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DUE PROCESS: THE ACCOUNTING IMPLICATION AND NATIONAL DEVELOPMENT
IN NIGERIA

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ABSTRACT

This work investigate due process as an accounting implication and national development in Nigeria, surveying some selected ministries in Rivers State. The purpose of the study in to ascertain the importance of due process to access the impact of due process in national development and to ascertain know if there is any accounting implications of due process in national development. The descriptive/survey method was employed. Questionnaire design was adopted to enable the collation of necessary data. Hypothesis was formulated in null form that there is no significant difference between due process the accounting implication and national development in Nigeria. The Z test statistical tool was used to test the hypothesis formulated, simple percentage was used to analyze the respondent's results. The result revealed that the null hypothesis H_0 was rejected while the alternative hypothesis was accepted and collude that there is a significant difference between due process: the accounting implications and national development in Nigeria. The study recommends that government should give the due process mechanism appropriate legal backing by an act of the parliament so as to make it a generally acceptable policy that for accountability to be successful in the management of public fund in Nigeria, there must be a reduction in the level of corruption, improving public sector accounting and anointing standards. Due process must be decentralized in order to move procurements by the spending units. Due process should be adequately strengthened in local government level where it is not enjoying the required acceptance. Due process office should improve on the sensitization promotion and education of the public on their function.

INTRODUCTION

Due process mechanism has made reasonable progress in Nigeria. Within few years of its implementation, progress has been made especially in the promotion of fair play and

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Competition. A lot of savings have been made especially in the area of reduction to contract sums in some cases to the tune of \$500 million (Obasanjo 2003). Obasanjo (2003) also stated that “the Due process Mechanism has saved Nigeria over N102 billion in two years arising from various Federal Government’s over-bloated contracts”. Ezekwesili (2003) also disclosed that her office “saved N672.4 million (an equivalent of 4.1 million Euros) from a single project by the Ministry of Health meant to procure and supply equipment to tertiary health institution” Various contracts awarded with spending units that failed to comply with laid down competitive bid parameters have been cancelled. Inflation of contract has also reduced to a reasonable extent. There is also general awareness of anti-corruption mechanism put in place by Government, Achua, (2009). Accountability is one of those golden concepts that no one can be against. It is increasingly used in political discourse and policy documents because it conveys an image of transparency and trustworthiness. Everyone intrusively agrees that public authorities should render account publicly for the way they use their mandates and spend public money. The power of government needs to be checked routinely if we don’t want to wake up in an authoritarian regime one day.

Due process in Obasanjo’s administration covers all facets of Nigerian nation-such as finance, economics, political, law and the society. We are concerned with financial matters which is process that “brings together planning, budgeting accounting, financial reporting, internal control, auditing, procurement, disbursement and the physical performance of the project with the aim of managing project resources properly and achieving the projects development objectives” Uchenna (2010). The fundamental aim according to the Draft is to improve project management, promote improved compliance with operational policies and due process procedures throughout the project cycle.

The International Accounting Standards Board (IASB) follows a rigorous open due process. All meetings of the IASB and of the IFRS Interpretations Committee (formerly IFRIC) and its formal working groups are held in public and are usually webcast. The two key documents which govern the IASB’s activities are the IFRS Foundation Constitution and the Due Process. Accounting as the process of measuring and identifying economic variables in individual businesses and communication information based on these measurements to users who need to make informed judgments Adesina (2008) saw Accounting as the act of collecting, classifying, recording and interpreting financial events of business for the purpose of making decisions on the financial state and progress of the business. Accounting to Agu, (2014) accounting is the act of measuring, communicating and interpretation of financial activities. It serves as a business language being practically used by nearly everybody in one form or another almost on daily basis Accounting is defined by the American Institute of Certified Public Accountants (AICPA) as “the art of recording, classifying, and summarizing in a significant manner and in terms of money, transactions and events which are, in part at least, of financial character, and interpreting the results thereof.

At the heart of a nation’s economic success or failure is the performance of individual services sector institutions, which itself reflects the quality of decisions made by such

Institutions. To make decisions, the service institutions require information, including accounting information. Despite the lack of detailed research into the accounting records of businesses, and how they were used to inform decision making, there has nevertheless grown up a conventional wisdom directed at the inadequacy of costing data for decision making, the non-adoption by business of best practice as espoused in the literature, and the failure of accountants to provide the lead in the construction of costing systems Ekpo (2004).

Nigeria with a population of 125 million people and 924 square kilometers (with a large proportion of arable land) has not been able to effectively harness its endowment in developing its people and environment. The population growth rate is 2.8% while its GDP growth rate is 2.5% per capita. In other words, the country has more mouths to feed than its available resources Ezekwesili, (2003). There was SAP envisaged to last between two and eight years but the dream of SAP could not be realized due to foreign exchange scarcity and the consequent inability to import needed raw materials, spare parts and skilled labour to support the industrial production. Two factors probably contributed to the development of Due Process. Firstly, the capacity to design and execute such projects was lacking. Secondly, the soft funds needed to sustain the projects after they were started dried up. There is an even more significant development resulting from the attempt to put the economy right. Government inadvertently became a dominant force, employing about one million people in its work force. Hence, the huge resources accruing to government turned it, into a centre for rent seeking and corruption. Nigeria has always been rated 1st or 2nd on world corruption table. This is contested by the Nigerian government though it acknowledges that the situation is sufficiently bad to warrant a frontal attack by government hence, the institution of Due Process, Independent Corrupt Practices Commission (ICPC), Economic and Financial Crime Commission (EFCC) and NEEDS (Obasanjo, 2004).

Nigerian history since independence has been stormy. There was a civil war from 1966 to 1970 and there have been five consecutive military coups. Nigeria is blessed with mineral resources. Agriculture used to dominate the Nigerian economy. Hence at the eve of political independence in 1960, the proportion of GDP contributed by agriculture (embracing crop cultivation, livestock, fisheries and forestry stood at 67.0 percent, while that of petroleum was only 0.6 percent" Ezekwesilli, (2004). However, with the oil boom of 1970s, agriculture was neglected. This raised the Nigerian level of imported consumption and overdependence of manufacturing sector on imports. Nigerian economy after the oil boom has not been free from problems despite the various attempts from government. Ezekwesili (2005) notes that the launching of the ambitious national development plan (1970-74) and the expedient use of contract awards for execution of national projects helped in breeding social ills in the economy. These include the culture of excessive costs, corrupt management and ill-considered contracts.

From being a middle income country in the 1970s, Nigeria has fallen to be amongst the poorest nations in the world. It should be noted that in the 1960s and early 1970s, Nigeria, Malaysia, Indonesia, Taiwan, Singapore and South Korea had similar income per capita, GDP growth rates and under-developed political structure Nwankwo, (2004). However, the Asian Tigers (Newly industrialized countries (NICs) have actually escaped underdevelopment and

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Poverty. Most people attribute this to the way their economies are being managed. Ekpo (2004) noted that Nigeria has gone through all the phases of business cycle—decline, depression (recession), recovery and boom.

Yet, none of these booms has resulted in any significant restructuring and transformation of the economy since each boom came and disappeared without being linked to the real sector and none of the benefits associated with the booms was maximized. Nigeria, especially since the early 80s has been confronted with a magnitude of economic problems. These economic problems, in brief, include stagnant growth, rising inflation, unemployment, food shortage and mounting external debt. Nigeria therefore like most other nations, has been battling with how to achieve its major economic objectives.

Accounting for due process in a society is a very big problem to the economy of the nation. There are lots of collaborations in the utilization of public funds to the extent that funds allocated through the budget are not properly utilized. The annual budget for the public (government) income and expenditure are at times late. Institutions decayed to an unprecedented extent as available resources and opportunities were wasted by the powerful with little respect for existing rule. As would be expected, this process was followed by the subversion of due process and manipulation of existing laws and regulations in all the tiers of governments and these greatly undermined accountability and performance in governments, Bescos et al (2000). A major area of great concern is the way and manner public officers go about circumventing laid down procedures in award of contracts and other transactions; thereby contravening Due Processes lay down by the system Ezekwezilli, (2004). In fact, meritocracy has given way to mediocrity. All these, helped the international community and some members of the society to look down on the government officials as due process are not complied with.

The purpose of this study is to investigate due process on Accounting implications and national development.

1. To ascertain the importance of due process
2. To access the impact of due process in national development
3. To know if there are accounting implications of due process in national development.
4. To know if the accounting system in the public sector provides for proper financial control and accountability of stewardship.
5. To assess whether due process can improve budget performance in a nation.
6. To know if the accounting system in the public sector provides useful information for the effective monitoring & implementation of government budget
7. To find out challenges of due process in national development on the accounting implications
8. To make policy recommendations on how to improve on due process in national development on the accounting implications.

This research project will make good for national development, tertiary institutions in Nigeria, accountants/accounting officials in schools and the Nigerian government. It will also

Serve as a structure for scholars and students who are researching into similar topics, more especially students of accountancy department of the higher institutions of learning in Nigeria, most especially, the Rivers State Polytechnic. This research work will serve as a guide for schools. The study is also intended to provide a standard for due process and national development: the accounting implications.

Hypothesis: There is no significant difference between Due process: the Accounting implication and national development in Nigeria.

REVIEW OF RELATED LITERATURE

CONCEPTUAL FRAMEWORK OF DUE PROCESS

Due Process implies that governmental activities and businesses can be carried out openly, economically and transparently without favouritism and corruptible tendencies (Ezekwesili, 2004). The essence of this is to ensure that rules and procedures for procurement are made in such a way as to be implementable and enforceable. It is hoped that this Due Process should put an end to “the Business as Usual Syndrome’ in Nigeria. Due Process is a mechanism that certifies for public funding only those projects that have passed the test of proper implementation packaging and that adhere stringently to the international competitive bid approach in the award process (Obaanjo, 2003).

There is no gain saying the fact that improved Public Procurement systems would have a beneficial effect on economic condition of the nation. Wittig (1999) views Public Procurement as a business process within a given political system, with distinct considerations of integrity, accountability, national interest and effectiveness. These business operations of government, as controlled by public procurement, usually affect many different elements of society. The procuring entities for instance have needs for material support like roads, hospitals etc to help in fulfilling their designated national mission. The business communities of actual or potential suppliers on the other hand need to satisfy government procurement requirement. There are also other interested parties like professional bodies, various agencies, interested public, etc who are all affected or influenced in one way or the other by public procurement, Abrahamson, (2000).

THE DEFINITIONS OF ACCOUNTING

Achua, (2009) defines Accounting as the process of measuring and identifying economic variables in individual businesses and communicating information based on these measurements to users who need to make informed judgments. Ax, (2000): sees Accounting as the act of collecting, classifying, recording and interpreting financial events of business for the purpose of making decisions on the financial state and progress of the business. According to Appleyard, (2000), Accounting is the act of measuring, communicating and interpretation of financial activities. It serves as a business language being practically used by nearly everybody in one form or another almost on daily basis Institute of Chartered Accountants of Nigeria (1999).

Accounting is defined by the American Institute of Certified Public Accountants (AICPA) as ‘the art of recording, classifying, and summarizing in a significant manner and in terms of

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Money, transactions and events which are, in part at least, of financial character, and interpreting the results thereof.”

Accounting is thousands of years old; the earliest accounting records, which date back more than 7,000 years, were found in the Middle East. The people of that time relied on primitive accounting methods to record the growth of crops and herds. Accounting evolved, improving over the years and advancing as business advanced, Adegite, (2010). Early accounts served mainly to assist the memory of the businessperson and the audience for the account was the proprietor or record keeper alone. Cruder forms of accounting were inadequate for the problems created by a business entity involving multiple investors, so double-entry bookkeeping first emerged in northern Italy in the 14th century, where trading ventures began to require more capital than a single individual was able to invest. The development of joint stock companies created wider audiences for accounts, as investors without firsthand knowledge of their operations relied on accounts to provide the requisite information.^[6] This development resulted in a split of accounting systems for internal (i.e. management accounting) and external (i.e. financial accounting) purposes, and subsequently also in accounting and disclosure regulations and a growing need for independent attestation of external accounts by auditors, Sundem (2000).

Today, accounting is called ‘The language of business’ because it is the vehicle for reporting financial information about a business entity to many different groups of people. Accounting that concentrates on reporting to people inside the business entity is called management accounting and is used to provide information to employees, managers, owner-managers and auditors. Management accounting is concerned primarily with providing a basis for making management or operating decisions. Accounting that provides information to people outside the business entity is called financial accounting and provides information to present and potential shareholders, creditors such as banks or vendors, financial analysts, economists, and government agencies. Because these users have different needs, the presentation of financial accounts is very structured and subject to many more rules than management accounting. The body of rules that governs financial accounting is called Generally Accepted Accounting Principles, or GAAP Agbonifoh, (2004).

DUE PROCESS PRINCIPLES AND DEFECTS

There is nothing much new in the principles of Due Process. The principles have been there but they were hardly observed and implemented as there were loop holes inimical to its implementation and circumvention. The emphasis in Obasanjo administration is that if judiciously observed, project planning and procurement in Nigeria will not experience the higher cost observed on similar projects within the international community Uchenna (2010). The guidelines exist in our status books hut the implementation and the enforcement of the procedures left much to be desired.

According to Esenwa, the major defects of previous procurement system include the followings:

- Project proposals from ministries/parastatals were unrelated to justifiable needs. In particular budgetary process lacked up to date plans. They are simply a wish list of officials.
- Absence of economic cost/benefit analysis of projects as a way of justifying the need for the project.
- Lack of competition and transparency in project procurement leading to high cost of projects. Where advertisement was made, the applicable rules were tilted in favour of a predetermined winner.
- Projects were not prioritised and harmonised; consequently several ministries were pursuing supposed needs simultaneously.
- Unjustifiable gap exists between budget and actual releases leading to underfunding, delayed implementation, price escalation and project abandonment.
- Preference for new projects to the detriment of maintenance, refurbishment and completion of existing projects.
- Absence of efficient and effective project monitoring aimed at ascertaining compliance with original project plans and targets.
- Frequent government policy reversal.

THE ORIGIN OF ACCOUNTING THEORY

If it is to be comprehensible and reliable, accounting must be used in accordance with specific rules and regulations. It would be chaos of Babylonian proportions if each person used his own grammar and vocabulary, nobody would understand anybody else. Likewise, it is essential that accounting is used according to generally accepted rules.

The first prerequisite is that accounting should agree or conform with the basic truths according to which our economic system functions, the current economic and business practices and the applicable law as embodied in legislative regulations or common law.

Consequently, it is important that uniformity is maintained in accounting practice; in other words, a specific set of circumstances, wherever it may be encountered must be dealt with by everyone in exactly the same way within the accounting process.

Accounting theory creates a framework that ensures that accounting practice complies with the requirements of conformity and uniformity. This theory is embodied in a set of principles, policies, methods, procedures and conventions Agu, (2014). The continuously increasing scope and complexity of our economic system requires a corresponding process of adaptation in accounting in order that the relevant information regarding economic activities may be recorded. It is essential that everyone involved in accounting should understand this process of adaptation; moreover, a prerequisite for such understanding is a grasp of not only the theory of accounting, but also the structure of that theory.

Accounting theory is based on a set of basic economic truths that are of a dual nature; first, accounting theory is based on propositions generally accepted in the economic order of a particular society. For example, consider the concept of personal ownership: a general accepted tenet of our society is the exclusive right of every person to own things. They are his

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Personal property and no one else's. This concept is a basic economic truth Appah, (2010).

Second, the basic economic truths have characteristics similar to those of natural laws in the sense that specific causes generate specific consequences. If, for example, someone derives greater value from a transaction than what was put into the transaction, his net worth - his wealth - will have increased by the surplus amount Bello, (2001). This, too, is a basic economic truth. These economic truths are formulated as concepts and postulates. A concept is a generally accepted view of a specific phenomenon, which is described in specific terms. A postulate is a generally accepted hypothesis or supposition of a specific condition or phenomenon, which serves as a basis for the formulation of principles. In the development of accounting theory, concepts and postulates serve as formulations of the basic truths or propositions upon which the theory is based. They do not attempt to prescribe the working of the accounting process, but simply the foundation upon which the structure of accountancy is based.

ACCOUNTING PRACTICES

Accounting Practices is the process of measuring and identifying economic variables in individual businesses and communicating information based on these measurements to users who need to make informed judgments. Accounting Practices is the art of communicating financial information about a business entity to users such as shareholders and managers. The communication is generally in the form of financials statements that show in money terms the economic resources under the control of management; the art lies in selecting the information that is relevant to the user and is reliable.

BMPIU (2006) sees Accounting Practices as the act of collecting, classifying, recording and interpreting financial events of business for the purpose of making decisions on the financial state and progress of the business. According to Bovens, (2008). Accounting Practices is the act of measuring, communicating and interpretation of financial activities. It serves as a business language being practically used by nearly everybody in one form or another almost on daily basis. Accountancy is a branch of mathematical science that is useful in discovering the causes of success and failure in business. The principles of accountancy are applied to business entities in three divisions of practical art, named accounting, bookkeeping, and auditing.

DUE PROCESS AND NATIONAL DEVELOPMENT

Due Process mechanism has made reasonable progress in Nigeria. Within two years of its implementation, progress has been made especially in the promotion of fair play and competition. A lot of savings have been made especially in the area of reduction to contract sums in some cases to the tune of \$500 million (Obasanjo, 2003). Obasanjo (2003) also stated that "the Due Process Mechanism has saved Nigeria over N102 billion in two years arising from various Federal Government's over-bloated contracts". Ezekwesili (2003) also disclosed that her office "saved N672.4 million (an equivalent of 4.1 million Euros) from a single project by the Ministry of Health meant to procure and supply equipment to tertiary health institutions". Various contracts awarded with spending units that failed to comply with laid down

Competitive bid parameters have been cancelled. Inflation of contract has also reduced to a reasonable extent. There is also a general awareness of anti-corruption mechanism put in place by Government.

Based on wide spread corruption, conducting government business degenerated so much by the year 2000. This was due to the fact that no serious attention was paid to Public Service Rule, Financial Regulations and Ethics and Norms because of selfish reasons. The Federal Government noted the urgent need for transparency in government procedures so as to be able to move the system forward. Hence the Federal Government in 2000 commissioned the World Bank to collaborate with some Private Sector Specialists to study Financial Systems and general procurement-related activities in the country. The essence of this request to the World Bank is to assist Nigeria Government “with a process of enthroning efficiency accountability, integrity and transparency in Government Procurement and Financial Management Systems” (Ekpenkhio, 2003). It was based on this that the Country “Procurement Assessment Report was produced through a participatory review approach from key stake holders including representatives from private sectors and the Federal, State and Local Governments with assistance from international and national consultants. The Country Procurement Assessment Report (CPAR) identified some major weaknesses in the procurement system in Nigeria as follows (Ekpenkhio, 2003):

1. That Nigeria lacks a modern law on Public Procurement and Permanent oversight to monitor purchasing entities.
2. That the finance (Control and Management) Act, 1958, together with Financial Regulations which set basic rules for managing public expenditure have gaps, deficiencies and faulty implementation of existing regulations on procurement (e.g. lack of permanent arrangements for control and surveillance) which create opportunities for bribery and corruption.
3. That due to inflation and lack of regular adjustments on thresholds of the approving limits of the Tender Boards, their authorization were constantly being eroded resulting in abuses, prominent among which is splitting of contracts.
4. That there was proliferation of tender boards which were perceived by the private sector as sources of delays and non-transparency. In addition, tender boards appeared to have limited mandates with powers to decide contracts de facto resting with permanent Secretary and the Minister/ Commissioner Bovens, (2005).
5. That Customers systems and procedures were cumbersome and major causes of delay in clearing goods, and hence a source of corruption; and
6. That Procurement is often carried out by staff that substantially lacks relevant training.

Another major problem to the existing procurement system and guidelines in the country is the difficulty of implementation. The reasons for this as Ezekwesili (2004) pointed out include absence of economic cost/benefit analysis of projects. There is lack of genuine competition and transparency since applicable rules are usually tiled in favour of a predetermined winner. Most projects are not harmonized and are not selected on priority bases.

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There are gaps between budget and actual releases, which usually result in under funding, delayed competition, price escalating and abandonment. It is based on the above identified weaknesses that the Country Procurement Assessment Report (CPAR) made the following recommendations (Ekpenkhio, 2003):

1. The need for a procurement law based on the United Nations Commission for International Trade Model (UNCITRAL).
2. The need to establish a Public Procurement Commission (PPC) to serve as the regulatory and oversight body on Public Sector Procurement.
3. The revision of key areas of the financial regulations to make them more transparent;
4. The streamlining of Tender Boards and the strengthening of their functional authority, including powers to award contracts.
5. A critical need to rebuild procurement and financial management capacity in the public sector; and
6. A comprehensive review of the businesses related to export, import and transit regulations, procedures and practices.

It should be noted that the government “accepted The Country Procurement Assessment Report (CPAR) in its entirety with the exception of the Registration of Contractors and the involvement of Political Office holders such as Ministers/Commissioners in the award of contracts in excess of fifty million Naira which the report was against” by establishing the Budget Monitoring and Price Intelligence Unit (BMPIU) in the Presidency. By so doing, the government aimed at formulating and implementing appropriate policies on procurement and contract awards. The Budget Monitoring and Price Intelligence Unit (BMPIU) serves as a “vanguard of ensuring fiscal transparency, strict compliance with Federal Government guidelines on Due Process Certification as it concerns budgeting for and procurement of facilities/services/contracts at appropriate costs. The Budget Monitoring and Price Intelligence Unit (Ezekwesili, 2005), set out to:

1. To harmonize existing government policies/practices and update same on public procurement.
2. To determine whether or not Due Process has been observed in the procurement of services and contracts through the initiation and execution of such projects.
3. To introduce more probity, accountability and transparency into the procurement process.
4. To establish and update pricing standards and benchmarks for all supplies to government.
5. To monitor the implementation of projects during execution with a view to providing information on performance, output, compliance with specifications and targets (cost, quality and time).
6. To ensure that only projects which have been budgeted for are admitted for execution.
7. To ensure that Budget spending is based on authentic reasonable and fair costing.

The mission of the Budget Monitoring and Price Intelligence Unit (BMPIU) is "To use Due Process Mechanism to establish Transparent, Competitive and Fair Procurement System, which is integrity driven, encourages spending within budget and ensures speedy delivery of projects, while achieving value for money without sacrificing quality and standards for the Federal government of Nigeria". For realization of The Budget Monitoring and Price Intelligence Unit (BMPIU) objectives, the government put in place the regulatory functions for regulating standards including the enforcement of harmonized bidding and tender documents, Certification functions for certifying Federal-wide procurements in categories of Resident Due Process Team certification (projects with a threshold of between N1.0 million and N50 million) and Full Due Process Certification (Projects above N50 million at various stages), Monitoring functions to supervise the implementation of established procurement policies and Training and advisory functions was also set up to co-ordinate relevant training programmes (Ekewesili, 2005). The documents to be forwarded to The Budget Monitoring and Price Intelligence Unit (BMPIU) as requirements for Due process Review as outlined by Ezekwesili include:

1. The Project Policy file
2. Evidence of Advertisement as appropriate
3. Tender Returns
4. Tender Evaluations Report
5. Contract Award Letter and Agreement
6. Original contract Bills of Quantities (if any)
7. Contract Drawing (if any)
8. Other Contract Documents
9. Financial Summary and Statements
10. Process Reports
11. Variation Request and Variation Orders arising
12. Interim Valuation and Certificates

However there are some problems which The Budget Monitoring and Price Intelligence Unit (BMPIU) faces. These problems as highlighted by Ezekwesili include the ignorance and unwillingness of some officials to comply with provisions of the circulars. Again, at the initiation of some projects there is inadequate project definition scope definition. Professionals are also not involved in some project packaging and supervision. In other cases there is improper in-house pricing arising out of inadequate continuous professional development. Again, there is in some cases insufficient or inadequate documentation, accompanying requests for certification and delays in responding to issues raised in the draft Due process Review Report.

DUE PROCESS AND NATIONAL DEVELOPMENT THE ACCOUNTING IMPLICATION

The Nigerian society is filled with stories of wrong practices such as stories of ghost workers on the pay roll of Ministries, Extra-ministerial Departments and Prostates, frauds, embezzlements and setting ablaze of offices housing sensitive documents and corruption are found everywhere in the country Ezekwesili, (2003). According to Bello (2001), huge amount of Naira is lost through one financial malpractice or the other in Nigeria, which to say the least,

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Drains the nations are meager resources through fraudulent means with far-reaching and attendant consequences on the development or even socio-economic or political programmes of the nation. Billions of Naira is lost in the public sector every year through fraudulent means. This represents only the amount that is ferreted out. Indeed much more substantial or huge sums are lost in undetected frauds or those that are for one reason or the hushed up. Nsukka. (2004). Argues that cases of fraud is prevalent in the Nigerian public sector that every segment of the public service, could seem to be involved in one way or the other in some of these nasty acts. The bane of public sector financial mismanagement in Nigeria since the oil boom years existed structurally weak control mechanism, which create a variety of loopholes that have tended to facilitate and sustain, corrupt practices. This coupled is with the fact that there is a near total absence of the notion and ethics of accountability in the conduct of public affairs in the country (Bello, 2001). Tanzi (1999) noted that good governance is essential part of a framework for economic and financial management which includes: macroeconomic stability; commitment to social and economic equity; and the promotion of efficient institutions through structural reforms such as trade liberalization and domestic deregulation. Poor governance may result from factors such as incompetence, ignorance, lack of institutions, the pursuit of economically inefficient ideologies, or misguided economic models. It is often linked to corruption and rent seeking. Gabriel (2007), Opine that accountability reflects the need for government and its agencies to serve the public effectively in accordance with laws of the land. Appah (2010), points out that the number and monetary value of public sector activities has increased substantially. This increase in activities have brought with it an increased demand for accountability of public officers who manage these activities of the public Johnson, (2004) says "serious consideration is being given to the need to be more accountable for the often vast amounts of investment in resources at the command of governments, which exercise administrative and political authority over the actions and affairs of political units of people. Government spending is a very big business and the public demands to know whether the huge outlays of money are being spent wisely for public interests". Accountability is a fundamental value for any political system. Citizens should have the right to know what actions have been taken in their name, and they should have the means to force corrective actions when government acts in an illegal, immoral, or unjust manner Kaufman, (2005).

DUE PROCESS MECHANISM

Over the years, the public procurement system in Nigeria has been grossly abused leading to high losses of resources Past Governments in the country had taken steps to address this problem but with no good result. With the emergence of the last civilian administration under President Olusegun Obasanjo, a diagnostic study was commissioned in 2001 to investigate the stage of affairs of public procurement in Nigeria. In a bid to sanitize the system, the Federal Government set up a Due Process Unit in the presidency to undertake the exercise. On a continuous basis and in both the private and public sectors, efforts are usually made, to seek how to improve on the ways activities are carried out, if there is to be progress in the

Results being sought to be achieved. More importantly, in the public sector, those at the helm of affairs must make deliberate effort to improve on the system already put in place in all the three tiers of government if they must remain relevant in the global village which the world is turning into. The concept of control as applicable to the public sector has been undergoing various changes from one country to other in the recent past. Each nation has been formulating policies aimed at improving resources utilization at the budget implementation stage. Considerable efforts have been made to find new techniques of control and to introduce institutional changes and improvements to the types of controls applied Palgrave. (1992).

METHODOLOGY

This research work is a field study and descriptive hence it relies on survey analysis of the perception of individuals on due process: Accounting implications and national Development. The study made use of both primary and secondary data. The questionnaire method was employed to obtain information from respondents of ministry of finance, and ministry of budget in Rivers State.

The population of the study was limited to 70 management staff and senior Accountant of the Ministries.

The sample size was determined on the population size using Yaro formular $n = \frac{N}{1+e^2}$

Where

N = Population size

n = Sample size

e = Error

I = constant

$$n = \frac{N}{1+N^2} \quad n = \frac{70}{1+70(0.05)^2}$$

$$n = \frac{70}{1+70(0.0025)}$$

$$n = \frac{70}{1+0.175}$$

$$n = \frac{70}{1+1.175}$$

$$n = 59.57$$

$$\underline{n = 60}$$

VALIDITY OF THE INSTRUMENT

To ensure that, the questionnaire method used measured what it is supposed to be measuring, The researches checked the content validity to ensure that the instrument contain all aspects of the subject of the questionnaire and the reliability of the instrument.

The reliability used for the research was determined using the statutes method. The data generated from the ministries were then correlated using the z test formula as below. The correlation co-efficient of 23.21 was obtained which was considered high enough as a reliability of an instrument.

$$z = \frac{\bar{x}_1 - \bar{x}_2}{\sqrt{\frac{S_1^2}{n_1} + \frac{S_2^2}{n_2}}}$$

DATA PRESENTATION

Table 4.1

Ministry	Questionnaire administered	Questionnaire retrieved	Percentage
Finance	40	38	69
Budget	20	17	31
	60	55	100

Source: Field work 2015

A total of sixty (60) questionnaires were distributed to the management and senior staff of ministry of finance, forty (40) and budget twenty (20).

The table above shows that thirty eight (38) or 69% were retrieved from ministry of finance while seventeen 17 or 31% were retrieved from ministry of budget.

TABLE 4.2

Question 1. Do you understand the importance of due process?

Option	Respondents	Response Rate %
Agree	40	73%
Disagree	15	27%
	55	100%

Source: Field work 2015

The above data shows that 40 or 73% respondents had agreed and understand the importance of due process while 27% of 15 respondents disagree that they do not understand the importance of due process.

QUESTION 2

Is there the impact of due process in national development?

TABLE 4.3

Option	Respondents	Response Rate %
Agree	32	58%
Disagree	23	42%
	55	100%

Source: Field work 2015

It is observed that 32 or 58% of the respondents agree that there is accounting implication of due process in National development while 23 or 42% disagree that there is no accounting implications of due process in national development.

QUESTION 4

Does the accounting system in the public sector provide for proper financial control and accountability of stewardship?

TABLE 4.5

Option	Respondents	Response Rate %
Agree	55	100%
Disagree	0	0%
	55	100%

Source: Field work 2015

The table shows that 55 or 100% of the respondents agree that the accounting system in the public sector provides for proper financial control and accountability of stewardship while No respondent disagree.

QUESTION 5

Is there a correlation between due process and budget performance?

Option	Respondents	Response Rate %
Agree	35	64%
Disagree	20	36%
	55	100%

Source: Field work 2015

Table 4.6 shows that 35 or 64% of the respondents agreed that there is a correlation between due process and budget performance while 20 or 36% disagreed that there is no correlation between due process and budget performance.

QUESTION 6

Can due process improve budget performance in a nation?

Option	Respondents	Response Rate %
Agree	55	100%
Disagree	0	0%
	55	100%

Source: Field work 2015

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The table reveals that 55 or 100% of the respondents says that due process can improve budget performance in a nation while Nil disagrees.

QUESTION 7

Does the accounting system in the public sector provide useful information for the effective monitoring and implementation of government budget?

TABLE 4.8

Option	Respondents	Response Rate %
Agree	33	60%
Disagree	22	40%
	55	100%

Source: Field work 2015

The table above shows that 33 or 60% of the respondents are of the opinion that the accounting system in the public sector provides useful information for the effective monitoring and implementation of government budget while 22 or 40% of the respondents disagree.

Analysis of Responses

Question	Agree	Disagree
1	40	15
2	30	25
3	32	23
4	55	0
5	35	20
6	55	0
7	33	22
	280	105

Source: Field work 2015

Let Agree = x_1

Disagree = x_2

x_1	x_2
40	15
30	25
32	23
55	0
35	20
55	0
33	22
280	105
7 = 40	7 = 15

x_1	$x_1 - \bar{x}$	$(x_1 - \bar{x})^2$
40	0	0
30	-10	100
32	-8	64
55	15	225
35	-5	25
55	15	225
33	-7	49
		688

$$SD = \sqrt{\frac{6882}{40}}$$

$$SD = \sqrt{17.2}$$

$$SD = 4.147$$

x_1	$x_1 - \bar{x}$	$(x_1 - \bar{x})^2$
15	0	0
25	10	100
23	8	64
0	0	0
20	5	25
0	0	0
22	7	49
		238

$$SD = \sqrt{\frac{238}{15}}$$

$$SD = \sqrt{15.867}$$

$$SD = 3.983$$

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Using the formula below

$$Z = \frac{\bar{x}_1 - \bar{x}_2}{\sqrt{\frac{S_1^2}{n_1} + \frac{S_2^2}{n_2}}}$$

$$\sqrt{\frac{40 - 15}{4.147 + 3.983}}$$

7 7

25

$$\sqrt{\frac{0.592 + 0.569}{25}}$$

$$\sqrt{\frac{1.161}{25}}$$

1.077

= 23.21

$$Df = n_1 + n_2 - 2$$

$$7 + 7 - 2$$

$$14 - 2 = 12$$

0.05 level of significance Df = 12

The critical or table value of $Z = \pm 1.782$ since the calculated X value of 23.21 is greater than the Z critical we reject the null hypothesis and accept the alternative hypothesis and conclude that there is a significant difference between accounting implication of due process in National development in Nigeria.

HYPOTHESIS

Null = H_0

There is no significance difference between accounting implication of due process in National development in Nigeria.

CONCLUSION

On a conclusive note to consolidate the gains of Due process, the nation must go beyond the transitional arrangement that is policy driven, goal-oriented and institutionally organized procurement system that should be embraced by all. It should be noted that Due process and public accountability produced some useful dividends. It resulted in a more transparent, efficient and effective accountable system which creates equal access to bidders of public sector contracts. It leads to increase in Government revenue base by minimizing avenues of wastages and leakages in the economy through efficient management of government resources. It makes it possible for the official instrument designed to achieve this much desired honesty, transparency and accountability in the conduct of government business especially in the award of contracts and procurement in the ministries. Prostates and departments in Nigeria is the Due process policy. 42 With this Due process and other reforms such as ICPC and EFCC the people are rekindling their lost on the government.

It should be noted that Due process and procurement reforms produced some useful dividends it resulted in a more transparent, efficient and effective procurement system which creates equal access to bidders of public sector contracts. It leads to increase in Government resources. It makes it possible for contractors and suppliers to have a fair hearing when aggrieved through filing their protests to a statutory contract appeal Board.

Capacity building and training (at home and abroad) workshops, Seminars, and Courses, for new cadre of procurement and Contracting Officers and all those involved in procurement awards should be organized. It is also necessary to restructure Ministries to create cadres of procurement officers and contracting officers in the public service so as to make for uniform implementation and easy monitoring of the procurement reforms. There is also the need to build consensus among the three tiers of government in order to promote the smooth implementation of the procurement reforms by a law which is binding on all the tiers of government.

They must behave in such a way that they are seen and perceived by the public as the epitome of integrity. To be able to gain such respect, necessary that the legislative bodies and their members reflect the highest corporate and personal standard of ethics and integrity.

On the part of the Judiciary too, a lot is still desired from them especially as regards building confidence for its vital role in the sanctioning of corrupt conducts. The public perceives the Judiciary as still battling with corruption which makes the prosecution and the judicial

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Process less effective. Another criticism is leveled on Anticorruption Commission for its inability in most instances to successfully prosecute and sentence any high level public official for corruption.

The Commission however has always blamed this on the failure of the judicial process which usually does not respond speedily and appropriately to the quest for effective sanctioning of corrupt acts.

It is a framework for implementation and it is committed to tackling corruption, promoting transparency and accountability in Nigeria polity.

RECOMMENDATIONS

Based on the above analysis, the following recommendations were made;

1. Government should give the due process mechanism appropriate legal backing by an act of the parliament so as to make it a generally acceptable policy.
2. For accountability to be successful in the management of public funds in Nigeria there must be a reduction in the level of corruption, improving public sector accounting and auditing standards.
3. Due processes and value-for-money audits should remain in our policy for economy, efficiency and effectiveness in the use of resources.
4. Due process is too centralized and must be decentralized in order to move procurements by the spending units from the threshold of the resident due process team.
5. Due process should be adequately strengthened in local government level where it is not enjoying the required acceptance.
6. Due process office should improve on the sensitization, promotion and education of the public on their functions.
7. There is need not only to consider the tender figures, but the due process office should endeavour to include evaluation of pre-qualified bidders on the technical competence of the bidding contracting firms.
8. Government at all times should endeavour to re-strengthen due process through necessary framework mechanisms that would repose confidence of the public in award of public contracts so as not to bring colossal waste to public treasury.

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