

Full Length Research Paper

Political stewardship accounting for good governance in Ekiti state, Nigeria

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This paper aimed at analyzing the importance of stewardship accounting in government ministries in Ekiti State and the causes of mismanagement in government-sector finance. The population comprised four thousand principal officers in the sixteen local governments of Ekiti State of Nigeria out of which four hundred were stratifiedly selected from each local government. The data were gathered through questionnaires while frequency counts, percentage scores and factor analysis were used to analyze the data. The findings showed that stewardship accounting promotes good management of public funds, increases accountability and probity in the public sector and discourages embezzlement of public funds and promotes economics growth. It was therefore recommended that the government should make sure that stewardship accounting should be set up and strictly implemented for better reconstruction of good governance so as to guide against mal-administration of the public funds by public officers; and the ascertainment of proprietary of transactions and their conformity with established rules.

Key words: Politics, stewardship accounting, good governance.

INTRODUCTION

Glymn (1985) stated that the theme of accountability is crucial to the operation of both the private and public sectors. It is a fundamental concept that can be traced back to earliest times. In the New Testament, Mathew (25 Vs 14 - 30) relates the parable about the man who entrusted his property to three servants. Two of the servants doubled the funds entrusted to them and were praised for their efforts. The third servant simply buried the funds entrusted to him in a hole in the ground for safe keeping and was condemned for his worthlessness because he had not even taken the (virtually riskless) alternative of leaving the money on deposit with bankers. Even earlier, Aristotle wrote in the politics. "To protect the treasury from being defrauded, let all public money be issued openly in front of the whole city and let copies of the accounts be deposited in the various wards" Sinclair (1984). Both of these references relate to one particular

concepts of accountability, namely that of "financial accountability". The former reference can be thought of as a private sector illustration of financial accountability. The master expected his servant to increase his own personal wealth, a situation that is exactly analogous with the generally accepted micro-economic concept that management should seek to maximize the wealth of their ordinary (equity) shareholders. The latter question is, obviously a reference to public sector financial accounting, which is, in practice a vaguer and less tangible concept. Public accountability is an essential component for the functioning of our political system.

Glymn (1985) also stated that "Public sector 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: - the electorate being a composite group then includes clients employees and tax payers.

The growth in the public sector, both in terms of its scale and the diversity of its activities, has outstretched the traditional machinery of public accountability which is

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heavily dependent upon the formal relationship between the executive and the legislative. There have emerged alternative views of what accountability entails, involving different answers to both the substance and form of the account. The concepts of accountability, which now dominate the debate, are political accountability, managerial accountability and legal accountability.

Adolph (1983) discovered the "Law of ever-increasing stated Activity" upon surveying the public expenditure records of several advanced countries. He based his law on the pressure for social progress and resulting changes in the relative spheres of private and public economy.

Peacock and Wiseman (1992) found that expenditures grow because revenues grow, rather than the other way round. A given tax system with constant tax rates yields more money as the economy grows, and governments, like most of us, somehow spend their income. Furthermore, the cost of providing public service grows with the nation. There is usually a substantial gap between people desires for expenditures and their tolerance levels of taxation. The pressures for larger budgets are always immense to the extent that revenues are available; the guardians of the public purse (the conservative politicians, budget bureaus, and treasuries of the world) have little power to refuse requests. Only when action is required to raise tax rates to finance new spending can they say "No!" and make it stick.

Okachi (1988) stated that, the stewardship accounting also has its origin in the fact that wealthy men employed "stewards" to manage their properties, the steward rendered their account periodically of their stewardship and this notion is still the root of financial reporting today. In addition, Folorunso (1991) also stated that accountability may be defined, as the rendering of returns on stewardship relating to the management of funds and other assets of which individuals or institutions had been custodians. One would be concerned, when considering accountability within the public sector, as to reliance (in terms of their regularity, timeliness and accuracy) than may be placed on returns rendered. Public sector organizations such as the universities, NEPA, NITEL, the various government department, the Federal, the State and the Local government, which is the lowest and third tier of the government, have not met the requirements for true accountability.

Oke (1988) defined "account" as meaning: (1.) To finish a reckoning (to someone) of money received and paid out, and (2.) To give satisfactory reasons or explanation...."

Following the above definition and given the political socio-environment of Africa and other less developed countries, Chartey (1987) defined accountability as furnishing (to someone) satisfactory, reliable and accessible records, reasons and explanations, for actions of those having custody of power, human resources public money and other resources.

He further implied in this definition, the requirement to

identify the party who has to render the accounts, the party to receive them, and the reasons for preparing and receiving the accounts.

Statement of the problem

Nigerian politicians face many problems in rendering their political stewardship in the country. These could be summarized as follows:

Political and economic instability: The political and economic instability in Nigerian political system had led to absence of planning that has slowed down economic growth and development. The instability, according to Owojori (2006) is evidenced in four civilian Republics that were sandwiched with eight military regimes in Nigeria.

Constitutional framework: The absence of a stable constitution was also a significant factor to the problem of revenue allocation in Nigeria. In a country where there is no permanent legal structure, the political field was opened only to money-bag heavy weights that decide whatever they wish.

Financial weakness: Since most of the physical units were created without a guided political and economic philosophy, they are financially very weak to stand on their own. This led to sharing of the proceeds of the federation.

Insincerity: The insincerity on the part of the judiciary, legislature and the executive arms of government to address the problem of revenue sharing led to the destruction of the various structures put in place by the preceding regimes and governments.

Qualified personnel problems: At times, qualified personnel is not employed or chosen to man the government work for effective and efficient job performances. It is not uncommon to appoint someone who is not finance or accounting person to be the head of finance and budget or the minister of finance.

Lack of political objectives: The politicians always forget their political objectives and promises in their manifestoes the moment they were voted in as power corrupts absolute and absolute power corrupts absolutely.

The purpose of this paper therefore is to analyze the importance of political stewardship accounting in government parastatals in Nigeria and the causes of mismanagement in government sector in general as well as proffering plausible suggestions and recommendations for sustainable good governance.

The following null hypotheses, which were tested at 0.05 level of significance, were formulated: (1) Stewardship accounting does not bring about good governance by the politicians as a result of their inability to remit or

or give proper account of the funds entrusted to them; (2) There is no relationship between statement of income and expenditure: The statement of income is not regarded as the management expenses to generate a given level of income; (3) The task of making life worth living for people at the grass-root is not an easy task because of over increasing demand for all sorts of welfare packages, and (4) Political stewardship accounting is not the sole determinant responsible for increase in good governance and at times it causes political imbroglios among the politicians in the country.

Review of related literature

Nature of stewardship accounting: Good governance, according to Odozi (1999), is the act of ensuring accountability in the public sector which involves the critical examination of procedures, records and transactions by well trained and properly qualified personnel in order to minimize the degree of misappropriation of fund in public sector organizations. Johnson (1971) said that historically the emphasis in Britain has been almost exclusively on procedures which would enable parliament to exercise a post-facto check on the manner in which monies had been spent for the purpose it was approved.

Nomanton (1971) pointed out that public accountability is an open source of knowledge about how government services function in actual practice and hence of ideas about how they ought to function.

Glym (1985) stated that 'public sector 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, that is the tax-payers and employees. It is not unusual to request a public servant to give an account of how he has managed the public fund entrusted to his care especially by the electorates. Rendering of political stewardship accounting is better when one is made to give the account of his stewardship when he is still in power than to be re-called to face a difficult situation after leaving the office.

Chartey (1987) defined accountability as 'furnishing (to someone) satisfactory, reliable, verifiable and accessible records, reasons and explanations for actions of those having custody of power, human resources, public money and other resources' implied in this definition is the requirement to identify the party who has to render the accounts, the party to receive them, and the reasons for preparing and receiving the accounts.

Oke (1988) stated that, what accountability does then is to provide answers to the interrogatory questions related to stewardship – what, why, who, whom, whose, which and how. Examples of questions that need answers are: What has to be accounted for; who has to account for it; why it should be submitted; who is responsible for various segments of activity in the society; does responsibility go with commensurate authority; how are governments and public officers to be elected or appointed?

These and other enormous numbers of related questions are not easy to answer. The answers become even more elusive when they have to be provided to unspecified diverse groups with different needs and interests that accountability reports are intended to cater for.

Government and politics: Afeniforo (1982) stated that government can be used to refer to the working of the three organs of the state - Legislature, Executive and judiciary. In the actual sense, the Executive arm is particularly identified as the real government. Therefore, government means the group of people that rules the state at a particular time. In a democratic state, the government is formed by the political party that wins the majority in a general election. The cabinet or the council of ministries is often referred to as the government. In a military administration, the supreme military council acts as the government. He further stated that, the word is often used to describe the political order that exists in a state. Thus, a state that is based on popular sovereignty is said to be a democratic government while a state that is ruled by a person is referred to as an autocratic government.

David (1980) attempted to find a working definition for the word 'politics'. In his book 'The political system' He described politics as the authoritative allocation of values for a society" in this sense, politics is regarded as the process of deciding how resources are distributed. David (1980) therefore, saw politics as the process of deciding how resources are distributed. Thus, activities connected with the formation of political parties' selection of candidates, election campaigns, voting, debates passing of bills and assents of the chief Executive revolve on politics as they deal with decision making on how the resources of the state are to be allocated.

Harold (1980) in his own contribution, defined politics as who gets what, when, How? In this sense, politics is seen involving power struggle and competition in the distribution process. In actual sense, government is a product of politics, while 'politics' includes all activities connected with the affairs of the state. Thus, while a vast number of the citizens participate in the politics of the state, only a small group controls the legal government.

Political stewardship accounting in good governance in Nigeria

The political stewardship accounting in good governance in Nigeria can be classified and divided into two prospective aspects, they are: Political stewardship accounting and good governance. Each concept shall be critically worked into as follow.

Political stewardship accounting concepts

Amongst the political stewardship accounting concepts

are as follows: Alimi (1988) categorically stated as follows the concepts of political stewardship Accounting.

The political objectives on manifesto

Before a candidate emerged as a winner, there must be political objectives or manifesto which will comprise how and manner the candidate is proposing to satisfy the electorate. The Objectives are:

Free education at all levels: In a democratic system of government, one of the manifestoes of the aspirant is free-education for the country. It has become the idea of the politicians to encourage the voters by convincing them during campaign that the government will embark on free education should they given him the mandate to rule.

Health services for the people: Another important point is Health services for all. The electorates are always interested on any candidate who is proposing to include free health services in his/her manifestoes.

Transpiration services: The electorates also buy this idea and the politician always includes this to their manifestos.

Accountability and probity: This is also one of the manifestoes that interest the public during the campaign rally.

Revenue generation

Under this sub-heading, Alimi (1988) stated that, financial business in the public sector is similar to that applicable to the private sector. In the public sector, the government has to live and perform its duties to the Nation; as a result, there must be a means of livelihood called money. The money required by the government to perform its duties must be obtained from some where and utilized on something. Thus the government's financial problems falls under the areas which are: i) Where to get the money? ii) How to keep the money? iii) How to utilize the money?

These problems are more compounded because; the state in a modern time has many functions to perform. Its activities are no longer confined to mere maintenance of peace, order and security. Importantly, economic, industrial and social schemes form part and parcel of the activities of a modern state.

Sources and classification of government revenue

Alimi (1988) stated that the federal government derives its revenue from different sources, paid into the consolidate Revenue fund. Prior to 1989 budget, the federal government derives its revenue through the following

heads:

- Head 1 -Indirect Taxes.
- Head 2 -Direct Taxes.
- Head 3 -License and internal Revenue.
- Head 4 -Mining.
- Head 5 -Fees.
- Head 6 -Earning and sales.
- Head 7 -Rent of government property.
- Head 8 -Interest and repayment (General).
- Head 9 -Interest and repayment (State).
- Head10 -Reimbursements.
- Head 11 -Armed Forces.
- Head 12 -Miscellaneous.

With effect from 1989 Budget, the Federal Government Revenue was classified into two groups, viz.

- Federal Accounts Revenue Head
- Federal Government Accounts Revenue Heads.

Accountability

Oke (1988) defined accountability as the rendering of returns on stewardship relating to the management of funds and other assets of which individuals or institutions had been custodians. One is concerned, when considering accountability within the public sector, as to the reliance that may be placed on returns rendered. Reliance in terms of their regularity, timelessness and accuracy.

Oke (1988) further said that the important thing is that the whole citizenry, policy makers, public officers, politicians, social scientists, professional, renders and the general public should:

- i) Appreciate the potency of accountability for development.
- ii) Realize the need to be accountable and expect others to be accountable for public office, trust and property.
- iii) Recognize when to utilize professional services and advice to achieve accountability.
- iv) Realize that accounting transcends the boundaries of measuring and communicating financial information and that, working in collaboration with social scientists (Lawyers and other professionals), accountants can assist in providing the data based needed to install the culture of accountability and this bring about political and social-economic transformation in the country.

Record keeping

Nomston (1971) stated that the activities of organizations have to be kept accordingly, for the accounting users e.g. accounting reports and financial memoranda.

For more clarity, the following are five distinct internal and external users of government financial reports and the purpose for which the reports are required:

Internal users

- a) The executives and their advisers.
- b) Top administrations of government departments.
- c) Managers of government units.
- d) Sub-ordinates who are delegated with control tasks.
- e) Various hoe and other committees set up by Government to examine a specified functions.

External users

- a) The legislative houses.
- b) The general public.
- c) Researchers and representative of the media.
- d) Sectional group within the population such as trade unions, political parties, etc
- e) Foreign interests, such as foreign friendly country/ countries, foreign investors and creditors.

Purposes for which the reports are required

- (1) Planning: To serve as a basis for planning
- (2) Controlling: To serve as a basis for controlling.
- (3) Decision making: To serve as a basis for decision making
- (4) To give evidence of financial accountability.
- (5) To ascertain the propriety of transactions and their conformity with establishes rules.
- (6) To serve as a basis for appraisal of the performance of management and staff of government.

Good governance concepts

Full employment

Glym (1985) stated that, full employment is a concept that cannot be precisely defined. Full employment does not mean that everyone has a job. This is because there shall always be people, such as babies, under-aged kids, very old people who cannot work even if they are willing to do so.

This situation makes every government to define its full employment level e.g. in United States full employment level is 97%. In Canada it is 96% then the balance being the unemployment rate. In Nigeria, however, full employment policy has not been given a place of prominence and specific target has to been mentioned. Unemployment is a welfare loss to the society in terms of total output that is being forgone. It is equally a welfare burden borne by individuals. To achieve good governance there must be adequate employment opportunity for the masses.

Price stability

Odozi (1999) also stated that price stability refers to a si-

tuation where the general level of process of goods and services changes very little or no changes at all. Price level stability exists when the annual rate of increases in price measured by appropriate indexes is less than 2%. Common measures of price stability are: 1) Consumer price index. 2) Wholesale price index. 3) National product deflator.

Economic growth

Alexander (1985) stated that economic growth can be defined as an increase in a country's physical output over a long period of time. A country is said to have experience economic growth, when the real output of goods and services is increasing at a fastest rate than the rate of growth of its population. Countries pursue economic growth in order to enjoy the benefit of a greater output, hence improve their standard of living.

Economic development

Another important concept is good governance in the country which is part of economic development; this can be defined according to Alimi (1988) as the elimination or reduction in poverty, inequality and unemployment within the context of a growing economy. There may be growth without economic development and a good administrator should take note and promote evenly growth of economic and development in the country.

Balance of payment equilibrium

Balance of payment equilibrium, as stated by Alimi (1988), provides an indicator for a country's international trade; balance of payment equilibrium becomes an important objective of economic stabilization policy and good governance.

Equitable distribution of incomes

Anthony (1977) stated that, this has to do with how income is being distributed in the economy in a fair and equitable manner. Unfortunately in less developed countries, the income distribution pattern are asymmetrically one, that is, it is not evenly distributed. This accounted for the widespread property in Nigeria.

The policy investment usually used to achieve the above objectives or concepts are:

The monetary policy is a measure designed to influence cost allocation and distribution of credit in order to change the level of money supply in the economy.

The fiscal policy refers to the deliberate action which the government for a country takes in areas spending money and / or levying taxes with the objectives of achieving

macro-economic variable

The income policy on the other hand relates to the regulation of the rewards that goes to the factors of production such as labour (minimum wage legislation). It equally includes the regulation of product prices (minimum and maximum price legislation).

Budgeting

The Institute of cost and management Accountant gives the following definition of budget. "A plan quantified in monetary terms, prepared and approved prior to a defined time, usually showing planned income to be generated and/or expenditure to be incurred during that period and the capital to be employed to attain a given objectives"

Brown and Howard (1984) also defined a budget as a "predetermined statement of management policy - during a given period which provides a standard for comparison with the results actually achieved.

Harper (1982) defined a budget as a quantitative economic plan in respect of a period of time. He however, explained the key words of his definition as follows:

(a) **Quantitative:** A budget must comprise quantities. An enterprise many plan to build up a reputation for fair-trading but it is not possible to budget for such a reputation since this is an intangible that cannot be quantified.

(b) **Economic:** To be a budget, a plan must be in economic terms. An enterprise may plan to make the strongest steel in the world but such a plan cannot be properly referred to as a budget.

(c) **Plan:** A budget is a plan; it is not a hope or a forecast but an authoritative intention. A forecast is a prediction of what will happen as a result of a given set of circumstances while a budget is a planned result that an enterprise aims to attain.

(d) **Time:** A budget is always in respect of a period of time. Budgets are five yearly: yearly, quarterly, weekly, daily or other time period.

Types of budgeting

Armev and Egginton (1979) stated that there are three main types of budgeting systems;

- The Traditional budgeting
- The zero based Budgeting
- The Programmed planning and budgeting systems.

Adams (1987) stated that to achieve good governance in stewardship accounting there should be budgeting and the preparation of the budget.

Budget cycle

See below the budget cycle according to Alimi (1988)

Stage 1

Call circular: Horne (1986) stated that all the arms of government do prepare budget, that is, Federal, State and the Local Government, which is the third tier of the arms of government. He further said, the president articulate the government objectives in terms of economy social and other welfare parameter. The government through budget planning ministries sends circular to all ministries and parastatal. The department of parastatal submits advance proposal of their estimate for the text fiscal year informs of draft estimate.

Stage 2

Budget preparation in the ministry and government agency: Horne (1986) further stated that, each ministry would then send the circular with the little addition to the objective and the policy of the government.

Stage 3

Budget defense Committee: The composition of the committee are made up of the following: 1) Head of government (president in federal level governor in the state and chairman in the local government level). 2) Finance minister. 3) Justice Minister and attorney general of the federation 4) Director of budget.

Stage 4

Budget hearing by the house: Okigbo (2001) explained that, during this stage the president, present his appropriation bills to the houses (budget estimate) the budget will contain (a) Review of economy; (b) Policy of the following year. E.g. Government may decide not to import 'Tokunbo' vehicles or the importation of certain goods or foodstuff should be abolished; (c) Source of funds; (d) Recurrent of capital expenditure; (e) Fiscal and monetary policies of the government.

Stage 5

Debate and approval of the budget: This is the stage when the house will come together and debate in the proposed budget and delete or add if it is necessary before the approval of the house of assembly (state).

Stage 6

Budget speech: Harper (1982) stated that whenever the house approve the budget, the head of state or president (Federal Government) will now broadcast the approval of the house to the nation for awareness.

State 7

Implementation of the budget: Harper (1982) stated that, in the course of implementation of the Budget, warrant is issued to individual ministries for implementation. The cheques needed for the implementation of the budget are sent and each ministry would now send their expenditure return (transcript) to the ministry of finance.

Stage 8

Budget control: This is the final stage, it is constituted through committee and sub-committee and finally the call circular would therefore be formulated again for the fiscal year.

Importance of stewardship accounting

For proper accountability in the public sector the under listed points are the importances of stewardship accounting according to Fayemi (1980). These are:

- i) To ascertain the propriety of transactions and their conformity with established rules. This means that the historical accounting information should depict the extent of compliance with the various rules and regulation applicable to the organization be it government or organized private sector. It also showed whether the transactions are proper in relation to the object clause of the organization as any business outside the object clause is regarded as *ultra-vires*.
- ii) To give evidence of financial accountability, here we need to actually ascertain how transparent the government management is in relation to financial probity. That is the government/ management has a liability to reveal justify and explain what they did with the funds entrusted to them. Have they utilized the money in the best interest of the general public or they have utilized it in the best interest of their pockets.
- iii) To serve as a basis for planning it is crystal clear that the futures are laden with series of uncertainty. Without adequate planning, a business organization which can be likened to various ministries and department many not be able to forge ahead effectively and efficiently, planning is therefore of almost importance to every business organization or government parastatal in order to reduce the uncertainty associated with the future. The historical accounting record of the past events can be used to postulate into the future.
- iv) To serve as a basis for controlling. Here if the various business activities are not adequately controlled, it could lead to problem in the future as the main object of our plans may not be realized. Controlling is one of the key managerial functions, which must be critically examined. When there is adequate too much from our plans. It is therefore every important that all activities should be con-

trolled to achieve our targets/objectives.

v) To serve as a basis for decision making. At all levels of business activities, decision making is very crucial, failure to make adequate and informed decision at the right time could lead to business failure and or in calculate losses to the organization. The various accounting information, which are historical events of the past, provided a basis for such decision making in the future.

vi) To serve as a basis of appraisal of the performance of management. The importance of appraisal cannot be over-emphasized, through appraisal, lapses will be discovered which may warrant urgent attention of management. Through appraisal, financial viability, probability, efficiency and liquidity could be ascertained which should be used for future decision making.

Growth of government spending

Adolph (1983) thought he had discovered the "law of Ever-increasing State activity" upon surveying the public-expenditure records of several advanced countries in the nineteenth century. He based his "law" on the pressure for social progress and resulting changes in the relative spheres of private and public economy". History has certainly born him out, although war and its aftermath have cost more than social progress.

Reason for increase in government expenditure

Brownwhich (1976) stated the main reasons why government expenditure is increasing often and then. The traditional functions of government such as defense, maintenance of law and order, e.t.c are becoming extensive and cumbersome. Defense is becoming expensive more than ever. Within the country administrative set up is increasing both in coverage and intensity, that is, government machinery has to be manned by experts in their respective fields. In addition, various complexities of economic and social measures develop which make an efficient administration complex and expensive as well.

Besides the traditional functions of the state, there is growing awareness of additional responsibilities. The government is expending its activities in the area of various welfare measures which include measures to enrich the cultural life of the society and those designed to provide social securities to the people such as pensions, old peoples' home e.t.c.

Increasing population may also be a determinant of public expenditure growth. The share scales of various public goods and services have to rise in conformity with the growth of population. The need for more schools, hospitals and such likes cannot be over-emphasized in the light of increasing population.

It has been suggested that urbanization and the resulting congestion has increased the need for more infrastructure and public goods and services. Also quite

a number of incidental services like those connected with traffic, roads, pedestrian bridge e.t.c have to be provided.

The tendency for prices to go up has equally contributed to the growth of public expenditure. The increase in prices of input and other goods purchased by public sector has resulted in an increase in public expenditure. It is the responsibility of the government to protect the citizenry against the evils of price mechanism. Consequently, anti-cyclical and other regulatory measures are put in place. Efforts are made to deduce income and wealth in equalities and bring about social and economic justice.

Increasing public expenditure can also be explained in terms of increasing cost of debt servicing. Since states are related to one another through various economic transactions, there are tendencies to run into debts which must be settled.

Public debt

Byrne (1986) stated that, public debt is the totality of debt owned both internally and externally by the government of a country. Internal debts are those owned by the government to the residents of a country while external debts are those debts owned to overseas government and international institution.

Alimi (1988) further stated that Debt management represents the action of government or the central Bank to influence the composition of debt. In respect of internal debt, it issues new securities, either to replace those maturing or to raise additional money to the government treasury. It makes use of treasury bills, treasury certificates development stocks and ways and means, advances as instruments. Internal debt includes trace-related debts owned directly to banks, contractors and suppliers.

Nigeria's external debts stock comprises:

- i) Project tied debts.
- ii) Trade - related debts.
- iii) Balance of payments support loan.

The following are the amount of Nigeria's external debt.

Year	Amount \$
1976	1.27b
1986	18.6b
1991	33.2b
1995	32.6b
1996	28.2b
1997	27.04b

Causes of Nigeria's debt crisis

Dawson (1993) stated the causes of Nigeria's debt crisis as follows:

Change in economy

Nigeria enjoys oil boom in the 70s and what followed was excessive supply of crude petroleum which led to oil glut in the world market causing the price of oil to fall rapidly.

This was sequel to the discovery and exploitation of oil in North Sea, Egypt, Malaysia and Mexico, which drastically reduced the oil price from \$36 to \$10 per barrel in 1990s. This external development led to a substantial reduction in oil revenue and the inability to reduce expenditure led to heavy debt accumulation.

Nature of Nigerian economy

Bluceh (1991) stated that, Nigerian economy is heavily dependent on one or few agricultural or mineral, commodities. Our manufacturing sector is mostly at infant stage and relies heavily on imported inputs. Nigeria equally depends on advanced countries for the supply of other imports and finance needed for economic development. All these made Nigeria to incur heavy debts and at the same time vulnerable to external shock.

Problem of committing short and median term loans to long-term projects

Fayemi (1980) also stated that, in a situation in which it is difficult to complete these projects before amortization is due, problem of this nature will no doubt aggravated debt service Borden.

Low level of savings

He further stated that, the low level of saving and high propensity to consume foreign goods and services is another factor that has contributed to the Nigeria debt crises and this has led to the emergence of trade areas.

The shift from official to private sources of credit also contributed to the problem being experienced by Nigeria in the area of external loan. For a private loan, interest rate would be higher and the period of maturity very short while the reverse is the case in respect of official loan.

Solutions to external debt problems

According to Alimi (1988) the following were stated as the solutions to external debt problems:

Debt rescheduling

This involves the re-arrangement of payment terms of debt in terms of the adjustment of interest rate grace period principal repayment, and maturity. The strategy does not cause a reduction in the stock debts rather it facilitates management of debts by providing relief. For instance, Nigeria negotiated series of rescheduling ar-

rangements with the Paris club of creditors between 1986 and 1991 to which more than half the external debt is owned. However, the use of this method has been argued against because it will only lead to the postponement of the evil day of the debtor nation.

Debt - Equity conversion

Brown and Howard (1984) further stated that Nigeria government is currently applying debt equity swap. It is an ideal of converting foreign debt into equity in local companies. This will make the economic environment attractive for foreign investment.

Debt forgiveness

Hongrene (1980) also stated that Debt forgiveness must take with consideration. This arises when the creditor nation decides to forget or write off the debt of the debtor nation. This option has been taken by Paris club in favour of some debtors. However, Nigeria will not benefit because these debts have not been used to alleviate poverty. Another reason why Nigeria could enjoy this opportunity is the position of Nigeria among the oil producing countries.

Debt repudiation

This involves disallowing the debt completely. Castro (1980) in his own contribution does not see any sense in developing countries paying back the debt because through colonialism African countries had more than paid for the debts. However, there is possibility of sanction from (IMF) International monetary fund and World Bank if Nigeria should repudiate.

Roles of the accountant in political stewardship accounting in Nigeria

Harper (1982) stated that, an accountant is a person whose profession is to keep and examine business accounts with a view to reporting on them for the benefit of all interested groups.

These groups of interested persons include managers, owners/shareholders, investors, creditors, employees, and even governments. Accountant therefore, occupies a place of pride and accountability. He is found in all human organizations including clubs and societies, He further said, that Jesus Christ had an 'accountant' among the disciples in the person of Judas Iscariot who kept their funds.

The main or traditional roles of accountant

Keeping of business records

The primary function of accounting and the accountant is

to keep systematic records of all monetary transactions of the organization, entering them in a prescribed manner and leading to the preparation of financial statements.

Protection of the organizations assets or funds from misappropriation or misapplication

Oke (1988) lamented on this and said it is a cardinal function of the accountant and the strict adherence to this that has led to the accountant being branded 'conservative' of course, this is in the interest of his employer and his; (with his employers) expectations since no one would want to entrust his assets, particularly cash, into the hands of someone whose integrity is questionable. Essentially, the accountant keeps all the financial records or books of account of the organization and institutes controls to check authorizations and compliance with laid-down policies so as to forestall fraud and misappropriation.

Provision of financial information

The accountant provides financial information about the performance of a business and its financial position. Oke (1988) stated also that, performance is measured in terms of profits and profit and loss Accounts is designed to describe the overall performance of a business over a period of usually one year. The financial position of the business is measured in terms of assets and liabilities, which the Balance sheets disclose. Those who would be interested in such financial information include managers, creditors, investors, bankers, employees, and the government to mention a few.

Ensuring compliance with legal requirements

Oke (1988) stated that, this is mother important role played by the Accountant and his profession. He (Accountant) ensures that the business keeps within the laws governing the operations of business. Some of the legal requirements a business must comply with are the submission of tax returns, preparation of prospectus for public offer etc.

Financial regulations

Brown and Jackson (1983) stated that financial regulations are issued matters of the Federal Government, in accordance with and under the authority of the finance (control and management) Act, 1958 as amended.

He further stated that, financial regulations are internal regulations that are intended to provide a framework of financial control and place prime responsibility for elementary control and anti-fraud duties on executive departments, whilst recognizing the role of internal audit.

They are useful in the following ways:

- i) They outline good systems, organization and procedures of basic financial management.
- ii) They give backing to internal audit and establish it as a "tool of management", this avoids the function being viewed as a "tool of an interfering treasurer".
- iii) They help internal audit allocate responsibility and maintain its "independence", making a clear separation between departmental and audit duties.
- iv) They ensure that operations remain within the law and reduce the scope for fraud.

Financial Regulations should seek to outline the system of financial administration to operate at departmental level, without necessarily setting out in detail arrangements and system that might be incorporated in separate codes or manuals of financial procedures and instructions.

Supply procedure

Bird and Morgan (1981) stated that, National Assembly maintains control of central government expenditure by what is known as "supply procedure. This operates as follows.

(a) Each government's department submits "estimates" for expenditure in the new financial year to the budget ministry for approval. After negotiation, the agreed estimates are presented to the National Assembly, thus, satisfying the condition that no money shall be withdrawn from any public fund of the federation unless the issue of those moneys has been authorized by an Act of the National Assembly. If necessary, supplementary estimates can also be presented during the year.

(b) National Assembly examines the estimates, when they are divided into 'Votes' for particular items of expenditure. Each vote gives details of the services which will be provided, when approved, in a standard form.

John (1991) further stated the introduction. Description of the expenditure, and comparison with the budgeted and actual expected amounts for the previous year.

Part I: The "ambit" of the vote, being a brief description of the services to be financed.

Part II: Detailed analysis of the amounts to be provided, divided, divided first according to which expenditure programme the vote relates to (e.g. defense, transport, etc) and subdivided into subheads savings encountered on one subhead may be applied with permission from the Budget ministry, to meet excesses on another subhead - this process is known as virement.

Part III: Details of receipts expected which will be paid into the consolidated Revenue Fund.

Part IV: Further analysis of the expenditure e.g. between

capital and current expenditure.

(c) When approved, the votes are included in the appropriation Act.

(d) The appropriation accounts are audited by the Auditor General of the federation. He is appointed by the president on the advice of the civil service commission, and his independence is further assured by his salary being paid straight from the consolidated Revenue fund, and his freedom from dismissal except on a motion passed by both Houses of Assembly.

(e) There may be expenditure, not previously authorized by the National Assembly, which is needed urgently but for which there is no time to be granted parliamentary authority. Such expenditure, which may be taken from the contingencies fund, but any expenditure which is met from this fund must be authorized in arrears by the National Assembly and charged to the vote for which the expenditure is then authorized. It is an "imprest" fund financed by the consolidated Revenue fund.

(f) The Auditor - General of the federation will report any material irregularities to the public Accounts committee.

Cash accounting

Harper (1982) stated that, a cash accounting is restricted to measuring the change in cash payments from cash receipts. Cash accounting records transaction in the period in which the related cash receipts and payment occur and is really only useful for short term financial control.

Expenditure is recognized as cash paid out, which may be before or after the time when the resource (cost) was consumed and any benefit received. Similarly, revenue on income is recognized as it is received in the form of cash. On this basis, revenue expenditure, revenue income and capital income are all treated in the same way. An account is no more than an analysis and summary of the cash book.

Accruals and commitment accounting

Alimi (1988) stated that, the difference between the accruals and commitment system of accounting is in the time at which the expense is recognized as an operation statements produced under the commitment accounting system which includes not only expenditure which has actually taken place but also expenditure to which the organization has become committed, e.g. by placing an order for goods and services.

RESEARCH DESIGN AND METHODOLOGY

The population comprised of four hundred (400) key officers in the (16) sixteen local governments of Ekiti State of Nigeria out of which (100) hundred were selected at random. The data used were gathered through questionnaire and were analyzed using frequency

counts, percentage scores and factor analysis.

RESULTS, SUMMARY AND DISCUSSIONS OF FINDINGS

The following were the summary of the findings which were derived from the results of the analysis of the questions in the questionnaire.

- 1) Stewardship accounting promotes good management of public funds.
- 2) Stewardship accounting promotes economic growth in the country.
- 3) Political stewardship accounting increases standard of living.
- 4) Good governance in public sector discourages embezzlement.
- 5) Political Stewardship increases probity and accountability.
- 6) There is no relationship between income and expenditure.
- 7) The expenditure is always more than income in preparation of public accounts.
- 8) Public account is not properly prepared like the private company's account.
- 9) There is unnecessary expenditure, which brings public debt.
- 10) The public account does not correct perceived inequalities.
- 11) Public sector is to provide services for all citizens e.g. education good roads, health services and so on.
- 12) Public sector is to provide services beyond the private means of people using those services.
- 13) Public sector should provide benefit to everyone within socially acceptable norms.
- 14) Public sector ensuring constant approach to certain practices.
- 15) Public sector substitutes central or local planning in place of consumer choice.
- 16) Political stewardship account is the main determinant responsible for increasing in good governance and did not bring political imbroglio.
- 17) Political stewardship disallowed political stability in the country.
- 18) Political stewardship account aids good governance in public sector.
- 19) Political stewardship accounting is the quickest way to manipulate the implementation of policies and plans for effective management in Nigeria.
- 20) Political stewardship accounts bring probity and accountability.

Conclusion

It was therefore concluded that:

- 1) There is no increase in volume of good governance in

the management of public funds.

- 2) There is a negative relationship between statement of income and expenditure.
- 3) The tax of making life worth living for people at the grass-root is not an easy task because of over increasing demand for all sorts of welfare packages.
- 4) Political stewardship account is not the sole determinant responsible for increase in good governance and it causes political unrest.

Recommendations

The following recommendations are made:

- 1) The country as a whole should make sure that political stewardship accounting system should be set up and strictly embarked, so as to guide against maladministration by the public officers and politicians that are currently affecting every individual in the country.
- 2) The ascertainment of the propriety of transactions and their conformity with established rules should be taken into consideration in order to comply with the rules and regulations applicable to the organization, be it government or organized private sector in the country.
- 3) There must be an evidence of financial accountability. We need to actually ascertain how transparent the government management is in relation to financial probity. That is to say, political stewardship accounting would enable the government that has a liability to reveal, justify and explain what it did with the funds entrusted to it. Has it utilized the money in the best interest of the general public or the officials have utilized it in the best interest of their pockets.
- 4) Political stewardship serves as a basis for planning. The historical accounting record of the past events can be used to postulate into the future; that is to say, that planning is a crystal ball that the future is laden with series of uncertainty. As a result of this, without adequate planning, government which can be likened to various ministries and department may not be able to forge ahead effectively and efficiently.
- 5) Political stewardship accounting can serve as a basis for control. If the various public organizations are not adequately controlled; it could lead to problem in the future as the main object of our plans may not be realized. As we all know that, controlling is one of the key managerial functions which must be strictly examined. When there are adequate control measures we are not likely to deviate too much from our plans. It is therefore important that all activities should be controlled to achieve our objectives/targets in the country (Nigeria).

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