialism and subtle coercion, there is space for critical accounting research to investigate the role of accounting with regards to public accountability problems.

Present accounting research shows that accrual accounting practices provide calculative knowledge of imperialism. For instance, several papers have focused on imperialism and considered strong links between the notion and political economy theory (Davie, 2000; Annisette, 2004; Dixon, 2007). Though, accrual accounting is suggested as a mechanism in which imperial practices (such as those of the WB and IMF) adopt to operate outside their democratic control. This may also improve the understanding of how indigenous issues (such as the lack of motivation) could hinder imperial practices.
The World Bank has been advocating the adoption of the accrual accounting basis which is believed will rectify the deficiencies (such as poverty eradication, lack of efficiency, transparency etc.) confronting the current public accounting and accountability structure (World Bank, 2000). However, the empirics provided split opinions regarding this. There are some parts of the Nigerian public sector (for example, NPA) which are driven to adopt the accrual accounting basis (notwithstanding any criticisms attributed to it). Moreover, there are other public sector agencies (such as, NIMASA and the FMT) where getting to an accrual accounting position is very difficult mainly because the people are not motivated to put it into place. Most importantly, the diversity of accounting basis persists because there is subtle, rather than strong coercion. For example, NIMASA IP3 explained that their organisation is permitted to choose between cash and accrual accounting. Unlike strong coercion, subtle coercion means there is less pressure to adopt accrual accounting. This also means that FMT and NIMASA will be slower in its implementation. This is further exemplified by FMT, IP2 who used the statement ‘a child should crawl before it runs’ to explain the slow pace in accrual accounting adoption and how subtle the implementation is.

Even so, the approach of NIT and external financial institutions such as the WB and IMF is that institutional and accounting ideas which have been adopted in the private sector will have a successful impact in the public sector also, albeit to a lesser degree (Scott, 2005). The results from the empirical chapter provided some support to this premise. In terms of improving accountability in the public sector, this study argues that accrual accounting has worked in the NPA. Primarily, NPA is more open minded towards the adoption of accrual accounting because NPA is a commercial agency. The findings also suggested that accrual accounting has reduced political interference and abandoned projects (see, sub-section 6.2.3.2 of the empirics). The reason for this is because accrual accounting provides better information regarding contracts and procurement unlike the traditional cash system. This is consistent with Davie’s (2000) argument that accrual accounting can improve disclosure. It also finds a match between the findings and Adhikari and Mellemvik’s (2011) prediction that western accounting practices can flow through to emerging economies, with positive effects in the public sector.

In terms of coercion, it appears accounting has been unable to demonstrate strong coercive pressures in enhancing accountability in the public sector. Rather, there is a suggestion that
the coercive pressure from the state’s political institutions is stronger than that of the WB, IMF and other external financial institutions. Consistently, this is demonstrating that coercion from the WB/IMF is subtle. This is also an important point for imperialism analyses.

7.5.2 The role of auditing in ensuring accountability in FMT

At first sight, decoupling can be used to explain the ceremonial conformity and symbolic role auditing plays in public accountability in an emerging economy such as Nigeria but this is inconclusive.

Researcher have poignantly charted auditing’s imperial functions in emerging economies, for example, in Trinidad and Tobago (Annisette, 2000), in Fiji (Davie, 2000) and in Nepal (Jayasinghe and Adhikari, 2013). Auditing is demonstrated as a mechanism for scrutiny in emerging economies. Section 7.4 illustrated problems with withholding and timeliness of information. Similarly, from the auditing perspective, these also hinder the role of auditing as an imperial doctrine.

More specifically, Humphrey and Moizer (1990) and Sikka et al. (1998) expressed concerns about audit expectation in the public sector and noted that audit expectation gaps were as a result of significant issues with audit independence. The results from the empirical chapter also suggest this. For instance, PAC, IP2 explained that the Auditor-General had no control of his finances; hence, audit services endure problems of financial dependence. As noted in the empirics, the implication of the lack of financial independence is that, though the office of the Auditor-General may set out their work program, they are unable to carry out special investigations of ministries and agencies at will. These confirm the notion of decoupling which advocates that there are gaps between formal structures and actual work activities.

Further work provides an unanticipated finding which is that some audit issues which are commonly attributed to the private sector exist in the agencies of the FMT. For instance, Humphrey and Moizer (1990), Gendron et al. (2001) concluded that the private sector auditors are unable to withstand audit-client relationship/pressure and that this has a negative effect on the output of audit. The empirics find that private firms audit certain agencies (an example being the case of NPA) and that these private auditors are criticised.
The aim of this study was not truly to explain this occurrence however, during the conversation with PAC, IP3, the participant explained that;

“We have a problem, because the constitution provides that the auditor-general cannot audit certain parastatals/agencies, the only way he ensures audit quality is to carry out some periodic checks of the accounts of these agencies. The auditor-general also acknowledges the private audit firms that audit the agencies. Now the lapses we have are these; the auditor-general has thousands of names with him and they are all qualified to audit. But what happens is that these agencies want audit firm Y, they simply tell the firm to go and register at the auditor-general’s office and on many cases they are selected before approval. The issue is that the auditor-general does not have the capacity and power to say to the agencies that certain firms cannot audit an agency. He only makes certain that they are registered. And we start to discover that there is an understanding between audit firms and agencies, they help him clean books. This is not the purpose of audit? ... (PAC, IP3)”

A similar explanation was provided by AGF, Ip2, who responded that;

“When agencies are due for audit services, it is communicated to the auditor-general who recommends the services of any of the registered accredited firms…Yes, some agencies insist on particular audit firms. For instance, big agencies like CBN, NIMASA, and NPA usually have their own choice. Perhaps, they sought for certain standards and sometimes they need them for functions such as the Inland Revenue computation. We have had doubts on the objectivity of the audit firms in these circumstances and we have been pushing for more power in the new regulation, we need this to be implemented. But the fact is that auditor-general can only recommend and cannot enforce, and this is the constraining factor. All we do is, see if the audit firm is registered… (AGF, IP2)”

The interpretations of these statements are persuasive. Although the OAGF may have limited control over the choice of private auditors for public agencies, the office however has utter control over which private audit firm gets registered. In addition, the above comments also raised a number of concerns. First, is the apparent lack of appropriate audit regulations which hinders public accountability which was examined in section 7.3. Second, raises the question of how is audit quality achieved? It is suggested that the public auditors find themselves in awkward situations when faced with ensuring audit quality for the sake of accountability. Moreover, their reports are not published on time and such problem is not consistent with public scrutiny as an imperial doctrine.

It is the perception of interviewees that there is an institutionalised culture where agencies chose private audit firms based on patronages and other subjective factors. The implication is that the OAGF cannot rationalise the way audit services are carried out in the public
sector, since the decisions are based on subjective factors. These have a negative effect on audit independence and objectivity. It is therefore, difficult to avoid the perception that auditing is not closely related to public accountability in the FMT and Nigeria in general.

This finding might be unique to the Nigerian context. For instance, in Indonesia, another emerging economy with natural resources, state audit is empowered and follows a similar pattern to other advanced countries such as Australia (Guthrie, 1998) and New Zealand (Lapsley and Pallot, 2000) where the notion of accountability, improved service delivery and transparency is closely linked with the functions of the state audit board (Harun et al., 2013).

Further research should be done to investigate the implications of private sector audit issues appearing in public sector organisations. Nevertheless, there are some immediate conclusions. For instance, the presence of coercive isomorphism may appear evident; however, quality audit has not come through strongly. This further substantiates the notion of subtle coercion. Thus, the WB/IMF advocacy for increased public scrutiny evident in the Nigerian-WB promoted reform agenda (also known as NEEDS) remains ineffective.

7.5.3 The overall effects and reactions to western imperial doctrines

Prior studies have noted that most emerging economies have come under the influence of western doctrines through imperial institutions such as the WB and IMF (Rahaman, 2010; Mir and Rahaman, 2005; Gallagher and Robinson, 1953). The empirics here are in agreement with this recognition as it was found that the IMF and WB play an important role in the implementation of accountability reforms in the Nigerian public sector. However, there are several possible explanations for the effects of these reforms and the reaction by the FMT towards imperialist institutions.

As was pointed out in the theoretical framework chapter, there are alternative perspectives in which imperial doctrines are implemented in emerging economies. One way is through coercive isomorphism (DiMaggio and Powell, 1983; Therkildsen, 2001; Rahaman, 2010), however, this study did not find compelling evidence of coercive isomorphism. Alternatively, Therkildsen (2001) predicted that western doctrines can be implemented based on informal requests for imperial interventions. The key finding of the empirics is
that public accountability reforms were prepared on a joint collaboration between Nigerian authorities and the WB and IMF on a non-borrowing instrument basis.

These findings provide some support for a theoretical premise that some emerging economies that do not necessarily need the financial support of external financial institutions may demonstrate a mild coercive isomorphism - this is referred to as ‘subtle coercion’ in this study. A major interpretation of this in view of this study is that subtle coercion gives rise to the problem of lack of proper monitoring of imperially funded projects. For instance, some interviewees cast a doubt on whether it is worthwhile having an accountability relationship with external financial institutions, according to PAC, IP3;

“Well, I know that the WB particularly has been wonderful in proposing reforms. But the issue there is that they are not fully present to implement these policies. So you find out that funds are released so that these can be achieved. They sponsor trainings; the recent trip was the one to Canada. So I will say they are trying but I haven’t seen the results yet (PAC, IP3)”

There is, however, another explanation by NPA, IP5, who stated that;

“I don’t think they have done well enough in monitoring funds given to countries and I am not talking about Nigeria alone. The IMF’s effort in my opinion is not commensurate to their monitoring. Mostly, these funds go to private pocket and they now hold us indebted? Why can’t they have a direct link with the projects they fund? If this were, our infrastructure would have improved and would have also witnessed proper accountability structure. In my opinion, there are not effective in monitoring. (NPA, IP5)”

From these statements, it appears that there is a loose relationship between the imperial institutions and the FMT. This implies a partial implementation of accountability reforms. Also, some of the findings relate specifically to funded projects by the external financial institutions. What is now needed is a study where the link between subtle coercion from imperial institutions and project monitoring is fully investigated. However, the immediate conclusion is that these findings help us understand that the coercive isomorphic pressure is not as strong as advocated by NIT.

**The perspective on NPM being used as tool for strong coercion**

Turning now to the role of NPM within the imperialism approach, through NPM there have been introduction of specific doctrines (for example, accrual accounting and PPP) pertaining to the public sector. It is believed that NPM is the shining idea that would solve
problems and would turn political issues into measurable outputs (Hood, 1991; Dubnick and Frederickson, 2010). Consequently, this study investigated this.

One interesting quote to come out of the empirics is that:

“…..The foreign reform is like a beehive; the queen which is the advanced nation and institutions stay and send her workers (i.e. NPM reforms) to go and get things done (statement by FMT, IP1; empirics, pg. 171)”.

Similarly, Hood (1991), Davie (2000), Dixon (2007), Allen (2009), Lapsley (2009) and Fukofuta and Jacobs (2012) would predict that NPM is a tool used in dominating and influencing the accounting and accountability practices of emerging economies, therefore NPM is a tool for strong coercion. With regards to this prediction, this section considers two possible answers; subtle coercion and decoupling from a cultural perspective.

Although, the findings from a number of accounting researchers (Hood, 1991; Davie, 2000; Dixon, 2007; Lapsley, 2009; Fukofuta and Jacobs, 2012) recognise it so, this conceptual premise may not be extrapolated to all emerging economies. Rather this study found that coercion is subtle.

This study found that at the operational level, public officials still failed to install the assumed sensible functions that the NPM approach sought. For example, the practice of writing off contracts mobilisation payments made and the inability to account or trace transactions under the cash basis approach still persist in the FMT and NIMASA. This means that NPM is failing to impose a more stringent (i.e. accrual accounting) mechanism to improve the current system in both organisations.

At this point, there is a suggestion that a considerable gap exists between the aspirations of indigenous practices and practicalities of imperial doctrines. Further investigations presented another example by NIMASA, IP4 explanation, who stated that:

“We refused the cashless program proposed by the external institutions; we rather prefer the old cash system. I think this attitude is culturally driven... (NIMASA, IP4)”

From the above this study gathers that a new style of accountability may be completely at variance with indigenous practices, social activities and behaviour. Using the notion of subtle coercion, the state is able to resist the coercion from NPM. Resistance is possible because NPM reforms do not match officials’ cultural ideas. This is consistent with the published work of Hepworth (2003) who stated that a characteristic of many reforms is that
they are introduced into organisations which do not have the cultural willingness to accept
them. Further support of this premise can be found in the empirics where the NPM reforms
were indicated to be too alien.

In addition, during the Nigerian public sector officials delegate training at MBS an
interesting observation was documented. There were serious complaints and negative
reactions to a workshop on ‘value for money in the public sector, using the British
experience”. According to the participants, the issue was not about the topic being thought,
but the context in which it was conveyed. They argued that ‘learning more about the
British/western experience is no longer relevant, that there was a need to move on and that
it would have been more useful if the topic was passed in the context of Nigeria or similar
emerging economies’. This was quite an observation, which brings us back to the point on
indigenous resistance to western imperial doctrines. However, it is worth noting that this
group were the first to be vocal on this issue, hence, caution must be applied as the finding
might not be transferable to all Nigerian public sector officials.

These findings are exciting as they confirm that the basis for decoupling can be understood
from a cultural perspective. In addition, it corroborates with the theoretical explanation that
accounting practices and reforms proposed by external financial institutions have failed to
be implemented in the manner intended (Uddin et al., 2011). This illustrates a decoupled
situation where by NPM or western doctrines have not suited all emerging economies
equally well (Sitti-Nabiha and Scapens, 2005); as a result, there is cultural resistance to
NPM as a tool for strong coercion.

In more specific terms, Public-Private Partnership (PPP) is an important element of the
NPM reforms. However, this study draws our attention to whether or not PPP is
appropriate. Shaoul et al. (2012) provided that prior to PPP there were issues with
accountability in the public sector. Consequently, they argued that PPP comes with its own
complexities which hinder public accountability and provide more room for hidden
practices. In similar way, it was suggested in the empirics that PPP may not be appropriate
in addressing contract/procurement problems or in the Nigerian contexts (see, sub –section
6.3.2.1).

The empirical evidence relates with the published work of Shaoul et al. (2012), who
explained that there is rhetoric around PPP that says its objective is to transform the nature
of service provision and improve accountability to the citizens. One possible explanation as to why PPP appears inappropriate is because there is subtle coercion. Because of subtle coercion there is political imperfection, the state is able to resist and this leads to the progress of PPP being limited. It is almost as if the issue is not the choice of mechanism rather it is the political/cultural system which undermines any give choice of procurement mechanism. In addition, a theoretical consistency is drawn from this. This stipulates that public organisations in an emerging economy such as Nigeria may be rooted in political imperfections and as a result decoupling may be implied by these imperfections at both micro and macro level.

Moreover, the findings were also able to identify that NPM reforms which are implemented on a collaborative and voluntary platform most likely do not act as a tool for strong coercion. These results differ from Rahaman et al. (2007) who explained, using Ghana as an example, that emerging economies depend on the capital or resources of IMF and WB and become sensitive to meeting the demands of these imperial institutions. Hence, Ghana was pressured to comply with requirements, based on privatisation and introduction of accrual accounting in public sector management. In addition, these findings are also in contrast to the published work of Mir and Rahaman (2005) and Tsamenyi et al. (2010) which illustrated that coercive pressure exercised by NPM doctrines influenced accounting and financial practices in emerging economies.

**Exploring the relationship between the WB/IMF, Ministry, public officials and implementation of reforms**

NPM has put down deep roots to become institutionally embedded within public organisations in many western countries (an example is in the UK’s National Health Service) (Lapsley, 2009). Consequently, Lapsley showed that civil servants/public officials have been socialised into singing from the same song sheets and that their work and promotion criteria have also reflected this harmonies.

In addition, one important premise which has emerged from previous literature is that NPM essentially promotes the relationship between external financial institutions who endorse the reforms, the emerging economy government and the recipient public sector organisation (Davie, 2004). Further investigations confirm this. For instance, NIMASA, IP4 stated that;
“Yes, they’re usually in agreement with the executive arm of government. However, when it comes down to the ministry, departments and agencies we aren’t always ready to embrace these bodies… (NIMASA, IP4)”

This statement must be interpreted with caution because it appears that the interviewee’s opinion is split. On the one hand, there is a persisting relationship between the external institutions and the executive arm of government, which confirms the conceptual premise of Davie (2004). On the other hand, it is also important to note that the relationship differs, depending on the level or context it is viewed from.

NIMASA, IP4 also signalled that there is no close relationship between the external institutions and the implementation of accountability reforms in the ministry. This discrepancy may be due to the explanations provided in the empirics where it was found that political commitment is crucial to the implementation and preservation of accountability reforms. This also reiterates the point that the coercive pressure from the state’s political institutions is stronger than that of the WB, IMF and other external financial institutions.

Another issue raised from the same theme in the empirical chapter is that there is the lack of motivation hindering the aforestated relationship and implementation of accountability reforms. NIMASA, IP4 and NPA, IP5 explained that;

“There is no close relationship because the civil servants are not motivated enough to help the ministry and WB or IMF with implementation. Only the political class is doing fine, so it is easy for them to be involved. For instance, look at 2013, the minimum wage of civil servant is =N=18,000 per month ($US113) and the inflation rate is 9%. This is to tell you that civil servants are more interested in how they can make quick money and not implementation… (NIMASA, IP4)”

There is, however, another explanation by, NPA, IP5 who said that;

“But again there are other reasons for the lack of motivation by the civil servants. Which is that the WB and IMF have been preaching downsizing in the public sector, with the privatisation and private partnership agendas? So when you are feeling that you don’t have job security, how will you be motivated to contribute to the successful implementation? (NPA, IP5)”

Indeed, there is evidence that the application of NPM with in the public sector has met with limited success. From the above comments, it is possible therefore that there is a clash between the lack of culture of motivation and imperialism. This corroborates the finding of
Hopper and Wickramansinghe (2005), which showed that imposing western laws onto a traditional Singhalese village creates tension and unanticipated consequences. Moreover, the unanticipated consequence of these is a persistent partial implementation of western accountability reforms in emerging economies like Nigeria. These provide some explanations as to why public accountability reforms have not achieved their desired purposes.

External financial institutions in Nigeria certainly faced a difficult task. But despite their challenges, an important question to ask is whose public accountability reforms are predominantly implemented? The answer is fairly obvious; consequently, the next subsection analyses the possible drivers for change.

**7.6 NPM is not an end in itself: examining the potential drivers for change**

*Who are the drivers for change to the current accountability structure?* The section suggest that there are four main drivers, these include; the public officials, the Auditor-General, the PAC and education.

**Examining Public Officials as drivers for change**

This study examines the suggestion that public officials can drive changes in the public sector. For example, some public officials undertake trainings at Manchester Business School. This training seeks to remedy the problems of public sector accounting in the Nigerian public sector, with the expectation that the skills acquired will be transferred into practice. However, there is a serious weakness with this finding. This study argues that similar to other emerging economies (such as India, South-Africa) changes take a top-down approach.

Another important point is that the problem of pay and retention is not a strong motivating enough to drive changes through the public officials. Therefore, this section argues that public officials are not the ones to drive changes in the public sector.

**Examining Auditor-General as a driver for change**

Another interesting observation is that Sikka *et al.* (1998) explained that in advanced economies, the office of the Auditor-General is a very important agent for change. Similarly, in Indonesia, NPM reforms were mainly driven by the Ministry of Finance and
the Audit Board of the Republic of Indonesia (Harun and Robinson, 2010; Harun et al., 2013). However, the findings from this study do not corroborate with these premises. In the empirics, the Auditor-General was found to have limited capacity in carrying out his functions; this makes it difficult for the OAGF to drive change.

**Examining the PAC as a driver for change**

It should also be understood that the drivers for change should not be restricted to the auditors alone. Considering the nature of the findings from this study the PAC also plays an important role. The implication of the PAC driving for change also means they will be improved public scrutiny (Wynne, 2007). In contrast, in the empirics some complexities which undermine public scrutiny and the role of the PAC were established.

In addition, there is an indication that the PAC is mainly skilled at scrutinizing procurements and contracts based on the simplified cash-basis approach. Hence, there is an issue of capacity building and retention. It can therefore be assumed that the reason why accrual accounting reform has not received the anticipated support of the PAC is because they do not have the capacity to do scrutinise based on this principle. This was also suggested by one of the MBS trainee delegates, who commented that ‘one of the reasons why the state’s parliament is also present in the workshop is so that we are equipped with the technical know-how to carry out their future oversight functions when the IPSAS accrual-basis is implemented in the year 2016’. Serious omissions may exist without the necessary skills in place.

Capacity building is fundamental to the success of policies. Using a different example, the South African health sector explained that the implementation of western policies depends on the management skills, strong and specific technical capacity in the public sector (Kula and Fryatt, 2013). This raises the question of how closely education is to improving public accountability.

**Examining education as a driver for change**

Education is a key engine for proper implementation of imperial doctrines. Clayton (2014) explained that western nations design education to serve their own interests, therefore, educating public officials with the skills, knowledge and world views needed for sustaining exploitative relation. This was not found in this study.
Moreover, Hepworth (2003) and Wynne (2007) suggested that education is a driver for change and plays an important role in improving the current public accountability structure. Interestingly, PAC, IP3 explained that:

“I think education can be most effective in terms of scrutinising those that are employed into the public service. So, we know that these officials truly deserve their qualifications. Education is linked to the accountability structure, because quite often you find the wrong people at the jobs and this is part of the problem… (PAC, IP3)”

In addition, FMT, IP5 explained that:

“I know there are now lots of improvement in the public sector, in terms of minimum requirements for entering the public service. Now you need a minimum of a diploma qualification to join. …

But, most of these staff in the ministry are graduates, is it a question of how educated they are or a question of the political intimidation? I think you should separate education from accountability; this is my point of view… (FMT, IP5)”

While PAC, IP3 relates education to employment, FMT, IP5 on the other hand believes that education should be separated from issues of public accountability in the ministry. These contrasting views meant that it may be premature to conclude on the role and importance of education in improving public accountability.

However, PAC, IP3’s explanation shows some consistency with Harun et al’s (2013) work, which illustrated the importance of human resource as a factor which affected the implementation of NPM reforms in Indonesia. Lapsley and Pallot (2000), Harun and Robinson (2010) explained that the most common feature of NPM doctrines in Indonesia was the adoption of the accrual accounting basis. According to the researchers, the reason why accrual accounting faced implementation problems in Indonesia was due to the lack of technical capacity for implementation. For instance, Harun and Robinson (2010) revealed that during the process of implementation, there was the shortage of five thousand qualified accountants in Jakarta.

Moreover, these findings are in contrast with Lapsley and Pallot’s (2000) work which revealed that the experience of New Zealand and Australia were backed up with an effective human resource management. New Zealand and Australia were trying to implement mechanisms appropriate to their state of development. Given these examples, it
can be assumed that the successful implementation was particular to the advanced economies.

Another important point suggested by Harun and Robinson (2010) is that NPM adoption in Indonesia came along with the rise of information and technology era in the country. Thus, education in terms of improving technical awareness was also promoted. In contrast, in the empirics it was identified that problems of manual system still pose a serious challenge in the ministry; it can therefore be assumed that NPM will not be driven effectively.

As a result of the above, several questions remain unanswered; for instance, is education actually measuring up to what it should in terms of improving public sector efficiency and accountability? Is the aim of education simply for employment scrutiny or should not education aim at improving the awareness that the status quo is no longer viable?

In conclusion, there may be a need for more research on the role education plays in mitigating public accountability issues in emerging economies. However, the findings from this sub-section help us to understand that relevant education might increase the likelihood for change in emerging economies. Perhaps, should not be static but a system designed to meet the needs of ever changing nature of public accountability problems. Therefore, education should give highest priority to problem solving. It may also be the case therefore that incorporating education as an NPM doctrine will improve implementation and public accountability in emerging economies; further work may be required to establish this.

7.7 Conclusion

In chapter 4, it was indicated that this study uses a critical accounting perspective. Subsequently, the empirics and analysis chapters used a critical based approach in understanding the social realities under investigation. In addition, these chapters investigate the socio-political and institutional context of public accountability practices in the FMT; particularly, in the analyses of the accounting and accountability reforms in order to understand why the reforms do not work.

The present chapter established a link between the empirics, prior research and the theoretical framework to address the research questions.
The theoretical analysis is framed within PET, drawing from the notions of NIT (particularly, decoupling and coercive isomorphism) and the concept of imperialism. The following is a summary of the main findings;

First, the notion of decoupling proved helpful in understanding the narrow conception of the phenomenon and the images of efficiency portrayed in the FMT. Since this study is adopting a unique theoretical framework, there was a strong relationship between PET and NIT and as a result, provided insight into the nature of variations between regulatory performance and accounting practices in the FMT. There was also evidence that the fear of losing jobs is overriding public accountability and that accounting is unable to demonstrate strong influence over public accountability issues.

Notably, unlike previous emerging economies studies, this study did not demonstrate normative and mimetic isomorphic pressures from the findings. However, there were instances of coercive isomorphism. For example, there were demonstrations of coercive pressures from the local political institutions and human override over the current accountability structure. In addition, it was surprising to discover that the coercive pressures from the WB/IMF are subtle in nature. The explanation for this was that unlike other countries, Nigeria does not necessarily need the financial assistance of the external financial institutions to carry out their infrastructural activities. Hence, coercive isomorphism is not as strong as NIT advocates.

In addition, coercive isomorphism was not sufficient enough to provide explanations into the lack of appropriate public audit regulations hindering public accountability. Hence, the notion of imperialism, decoupling and PET proved helpful in the analysis. Consequently, it was identified that some of the issues of audits which exist in the private sector were established in the public sector as well (i.e. FMT). Surprisingly, it was suggested that audit is not closely related with the current public accountability structures.

In addition, the analyses do not agree that NPM is a tool for strong coercion; instead there were issues of cultural and indigenous resistance that reduce the pressures of NPM doctrines. Resistance is possible because coercion is subtle and because reforms do not match officials’ cultural ideas.
There is limited expectation for successful change. This is because potential drivers for change cannot be brought to bear on the problem successfully. For instance, there is a problem of the problem of pay and retention experienced by public officials. Also, change needs to take a top-down approach; therefore, public officials cannot implement changes. Moreover, the OAGF is weak and capacity building problem hinders the PAC role in driving change. Education was examined as a driver for change and this study suggests that relevant education might increase the likelihood for change in emerging economies.
CHAPTER EIGHT: CONTRIBUTIONS AND CONCLUSIONS

8.0 Introduction

This study set out to add to our understanding of public accountability issues in emerging economies. It did this through using a detailed case study of the Nigerian FMT to assess both what should happen in practice and what actually takes place. Furthermore, it examined reasons why reforms have been difficult to implement effectively. Moreover, this study sought to respond to previous literature calls for greater public accountability research in the context of emerging economies (Rahaman et al., 1997, 2001 and 2010; Uddin and Tsamenyi, 2005; Broadbent and Guthrie, 2008; Kim, 2009; Hopper et al., 2008; Guthrie and Parker, 2012). Through a critical approach, this study also responded to the calls for more critical approaches in accounting research (Goddard, 2010; Jacobs, 2012). The critical approach views society as being shaped by social structures, it pays attention to deep-seated contradictions, structures and analyses of power relationships (Burrell and Morgan, 1979) in accounting research.

A case study approach was adopted examining the Federal Ministry of Transport (FMT), Nigeria and complemented by two of its agencies (i.e. The Nigerian Maritime Administration and Safety Agency (NIMASA) and Nigerian Ports Authority (NPA)). In the history of Nigeria, the transport sector plays an important role in infrastructural and economic development. As a result, FMT is allocated a huge budget each year, however, there are problems. As chapter 3 indicates, the sector has been accused of mismanagement, poor service delivery and poor accountability (the Nigerian Performance Management Evaluation Report, 2011).

Moreover, the choice of the two complementary agencies (i.e. NIMASA and NPA) does not only offer more insight into the nature of public accountability issues, but also both these agencies demonstrate different perspectives. For instance, whilst NIMASA is a traditional public agency, NPA is a commercial agency which adopts PPP policy in its operations. In addition to these, investigations were conducted in vital governmental structures which play important roles in the Nigerian accountability process, these are; Office of the Auditor General of the Federation (OAGF), Public Accounts Committee (PAC) and the Economic Financial Crimes Commission (EFCC).
Critical accounting research provides a platform for accounting researchers to feature new theoretical constructs in investigating and analysing phenomena (Cooper, 2008). Therefore, this study adopted a unique theoretical approach. This was set within a broader Political Economy Theory (PET), where the study adopted notions of New Institutional Theory (NIT), particularly decoupling and coercive isomorphism in conjunction with the concept of imperialism to provide explanations for the public accountability issues which emerged.

This chapter is split into six sections. Before discussing the contributions of this study, this chapter discusses the limitations in section 8.1. In section 8.2, the contribution of this study is discussed in terms of empirical, policy and theoretical contributions. In section 8.3, the implication of this study to NPM literature is discussed. This is followed by suggestions of further research in section 8.4. Section 8.5 provides a reflection of the research process. Finally, section 8.6 presents the overall conclusion to this study.

8.1 Limitations of study and researcher’s bias

While several challenges were identified in various chapters of this study, the following limitations are worthy of further attention. Firstly, case study findings are based on a specific setting (Ryan et al., 2002) which therefore raises the question about its generalizability. Ryan et al. (2002) and Flyvberg (2006) pointed out that the limitation of a one country study is that they offer limited perspectives. By way of contrast, though this study is a one country study, it offers in-depth empirical inquiry into the complex issues within the Nigerian public sector. Yin (2009) argues that this is beneficial because it allows researchers to investigate phenomenon, especially when the boundaries and contexts are not clearly evident.

Secondly, Hodkinson and Hodkinson (2001) directed further criticisms towards the use of theories, arguing that theories are not applicable in case study research. By way of contrast, Hoque et al. (2013) explain that through a case studies approach, existing theories can be brought up against complex realities and the richness of data can help generate new theoretical ideas. As a result, this study facilitated a new theoretical development in this area of research. Subsequently, this new theoretical framework can be applied beyond this study and in similar emerging economies context.
Thirdly, Ryan et al. (2002) were critical of the case study approach, arguing that case studies may not be credible and reliable. In response, this study adopted a triangulation approach to make the materials for this study credible. The triangulation approach adopted in this study includes: Semi-structured interviews, documentary analysis of the most recently published reports, confirmatory discussions, observation and other supplementary sources. Hoque et al. (2013) explain that by collecting different kinds of data on the same phenomenon, researchers can improve the accuracy of their judgements. Also multiple sources of evidence provide a broader view of the research issues. Therefore, this approach improved corroboration and reassurance to the findings. According to Barbour (2001), this approach does not pose a threat to researcher’s explanations; rather it provides further scope for refining theories.

Moreover, researcher’s bias might be evident in this study. Since the researcher is a Nigerian, it is possible that this study is influenced by his proximity to the research setting. Although from a different point of view, the researcher’s proximity with the research setting also enhanced proper navigation of the case sites which made research more fluid. In addition, the researcher’s familiarity of the research setting proved advantageous because it offered the researcher an emic (local) perspective of the research issues. This is evident in this study, in terms of the rich and in-depth data obtained. However, it is important to state that it is possible the researcher missed some participants’ explanations which might be important to this study. Also, it is also possible that the researcher might lack sufficient awareness of which particular Nigerian issues and contexts may not be well understood by international readers.

Finally, this case study approach proved expensive to conduct. The costs of travels were high. Access to more funds would have increased the number of interviews conducted in this study. Moreover, data were time-consuming to collect and analyse. For example, during the fieldwork, the researcher was forced to wait for 12 hours to conduct an interview with a Member of Parliament as trying to reschedule it would have caused considerable further expense and delay. However, it is also important to state that this limitation was mitigated by a fixed subsidy provided by the University of Manchester during the period of research.
8.2 Contributions to knowledge

According to Ahrens and Chapman (2006), Llewellyn (2003), Parker (2012), Broadbent (2012), and Humphrey and Miller (2012), a study contributes to knowledge if it offers a new theoretical insight. In a similar way, a study contributes to knowledge if it offers insight in terms of social, institutional, cultural and political accounts of organisational practices and if it adds more interpretations to policies and practices.

Moreover, Philips and Pugh (2005) explain that a study contributes to knowledge if old theories are applied within a new setting and are complementary to new knowledge. Furthermore, Philips and Pugh (2005) argued that the details of empirical evidence that a study offers also contribute to knowledge because they reinforce existing knowledge and provide newer insights.

Based on these and despite the above limitations, the present study makes several noteworthy contributions. These are classified as empirical, policy and theoretical contributions.

8.2.1 Empirical contribution

Up till now, most public sector studies in Nigeria have been carried out in the petroleum sector. This is because the petroleum sector in Nigeria is the largest in Africa. Also, the petroleum sector is the main contributor of GDP in the country. However, this study is conducted in the transportation sector; another important sector in Nigeria. Most importantly, this is the first study which examines public accountability issues in the context of FMT.

Moreover, this study extended the literature by providing rich insights that improve our understanding of the nature of public accountability problems in emerging economies. Through various sources it identified a number of issues and showed that public accountability is different at different levels of process and practice in FMT. For instance, although pertinent regulations are outdated (e.g. Audit Act), poorly implemented and inappropriate - public officials base their notions of accountability on these regulations, using them almost like a Bible. This implied a narrow conception of the understanding of public accountability which influences the current public accountability structure. And in

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auditing, this also implied that institutional challenges which were evident in the private sector also emerged in FMT. Secondly, it was found that there is a lack of transparency and shortage of data flowing through the public accountability structure. Finally, the fear for public officials of losing their jobs impacted upon their approach to the forms of accountability procedures or practices.

8.2.2 Policy contribution

The study informs policy makers by increasing their understanding of why transferring accountability policies from advanced nations to Nigeria and other emerging economies may prove problematic. Firstly, imported accountability policies are being hindered by the persistence of out of date Nigerian regulations. This confirms evidence from South Africa where Kula and Fryatt (2013) found that privatization reforms in the health sector could not be aligned with outdated national health system regulations. They explained that old regulations based on traditional public administration do not take into account the advances of new financial management techniques as advocated by the World Bank (WB) or International Monetary Fund (IMF). It will be interesting to explore if this is common across borders (i.e. in the context of international and other emerging economies) or if this is an African problem.

Secondly, it may also prove problematic when such reforms are produced for Nigeria because there is a clash between the poorly motivated public officials (particularly, in terms of low remuneration) and implementation of western imperial doctrines.

Thirdly, there is a range of issues around how public accountability is organised and practiced. For instance, there is a Public Accounts Committee (PAC) which does not sit very often; there is the issue of delay tactics which hinders public scrutiny. The Auditor – General’s role appears limited compared to western standards; he has no control of his financial resources, is unable to carryout special audit functions at will and has very limited control over the choice of private auditors which audit public agencies.

Moreover, there is a poor sense of process, poor sense of transparency and accountability. For example, information is deliberately withheld and the manual entry systems pose a serious challenge to both accountability and effective reform implementation in the public sector. This finding suggests that the system is more prone to corruption. However, it
appears that several studies have relied heavily on corruption as an interpretation to the problems in Africa and emerging economies. What this study has done differently is to avoid being intimidated by this common conclusion, rather it provided practical problems that hinder public accountability in emerging economies.

Overall, while political commitment is crucial to the successful implementation and preservation of reforms, this study also found that state politics render the formal accountability structure ineffective, thus, leading to a deficit of public accountability.

8.2.3 Theoretical Contribution

No previous study has adopted the notion of imperialism in the field of public accountability research. The study shows that NIT is insufficient in providing all the explanations about the nature of public accountability problems in an emerging economy like Nigeria. Therefore, this study makes a noteworthy contribution by using the notion of imperialism to extend NIT.

The empirics did not find evidence of normative and mimetic isomorphic pressures in the FMT. It was found that reforms/practices are imposed as loan conditions on emerging economies through agents of imperialism (such as the WB/IMF). Traditionally, this implies coercive pressures exerted by the WB/IMF. However, given that Nigeria is an emerging economy with natural resources and that the accountability reforms were implemented on a collaborative basis and without any connection to borrowing from international organisations (such as, WB or IMF), instead of strong coercion, the nature of coercive isomorphic pressure discovered was a very subtle one. Consequently, there was stronger cultural resistance to NPM and the most prominent NPM doctrines in Nigeria were not established as a strong tool for coercion as past literature advocates.

Also, through PET this study demonstrated the significance of political interference in public accountability process. As such, there is evidence of a coercive political human pressure overriding public accountability and coercive pressures from the state’s political institutions appear to be stronger than that of external imperial institutions such as WB and IMF.
8.3 Implication of study for NPM research

It is interesting to examine the way in which the forms of western imperialism are constituted. Most western economies have adopted NPM as an important public management system, with associated public administration and public sector accounting techniques (Hood, 1991; Gray and Jenkins, 1993; Dunleavy and Hood, 1994; Bogt et al., 2010; Pollit, and Bouckaert, 2011). As a consequence, NPM has been imported into emerging economies through western structures, such as WB and IMF. In a similar way, an African Union Commission (AUC) official explained that;

“Most African countries are under the immense influence of the World Bank (WB) and the International Monetary Fund (IMF). Ninety-eight percent of African development ideas are influenced by these organisations and they choose to sponsor programs which are consistent with their objectives. It doesn’t matter if they are appropriate or not. We have conditionality restrictions and lack of policy space to incorporate our own ideas into conditions such as NPM. This is damaging…”

What this means is that mechanisms/structures such as accrual accounting and PPPs are introduced into emerging economies, albeit with limited consideration regarding their implementation.

Approaches of this kind are debatable. For instance, NPM remains under constant criticisms in western countries (Olson et al., 1999; Lapsley, 2008 and 2009; Arnaboldi and Lapsley, 2009). It will be interesting to explore why is it appropriate for policies which are criticized in the west to be imposed or implemented without debates in emerging economies.

For example, PPPs are transferred to emerging economies but as yet, not the criticisms of it. Lapsley (2008 and 2009) pointed out that professional limitations in the public sector are a constraining factor for the implementation of NPM doctrines. This is certainly true in the case of FMT as it was discovered that there are problems around capacity building and retention. Moreover, training and problems of public officials’ low remuneration are severe constraining factors. In a similar way, Kula and Fryatt (2013) explained that the successful implementation of PPP in the South-African health sector depends on the management skills and specific technical capacities. An important implication from these is that images of efficiencies are created but PPPs are not fully achieving their purposes.
Despite these difficulties and cautionary remarks, given the importance of the role of PPPs as an NPM doctrine, it is almost as if its future is assured in emerging economies, even if the difficulties continue. This study however, informs the literature that PPPs are not as effective in Nigeria because imperial institutions in this cultural context fail to capture the subtleness of implementation.

However, this discussion is not as simple as a good versus bad story; this is a subtle story. As a result, there is evidence of a good aspect of NPM operating effectively within the Nigerian context. This study finds that within the imperial approach, accrual accounting under the right circumstances can deliver efficiency. This is evident in the case of NPA where accrual accounting has been reported to have mitigated political interference, reduced abandoned projects and increased efficiency. This is important because this study has in some way enhanced our understanding that some elements of NPM doctrines are appropriate in emerging economies’ public sectors. Moreover, this point also alerts policy makers to the need to find alternatives and better ways of developing policies for emerging economies. For example, by implementing some elements of NPM policies so that there is flexibility and consideration for what is appropriate.

8.4 Recommendations for further studies

Although several aspects of this study provide possibility for future research, the following areas have been found to be particularly worthy of consideration.

Firstly, in the context of accountability there is a major transparency issue. For instance, this study found that current information is withheld for security risks reasons. From the empirics, the reasons provided for this were unsatisfactory. Therefore this study recommends further investigations with more focus on the connection between the lack of transparency and security risk in the public sector.

Secondly, this study identified that capacity building and retention issues are evident in implementation of reforms. This was exemplified in the explanations surrounding PPP implementation in the FMT. Therefore, this study recommends further investigations on the impact of professionalism and expertise on PPP in emerging economies.

Thirdly, some participants suggested that the IMF and WB do not monitor most projects in Nigeria. For instance, some participants suggested that this is why funds are being diverted
to private pockets. Another suggested the reason for this was because of subtle coercion. However, this study was unable to gather enough evidence to confirm the link between subtle coercion and uncompleted imperial sponsored projects in Nigeria. Therefore, this study argues that this premise is inconclusive. It will also be interesting to investigate how the WB and IMF react to this accusation. Hence, this remains an important issue for future research.

8.5 Reflection on the research process

With regards to this section, the response is split into five:

First, it is certain that the researcher would have applied a different approach in gaining access into the case sites. This is because the researcher discovered that the application procedures in the Nigerian ministries, departments and agencies do not work effectively. Also, sending letters to the organisations was insufficient. The researcher was forced to make several personal visits to see the secretaries and personal assistants of directors, managers and heads of departments. In the end, the researcher learnt that the delays suffered could have been avoided if the directors, managers and heads of departments were approached directly for approval.

Second, the present study was restricted by resource issues (i.e. funds and time). The research process was more costly than expected. Though the researcher would have loved to do more, however, this restricted the number of interviews conducted in this research. In addition, the researcher also learnt how important time management is to the PhD process. For instance, the researcher now understands that setting smaller targets such as weekly deadlines and constantly writing are important in the process.

Third, the researcher came to understand the need to have a broader theoretical approach to research. Prior to this understanding, the researcher struggled with a single theoretical approach (i.e. NIT) in addressing the research problems. However, the researcher now understands how different theories improve the understanding of research phenomenon from very different issues.

Overall, the researcher has learnt that a case study research is an iterative process. Most importantly, this process includes ‘critical reflection’ whilst conducting the study. Yin (2009) illustrated that there are five components of case studies research process, these
include; plan, design, prepare, collect, analyse and share. The research suggests an expansion of this illustration by including ‘critical reflection’ in the process, in essence:

*Figure 8.1: Illustration of the Reflection on the Case Study Research Process*

![Diagram](source: Adapted from Yin (2009))

The researcher suggests the inclusion of ‘critical reflection’ in Figure 8.1 because this practice encouraged new ideas, critical discussions and engagements regarding the research issues.

Moreover, the critical reflection process also informs the researcher of new bilateral relationships between ‘Sharing and Critical reflection’ and ‘Critical reflection and Analysis’. First, the researcher came to understand that it is important to critically reflect on the comments and suggestions from the sharing process. Subsequently, this has contributed to the preparatory stage of the research process. Second, the researcher came to understand that critical reflection improves the analyses of the various issues which emerged from case studies investigations. Therefore, these improved the outcome of this study.
8.6 Overall conclusion of the study

The primary purpose of this study was to provide an in-depth understanding of public accountability issues in an emerging economy (of which Nigeria is an example) by assessing what should happen in practice and what actually takes place. In particular, this study was designed to examine what the current Nigerian accountability structures are and how they should work, what the gaps between what the regulations indicate and what is happening in practice are, and why accountability reforms have been difficult to implement effectively.

This study adopted the critical accounting research approach. As a result, this study has also demonstrated how suitable the critical accounting approach is in unveiling deep-seated contradictions, structural and political relationship issues in accounting research (Burrell and Morgan, 1979). Since this is a case study, this study provides insightful, significant and critical knowledge about the nature of public accountability issues in the Nigerian public sector. Most studies tend to bundle emerging economies together (Hood, 1991; Oliver, 1991; Pallot, 1992; Sinclair, 1995; Lapsley, 1998; Bovens, 2010), however, this study shows new and detailed evidence of the nature of public accountability issues in one country. By doing so, it has increased our understanding of public accountability and raised new issues that may also be appropriate in other emerging economies.

Furthermore, this study adopts a unique theoretical framework in an attempt to map out the complex structures and to provide explanations to the public accountability issues which emerged. The use of this framework has proved helpful in understanding that political interference is a major issue of public accountability process. While this happens, it does not matter how good the regulations are, there will always be problems. This further indicated that there is decoupling between regulations laid down and actual practice.

With regards to NIT’s isomorphism, this study found lack of evidence of mimetic and normative isomorphism in the FMT. Instead, the nature of the state’s relationship with external organisations produced subtle coercion. As a result, the state is able to resist and public accountability progress is limited. The evidence from this argument also supports the claim that decoupling can be understood from a cultural perspective.

Moreover, this study argues that critical accounting perspective is a sound methodological approach for understanding public accountability issues in emerging economies and in
answering the research questions. It also argues that this study’s theoretical framework can be applied beyond the Nigerian settings, to other similar emerging economies in order to provide more evidence about public accountability issues.

Finally, Nigeria is an upcoming MINT economy and presently the largest economy in Africa. If public accountability issues are to be mitigated, the government needs to understand that subtle coercive pressures can be advantageous. Subsequently, this premise can be used to develop policies which are most suitable to the Nigerian contexts. Moreover, the key policy priorities for the long-term must be to tackle the persistent problem of political interference. This can be achieved by addressing the problems of public officials’ remuneration, capacity development and retention, outdated and poor implementation of regulations and reforms. Unless the Nigerian government considers this approach, the current public accountability problems will persist.
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Appendices:

Appendix A: A Pictorial View of a Senior Official’s Table at the Federal Ministry of Transport.
Appendix B: A Sample of Monthly Consolidated Transcript.

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**TOTAL**

**CLOSING BALANCES:**
- CONSOLIDATED
- OVERHEAD
- CAPITAL

**TOTAL CLOSING BALANCE**

Chief Accountant (F/Accounts)  
Director (Finance & Account)
Appendix C: Evidence of Procurement Approval Thresholds for all Ministries, Departments and Agencies

<table>
<thead>
<tr>
<th>Approving Authority/ “No objection to award</th>
<th>Goods</th>
<th>Works</th>
<th>Non-Consultant Services</th>
<th>Consultant Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>BPP issues /FEC approves</td>
<td>100million and above</td>
<td>1billion and above 100million and above</td>
<td>100million and above</td>
<td>100million and above</td>
</tr>
<tr>
<td>Ministerial Tenders Board</td>
<td>5 million and above but less than 100million</td>
<td>10million and above but less than 1billion</td>
<td>5million and above but less than 100million</td>
<td>5million and above but less than 100million</td>
</tr>
<tr>
<td>Agencies/parastatals Tender Board</td>
<td>2.5million and above but less than 50million</td>
<td>5million and above but less than 250million</td>
<td>2.5million and above but less than 50million</td>
<td>2.5million and above but less than 50million</td>
</tr>
<tr>
<td>Permanent Secretary</td>
<td>Less than 5million</td>
<td>Less than 10million</td>
<td>Less than 5million</td>
<td>Less than 5million</td>
</tr>
<tr>
<td>Director General/ Chairman &amp; CEO</td>
<td>Less than 2.5million</td>
<td>Less than 5million</td>
<td>Less than 2.5million</td>
<td>Less than 2.5million</td>
</tr>
</tbody>
</table>

Source: Bureau of Public Procurement.

Appendix D: Evidence of Record Management in the Nigerian Ports Authority.