FINANCIAL MANAGEMENT REFORMS AND CORRUPTION IN NIGERIA PUBLIC SECTOR

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Abstract

The study examined financial management reforms and corruption in Nigeria public sector. A survey research design was adopted in the study and a sample of ninety (90) respondents which consist of 40 staff from federal MDAs, 30 from Edo state MDAs and 20 from local government MDAs. The study employed ordinary least square (OLS), using SPSS in analysing the bio-data and Eview8 in analysing the research questions as the statistical technique or tool.

The study found that Treasury Single Account (TSA); adoption of International Public Sector Accounting Standards (IPSAS); and Government Integrated Financial Management Information System (GIFMIS) all had a positive relationship with Corruption (COR) but at different level of significance while Integrated Payroll and Personnel Information System (IPPIS) had a negative relationship. The study recommends that the government of the day is advised to implement IPPIS to its fullest maximum to maximize its potential of reducing corruption.
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Keywords: Treasury Single Account (TSA), Corruption, Institutional theory

1.0 Introduction

1.1 Background to the Study

Corruption has remained one of the major threats to political and economic development in any economy. It is a phenomenon plaguing both public and private sectors of an economy and it is not restricted to a particular country or region. It is present in every economy and every nation. However, the level and degree of occurrence differs. In Nigeria for example, cases of corruption are prevalent and its occurrence is with impunity, this is because "it has indeed become a society-induced activity in the sense that, it now enjoys popular support from the people, invariably, corruption has been democratized" (Tolu & Ogunro, 2012) or probably because the sanction for corrupt practices is menial. Corruption has been a major factor that has been alleged to slow down the actualization of government policies and has also been said to lead to slow infrastructural development due to diversion of fund by public officers to personal pocket. This probably can be said to be the reason the current administration of President Muhammadu Buhari is focused on corruption reduction especially in the public sector.

A number of measures have been introduced both by the previous administrations (e.g Former President Olusegun Obasanjo and Former President Goodluck Ebele Jonathan) and the present administration of President Mohammadu Buhari in other to reduce this plague called corruption to pave way for proper and desired development in Nigeria. These measures according to Mohammed (2013) include public service reform (monetization to reduce waste and reduction of over-bloated personnel, reform of public procurement); establishment of anti-corruption enforcement agencies (such as the Economic and Financial Crime Commission (EFCC), Independent Corruption and other Practices Commission (ICPC)) etc.

Recently, other financial management reforms which include the introduction of Government Treasury Single Account (TSA), Integrated Payroll and Personnel Information System (IPPIS);, adoption of International Public Sector Accounting Standards (IPSAS), and Government Integrated Financial Management Information System (GIFMIS) were launched to further reduce the ability for corrupt officers to amass public fund for their personal or private pockets. According to the Accountant General of the Federation (AGF), Mr. Jonah Otunla, as cited in Eme, Chukwurah and Iheanacho (2015a), "the new Electronic Revenue Collection platform is aimed at improving internally generated revenue in the face of declining oil prices." This, he said, was in line with a series of treasury reforms, which began in 2012, aimed at ensuring transparency and accountability in the management of the nation's finances.

1.2 Statement of Research Problems

Corruption as earlier stated is prevalent in every society and Nigeria is not an exception. Different countries including Nigeria have been intensifying efforts to ensure reduction or probably elimination of the act "corruption" that has eaten so deep into our society. A major

challenge faced in an attempt to achieve this, is, ascertaining the measures that will be applied to effectively reduce this plague.

It was in the search for solutions to reducing corruption that the present administration of President Buhari through the "change agenda" has taken the fight against corruption as one of its major agenda. Some of the tools suggested to be utilized are full implementation of the TSA mechanism, IPPIS, E-payment procedure and full prosecution of officers found to be involved in corruption or corruption related activities. The question therefore on the lips of every Nigerian is, will these measures effectively curb corruption?

1.3 Statement of Research Questions

Having cited the research problem and also financial management reforms introduced in the Nigeria public sector to enhance transparency and accountability in the public sector and in extension to combat corruption, the questions that then come to mind for the purpose of this study are highlighted as follows:

1. To what extent will the introduction and application of TSA reduce corruption in the Nigeria public sector?
2. How will IPPIS combat corruption in the Nigeria public sector?
3. To what extent will the adoption of IPSAS eliminate corruption in Nigeria public sector financial management? and
4. How can GIFMIS eradicate corruption in the Nigeria public sector?

1.3 Statement of Research Objectives

The broad objective of the study is to examine the impact of financial management reforms on corruption in Nigeria public sector. The specific objectives however are to:

1. ascertain the extent to which the introduction and application of TSA will reduce corruption in the Nigeria public sector;
2. Determine how IPPIS can combat corruption in the Nigeria Public sector;
3. Find out the extent to which adoption of IPSAS will eliminate corruption in Nigeria public sector financial management;
4. Examine how GIFMIS can eradicate corruption in the Nigeria public sector?

1.4 Statement of Research Hypotheses

In line with the research objective outlined above, the hypotheses the paper intends to test are stated below in null form:

H_1: The introduction and application of TSA will not reduce corruption in the Nigeria public sector;

H_2: IPPIS cannot combat corruption in the Nigeria public sector;

H_3: The adoption of IPSAS will not eliminate corruption in Nigeria public sector financial management; and

H$_4$: GIFMIS cannot eradicate corruption in the Nigeria public sector.

2.0 Literature Review

2.1 Concept of Corruption

The term corruption is a phenomenon that seems to have come to stay. Etymologically, Waziri (2010) explained that the word "corruption" comes from the Greek word *"corruptus"* meaning an aberration or we may say a misnomer. It has been defined by different scholars while others describe it using different terminologies. Dada (2014) claimed that "corruption is a concept that is difficult to define because of its multi-dimensional and multi-disciplinary nature. One definition is therefore not sufficient to appropriately describe the concept." For instance the Oxford Advanced Learner's Dictionary (2005) broadly describes corruption as: (1) dishonest or illegal behaviour, especially of people in authority; (2) the act or effect of making somebody change from moral to immoral standards of behaviour. This definition linked corruption with two important variables: authority and morality.

Also, according to McShane and Nilsson (2010) corruption "is when a holder of public office motivated by private gain gives preferential treatment that is not officially approved." Closely related to Mcshane and Nilson (2010) definition is that of Dong (2011) who explained that "public sector corruption means misuse of public office for private benefits." In all of these, the most prevalent and commonly used definition of corruption is that provided by World Bank and Transparency International as cited in Waziri (2010), Langseth (1999) and Fjeldstad and Isaksen (2008). Transparency International defined the term as "the abuse of entrusted power for private gain", while World Bank described it as "the misuse of public office for private gain." Therefore, we can simplistically define corruption as the use of public office or official position to obtain private or personal gains.

Corruption is a world-wide phenomenon that is multi-faceted. Corruption is probably as old as government itself as Shabbir and Anwar (2007) stated that "it is not a new phenomenon; it is as old as the history of mankind itself. Corruption affects almost all parts of society and the World Bank as cited in Shabbir and Anwar (2007) has identified corruption as the single greatest obstacle to economic and social development. It undermines development by distorting the rule of law and weakening the institutional foundation on which economic growth depends. Corruption is not peculiar to developing nations alone. It's a plague that affects both developed and developing economy, although the occurrence in developing societies like Nigeria seems to be pervasive. Dada (2014) asserted that "corruption seems to be the most popular issue discussed as a cause of underdevelopment in Nigeria today. Almost every section of the country is affected by corruption ranging from education sector to the various organs of government." Even in the corporate world, many businesses collapse today (such as Enron and Worldcom collapse) has been attributed to corrupt practices by managers in the business world. Corruption is the largest single inhibitor of equitable economic development in many countries of the world including Nigeria.

It was on the platform of eradication of corruption through the most famous acclaimed change agenda that the present All Progressive Congress (APC) led federal government of President Muhammadu Buhari came into power in June 2015. The citizens were promised change by the new administration and one of the change agenda was eradication of corruption. This seems to be playing out already with the arrest and prosecution of some politicians like Col. Sambo Dasuki (former security adviser to former president Goodluck Ebele Jonathan), Former Aviation Minister, Femi Fani Kayode, PDP publicity secretary, Olisah Metuh and a host of others by Economic and Financial Crimes Commission (EFCC) and even the prosecution of the senate president Dr. Bukola Saraki by the Code of Conduct Bureau over alleged false asset declaration. Despite the successes achieved by these measures, Waziri (2010) lamented that "the situation remains unacceptable as corruption continues to permeate and pervade every facet of national life in Nigeria."

2.2 Financial Management Reforms

Financial management reforms according to Omolehinwa and Naiyeju (2015) refers to the aspects of reforms related to how government financial transactions are handled, recorded and reported. Some of these reforms that have been embarked upon by the Nigerian government include: E-payment system, IPPIS, TSA, GIFMIS and the National Chart of Accounts (NCOA). The whole essence or purpose of this reform is to ensure fiscal responsibility, transparency and accountability in public sector spending and revenue collection.

2.2.1 Treasury Single Account (TSA)

TSA is a unified government bank account or a set of linked accounts through which all government receipts and payments including loans and grants are transacted (CBN, 2016; Omolehinwa & Naiyeju, 2015). Eme et al. (2015b) explained that the order on TSA, which came into effect on August 11, marks the beginning of Ministries, Departments and Agencies' (MDAs) retirement of revenues due to the Federal Government into a unified account maintained by the Central Bank of Nigeria (CBN). Eme et al (2015b) was quick to point out that the TSA was not the present administration of Buhari's brain child. It was conceived by the immediate administration of President Goodluck Jonathan, but it remained a mere policy on paper due to lack of political will on the part of past administration to enforce it. But with Buhari on board as President, the enforcement has become a compulsory policy that all the revenue generating MDAs must comply with. This mandatory compliance to TSA by all MDAs has indeed generated a number of reactions and debate from the public.

Nevertheless, the workings of the TSA arrangement allow the Office of the Accountant –General of the Federation (OAGF) to know at any time the consolidated cash position of federal government. In its guideline provided for operation of TSA by state governments in Nigeria, CBN (2016, p. 2) explained that:

the TSA is primarily designed to bring ALL Government funds in bank accounts within the effective control and operational purview of the Treasury, in order to: Enthrone centralized, transparent and accountable revenue management; Facilitate effective cash management; Ensure cash availability; Promote efficient management of domestic borrowing at minimal cost; Allow optimal investment of idle cash; Block loopholes in revenue management; Establish an efficient disbursement and collection mechanism for Government funds; Improve liquidity reserve; and Eliminate operational inefficiency and costs associated with maintaining multiple accounts across multiple financial institutions.

In other to actualize the operation of TSA and other e-payment policies of the Buhari led federal government, the OAGF (2015) through its treasury circular issued on 19th, march 2015 gave a directive that with effect from 1st April, 2015, all payments due to the federal government or any of her MDAs are to be paid into the Consolidated Revenue Fund (CRF) or designated accounts in the CBN through deposit money banks (DMBs) or electronic channels using the CBN payment gateway.

Summarily, we can state that the major problem the TSA is meant to address is the lack of unified view and centralized control over government's cash resources resulting in some cash lying idle for extended periods in numerous bank accounts held by spending MDAs while the government continues to borrow funds to execute its budget. It is the hope of everyone that with the introduction of TSA, the leakages from government coffers as a result of corruption will be curtailed since there is a centralized control

2.2.2   Integrated Payroll and Personnel Information System (IPPIS)

The Integrated Payroll and Personnel Information System (IPPIS) is one of the Federal Government of Nigeria Public Financial Management reform initiatives. It is aimed at improving the management of human resources and eliminate fraud in the Nigeria Public Service. Omolehinwa and Naiyeju (2015) described IPPIS as a centralized computer based payroll and management system aimed at the elimination of payroll. It has as its focus, the determination of the actual number of personnel and the total cost of salaries at a glance. It is also aimed at ensuring data integrity so that the personnel information is correct and intact.

The IPPIS department (2015) explained that IPPIS was designed to achieve the following objectives: 1) Facilitate human resources planning by providing information for decision making; 2) Provide a platform for accurate budgeting and annual recurrent expenditure on staff emoluments; 3) Monitor monthly payment of staff emoluments against FGN's annual budget to ensure minimal wastage and leakage; 4) Eliminate payroll fraud such as multiple payment of emoluments to single employee or payment of monthly salary to a non-existent employee; 5) Facilitate easy storage, updating, and retrieval of personnel records; 6) Ensure database integrity so that once entered cannot be manipulated by unauthorized users; 7) Enhance confidence in the process of determining staff emolument

cost; 8) Prompt deduction and remittance to accounts of all third parties payments such as Pension Fund Administrators (PFAs), National Health Insurance Scheme (NHIS), Pay As You Earn (PAYE), etc.

IPPIS is managed by Office of the Accountant-General of the Federation (OAGF) in collaboration with Office of the Head of Service (OHCSF), Federal Civil Service Commission (FCSC), Budget Office of the Federation (BOF), Office of the Auditor-General of the Federation (OAUGF), and Central Bank of Nigeria (CBN). IPPIS is run on an intranet that connects the data centers of the MDAs to the main server at the OAGF (Omolehinwa & Naiyeju, 2015).

From April 2007 to date, IPPIS has saved the Federal Government of Nigeria billions of Naira as a result of differences on the personnel budget and the actual amount paid by IPPIS for the MDAs (IPPIS Department, 2015). As at December 2015, there were 396 MDAs that enrolled on IPPIS. Other Government Agencies including: Nigeria Police Force, Nigeria Immigration Service, Nigeria Security and Civil Defence Corps (NSCDC) and Federal Fire Service, Universities, Polytechnics and Colleges of Education are due to join IPPIS in 2016.

2.2.3 Adoption of International Public Sector Accounting Standard (IPSAS)

IPSAS is an acronym for International Public Sector Accountant Standards. IPSASs are a set of accounting Standards issued by the International Public Sector Accounting Standards Board (IPSASB) for use by public sector entities around the world in the preparation of Financial Statements. IPSASs are a set of professionally developed, high quality, global accounting standards that require accounting on cash or accrual basis.

The Accountant General of the Federation, Otunla (2015) at the annual conference of Institute of Chartered Accountants of Nigeria (ICAN) explained that the Federal Executive Council (FEC) at its meeting of 28th July, 2010 approved that the Country should adopt the provisions of the International Financial Reporting Standards (IFRS) and IPSAS for Private and Public Sectors respectively. The adoption Ijeoma and Oghoghomeh (2014) explained is aimed at improving the country's accounting and financial reporting system in consonance with global standards.

Otunla (2015) explained that the adoption of IPSAS will provide a number of benefits which include the following: improve accountability and transparency hence, quality service delivery; ensure credibility/integrity that will build confidence in donor agencies, lenders and other stakeholders; secure political and economic leverage; in line with international best practice that will ensure comparability; greater disclosures which provide information for better decision-making and in turn should lead to better use of public resources; to enhance fiscal operation report that will increase control of public agencies; enhance public-private partnership arrangements; increased cross-border investment and foreign direct investment; and enhance implementation of the Freedom of Information (FOI) Act 2011.

To positively implement the decision of FEC, and have access to the numerous benefits accruing from the adoption of IPSAS, the Federation Account Allocation Committee

(FAAC) at its meeting held on 13th June, 2011 set up a Technical Sub-Committee to provide a Roadmap for the implementation of IPSAS in the three tiers of government in Nigeria. According to Otunla (2015) provided the objective of IPSAS adoption to improve the quality of general purpose financial reporting by public sector entities, leading to better informed assessments of the resource allocation decisions made by governments, thereby increasing transparency and accountability.

2.2.4 Government Integrated Financial Management Information System (GIFMIS)

A Financial Management Information System (FMIS) according to Cuenco (2013) can be broadly defined as a set of automation solutions that enable governments to plan, execute and monitor the budget. Whenever FMIS and other Public Financial Management (PFM) information systems (e.g. HRMIS/Payroll, Procurement) share the same central database to record and report all daily financial transactions, offering reliable consolidated results for decision support, performance monitoring and web publishing, they can be referred to as an 'integrated' FMIS (or IFMIS).

In its simple term, Omolehinwa and Naiyeju (2015) described GIFMIS as an Information Technology (IT) based system for budget management and accounting that is being implemented by the Federal Government of Nigeria to improve public expenditure management. The purpose of introducing GIFMIS is to assist the government in improving the management, performance and outcomes of public financial management by addressing the critical public financial management weaknesses including: lack of effective cash management; failure to enact the budget before the start of the financial year; preparation of budget that is not based on realistic forecasts of cash availability; lack of integration between different financial management functions and processes and other weaknesses within the public sector financial management.

An IFMIS or GIFMIS stores, organizes and makes access to financial information easy. It not only stores all the financial information relating to current and past years' spending, but also stores the approved budgets for these years, details on inflows and outflows of funds, as well as complete inventories of financial assets (e.g., equipment, land and buildings) and liabilities (debt) (Robin-Brown, 2008). Also, Adadey (2015) at the 2015 accountants' conference held in Cape Coast outlined some advantages of GIFMIS to include: providing a central authority to regulate security access that increase overall data integrity and security; with all information in a single location, financial fraud is harder to perpetrate and easier to catch perpetrators; enhanced management of cash, debt and liabilities; ability to use historical information to provide better modeling processes and increased decision making efficiency; and reduced cost for financial transactions. However, the disadvantages were outlined to include: required continuous support and maintenance to ensure integrity and functional use of the system and High switching cost.

2.3 Empirical Framework

A number of researches have been conducted by researchers using different variables to assess how corruption can be reduced in the Nigeria public sector. Iheduru and Amafule (2014) in their study for example, examined the use of electronic accounting system (of which GIFMIS and IPPIS are handy) as a tool for checkmating corruption in the Nigeria public sector. The study used both primary and secondary sources for its data collection. The secondary data was used to create a theoretical background for the study while the primary data on the other hand were sourced via a well-structured questionnaire (survey research tool) administered on fourteen (14) selected government-owned ministries (eight federally owned and six state ministries). Participants in the survey consist of five senior staff randomly selected from each of the fourteen ministries, bringing the total sampled respondents to seventy (70). The study reveals that the installation and/or activation of a well-designed electronic accounting information system (such as IPPIS and GIFMIS) in the structure of the nation's public sector operation will amount to a veritable tool in checkmating corruption in the system and thus serves as a catalyst in engendering economic development in the economy. The study then recommended among other things that the government should embrace and bring to bear a well-designed e-accounting information system to cover such areas like budgeting system (from formulation, approval, implementation, disbursement, etc.) which is addressed by GIFMIS, payrolls which is addressed by IPPIS, pensions matters also addressed by IPPIS, and others.

Ijeoma and Oghoghomeh (2014) conducted a study to examine the benefits and challenges of adoption of IPSAS in Nigeria public sector. The study was aimed at determining the impact of adoption of IPSAS on the level of accountability and transparency in the public sector in Nigeria. However, it should be noted that a high level of accountability and transparency in public sector financial management will invariably reduce corruption. The study employed primary source of data to generate the data of interest and focused on all accounting departments of various ministries in Awka, the capital of Anambra State, Nigeria. The population of the study was 45 while the sample size of 40 was drawn using Yaro Yamane. The statistical tools employed were the Chi-square test, Kruskal Wallis test and descriptive analysis. The study found that adoption of IPSAS is expected to increase the level of accountability and transparency in public sector of Nigeria which in the long run metamorphosis into corruption reduction. It was found that the adoption of IPSAS will enhance comparability and international best practices. The study then concluded that the adoption of IPSAS in Nigeria is expected to impact operating procedures, reporting practices thereby strengthening good governance and relations with the government and the governed.

Idris, Adaja and Audu (2015) in their study examined the effects of ghost workers syndrome and how the instrumentality of Integrated Personnel Payroll and Information System (IPPIS) could address the menace in the public service. The researchers adopted both primary and secondary sources for data collection. The data were analyzed using the simple percentage, frequency tables, mean score and spearman rank order correlation technique. The study concludes that ghost workers syndrome is highly imminent in the public service. In the same vein, Ziad (2015) conducted a research in Jordan to ascertain the effectiveness in the application of IPSAS. SPSS and other statistical tool were employed to achieve their

objective and the study found that the Jordanian public sector was weak in their application of IPSAS and recommended its wider use and to raise its efficiency in monitoring its application.

Also, Ayuba and Aliyu (2014) in their study on the role of public reforms including Information and Communication Technology (ICT) in combating corruption and corrupt business in Nigeria, adopted a sample of 200 respondents, representing 70 percent of the population (285). The analysis was conducted using descriptive statistics and chi-square and the result showed that use of ICT in financial management helps in reducing organization's spending and increased earning, identification of ghost workers and elimination of corrupt practices and tracking of financial fraudsters and other fraudulent banking services which in turn will significantly help in achieving greater transparency, accountability and effective management and also reduce opportunities for corruption. Odoyo, Adero and Chumba (2014) carried out an investigation into the effect of IFMIS on cash management in Kenya. Questionnaire and interview schedules were used to collect primary data. Data was analyzed using descriptive statistics, regression and correlation. Study findings showed that reliability of IFMIS, flexibility of IFMIS positively affect cash management. The findings also revealed that a reliable system is basically one that is accurate, timely, complete and consistent in collection of information and that the infrastructure which supports the IFMIS is supposed to be secured from destruction, corruption, unauthorized access and breach of confidentiality so that there is efficient cash management.

2.4 Theoretical Framework
Institutional theory

According to Nagalinagm, Mangala and Kumudine (2015) institutional theory looks at the deeper and more resilient aspects of social structure. This theory focuses on the processes by which structures such as cognitive, normative, regulatory, as well as the norms, rules and routines become established as authoritative guidelines for social behaviours and practice. Recent developments in Nigeria's public accounting framework are the new accepted behaviours, rules, norms that need to be adhered to and the question prevalent in this theory and applied here is whether these recent reforms (financial management reforms) are due to normative or regulatory practices?

This theory addresses practices which are the subject of the recent happenings in the public sector. Such happenings include the introduction/adoption of IPSAS, TSA, GIFMIS, and IPPIS etc that can enhance the technical efficiency in the organization or institution adopting these practices. It also results in legitimization of the standard practices, and the absence of these leave the organization to be termed irrational, corrupt and negligent. The net effect of these reforms therefore is to increase homogeneity in organizational structure and in terms of Nigeria, the reference will be the MDAs. It can also go as far as to ensure homogeneity across countries globally and this structure has been thought to promote efficiency, effectiveness, transparency, accountability (Meyer & Rowan, n.d).

3.0 Methodology

The survey research design through the use of primary data source by distribution of a likert-scale structured questionnaire to respondents will be used in this study. The population of the study comprise of all federal, state and local government MDAs located in Edo state. We adopted a sample size of ninety (90) respondents which consist of 40 staff from federal MDAs, 30 from Edo state MDAs and 20 from local government MDAs. The sampling was done by using simple random sampling. The study employed ordinary least square (OLS), using SPSS in analysing the bio-data and Eview8 in analysing the research questions as the statistical technique or tool.

The reliability of the research instrument was determined by using the Cronbach Alpha method. This method was found more appropriate in that it takes care of the internal consistency of the instrument. The instrument was administered on 15 respondents within the population who formed part of the sample used for the study.

3.1 Model specification

The following model was specified for this study, first is the model in its functional form:

$$COR = f(TSA + IPPIS + IPSAS + GIFMIS)$$

The model stated above will be stated in its econometric form below:

$$COR = \beta_0 + \beta_1 TSA_i + \beta_2 IPPIS_i + \beta_3 IPSAS_i + \beta_4 GIFMIS_i + \mu_i$$

Where:

TSA= Treasury Single Account

IPPIS= Integrated Payroll and Personnel Information System

IPSAS= International Public Sector Accounting Standard

GIFMIS= Government Integrated Financial Management Information System

β_0 = constant

Parameters: $\beta_1, \beta_2, \beta_3, \beta_4$, represent the co-efficients.

Apriori sign: $\beta_1 < 0$, $\beta_2 < 0$, $\beta_3 < 0$, $\beta_4 < 0$

4.0 Presentation and Data Analysis

4.1 Demographic Analysis of Respondents

Table 4.1.1 Respondents Sex Distribution

SEX

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	44	58.7	58.7	58.7
	Female	31	41.3	41.3	100.0
	Total	75	100.0	100.0	

The table 4.1.1 above shows that 44 of the respondents were male while 31 were female given a percentage of 58.7% and 41.3% respectively.

Table 4.1.2 Respondents Age Distribution

AGE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-25	12	16.0	16.0	16.0
	26-30	28	37.3	37.3	53.3
	31-35	16	21.3	21.3	74.7
	36-40	9	12.0	12.0	86.7
	41 and above	10	13.3	13.3	100.0
	Total	75	100.0	100.0	

Table 4.1.2 above shows the age distribution of the respondents. 12 of the respondents representing 16% of the total respondents were between the ages of 20-25 years, 28 were between 26-30 years, 16 were between 31-35 years, 9 were between 36-40years while 10 respondents were 41 years and above. This represents 37.3%, 21.3%, 12% and 13% respectively.

Table 4.1.3 Educational Qualification Distribution

QUAL

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	WASCE	17	22.7	22.7	22.7
	OND/NCE	9	12.0	12.0	34.7
	Bsc/B.A	32	42.7	42.7	77.3
	Msc/Phd	14	18.7	18.7	96.0
	Others	3	4.0	4.0	100.0
	Total	75	100.0	100.0	

Table 4.1.3 above shows the educational qualification distribution of the respondents.

Table 4.1.4 Employment Status Distribution

EMPL

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Local Government Employee	17	22.7	22.7	22.7
	State Government Employee	23	30.7	30.7	53.3
	Federal Government Employee	35	46.7	46.7	100.0
	Total	75	100.0	100.0	

Table 4.4 above shows the employment status of the respondents. 17 respondents were under the employment of the local government, 23 were under state government employment while 35 were federal government employees. This represent 22.7%, 30.7% and 46.7% respectively.

4.2.1 Descriptive Statistics

	COR	TSA	IPPIS	IPSAS	GIFMIS
Mean	15.12000	16.33333	14.14667	16.42667	15.57333
Median	15.00000	16.00000	14.00000	17.00000	15.00000
Maximum	20.00000	20.00000	20.00000	20.00000	20.00000
Minimum	10.00000	14.00000	10.00000	11.00000	11.00000
Std. Dev.	2.336317	1.500751	2.587357	1.817136	2.047895
Skewness	0.257591	0.650249	0.374493	-0.581781	0.093567
Kurtosis	2.681951	3.120000	2.298614	3.987756	2.942955
Jarque-Bera	1.145527	5.330290	3.290387	7.279801	0.119603
Probability	0.563965	0.069589	0.192975	0.026255	0.941951
Sum	1134.000	1225.000	1061.000	1232.000	1168.000
Sum Sq. Dev.	403.9200	166.6667	495.3867	244.3467	310.3467
Observations	75	75	75	75	75

Source: Eview8

The above table 4.2.1 presents the descriptive statistics of the entire responses from the respondents. A critical review of the table shows that corruption (COR) which is the dependent variable has a mean value of (15.12) and maximum value of (20.00); the standard deviation value of (2.336317) can be regarded as low compare with the mean value which could suggest a significant deviation from the mean. Considering the questions addressing the effect of TSA on COR we ascertained a maximum and minimum values of (20.00000) and (14.00000) respectively with a mean value of (16.33333). The standard deviation of (1.500751) shows no slight deviation from the mean. The responses from the questions addressing the impact of IPSAS on COR revealed a mean value of (16.42667) and a maximum and minimum values of (20.00000) and (11.000000) respectively with a standard deviation of (1.817136). The IPPIS responses revealed maximum and minimum values of (20.00000) and (10.00000) respectively with a standard deviation (2.587357). Lastly, GIFMIS impact on COR responses produced a maximum and minimum values of (20.00000) and (11.00000) respectively with a standard deviation (2.047895). The jarqueBera statistics is relatively fair throughout the variables which indicate that the data satisfy normality.

Table 4.2.2 Covariance Analysis

Covariance Analysis: Ordinary
Date: 06/09/16   Time: 10:56
Sample: 1 75
Included observations: 75
Degree-of-freedom corrected covariances

Covariance Correlation	COR	TSA	IPPIS	IPSAS	GIFMIS
COR	5.458378				
	1.000000				
TSA	0.432432	2.252252			
	0.123333	1.000000			
IPPIS	0.468649	-0.292793	6.694414		
	0.077528	-0.075404	1.000000		
IPSAS	1.840000	0.180180	-0.009369	3.301982	
	0.433410	0.066071	-0.001993	1.000000	
GIFMIS	0.281622	0.617117	-0.558198	0.198018	4.193874
	0.058861	0.200794	-0.105348	0.053212	1.000000

In an attempt to X-ray the relationship amongst variables used in this study, correlation analysis was carried out. The above table shows the relationship amongst variable. The table shows that the co-efficient of correlation of a variable with respect to itself is 1.00. The analysis observed that positive relationship exists among all other variables of TSA, IPSAS and GIFMIS except IPPIS which displayed a negative relation. The negative relationship exhibited by IPPIS indicates that an increase in IPPIS implementation will reduce payroll related fraud which in turn will lead to decrease in corruption. However the degree of correlation was observed to vary among the variables.

Table 4.2.3 Regression Result

Dependent Variable: COR
Method: Least Squares
Date: 06/09/16   Time: 10:51
Sample (adjusted): 2 75
Included observations: 74 after adjustments
Convergence achieved after 12 iterations

Variable	Coefficient	Std. Error	t-Statistic	Prob.
TSA	0.201053	0.173617	1.158026	0.2509
IPPIS	-0.031210	0.106641	-0.292667	0.7707
IPSAS	0.469624	0.133785	3.510292	0.0008
GIFMIS	0.007498	0.125713	0.059646	0.9526
C	4.422345	4.349320	1.016790	0.3129
AR(1)	0.242653	0.123356	1.967088	0.0533

R-squared	0.234599	Mean dependent var		15.10811
Adjusted R-squared	0.178319	S.D. dependent var		2.349979
S.E. of regression	2.130176	Akaike info criterion		4.427891
Sum squared resid	308.5601	Schwarz criterion		4.614707
Log likelihood	-157.8320	Hannan-Quinn criter.		4.502414
F-statistic	4.168460	Durbin-Watson stat		2.013602
Prob(F-statistic)	0.002312			

Inverted AR Roots	.24	

Source: Eview 8

In an attempt to test the level of significance of the relationship expressed by the covariance test above, a regression analysis was conducted. The above table presents the result of the regression analysis. From the analysis, it can be observed that all the independent variables of TSA, IPSAS and GIFMIS, had a positive relationship with COR except IPPIS. After adjustment the R-squared value stood at 0.234599 which indicates that 24 percent of the systematic variation in COR which is the dependent variable is explained by the model and the independent variable. With regard to individual significance, only IPSAS had a significant relationship with COR at 5% degree of significance while TSA, IPSAS and GIFMIS had no significant relationship with COR at 5 percent significance. The prob (F stat) is 0.002312, hence we could argue that a greater level of significant relationship exists between COR and all the independent variables combined.

4.3 Summary of Findings

The research findings are summarized as follows:

- TSA has a positive non-significant relationship with corruption. This means that an increase in TSA application-implementation will result to an increase in corruption.

   H$_1$: The introduction and application of TSA will not reduce corruption in the Nigeria public sector is therefore accepted.

- IPPIS has a negative relationship with COR. This means that an increase in IPPIS implementation will reduce payroll related fraud which in turn leads to corruption reduction. It should be noted that this finding is line with that of Iheduru and Amafule (2014), Idris et al. (2015) and Iyuba and Aliyu (2014) who all agreed that IPPIS implementation can help reduce corruption.

   H$_2$: IPPIS cannot combat corruption in the Nigeria Public sector is therefore rejected.

- IPSAS has a significant positive relationship with COR. This implies that the implementation of IPSAS will not in any way reduce or eliminate corruption. This finding is in contrast with that of Ijeoma and Oghoghomeh (2014) who found that IPSAS implementation is expected to increase the level of accountability and transparency in public sector of Nigeria and in the long run reduce corruption.

   H$_3$: The adoption of IPSAS will not eliminate corruption in Nigeria public sector financial management is therefore accepted.

- GIFMIS has a positive non-significant relationship with COR. This indicates that implementation of GIFMIS will not eradicate corruption. This finding is also at variance with that of Ayuba and Aliyu (2014) and Iheduru and Amafule (2014) who found that application of GIFMIS in the structure of the nation's public sector operation will amount to a veritable tool in checkmating corruption in the system and thus serves as a catalyst in engendering economic development in the economy.

   H$_4$: GIFMIS cannot eradicate corruption in the Nigeria Public sector is therefore accepted.

5.0 Conclusion and Recommendation

It has been found from the study and result analysis above that IPPIS if effectively implemented can reduce payroll fraud which in the long run will also reduce corruption. Other variables such as TSA, IPSAS and GIFMIS result revealed opposite. Therefore, the government of the day is advised to implement IPPIS to its fullest maximum to maximize its potential of reducing corruption.

The variance between the study's findings and that of other writers may be as a result of methodological approach, scope and country specific factors. Therefore, other writers intending to research on this area are advised to increase the scope of study, adopt more than one methodology, such as use of questionnaire and interview and others.

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Appendices

Department of Accounting,

Faculty of Management Sciences,

University of Benin,

Benin City.

June 1th, 2016.

Dear Respondent,

REQUEST FOR COMPLETION OF QUESTIONNAIRE

We are post graduate student of M.Sc accounting in University of Benin, Benin City and undertaking a research study titled **"Financial Management Reforms and Corruption in Nigeria Public Sector".**

Kindly take few minutes of your time to assist in completing the questionnaire. Your personal information are not required and every information provided will be treated with strict confidentiality and used solely for academic purpose.

Thanks for your assistance and cooperation.

Yours faithfully,

—————————————

Endurance Samson **AFIANGBE**

PG/MGS0707712

—————————————

Agha Dennis **IFEAKACHUKWU**

PG/MGS0305856

Instruction

Please tick or mark (√) in the boxes provided or fill where appropriate.

Section A: Background information

1. Sex: Male [ ] Female [ ]

2. Age: 20-25[ ] 26 - 30 [ ] 31 – 35 [ ] 36 – 40[ ] 41 and above [ ]

3. Educational Qualification: WASCE [ ], OND/NCE [ ], B.SC/B.A [ ] M.SC/PHD [ ] others [ ].

4. Employment status: Local government employee [ ] State government employee [ ] Federal government employee [ ]

Section B: Questions to Test the Study Hypotheses

Code:

SA- Strongly agree A- Agree U- Undecided D- Disagree SD- Strongly disagree

	Corruption (COR)	**SA**	**A**	**U**	**D**	**SD**
1	Introduction of Treasury Single Account (TSA) for government revenue consolidation or unification can reduce corruption.					
2	Introduction and application of Integrated Payroll and Personnel Information System (IPPIS) for public service payroll management will eradicate payroll fraud and other corruption related activities.					
3	Adoption of International Public Sector Accounting Standard (IPSAS) for government account preparation will remove all abnormities in account preparation and eradicate corruption.					
4	Introduction and application of Government Integrated Financial Management Information System (GIFMIS) for management of government budget and government accounting systems will reduce corruption in the budgetary and accounting process.					
	Treasury Single Account (TSA)	**SA**	**A**	**U**	**D**	**SD**
5	TSA will reduce idle cash balance that is often accumulated in accounts of Ministries, Departments and Agencies (MDAs) in commercial banks by investing any surplus.					
6	TSA will ensure effective monitoring and reconciliation of government accounts.					
7	TSA will enthrone centralised, transparent and accountable revenue management					
8	TSA will help eliminate operational inefficiency and costs associated with maintaining multiple accounts across multiple financial institutions					
	Integrated Payroll and Personnel Information System (IPPIS)	**SA**	**A**	**U**	**D**	**SD**
9	IPPIS is a necessity in the operations of government payroll in this					

		SA	A	U	D	SD
	modern era.					
10	IPPIS will eliminate payroll fraud such as multiple payment of emoluments to single employee or payment of monthly salary to a non-existent employee					
11	IPPIS will enhance prompt deduction and remittance to accounts of all third parties payments such as Pension Fund Administrators (PFAs), National Health Insurance Scheme (NHIS), Pay As You Earn (PAYE),					
12	IPPIS is yet to be fully operation in most government Ministries, Departments and Agencies (MDA)					
	Adoption of International Public Sector Accounting Standard (IPSAS)	SA	A	U	D	SD
13	The adoption of IPSAS will enhance comparability and international best practice					
14	The adoption of IPSAS will increase the Level of Accountability and Transparency in Public Sector of Nigeria					
15	Adoption of IPSAS will ensure credibility/integrity that will build confidence in donor agencies, lenders and other stakeholders.					
16	Adoption of IPSAS will enhance Public-Private partnership.					
	Government Integrated Financial Management Information System (GIFMIS)					
17	GIFMIS is a necessity in the operations of government activities and financial management in this modern era.					
18	The apparent lack of accountability and corruption perpetrated by some public office holders is linked to the absence of a well-designed GIFMIS in the operational structure of the nation's public sector financial management.					
19	The installation of a well-designed electronic accounting information system such as GIFMIS in the nation's public sector financial management can checkmate corruption in the economy.					
20	The present operation of the Nigerian public sector has not fully pragmatized (i.e. activated) electronic accounting information dissemination approach such as GIFMIS in the entire financial management system.					