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FINANCIAL MANAGEMENT PRACTICES AND FINANCIAL ACCOUNTABILITY IN ANAMBRA STATE MINISTRIES, DEPARTMENT AND AGENCIES.

[1-3]Ezechi, K. C; Ifurueze, M.S & Ofor, N.T.

[1-3]Department of Accountancy, Faculty of Management Sciences, Chukwuemaka Odumegwu Ojukwu University, Igbariam Campus.

Abstract

This study evaluated the effect of financial management practices on financial accountability in the Nigerian public sector, with specific reference to ministries, departments, and agencies (MDAs) in Anambra State. The specific objectives were to examine the effect of policy-based fiscal strategy and budgeting, budget credibility, and management of assets and debts on financial accountability in the public sector. Three research questions and hypotheses were formulated for the study. The study focused on ministries, departments, and agencies in Anambra State to assess how financial management practices influence accountability in the utilisation and management of public funds and resources. At the 5% level of significance, the findings revealed that policy-based fiscal strategy and budgeting had a positive but non-significant effect on financial accountability ($\beta = 0.018$; $p = 0.566$); budget credibility had a positive but non-significant effect on financial accountability ($\beta = 0.037$; $p = 0.223$); and management of assets and debts had a positive but non-significant effect on financial accountability ($\beta = 0.035$; $p = 0.252$). The study concluded that financial management practices have positive relationships with financial accountability in Anambra State's public sector, although their individual effects were statistically insignificant. The study recommended that public sector institutions should strengthen fiscal planning and budgeting frameworks, improve budget preparation and implementation processes, and enhance the monitoring and control of public assets and debts to promote transparency and accountability.

Keywords: Financial Management practices, Risk Management, Financial Expertise

1.0 Introduction

The public sector, globally, serves as the primary engine for socio-economic development, necessitating robust and transparent financial management practices (International Monetary Fund, 2023). Effective public sector financial management (PSFM) involves the efficient allocation and utilization of public resources, budgeting, revenue collection, expenditure control, auditing, and reporting, all geared towards achieving specific development goals and ensuring fiscal discipline (Organization for Economic Co-operation and Development (OECD), 2022).

Financial management and accountability in the public sector are critical pillars of good governance, sustainability, and socio-economic development. Public financial management encompasses the processes of planning, budgeting, executing, monitoring, and reporting public funds, while accountability refers to the obligation of public officials to justify the use of those funds to oversight institutions, citizens, and other stakeholders. In Nigeria, public financial management systems have been characterized by persistent challenges such as weak internal controls, irregular budget execution, and poor financial reporting, undermining fiscal discipline and service delivery (Kadir et al, 2025). While these concerns are national in scope, their manifestations at the sub-national level especially within states like Anambra require dedicated empirical inquiry to understand the effectiveness of financial stewardship and accountability mechanisms within state-operated Ministries, Departments, and Agencies (MDAs).

Anambra State, in South-East Nigeria, has in recent years attracted attention for its relatively strong performance in public financial management. According to the State of States fiscal ranking reports, Anambra emerged as the best-performing state in Nigeria in terms of fiscal management—measured by factors such as internally generated revenue growth, prudent expenditure controls, and transparency in financial processes displacing larger economies like Lagos State (BudgIT, 2025). Additionally, the State's 2024 fiscal year saw a budget performance rate exceeding 70 per cent and a significant reduction in unresolved audit queries from ₦2.5 billion in 2023 to approximately ₦750 million in 2024, indicating improvements in accountability and follow-up processes among MDAs. Despite these positive trends, financial accountability challenges remain within Anambra's public sector. Official auditor-general reports have documented instances where MDAs failed to properly account for substantial public expenditures formerly over ₦1.0 billion for fiscal periods, with several agencies yet to complete required audits or submit satisfactory documentation for disbursements. These findings suggest that while the state has made strides in fiscal transparency, gaps in financial reporting, documentation practices, and internal oversight continue to affect the full realization of accountability objectives within MDAs. This is consistent with broader literature

stressing the persistent nature of accountability deficits in Nigerian public finance and the need for strengthened control frameworks (Kadir et al, 2025).

Academic studies specific to Anambra further reinforce the significance of robust financial management practices. For example, research on International Public Sector Accounting Standards *(IPSAS)* adoption in public sector entities in Anambra reveals that the application of IPSAS is significantly correlated with improved financial management practices suggesting that adherence to recognized international accounting norms enhances accountability and operational efficiency. Complementary evidence from local government studies in the state indicates that IPSAS application enhances financial stewardship, uniformity, and the comparability of reports, outcomes that underpin transparent and accountable financial systems (Igbokwe-Ibeto et al (2021).

The state's emphasis on modernizing public finance systems is also reflected in reforms such as the Treasury Single Account *(TSA)* and e-accounting practices introduced within MDAs. Investigations into TSA implementation in Anambra suggest that such unified cash management mechanisms help curb revenue leakages and promote visibility in government spending factors that are essential for accountability and cost containment in public operations. At the same time, capacity-building initiatives, such as audit forums and citizen accountability dialogues, indicate growing state efforts to engage stakeholders in strengthening financial discipline across MDAs, coupled with recognition of the need for improved documentation and audit compliance (Tolyemi et al 2024).

From a governance perspective, these developments illustrate a complex but evolving landscape. Financial management and accountability in Anambra's MDAs are shaped not only by technical reforms and administrative innovations, but also by institutional capacities, audit enforcement, and the political will to sustain transparency. The continuing dialogue between state authorities, oversight institutions, civil society, and citizens underscores the dynamic nature of accountability practices in the state, reinforcing the need for empirical research that evaluates both the achievements and persistent challenges in this domain (Abbasov 2025). Accordingly, this study situates itself within the context of these reforms and outcomes, aiming to assess the effectiveness of financial management frameworks and accountability mechanisms in Anambra State's public sector institutions.

Financial management and accountability constitute the cornerstone of effective public sector governance, particularly within Ministries, Departments and Agencies (MDAs), which serve as the primary instruments for policy implementation and public service delivery. In Nigeria, MDAs are entrusted with the management of substantial public funds appropriated through annual budgets to execute government programmes, projects, and services aimed at promoting socio-economic development. Sound financial management practices such as budgeting, accounting, internal control, auditing, and financial reporting are therefore essential for ensuring transparency, efficiency, and

accountability in the utilization of public resources. However, despite numerous public financial management reforms introduced by successive governments, accountability challenges persist across MDAs at both federal and state levels (Orji et al 2021).

In Anambra State, MDAs play a critical role in translating government policies into tangible outcomes in areas such as education, health, infrastructure, agriculture, and social welfare. The state has recorded notable progress in internally generated revenue and public sector reforms; nonetheless, concerns remain regarding the effectiveness of financial management systems in ensuring accountability. Reports from oversight institutions, audit findings, civil society organizations, and media investigations continue to reveal instances of budgetary indiscipline, weak internal controls, misappropriation of funds, delayed financial reporting, abandoned projects, and limited compliance with established financial regulations within MDAs. These issues raise fundamental questions about the extent to which financial management practices influence accountability in the public sector of Anambra State (Olaoye 2021).

One of the major problems confronting MDAs in Anambra State is weak budgetary control and implementation. Although budgets are prepared annually, discrepancies often exist between approved budgets and actual expenditures. In many cases, funds are either diverted from their original purposes or expended without adequate documentation, thereby undermining fiscal discipline and accountability. Poor linkage between budget planning and execution has resulted in cost overruns, incomplete projects, and inefficient allocation of scarce public resources. Such practices erode public confidence in government institutions and weaken the credibility of the budgeting process as a tool for accountability (World Bank, 2019).

Another critical issue relates to deficiencies in accounting and financial reporting systems within MDAs. Timely and accurate financial reports are essential for monitoring financial performance and holding public officials accountable. However, many MDAs in Anambra State struggle with delayed preparation of financial statements, incomplete records, and non-compliance with public sector accounting standards. Manual accounting systems, limited automation, and inadequate technical capacity among accounting personnel further compound the problem. As a result, financial information required for effective oversight, audit, and decision-making is often unavailable or unreliable, thereby creating opportunities for financial impropriety and weakening accountability mechanisms (Ridhawati & Ahmad 2025).

Internal control systems, which are designed to safeguard public assets, prevent fraud, and ensure compliance with financial regulations, also remain a significant challenge in Anambra State MDAs. Weak segregation of duties, ineffective authorization procedures, poor asset management, and limited internal audit independence have been identified as recurring problems in public sector organizations. In some MDAs, internal audit units exist only in name, lacking the autonomy, resources, and professional competence

required to function effectively. Where internal controls are weak, the likelihood of fraud, waste, and abuse of public funds increases, thereby undermining accountability and good governance (Ridhawati & Ahmad 2025).

Furthermore, the role of external audit and legislative oversight in promoting accountability has been constrained by institutional and operational challenges. Although the Office of the Auditor-General of Anambra State is constitutionally empowered to audit public accounts, audit reports are often delayed and inadequately acted upon. Weak enforcement of audit recommendations and limited sanctions for financial misconduct reduce the deterrent effect of auditing and allow accountability failures to persist. Similarly, legislative oversight of MDAs' financial activities is sometimes hindered by political interference, capacity constraints, and lack of access to comprehensive financial information (Eneje et al 2024). Human capacity constraints also pose a serious problem to effective financial management and accountability in Anambra State MDAs. Many MDAs lack adequately trained and professionally qualified finance officers, accountants, and auditors who can effectively implement modern public financial management practices. Inadequate training, low motivation, and ethical challenges among public servants further weaken compliance with financial rules and accountability standards. Where personnel lack the requisite skills and integrity, even well-designed financial management systems may fail to achieve their intended objectives (Abbasov 2025).

Despite the importance of financial management in promoting accountability, empirical evidence on the specific relationship between financial management practices and accountability in Anambra State MDAs remains limited. Most existing studies on public sector financial management in Nigeria tend to adopt a national or federal focus, with insufficient attention given to state-level dynamics and contextual realities. Moreover, previous studies often examine financial management or accountability in isolation, rather than investigating how specific financial management components such as budgeting, accounting systems, internal controls, and auditing jointly and individually affect accountability outcomes within MDAs (Ali-Momoh et al 2024).

The absence of state-specific empirical studies creates a knowledge gap that limits evidence-based policy formulation and reform efforts in Anambra State. Without a clear understanding of how financial management practices influence accountability, government authorities and policymakers may find it difficult to design targeted interventions aimed at strengthening transparency, reducing financial mismanagement, and improving service delivery. This gap also undermines efforts to align public financial management reforms with the unique administrative, political, and institutional environment of Anambra State. Consequently, a systematic empirical investigation into the effect of financial management on accountability in Anambra State MDAs becomes necessary. Such a study is essential for identifying weaknesses in existing financial management systems, assessing their impact on accountability, and providing evidence-

based recommendations for enhancing transparency, fiscal discipline, and good governance in the public sector of Anambra State. Specific objectives are to

Examine the influence of policy based fiscal strategy and budgeting on financial accountability in Anambra State ministries, departments, and agencies.

Assess how budget credibility affects financial accountability in Anambra State ministries, departments and agencies.

Investigate the effect of management of assets and debts on financial accountability in Anambra State ministries, departments, and agencies.

Review of Related Literature

2.1 Conceptual Review

2.1.1 Financial Management Practices

Financial management involves the strategic planning, directing, and controlling of financial resources to meet organizational objectives and maximize value (Brigham & Ehrhardt, 2016). It is theoretical foundations included agency theory, which emphasizes the role of managers as agents acting in the best interest of stakeholders (Jensen & Meckling, 1976), alongside the Modigliani- Miller Theorem, Traditional theory. Financial management refers to the systems of efficient and effective management of resources in such a manner as to accomplish the objectives of the organization (Chung & Chuang, 2010).

Financial management practices refer to the processes, policies, and procedures used by organizations to plan, control, and monitor their financial resources in order to achieve organizational goals effectively. In both private and public sector organizations, financial management practices play a critical role in ensuring efficient utilization of resources, financial discipline, and accountability. Financial management involves the planning, organizing, directing, and controlling of financial activities such as procurement and utilization of funds in an organization (Brigham & Ehrhardt, 2017). In the public sector, these practices are particularly significant because government institutions manage public resources on behalf of citizens and must ensure transparency and accountability in their operations.

Financial management practices encompass several key activities including budgeting, financial control, accounting, financial reporting, and auditing. These activities help organizations maintain proper records of financial transactions and ensure that financial resources are used for their intended purposes. Effective financial management systems enable organizations to allocate resources efficiently, monitor expenditures, and evaluate

financial performance. Financial management practices are essential tools that guide decision-making regarding the acquisition and utilization of funds within an organization (Pandey, 2015). Without sound financial management practices, organizations may face problems such as financial mismanagement, waste of resources, and lack of accountability.

One of the most important components of financial management practices is budgeting. Budgeting is a financial planning process that estimates expected revenues and expenditures over a specific period. It serves as a guide for financial operations and helps organizations allocate resources to various programs and activities based on priorities. In the public sector, budgeting is essential for ensuring that government spending aligns with policy objectives and development goals. Elliott and Elliott (2019) budgeting provides a framework for planning and controlling financial activities and helps organizations monitor their financial performance (Khan & Jain, 2018). Through budgeting, ministries, departments, and agencies can plan their expenditures and ensure that funds are used efficiently to achieve organizational objectives (Brigham & Ehrhardt 2017).

Another important aspect of financial management practices is financial control. Financial control refers to the procedures and policies established to ensure that financial resources are used in accordance with established rules and regulations. Financial control mechanisms help prevent fraud, errors, and misuse of funds. These mechanisms include authorization procedures, verification of financial transactions, segregation of duties, and regular financial reporting. (Anthony & Govindarajan, 2007). In public institutions, strong financial control systems enhance accountability and promote transparency in the management of public funds.

2.1.1.1 Policy-Based Strategy and Budgeting

Policy-based fiscal strategy and budgeting refer to the deliberate alignment of government budgetary decisions with policy objectives to ensure efficient and effective allocation of public resources. This strategic approach is supported by the Public Financial Management (PFM) framework, which emphasizes linking expenditures with priorities, and draws further support from Keynesian fiscal theory, which advocates for active government intervention in managing economic cycles. Additional frameworks such as New Public Management and Public Choice Theory (Buchanan & Tullock, 1962) highlight both the performance focus of modern public administration and the political economy dynamics underlying budgetary reforms.

Operationally, policy-based fiscal strategy and budgeting are implemented through tools like Medium-Term Fiscal and Expenditure Frameworks (MTEFs), macro-fiscal

forecasting, performance based and program-based budgeting, and strategic budget classification systems (International Monetary Fund, 2014). These instruments aim to move beyond incremental budgeting and ensure that spending reflects policy goals rather than purely input categories. This also includes annual budgets structured to promote taxation and public spending measures that support growth and social equity.

Empirical evidence indicates that countries employing such strategies often experience enhanced fiscal discipline, greater allocation efficiency, improved transparency, and more effective public service delivery (Andrews, 2013). Reports from IMF and PEFA assessments further reinforce the value of policy-based budgeting in promoting responsiveness to socio-economic priorities and resilience during financial downturns. Findings suggest that when fiscal strategies are well-defined and systematically applied, they contribute to stronger governance, stakeholder trust, and sustainable macroeconomic development (Andrews et al, 2014)

However, full realization of these benefits depends heavily on institutional capacity, data availability, and political commitment. Governments must establish robust frameworks and demonstrate the will to prioritize long-term objectives over short term gains (Allen et al., 2013). Ultimately, policy-based fiscal strategy and budgeting are not merely technical reforms but vital mechanisms for enhancing public financial management, resource utilization, and overall accountability.

2.1.1.2 Budget Credibility

Budget credibility refers to the extent to which actual government expenditures and revenues align with budgeted estimates, reflecting reliability, predictability, and fiscal integrity (Andrews, 2013). This concept is central to public financial management (PFM), where effective budget execution and financial discipline underpin fiscal trustworthiness. Theoretically, budget credibility is framed by PFM systems, Rational Choice Theory, Public Choice Theory, New Public Management (NPM), and Legitimacy Theory each emphasizing different drivers of fiscal reliability from institutional capacity and incentives to performance and stakeholder trust (Buchanan & Tullock, 1962)

Operationalization involves tools such as budget variance analysis, expenditure tracking, financial reporting, forecasting accuracy, and stakeholder satisfaction surveys. Instruments like Medium-Term Expenditure Frameworks and PEFA assessments serve as benchmarks for tracking alignment between planned and actual spending across sectors (International Monetary Fund, 2014). Empirical findings highlight frequent underspending especially in capital intensive sectors and point to weak forecasts, economic shocks, and poor planning as common culprits (Andrews, 2013). Countries with stronger accountability mechanisms and transparent fiscal practices tend to maintain higher budget credibility. Deviations are more prevalent in low-income countries and often undermine key areas like health and education. The implications are significant:

poor budget credibility erodes public trust, distorts resource allocation, inflates borrowing costs, and weakens service delivery and macroeconomic stability (World Bank, 2019). Enhancing transparency, accountability, and forecasting capacity is critical to improving fiscal governance and securing public confidence in financial management.

2.1.13 Management of Assets and Debts

Management of assets and debts often framed as Asset-liability Management (ALM) is the strategic process through which individuals, organizations, or plan, monitor, and control their financial resources and obligations to ensure financial sustainability, maximize value, and minimize risk (Brigham & Ehrhardt, 2016). It encompasses acquisition, allocation, and disposition of assets alongside prudent liability oversight. ALM optimizes net earnings, manages liquidity, controls diverse risk (e.g, interest rate, currency, credit), and safeguards long-term solvency.

This concept draws extensively from multiple financial theories. Modern Portfolio Theory emphasizes balancing risk and return through optimal asset allocation (Markowitz, 1952). Capital structure Theory examines how the mix of debt and equity financing affects firm value and cost efficiency (Modigliani & Miller, 1958). Agency Theory highlights the accountability challenges where agents manage public or corporate finances on behalf of stakeholders (Jensen & Meckling, 19776). Additionally, the Debt Management Theory (Keynes, 1936), Trade-off Theory, and Pecking Order Theory further clarify how financial structure decisions impact stability and control. Operationalizing asset and debt management involves strategies and metrics that assess efficiency and solvency. These include financial indicators such as debt to equity ratio, asset turnover, current ratio, ad debt maturity profiles (Sullivan et al, 2016). Advanced techniques such as gap analysis, duration matching, stress testing, and scenario modeling, often overseen by dedicated ALM committees, support robust internal governance structures.

Empirical studies affirm the significance of effective asset and debt management in enhancing financial performance, stability and resilience. Research shows that firms with structured maturity profiles and optimal asset utilization and excessive short-term debt correlate with increased distress, while consistent frameworks foster profitability and economic durability. The implications are profound, sound asset and debt management strengthens creditworthiness, investor confidence, and organizational longevity whether in corporate or public contexts (Ross et al, 2019). Weak institutional support and erratic fiscal policies, especially in developing economies, undermine effective financial planning and exacerbate fiscal vulnerability. Therefore, financial managers must prioritize comprehensive strategies and monitoring systems to optimize resources, mitigate risk, and drive sustainable growth.

2.1.2 Financial Accountability

Financial accountability is the obligation of individuals, institutions, and organizations, particularly in the public and nonprofit sectors, to report, justify, and assume responsibility for their financial transactions, decisions, and performance, ensuring transparency, ethical conduct, and legal compliance (Eldridge et al, 2019). At its core, it addresses the stewardship of resources, requiring agents entrusted with public funds to act in the best interests of principals such as citizens, taxpayers, and stakeholders (Jensen & Meckling, 1976, Bohren & Hauk, 2019).

Theoretically, financial accountability draws from several influential perspectives. Agency theory emphasizes oversight and incentive structures that align agents actions with public expectations (Jensen & Meckling, 1976). Stewardship theory highlights agents ethical responsibility to manage resources conscientiously, while Institutional Theory underscores the role of formal rules and norms in shaping accountability practices. The New Public Management (NPM) paradigm adds a performance driven lens, viewing financial accountability as essential to efficiency and governance modernization. Public Accountability Theory further recognizes citizens rights to demand clear accounts of financial stewardship.

Operationalization occurs through structured mechanisms such as timely and accurate financial reporting and disclosure (Kumar & Singh, 2020), internal controls and audit trails aligned with standards like GAAP and IFRS (Christiaens & Laegreid, 2015), independent external audits and public expenditure tracking (World Bank, 2019) and legislative oversight and adherence to procurement and budget laws. Empirical evidence consistently links strong financial accountability systems to reduced corruption, improved fiscal discipline, better governance outcomes, and elevated stakeholder trust (Andrews, 2013 Buchanan et al 2021). These systems also foster ethical practices, enhance public service delivery, and promote economic stability when backed by institutional independence and civic engagement (Logsdon et al, 2020). The implications are profound robust financial accountability frameworks are foundational to public trust, democratic legitimacy, and effective resource management. Conversely, weak enforcement and limited transparency can undermine these benefits, leading to financial mismanagement, policy failure, and erosion of confidence in institutions. It has been widely observed that governments and organizations should prioritize strengthening audit functions, enhancing reporting standards, and enforcing compliance to cultivate fiscal integrity and sustainable development outcomes.

Fig. 2.1 Conceptual Diagram

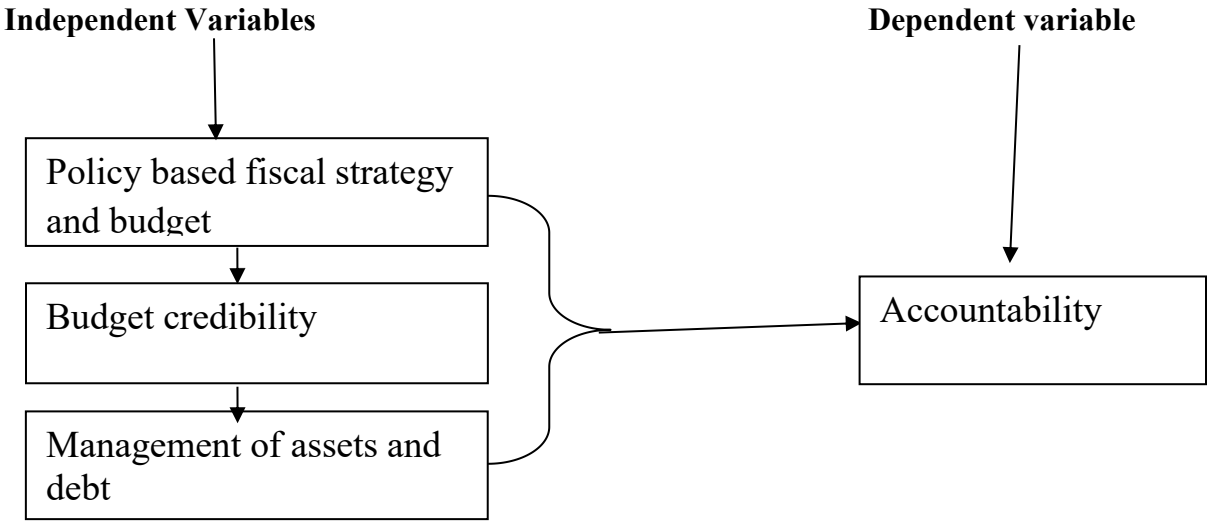


Figure 1: Conceptual Framework

2.2 Theoretical Framework

This study will be anchored on agency theory, stewardship theory and public accountability theory.

2.2.1 Agency Theory

Agency Theory was developed by Jensen and Meckling (1976) to explain the contractual relationship that exists when one party (the principal) delegates decision-making authority to another party (the agent). The theory posits that conflicts of interest arise because agents may pursue personal objectives that diverge from the goals of the principals. In such situations, monitoring mechanisms and incentive structures become necessary to ensure that agents act in the best interest of principals.

In the private sector, the principal–agent relationship typically exists between shareholders (principals) and managers (agents). However, in the public sector, the theory is equally applicable. Citizens, taxpayers, and elected representatives act as principals, while public officials, accounting officers, and civil servants serve as agents entrusted with managing public resources. In this context, financial management systems function as monitoring and control mechanisms designed to minimize agency problems and enhance accountability. In public administration, agency relationships are often more complex than in the private sector. Multiple principals exist, including citizens, legislative bodies, oversight committees, and anti-corruption agencies. Public officials are

accountable not only for financial performance but also for compliance, transparency, and service delivery.

Scholars such as Fama and Jensen (1983) extended agency theory by emphasizing the role of governance structures in reducing opportunistic behavior. In the public sector, governance mechanisms include public financial management (PFM) systems, budget laws, audit institutions, procurement regulations, and financial reporting standards. These mechanisms serve to reduce information asymmetry and align the interests of public officials with those of citizens. Public financial management reforms across developing countries have been influenced by agency theory principles, particularly the emphasis on transparency, monitoring, and performance measurement. When financial management systems are weak, agency costs increase, leading to poor accountability outcomes

Although agency theory has been criticized for assuming that individuals are purely self-interested and economically motivated, it remains one of the most widely applied theories in accounting and public financial management research. Critics argue that public officials may also be motivated by professionalism and public service values. However, even when officials act as stewards, monitoring mechanisms remain necessary to ensure transparency and maintain public trust. Given its strong explanatory power regarding monitoring, control mechanisms, and accountability relationships, agency theory is particularly appropriate for this study. It provides a clear conceptual linkage between financial management practices (independent variable) and accountability (dependent variable).

Agency theory provides a robust theoretical foundation for examining the effect of financial management on accountability in government MDAs. By conceptualizing citizens as principals and public officials as agents, the theory explains why financial management mechanisms such as budgeting, internal controls, financial reporting, and auditing are necessary to minimize information asymmetry and reduce opportunistic behavior. In the context of Anambra State MDAs, effective financial management is expected to lower agency costs and enhance accountability. Therefore, agency theory underpins the conceptual framework of this study and justifies the hypothesized relationship between financial management practices and accountability in the public sector.

2.4 Empirical Review

Abbasov (2025) investigated the effectiveness of performance-based budgeting as a policy driven fiscal strategy to enhance financial accountability in the public sector. This study presents an empirical analysis of PBB's effectiveness by examining data from 75 governmental agencies over a ten-year period (2010-2020) across three jurisdictions-the United States, Australia, and the United Kingdom. Using a mixed-methods approach, we combined quantitative analysis of annual financial reports from sources such as the U.S. Government Accountability Office (GAO), the Australian National Audit Office (ANAO), and the UK National Audit Office (NAO) with qualitative insights obtained through semi-structured interviews with 45 senior financial managers and in-depth case studies of 5 agencies. Quantitative findings reveal that agencies implementing PBB achieved a statistically significant reduction in budget variance from an average of 8.3% pre-PBB to 7.0% post-PBB-translating to a relative improvement of approximately 15.7% ($p < 0.01$). Additionally, the cost per service unit decreased by an average of $5, from $45 to $40 (an 11% improvement), while the frequency of performance reports increased by 25% (from 3 to 3.75 reports per year). Regression analysis and a difference-indifferences (DiD) framework further confirm the robustness of these improvements after controlling for agency size, baseline performance, and economic conditions. Qualitative insights underscore the importance of strong leadership, robust IT infrastructure, and customized performance metrics, with agencies investing in modern data systems reporting up to a 40% improvement in data timeliness and accuracy. These findings lead to critical policy recommendations, including investments in data infrastructure, the development of sector-specific performance indicators, leadership capacity building, and phased implementation strategies. Overall, the study substantiates that PBB, when properly implemented, serves

Islam (2025) studied a systematic review of public budgeting strategies in developing economies, focusing on their implications for fiscal transparency and institutional accountability. The study Drawing on a total of 94 peer reviewed articles and high-quality institutional studies published between 2015 and 2025, the study examines the adoption and outcomes of key budgeting reforms, including participatory budgeting, performance-based budgeting, gender responsive budgeting, and donor-supported fiscal initiatives. Employing the PRISMA 2020 guidelines, the review followed a rigorous multi-stage process involving identification, screening, eligibility assessment, and synthesis, resulting in a thematically structured evaluation of reform models across diverse regional contexts. The findings demonstrate that while budgeting innovations such as participatory budgeting in Sub-Saharan Africa and Latin America, performance-based budgeting in Southeast Asia, and gender-responsive budgeting in South Asia have produced measurable improvements in service delivery and transparency, their

effectiveness remains uneven and highly context-dependent. Key barriers to sustained reform include limited administrative capacity, fragmented inter ministerial coordination, weak political will, and the pervasive influence of informal institutions such as clientelism and patronage networks. Furthermore, donor-driven reforms, while often effective in catalyzing change, frequently suffer from limited local ownership and post-project sustainability challenges. The review also identifies critical gaps in the existing literature, including a dearth of longitudinal impact assessments, insufficient multi-country comparative analyses, and limited empirical work on the integration of digital platforms for budget transparency and citizen engagement. The study contributes to the growing body of public financial management scholarship by offering a comparative, evidence-based synthesis that highlights both the opportunities and systemic constraints shaping fiscal governance in the Global South. Ultimately, the review underscores the need for adaptive, politically aware, and institutionally grounded approaches to public budgeting reform that align with local governance realities and long-term development goals.

Ridhawati and Ahmad (2025) studied Accountability of Financial Management in District Government in Banggai Regency. Data were collected through observations and interviews with key informants and analyzed using the interactive model of Miles and Huberman. The findings show that financial accountability is demonstrated through governance improvements in planning, implementation, and reporting, as regulated in formal systems. However, the effectiveness of implementation varies across sub districts. Some sub districts show weaknesses in accountability, as indicated by poor performance and reporting, due to limited technical capacity and a lack of understanding of public accountability principles. Community participation has been facilitated through forums, but transparency in information dissemination remains insufficient. Decentralization has granted greater authority to sub districts, making policies more responsive to local needs. However, implementation lacks systematic structure and consistent monitoring, risking misalignment with good governance standards. The study highlights four key findings: (1) Financial management shows procedural compliance through digital reporting, yet internal controls are weak due to low understanding of regulations. Strengthening legal awareness and supervisory roles is needed. (2) SOPs and the SIPD system regulate financial processes, but uneven implementation results from disparities in human resources and network infrastructure. (3) Some programs fail despite high budget absorption, often due to poor planning and mistimed execution. Community based evaluation should be enhanced. (4) Perbup No. 49/2023 supports decentralization but has triggered legal political issues. Policy monitoring and coordination among OPDs remain weak. Strengthening transparency, oversight, and stakeholder collaboration is crucial to improving financial accountability in sub district governance.

Adegbayibi and Apeko (2025) investigated cash management policies and accountability among federal ministries, departments, and agencies in Ondo State, Nigeria. To redeem

their image, governments have continued introducing policies to reduce financial leakages and promote accountability in the management of public funds. This study, therefore, investigates the effect of cash management policies on accountability in federal Ministries, Departments, and Agencies (MDAs) in Ondo State, with a focus on policies such as the treasury single account system, the government integrated financial management information system, and the integrated personnel payroll information system. The study employed a primary data method through the administration of a questionnaire. The study adopted a survey research design to obtain information. The population of the study consists of 385 directors and heads of federal ministries, departments, and agencies in Ondo State with a sample size of one hundred and fifty (150) directors and heads of MDAs, which were selected using a purposive sampling technique because data for the study were directly obtained from the targeted respondents. The data were analyzed using descriptive statistics such as kurtosis, skewness, median, mean, standard deviation, and ordinary least square regression. The study's findings revealed that a treasury single account with a coefficient of 0.5703 and a p-value of 0.000 positively affected accountability, and increased transparency led to an increase in federal MDA compliance. Government integrated financial information systems with a coefficient of 0.7115 and p-value of 0.0000 measures for cash management policies had a significant effect on accountability, and integrated personnel payroll information systems with a coefficient of 0.6301 and p-value of 0.000 positively impacted accountability. The study concluded that the treasury single account, government integrated financial information system, and the integrated personnel payroll information system significantly influence accountability. The study recommended that government authorities maintain treasury single account policies to increase government revenue because they have positively affected accountability. Also, several measures towards developing sound, effective and efficient government policy on TSA must be implemented in tandem with the Government Integrated Financial Management Information System (GIFMIS), Integrated Personnel Payroll Information System (IPPIS) for a sound public sector accounting system.

Batt (2025) conducted a systematic literature review of 59 empirical studies on budgeting published between 2003-2023, with a focus on participative budgeting, budgetary slack, and beyond budgeting frameworks. The review, published in a high-impact accounting journal, employed thematic analysis to categorize findings and identify research gaps. Variables examined across the studies included managerial control, budgeting flexibility, and reporting accuracy. The review found that while traditional budgeting practices often failed to adapt to dynamic environments, beyond budgeting approaches offered more strategic relevance and responsiveness. However, the review also noted a disconnect between academic research and practical implementation. It was observed that evolving budgeting frameworks that emphasize flexibility and real time reporting could enhance financial accountability, though their adoption remains limited by institutional inertia and lack of practitioner engagement. Effective control over budget execution, robust accounting practices, and timely and accurate reporting are indispensable pillars of sound

public financial management and by extension, financial accountability. Budget execution controls ensure that expenditures adhere to approved appropriations, preventing waste and unauthorized spending. Accounting systems record financial transactions accurately and comprehensively, while reporting mechanisms communicate financial information to stakeholders, enabling oversight and informed decision making. The synergistic relationship between these elements directly shapes the level and quality of financial accountability within government entities, this empirical review explores this relationship, drawing upon verifiable journal articles.

Ismail et al (2025) studied the role of public financial management reforms in enhancing government accountability in Nigeria. with particular attention to the Medium-Term Expenditure Framework (MTEF), Treasury Single Account (TSA), and procurement reforms (PRF). Employing a descriptive survey design, data were collected from management-level staff within selected Ministries, Departments, and Agencies (MDAs) using a structured questionnaire. Due to accessibility limitations, a convenience sampling method was adopted, resulting in 221 valid responses. Partial Least Squares Structural Equation Modelling (PLS-SEM) was utilized to assess the relationships between PFM reforms and government accountability. The findings indicate that MTEF and PRF contribute positively to strengthening government accountability, highlighting the importance of effective budget planning and procurement practices within Nigeria's institutions. In contrast, the TSA system showed limited influence on fiscal transparency and accountability in this context. Based on these results, the study recommends enhancing MTEF implementation for better budget predictability and control, re-evaluating the structure and function of TSA operations to improve its effectiveness or exploring alternative cash management solutions and strengthening PRF mechanisms to improve transparency and accountability.

Obidike and Onoura (2025) investigated effect of digital transformation on public sector accountability and transparency in Nigeria. The study is vital as it portrays the extent to which digital transformation ensures transparency and accountability in the Nigeria public sector organizations using federal government MDAs in Anambra State as a reference point. Two hypotheses were formulated to guide the investigation and the statistical test of parameter estimates was conducted using Friedman's 2WaysANOVA.Thestudy anchored on the Institutional Theory of Modernization adopted a Survey Design and Hence, data were collected using questionnaire survey administered to the targeted audience. Thus, the empirical analysis of the study indicates that IPPIS adoption and TSA adoption has positive and significant effect on accountability and transparency in the federal government MDAs in Nigeria at 5%level of significant. The study therefore concludes that the adoption of IPPIS has reduced the financial irregularities in the federal government payroll system in Nigeria. Thus, transparency has been entrenched in the Nigerian public sector financial records. Also, the TSA adoption has also ensured transparency in the Nigerian public sector organizations. Thus, the study

recommends that Government should enforce the adoption of IPPIS and TSA and make it mandatory for all the MDAs and parastatals to adhere to since its adoption has significantly ensured transparency in the federal government ministries, departments and agencies in Nigeria. There is also a need for the IPPIS legislation to cover the states and local government level since the policy in question only covered the federal level.

Kadir et al (2024) investigated effect of digitalized financial management practices on accountability of ministries, departments, and agencies (MDAS) in Nigeria. The ongoing public financial management reforms in Nigeria, which seek to update the accounting systems of Ministries, Departments, and Agencies (MDAs), have made digital accounting practices a key component. Sequel to this issue, this study investigated digitalized inventory, asset management and budget practices on financial accountability among ministries, departments, and agencies (MDAs) in Nigeria. Data are collected through survey; the study's population comprises 588 eligible auditors from various ranks within the Offices of the Auditor-General for the Federation (AoGF) while the sample of the study is 233 staffs of Auditor-General for the Federation (AoGF) using Krejcie and Morgan (1970). Given the analysis from the results, the study concludes that digitalized inventory management is negative and statistically significant; leading to the conclusion that digitalized inventory management has no significant effect on accountability in ministries, departments, and agencies in Nigeria, which aligns with the study's expectation. On the other hand, digitalized asset management and digitalized budgetary practices have significant positive and statistically significant; leading to the conclusion that digitalized asset management and digitalized budgetary practices have significant effect on accountability in ministries, departments, and agencies in Nigeria. Thus, this study recommends that digitalized financial management enhances accountability of MDAs, the study recommends that Ministry of Finance, Budget and National Planning in Nigeria should continue to invest in the comprehensive implementation of current digitalized financial management systems (GIFMIS platform), with a particular focus on enhancing procurement, inventory, and asset management processes.

3.0 Methodology

This study examined the effect of financial management practices on accountability in Anambra State ministries, departments and agencies in Nigeria. The study adopted a cross-sectional survey research design. The design was considered appropriate because primary data were collected through the administration of structured questionnaires to respondents in selected Ministries, Departments, and Agencies (MDAs) in Anambra State, Nigeria, at a single point in time. The study area comprised the Ministries, Departments and Agencies (MDAs) of Anambra State, Nigeria. Anambra State, located in the South-Eastern region of Nigeria with its capital in Awka, operates a structured civil service system responsible for the formulation and implementation of public policies. The MDAs constitute the executive machinery of government and are charged with budget

implementation, revenue management, expenditure control, and public accountability. The concentration of administrative headquarters in Awka and the presence of established financial management frameworks make the State's MDAs suitable for examining the relationship between financial management practices and accountability in the public sector. The population of this study consisted of personnel directly engaged in financial management and accountability functions across 34 ministries, departments and agencies (MDA's) in Anambra State, Nigeria. Based on the tabulated administrative data, the total workforce across these MDA's was 5882 staff members. However, only 519 individuals were identified as having roles specifically related to financial governance. These 519 personnel formed the target population for the study. This included professionals such as

Accountants responsible for financial reporting and reconciliation, auditors tasked with internal control and compliance reviews, budget officers involved in planning, allocation, and monitoring of public funds, procurement officers overseeing expenditure and contract execution, other staff whose duties directly influence fiscal transparency and accountability. This focused population will be selected to ensure that the study captured insights from individuals with firsthand experience and operational responsibility in public financial management. Their perspectives will be deemed critical for evaluating the effectiveness of accountability mechanisms within the states administrative framework. The sample size for the study was determined using the Taro Yamane formula at a five percent level of precision. This formula allowed the researcher to select a representative sample from the total population target (519 financial and accountability staff). The study employed stratified random sampling technique. This method ensure that each MDA's will be proportionally represented in the sample, thereby enhancing the generalizability of the findings. The formula is expressed as:

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

Where n represents the sample size,

N represents the population size,

e represents the margin of error set at 0.05.

After substituting the population figure into the formula, the computed sample size will guide the number of questionnaires to be distributed.

$$n = \frac{519}{1+519\,(0.05)^2}$$

n = 226

Thus, a sample size of 226 respondents was selected for the study. The sample was distributed across the MDAs based on the proportion of financial accountability staff in each agency. The study relied exclusively on primary data. Data were collected through a structured questionnaire designed to capture respondents' assessments of the effect of financial management practices on accountability. The questionnaire was administered electronically using a secure online platform (google forms) to facilitate participation across different locations. The instrument contained close ended questions structured on a five-point Likert scale ranging from strongly agree to strongly disagree. Items were organized under sections corresponding to the independent variables and the dependent variable. The independent variables included policy-based fiscal strategy, budget credibility, and management of assets. The dependent variable was accountability. To ensure reliability, the internal consistency of the questionnaire items was tested using Cronbach's Alpha. A minimum threshold of 0.70 was adopted as the acceptable reliability coefficient. If any construct records a coefficient below the threshold, necessary adjustments were made before final administration.Content validity was ensured by submitting the draft questionnaire to experts in financial management, public finance, and research methodology. Senior officials of the ministries, departments and agencies in finance was also review the instrument to confirm that the items adequately reflect practical realities of financial management practices. Construct validity was achieved by aligning each questionnaire item with the operational representation of the relevant variable. This alignment was to ensure that the instrument accurately captures the dimensions of financial management practices and accountability. Data collected from the questionnaire will be coded and analyzed using Statistical Package for Social Sciences. Descriptive statistics such as frequency distribution, mean, and standard deviation will be used to summarize respondents' characteristics and general patterns of responses. For hypothesis testing, ordinal regression analysis will be conducted. This method determined each independent variable significantly influences accountability. The significance level was set at five percent. If the p value associated with a predictor is less than 0.05, the null hypothesis will be rejected. If the p value is greater than or equal to 0.05, the null hypothesis will not be rejected. The goodness of fit of the model will also be assessed using appropriate statistical indicators such as model fitting information and pseudo R square values.

Table 3.1 Measurement of Variables

Variable	Type	Operational Definition	Measurement / Instrument	Source of Data
Policy-Based Fiscal Strategy (PBFS)	Independent	The deliberate use of government fiscal instruments such as taxation, public expenditure, borrowing, and budgeting	Likert scale (Strongly Agree – Strongly Disagree)	Primary (MDA's staff survey)
Budget Credibility (BC)	Independent	The degree to which a government implements its approved budget as planned, measured by the variance between budgeted allocations and actual revenues or expenditures within a fiscal year.	Likert scale (Strongly Agree – Strongly Disagree)	Primary (MDA's staff survey)
Management of Assets and Debts (MAD)	Independent	The government's systematic administration of public assets and liabilities, measured by the effectiveness of asset utilization, debt servicing, and adherence to debt management policies within a fiscal period.	Likert scale (Strongly Agree – Strongly Disagree)	Primary (MDA's staff survey)

Source: Researcher's Computation

3.7 Model Specification

this study adapted the model of Sunday, et al. (2024) which is specified below as follows:

$ROE = (LECMP + LDCMP + LCAMP + LLEVG + \varepsilon i)$

The above model was modified to suit the specific objectives of the presents study, thereby yielding the model specified in equation below

FA= f(**PBFS + BC + MAD + CBE +εi)----------equi**
This can be econometrically expressed as
$\mathbf{FA_{it} = \beta 0 + \beta_1 PBFS_{it} + \beta_2 BC_{it} + \beta_3 MAD_{it} + \beta_4 CBE_{it} + \epsilon_i}$ **eqii**
Where:
FA: Financial Accountability
PBFS: Policy-Based Fiscal Strategy
BC: Budget Credibility
MAD: Management of Assets and Debts

Decision Rule

The decision rule will state that if the p value is less than 0.05, the null hypothesis will be rejected, indicating a statistically significant effect of the respective financial management practices variable on financial accountability. If the p value is greater than or equal to 0.05, the null hypothesis will not be rejected.

Data Presentation and Analysis

4.0 Analysis and Results

4.2 Descriptive Analysis of Data

Descriptive analysis is used to summarise and present the responses obtained from the respondents in a clear and understandable form. For the Likert scale items in this study, a five point response scale was used to measure the degree to which respondents agreed with or perceived the statements concerning financial management practices and financial accountability. The five points were Very High Degree (VHD), High Degree (HD), Moderate Degree (MD), Low Degree (LD), and Very Low Degree (VLD). The five point scale makes it possible to determine the level at which respondents perceived each statement. A higher mean indicates a higher degree of agreement or perception, while a lower mean indicates a lower degree. In this study, mean values of 3.00 and above are

interpreted as High Degree, while mean values below 3.00 are interpreted as Moderate Degree.

Table 4.1 Descriptive Analysis on Responses to Financial Accountability

S/N	Financial Accountability	VHD	HD	MD	LD	VLD	Mean	Std. Dev.	Decision
21	My Ministry/Department/Agency maintains a high level of accountability in the management of public funds.	27	55	84	46	14	3.15	1.074	High Degree
22	Financial officers in my MDA are held responsible for how public resources are utilized.	20	59	83	49	15	3.09	1.046	High Degree
23	There are clear procedures for reporting and explaining the use of government funds in my MDA.	22	59	81	51	13	3.12	1.048	High Degree
24	Regular financial reporting enhances accountability in my Ministry/Department/Agency.	24	62	71	44	25	3.07	1.156	High Degree
25	Effective accountability mechanisms help reduce mismanagement and misuse of public funds in my MDA.	16	67	85	40	18	3.10	1.034	High Degree

Source: Researcher's Computation

Table 4.1 presents the descriptive analysis of responses on financial accountability in the ministries, departments, and agencies covered by the study. For item 21, the table shows that 27 respondents indicated a Very High Degree, 55 indicated a High Degree, 84 indicated a Moderate Degree, 46 indicated a Low Degree, while 14 indicated a Very Low Degree that their Ministry, Department, or Agency maintains a high level of accountability in the management of public funds. The highest frequency was recorded under Moderate Degree with 84 respondents, followed by High Degree with 55 respondents. The mean of 3.15 indicates a High Degree, while the standard deviation of 1.074 shows some variation in the responses. This suggests that respondents generally perceived their MDAs as maintaining a high level of accountability in the management of public funds.

For item 22, 20 respondents indicated a Very High Degree, 59 indicated a High Degree, 83 indicated a Moderate Degree, 49 indicated a Low Degree, and 15 indicated a Very Low Degree that financial officers in their MDA are held responsible for how public resources are utilised. The largest frequency was recorded under Moderate Degree with 83 respondents, followed by High Degree with 59 respondents. The mean of 3.09 indicates a High Degree, while the standard deviation of 1.046 indicates some variation in the responses. This shows that respondents generally perceived that financial officers are held responsible for the utilisation of public resources.

For item 23, the table indicates that 22 respondents reported a Very High Degree, 59 reported a High Degree, 81 reported a Moderate Degree, 51 reported a Low Degree, while 13 reported a Very Low Degree that there are clear procedures for reporting and explaining the use of government funds in their MDA. The highest frequency was 81 respondents under Moderate Degree, followed by 59 respondents under High Degree. The mean of 3.12 indicates a High Degree, while the standard deviation of 1.048 shows some variation in the responses. This implies that respondents generally perceived that clear procedures exist for reporting and explaining the use of government funds.

For item 24, 24 respondents indicated a Very High Degree, 62 indicated a High Degree, 71 indicated a Moderate Degree, 44 indicated a Low Degree, and 25 indicated a Very Low Degree that regular financial reporting enhances accountability in their Ministry, Department, or Agency. The largest frequency was recorded under Moderate Degree with 71 respondents, followed by High Degree with 62 respondents. The mean of 3.07 indicates a High Degree, while the standard deviation of 1.156 shows a relatively higher variation in the responses. This suggests that respondents generally perceived regular financial reporting as an important practice for enhancing accountability in their MDAs.

For item 25, the table shows that 16 respondents indicated a Very High Degree, 67 indicated a High Degree, 85 indicated a Moderate Degree, 40 indicated a Low Degree, while 18 indicated a Very Low Degree that effective accountability mechanisms help reduce mismanagement and misuse of public funds in their MDA. The highest frequency was 85 respondents under Moderate Degree, followed by 67 respondents under High Degree. The mean of 3.10 indicates a High Degree, with a standard deviation of 1.034. This indicates that respondents generally perceived effective accountability mechanisms as contributing to the reduction of mismanagement and misuse of public funds in their MDAs.

Table 4.2 Descriptive Analysis on Responses to Policy Based Fiscal Strategy

S/N	Policy Based Fiscal Strategy	VHD	HD	MD	LD	VLD	Mean	Std. Dev.	Decision
1	Fiscal policies effectively guide budget planning and expenditure decisions in my Ministry/Department/Agency	34	61	78	40	13	3.28	1.098	High Degree
2	Fiscal policies of the Anambra State Government are clearly communicated to staff responsible for budgeting and financial management in my MDA.	12	54	74	59	27	2.85	1.082	Moderate Degree
3	The implementation of policy-based fiscal strategies has improved financial accountability and transparency in my MDA.	21	84	79	33	9	3.33	0.971	High Degree
4	My Ministry/Department/Agency aligns its financial activities with the fiscal strategies established by the Anambra State Government.	16	68	84	45	13	3.13	1.001	High Degree
5	There are significant challenges that hinder the effective implementation of policy-based fiscal strategies in my MDA.	27	57	80	48	14	3.15	1.082	High Degree

Source: Researcher's Computation

Table 4.2 presents the descriptive analysis of responses on policy based fiscal strategy. For the first item, the table shows that 34 respondents indicated a Very High Degree, 61 indicated a High Degree, 78 indicated a Moderate Degree, 40 indicated a Low Degree, while 13 indicated a Very Low Degree that fiscal policies effectively guide budget planning and expenditure decisions in their Ministry, Department, or Agency. The highest frequency was recorded under Moderate Degree with 78 respondents, followed by High Degree with 61 respondents. The mean of 3.28 indicates a High Degree, while the standard deviation of 1.098 shows a moderate variation in the responses. This

suggests that respondents generally perceived fiscal policies as effective in guiding budget planning and expenditure decisions.

For the second item, 12 respondents indicated a Very High Degree, 54 indicated a High Degree, 74 indicated a Moderate Degree, 59 indicated a Low Degree, and 27 indicated a Very Low Degree that fiscal policies of the Anambra State Government are clearly communicated to staff responsible for budgeting and financial management in their MDA. The largest frequency was 74 respondents under Moderate Degree, followed by 59 respondents under Low Degree. The mean of 2.85 resulted in a Moderate Degree decision, with a standard deviation of 1.082. This indicates that respondents had a moderate perception of the clarity and effectiveness of communication of fiscal policies to relevant staff.

For the third item, the table shows that 21 respondents indicated a Very High Degree, 84 indicated a High Degree, 79 indicated a Moderate Degree, 33 indicated a Low Degree, and 9 indicated a Very Low Degree that the implementation of policy based fiscal strategies has improved financial accountability and transparency in their MDA. The highest frequency was recorded for High Degree with 84 respondents, followed closely by Moderate Degree with 79 respondents. The mean of 3.33 indicates a High Degree, while the standard deviation of 0.971 indicates relatively lower variation in the responses compared with the other items in this section. This suggests that respondents generally believed that the implementation of policy based fiscal strategies has improved financial accountability and transparency.

For the fourth item, 16 respondents indicated a Very High Degree, 68 indicated a High Degree, 84 indicated a Moderate Degree, 45 indicated a Low Degree, and 13 indicated a Very Low Degree that their Ministry, Department, or Agency aligns its financial activities with the fiscal strategies established by the Anambra State Government. The largest frequency was 84 respondents under Moderate Degree, followed by 68 respondents under High Degree. The mean of 3.13 indicates a High Degree, with a standard deviation of 1.001. This suggests that respondents generally perceived their MDAs as aligning their financial activities with the fiscal strategies established by the state government.

For the fifth item, 27 respondents indicated a Very High Degree, 57 indicated a High Degree, 80 indicated a Moderate Degree, 48 indicated a Low Degree, and 14 indicated a Very Low Degree that significant challenges hinder the effective implementation of policy based fiscal strategies in their MDA. The highest frequency was recorded under Moderate Degree with 80 respondents, followed by High Degree with 57 respondents. The mean of 3.15 indicates a High Degree, while the standard deviation of 1.082 indicates some variation in the responses. This shows that respondents generally

perceived the existence of significant challenges that hinder the effective implementation of policy based fiscal strategies in their MDAs.

Table 4.3 Descriptive Analysis on Responses to Budget Credibility

S/N	Budget Credibility	VHD	HD	MD	LD	VLD	Mean	Std. Dev.	Decision
6	The approved budget in my Ministry/Department/Agency is implemented as planned without major deviations.	16	63	82	41	24	3.03	1.083	High Degree
7	Actual revenue and expenditure in my MDA closely match the amounts approved in the budget.	27	64	77	33	25	3.15	1.154	High Degree
8	Budget allocations to my MDA are released by the government in a timely and predictable manner.	32	66	84	35	9	3.34	1.030	High Degree
9	Frequent changes in budget implementation affect the credibility of the approved budget in my MDA.	18	69	88	45	6	3.21	0.942	High Degree
10	Budget credibility in my MDA enhances effective planning and service delivery.	21	53	85	47	20	3.04	1.083	High Degree

Source: Researcher's Computation

Table 4.3 presents the descriptive analysis of responses on budget credibility in the ministries, departments, and agencies covered by the study. For item 6, the table shows that 16 respondents indicated a Very High Degree, 63 indicated a High Degree, 82 indicated a Moderate Degree, 41 indicated a Low Degree, while 24 indicated a Very Low Degree that the approved budget in their Ministry, Department, or Agency is implemented as planned without major deviations. The highest frequency was recorded under Moderate Degree with 82 respondents, followed by High Degree with 63 respondents. The mean of 3.03 resulted in a High Degree decision, while the standard deviation of 1.083 indicates some variation in the responses. This suggests that respondents generally perceived that approved budgets are implemented as planned, although some deviations may occur.

For item 7, 27 respondents indicated a Very High Degree, 64 indicated a High Degree, 77 indicated a Moderate Degree, 33 indicated a Low Degree, and 25 indicated a Very Low

Degree that actual revenue and expenditure in their MDA closely match the amounts approved in the budget. The largest number of respondents, 77, selected Moderate Degree, followed by 64 respondents who selected High Degree. The mean of 3.15 indicates a High Degree, with a standard deviation of 1.154. This shows that respondents generally perceived a reasonable level of consistency between approved budget figures and actual revenue and expenditure.

For item 8, the table indicates that 32 respondents reported a Very High Degree, 66 reported a High Degree, 84 reported a Moderate Degree, 35 reported a Low Degree, while 9 reported a Very Low Degree that budget allocations to their MDA are released by the government in a timely and predictable manner. The highest frequency was 84 respondents under Moderate Degree, followed by 66 respondents under High Degree. The mean of 3.34 indicates a High Degree, while the standard deviation of 1.030 shows some variation in the responses. This implies that respondents generally considered the release of budget allocations to be reasonably timely and predictable.

For item 9, 18 respondents indicated a Very High Degree, 69 indicated a High Degree, 88 indicated a Moderate Degree, 45 indicated a Low Degree, and 6 indicated a Very Low Degree that frequent changes in budget implementation affect the credibility of the approved budget in their MDA. The largest frequency was recorded under Moderate Degree with 88 respondents, followed by High Degree with 69 respondents. The mean of 3.21 indicates a High Degree, while the standard deviation of 0.942 represents the lowest variation among the five items in the table. This indicates that respondents generally perceived frequent changes in budget implementation as a factor that affects the credibility of approved budgets.

For item 10, the table shows that 21 respondents indicated a Very High Degree, 53 indicated a High Degree, 85 indicated a Moderate Degree, 47 indicated a Low Degree, while 20 indicated a Very Low Degree that budget credibility in their MDA enhances effective planning and service delivery. The highest frequency was 85 respondents under Moderate Degree, followed by 53 respondents under High Degree. The mean of 3.04 indicates a High Degree, with a standard deviation of 1.083. This suggests that respondents generally perceived budget credibility as contributing to effective planning and service delivery in their MDAs.

Table 4.4 Descriptive Analysis on Responses to Management of Assets and Debts

S/N	Management of Assets and Debts	VHD	HD	MD	LD	VLD	Mean	Std. Dev.	Decision
11	My Ministry/Department/Agency maintains accurate and up-to-date records of all government assets under its control.	20	65	75	39	27	3.05	1.138	High Degree
12	There are clear policies guiding the management and utilization of assets in my MDA.	19	66	74	49	18	3.08	1.078	High Degree
13	Government debts associated with my MDA are properly monitored and managed to avoid financial risks.	17	74	88	36	11	3.22	0.968	High Degree
14	Regular audits are conducted to ensure accountability in the management of assets and liabilities in my MDA.	18	71	67	47	23	3.06	1.118	High Degree
15	Effective management of assets and debts contributes to improved financial performance in my MDA.	18	61	81	50	16	3.07	1.046	High Degree

Source: Researcher's Computation

Table 4.4 presents the descriptive analysis of responses on the management of assets and debts in the ministries, departments, and agencies covered by the study. For item 11, the table shows that 20 respondents indicated a Very High Degree, 65 indicated a High Degree, 75 indicated a Moderate Degree, 39 indicated a Low Degree, while 27 indicated a Very Low Degree that their Ministry, Department, or Agency maintains accurate and up to date records of all government assets under its control. The highest frequency was recorded under Moderate Degree with 75 respondents, followed by High Degree with 65 respondents. The mean of 3.05 indicates a High Degree, while the standard deviation of 1.138 shows some variation in the responses. This suggests that respondents generally perceived that their MDAs maintain proper records of government assets.

For item 12, 19 respondents indicated a Very High Degree, 66 indicated a High Degree, 74 indicated a Moderate Degree, 49 indicated a Low Degree, and 18 indicated a Very

Low Degree that there are clear policies guiding the management and utilisation of assets in their MDA. The largest frequency was recorded under Moderate Degree with 74 respondents, followed by High Degree with 66 respondents. The mean of 3.08 indicates a High Degree, while the standard deviation of 1.078 indicates some variation in the responses. This shows that respondents generally perceived the existence of clear policies for the management and utilisation of government assets in their MDAs.

For item 13, the table indicates that 17 respondents reported a Very High Degree, 74 reported a High Degree, 88 reported a Moderate Degree, 36 reported a Low Degree, while 11 reported a Very Low Degree that government debts associated with their MDA are properly monitored and managed to avoid financial risks. The highest frequency was 88 respondents under Moderate Degree, followed by 74 respondents under High Degree. The mean of 3.22 indicates a High Degree, while the standard deviation of 0.968 indicates relatively limited variation in the responses. This implies that respondents generally perceived that government debts associated with their MDAs are properly monitored and managed.

For item 14, 18 respondents indicated a Very High Degree, 71 indicated a High Degree, 67 indicated a Moderate Degree, 47 indicated a Low Degree, and 23 indicated a Very Low Degree that regular audits are conducted to ensure accountability in the management of assets and liabilities in their MDA. The highest frequency was recorded under Very Moderate Degree with 67 respondents, followed closely by High Degree with 71 respondents. The mean of 3.06 indicates a High Degree, while the standard deviation of 1.118 shows some variation in the responses. This suggests that respondents generally perceived that regular audits are conducted to promote accountability in the management of assets and liabilities.

For item 15, the table shows that 18 respondents indicated a Very High Degree, 61 indicated a High Degree, 81 indicated a Moderate Degree, 50 indicated a Low Degree, while 16 indicated a Very Low Degree that effective management of assets and debts contributes to improved financial performance in their MDA. The highest frequency was 81 respondents under Moderate Degree, followed by 61 respondents under High Degree. The mean of 3.07 indicates a High Degree, with a standard deviation of 1.046. This indicates that respondents generally perceived effective management of assets and debts as contributing to improved financial performance in their MDAs.

4.2.1 Analysis of Research Questions

Table 4.5 Correlational Analysis

			Financial Accountability
Spearman's rho	Financial Accountability	Correlation Coefficient	1.000
		Sig. (2-tailed)	.
	Policy Based Fiscal Strategy	Correlation Coefficient	.077
		Sig. (2-tailed)	.246
	Budget Credibility	Correlation Coefficient	.143*
		Sig. (2-tailed)	.032
	Management of Assets and Debts	Correlation Coefficient	.103
		Sig. (2-tailed)	.124

Source: Researcher's Computation

Table 4.5 presents the Spearman's rank correlation analysis between financial accountability and the explanatory variables. The result shows that policy based fiscal strategy has a positive but weak and insignificant correlation with financial accountability ($r = 0.077$, $p = 0.246$). Budget credibility has a positive and significant correlation with financial accountability ($r = 0.143$, $p = 0.032$), indicating that higher budget credibility is associated with higher financial accountability. Management of assets and debts also has a positive but insignificant correlation with financial accountability ($r = 0.103$, $p = 0.124$).

4.3 Test of Hypotheses

Table 4.6 Test of Hypotheses Using Ordinal Probit Parameter Estimates

		Estimate	Std. Error	Wald	df	Sig.
Threshold	[Financial Accountability = 1]	.441	.969	.207	1	.649
	[Financial Accountability = 2]	1.998	.926	4.651	1	.031
	[Financial Accountability = 3]	3.952	.950	17.327	1	.000
	[Financial Accountability = 4]	5.614	.999	31.563	1	.000
Location	Policy Based Fiscal Strategy	.018	.031	.329	1	.566
	Budget Credibility	.037	.030	1.484	1	.223
	Management of Assets and Debts	.035	.030	1.310	1	.252

Link function: Probit.
Source: Researcher's Computation

Table 4.6 presents the results of the test of hypotheses using the Ordinal Probit Parameter Estimates. The coefficients under the Location section show the direction in which each explanatory variable affects the ordered categories of financial accountability. In an ordinal Probit model, a positive coefficient means that an increase in the explanatory variable shifts the probability towards higher categories of financial accountability, while a negative coefficient would shift the probability towards lower categories. The coefficient itself is not a direct percentage change in financial accountability. Therefore, the marginal effect is interpreted in terms of the direction of movement in the probability of being classified into higher or lower accountability categories. Exact percentage changes in the probabilities would require separately calculated marginal effects, which are not reported in Table 4.13. The statistical significance of each effect is then assessed using its p value at the 5% level.

Regarding the threshold parameters, Table 4.13 reports four thresholds because financial accountability was measured in five ordered categories. The first threshold has an estimate of 0.441 with a p value of 0.649 and is not statistically significant at 5%. The second threshold has an estimate of 1.998 with a p value of 0.031 and is statistically significant. The third threshold has an estimate of 3.952 with a p value below 0.001 and is statistically significant, while the fourth threshold has an estimate of 5.614 with a p value below 0.001 and is also statistically significant. These thresholds are not explanatory variables and should not be interpreted as substantive effects on financial accountability. Rather, they represent the estimated cut points used by the ordinal Probit model to distinguish between the ordered categories of financial accountability.

4.3.1 Test of Hypothesis I

$H0_1$ There is no Significant relationship between policy-based fiscal strategy and budgeting and financial accountability in Anambra State ministries, departments, and agencies.

For policy based fiscal strategy and budgeting, Table 4.13 shows a positive coefficient of 0.018 with a p value of 0.566. The positive coefficient means that an increase in policy based fiscal strategy and budgeting tends to shift the probability towards higher levels of financial accountability, holding the other variables constant. In marginal effect terms, the direction of the effect is therefore positive, implying an increase in the probability of higher financial accountability categories and a corresponding reduction in the probability of lower categories. However, the coefficient is very small, suggesting that the estimated effect is limited. Since the p value of 0.566 is greater than 0.05, the positive effect is not statistically significant at the 5% level. Therefore, the study does not provide sufficient statistical evidence to conclude that policy based fiscal strategy and budgeting significantly affects financial accountability in Anambra State ministries, departments, and agencies. Consequently, the null hypothesis I is not rejected.

4.3.2 Test of Hypothesis II

$H0_2$ Budget credibility has no significant effect on financial accountability in Anambra State ministries, departments, and agencies.

For budget credibility, Table 4.13 reports a positive coefficient of 0.037 and a p value of 0.223. The positive coefficient indicates that higher budget credibility tends to increase the probability that an MDA will fall into a higher category of financial accountability, while holding the other variables constant. In terms of marginal effect, the direction suggests a movement away from the lower financial accountability categories towards the higher categories as budget credibility increases. Nevertheless, the coefficient is not statistically significant at the 5% level because the p value of 0.223 exceeds 0.05. This means that although the estimated direction of the effect is positive, the evidence is insufficient to establish that budget credibility significantly affects financial accountability in the sampled MDAs. Therefore, the null hypothesis II accepted.

4.3.3 Test of Hypothesis III

$H0_3$ Effective management of assets and debts does not significantly influence financial accountability in Anambra State ministries, departments, and agencies.

For management of assets and debts, Table 4.13 shows a positive coefficient of 0.035 with a p value of 0.252. The positive coefficient indicates that improvements in the management of assets and debts tend to move the probability towards higher categories

of financial accountability, all other factors remaining constant. The marginal effect is therefore positive in direction, suggesting that better management of public assets and debts is associated with an increased probability of higher financial accountability categories. However, the p value of 0.252 is greater than the 5% significance level. Hence, the positive effect is not statistically significant. The result does not provide adequate evidence to conclude that management of assets and debts significantly affects financial accountability in Anambra State MDAs. Therefore, this led to the acceptance of the null hypothesis.

4.4 Discussion of Findings

4.4.1 Discussion of Hypothesis I

The finding, that policy based fiscal strategy and budgeting had a positive but insignificant effect on financial accountability, indicates that improvements in fiscal strategy and budgeting were associated with a slight increase in financial accountability, but the effect was not strong enough to be statistically established. This result may be due to weaknesses in the implementation of fiscal policies, political interference, limited technical capacity, and poor communication of fiscal strategies to staff responsible for financial management. The descriptive results also showed that respondents generally rated policy based fiscal strategy at a high degree, but the presence of implementation challenges may explain why this positive effect did not translate into a significant outcome. The finding disagrees with Olofu and Alabi (2020), who found that effective fiscal policy strategies significantly enhanced accountability in Nigeria. It also differs from Tuan and Pham (2022), who found that strong fiscal frameworks improved budgetary accountability, and Onimawo and Omoregie (2024), who reported that budgeting reforms and financial regulations significantly improved public sector accountability in Nigeria. Similarly, Abbasov (2025) found that performance based budgeting reduced budget variance and improved performance reporting, while Adegbayibi and Apeko (2025) reported that cash management policies such as TSA, GIFMIS, and IPPIS significantly improved accountability in Nigerian federal MDAs. The finding, however, is partly consistent with Johnson and Kettel (2019), who found that strong fiscal rules had a positive but modest effect on accountability, suggesting that the existence of fiscal strategies alone may not be sufficient unless supported by effective implementation and institutional capacity.

4.4.2 Discussion of Hypothesis II

The finding, that budget credibility had a positive but insignificant effect on financial accountability, suggests that improvements in the credibility of approved budgets were associated with a slight increase in financial accountability, but the effect was not statistically significant. This result may be explained by deviations between approved

budgets and actual implementation, delays in the release of budget allocations, political influence over expenditure decisions, and changes in budget implementation during the financial year. Although respondents generally indicated a high degree of budget credibility, the existence of such implementation challenges may have weakened its effect on accountability. The finding disagrees with Asher et al. (2022), who found that higher budget credibility improved accountability in non profit organisations, and Yang and SFO (2021), who reported a positive association between budget credibility and financial accountability in China. It also differs from Hall and Yawson (2020), who found that higher budget credibility strengthened accountability mechanisms in the UK public sector, and Ohemeng and Anebo (2019), who found that higher budget credibility improved accountability in Ghana, although political interference weakened the outcome. Andrews (2013) and Schick (2013) similarly argued that credible budgets are important for financial accountability, with Schick noting that lack of budget credibility weakens accountability. The result is therefore contrary to much of the empirical evidence, possibly because budget credibility in the Anambra State MDAs may exist at the planning stage without being sufficiently supported by predictable releases and strict implementation of approved budget provisions.

4.4.3 Discussion of Hypothesis III

The finding, that management of assets and debts had a positive but insignificant effect on financial accountability, means that better management of government assets and debts was associated with a slight increase in financial accountability, but the effect was not statistically significant. The result may be attributed to weaknesses in asset records, inadequate monitoring of government liabilities, limited enforcement of asset management policies, and insufficient audit coverage. The descriptive analysis showed that respondents generally perceived asset and debt management at a high degree, but the lack of a significant effect suggests that the existence of asset management practices may not necessarily translate into stronger financial accountability unless such practices are properly implemented and monitored. This finding disagrees with Smith and Lee (2020), who found that strong asset and debt management enhanced accountability in SMEs, and Grossi and Soverchia (2018), who reported that effective public asset management improved financial reporting and accountability in Italy. It also differs from Wang and Zhao (2012), who found that effective asset and debt management significantly improved financial accountability in public sector organisations. Kadir et al. (2024) similarly found that digitalised asset and budgetary practices positively influenced accountability in Nigerian MDAs, although inventory digitisation had a negative and insignificant effect. The result is in agreement with the study of Abebe (2022), who found that aspects of asset liability management significantly affected financial performance among microfinance institutions. The differences may be explained by variations in institutional settings, the quality of asset records, monitoring systems, technological capacity, and the

extent to which asset and debt management procedures are enforced within public sector organisations.

5.1 Summary of Findings

This study examined the effect of financial management practices on financial accountability in the Nigerian public sector, with specific reference to ministries, departments, and agencies in Anambra State. The study found the following:

1. Policy based fiscal strategy and budgeting had a positive but non-significant effect on financial accountability ($\beta = 0.018$, $p = 0.566$).

2. Budget credibility had a positive but non-significant effect on financial accountability ($\beta = 0.037$, $p = 0.223$).

3. Management of assets and debts had a positive but non-significant effect on financial accountability ($\beta = 0.035$, $p = 0.252$).

5.2 Conclusion

This study examined the effect of financial management practices on financial accountability in the Nigerian public sector, with particular reference to ministries, departments, and agencies in Anambra State. Based on the findings, the study concludes that financial management practices have positive but statistically insignificant effects on financial accountability in the state public sector. Specifically, policy-based fiscal strategy and budgeting, budget credibility, and the management of assets and debts all demonstrated positive relationships with financial accountability, although none of the effects was statistically significant. This suggests that improvements in fiscal planning, budget implementation, and asset and debt management could contribute to enhanced financial accountability; however, their effectiveness may depend on the extent to which these practices are properly implemented, monitored, and enforced. The study therefore concludes that effective financial accountability in Anambra State's public sector requires not only the adoption of sound financial management practices but also stronger institutional controls, effective monitoring mechanisms, transparency, and strict compliance with established financial regulations.

5.3 Recommendations

The Anambra State Ministry of Finance should strengthen the implementation and monitoring of policy based fiscal strategies by ensuring that fiscal policies are clearly communicated to MDAs and consistently applied during budget preparation and expenditure decisions.

The Anambra State Budget Office should improve budget credibility by ensuring timely and predictable release of approved budget allocations and limiting unnecessary changes to approved budget provisions during implementation.

Accounting officers in the MDAs should maintain complete and current records of government assets and liabilities and ensure that asset and debt management procedures are regularly reviewed and properly enforced.

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