Accounting infrastructure and accountability in the management of public expenditure in developing countries: A focus on Nigeria

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**Abstract**

Accountability in the control and management of public funds is one of the most sensitive aspects of the activities of government in all democracies. Hence, the 1999 Constitution of the Federal Republic of Nigeria contains provisions relating to legislative powers and control over public funds. However, the required level of accountability in public expenditure has not been achieved in Nigeria. The situation has remained worrisome even though the country does not lack in the appropriate laws and regulation required to bring sanity into the system. Though there have been some bold steps and initiatives in the recent past by the government by strengthening existing institutions and creating new ones with responsibility for fraud and other controls, the issue of weak accounting infrastructure has not been addressed. The paper argues that accountability in public expenditure can more easily be realized within the context of a sound accounting infrastructure and a robust accounting profession and not in the multiplicity of laws and anti-corruption agencies; all of which are reactive in nature. Therefore, the paper reports on the current state of accounting infrastructure in Nigeria, and conclude with an assessment of the existing agencies and current reform initiatives in ensuring accountability in public expenditure in Nigeria.

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1. Introduction

From a global perspective, economic and social development is increasingly being driven by accountability in all forms and shapes. Accountability has thus, become of essence as a key to creating wealth and maintaining a free society. The lesson we can draw, based on this premise, is that poor nations of the 21st century would not be those that lack resources (human and material) or those that are ravaged by one form of misery or the other, but those that cannot account for whatever resources they have. That is, accountability would continue to remain fundamental to the construction of viable social–political economy.

The concept of accountability has been be evolving and broadening over the years from a rather narrow focus on financial record-keeping at the account level to a broader concept of integrated financial management and stewardship over the effective and efficient use of financial and other resources in all areas of government operations. This is made vivid in the context of the United Kingdom Local Governments in respect of which, Jones (1984:4) states “the tax payers lacking the shareholders’ opportunity to opt out have a correspondingly greater interest in being assured that the money abstracted from their pockets have been administered with propriety and efficiency and without waste and extravagance”.

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