



International Journal of Multidisciplinary Research and Growth Evaluation.

Accountability and performance of public sector organization: A study of MDAs in Ondo State

Idowu Paul Olanitori^{1*}, **Oluwafemi Emmanuel Adeyefa**², **Jamiu Muhammed Aremu**³

¹ Paul Consult Research and Data Analysis, Rufus Giwa Polytechnic, Owo, Ondo State, Nigeria

² Internal Auditing Unit, Rufus Giwa Polytechnic, Owo, Ondo State, Nigeria

³ Department of Business Administration and Management, Rufus Giwa Polytechnic, Owo, Ondo State, Nigeria

* Corresponding Author: **Idowu Paul Olanitori**

Article Info

ISSN (online): 2582-7138

Volume: 04

Issue: 03

May-June 2023

Received: 08-04-2023;

Accepted: 24-04-2023

Page No: 372-381

Abstract

This study examine Accountability and Performance of Public Sector Organisation at Ondo State Ministries Finance and Health with the aim of assessing the Accountability and Performance of Public Sector Accounting Standards (IPSAS) in Public Sector. The study adopted cross-sectional survey design with selection of two (2) Ministries in the Ondo state. Survey Design collected data using 5-Point Likert-Scale questionnaire format which was administered on sample of 40 of Accountants, Internal Auditors and Staff at the two Ministries captured in the state (i.e. Finance, Budget & National Planning and Health) of which 38 were returned. The data was analyzed using descriptive statistic in line with bar chart. Three hypotheses formulated were tested using Chi-square (χ^2) Statistical Technique Method via Statistical Package for Social Sciences (SPSS Version 20) at 0.05(5%) level of significance. Findings reveal that strong positive relationship occurred between accountability system and the performance of accounting system in the Public Sector in the ministry of finance and health with P-value ($0.007 < 0.05$) and also, weaknesses or strength that can occurred due to the lapses in the implementation of Accounting System in the area in Ondo States with P-value ($0.051 < 0.05$). Conclusively, the strength of accounting system is a boost to Ondo state by way of improvement in transparency and accountability. The study therefore recommends that as accountability is the hallmarks for good governance, if Nigeria is to be a member of the twenty most developed nations of the world by the year 2020, political office holders, citizens and all stakeholders in the Nigerian project should embrace integrity, transparency and accountability in the management of public funds.

Keywords: Accountability, Performance, Public Sector, Stewardship and Effectiveness

Introduction

The concept of accountability for public funds dates back to the history of ancient Greece. As old as the theory is, it would not be erroneous to say that, the idea has been lost to antiquity, although much is not known about it. This makes the subject government accounting to remain a myth. Public sector Accounting has received a wide attention from scholars that the field scans to be neglected. However, there is general awareness all over the world of the need to pay greater attention to the development of government accounting and financial control (Behn, 2011). In the modern era, the responsibility of government has gone amidst maintenance of law and order. The enormous activities of government, which include management of public funds, equally call for enlarge government accounting in order to accommodate the immense task. As a result of this development, the traditional cash procedures of accounting can hardly meet the demands of reasonable accounting for modern government in providing necessary services or information.

Therefore, there is need for government accounting to be dynamic in order to accommodate both the fundamental roles and the developments (Olu-Adeyemi and Obamuyi, 2010)^[20]. Modern government accounting entails, recording analysis, classifying, summing, communicating and interpreting financial information about government in aggregate and in detail, reflecting all transactions involving receipts, transfer and disposition of government funds and property, this process can also be carried out using framework of business Accounting.

Fund Accounting is the hallmark of government accounting. A fund accounting system is a collection of distinct entities or funds whereby each fund reflects the financial aspect of a particular segment of the organizations activities (Osborne, 2010)^[21]. Government must therefore, unlike business entity been seen as a multi-objective organization accruing for funds and delivering a multiplicity of goods and services. Unlike business accounting uses accrual basis in financial reporting. Government accounting is carried out on cash basis (Borne, 2011)^[3]. Nevertheless, both systems use the same Accounting practice to give evidence for the stewardship of resources and to provide useful information for the good control and efficient management of government operation (Osborne, 2010)^[21].

The public sector constitutes the largest sector of the economy of any nation, it employs the largest population of the labour force and controls the bulk of financial resources of any country. It therefore calls for a proper financial resources management to ensure proper stewardship of public funds. According to (Charles, 2012)^[7] a government accounting system must make it possible both, to present fairly and with full disclosure the financial position and results of financial operations of the funds and account groups of the government units in conformity with generally accepted accounting principles (IPSAS), to determine and demonstrated compliance with finance relate legal and contractual provisions. However, in public sector in Nigeria, there has been public outcry on the way financial resources have been managed by the public servants. Huge sum of public money meant to provide services to the people have been mismanaged or diverted to personal accounts. For democracy to survive there is the need for more accountability and transparency on the part of public practitioners in our Ministries, Departments and Agencies (MDAs) with the assertion of knowing the accounting system put in place there with the effect of the accounting system on the performance of such MDAs which also in line with the weakness and strength in such MDAs. In the course of this research work, the following fundamental questions will be answered via findings. What are the accounting system put in place by Ondo State Ministry of Finance & Budget Planning and Health? What are the effect of accounting system on the performance of selected Ministries? And what are the weaknesses and strength in the operative system of accounting of the selected ministries?

Objectives of the Study

1. To find out whether Ondo State Ministry of Finance & Budget Planning and Health has an accounting system in place.
2. To evaluate whether the accounting system of the selected Ministries are significantly effective in enhancing performance.
3. To determine the weaknesses and strength in the system

of accounting in the study area.

Hypotheses

1. **H₀₁:** Existence of accounting system has not significantly affect/improved accountability process at Ondo state ministries.
2. **H₀₂:** The Accounting system in practice has not significantly affect the performance of the selected ministries.
3. **H₀₃:** Determination of weaknesses and strength has not affect the system of accountability in be study area.

The Concept of Accountability

Accountability is all about being answerable to those who have invested their trust, faith, and resources to you. Adegite (2010)^[1] defined accountability as the obligation to demonstrate that work has been conducted in accordance with agreed rules and standards and the officer reports fairly and accurately on performance results vis-à-vis mandated roles and or/plans. It means doing things transparently in line with due process and the provision of feedback. Johnson (2014)^[12] says that public accountability is an essential component for the functioning of our political system, as accountability means that those who are charged with drafting and/or carrying out policy should be obliged to give an explanation of their actions to their electorate. Premchand (2014)^[22] observed that the capacity to achieve full accountability has been and continues to be inadequate, partly because of the design of accountability itself and partly because of the widening range of objectives and associated expectations attached to accountability. He further argues that if accountability is to be achieved in full, including its constructive aspects, then it must be designed with care. The objective of accountability should go beyond the naming and shaming of officials, or the pursuit of sleaze, to a search for durable improvements in economics management to reduce the incidence of institutional recidivisms. The future of accountability consists in covering the macro aspects of economic and financial sustainability, as well as the micro aspects of service delivery. It should envisage a three-tier structure of accountability: that of official (both political and regular civil employees), that of intra governmental relationships and that between government and their respective legislatures.

According to Coker (2010)^[8], the various approaches to accountability based on the language of account can be grouped into:

1. **Process Based Accountability:** This approach measures compliance with preset standard and formally defined outcomes. This includes fiscal and managerial accountability with reliance on the use of accounting methodologies.
2. **Performance Based Accountability:** This approach measures performance against broad objectives. This measure may be qualitative and the criteria against which performance is measured less precisely defined. Adegite (2010)^[1] also noted that there are three pillars of accountability, which the UNDP tagged ATI (Accountability, Transparency and Integrity). Accountability which is segmented into:
3. **Financial Accountability:** The obligation of any one handling resources, public office or any other positions of trust, to report on the intended and actual use of the resources or of the designated office.

4. **Administrative Accountability:** This type of accountability involves a sound system of internal control, which complements and ensures proper checks and balances supplied by constitutional government and an engaged citizenry. These include ethical codes, criminal penalties and administrative reviews.
5. **Political Accountability:** This type of accountability fundamentally begins with free, fair and transparent elections. Through periodic elections and control structure, elected and appointed officials are held accountable for their actions while holding public office.
6. **Social Accountability:** This is a demand driven approach that relies on civic engagement and involves ordinary citizens and groups exacting greater accountability for public actions and outcomes. Table below shows the content of accountability:

Table 1

General Accountability	Fiscal Accountability	Managerial Accountability
1. Answerability for action. 2. Sanctions where justification is not adequate. 3. Ability to revoke a mandate. 4. Public scrutiny of governmental actions. 5. Citizen's participation in the design of programmes.	1. Approval of policies and actions having financial implications by a representative body. 2. Approval of an annual or a medium term budget. 3. Framework to ensure that in the process of economic management no actions are taken to impair the fiscal capacity of the community	1. Appropriate rules are observed and that the authority is not abused. 2. Risks are taken within delegated powers to achieve objectives. 3. Responsibility to service delivery within specified costs, quality and time schedule. 4. Observance of economy and efficiency

Source: Premchand (2014) ^[22]

Ojoakor (2013) argues that the factors and forces which militate against accountability in Nigeria include ethnicity and tribalism, corruption, religious dichotomy and military culture.

The Concept of Accounting System

Building an accounting program that protects the financial integrity of a business depends on the application of a few key principles, Ojoakor (2013). These are generally known as internal controls. The term "internal control" usually brings to mind control of fraud. However, this is only one aspect of controls in accounting systems. The others are effective and efficient operations, reliable reporting, and compliance with applicable laws and regulations.

Preventing Accounting Fraud

Fraud costs small business in the United States an average of 6 percent of revenue. This amounts to about \$400 billion per year. A properly organized accounting department is the first line of defense against this loss. The accounting department itself must be made free from opportunity to remove funds or company assets. To prevent unauthorized payments or purchases, the various accounts payable functions, such as ordering, approval of invoices, cutting checks, signing checks and reconciling the bank account, should be handled by different people. This may be difficult to do in a small office, but close monitoring of bank activity by ownership is still possible. Similarly, collection of cash receipts and merchandise refunds must also be handled by multiple employees to reduce risk. (Ojoakor, 2013).

Other Fraud Prevention

The accounting department should also be responsible for tracking the tangible property owned by the company. An inventory of such items as tools, office equipment and machinery must be maintained. At least once a year every item should be physically located and logged. Expense items should be signed out to employees, who will be responsible for their care. More important than controls, fostering a positive work environment reduces employee fraud, and increases productivity, Ojoakor (2013). Establish a code of ethics that applies to everyone. Listen to employees and establish a program for assisting those with problems. Employees who think of the company as a family will

contribute more to its success.

Accurate Reporting

An internal control system ensures the delivery of timely and accurate financial information to management. Regular tracking of intermediate deadlines in the accounting cycle assures on-time delivery of information. Carefully crafted procedures will promote consistency and accuracy. Accounts payable staff should have a definition for each of the expense accounts in the system. For example, an apartment building has separate accounts for water used on the landscaping and water used by tenants. Commingling the payments in these accounts distorts the expense and may hide a problem, Ojoakor & Uche (2015) ^[19]. Similarly, revenue accountants (in a small office, accounts payable and receivable may be handled by the same person) should also receive instruction in consistent accounting for payments received. Managers must have an opportunity to review and explain variances in actual income and expense. This is a final opportunity to correct accounting errors and provides more information to management.

Effective and Efficient Operation

Operational management depends on the financial information provided by the accounting department. For example, manufacturing or construction businesses need a detailed job cost system to provide ownership with accurate data about the actual cost of each job. In retail businesses, the same is true regarding cost of goods sold. Without this information these businesses are unable to competitively price their products or services. Price too high and they cannot sell their product; priced too low, every sale represents a net loss to the company. Prompt and accurate payment of taxes, including payroll deductions, is also a vital function of the accounting department, Ojoakor & Uche (2015) ^[19]. Late payment of federal payroll taxes can result in late fees up to 15 percent of the total due, and because the IRS (International Reporting Standard) applies payments in the order in which they are received, one late payment can result in subsequent payments incurring penalties. A properly organized accounting department thus contributes directly to a company's bottom line.

The Principal Agent Theory

The principal-agent (PA) theory is widely used to describe

and explain vertical relationships between a superior principal and a subordinated agent, in where the latter is authorized to act on behalf of the former (Borowiak 2011) ^[4]. Thus, in an accountability perspective, the PA-theory is concerned with the question of who is accountable to whom (Gailmard 2014) ^[10]. The principals authorize or delegate the agents to act on their behalf because of the fact that the agents have more time, specific information, expertise or capabilities that the principals lack. The PA-theory assumes that the actors are autonomous and self-interested utility maximizers that have the capability to pursue their own self-interests over and above anyone else's interests (Schillemans & Busuioc 2014) ^[23]. The agents are presumed to be the problematic ones in the PA-theory, and as the principals are presumed to possess expertise that the principals lack and that they need to know to make the best decision, the agents will deviate from the principals' interests and wishes. This is called *agency loss*, which sometimes is explained as the difference between the best possible outcome for the principals and the actual actions of the agents. If the agents act in accordance with the principals' wishes, agency loss is zero. The more the agents deviate from the principals, the higher agency loss is (Gailmard 2014) ^[10].

Thus, the relationship between the principals and the agents is based on goal divergence. The principals try to induce the agents to share the information through various forms of external monitoring mechanisms, sanctions, rewards and other external incentives, as for example financial ones (Gailmard 2014) ^[10]. Hence, one central problem in the PA-theory is how the principals are to ensure and/or control that the agents to act in the principals' interests (Schillemans & Busuioc 2014) ^[23]. The concern about agency loss, or "drifting agents" as Schillemans and Busuioc (2014) ^[23] calls it, has been questioned though. Instead their research indicated that rather than having problems with "drifting agents", i.e. that the agents withhold information, serve their own bureaucratic interest, and most often try to escape any demands of accountability, there is a problem of "drifting principals". The researchers mean that this can be explained as a disinterest on behalf of the principals in holding the agents accountable for potential misconducts but also a disinterest in what the agents are actually doing.

The Principal Stewardship Theory

The principal-stewardship (PS) theory was developed in reaction to the classical principal agency theory (Klijn & Koppenjan 2016) ^[13], as it was seen to be too one-sided in just focusing upon the self-interested agent and the need for external control and motivators in order to govern the agent (Mansouri & Rowney 2013) ^[15]. In the accountability context, it is a quite new theory. For example, in 2007 the theory was still acknowledged but not applied on empirical findings, Van Slyke (2007) ^[25] used the PS-theory when he was studying government-nonprofit social services contractual relationships, and meant that the theory could be particularly appropriate for analysing these kind of relations as for example by virtue of their organizational form and specialized social service focus (Van Slyke 2007) ^[25]. And as this thesis aims at studying a similar form of social service relationship, i.e. a compacting one between one public authority and one nonprofit organization, the theory seems very much appropriate.

The theory acknowledges that there exists a superior-subordinate relationship. As in the PA-theory the principals

are the superior ones, but in contrast to the PA-theory, the subordinated ones are not agents but stewards. Compared to the agents in the PA-theory, the stewards place a higher value on the *common good* and on *goal convergence* than on self-interest. Thus, the PS-theory assumes that the motives of the stewards are aligned with those of the principals. Consequently, success is equated with goal alignment and the absence of financial payoff or maximizing of individual utility (Van Slyke 2007) ^[25]. Moreover, the stewards are seen as *service providers*, dedicated at serving the public (Klijn & Koppenjan 2016) ^[13], which corresponds with the research of Schillemans and Busuioc (2014) ^[23]. They identified the subordinated actors in the public sector as long-lasting stewards instead of agents. This was due to the fact that the public sector can be seen as equivalent with quite long time-frames and highly institutionalized values. According to the researchers, it then results in motivated stewards that are "tied to an institutionalized mission that is likely to transcend their self-interest". The research of Van Slyke (2007) ^[25] on contractual accountability, indicated that long term contractual relationships were based on trust, reputation, collective goals and involvement. These features led to a relational reciprocity between the principals and the stewards, which then led to alignment between the actors and goal convergence.

Another key factor in the PS-theory and in understanding the stewards, is *intrinsic motivation* (Schillemans & Busuioc 2014) ^[23]. The stewards are first and foremost driven by intrinsic motivators, as for example education, training, encouragement and inspiration (Klijn & Koppenjan 2016) ^[13]. Also they highly value their own reputation, to realize their own missions, and to achieve organizational goals (Schillemans & Busuioc 2014) ^[23]. It is through the intrinsic motivators and incentives an internal sense of responsibility is created, which result in accountable behaviours (Mansouri & Rowney 2013) ^[15]. If stewards are given sufficient discretion and autonomy they may develop internal controls, such as professional and ethical values, in order to guide "right behaviours". However, and even though intrinsic motivation is central in the PS-theory, external motivators still play an important role. This means that the PS-theory does not replace the PA-theory, but instead it complements it (Mansouri & Rowney 2013) ^[15]. The relation between external and intrinsic motivators is a complicated one, though, as formal accountability control mechanisms are important but very easily can "crowd out" intrinsic motivation (Schillemans & Busuioc 2014) ^[23].

Basis of Accounting in Government

A basis of accounting can be defined as the time various financial transactions are recorded. The cash basis (EU VAT vocabulary *Cash accounting*) and the accrual basis are the two primary methods of tracking income and expenses in accounting. Both can be used in a range of situations, from the accounts of a whole country or a large corporation to those of a small business or an individual. In many cases, regulatory bodies require individuals, businesses or corporations to use one method or the other. When this is not the case, the choice of which to use is an important decision, as both methods have advantages and disadvantages.

Cash Basis

The cash basis is a method of recording accounting transactions for revenue and expenses only when the

corresponding cash is received or payments are made. Thus, you record revenue only when a customer pays for a billed product or service, and you record a payable only when it is paid by the company. Many small business owners may be using the cash basis without even realizing it, if they are recording business transactions primarily with a check book.

Accrual Basis

The accrual method records income items when they are *earned* and records deductions when expenses are *incurred*. For a business invoicing for an item sold, or work done, the corresponding amount will appear in the books even though no payment has yet been received – and debts owed by the business show as they are incurred, even though they may not be paid until much later.

In the Nigeria tax environment, the accrual basis has been an option since 1916. An "accrual basis taxpayer" looks to the "all-events test" and "earlier-of test" to determine when income is earned. Under the all-events test, an accrual basis taxpayer generally must include income "for the taxable year when all the events have occurred that fix the right to receive income and the amount of the income can be determined with reasonable accuracy". Under the "earlier-of test", an accrual basis taxpayer receives income when: The required performance occurs and payment therefore is due, or payment therefore is made, whichever happens earliest. An accrual basis taxpayer may be treated as a cash basis taxpayer when payment is received before the required performance and before the payment is actually due. An accrual basis taxpayer generally can claim a deduction "in the taxable year in which all the events have occurred that establish the fact of the liability, the amount of the liability can be determined with reasonable accuracy, and economic performance has occurred with respect to the liability".

Empirical Review

Ezirimand and Muoghalu (2016)^[9] investigated the extent to which factors like population growth, urbanization effects and taxation affect the size of public expenditure in less developed countries like Nigeria; and concluded that inflation constituted the most important factor that accounted for changes in government financial management. Ezirimand (2016)^[9] in an extensive study investigated the impact of public expenditure on economic growth. He made a comparative analysis of selected countries and concluded that significant relationship exists between some macroeconomic variables and changes in public expenditure.

Ross (2011)^[23] explained the issues of the public sectors of different countries are formed by numerous features, but they have similar barriers to challenges. Those contests create public sector performance management more difficult compared to the private sector. Usually by the private sector having an easy environment and effective development of best practice, assists companies to take advantage of resources and it makes public sector administration more frustrating as they are not able to use the same resources and benefit from them. Iraqi experience with economic growth and the increasing interdependencies of public and private sectors creates the biggest challenge for the public sector to adopt standard accounting systems.

Nwezeaku (2014)^[18] investigate the relationship between public sector financial management and economic development with special reference to Nigeria and Ghana. The study used the ordinary least squares procedure against

annual data from 1980 through 2006 for the countries. These were employed to evaluate the general impact on the economies while the log-run model was employed to examine the incremental growth of the economies. Also, made of the Gini index theory as a measure of the degree of inequality of income distribution. From his model the global statistics indicate overall high explanatory powers of the model while, the relative statistical results indicate a highly significant causality between public sector financial management and persistent economic underdevelopment. The result showed that Management of inflation, government revenue, government expenditure and investment appear to have the greatest negative effects on the efforts of these governments especially that of Nigeria. While we will research on Accountability and performance of public sector organisation in order to examine whether the accounting system of Government agencies so as to enhance proper management and financial control. During the research works, forty (40) questionnaires will administered to the Accountants and Auditors of the ministries with the use of Chi-square Technique base on the hypotheses stated. Results, finding and recommendations will be made on the performance of the ministries used.

Research Design

Research design refers to the structure and constructional plan of a research work. It is the strategy or approach adopted in carrying out a scientific research. It is the framework upon which a research work is built aimed at identifying variables and their relationships to one another. According to Asika (2011), research design refers to specific structure and strategy for investigating the relationships among the variables of study. Therefore, the research design adopted in this study is Ministry of Finance & Budget Planning and Ministry Health, Ondo State with the public sector performance as dependent variable and accountability level as an independent variables and to draw inferences. Such inferences concerning the relationship between the variables involved can then be used for purposes of prediction; in this case, the effect of public sector reforms on public sector accounting and budgeting systems in Nigeria.

Population of the Study

The population of study used to gather primary data to support the results of analyses and findings of the raw data comprises professional accountants at the Ministry as well as public administrators of the rank of Directors, Deputy Directors, Assistant Directors, Chief Accounting and Financial Officers will constitute part of the study population. The population will be forty four (44) respondents (i.e. staff of Ondo State Ministry of Finance and Health). The respondents are two categories of accountants and auditors groups, for representativeness the population is stratified into the two groups from which the sample is selected. The sample was selected using Taro Yamane's formula.

Where;

n = Sample Size

N = Population of 44

e = Margin of error of 5%

$$n = \frac{N}{1 + N(e)^2}$$

And substituting the values

$$n = \frac{44}{1 + 44(0.05)^2}$$

$$= \frac{44}{1.11}$$

$$n = 40$$

However, forty (40) copies of the questionnaire are expected to be distributed for the research analysis

Administration of Research Instrument

Questionnaires were administered to the respondents (i.e. the Accountants and Auditors of selected ministries in Ondo state). To capture their response, 40 questionnaire was administered and use in line with the objective of the study and to foster more substantial point on the topic.

Techniques of Data Analysis

The data will be presented in tables and analyse using chi-square (χ^2) method technique in the analysis. This was applied in order to confirm the stated hypotheses. Analysis was done base on explained technique on research design and all necessary test shall be done properly.

Data Presentation and Analyses

Table 2: Descriptive Statistics

		Working Experience	Position Level	Academic Qualification
N	Valid	38	38	38
	Missing	0	0	0
Mean		2.47	2.00	2.16
Median		2.00	2.00	2.00
Std. Deviation		.922	.771	.754
Minimum		1	1	1
Maximum		5	3	3
Sum		94	76	82

Source: SPSS Version 20.0

The descriptive statistics is the normality test for the distribution of Bio-data of respondents, this has shown the dispersion and central tendency in the variables from mean, median, standard deviation, minimum and maximum and sum of it. Working experience as a mean of 2.47 while position level as a mean of 2.00 and academic qualification as a mean of 2.16.

Table 3: Working Experience of the Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-5yrs	5	13.2	13.2	13.2
	6-10years	15	39.5	39.5	52.6
	11-15years	14	36.8	36.8	89.5
	16-29years	3	7.9	7.9	97.4
	30-Above	1	2.6	2.6	100.0
	Total	38	100.0	100.0	

Source: SPSS Version 20.0

The working experience shown the length at which some Accountants and Auditors have worked at Ministry of Finance, Budget and Planning and Health in Ondo states, this is range between 1-5years and 30years-Above. 1-5years was

5 with 13.2%, 6-10years was 15 with 39.5% and 11-15years was 14 with 36.8% and lastly, 30years-Above was 1 with 2.6%. This mean that more experience Accountants and Auditors can discussed much about accountability process of Ministries of Finance and health in Ondo state. Below was the graphical structure of working experience of workers.

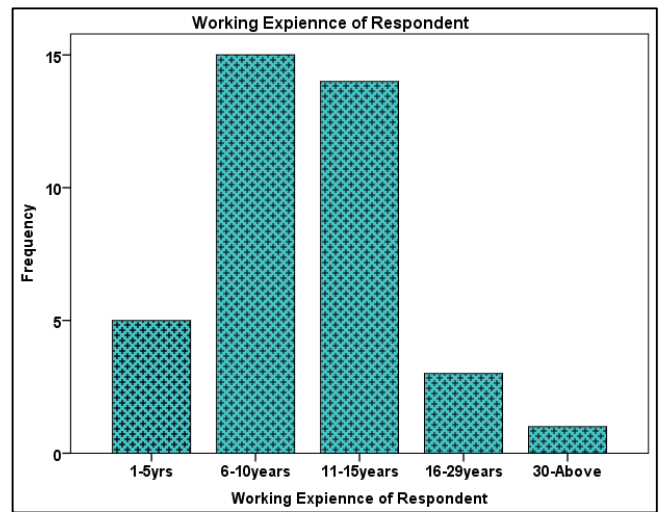


Fig 1

Table 4: Position Level of the Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Lower Level Management	11	28.9	28.9	28.9
	Middle Level Management	16	42.1	42.1	71.1
	Top Level Management	11	28.9	28.9	100.0
	Total	38	100.0	100.0	

Source: SPSS Version 20.0

The position level of respondents are shown above, Lower Level staff are 11 with 28.9%, Middle Level Staff are 16 with 42.1%, and Top Level Staff are 11 with 28.9%. This mean that most of Accountants, Auditors and staff at that Ministries are at middle level position. Below was the graphical structure of position level of staff.

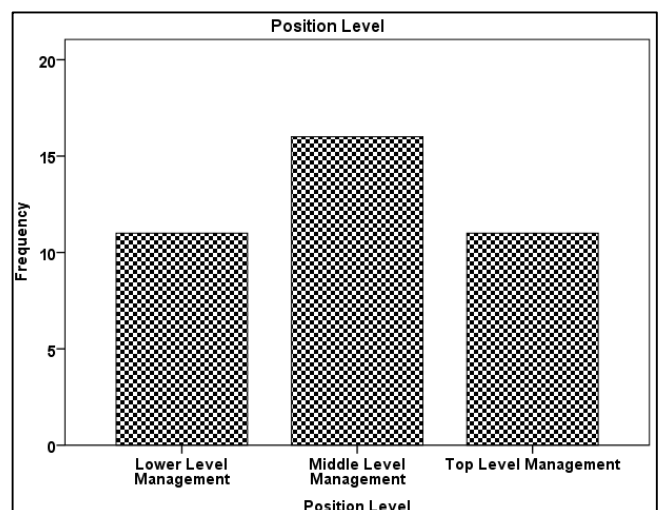


Fig 1

Table 5: Academic Qualification of the Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	OND/A'level	8	21.1	21.1	21.1
	HND/B.Sc.	16	42.1	42.1	63.2
	MSc/ACA	14	36.8	36.8	100.0
	Total	38	100.0	100.0	

Source: SPSS Version 20.0

From the table above, it was showed that **42%** of the staff was Degree Holders, **21.1%** are National Diploma Holders as **36.8%** are Master and Professional Accountants Holders compared. According to the analysis it is showed therefore that more Bachelors holders, Master and Professional Accountants Holders were employed in the Ministries. The graphical structure was bellows.

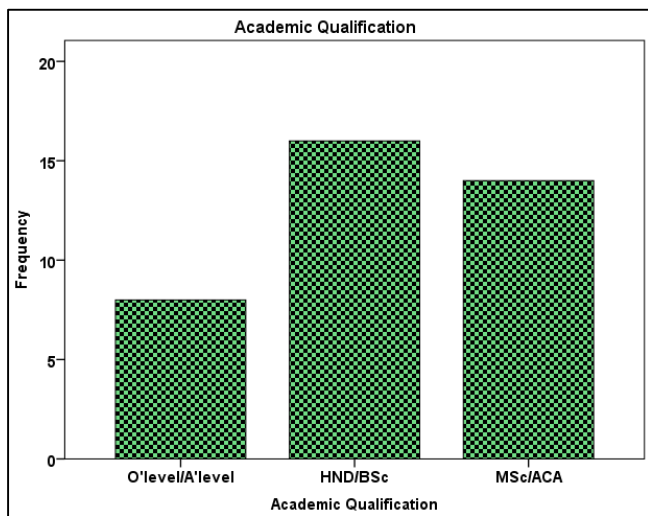


Fig 1

Analysis

Inferential Statistics

Chi-square is used because is the test of “Goodness of fit” base on the following reasons;

1. The sample was randomly drawn from population.
2. Values for the variables are mutually exclusive.

Below are the presentation of inferential analysis of research in line with research questions and research hypotheses specified.

H01: Existence of Accounting System has not Significantly Affect/Improved Accountability System in the study Area

Table 6: Accounting System and Performance Cross tabulation

		Performance			Total	
		3	4	5		
Accounting System	3	Count	1	6	7	14
		Expected Count	4.1	5.2	4.8	14.0
	4	Count	6	2	2	10
		Expected Count	2.9	3.7	3.4	10.0
	5	Count	4	6	4	14
		Expected Count	4.1	5.2	4.8	14.0
Total		Count	11	14	13	38
		Expected Count	11.0	14.0	13.0	38.0

Source: SPSS Version 20.0

The tables 6 above showed the cross tabulation data gathered

on hypothesis one concerning Accounting System use at public sector and it performance at the Public Sector in Ondo State Ministry of Finance and Ministry of Health. The response was based on respond from the respondents (i.e Accountants, Auditors and Staff in the Ministries) on the questionnaire assigned to them. The table showed the observed value and expected value with Strong Agree value (11), Agree value (14) and Undecided value (13) on accounting system of public sector that affect performance in Ondo states in order to enhances the financial system at the ministry selected which was revealed on contingency table above.

Table 7: Chi-Square Tests for Hypothesis One

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	18.417	4	.007
Likelihood Ratio	8.754	4	.068
Linear-by-Linear Association	1.991	1	.158
N of Valid Cases	38		

Source: SPSS Version 20.0

Rule

(P<0.05)= Null Hypothesis will be rejected

(P>0.05)= Null Hypothesis will be accepted

The study shown that the Chi-Square (χ^2) value result on the Accounting system on the performance of financial statement in the Public Sector in Ondo States, the Chi-Square (χ^2) value was 18.417 which was greater than the table value of 9.488 and significant at 0.05(5%) significance level. The Chi-Square value shows there was a strong positive relationship occurred between accounting system on performance of accounting system at the Public Sector in the ministry of finance and health in Ondo States. The research rejected the null hypothesis (H01) of Existence of Accounting System has not Significantly Affect/Improved Accountability System in Ondo state at 0.05 significance level by concluding that there was a strong significant relationship between existence of Accounting System on performance of the ministries which can bring Accountability in Ondo States. From this, the Adoption of IPSAS by Ondo state as an accounting reporting system has brought Accountability in the way of reporting system.

H02: The Accounting system in practice has not significantly affect the performance of the selected ministries.

Table 8: Performance and Weakness & Strength Cross tabulation

		Weakness & Strength			Total	
		3	4	5		
Performance	3	Count	4	3	4	11
		Expected Count	4.1	3.2	3.8	11.0
	4	Count	5	6	3	14
		Expected Count	5.2	4.1	4.8	14.0
	5	Count	5	2	6	13
		Expected Count	4.8	3.8	4.4	13.0
Total		Count	14	11	13	38
		Expected Count	14.0	11.0	13.0	38.0

Source: SPSS Version 20.0

The tables 8 above showed the cross tabulation data gathered on hypothesis one concerning weakness or strength that can occurred due to the lapses in the implementation of Accounting System use by Ondo state and it performance at

the Ministry of Finance and Ministry of Health. The response was based on respond from the respondents (i.e Accountants, Auditors and Staff in the Ministries) on the questionnaire assigned to them. The table showed the observed value and expected value with Strong Agree value (13), Agree value (14) and Undecided value (11) on weakness and strength of accounting system of public sector that affect performance in Ondo states in order for the state to have confidence on the financial system at the ministries selected which was revealed on contingency table above.

Table 9: Chi-Square Tests for Hypothesis Two

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	13.013	4	.051
Likelihood Ratio	3.112	4	.539
Linear-by-Linear Association	.064	1	.801
N of Valid Cases	38		

Source: SPSS Version 20.0

Rule

(P<0.05)= Null Hypothesis will be rejected

(P>0.05)= Null Hypothesis will be accepted

The study shown that the Chi-Square (χ^2) value result on the Accounting system on the performance of financial statement in the Public Sector in Ondo States, the Chi-Square (χ^2) value was 13.013 which was greater than the table value of 9.488 and significant at 0.05(5%) significance level. The Chi-Square value shows there was a strong relationship between weaknesses or strength that can occurred due to the lapses in the implementation of Accounting System at the ministry of finance and health in Ondo States. The research rejected the null hypothesis (H02) of Accounting system in practice has not significantly affect the performance of the selected ministries at 0.05 significance level by concluding that there was a strong significant relationship between weaknesses or strength of Accounting System on performance of the ministries which can bring proper implementation in accounting system in Ondo States. From this, the strength of accounting system is a boost to Ondo state by way of improvement in transparency and accountability process in the way of financial reporting in the state.

H03: Determination of Weaknesses and Strength has not affect the System of Accountability in the Ministries of Finance and Health

Table 10: Accounting System and Weakness Strength Cross Tabulation

		Weakness Strength			Total	
		3	4	5		
Accounting System	3	Count	3	6	5	14
		Expected Count	5.2	4.1	4.8	14.0
	4	Count	4	2	4	10
		Expected Count	3.7	2.9	3.4	10.0
	5	Count	7	3	4	14
		Expected Count	5.2	4.1	4.8	14.0
Total	Count	14	11	13	38	
	Expected Count	14.0	11.0	13.0	38.0	

Source: SPSS Version 20.0

The tables 10 above showed the cross tabulation data gathered on hypothesis three concerning weakness or strength that can occur due to the lapses in the process of Accountability and Transparency at the ministries of finance

and health in Ondo state. The response was based on respond from the respondents (i.e. Accountants, Auditors and Staff in the Ministries) on the questionnaire assigned to them. The table showed the observed value and expected value with Strong Agree value (14), Agree value (10) and Undecided value (14) on weakness and strength of accounting system of public sector that affect performance in Ondo states in order for the state to have confidence on the financial system at the ministries selected which was revealed on contingency table above.

Table 11: Chi-Square Tests for Hypothesis Three

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	13.311 ^a	4	.027
Likelihood Ratio	3.347	4	.502
Linear-by-Linear Association	1.225	1	.268
N of Valid Cases	38		

Source: SPSS Version 20.0

Rule;

(P<0.05)= Null Hypothesis will be rejected

(P>0.05)= Null Hypothesis will be accepted

The study shown the Chi-Square (χ^2) value result on the determination of weaknesses or strength of accounting processes through the performance of financial system of Ministry of Finance and Ministry of Health in Ondo States, the Chi-Square (χ^2) value was 13.311 which was greater than the table value of 9.488 and significant at 0.05(5%) significance level. The Chi-Square value shows there was a strong relationship between determinations of weaknesses or strength that can occurred due to the lapses in the implementation of Accounting System at the ministry of finance and health in Ondo States. The research rejected the null hypothesis (H03) of Determination of Weaknesses and Strength has not affect the System of Accountability in the Ministries of Finance and Health at 0.05 significance level by concluding that there was a strong significant relationship between weaknesses or strength through accounting system on the performance of the ministries which can bring proper implementation in accounting system and transform to transparency and accountability in those ministries captured in Ondo States. From this, the strength and weaknesses of accounting system is a boost/loss to Ondo state by way of improvement/deterioration in transparency and accountability process in the way of financial reporting of the state.

4.3 Discussion of the Findings

From table 1 to 4, it was observed that majority of the respondents shown there response based on their Bio-data captured from the descriptive statistics, age, working experience, position and educational qualification. And these have been presented graphically to shown how their response look like.

The table 5 to 10, shown the inferential statistic presentation from the angle of Chi-Square (χ^2) technique, it has been revealed from hypothesis one (1) that strong positive relationship occurred between strong positive relationship occurred between accounting system on performance of accounting system at the Public Sector in the ministry of finance and health in Ondo States. Also, hypothesis two (2) revealed that, strong relationship between weaknesses or strength that can occurred due to the lapses in the implementation of Accounting System at the ministry of

finance and health in Ondo States. Also, hypothesis three (3) shown that, strong relationship between determinations of weaknesses or strength that can occurred due to the lapses in the implementation of Accounting System at the ministry of finance and health in Ondo States.

Similarly, the results obtained from data analysed has been presented in tables, (H_{01} : Existence of accounting system has not significantly affect/improved accountability process at Ondo state ministries) has been rejected, which shown that, the Chi-Square (χ^2) value was statistically significant at 0.05% level of significant, that mean, there was a strong positive relationship occurred between accounting system on performance of accounting system at the Public Sector in the ministry of finance and health in Ondo States. From this, strong significant relationship between existence of Accounting System on performance of the ministries which can bring Accountability in Ondo States. From this, the adoption of IPSAS by Ondo state as an accounting reporting system has brought Accountability in the way of reporting system, and the calculated Chi-Square (χ^2) value was 18.417 for Table 6 is greater than tabulated value(s) 9.488, that is, $P < 0.05 = (0.007 < 0.05) (18.417 > 9.488)$, in the same vein, in hypothesis two (2) (H_{02} : weakness or strength that can occurred due to the lapses in the implementation of Accounting System use by Ondo state and it performance at the Ministry of Finance and Ministry of Health) was also been rejected, which shown that, the Chi-Square (χ^2) value was statistically significant at 0.05% level of significant, that mean, strong relationship between weaknesses or strength that can occurred due to the lapses in the implementation of Accounting System at the ministry of finance and health in Ondo States. From this, the strength of accounting system is a boost to Ondo state by way of improvement in transparency and accountability process in the way of financial reporting in the state. this mean, the calculated Chi-Square (χ^2) value of 13.013 for table 8 is greater than tabulated value 9.488, this mean, $P < 0.05 = (0.000 < 0.05) (13.013 > 9.488)$, lastly, hypothesis three (3) (H_{03} : weakness or strength that can occur due to the lapses in the process of Accountability and Transparency at the ministries of finance and health in Ondo state) has also been rejected, that shown, the Chi-Square (χ^2) value was statistically significant at 0.05% level of significant, that is, strong positive determinations of weaknesses or strength that can occurred due to the lapses in the implementation of Accounting System at the ministry of finance and health in Ondo States. From this, the strength and weaknesses of accounting system is a boost/loss to Ondo state by way of improvement/deterioration in transparency and accountability process in the way of financial reporting of the state, this mean, the calculated Chi-Square (χ^2) value 13.311 for table 10 was greater than tabulated value 9.488, that mean, $P < 0.05 = (0.000 < 0.05) (13.311 > 9.488)$.

Finally, it has been proved, shown and confirmed that all the three (3) null hypotheses questions were rejected in line with research questions that accounting system at the ministries of finance and ministry of health have brought accountability, transparency and performance in the process of Ondo state.

Summary

This research examine accountability and performance of public sector organisation in Ondo state. It is imperative to note that the public sector accounting standards that Nigeria and Ondo state particularly adopted has been on for some time in developing countries of Africa. With the problem that

for democracy to survive there is the need for accountability and transparency on the part of public practitioners in our Ministries, Departments and Agencies (MDAs) with the assertion of knowing the accounting system put in place with the objective of whether Ondo State Ministry of Finance & Budget Planning and Health has an accounting system in place, evaluate whether the accounting system of the selected Ministries are significantly effective in enhancing performance and effect of the accounting system on the performance of such MDAs which also in line with the weakness and strength in such MDAs. Financial control and accountability in Nigerian public sector is fading but IPSAS resuscitate the public sector and bring development.

1. There was strong positive relationship occurred between strong positive relationship occurred between accounting system on performance of accounting system at the Public Sector in the ministry of finance and health in Ondo States.
2. There was strong relationship between weaknesses or strength that can occurred due to the lapses in the implementation of Accounting System at the ministry of finance and health in Ondo States.
3. There was strong relationship between determinations of weaknesses or strength that can occurred due to the lapses in the implementation of Accounting System at the ministry of finance and health in Ondo States.

Conclusion

Public sector accounting system has been devoid of advancement in terms of continuing existence of rule-based accounting framework but as the government mandate becomes increasingly growth oriented, the realignment of the financial accounting system supporting the developmental role of the government has become imperative. Two bases of accounting cash accounting system are currently in contentions to achieve this purpose. It is important to realize that whichever basis of accounting is adopted, either one only gives a partial picture of financial status of the reporting entity. Therefore, there was a strong positive relationship occurred between accounting system on performance of accounting system at the Public Sector in the ministry of finance and health in Ondo States. From this, strong significant relationship between existence of Accounting System on performance of the ministries which can bring Accountability in Ondo States. the adoption of IPSAS by Ondo state as an accounting reporting system has brought Accountability in the way of reporting system, and the calculated Chi-Square (χ^2) value was 18.417 for Table 6 is greater than tabulated value(s) 9.488, that is, $P < 0.05 = (0.007 < 0.05) (18.417 > 9.488)$. In order to improve financial reporting in the public sector all over the world, the International Federation of Accounting (IFA) has constituted International and standardize government financial reporting standards called International Public Sector Accounting Standard (IPSAS) and also, strong positive determinations of weaknesses or strength that can occurred due to the lapses in the implementation of Accounting System at the ministry of finance and health in Ondo States. From this, the strength and weaknesses of accounting system is a boost/loss to Ondo state by way of improvement/deterioration in transparency and accountability process in the way of financial reporting of the state. The standards and guidelines issued by the board revealed the need for a comprehensive system of financial reporting in public sector entities. In meeting the above

objective and in view of the findings generated from this study, it is glaring that Ondo State Ministry of Finance and Health accounting system is in line with an Accounting System of International Public Sector Accounting Standard (IPSAS) of Public sector that the accrual basis of accounting for public sector entities is good in Nigeria.

Recommendations

Based on the major findings and the conclusion drawn from the study, the following recommendations were made for an effective appraisal of accounting system in public sector towards achieving needed and long lasting transparency:

1. Due to the significance of accountability and performance in the public sector, federal government has enhance the public accountability and performance therefore is one of the fundamental prerequisites for preventing the abuse of power and for ensuring that power is directed towards the achievement of efficiency, effectiveness and transparent government.
2. Ondo state should ensure that enabling environment for the development of professional Accountants and employed them in the civil service. This will be achieved by retaining the existing through motivation and attracting the new with good working conditions.
3. The problem of ethical and accountability failure in the public sector should be tackled by strengthening the capacity for control institutions through re-orientation programs.
4. A proactive legislature and regulatory framework that should not only exist on paper but must be operational should be put in place in ours system.
5. As accountability is the hallmarks for good governance, if Nigeria is to a member of the twenty most developed nations of the world by the year 2020, political office holders, citizens and all stakeholders in the Nigerian project should embrace integrity, transparency and accountability in the management of public funds.
6. The Federal Government should enact an enabling law to back up the adoption and implementation of IPSAS and more importantly institute appropriate sanctions to ensure full compliance and so as to bring transparency in government.

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