



DOI: <https://doi.org/10.53555/eijbms.v5i3.86>

THE ROLE OF GOVERNMENT IN CURBING FINANCIAL MALPRACTICES IN NIGERIA PUBLIC SECTOR

Taiwo Isaac Babatope*

Email: taiwoib@yahoo.com, Phone number: +2348038055864 NOU090302340

**Corresponding Author:-*

A THESIS SUBMITTED TO THE SCHOOL OF BUSINESS AND HUMAN RESOURCES MANAGEMENT, NATIONAL OPEN UNIVERSITY OF NIGERIA, LAGOS, IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE MASTER IN BUSINESS ADMINISTRATION (MBA) IN FINANCIAL MANAGEMENT

MAY, 2012

DECLARATION

I TAIWO, ISAAC BABATOPE humbly declare that this work entitled **THE ROLE OF GOVERNMENT IN CURBING FINANCIAL MALPRACTICES IN NIGERIA PUBLIC SECTOR** is as a result of my research effort carried out in the School of Business and Human resources Management, National Open University of Nigeria, under the supervision of Dr. M.O. Oke. I further wish to declare that, to the best of my knowledge and belief, it contains no material previously published or written by another person nor material which to a substantial extent has been accepted for the award of any other master or degree or diploma of any University or other institute of higher learning, except where due acknowledgement has been made in the text.

.....
(Signature and Date)

CERTIFICATION

This is to certify that this research project entitled **THE ROLE OF GOVERNMENT IN CURBING FINANCIAL MALPRACTICES IN NIGERIA PUBLIC SECTOR** was carried out by Taiwo, Isaac Babatope in the School of Business and Human resources Management, National Open University of Nigeria Lagos for the award of Master in Business Administration (MBA) in Financial Management.

DR. M.O. OKE
Supervisor

.....
Date

.....
Signature

.....
Date

.....
Signature

.....
Date

.....
Signature

DEDICATION

This research project is dedicated to God Almighty who has been my source of inspiration, strength and he made it possible for me from the beginning up till this level.

ACKNOWLEDGEMENT

I am grateful to God Almighty who has graciously made this research project successful, thank you Lord for respecting my knees when I bow in prayer, you recognize my voice when I lift it in praise, despite all calamities and how stormy it was, I still say thank you holy Spirit.

My gratitude and appreciation goes to my able and competent supervisor, Dr. M.O. Oke for the assistance and advice you rendered during the course of this research project. Remain Blessed.

To my parents, Elder and Deaconess E.O. Taiwo, thanks for your prayers and support, Prophecy of Isaiah 28 vs 18 will be permanent in your life. My sincere appreciation goes to my wife Mrs M.O. Taiwo for your interest in my progress, your assistant, guidance, full support, understanding, care and love you showed to me during this programme, it is a blessing to have you in my life. And, my children, Ebinoluwa, Oluwatomiwa, Oluwatosolami and Temiloluwa, you've all been a blessing to me, God bless and keep you all.

To everybody around me who have always interested in my well-being, may heaven recognize you all at the throne of mercy and bless you abundantly and above all, thanks to all my brothers and sisters and all my friends far and near, God has been using you for my life. Thanks for your prayers, visions and encouragement and as God lived, you will always be there for me and you will never be tired of me. Thank you all, I am grateful.

Since man is not an Island, one has to interact and share experience with other people to achieve success in life and for this reason, I am grateful to all my lecturers, authors and writers whose ideas and facts has immensely enhance the writing of this research and completion of my programme.

Finally, I give glory and honour to God Almighty who granted me the sound health, strength, power, knowledge and wisdom to carry out this programme successfully.

ABSTRACT:-

This research examines the role of government in curbing financial malpractices in Nigeria public sector. Efforts made in the past to curtail the problem, and present experiments to eradicate the scourges from our public sector of Nigeria economy are also examined. In other words, whenever and wherever a party performs a service or obligation in exchange for some gratification or refuses to perform his duty as a result of conferment of some benefits or promise of same, he is said to be corrupt. This dissertation is broken into five chapters. The major objectives of this research are to investigate and educate about the various forms of financial malpractices, causes, dangers, signal and ways of preventing financial malpractices and to discuss some of the role of the Government in curbing financial malpractices in the Nigeria public sector. The methodology explains scientific and methodological nature, it's scientific in that it follow a well-defined laid down principles and makes use of scientific approach to studying using primary and secondary data, Primary sources such as relevant statutes and legislations, judicial decisions and government publications and secondary sources such as opinions of writers, textbooks, newspaper articles and seminar papers. And finally, with discussion of results and curbing financial malpractices in Nigeria, with Summary, Conclusion and Recommendations we can see from this research project that the efforts and the impact Government is making to curb financial malpractices is having positive and is returning sanity to our public sector, enthroning the virtues of honesty, transparency and accountability in Nigeria.

TABLE OF CONTENTS

TITLE	PAGES
Title page	i
Declaration/Certification	ii
Dedication	iii
Acknowledgement	iv
Abstract	v
Table of Contents	vii-viii

CHAPTER ONE

- 1.0 General Introduction/Background to the Study
- 1.1 Statement of the Problem
- 1.2 Research Questions
- 1.3 Objective of the Study
- 1.4 Scope of the Study
- 1.5 Significance of the Study
- 1.6 Research Hypothesis
- 1.7 Research Methodology
- 1.8 Definition of Terms

CHAPTER TWO

- 2.0 Literature Review
- 2.1 Definition of Terms
- 2.2 Constitutional Framework to Tackle Financial Malpractices
- 2.3 The Effect of Financial Malpractices in the Country

CHAPTER THREE

- 3.0 Research Design and Methodology
- 3.1 Sampling Frame of the Study
- 3.2 Sampling Techniques
- 3.3 Method of Data Collection
- 3.4 Limitation of the Methodology

CHAPTER FOUR

- 4.0 Data Collection and Analysis
- 4.1 Data Presentation and Interpretation
- 4.2 Discussion of Results
- 4.3 Curbing Financial Malpractices in Nigeria
- 4.4 Implication of Findings

CHAPTER FIVE

- 5.0 Summary, Conclusion and Recommendation
- 5.1 Introduction
- 5.2 Summary
- 5.3 Conclusion
- 5.4 Recommendation

BIBLIOGRAPHY

APPENDIX

QUESTIONNAIRE

CHAPTER ONE

1.0 INTRODUCTION/BACKGROUND TO THE STUDY

Nigeria is one of the countries identified as the most corrupt nation in the World since independence in 1960 Ocheje (2001), no administration has been declared corruption free; the notable difference is the degree of financial malpractices. The first republic was interrupted in 1960 on the accusation of corrupt practices. When the military took over they claim among other things to stop the spate of financial malpractices with which regional and National government had been associated. Virtually, all the military administrations we had, since then, hammered on the issue of corruption and the need to eradicate it from Nigeria.

The level of financial malpractices in the present public sector and corporate organisations in Nigeria has assumed an epidemic dimension. This is the reason why there is a need to know the efforts and the impacts of government to curb financial malpractices in Nigeria. Actually, it has eaten deep into every aspects of our life to the extent that everyone in the public sector engages in it as a way of life.

Financial malpractices can be define as a conscious pre-mediated action of person or group of persons with the intention of altering the fact for selfish personal monetary gain, it's a product of dishonesty and an instance of deceiving somebody in order to make money or obtain goods Marong (2002).

The present level of corruption in Nigeria is a product of our machinations. Corruption has eaten deep into the fabrics of our society and it is everywhere. It is clearly and visibly written in the air. We are all victims of one corrupt practice or the other.

Financial malpractices are not peculiar to Nigeria. It is common to all governments and countries of the world. Its effects are more visible here simply because, the rate at which it is operated is beyond imagination and the enforcement machinery has been compromised especially recently with the increasing instances of plea bargaining introduced into its prosecution. Nigeria economy is divided into two (2) sectors namely, Public sector and Private sector. Public sector is the part of the economy; industry etc. that is controlled by Government comprising Federal, State and Local government while Private sector comprises all corporate organisations and other private establishment of the economy.

In Nigeria, corruption, money Laundering and other related crimes have assumed alarming proportions. Pervasive mismanagement of resources has become the order of the day both in the public and private organizations. According to Chibuzo (2004), financial crime has become really pervasive and the likelihood of corporate fraud occurring has also become move severe.

The financial malpractices in Nigeria economy include the following forms:-

- a.) Misappropriation of money, goods and assets.
- b.) Teeming and lading using cash and cheque
- c.) Overcasting of figures
- d.) Payment of salary to ghost workers
- e.) Inflating contract prices
- f.) Commercial bribery
- g.) False expense report
- h.) Suppression or omitting transactions from records or documents
- i.) Recording of transactions without substance etc.

This project work will be focusing on the impact of government in curbing financial malpractices in Nigeria

1.1 STATEMENT OF THE PROBLEM

Frequent occurrence of financial malpractices ultimately distracts the attention of the government and leads to increase in running cost. Time and energies that would have been spent improving the economy would be expensed on curbing the financial malpractices.

However, financial malpractices occurrence has been on increase in the Nigeria economy which has made the efforts of the Government to be meaningless and unproductive. In order for these efforts to become productive, the researcher shall look into some of the causes of financial malpractices in Nigeria which includes the following:-

- i.) Weak internal control in public sector of Nigeria economy
- ii.) The spate of dishonesty in the life of leaders and even the followers
- iii.) Gross abuse of authority vested on our leaders
- iv.) The government appears to have abandoned their essential role of motivating staff
- v.) The breaking of operational roles in the public sector and corporate organisation for their own selfish interest
- vi.) The need to ensure that the government sector become active players rather than spectators in the emerging world.

1.2 RESEARCH QUESTIONS

In order to shed more light on the role of Government to curb financial malpractices in Nigeria public sector, some questions need to be asked and answered some of these questions that often come to one's mind which include:-

- a.) Can the operation of Economic and Financial Crimes Commission (EFCC) bring any benefit to the public and the government?
- b.) Can the efforts of the government to curb financial malpractices protect public funds?
- c.) Can honest people still be employed to the public sector or corporate organisations?
- d.) Can financial malpractices be totally curbed in the Country?
- e.) Will the move of Government to curb financial malpractices not going to be partial?
- f.) Can financial malpractices be removing from our system in Nigeria?

1.3 OBJECTIVE OF THE STUDY

The major objectives of this project are to investigate the causes and impact of financial malpractices in the Nigeria economy development.

From the above mentioned problems, we can say that a study like this is to educate about the various forms of financial malpractices, causes, dangers, signal and ways of preventing financial malpractices and to discuss some of the efforts of the Government policy in curbing financial malpractices in the public sector so as:

- i. To determine the various forms of financial malpractices
- ii. To investigate the efforts of Government policy in curbing financial malpractices
- iii. To determine the effectiveness of the various Government agency to curb financial malpractices

1.4 SCOPE OF THE STUDY

This study is based on the examination of the role of Government to curb financial malpractices in Nigeria public sector. The basic issues will be discussed within the context of the Impact of Government in curbing Financial Malpractices This study will be restricted to the Nigeria at the Federal, State and Local Government levels, corporate organisations and also to the Constitutional Developments in Nigeria and will also examine the consequences of financial malpractices in the country.

This study is basically limited on the Impact of Government in curbing Financial Malpractices the Nigeria experience, constitutional provision of various statues on Financial Malpractices, effects of Financial Malpractices and the role of Government in curbing and preventing Financial Malpractices and also issues or matters associated with Financial Malpractices in Nigeria.

1.5 SIGNIFICANCE OF THE STUDY

This study is worthwhile to spend time, money and efforts because this is one of the main issues affecting the development of Nigeria economy.

The study will create new knowledge by letting us know how financial malpractices will be curbed in Nigeria. It is also going to inform us of the move and the impact of Government to curb financial malpractices and the punishment for anyone caught in the act.

It is also going to give us more information about those people engaging on financial malpractices, the punishment of Economic and Financial Crime Commission to some selected cases of financial malpractices in Nigeria both in public sector and corporate organisations will be review to let us know that Government is alert to curb financial malpractices in the country.

After the end of this project work, the general public will benefit from the information contain therein.

1.6 RESEARCH HYPOTHESIS:

The following null hypotheses have been formulated for this study:

Ho: The Government policy has no significant effect in curbing financial malpractices in the Nigeria public sector

H1: The Government policy has a significant effect in curbing financial malpractices in the Nigeria public sector.

1.7 RESEARCH METHODOLOGY

This explains all the procedure of the research methodology adopted during the research work for analysis of the research data. Every research work is scientific and methodological in nature, it is scientific in that it has to follow a well-defined laid down principles and makes use of scientific approach to studying.

This project work will be conducted using primary and secondary data, Primary sources such as relevant statutes and legislations, judicial decisions and government publications and secondary sources such as opinions of writers, textbooks, newspaper articles and seminar papers.

Due to the development in Nigeria economy, the project work will be split into the Public sector.

POPULATION OF THE STUDY:

This study is basically on the financial malpractices in all the public sectors of Nigeria economy which include, all the Federal and State Ministries, Agencies and Corporations i.e all establishment owned by Government.

SAMPLE OF THE STUDY:

The sample of the research methodology is gathered from both the Federal and State public sectors in Ekiti state due to nearness of resourceful information available within and which has helped the project work.

1.8 DEFINITION OF TERMS

The abuse of public funds for private benefit is financial malpractices, financial malpractices is a symptom of the weakness of political, social, legal and economic systems. Even where financial malpractices are widespread the actor will strive to keep it hidden from public view.

Financial malpractices are not new nor are it confined to any particular part of the World. Bribery, collusion, nepotism and so on refer to financial malpractices as global phenomena.

CONCEPT OF FINANCIAL MALPRACTICES

To define what financial malpractices is, it is important to analyze the social agents that are involved in the process. According to Gambetta (2000), there are at least three agents involved in the financial malpractices: Agent can be individual, such as an employer, or a collective body relying on the expectation that people in certain positions are bound to follow given rules, one who agrees to act on behalf of the first agent, and the other whose interest are affected by the second agent's actions.

There are rules the second agent must obey as trusted by the first agent. However, the third agent wants the second agent to do improperly: to abuse the second agent's trust from the first in order to gain benefit for her. It is obvious that financial malpractices are not an exclusively economic phenomenon. As described by Abed and Davoodi (2000), financial malpractices manifest itself in many political processes, law and judicial system, and many less visible spheres. The most popular and probably simplest definition of financial malpractices was given by Tanzi (1995) as 'the abuse of public power for private benefit.

According to Berg (2001), financial malpractices are the abuse of public power for private benefit, while the private benefit is often in the form of money or in-kind from client to the agent, this is call corruption.

Financial malpractices are a global phenomenon; there is no generally acceptable definition of the term. This is because all attempts to define the concept have been based on different perspectives and criteria like: 'legal, sociological, moral or descriptions of the conduct involved i.e. models involving conflicts of interest, breaches of trust or abuses of principal/agent/client relationships, economic, political and administrative models, distinctions based on whether the financial malpractices involved public or private sector.

Financial malpractices has been described as a departure from what is legally, ethically, and morally correct, lack of integrity or honesty, use of a position of trust for dishonest gain, moral perversion, impairment of virtue and moral principles, destroying someone's (or some group's) honesty or loyalty, undermining moral integrity, inducement (as of a public official) by improper means (as bribery) to violate duty.

Robin (1990) defined corruption in the public service as the perversion or destruction of integrity in the discharge of public duties by bribery or favour, the use or existence of corrupt practices, especially in a state of public corporation.

Financial malpractices have also been described by Ayoola (2002) as the 'misuse of office for personal gain. The office is a position of trust, where one receives authority in order to act on behalf of an institution, be it private, public, or non-profits. Corruption can entail acts of omission or commission. It can involve legal activities or illegal ones.

Financial malpractices may involve cash or economic benefits, power or influence, or even less-tangible interest. Financial malpractices can be grand or Petty. It is grand when it pervades the highest echelons of government by those responsible for the formulation of policy, and this invariably leads to a broad erosion of confidence in good governance, the rule of law and economic stability.

Petty corruption on the other hand involves the exchange of smaller amounts of money or minor favours by those seeking preferential treatment. It is sometimes referred to as 'administrative corruption when both exist side by side in a single country, financial malpractices become systemic and highly damaging. This, regrettably, has been our lot since independence.

According to Ajibola (1988), Corruption and other forms of economic crimes have since been on the upsurge. The alarming dimension taken by such crimes has not gone unnoticed. In our acquisitive society, many people are rated in terms of what they own and not what they are. Social climbing based on illicit wealth is not frowned upon. Public Office is regarded as a vehicle for acquiring wealth and unbridled affluence and not as a merited avenue for rendering invaluable service to the Nation for our collective good.

It can be seen from the definitions and descriptions therein above given of financial malpractices and corrupt practices that there is a broad agreement that financial malpractices could arise from 'abuse of public office for private gain, and it is visible not only in public sectors but involve private sector as well as foreign enterprises.

GOVERNMENT

There are three levels of government in Nigeria, Federal government, State government and Local government.

EFCC

Economic and Financial Crimes Commission

ICPC

Independent Corrupt Practices and other related offences Commission

INTERNAL CONTROL

It is a control that is put in an organisation to ensure effective and efficient administration such as, physical control, supervision, segregation of duties, Management control, Organisation control, Arithmetic control etc.

INTERNAL CHECK

This is an integral part of an internal control system.

INTERNAL AUDITOR

This is the person that is responsible for carryout internal audit assignment where there are financial malpractices.

EXTERNAL AUDITOR

This is the person that carryout statutory audit for better recommendation where there are financial malpractices

HISTORY OF FINANCIAL MALPRACTICES IN NIGERIA

Since the creation of modern public administration in the country, there have been cases of official misuse of resources for personal enrichment. The rise of public administration is a major event that led to a litany of ignoble corrupt practices in the country.

Financial malpractices, though prevalent, was kept at manageable levels during the First Republic. When did financial malpractices in Nigeria begin? In the words of a colonial government report of 1947, 'The African's background and outlook on public morality is very different from the present day Briton. The African in the public service seeks to further his own financial interest'.

The colonial report concluded that only public opinion could deal with corruption.

The problem was that there was no responsible public opinion to check financial malpractices in Nigeria.

The history of financial malpractices in Nigeria can be examined under the following headings:

- i) Pre-Colonial and Colonial Period.
- ii) First Republic.
- iii) Second Republic.

PRE- COLONIAL AND COLONIAL PERIOD

Pre-colonial Nigeria and period before the amalgamation of the Northern and Southern Protectorates seemed to have been relatively decent and clean. Though the economy was simple and mostly agrarian in nature, financial malpractices were quite nominal.

Perverted conducts were few and mostly occurred during native wars, as in the looting of vanquished towns, snatching of wives and spouses especially by the royalty and the war lords etc. Economic transactions were (by barter) through exchange of goods and services and by mutual agreements.

It is generally believed that grand financial malpractices gradually were introduced into Nigeria during the colonial period. This period witnessed western education, new religions, urbanization, monetized economy, formal international trade and exchanges. People were drawn from their traditional religions, beliefs and cultural practices and exposed to material demands and money as status symbol and social security.

Also, the Indirect Rule system in Southern Nigeria brought with it incidences of public office financial malpractices. Native Court Presidents known as Warrant Chiefs were accused of abuse of office and corruption. They were appointed outside the established traditional community chieftaincy system and misused the new powers invested in them, considering the influence and power these chiefs wielded, all kinds of tricks and activities were exploited to secure and keep such appointments.

The reports submitted by the Secretary of Native Affairs in 1919 and in 1930 on the Aba Women riot attested to the corrupt nature of the Warrant Chiefs' system. The reports found that applicants merely sought warrants for self-enrichments and profligacy. Same was reported of court clerks and messengers²⁴. A commission of inquiry set up in 1947 by the Colonial Administration into the management of District Councils revealed that there was systemic and widespread corruption in the local government councils as bribes were demanded and extorted for appointments, promotions and contract awards. As early as 1954 when transfer of political power was gradually shifting to the three regions, the exercise of political power had been tainted by allegations of financial malpractices. One observer described the situation this way: 'Since the nationalist politicians had gained control of regional state apparatus in the 1950s the exercise of state power was closely linked to the economic advancement of individual, community, sectoral and ethnic interest'.

In 1956 following complaints of corruption, the Foster-Sutton Commission was set up to look into the Affairs of the African Continental Bank Ltd (ACB) said to have been strengthened by the addition of two million pounds of public funds by Dr. Nnamdi Azikiwe who was said at the time to have 'considerable personal holding'.

The Commission found Dr. Azikiwe's conduct as falling 'short of expectations of honest and reasonable people'. The nation's political dawn was looking bleak. Also the Justice GBA Coker Commission was set up in 1962 to look into the Management of certain statutory financial malpractices in the Western Region.

It found incidences of abuse of office, misappropriation and stealing of public funds and property. Strangely indicates were never prosecuted and did not resign their appointments, but the findings of that Commission and the Government White Paper rejuvenated Western Nigeria and raised institutions like Wema Bank, National Bank, Wema bank, Cocoa House, Investment House etc.

Before the discovery of Oil in 1956, Nigeria was noted for the production several cash crops such as cocoa, groundnuts, timber, cotton, palm oil e.t.c. These were the main source of our foreign exchange earnings. However, the discovery of oil by Shell changed that bright policy and thinking of our leaders. Unexpected wealth from oil destroyed what used to be a rich and vibrant agricultural tradition. Well, if resources from oil had been managed honestly and transparently, the gains and wealth would have been noticeable and our story would have been different.

THE FIRST REPUBLIC: 1960 – 1966.

The period between 1960-1966 often referred to as the First Republic witnessed the emergence and consolidation of political parties based on ethnic and regional cleavages, this arrangement ensured that parties won elections in their localities or bases through electoral malpractices, violence and intimidation, such as the disruption of election, hijack of electoral officers and materials, stealing of electoral supplies and printing of fake electoral voting cards.

Financial malpractices also were widespread in Government through undisguised personal enrichment by political office holders through bribery, fraud, kickbacks, misappropriations and outright stealing. This period saw the emergence of Nigeria in 1960 as an Independent Nation and in 1963 as a Republic. The crucial metamorphosis of the political landscape bestowed on the new and young leadership unexpected power and wealth which sadly, most could not manage and never expected to be called upon to manage. This may explain why most became inebriated and abused office and power flagrantly for personal and selfish gains as Michael Crowther noted:

"By the end of 1965, the politicians had earned almost universal contempt for their corruption, profligacy and lack of real concern for those they ruled and who had elected them"

National revenue became a political springboard to secure support and repress political opponents. The struggle for control of government revenue administered from the centre became a desperate issue. The military opportunists who intervened in January 1966 labelled the politicians 'ten per Centers' prompted by widespread financial malpractices especially kickbacks at both the Federal and Regional levels.

THE PERIOD BETWEEN 1966 - 1975

The General Aguiyi Ironsi Administration upon coming to power after the January 1966 Coup instituted a number of Commissions of inquiry into the affairs of the ousted civil administration. Some of these were inquiries into the Management of the Nigerian Railway Corporation, the Electricity Corporation of widespread corruption, abuse of office and financial recklessness in the administration of the said agencies. That administration was short-lived and could not be properly assessed in the barometer of integrity and transparency³³. General Yakubu Gowon on assuming power in July 1966 and acting upon the commissions of inquiry report of misuse of power report favouritism, embezzlement of funds, inflation of contract prices, etc instituted the Public Officers.

Investigation of Assets Decree No 5 of 1966 and the Miscellaneous Offences Decree to identify and seize corruptly acquired assets of political office holders. This was lauded but as years passed by, the 'corrective' regime soon found itself entangled in the web of corruption more audacious and daring than the politicians they overthrew. Military rulers, Governors and their bureaucrats or 'super permanent secretaries' notoriously became brazenly corrupt.

THE PERIOD BETWEEN 1975 – 1979

General Murtala Muhammed seized power on July 29th 1975 in the light of open knowledge of corruption by the Gowon Administration, the Government enacted the financial malpractices Decree of 1975 all Governors in the overthrown government were investigated and all except two were found guilty of corruption and consequently had their property seized. The regime was noted for suspensions, movements and outright dismissal of unscrupulous military and public officers.

It was Nigeria's first genuine experiment at ethical revival and cleansing, but the forces and army of financial malpractices was not impressed. They struck back and that regime, he shortest, was truncated by the February 13 1976 coup. However the second in Command (then Chief of Staff Supreme Headquarters) General Olusegun Obasanjo took over power and pursued the administration's programme till 1979 when he handed over.

Financial malpractices was also reported during this period especially in ESTAC 1977 festival and others, but seemed controlled and inconsequential considering the determined attack against it by that administration.

THE SECOND REPUBLIC: 1979- 1983

Quite abashed by the reckless run of corruption during his administration, Alhaji Shehu Shagari lamented: 'What worries me more than anything among our problems is that of moral decadence in our country. There is the problem of bribery, financial malpractices was also reported during this period especially in ESTAC 1977 festival and others, but seemed controlled and inconsequential considering the determined attack against it by that administration, lack of dedication to duty, dishonesty, and all such vices'.

His Administration therefore introduced the Ethical Revolution aimed at moving the nation 'steadily and permanently in a discernible new direction of self-reliance and dedication to excellence in leadership, in discipline, in orderliness, in hard work, in honesty in morality, in mutual respect and tolerance, along with the submission of our country to God in national affairs and personal pursuits'.

Despite these laudable ideas and pledge the Shagari regime became enmeshed in financial malpractices was also reported during this period especially in ESTAC 1977 festival and others, but seemed controlled and inconsequential considering the determined attack against it by that administration., lack of accountability, electoral fraud, violence and kickbacks. This period witnessed several cases of arson of public buildings to cover up fraud and stolen public funds.

Civil servants' salaries were unpaid in some States for eight to twelve months and in others there were threats of salary cuts, by December 1983 when the government was toppled, Nigeria was importing 1 million tons of rice costing Nigeria \$300million annually, this provided fertile ground for the military to seize power on December 31st 1983.

THE PERIOD BETWEEN 1983 - 1985

Gen. Muhammed Buhari took over power on the heels of unchecked financial malpractices in the Shagari government. The Buhari-Idiagbon duovirate's first broadcast echoed the reasons for intervening. 'It is necessary to reiterate that this administration will not tolerate fraud, financial malpractices, squander mania, abuse of office or graft, or other such vices that characterized that administration of the past four years'.

The catch phrase was the War against Indiscipline (WAI). Many party stalwarts, Ministers, State Governors and Commissioners of the previous administration were arrested and prosecuted by Special Military Tribunals on Recovery of Public Property Some were imprisoned virtually for life. It was another experiment at instilling integrity and accountability in public life.

The administration was the first to imprison foreign exchange offenders and executed drug convicts. Perhaps their undoing was the imprisonment of journalists under the law that forbids the publication of a report or story that may embarrass Government.

THE PERIOD BETWEEN 1985 - 1993

However, in August 1985 General Babangida seized power with promises of an open door policy and respect for human rights. Surprisingly the regime became credited with authoritarianism, brazen financial malpractices and waste. Though a Structural Adjustment Programme (SAP) was introduced, the activities in government were not reflective of austerity, frugality and modesty. General Babangida released the politicians convicted by the Buhari tribunals and returned most of the seized assets.

Regardless of his Mass Mobilization for Social Justice, Self Reliance and Economic Recovery (MAMSER) programme, the eight and half years administration became notorious for profligacy, 'settlement', kickbacks, looting of the treasury etc. The General stepped aside in August 1993 for an Interim Government after annulling the June 12, 1993 elections adjudged to be free and fair. This era witnessed mass emigration and movement of Nigerians to other climes especially to Europe and the US. Nigeria's currency hitherto stronger than the dollar started falling drastically to the dollar.

THE PERIOD BETWEEN 1993 TO DATE

The Interim Government was engulfed with the annulled elections crisis. It did not actually find its feet. In October 1993 it gave way to the administration of General Sanni Abacha (1993-1998). It is reported that between 2-3 billion Dollars was stolen by this 'corrective' Head of State and his family between 1993 and 1998. It was a government that was known more for its silence than what it uttered. A lot of funds were siphoned through doggy contracts and in most cases taken directly from the Central Bank of Nigeria through security accounts maintained for criminal purposes.

It is noteworthy that the government introduced War against Indiscipline and Corruption (WAIC). It set up failed Banks tribunals to recover fraudulent loans. All these were not replicated in the actions of the leadership.

General Abdusalami Abubakar took over power upon the death of Abacha in June 1998. Efforts to recover stolen funds yielded about \$770m with \$1.27 billion frozen in foreign accounts. Government also seized assets believed to have been corruptly acquired by the Abacha family and aides and some were even auctioned.

Following complaints of financial improprieties against the Abdusalami Abubakar government's last five months in office, the present administration upon coming to power in 1999 inquired into the affairs of its predecessor. Questions were asked why the country's foreign exchange reserve was depleted from \$6.7b in 1998 to \$4b at the end of March 1999.

All contracts awarded and appointments made during the period were suspended. The Christopher Kolade Commission that looked into failed contracts in its report recommended the cancellation of 1,684 contracts valued at \$1.08 billion from a total of 4,072 reviewed. Another 770 contracts valued at \$4.6 million were recommended for renegotiating. Government therefore at that stage signalled its intention to restore accountability and probity to governance.

Appreciating the problems of corruption, government sent the Anti-Corruption Bill to the National Assembly in June 1999 to deal with the scourge of financial malpractices. That law was passed and signed into law on 13th June 2000. The Economic and Financial Crimes Commission and the Due Process Office were also created in 2002 to further tackle financial malpractices from different facets and angles in Nigeria.

CHAPTER TWO

1.0 LITERATURE REVIEW AND THEORETICAL FRAMEWORK

A lot of work has been carried out on how financial malpractices could be curbed in the Country and so many lectures had been delivered in seminars and conference on how this can be reduced.

This chapter will attempt to look into previous recent efforts of Government to curb financial malpractices in the country. While Forest (1995) opine that financial malpractices are a particular type of irregularity; it refers to irregularities involving the use of deceit to obtain an illegal or unjust advantage.

Okafor (2004) explain that financial malpractices is a generic term and embraces all the multifarious means which human ingenuity can devise which are resorted to by one individual to get an advantage over another by false representation.

It should be realised that good administration is not a birthright of any Government. Attempt will be made in this study to review the activities of Economic and Financial Crimes Commission (EFCC) and other Agencies which happen to be part of the greatest efforts of Government in this recent time with the use of Forensic Accounting in curbing financial malpractices in the country.

TYPES OF FINANCIAL MALPRACTICES

Odehale and Adedeji (1998) categorised financial malpractices into two major types as follows::

- 1.) Management fraud
- 2.) Employee fraud

MANAGEMENT FRAUD

The management is the custodian of the organisation resources and they usually receive the full corporation of other employee's as they are usually trusted by them. They are also free from supervision and they have the power to a greater extent in overriding controls ignorantly or on purpose.

Management financial malpractices will arise when there is use of deceit by those at the top of the organisational ladder to work to the disadvantage of the organisation or those that have contractual agreement with the organisation. A time, this type of financial malpractices will lead to cosmetic presentation of the financial statement, thus distorting the true and fair view.

EMPLOYEE FRAUD

As financial malpractices are being perpetrated by those at the top of the organisational ladder so also it is a happening at the employee level. In the case of employee fraud, irregularities can occur in number of ways and all the possibilities should be explored. Examples include:

- 1.) Actual cash theft

- 2.) Misappropriation of cash takings
- 3.) Misappropriation of cash from credit sales
- 4.) Fictitious payments to suppliers as exemplified by:
 - a. Suppression of credit notes received
 - b. Presenting photocopies of invoice without original
 - c. Double payment of invoices
 - d. Altered invoices
- 5.) Wages fraud such as:
 - a. Payment of incorrect wage rate
 - b. Payment for hours not worked, especially for overtime
 - c. The establishment of fictitious employee or ghost workers

COSTS OF FINANCIAL MALPRACTICES

According to Fakoya & Lalude (2001), the costs are:

- 1.) Political financial malpractices
- 2.) Economic financial malpractices
- 3.) Environmentally financial malpractices
- 4.) Bureaucratic financial malpractices
- 5.) Judicial financial malpractices
- 6.) Moral financial malpractices

POLITICAL FINANCIAL MALPRACTICES

Political financial malpractices involve using political power to manipulate the rules of events in the society. Two main areas in which political financial malpractices manifest include activities connected with election and succession and the manipulation of people and rules/tradition in order to retain power and/or office. Political positions are scarce and the prizes of the office are very high. Hence, the competition for such resources-positions involves every possible extra-legal means through financial malpractices in order to overcome obstacles and opposition.

ECONOMIC FINANCIAL MALPRACTICES

This is very common in the business and economic world. Businessmen and entrepreneurs dislike the obstacles to profit-making and, therefore, use corrupt means to pervert the normal institutional regulations to hasten or shorten the procedures, or draw attention to their outstanding applications, vouchers, bills, or the like.

ENVIRONMENTALLY

Financial malpractices is evident in the ravages and degradations suffered by host communities through the careless exploitation of mineral resources, particularly in oil and gas prospecting and drilling by both local and international agents. Compensations, special allocations and preferential funding, sadly, present embezzlement opportunities for corrupt leaders.

BUREAUCRATIC FINANCIAL MALPRACTICES

This involves buying favours from bureaucrats who formulate and administer the government's socioeconomic and political policies. The areas that are chiefly involved are the acquisition of foreign exchange, import licenses, industrial establishment, and avoidance of taxes, among others.

JUDICIAL FINANCIAL MALPRACTICES

This is when the police and judiciary play a vital role in the social structure. Notably in this regard include the use of wealth to secure police attention and bails, and even to pervert the administration of justice.

MORAL FINANCIAL MALPRACTICES

This is the desire for employment, the wish for flamboyant demonstration of individual materialistic possession in the midst of societal inadequacies, and the exploitation of man by man – the powerless poor by the powerful rich, etc

CAUSES OF FINANCIAL MALPRACTICES

There are two main causes of fraud in the country, the internal causes and the external causes. Though distinguishable in theory, these causes are very often not separable in practice. i.e. a successful financial malpractices often takes place and succeeds as a result of the collaboration, intentional or unintentional due to carelessness or error of judgement of an insider. Indeed, it was recently affirmed that the public believe rightly that most of financial malpractices in the country are with the active connivance of an insider or a staff of the organisation.

Following are the ways which we can explain how financial malpractices take place:

A.) INSTITUTIONAL FACTORS/LAPSES/INADEQUATIES

These are factors or causes that we can trace to the internal environment of the organisation. They are to a great extent factors within the control of the management of the organisation. This is often manifested in various ways.

Lack of adequate supervision is a manifestation of poor management. This causes fraud when the junior staff is inadequately supervised, those with fraudulent tendencies among them get the impression that their working environment and/or circumstance is safe for the perpetration of financial malpractices.

Inadequate control is the form of ineffective policies, procedures and systems indicative of poor management. When controls are inadequate, loopholes become gleaming to the fraudulent minded operator in the system and therefore take the advantage of the opportunity avail thereof to loop the system.

Understaffing of organisation, an indication of poor management can assist the perpetration of financial malpractices. When the staff is over stretched, he will be unable to work at the appropriate level of efficiency. This may for instance, lead to inadequate call-over of the days postings and thus the non-discovery of a fraud committed over loading individuals with work leads to lack of check and balancing as well as perfunctory performance of jobs.

Frustration is sometime a reason for committing financial malpractices in the country. When the expectations of some workers are not met by the management in terms of promotions or financial rewards, they become frustrated. Nevertheless, they lead the employees to commit fraud and compensate themselves for what they were due for 'legitimately fairly'.

B.) SOCIAL ECONOMIC LAPSES/ INADEQUACIES

The government is an integral part of the society; it is affected by as well as it affects the elements in its immediate and remote environment. If the whole society of which the public sector is a part, is morally bankrupt, it will be difficult, if not impossible, to expect the public sector to be insulated from the effects of such moral decadence. Our societies have debased all the moral standards and appeared to be unconcerned with probity, honesty, integrity and good names.

Sometimes innocent but nevertheless wrong over-estimation of public staff and the desire of them to live up to the standards of such a wrong image leads to financial malpractices. No amount of punishment is ever effective against any crime.

Inadequate severe punishment for an offence however may make the risk of engaging in a crime worthwhile of the perpetrator. The kinds of punishment meted out to fraudsters in Nigeria do not seem to be sufficient deterring it.

EXAMPLES OF CASES OF FINANCIAL MALPRACTICES IN THE COUNTRY AND THE JUDGEMENT OF ECONOMIC AND FINANCIAL CRIME COMMISSION ON THEM

There are two major cases of financial malpractices and fraudulent acts in the year 2005 which this project will be reviewing.

- 1.) A case of Tafa Balogun (Former Inspector General of Police)
- 2.) A case of Diepreye Alamiyeseigha (Former Governor of Bayelsa State)

A CASE OF Tafa BALOGUN (FORMER INSPECTOR GENERAL OF POLICE)

According to tell magazine of January 16th, 2006, Tafa Balogun was prosecuted and convicted on money laundering and unwholesome financial deals. He was alleged on eight count charge. Also, an amount of money of about N17 Billion was traced to his bank account. Base on this, Balogun was charged to court and judgement was made. He was found guilty and was sentenced to imprisonment. The court also ordered that his assets be taken over by the Nigeria government.

In this above issue, it has never happen in the history of Nigeria in the time past. It was the recent efforts of the government to curb financial malpractices that made this to happen. If to say in some years ago, Balogun will go away with those money and the assets he acquired in a fraudulent way.

A CASE OF DIEPREYE ALAMIEYSEIGHA (FORMER GOVERNOR OF BAYELSA STATE)

Another one that this project work will be looking at is the case of the former Governor of Bayelsa State. This man was accused of stealing government money which eventually leads to his removal from office. The Economic and Financial Crimes Commission got him arrested on December 9th, 2005. This has not happen in the history of Nigeria that a Governor is removed from office because of mismanagement of public funds but it's happening due to the impact of Government policy in curbing such acts.

THE IMPACT OF GOVERNMENT TO CURB FINANCIAL MALPRACTICES

Actually, in recent time Government is making move to curb financial malpractices in the country. Especially this present democratic regime, one greatest effort of the government to curb financial malpractices completely is the establishment of a body called 'Economic and Financial Crimes Commission (EFCC), the body which was established in the year 2002.

ROLES OF ECONOMIC AND FINANCIAL CRIMES COMMISSION IN CURBING FINANCIAL MALPRACTICES

The two major roles of this commission are:

- 1.) Enforcement and administration of the Act in the overall context of preventing, detecting, investigating and prosecuting all cases of Economic and Financial Crimes in Nigeria
- 2.) Charged with the responsibility of enforcing other laws and regulations relating to Economic and Financial Crimes including:

- a.) Money laundering Act of 1995 (now 2004)
- b.) Advance fee fraud (otherwise known as 419) and other related offences Act of 1995
- c.) Failed Banks (recovery of debts) and financial malpractices in bank Act of 1996
- d.) Miscellaneous offences Act, 1985

In addition, the commission is the key agency of government responsible for the fighting terrorist financing.

THE VARIOUS STATUTES ON FINANCIAL MALPRACTICES ICPC, EFCC

One cardinal programme of the Obasanjo administration was the fight against financial malpractices and waste in the public service. This, he demonstrated by the establishment of two major anti-graft institutions, the Independent Corrupt Practices and other related offences Commission (ICPC) and the Economic and Financial Crimes Commission (EFCC) in 2000 and 2003 respectively.

The Government's target is zero tolerance for corruption and financial malpractices. This, it has pursued through - Promulgation of laws against graft-Independent Corrupt Practices and other related offences Commission (ICPC) Act, Economic and Financial Crimes Commission (EFCC) Act, Strengthening of Anti-Corruption and other economic crimes Institutions for effective law enforcement, Tracing, seizing and confiscation of all proceeds of crime, prosecution and conviction of high ranking administration officials e.t.c

The EFCC which is today the arrow-head in the fight against financial malpractices in Nigeria was established in 2003 as part of a national reform programme to address corruption and money laundering and in answer to the Financial Action Task Force (FATF) concerns about Nigeria's AntiMoney Laundering and Combating the Financing of Terrorism (AML/CFT) laws.

It is in order to further the determination to tackle economic and financial crimes that the Economic and Financial Crimes Commission Act was enacted in 2004, although the Act makes a number of provisions prohibiting certain economic crimes. Its provisions in section 46 which defines economic and financial crime to mean "the non-violent criminal and illicit activity committed with the objective of earning wealth illegally either individually or in a group or organized manner thereby violating existing legislation governing the economic activities of government and its administration and includes any form of fraud, narcotic drug trafficking, money laundering, embezzlement, bribery, looting and any form of corrupt practices, illegal arms deal, smuggling, human trafficking and child labour, illegal oil bunkering and illegal mining, tax evasion, foreign exchange malpractices including counterfeiting of currency, theft of intellectual property and piracy, open market abuse, dumping of toxic wastes and prohibited goods etc.

The implication of this is that these diverse economic activities can be regulated by the Economic and Financial Crimes Commission established under section 6 of the Act. The Commission is given enormous regulatory powers over these activities including the investigation of all financial crimes such as advance fee fraud, money laundering, counterfeiting, illegal charge transfers, futures market fraud, fraudulent encashment of negotiable instruments, computer credit card fraud, contract scam etc.

It is also to adopt "measures to eradicate the commission of economic and financial crimes". More importantly, the Commission is also to act as the coordinating agency for the enforcement of the provisions of the Money Laundering Act, the Advance Fee Fraud and other Related Offences Act, 1995, the Failed Banks (Recovery of Debt and Financial Malpractices in Banks) Act, 1994 the Banks and other Financial Institutions Act, Miscellaneous Offences Act, and any other law or regulation relating to economic and financial crimes, including the Criminal Code and Penal Code. It can be seen from the above, that the Economic and Financial Crimes Commission has enormous responsibilities in ensuring the enforcement of economic crimes in the country.

This demands a lot of commitment on the part of the Commission to ensure that the on-going economic reforms of the government are not negatively manipulated and rendered ineffective by incidents of economic crimes. While it may be too early to assess the effectiveness of the Commission, it must be noted that it has taken giant strides in the direction of minimizing the prevalence of economic and financial crimes by the prosecution of a number of notable Nigerians for their alleged involvement in these crimes.

The Independent Corrupt Practices and Other Related Offences Commission (ICPC) was established in 2000 with a mandate to investigate reports of financial malpractices, review government systems prone to financial malpractices and educate the public about financial malpractices.

The ICPC is legally protected from political interference. However according to Global Integrity 2008, the ICPC is sometimes influenced by political incentives, today the ICPC is accredited as a cornerstone in the fight against corruption in Nigeria.

The ICPC can initiate investigations and does so often. However, only a few high-level prosecutions have taken place with few or no consequences. Due to underfunding, the commission has a backlog of cases. Its reports are not regularly published and are not available to the public. The ICPC has been acclaimed as the cornerstone in the fight against corruption due to some logistics as adduced by its chairman. It is worth noting that the commission acts mainly upon petition or report of allegation of financial malpractices against a public officer.

The ICPC Act provides offences and punishments such as Acceptance or attempt to receive or request for gratification by an official directly or indirectly will be punishable for imprisonment of seven years, fraudulent acquisition of property (section 12) etc. to be effective as a deterrent, disciplinary measure must, within the requirements of due process, be prompt, evenly applied and publicized.

2.2 CONSTITUTIONAL FRAMEWORK TO TACKLE FINANCIAL MALPRACTICES

The Constitution as the fundamental law or basic law defines the limits of exercise of powers conferred on the organs of government established by it, thus practice of constitutionalism aims at limiting the excesses of government, government officials and elected office holders within the limits of the law, and through governance that is based on legislations, regulations rules and practices developed pursuant to the provisions of the constitution.

Consequently, the 1999 Constitution contains several provisions to curb the abuse of power, combat financial malpractices and subject the government to accountability and transparency. However, it must be noted that some of the constitutional provisions have had the effect of protecting some public official from any civil proceedings or criminal prosecution relating to acts or practice of financial malpractices.

Most significant in this light is the immunity provisions of section 308 of the constitution, the Fundamental Rights provisions on due process and fair hearing have been sought to be employed by persons accused of financial malpractices by claiming their constitutional right to remain silent and not to incriminate themselves, the effect of which imposes an almost impossible task for the prosecution to discharge its burden of proving its case beyond reasonable doubt since the accused is presumed innocent until the contrary is established in our adversary Criminal Justice System.

However, the said constitutional rights have been limited by legislations such as the ICPC and EFFCC Acts, in ways that have been interpreted to be reasonably justifiable by the courts. The general scheme of the 1999 Constitution is to adopt several constitutional law principles for the limitation of governmental powers, such as separation of powers, rule of law, federalism, good governance, accountability and transparency, human rights protection, guarantee of free and fair elections, participatory democracy, independence of the judiciary, autonomy of the legislature and press freedom. These are all relevant to combating and preventing corruption.

CODE OF CONDUCT BUREAU

The imposition of a duty to observe and conform to a Code of Conduct by Public officers is an innovation of the 1979 Constitution that is retained by the 1999 Constitution. The Code of Conduct prohibited, inter alia, the giving and receiving of bribes, abuse of office by public officers, the operation of private foreign accounts, as well as conflict of personal interest with official duties on the part of public officers.

Pivotal to the Code, is the scheme of declaration of assets required of every Public officer within three months of the coming into force of the Code or immediately after assuming office and thereafter at the end of every four years, and finally at the end of his/her term of office.

A Code of Conduct Bureau is charged with the responsibilities of receiving, retaining custody of and examining assets declaration forms filed by public officers. It is also vested with the duty of receiving and dealing with allegations that a public officer has committed a breach of or has not complied with the provisions of the Code of Conduct Tribunal conducts the administrative adjudication on all allegations of contraventions of the Code of Conduct and imposes any of the punishments specified by the Constitution.

The immunity clauses of section 308 of the Constitution that restricts the institution of civil or criminal proceedings against the President, or Vice-President, Governor or the Deputy Governor have been employed successfully against the Code of Conduct Tribunal. Apart from the immunity clauses, several other constitutional lapses in the drafting of the fifth Schedule have been employed to make both the bureau and tribunal ineffective.

PUBLIC COMPLAINTS COMMISSION

The Public Complaints Commission was smuggled into the 1979 Constitution by way of a Military Decree preserved as an existing law specifically by the Constitution. This has been retained by Section 315(5) of the 1999 Constitution. However, it must be noted that the Commission was evidently not primarily designed as an anticorruption body. As rightly observed by Professor Nwabueze, that the Commission was “designed to check the pervasive incidence of Administrative arbitrariness and injustices” and not necessarily to deal with corruption. Expectedly, the proportion of cases handled by the Commission on financial malpractices and abuse of office has been minimal.

2.3 THE EFFECT OF FINANCIAL MALPRACTICES IN THE COUNTRY

Any society faced with the challenges of financial malpractices will continue to find ways to break the circle. The effects of financial malpractices on a nation's socio-political and economic development are myriad, the negative effects impact economic growth as it is among other things reduces public spending on education.

The effect of financial malpractices on education comes from the fact the government spends relatively more on items to make room for graft, corrupt government officials would shift government expenditures to areas in which they can collect bribes easily. In addition, poverty and income inequalities are tied to financial malpractices; development projects are often made unnecessarily complex in Nigeria to justify the corrupt and huge expense on it.

Despite the immoral aspect and pernicious effects of financial malpractices, some scholars have argued that financial malpractices can be beneficial to political development, political modernization.

Political modernization or development means growth in the capacity of a society's governmental structures and process to maintain their legitimacy over time (presumably in time of social change) by contributing to economic development, national integration and administrative capacity and so on.

In addition, financial malpractices may help to ease the transition from traditional life to a modern political life, some have argued that the vast gap between literate official and illiterate peasant, which is often characteristic of the countryside, may be bridged if the peasant approaches the official bearing traditional gift and their (corrupt) money equivalent.

In respect, McMullen points out that a degree of low-level corruption can soften relations of officials and people and skills notes that corruption can humanize government and make it less awesome.

These observations are common occurrence in Nigeria where servants with cows, wines, colanuts and money stuffed in 'Ghana must go' (bags) in order to get them attend to their local problems¹¹⁰. Any right thinking person in Nigeria where ubiquitous financial malpractices has renege the society will find it impossible to agree that financial malpractices is beneficial, no matter how plausible it may be.

FINANCIAL MALPRACTICES UNDER THE NIGERIAN CRIMINAL LAW

In this chapter, financial malpractices under the Nigeria criminal law will be discussed from the perspectives of the provisions dealing with economic crimes. Other statutes on financial malpractices will also be examined as prevention against economic crimes, usually committed in the course of legitimate duties or transaction which invariably have negative impact on the economy.

The constitutional framework to tackle corruption or financial malpractices, will also be considered within context of the constitutional provisions dealing with financial malpractices and need for accountability and transparency in government.

FINANCIAL MALPRACTICES UNDER THE NIGERIA CRIMINAL CODE AND PENAL CODE

Both the Nigeria Criminal Code and Penal Code contain number of provisions dealing with economic crimes. The enactments (Panel Criminal Codes) were made during the colonial era, there was already in existence, an understanding of the adverse effects of financial malpractices on the economic development efforts of Nigeria. Although this historical connection is sometimes given as the main reason for the ineffectiveness of these codes by ardent nationalist and legal historians, the fact remains that it was a necessary development arising from such colonial contact.

The Criminal Code contains a number of provisions dealing with offences. These include, chapter 12 on corruption and abuse of office, chapter 17 on offences relating to property and other fraudulent activities, chapter 43, 44 and 45 on forgery and related offences, chapter 48 on offences relating to copyrights and chapter 49 on secret commissions and financial malpractices. The same scenario is replicated in the penal code.

From the provisions of the law cited above in relation to financial malpractices and abuse of office, false pretences and making or counterfeiting of currency, each shall thus be examined hereafter:

(i) Financial malpractices and Abuse of office

The Criminal Code makes a number of provisions dealing with issue of financial malpractices in Nigeria. It provides: any person who –

- (1) Being employed in the public service, and being charged with the performance of any duty by virtue of such employment, not being a duty touching the administration of justice, corruptly asks, receives, or obtains or agrees or attempts to receive or obtains, any property or benefit of any kind for himself or any other person on account of anything already done or omitted to be done, or to be afterwards done or omitted to be done, by him in the discharge of the duties of his office or
- (2) Corruptly gives, confers, or procure or promise or offers to give or confer or service or, to, upon, or for, any other person, any property or benefit, of any kind on account of any such act or omission on the part of the person so employed, is guilty of a felony, and is liable to imprisonment for seven years.

Unfortunately, there have been very few instances of prosecutions for such offences and even in those rare cases e.g. Att. Gen. V. Kajembe not many have been successful, largely because of the consensual nature of the offence coupled with the status of the offenders. Moreover, the stringent conditions and hedges provided for this crime has, in allowance with the professional craft of some defence counsel, made it difficult for successful prosecution of the offence.

Most Nigerians who engage in such crimes see nothing wrong in them as they regard their official position as avenues for enriching themselves at the expense of the national interest. The political leaders are often the worst offenders in this category, while other public servants, in the absence of exemplary leadership from the political class, also use their offices and positions to line their own pockets.

If the requirements for general financial malpractices are onerous, those specified for judiciary financial malpractices are even more exacting as can be seen from an examination of the relevant provisions. Thus the criminal code provides: Any person who:—

- (1) Being a judicial officer, corruptly asks, receives, or obtains, or agrees or attempts to receive or obtain, any property or benefit of any kind for himself or any other person on account of anything already done or omitted to be done or to be afterwards done or omitted to be done, by him in his judicial capacity or
- (2) Corruptly gives, confers, or procures, or promises or offers to give or confer, or to procure or attempt to procure, to, upon, or for any judicial officer, or to, upon, or for, any other person, any property, or benefit of any kind on account of any such act or provision on the part of such judicial officer is guilty of a felony and is liable to imprisonment for fourteen years.

It is important to note that by Subsection (1) to Section 114 Criminal Code, the offence cannot be committed except by a law officer. Again, the consensual nature of the offence, the status of this offence has conspired to reduce the number of prosecutions for the offence notwithstanding the fact that the crime is being committed on regular basis.

The cumulative effect of financial malpractices and the provisions regulating financial malpractices under the Criminal and Penal Codes have constitute a fundamental draw back in the quest for the regulation of judicial corruption, these provisions seem to have provided veritable escape rows for the offenders at a time when the political leaders themselves lacked the political will and determination to tackle such crimes.

Thus during the succeeding military administrations drastic approach was used to deal with financial malpractices.

(i) False pretences:

Section 419 of the Criminal Code provides for the offence of false pretences. This offence has become so pervasive and common in Nigeria to the extent that it is tagged '419' in reference to the Section of the law creating the offence. The section of the law provides: any person who by any false pretence and with intent to defraud obtains from any other person to deliver to any person anything capable of being stolen or induces any other person to deliver to any person anything capable of being stolen, is guilty of a felony, and is liable to imprisonment for these years.

(ii) False pretence is defined in section 418 as follows:

Any representation made by words, writing or conducts of a matter of fact either past or present, while representation is false infact and which the person making it knows to be false or does not believe to be true, is false pretence.

There is no doubt that this definition has a number of limitations which has rendered it inadequate to grapple with realities of contemporary times. Limiting the subject matter of the offence to only 'things capable of being stolen' has on its own created some problems in terms of scope of coverage, as land and other intangible things such as job do not come within its purview.

Moreover, the false pretence must related to a matter of fact, past or present, such that any false representation of a future matter does not constitute false pretence, a requirement that has also affected the effectiveness of the enforcement measures.

(iii) Making or counterfeiting currency

There are also provisions in the Criminal and Penal Code prohibiting the making or counterfeiting of Nigeria currency. Indeed, the whole of chapter 16 of the Criminal Code is devoted to such offences. Thus Section 147 (1) provides: Any person who makes or begins to make any counterfeit current gold or silver coin is guilty of a felony and is liable to imprisonment for life.

Moreover, any person who makes counterfeit currency gold or silver coins knowing it to be counterfeit, is guilty of a misdemeanour and is liable to imprisonment for two years. It can thus be seen that there are sufficient provisions under the Nigerian Codes for the regulation of financial malpractices, and yet the political leaders preferred the use of new statutory instruments to regulate such activities.

(iv) Other Statutory Mechanisms

The Nigeria Legal scene is replete with statutory enactments which are already covered in exiting statues (Penal Code and Criminal Code). This approach (Other Statutory Mechanism) adopted to emphasis the determination of the government to tackle such crimes untrammelled by the intricacies and procedural niceties involved in the existing laws. The contention is that this is the only way to underscore and demonstrate the government's commitment to eradicate or reduce such crimes. Also, this approach has been found useful where the penalties in exiting statues are considered weak and ineffective as a deterrent to potential offenders.

The perceived inadequacies of existing judicial mechanisms have also been given as a justification for the incorporation of tribunals in the handling of economic crimes rather than the regular courts. It is often said that the use of tribunals is motivated by the need to ensure speedy disposal of such cases.

The use of such statutory interventionist measures in Nigeria can be traced to the first Military Government in 1966. Soon after the overthrow of the civilian government in 1966, the succeeding military administration did not waste time in enacting a number of decrees dealing with economic crimes.

This emphasis on combating corruption was perhaps foreshadowed by the broadcast of Major Chukwuma Nzeogwu on January 15, 1966 when he declared. The aim of the revolutionary council is to establish a strong, united and prosperous nation, free from financial malpractices and internal strife, our method of achieving this is strictly military but we have no doubt that every Nigeria will give us maximum co-operation by assisting the regime and not disturbing the peace during the slight changes that are taking place, our enemies are the political profiteers, the swindlers, the men in high and low places that seek bribes and demand ten percent, those that have corrupted our society and put the Nigerian political calendar back by their words and deed.

It necessarily follows that a government that sees itself in this light will approach the problem of economic crimes in a manner demonstrative of this commitment.

This explains the had-line attitude and rather stern methods and punishments contained in their statutory enactments. It was against this background that the Military Government enacted the public officers (Investigation of Assets) Decree 1966 on the basis of which the assets of a number of political or other public office holder who could not justify the sources of such assets were forfeited to the Federal Military Government.

As a manifestation of the commitment of that government not to be hampered by legal niceties, the valiant and commendable attempt by the Supreme Court to invalidate some sections of the decree in the case of E. O. Lakami and others Vs Attorney General of Western State and ors was overruled by legislative fiat by the Military Government.

This determination to tackle financial malpractices also led to the enactment of the corrupt practices Decree 1975 by the succeeding military government. This Decree provided in Section 1 that “any person who by himself or in conjunction with any other person:

- (a) Corruptly solicits or receives or agrees to receive for him or for any other person, or
- (b) Corruptly gives promises or offers to any person whether for the benefit of that person or of another person, any gratification as an inducement or reward for, or otherwise on account of: - also led to the enactment of the corrupt practices Decree 1975 by the succeeding military government.

This Decree provided in Section 1 that “any person who by himself or in conjunction with any other person:

- (a) Corruptly solicits or receives or agrees to receive for him or for any other person, or
- (b) Corruptly gives promises or offers to any person whether for the benefit of that person or of another person, any gratification as an inducement or reward for, or otherwise on account of any person doing or forbearing to do anything in respect of any matter or transaction whatsoever, actual or proposed: or any member, officer or servant of the government or any public body doing or forbearing to do anything in respect of any matter or transaction whatsoever, actual or proposed in which such government or public body is concerned shall be guilty of an offence under this section and shall be liable on conviction to imprisonment for seven years or to a fine of five thousand naira or both such imprisonment and fine.

It can be seen that these provisions are substantially in tandem with the existing provisions under the Criminal Code, a comment that also arises in respect of subsequent enactments dealing with the same subject matter of corruption. This punishment is similar to that contained in section 98 of the Criminal Code and section 115 of the panel code.

In respect of currency offences the counterfeit currency (special provisions) Decree was enacted in 1974. It made it an offence to deal in, and make counterfeit banknotes. Again, this Decree did not also materially alter the law but basically imposed heavier punishment for offenders. Significantly, Chapter IV of the 1979 Constitution on Fundamental Rights was suspended for the purpose of the Decree, and this gave the Military rules the opportunity to perpetrate gross violations of the human rights of Nigerians.

EFFECTS OF FINANCIAL MALPRACTICES IN NIGERIA

Ayoola, E. O. (2002) said for the past 10years, our economic development has witnessed a serious set-back with graduates warming the streets in search of employment which are not available. Various government policies to revamp the economy though appeared laudable were all frustrated at the implementation stage because some of the people responsible for implementing them are fraudulent.

Consequently, both the political and economic situations declined from bad to worse with the naira witnessing an unprecedented devaluation within five years. Devil then founded jobs for idle hands with works like ‘419’, cocaine pushing fire in finance department of government institutions/corporate organisations and million naira public sector, financial malpractices and fraudulent activities becoming regular feature of our newspaper headlines.

FINANCIAL MALPRACTICE AND CONTROL

A.) It has been proved reasonable; incentives to staff have helped to reduce their involvement in financial malpractices. Reward for prevention of financial malpractices should also form part of government policy to encourage staff to frustrate financial malpractices.

B.) Control over Computer reports:

- Access to MIS unit or the computer room must be restricted to authorised person only.
- Passwords for computer operators should be kept in strict confidence and deleted when there is movement of affected staff.
- The last report must be kept under surveillance by a senior officer.
- All required reports must be produced as indicated on the daily report check list.

C.) Role of Government: The federal high court should be given adequate powers to speedily try offences related to public sector financial malpractices and impose heavy penalties on those convicted. The penalties should include forfeiting assets which fraudulently acquired by the convict to the state.

D.) Other control measures, life style of staff should be monitored by management of the government establishment.

CHAPTER THREE

3.0 RESEARCH DESIGN AND METHODOLOGY

The research methodology for the purpose of the study is the procedure adopted in collecting data and their subsequent analysis to as to attain the desired goals and objective of providing useful information through the suggestion given by the respondents with a view to evaluate and appraise the effects of impact and efforts of Government policy to curb financial malpractices in public sector in Nigeria.

3.1 SAMPLING FRAME OF THE STUDY

A representative sample survey of this study has conferred to the public sector and specifically to the office holders of the economy. The assumption is that this selection of this sector has almost the same structural and operational characteristics of the Nigeria economy was chosen to represent the attributes of all others.

The people that were sampled are: Civil servant, Students and others.

3.2 SAMPLING TECHNIQUES

The sample random method of sampling was used and this method gives other kind of office stakeholders an equal chance of being selected. Thus all forms of bias that may render the research findings unreliable are avoided and considered.

3.3 METHODS OF DATA COLLECTION

The data for the project work will be conducted using various sources which include: - Primary source such as relevant data in government Ministry and Agency and other government institutions and secondary sources such as opinions of writers, textbooks, newspaper articles and seminar papers.

In order to gain access to useful information with respect to this project work, the following are the source of information:-

- a.) The use of questionnaire
- b.) Personal observation
- c.) Information from Internet
- d.) The use of library

A.) THE USE OF QUESTIONNAIRE

A questionnaire of 100 copies was sent out to ministries and other government institutions to compliment the various methods of research previously used.

Structural questionnaire contains the name, age, sex, town or village; marital status and occupation of the respondents on its part A while part B of the questionnaire contains the opinion spaces for respondents to answers the structured questionnaires which are agreed, strongly agreed, disagree, strongly disagreed etc.

B.) PERSONAL OBSERVATION

There is face to face conversation with the public in order to know their view about the effect of the effort and the impact of government policy to curb financial malpractices in public sector of Nigeria.

C.) INFORMATION FROM INTERNET

Information was also gathered from internet on the research topic the impact of government policy to curb financial malpractices in public sector of Nigeria.

D.) THE USE OF LIBRARY

The library of University of Ekiti State, The Federal Polytechnic, Ado Ekiti and the E-library of National Open University of Nigeria was use to derive more information on books that talks about financial malpractices, fraud and auditing.

3.4 LIMITATION OF THE METHODOLOGY

The major constraint to the gathering of data's necessary for this project work is to get in touch with related a textbook that treats financial malpractices and efforts/impacts of Government policy to see that financial malpractice is curbing in public sector in Nigeria.

Also, many people did not even fill the questionnaire given to them very well. Some do not even touch it at all. They believe that I am a disturbance of their peace.

Another constraint is the financial aspect, travelling from one place to another in order to get information and internet browsing also consumes money.

As seen in this chapter, many laws are already put in place to fight financial malpractices in Nigeria yet it still persists but each society should focus on concrete actions that can yield measurable results. Above all, Nigeria cannot be seen as secure and free until the people's human rights are respected and protected by the government.

Finally, good governance, transparency, accountability and the rule of law are the keys to tackling financial malpractices in the society, as corrupt leaders cannot wage an effective war against financial malpractices.

CHAPTER FOUR

4.0 DATA COLLECTION AND ANALYSIS

This chapter deals with the collection and analysis of data which have been obtained based on research questions drawn for the study. To this effect, the information gathered were presented in the form of tables, it was possible for this research to work out the numbers of respondents to each research questions by going through the numbers of questionnaires returned.

4.1 DATA PRESENTATION AND INTERPRETATION

The findings were presented in both raw and simple percentages information collected from the responses of the objects. All data collected and findings were carefully analysed and discussed.

TEST THE HYPOTHESIS

Two hypotheses guided the study:

1. Ho: The Government policy has no significant effect in curbing financial malpractices in the Nigeria public sector
2. H1: The Government policy has a significant effect in curbing financial malpractices in the Nigeria public sector

RESULTS

The hypotheses were tested using the Likert Scale analysis

LIKERT SCALE ANALYSIS

The Likert Scale is an ordered, one-dimensional scale from which respondents choose one option that best aligns with their view.

A Likert scale is a psychometric scale commonly involved in research that employs **questionnaires**. It is the most widely used approach to scaling responses in survey research, such that the term is often used interchangeably with rating scale, or more accurately.

An important distinction has been made between a Likert scale and a Likert item. The Likert scale is the sum of responses on several Likert items. Because Likert items are often accompanied by a visual analog scale (e.g., a horizontal line, on which a subject indicates his or her response by circling or checking tick-marks), the items are sometimes called scales themselves.

It has been shown below that comparing between a 4-points, the format of a typical level Likert item I used are:

Strongly agree
Agree
Strongly disagree
Disagree

The table used are as follows, table 1 is the age of the respondents, table 2 the occupation of the respondents, table 3, table 4, table 5, table 6, table 7 and table 8 are the Questionnaire questions from which the likert scale scoring and analysis were drawn.

TABLE 1: AGE OF THE RESPONDENTS

AGE (YEAR)	FREQUENCY	PERCENTAGE
18-20	22	17%
21-40	78	60%
41-50	7	5%
51 –ABOVE	23	18%
TOTAL	130	100%

The table above shows that the majority of the respondents (77%) fall within the age 18-40 while the rest are from 41-50 and above are (5%). This means that majority were young ones.

TABLE 2: OCCUPATION OF THE RESPONDENTS

OCCUPATION	FREQUENCY	PERCENTAGE
CIVIL SERVANTS	89	45%
STUDENTS	58	29%
FARMING	11	5%
OTHERS	41	21%
TOTAL	199	100%

The table shows that majority of the respondents (74%) were students and civil servants, while the rest are from other occupation

TABLE 3: CAN EFCC AND ICPC BRING ANY BENEFIT TO THE PUBLIC SECTOR?

OPTION	FREQUENCY	PERCENTAGE
STRONGLY AGREED	50	50%
AGREED	46	46%
STRONGLY DISAGREED	1	1%
DISAGREED	3	3%
TOTAL	100	100%

From the table above, (96%) of the respondents agreed that operations of EFCC and ICPC bring benefits to the public sector while (4%) disagreed with the notion.

TABLE 4: CAN FINANCIAL MALPRACTICES BE REMOVING FROM THE NIGERIA PUBLIC SECTOR

OPTION	FREQUENCY	PERCENTAGE
STRONGLY AGREED	38	38%
AGREED	31	31%
STRONGLY DISAGREED	9	9%
DISAGREED	22	22%
TOTAL	100	100%

From the above table, (69%) agreed that financial malpractices can be remove from our system in Nigeria while (31%) disagreed totally with the notion.

TABLE 5: WILL THE IMPACT OF THE GOVERNMENT TO CURB FINANCIAL MALPRACTICES NOT GOING TO BE PARTIAL

OPTION	FREQUENCY	PERCENTAGE
STRONGLY AGREED	14	14%
AGREED	27	27%
STRONGLY DISAGREED	33	33%
DISAGREED	26	26%
TOTAL	100	100%

From the above table, (41%) of the respondents agreed that the impact and efforts of Government to curb financial malpractices will be partial while (59%) disagreed with the notion.

TABLE 6: CAN HONEST PEOPLE STILL BE EMPLOYED TO THE PUBLIC SECTOR?

OPTION	FREQUENCY	PERCENTAGE
STRONGLY AGREED	53	53%
AGREED	28	28%
STRONGLY DISAGREED	8	8%
DISAGREED	11	11%
TOTAL	100	100%

From the above table, (81) of the respondents agreed that honest people can still be employed to the public sector while (19%) disagreed with the notion.

TABLE 7: CAN THE EFFORTS OF GOVERNMENT TO CURB FINANCIAL MALPRACTICES PROTECT PUBLIC FUNDS?

OPTION	FREQUENCY	PERCENTAGE
STRONGLY AGREED	45	45%
AGREED	39	39%
STRONGLY DISAGREED	10	10%
DISAGREED	19	19%
TOTAL	100	100%

From the above table, (82%) of the respondents agreed that the efforts of Government to curb financial malpractices will protect public funds while (18%) disagreed with the notion.

TABLE 8: DO YOU AGREED THAT THE IMPACT OF GOVERNMENT IS MAKING TO CURB FINANCIAL MALPRACTICES IS HAVING ANY EFFECT

OPTION	FREQUENCY	PERCENTAGE
STRONGLY AGREED	32	32%
AGREED	39	39%
STRONGLY DISAGREED	10	10%
DISAGREED	19	19%
TOTAL	100	100%

From the table above, (71%) of the respondents agreed that the impact of Government is making to curb financial malpractices is having positive effect while (29%) disagreed with the notion.

4.2 DISCUSSION OF RESULTS

In view of the observations during this project work, it could be deduced that the project is designed to assist in evaluating the impact and efforts of Government policy to curb financial malpractices in the public sector in Nigeria.

Having analysed the data, it becomes necessary to sum up the findings thus:

- a.) It was discovered that (4%) of the respondents disagreed that the operations of EFCC and ICPC will bring any benefit to the public sector.
- b.) Also, (69%) of the respondents agreed that financial malpractices can be removed from our system in Nigeria.
- c.) Also, (41%) of the respondents agreed that the impact of Government to curb financial malpractices will be partial.
- d.) The (81%) of the respondents agreed that honest people can still be employed to the public sector in Nigeria.
- e.) The (82%) of the respondents agreed that the efforts of Government to curb financial malpractices will protect public funds
- f.) Finally, (71%) of the respondents agreed that the impact of government is making to curb financial malpractices is having greater effect in the public sector.

LIKERT SCALE SCORING AND ANALYSIS

After the questionnaire is completed, each item is analyzed separately or in some item responses is summed to create a score for a group of items. Hence, Likert scales are often called summative scales

TEST HYPOTHESIS

There is no significant difference between the Government policy in curbing financial malpractices in Nigeria public sector and that the Government policy has a significant effect in curbing financial malpractices in the Nigeria public sector.

Table 1: t-test analysis of the difference between ages of the respondents

Variables	No. of Subject	Mean Score	Standard deviation	Degree of freedom	t-calculated	t-critical	Remarks
Ages							
18 – 20	22	4.045	0.6203				Null Accepted
21 – 40	78	4.076	0.809	98	0.3266	2.00	Not Significant
41 – 50	7	3.2208	15.6347	98	12.421	2.00	Significant
50 above	23	4.1091	0.9203				Null Rejected

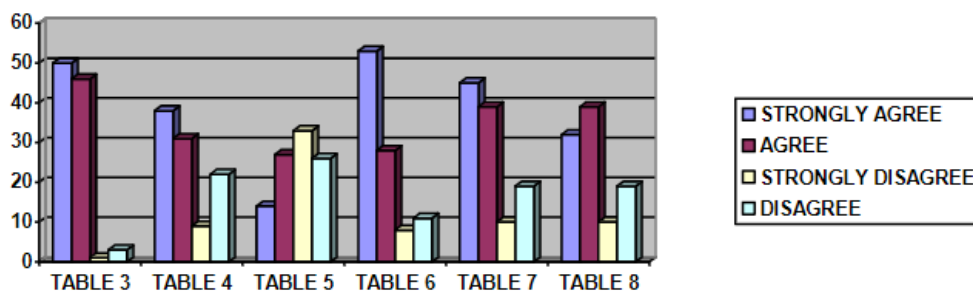
Table here shows that t-calculated was 20.50 while the t-critical or table value was 2.00. The t-calculated for the same degree of freedom was 98 at 0.05 level of significance was greater.

Table 2: t-test analysis of difference between occupations of the respondents

Variables	No. of Subject	Mean Score	Standard deviation	Degree of freedom	t-calculated	t-critical	Remarks
Academic							
Civil Servant	89	3.73	0.313	89			Null Rejected
Students	58	4.025	0.8706				
Farming	11	3.50	0.4268	98	4.2931	2.00	Significant
Others	41	4.061	0.8326	98	0.5430	2.00	Null Accepted

The null hypothesis was therefore rejected and the alternative accepted. This research concluded that there was a significant difference Ho and H1 therefore the Government policy has a significant effect in curbing financial malpractices in the Nigeria public sector as there is no significant perception of efforts/impacts of Government policy to see that financial malpractice is curbing in public sector in Nigeria.

SUMMARY OF ALL THE TABLE PRESENTED IN BAR CHART



LIKERT SCALE SUMMARY TABLE OF THE ABOVE QUESTIONNAIRES

	STRONGLY AGREED	AGREED	STRONGLY DISAGREED	DISAGREED
TABLE 3	50	46	1	3
TABLE 4	38	31	9	22
TABLE 5	14	27	33	26
TABLE 6	53	28	8	11
TABLE 7	45	39	10	10
TABLE 8	32	39	10	19
TOTAL	232	210	71	91

TABLE FOR THE TEST HYPOTHESIS

	STRONGLY AGREED	AGREED	STRONGLY DISAGREED	DISAGREED	TOTAL
Ho	14	27	33	26	100
H1	45	35	10	10	100

Ho represent: The Government policy has no significant effect in curbing financial malpractices in the Nigeria public sector

H1 represent: The Government policy has a significant effect in curbing financial malpractices in the Nigeria public sector

From the above Likert Scale Table and the Bar Chart, there is much effect of financial malpractices in the public sectors and there is much need of Government impact to curb the financial malpractices in the public sector of Nigeria economy

4.3 CURBING FINANCIAL MALPRACTICES IN NIGERIA

The role of the Executive, Judiciary and the parliament in Nation building and in combating financial malpractices globally cannot be over emphasized, especially in Nigeria with its experience of long period of Military Rule and historical evidence of financial malpractices in government.

This takes a look at the various effects that have taken place by the Executive, Legislative and Judiciary in curbing corruption in Nigeria.

THE EXECUTIVE EFFORT IN CURBING CORRUPTION

The executive is the branch of government responsible for putting plans, or laws into effect. It is apposite to state that the executive (Federal and State) since the inception of democratic governance in Nigeria has exhibited lack of tolerance for financial malpractices in governance. This is shown from the very fact that most of the anticorruption bills were initiated by the executive, thus supporting their commitment to zero tolerance for financial malpractices.

It is also apposite to state without mystification of fact and against the back drop that the mighty cannot be questioned that the anti-corruption agencies had tried many executive officials of government since 1999. Power corrupts and absolute power corrupt absolutely is a historically proven truth, executive governments have gone a step beyond laws preventing corrupt behaviour and have actually created political bodies formed especially to punish acts of corruption.

The executive branch of government is one of the main focus of the issue of political will to fight corruption in Nigeria. One way in which the Criminal Law is kept in step with public opinion is in the administration of the Law by Law-enforcing agencies. It is one thing for parliament to forbid conduct, but it is quite another to enforce that prohibition, the police and the public law officers wield a considerable discretion in the prosecution of crimes, and the fact that a particular crime is obsolete or not in accord with general opinion, or is difficult to enforce, may at times persuade them against enforcement that there are dangers in this practice cannot be disputed e.g.

Financial malpractices, favouritism, lack of uniformity in Law enforcement but it has advantages, not the least of which is that a police caution to a petty offender can nip criminal tendencies in the bud, and yet save the community the trouble and expense of a formal prosecution. Since the Attorney-General is the arbiter as to what prosecutions are in the public interest, the executive can in theory exercise great influence on the prosecution of crimes.

The effort of the executive government to Curb Corruption is in order to increase compliance with policies and improve road safety, the executive will by October 1998 revise legislation enabling the National Transport Authority to "Clean-Up" the vehicle fitness test through privatization and improved enforcement. By February 1999, the government will introduce and enforce a code of ethics in the public service, the Pay

Research Bureau is reviewing its job appraisal work and creating a human resource division in order to increase transparency and accountability.

The public Service Commission plans to oversee the declaration and monitoring of Senior Civil Servants Assets, also the Electoral Commission will revise the ceiling of political party campaign financing to a realistic level and implement the registration of political party fund-raisers with the electoral supervisory commission in order to increase transparency and reduce influence peddling.

"Power Corrupts and absolute power corrupt absolutely", is a historically proven truth, executive governments have gone a step beyond laws preventing financial malpractices behaviour and have actually created political bodies formed especially to punish acts of financial malpractices.

No anti-corruption mechanism or strategy will succeed without strong leadership and political will, political leadership is required to both set an example and to demonstrate that no one is above the Law.

Political will is therefore a critical and paramount starting point to achieve a sustainable and effective anti-corruption strategy, political will and leadership, broadly conceived involves leaders in all walks of life, however the executive branch of government is one of the main focus of the issue of political will to fight financial malpractices in Nigeria.

THE LEGISLATIVE EFFORT IN CURBING CORRUPTION

By nature, Legislative has an obvious role to play to ensure that a strong legal system against financial malpractices is in place at all level of governance. This role goes beyond merely passing strictly anticorruption related legislation, as parliaments also set rules governing the political, social and economic activities of the country.

It is affirmatively clear that the function of legislation within the scope of the constitutional provisions is exclusively the business of the parliament at the National and State level. A cursory look at the provisions reveals that the parliament enjoys overwhelming power to investigate and expose corruption virtually in every facet of Nigerian policy.

The Legislature being creation of the constitution has its powers as elaborately laid down in it (the constitution). In the regard, a look through the provisions of the 1999 constitution reveals various substantives matters in respect of which the National Assembly and House of Assemblies have powers to pass law¹³⁰ such areas include among others, to the power to conduct investigation, the power to expose financial malpractices and to make law for the peace and good governance of the country.

At different points in time in Nigeria, successive government had taken bold steps to combat financial malpractices though the passage of laws to that effect. The existing legislation on financial malpractices and related areas in Nigeria can be found in different Acts or Statue of which those relevant in curbing financial malpractices and corruption include:

- (i) Dishonoured Cheque (Offences) Act 1977.
- (ii) Recovery of Public property (Special provisions) Act 1984
- (iii) Code of Conduct Bureau and Tribunal Act 1999.
- (iv) Money Laundry Act 2003
- (v) Economic and Financial Crime Commission Act 2004
- (vi) Corrupt Practices (and other relative offences) Act 2003
- (vii) Criminal Code Act.
- (viii) Independent Corrupt Practices Commission (Establishment) Act¹³².

There are also offences of bribery, comprising many overlapping offences, broadly described by the general statement. Bribery is the receiving or offering of any undue reward by or to any person whatsoever, in a public officer in order to influence his behaviour in office and incline him to act contrary to the known rules of honesty and integrity.

The anti-corruption legislation globally, criminalizes financial malpractices and provides for appropriate sanctions, deterrent measures as well as monitoring and surveillance mechanism. This goes to show that fight against corruption is a global thing that must be pursued with vigour.

THE JUDICIARY ATTITUDE TO FINANCIAL MALPRACTICES

The Judiciary has a critical role to play in the area of curbing financial malpractices in Nigeria. This is important in that cases of financial malpractices are heard by the Court upon initiation of action against corrupt officials. Thus, the Judiciary are duty bound not only to see that Justice is done but that it is actually done.

It is significant to note that in *Re: Olafisoye*¹³⁸, the Supreme Court demonstrated its commitment at standing against Corrupt Practice within the confine of the law and its jurisdiction when it observed thus; A Corrupt Society definitely will trouble the peace, stability, Order and good government of the country where public officers in government money at will, the masses will complain and such complains could threatened the stability and social equilibrium of the nation. In most nations in the World, including Nigeria, the masses abhor financial malpractices and that is one reason, though not most important reason, why EFCC and ICPC Act were enacted.

Thus, the crusade against financial malpractices does not stop at the table of the legislature by merely passing the laws to curb financial malpractices but extend to the judiciary in its inherent power to adjudicate and interpret the constitution.

4.4 IMPLICATION OF FINDINGS

In conclusion, effort in Curbing financial malpractices in Nigeria as exhibited by the Executive, Legislature and Judicial efforts have been examined, needless to say, there is still room for improvement in the effort to curb financial malpractices, the adoption of measures taken to Combat financial malpractices at these levels and though is necessary but not sufficient to Curb financial malpractices in public sectors. It is important in addition to the measures such as legislation, it is crucial to pursue and see not only that the measures are implementing but vigorously enforced.

CHAPTER FIVE

5.0 SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 INTRODUCTION

Having carried out an analysis of data as contained in chapter four, the purpose of this chapter is therefore to provide a summary of the major finding, conclusion and final recommendations occasioned by the study.

From the data analysis carried out, it is hoped that the recommendation will prove useful to the Government in policy making, the general public with subsequent researchers.

5.2 SUMMARY OF MAJOR FINDINGS

The essence of this study is to evaluate and carried out a study on the impact of Government policy to curb financial malpractices in public sector, the Nigeria experience.

In chapter one, the general introduction/background to the study was explained, this led to statement of problem, objective, importance, scope and limitations as well as the research methodology on impact of Government policy to curb financial malpractices in public sector. The research methodology which was the methods used in collecting data for the main

purpose of this project work come from secondary source of data collection as well as observation, interview and library research

Efforts were also made to present and analysed the data collected and thus an adequate explanation of the efforts and impact of Government policy to curb financial malpractices in public sector, the Nigeria experience.

However, it highlights on summary of major findings, conclusion and went further to make recommendations for necessary improvement on the impact of Government policy to curb financial malpractices in public sector.

Also, considerable progress was made to see that financial malpractices are curbing in the public sector. It was realised that Government made a lot of impacts to see that financial malpractices is curb in public sector of our economy. Parts of the impacts were the establishment of EFCC and ICPC and therefore, we are able to realise that the impact of Government policy to curb financial malpractices is having a positive effect on the public sector in Nigeria.

5.3 CONCLUSION

In this project, there has been a review of different definitions of financial malpractices, highlighting the main ingredients therein. The history of financial malpractices has also been traced from pre-colonial era and also down to the present period. There was also an examination of financial malpractices under the Nigeria Criminal Law, the Penal Code and the Criminal Code, the various statues on financial malpractices, the Constitutional framework to tackle financial malpractices and effect of financial malpractices was also discussed.

Also, effort of the executive, legislative and Judiciary in curbing financial malpractices was examined. While looking at the History of financial malpractices, it was submitted that financial malpractices is a serious impediment to sustainable development, especially in developing countries and that it is not only prevalent in Nigeria, but has proliferated over the past few years.

Many Law are already created to fight financial malpractices in Nigeria (including those crafted by the International Organizations) but what is important now as Peter Eigen, Chairman of the Watchdog group, Transparency International has noted is “the political will to fight financial malpractices at home” above all, Nigeria cannot be seen as secure and free until the people’s human rights are respected and protected by the government. It is so sad to note that no matter how beautifully conceived policies are in Nigeria, its execution is always poorly done.

Financial malpractices have become such a monster in Nigeria that fighting it is an exception to the rule. No doubt, financial malpractices thrives where it is tolerated and where the possibility of detection and consequent punishment is slim.

This underscores Nigeria special problems with Wide-World phenomenon. It is perhaps very clear from the discussion so far, that we shall never have a better World until there are better persons in it. Consequently, it is difficult to disassociate financial malpractices from governance and economic policy of the present government, the war against financial malpractices in a deregulated economy like ours can only be won if there is a political will to combat it head long. The ethical responsibility of all to be transparent and accountable cannot be over emphasized.

The earlier the citizens accept the fact that we are all entrusted with the responsibility of ensuring the survival of the state, either as leaders or and as subjects, each playing his/her roles and enjoying the benefits and privileges as well, the better for Nigeria as a country and its democratic drive.

There are a lot of cases in the public sector in this recent time that reveals the efforts and the impact of Government, it is important to state that Government must not relent and Economic and Financial Crimes Commission (EFCC) and other anti-Corruption agency fighting against financial malpractices in public sector must not reduce their standard and do not loose focus in curbing financial malpractices in public sector of our Country.

5.4 RECOMMENDATION

Every country has to determine its own priorities on the War against financial malpractices, but each society should focus on concrete actions that can yield measurable results.

Above all, Nigeria cannot be seen as secure and free until the people’s human rights are respected and protected by the government. As Mikhail Gorbachev points out “the World cannot be considered secure if human rights are being violated” to tame financial malpractices, Nigeria has to use words as well as actions – a multifaceted approach.

It is recommended that in addition to other measure being taken to reduce financial malpractices, the leadership must demonstrate the willingness to tackle and punish corrupt officials and citizens as well as creating a conducive economic climate that would raise the standard of living of the citizenry.

Finally, programs such as unemployment insurance should be instituted among the working class to reduce the worry about basic survival in the face of growing insecurity about the job situation. In all, good governance, transparency, accountability and the rule of law are the keys to tackling financial malpractices in the society, as corrupt leaders cannot wage an effective War Against financial malpractices.

BIBLIOGRAPHY

ARTICLES ON THE INTERNET

Duke, J. 'Combating Corruption under International Law' <http://www.law.duke.edu/journal/djci/articles/djci/10p345.htm>
Fagbadebo, O. 'Corruption Governance and Political Instability in Nigeria' <http://www.academicjournals.org/AJPSIR>
Accessed on October 14 2007

BOOKS

- [1]. Ademola, Y. (2004) 'Nigeria Constitutional Law' Demyax Law Book
- [2]. Akande, J. A. (2000) 'Introduction to the Constitution of the FRN 1999'. MIJ Publishers
- [3]. David, M. O. (1989) 'Legislative Process: A comparative Approach' Oxford University Press, London.
- [4]. Sundry Chibuzo Chutai (2004) 'Corruption in Nigeria' Afro-Orbis & Snap Press Ltd.
- [5]. Dike, V. E. (2001) 'Democracy and Political Life in Nigeria' Amadu Bello University Press.
- [6]. Forest, T. (1995) 'Politics and Economic Development in Nigeria' West View Press
- [7]. Gambetta, D. (2000) 'Corruption: An analytical Map' Central European University Press
- [8]. Jeaga, A. M. (2007) 'Democracy, Good Governance, Development in Nigeria' Spectrum Book Ltd.
- [9]. Klitgard, R. 'Controlling Corruption' University of California Press.
- [10]. Nwabueze, B. O. (1992) 'Military Rule and Constitutionalism' Spectrum Law Book.
- [11]. Okonkwo and Naish, (2005) 'Criminal Law in Nigeria' 2nd Edition, Spectrum Law Book
- [12]. Okonkwo, C. O. (1995) 'Advance Fee Fraud and other related offence' Spectrum Book
- [13]. Robin, T. (1990) 'Corruption, development and Under-development' City Press, Durham
- [14]. Sundry, C. (2004) 'Corruption in Nigeria' Afro-Orbis and Snap Press Ltd.

NEWSPAPER REPORTS

- [1]. Vanguard Newspaper October 31, 2000
- [2]. Vanguard Newspaper December 6, 2004
- [3]. Guardian Newspaper August 4, 2005
- [4]. Guardian Newspaper June 12, 2005

PAPER PRESENTED AT CONFERENCES, WORKSHOP AND SEMINARS

- [1]. Paul D. Ocheje (2001) 'Law and Social Change: A socio-legal Analysis of Nigeria's Corrupt Practices and other Related Offences Act 2000' Journal of Africa Law Vol 45 (2) p. 174
- [2]. Marong B.M (2002) 'Toward a Normative Consensus Against Corruption: Legal Effects of the Principles to Combat Corruption in Africa' p. 99-109
- [3]. Abed, George T. & Davoodi, Hamid, R. (2000) 'Corruption, Structural Reforms and Economic Performance in the Transition Economics, Working Papers' WP/00/132 International Monetary Fund
- [4]. Tanzi, V. (1995) 'Corruption around the World: Causes, Consequences, Scope and Cures' IMF Staff paper 45(4) p. 559
- [5]. Berg Erland, (2001 'how Corruption should be measured?') MSc Economics Extended Essay. (London School of Economics & Political Science) p. 4
- [6]. Ajibola, B. (1988) 'Corruption and Economic Crime' Speech at National Conference, held at the Federal Ministry of Justice, Lagos
- [7]. Ayoola, E. O. (2002) 'Corruption: the Past, the Present and the future any hope for sanity'. Seminar paper presented at the Faculty of Law. University of Ilorin
- [8]. Eddy, N. 'Nigeria Government, the Public Sector and the Fight Against Corruption' International
- [9]. NGO Journal. Vol. 3
- [10]. Ibrahim I. & Olokooba S. (2010) 'Corruption in Nigeria, A call for an aggressive Legal Solution' University of Ilorin Faculty of Law Journal.
- [11]. Mojeed, A. (2010) 'Legislation and Anti-Corruption Crusade' International Journal of Politics and good governance.
- [12]. Okogbule, N.S. (2004) 'Nigeria factor and the Criminal Justice System' University of Benin Law Journal.
- [13]. Oputa, C. A. (1975) 'Crime and the Nigeria Society' Proceedings of Workshop, Enugu.
- [14]. Popoola, A. O. (1989) 'The Military and Economic Crimes in Nigeria' Annual conference of the Nigeria Association of Law Teachers

APPENDIX
SCHOOL OF BUSINESS AND HUMAN RESOURCES MANAGEMENT
NATIONAL OPEN UNIVERSITY OF NIGERIA,
ADO EKITI STUDY CENTRE
RESEARCH PROJECT ON THE ROLE OF GOVERNMENT TO CURB FINANCIAL MALPRACTICES IN
NIGERIA PUBLIC SECTOR

QUESTIONNAIRE

This questionnaire is designed to collect information on the impact of government policy to curb financial malpractices in public sector the Nigeria experience.

You are only required to complete the questionnaires as correctly as possible. Any information given will be used for academic purpose only and will be held in strict confidence.

Kindly respond to this questionnaire with sincerity.

PART A:

PERSONAL INFORMATION

1. Name of respondent.....
2. Town and Village.....
3. Local Government Area.....
4. State of Origin.....

Please tick () and tick as appropriate

5. Sex: Male (), Female ()
6. Age: Under 18-20 (), 21-40 (), 41-50 (), 51 and above ()
7. Occupation: Student (), Civil servant (), Farming (), Others ()
8. Marital status: Married (), Single ()
9. Educational status: Primary school (), Secondary school (), Higher degree (), No education ()

PART B

10. There is financial malpractices in the public sector in Nigeria. Do you agree?
Strongly agreed (), Agreed (), Strongly disagreed (), Disagreed ()
11. Nigeria Government is making effort to see that financial malpractices are curbing in the public sector. Do you agree?
Strongly agreed (), Agreed (), Strongly disagreed (), Disagreed ()
12. The impact of Government is making to curb financial malpractices is having positive effect. Do you agree?
Strongly agreed (), Agreed (), Strongly disagreed (), Disagreed ()
13. Financial malpractices can be removed from our system in Nigeria. Do you agree?
Strongly agreed (), Agreed (), Strongly disagreed (), Disagreed ()
14. The impact of Government policy to curb financial malpractices will not going to be partial. Do you agree?
Strongly agreed (), Agreed (), Strongly disagreed (), Disagreed ()
15. Do you think the operation of EFCC and ICPC will bring any benefits to the public sector?
Strongly agreed (), Agreed (), Strongly disagreed (), Disagreed ()
16. Do you think that honest people can still be employed to the public sector?
Strongly agreed (), Agreed (), strongly disagreed (), Disagreed ()
17. The impact of Government policy to curb financial malpractices protects public funds. Do you agree?
Strongly agreed (), Agreed (), strongly disagreed (), Disagreed ()