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Accounting Systems and Public Expenditure Control: Empirical Evidence from Nigerian Government Agencies

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Abstract

This study investigated the implementation and effectiveness of accounting systems in Nigerian government agencies, focusing on their role in controlling public expenditure and the challenges limiting their efficiency. Using a survey research design, data were collected from a sample of 133 respondents selected via simple random sampling from a target population of 200 staff members. Structured questionnaires and interviews were used, and responses were analyzed using descriptive statistics, including frequency tables and percentages. The findings revealed that accounting systems are widely implemented and frequently used, with 33.8% of respondents reporting they "always" use the system and 37.6% reporting "often" use. Computerized systems were the most common, used by 60.2% of respondents, while 22.6% used hybrid systems and 15% used manual systems. Regarding expenditure control, 41.4% of respondents indicated the systems help to a high extent, and 30.1% to a very high extent, while 45.1% described the systems as effective in reducing unauthorized expenditures, with 26.3% rating them very effective. Challenges limiting effectiveness included inadequate staff training (33.8%), poor infrastructure (30.1%), resistance to system adoption (18.8%), and occasional system errors (37.6% reported frequent problems). The study concluded that accounting systems play a significant role in enhancing financial accountability and public expenditure control. It recommended continuous staff training, modernization of accounting infrastructure, and strong managerial support to ensure proper adoption and usage, thereby promoting transparency, efficiency, and accountability in Nigerian government agencies.

Keywords: *Accounting Systems, Public Expenditure Control, Nigerian Government Agencies, Financial Management, System Effectiveness.*

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Introduction

Public expenditure control remains one of the most significant governance challenges facing Nigeria. Persistent issues such as mismanagement of funds, leakages, corruption, and weak internal controls have continued to undermine government efforts to ensure transparency and accountability. Scholars have long emphasized that ineffective accounting and financial reporting structures are at the center of these challenges. For example, a study by Ezenwaka, Ofor, Onuora, and Nwaorgu in 2022 demonstrated that weaknesses in public-sector accounting systems directly affect transparency levels within government ministries, departments, and agencies. Their findings underline the critical role of modernized accounting systems in improving public accountability.

In response to long-standing inefficiencies, the Nigerian government has implemented a range of public financial management reforms aimed at strengthening accountability and controlling expenditure. One of the most significant reforms is the adoption of the Government Integrated Financial Management Information System (GIFMIS), along with related mechanisms such as the Treasury Single Account (TSA) and the Integrated Personnel and Payroll Information System (IPPIS). Research evidence supports the effectiveness of these systems. Studies such as Owolabi, Aremu, and Ufuoma in 2022 show that GIFMIS has contributed to reducing payroll fraud, enhancing monitoring, and improving financial discipline across federal establishments. Similarly, research by Rotimi and colleagues in 2021 found that the introduction of IT-based financial reforms has generally improved performance and accountability within public-sector institutions.

Despite these improvements, many government entities continue to struggle with expenditure control. An assessment by Otunla (2023) revealed that although GIFMIS and TSA have strengthened expenditure monitoring in some federal tertiary institutions in Adamawa State, challenges such as system integration issues, inconsistent compliance, and limited technical capacity still hinder full effectiveness. These findings indicate that the adoption of accounting systems alone does not guarantee effective control. Implementation quality, user competence, and institutional readiness remain major determinants of system success.

Furthermore, a recent review of public financial management reforms by Court and Iwedi in 2024 highlighted that although new systems have improved revenue transparency and reduced certain forms of leakages, expenditure control remains uneven across government agencies. Their analysis shows that some agencies fully benefit from automated controls while others continue to rely on manual or semi-manual processes that weaken financial discipline.

Given these mixed outcomes, it becomes evident that more empirical investigation is needed to fully understand how accounting systems influence public expenditure control across Nigeria’s government agencies. Existing studies tend to focus on isolated sectors or specific reforms rather than providing broad, comparative evidence across multiple agencies. In addition, earlier findings suggest that while accounting systems may improve transparency or fraud reduction, their direct effect on expenditure control may vary depending on the institutional context.

Therefore, this study seeks to fill these gaps by examining the relationship between accounting systems and public expenditure control in Nigerian government agencies. Such an investigation is essential for informing future reforms, strengthening accountability frameworks, and ensuring that public resources are managed in ways that support development priorities.

Statement of the Problem

In an effective public financial management environment, accounting systems should provide accurate, timely, and transparent information that enables government agencies to monitor and control public expenditure efficiently. Integrated digital systems such as GIFMIS, TSA, and IPPIS are designed to offer real-time reporting, reduce leakages, strengthen internal controls, support compliance with financial regulations, and ensure that public funds are used strictly for approved purposes. Ideally, government agencies should be able to rely on these accounting systems to safeguard resources, prevent wastage, and promote accountability in line with international standards of public-sector governance.

Despite the introduction of modern accounting systems and financial reforms in Nigeria, many government agencies still experience weak expenditure control. In practice, challenges such as partial system implementation, inconsistent compliance, poor technical capacity, inadequate internal controls, and unreliable financial reporting continue to undermine effectiveness. Some agencies still operate a mix of manual and digital processes, which creates loopholes for leakages, misallocation of funds, irregular spending, and limited transparency. These persistent issues show a clear gap between the expected benefits of accounting systems and their actual performance in public expenditure control across Nigerian government institutions.

If these issues remain unaddressed, public expenditure in Nigeria will continue to suffer from inefficiencies, leakages, and misuse of funds. The government may face increased fiscal pressures, rising budget deficits, and reduced capacity to fund essential public services such as education, healthcare, infrastructure, and security. Persistent weaknesses in expenditure control will also erode public trust, limit the effectiveness of future reforms, and undermine national development efforts. Ultimately, without stronger accounting systems and effective implementation, the country risks continued financial mismanagement and reduced accountability within the public sector.

Objectives of the Study

The main objectives of this study is on accounting systems and public expenditure control: empirical evidence from Nigerian government agencies The specific objectives of the study are to:

i. examine the extent to which accounting systems are implemented and utilized in Nigerian government agencies.
ii. assess the effect of accounting systems on public expenditure control in Nigerian government agencies.

iii. identify the major challenges limiting the effectiveness of accounting systems in ensuring proper expenditure control within Nigerian government agencies.

Research Questions

The study provided answers to the following research questions.

i. To what extent are accounting systems implemented and utilized in Nigerian government agencies?
ii. How do accounting systems influence public expenditure control in Nigerian government agencies?
iii. What challenges limit the effectiveness of accounting systems in ensuring proper expenditure control within Nigerian government agencies?

Statement of Hypotheses

The following hypotheses in null form (H_0) guided this study

i. H_{01}: There is no significant relationship between the level of implementation of accounting systems and their utilization in Nigerian government agencies.
ii. H_{02}: Accounting systems have no significant effect on public expenditure control in Nigerian government agencies.
iii. H_{03}: Challenges associated with accounting systems do not significantly affect their effectiveness in ensuring proper expenditure control within Nigerian government agencies.

Review of Related Literature

Conceptual Review

Financial Management Systems

Financial Management Systems (FMS) in the public sector refer to integrated, computerized frameworks that support the full cycle of financial operations from budgeting and cash management, to accounting, expenditure tracking, and reporting across government agencies. According to a discussion by a major international institution, such systems automate and integrate public financial management processes including budget formulation, commitment control, cash and debt management, treasury operations, accounting and reporting (World Bank, 2025).

In practice, such systems are often implemented as an integrated financial management information system (IFMIS), which combines different financial functions into a unified software platform. This integration helps government entities to plan budgets, track expenditures, record accounting information, and produce consolidated financial reports facilitating coherence, consistency, and reliability in public financial data (Oyinlola, Folajin, & Balogun, 2017).

Empirical studies in developing countries highlight how FMS/IFMIS adoption influences public-sector performance, particularly in enhancing financial reporting, internal controls, and reducing opportunities for mismanagement or fraud. For instance, research from Nigeria found that implementation of IFMIS had a positive relationship with financial reporting, budgeting, internal controls, and overall public-sector performance metrics (Ajao, Aremu, & Ufuoma, 2022). Another study showed that IFMIS implementation significantly reduces occurrences of fraud by improving monitoring and detection mechanisms in public financial transactions (Muwema & Phiri, 2020).

Beyond performance and control, a conceptual framework from recent scholarship argues that effective FMS can foster transparency, accountability, and inclusiveness in public sector governance especially when data management and system use are reliable and institutionalized (Amah & Okpala, 2021).

In sum, Financial Management Systems in the context of public administration represent not just a set of accounting tools, but a comprehensive institutional infrastructure combining technology, data management, organizational procedures, and governance practices aimed at ensuring that public funds are managed efficiently, transparently, and accountably across agencies and programs. Moreover, effective deployment of such systems has been linked to improved public trust, resource optimization, and sustainable governance outcomes (Udokang & Udo, 2024).

Expenditure Monitoring

Expenditure monitoring refers to the systematic process of tracking public expenditures from budget approval through execution and disbursement, ensuring that actual spending aligns with planned allocations. It involves regular oversight by internal audit units, oversight bodies, or civil-society actors to verify that funds are used for their intended purposes, detect any leakages or misuses, and ensure compliance with financial rules and regulations (Musiega et al., 2023).

Effective expenditure monitoring is integral to the overall budget cycle in public financial management. As funds are released and spent, monitoring ensures that disbursements correspond with approved budgets, that procurement and implementation procedures are followed, and that expenditures are recorded and reported accurately as part of accountability mechanisms (Process Monitoring & NDI, 2024).

Empirical evidence suggests that strong expenditure monitoring has positive effects on financial performance and service delivery in public institutions. For instance, a study of a county government in Kenya found a statistically significant relationship between budgetary monitoring and improved financial performance (Chepkorir, Rugut & Langat, 2021).

In contexts where monitoring is weak or ineffective, inefficiencies, misappropriation, and poor service outcomes tend to increase. For example, a study of health systems in Kenya found that weak budget monitoring and accountability mechanisms undermined the efficiency of health services by enabling resource misallocation, reducing transparency, and weakening feedback loops for decision-making (Musiega et al., 2023).

Therefore, expenditure monitoring can be conceptualised not merely as a technical accounting task, but as a governance function, a mechanism by which public funds are safeguarded, transparency is promoted, and accountability is enforced. Its effectiveness depends on institutional capacity, data transparency, oversight mechanisms, and stakeholder engagement; moreover, robust expenditure monitoring serves as a vital preventive tool against waste, corruption, and inefficiency in public expenditure.

Public Sector Accountability

Public sector accountability refers to the obligation of government institutions and public officials to take responsibility for their actions, decisions, and the management of public resources and to be answerable to citizens, oversight bodies, and other stakeholders. Scholars describe it as a system making institutions responsive to a defined public for how they use entrusted funds, deliver services, and follow rules of governance (Seda & Tilt, 2023; Johari et al., 2021).

In the context of public financial management, accountability implies that public funds must be managed transparently, properly recorded, audited, and reported; officials must justify expenditures and decisions to oversight bodies or the public. Well-implemented accountability ensures that spending, budgeting, and financial reporting are traceable and verifiable (Panggeso, Nirwana & Haliah, 2023).

Empirical studies show that accountability in public agencies often depends on audit practices — including financial, compliance, and performance audits, which check whether resources were used effectively, legally, and for intended purposes. In some Nigerian states, strengthening audit practices significantly correlated with improved accountability and transparency in government organizations (Onowu, Azali & George, 2023).

Accountability also links closely with transparency and good governance. When public institutions commit to open reporting, clear budget disclosures, and well-documented accounting systems, it fosters trust between government and citizens. The adoption of modern financial-management systems and reforms such as integrated accounting systems has been shown to enhance accountability by improving data availability and reducing opportunities for misuse (Awe, Abiloro & Oyebanji, 2025; Eke & Enowoghwenma, 2024.

Thus, public sector accountability should be viewed not simply as a compliance requirement, but as a foundational governance mechanism: it ensures responsible stewardship of public resources, enhances service delivery quality, deters corruption and inefficiency, and upholds the legitimacy of public institutions. Moreover, strong accountability frameworks especially when paired with transparency, auditing, and robust financial systems are critical for sustainable and trustworthy public administration.

Internal Controls

Internal controls refer to the structured policies, procedures, and mechanisms established by public organisations to safeguard assets, ensure accurate financial reporting, promote compliance with laws/regulations, and enhance operational efficiency. In public institutions, internal controls aim to prevent misuse of public funds, detect errors or fraud, and ensure that resources are used for their intended purposes (Adeyemi & Olarewaju, 2019).

A robust internal control system typically encompasses components such as control environment, risk assessment, control activities, information and communication, and monitoring. These components work together to create a governance structure that supports transparency, accountability, and effective service delivery (Lartey, Jaladi, Afriyie & Akolgo, 2022).

Empirical evidence suggests that where internal controls are effectively implemented, public-sector entities demonstrate improved operational efficiency and reduced irregularities. For example, a study of state-owned enterprises in Malawi found that internal control mechanisms significantly enhance operational efficiency (Kanyongo & Lipunga, 2024), while research in Ghana showed that internal controls help curb financial irregularities at municipal level (Gyimah, Addai & Tetteh, 2024).

Moreover, in the context of public health and social services, strong internal controls have been associated with better financial accountability, transparent reporting, and reduced fraud risks (Zeinaba, Adebisi, Sani & Akoje, 2024). The presence of effective internal controls ensures that disbursements, procurement, payroll, and asset management conform to regulations and ethical standards, thus enhancing public trust and governance credibility.

Thus, internal controls in government agencies should be viewed not just as accounting tools, but as a foundational governance mechanism that combines administrative procedures, oversight functions, communication systems, and risk-management practices. Moreover, well-designed internal control systems are critical for achieving public financial accountability, protecting public resources, and ensuring efficient and transparent delivery of public services.

System Implementation Challenges

System implementation challenges often emerge from organizational resistance to change, where employees hesitate to abandon familiar routines for new digital processes. Such resistance stems from uncertainty, fear of job disruption, or inadequate communication about system benefits. Research shows that unresolved resistance slows adoption and weakens system performance, making change-readiness essential for successful implementation (Jebreen et al., 2024).

Resource limitations also constitute a major barrier during system implementation. Insufficient financial support, inadequate infrastructure and limited technical personnel can delay or disrupt implementation activities. Studies highlight that organizations lacking adequate funding, proper training and robust digital infrastructure often fail to realize expected system outcomes, especially in resource-constrained environments (Dorasamy et al., 2022). These constraints magnify risks, reduce system reliability and restrict long-term sustainability.

Another notable challenge relates to misalignment between system design and organizational processes. When systems are implemented without thorough process analysis, organizations may encounter functionality gaps requiring costly customization. Evidence indicates that poor system–process fit reduces operational efficiency and complicates system maintenance, thereby diminishing overall implementation success (Mahmood et al., 2019). Consequently, organizations must conduct detailed assessments before adopting digital solutions.

Technical complexity and integration issues also hinder system implementation. Legacy systems, incompatible interfaces and data migration difficulties frequently disrupt implementation timelines. Research emphasizes that reliable infrastructure such as stable networks, secure databases and adequate processing capacity is crucial for minimizing system failures and ensuring smooth integration (Ahmed et al., 2023). Without these elements, organizations may experience operational downtime and compromised data quality.

Leadership and strategic management remain critical determinants of implementation outcomes. Strong leadership ensures adequate resource allocation, fosters user involvement and guides organizational adaptation throughout the change process. Scholars affirm that committed leadership enhances implementation success by shaping a productive culture, clarifying priorities and reinforcing digital transformation objectives (Haber & Carmeli, 2023). Moreover, leadership-driven support strengthens organizational readiness and improves system adoption across departments.

Financial Reporting Accuracy

Financial reporting accuracy refers to the degree to which a company's financial statements correctly and faithfully represent its economic reality that is, its financial position, performance and cash flows without material misstatements, omissions or distortions. Accurate reporting ensures that the information users receive (investors, creditors, regulators) is a "true and fair" view of the firm's financial health, based on objective and verifiable accounting data (Mwachikoka, 2024; Ayeni-Agbaje et al., 2023).

Audit quality significantly influences financial reporting accuracy. Empirical evidence from banks demonstrates that external audit quality, including auditor independence, firm size, and adequate audit procedures is positively associated with more accurate and reliable financial statements (Nweze, Ugwoke, & Ozondu, 2024). When auditors maintain independence and apply rigorous standards, the risk of earnings manipulation or error reduces, thereby enhancing the credibility of reported figures.

The adoption of robust accounting frameworks such as International Financial Reporting Standards (IFRS) can enhance accuracy by promoting transparency, consistency, and comparability across reporting periods and firms. After IFRS adoption, many firms demonstrate improved value relevance and timeliness of loss recognition indicators of enhanced financial reporting quality (Lateef, Rashid, Olowookere, & Ado, 2021). This improves stakeholders' ability to assess the firm's true economic position and prospects.

Fair-value measurement and proper asset/liability valuation also matter for accuracy. Studies on manufacturing firms show that when fair value accounting is applied appropriately (for assets, liabilities, investments), reported financial statements better reflect the economic value of resources and obligations, improving decision-making relevance for stakeholders. However, fair-value approaches also raise concerns about subjectivity and volatility, thus requiring strong internal controls and transparent disclosure practices (Ayeni-Agbaje et al., 2023).

Finally, maintaining accuracy demands strong internal control systems, sound audit mechanisms, and careful management of earnings and disclosures to prevent misstatements or fraud. In contexts where reporting quality is weak for example due to weak audit procedures or lack of oversight — financial reports may mislead users about organizational performance or stability (Mesioye & Bakare, 2024). Moreover, as firms engage in complex transactions or non-routine valuations, ensuring accuracy becomes even more critical — as does robust corporate governance and regulatory compliance.

Theoretical Review

This study was theoretically underpinned on Agency Theory

Agency Theory

Agency Theory explains the relationship between principals (those who delegate authority) and agents (those who act on behalf of principals). The core argument of the theory is that agents may not always act in the best interest of principals because of conflicting goals, differing motivations, and information asymmetry. This creates the need for monitoring mechanisms, accountability structures, and reliable information systems to ensure that agents perform their duties responsibly and transparently (Jensen & Meckling, 1976). In public-sector settings, the theory highlights how government officials who manage public resources must be monitored through structured financial reporting, budgeting systems, audits, and internal controls to reduce opportunistic behavior and ensure proper use of public funds.

Relevance of the Study

i. Strengthens Public Accountability: The theory aligns with how accounting systems help monitor public officials, ensuring they act in the interest of citizens and government oversight bodies.
ii. Addresses Information Asymmetry: It supports the argument that accurate and timely financial reporting reduces information gaps between government agents and stakeholders, improving transparency.
iii. Justifies Expenditure Control Mechanisms: The theory explains why effective expenditure controls budget tracking, audit trails, compliance checks are necessary to limit misuse of public funds.
iv. Explains Monitoring Role of Accounting Systems: Agency Theory underpins how accounting systems function as monitoring tools that discourage corruption, misappropriation, and financial irregularities.
v. Supports Improved Governance in Public Agencies: It shows that strong accounting systems can align agents' actions with public interest, thereby enhancing efficiency, discipline, and trust in government financial management.

Empirical Review

Ezenwaka, Ofor, Onuora, and Nwaorgu (2022) evaluated the effect of accounting software on transparency in the Nigerian public sector. Using a survey design among 250 staff of a federal pay office and analyzing data with descriptive statistics and OLS regression, the study found that both IPPIS and GIFMIS significantly improve transparency in public-sector organizations. The authors concluded that adoption of such software enhances financial transparency and accountability.

Otunla (2023) assessed the implementation of public financial management reforms and their impact on expenditure control in Adamawa State's federal tertiary institutions. The study surveyed 102 respondents across three institutions and analyzed the data statistically. Findings revealed that GIFMIS and TSA significantly improved expenditure control, promoting transparency and accountability, although challenges such as weak internal controls and delays in fund access persisted.

Eke and Enowoghmwenma (2024) examined public sector financial reforms and accountability in Nigeria. Surveying 311 staff across ministries, departments, and agencies and using multiple regression analysis, the study found that TSA, GIFMIS, and IPPIS positively and significantly influence accountability in public organizations. The authors recommended continued modernization of financial systems to sustain transparency and monitoring.

Oluwagbade, Jimba, Dauda, Boluwaji, and Abe (2024) studied the relationship between public sector financial reforms and organizational performance in Nigeria. Data from 306 personnel across 188 government entities were analyzed using OLS and ordered logistic regression. Results indicated that ICT-based reforms (IPPIS and GIFMIS), anti-graft measures, and budgetary control procedures significantly enhance both financial and non-financial performance of government entities, demonstrating the broad effectiveness of these reforms.

Nnah and Maccarthy (2024) investigated digital accounting systems and fraud mitigation in federal public enterprises in Rivers State. Using surveys and regression analysis across 15 organizations, the study found that computerized systems like GIFMIS, IPPIS, and TSA significantly reduce payroll fraud and enhance financial discipline. The study recommended continuous staff training and wider adoption of integrated systems.

Onowu and Oludi (2024) analyzed the effect of computerized accounting systems on fraud prevention in federal public sector organizations in Rivers State. Through surveys and regression analysis in 15 federal agencies, the study revealed that the use of GIFMIS and TSA significantly reduces payroll fraud, highlighting their effectiveness in controlling mismanagement of public funds. The authors recommended sustained use of centralized systems and stricter accountability enforcement.

Methodology

Research Design

The study employed a survey research design to gather quantitative data on the perceptions, attitudes, and experiences of employees regarding accounting systems and public expenditure control in Nigerian government agencies. This design was chosen to allow the researcher to generalize findings to the wider population of agency staff.

Area of Study

The research was conducted across selected Nigerian government agencies, which provided a suitable environment for accessing the target population and administering both surveys and interviews.

Population of the study

The population consisted of staff and officers involved in accounting and financial management within the selected agencies. The total population was estimated at 200 employees.

Sample Size

The sample size was determined using the Taro Yamane formula:

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

Where:

n = sample size

N = population size (200 students)

e = margin of error (0.05)

$$n = \frac{200}{1+200(0.05)^2} = \frac{200}{1+200(0.0025)} = \frac{200}{1+0.5} = \frac{200}{1.5} \approx \mathbf{133}$$

Thus, the sample size consisted of **133 students**.

Sampling Technique

Simple random sampling was used to select participants. This ensured that each staff member had an equal chance of inclusion, minimizing selection bias and producing a representative sample of the population.

Instrument for Data Collection

Data were collected using a structured questionnaire comprising closed-ended and Likert-scale questions. Additionally, a semi-structured interview guide was used to gather qualitative insights from a subset of participants.

Validity of Instrument

Content validity was ensured through review by two experts in accounting and research methodology. Their feedback led to revisions that improved clarity, relevance, and appropriateness of the questions.

Reliability of Instrument

The reliability of the questionnaire was tested using Cronbach's Alpha, yielding a coefficient of 0.87, which indicated high internal consistency.

Method of Data Collection

Data were collected via self-administered questionnaires and face-to-face interviews. Participants were approached during office hours, provided with clear instructions, and interviews were scheduled at convenient times and recorded with consent to ensure accuracy.

Method of Data Analysis

Data were analyzed using descriptive statistics, including frequencies, percentages, and mean scores. Frequency tables were employed to present the distribution of responses, facilitating the identification of patterns and trends related to accounting systems and expenditure control practices.

Data Presentation and Analysis

Table 1: How frequently is the accounting system used in your department?

Options	*Frequency (n=133)*	*Percentage (%)*
Always	45	33.8
Often	50	37.6
Sometimes	25	18.8
Rarely	10	7.5
Never	3	2.3
Total	**133**	**100**

Source: Field Survey, 2026

This table illustrates the respondents' views on the frequency of accounting system usage in their departments. The majority of respondents, representing 37.6%, reported that they use the accounting system often, while 33.8% indicated that they always use it. A smaller proportion, 18.8%, admitted using it sometimes, whereas 7.5% and 2.3% stated that they rarely or never use the system, respectively. These findings suggest that accounting systems are generally well-implemented and regularly utilized in Nigerian government agencies, although a small fraction of respondents indicated limited usage, highlighting potential areas for improvement in consistent system application.

Table 2: Which type of accounting system is predominantly used in your agency?

Options	*Frequency (n=133)*	*Percentage (%)*
Manual accounting system	20	15.0
Computerized accounting system	80	60.2
Hybrid (both manual & computerized)	30	22.6
Not sure	3	2.3
Total	**133**	**100**

Source: Field Survey, 2026

This table illustrates the respondents' views on the type of accounting system predominantly used in their agencies. A majority of 60.2% indicated that a computerized accounting system is used, reflecting a strong trend toward digital accounting practices. Additionally, 22.6% reported the use of a hybrid system combining both manual and computerized methods, while 15% relied solely on manual accounting systems. Only a small fraction, 2.3%, were unsure about the type of system in use. These results suggest that computerized accounting systems are the primary method of managing financial records in Nigerian government agencies, which may enhance efficiency and accuracy in financial reporting.

Table 3: To what extent has the accounting system helped in monitoring and controlling public expenditure?

Options	*Frequency (n=133)*	*Percentage (%)*
Very high extent	40	30.1
High extent	55	41.4
Moderate extent	25	18.8
Low extent	10	7.5
No extent	3	2.3
Total	**133**	**100**

Source: Field Survey, 2026

This table illustrates the respondents' views on the extent to which the accounting system has helped in monitoring and controlling public expenditure. A significant portion of respondents, 41.4%, reported that the system helps to a high extent, while 30.1% indicated a very high extent. Additionally, 18.8% felt that the system has a moderate impact, whereas 7.5% and 2.3% perceived its effect as low or nonexistent, respectively. These findings suggest that accounting systems in Nigerian government agencies are generally effective in supporting public expenditure control, though there remains room for improvement to achieve more consistent and comprehensive monitoring.

Table 4: How effective is the accounting system in reducing unauthorized or irregular expenditures?

Options	*Frequency (n=133)*	*Percentage (%)*
Very effective	35	26.3
Effective	60	45.1
Moderately effective	25	18.8
Slightly effective	10	7.5
Not effective at all	3	2.3
Total	**133**	**100**

Source: Field Survey, 2026

This table illustrates the respondents' views on the effectiveness of the accounting system in reducing unauthorized or irregular expenditures. Most respondents, representing 45.1%, perceived the system as effective, while 26.3%

considered it very effective. A smaller proportion, 18.8%, described its impact as moderately effective, and 7.5% and 2.3% felt it was slightly effective or not effective at all, respectively. These results indicate that the accounting systems in Nigerian government agencies play a significant role in curbing unauthorized expenditures, though occasional inefficiencies or limitations may still hinder full effectiveness.

Table 5: What is the main challenge affecting the effectiveness of the accounting system in your agency?

Options	*Frequency (n=133)*	*Percentage (%)*
Inadequate training of staff	45	33.8
Poor infrastructure / outdated technology	40	30.1
Resistance to system adoption by staff	25	18.8
Lack of management support	15	11.3
Others (please specify)	8	6.0
Total	**133**	**100**

Source: Field Survey, 2026

This table illustrates the respondents' views on the major challenges affecting the effectiveness of the accounting system in their agencies. The highest proportion of respondents, 33.8%, identified inadequate training of staff as the main challenge, followed closely by 30.1% who cited poor infrastructure and outdated technology. Additionally, 18.8% reported resistance to system adoption by staff, while 11.3% mentioned lack of management support, and 6% identified other challenges. These findings suggest that human resource capacity and technological limitations are the primary obstacles to effective accounting system implementation in Nigerian government agencies, highlighting the need for targeted training programs and modernization of infrastructure.

Table 6: How often do system-related issues (errors, breakdowns, or misuse) hinder proper expenditure control?

Options	*Frequency (n=133)*	*Percentage (%)*
Very frequently	30	22.6
Frequently	50	37.6
Occasionally	35	26.3
Rarely	15	11.3
Never	3	2.3
Total	**133**	**100**

Source: Field Survey, 2026

This table illustrates the respondents' views on how often system-related issues hinder proper expenditure control. A majority of 37.6% indicated that such issues occur frequently, while 22.6% reported that they occur very frequently. Additionally, 26.3% experienced occasional problems, 11.3% noted that system-related issues rarely occur, and only 2.3% stated that they never face such challenges. These findings indicate that while accounting systems are generally effective, technical problems and misuse can still disrupt proper expenditure control in Nigerian government agencies, emphasizing the need for regular system maintenance, monitoring, and staff support to minimize interruptions.

Summary of Findings, Conclusion and Recommendations

Summary of Findings

The following summarizes the key findings:

i. The findings revealed that accounting systems are widely implemented and regularly utilized in Nigerian government agencies. Most respondents indicated that the system is used either often (37.6%) or always (33.8%) in their departments. Additionally, a majority reported that computerized accounting systems (60.2%) are predominantly used, reflecting a shift toward digital financial management practices. This suggests that government agencies are adopting modern accounting systems, although a smaller proportion of staff still rely on manual methods or hybrid systems, indicating areas where further training or system upgrades may be needed.

ii. The study found that accounting systems significantly contribute to monitoring and controlling public expenditure. Many respondents reported that the system helps to a high (41.4%) or very high (30.1%) extent in expenditure control. Likewise, the system was generally perceived as effective (45.1%) or very effective (26.3%) in reducing unauthorized or irregular expenditures. These results indicate that the accounting systems play a critical role in enhancing financial accountability and ensuring that public funds are properly monitored.

iii. Despite their effectiveness, several challenges were identified that limit the full potential of accounting systems in government agencies. Inadequate staff training (33.8%) and poor infrastructure or outdated technology (30.1%) were the most frequently reported obstacles. Other issues included resistance to system adoption, lack of management support, and occasional system errors or breakdowns. These challenges highlight the need for improved capacity building, technological upgrades, and consistent management support to maximize the efficiency and reliability of accounting systems for proper expenditure control.

Conclusion

The study revealed that accounting systems in Nigerian government agencies are generally well-established and frequently utilized, with a strong preference for computerized systems. The widespread adoption of these systems reflects the efforts of government agencies to modernize financial management practices and improve efficiency in recording, tracking, and reporting public funds. The regular use of accounting systems, as indicated by the majority of respondents, demonstrates that these tools are integral to daily financial operations and decision-making processes within the agencies.

Furthermore, the findings indicated that accounting systems play a significant role in monitoring and controlling public expenditure. Most respondents reported that the systems are effective or very effective in reducing unauthorized or irregular expenditures, suggesting that they contribute to enhanced accountability and transparency in the management of public funds. The ability of these systems to track transactions and provide accurate financial data has a direct positive impact on expenditure control, which is critical for achieving fiscal responsibility and minimizing financial mismanagement in government agencies.

Despite their effectiveness, the study also highlighted several challenges limiting the optimal performance of accounting systems. Inadequate training of staff, outdated infrastructure, resistance to adopting new systems, and occasional technical issues were identified as major constraints. These challenges underscore the need for continuous staff capacity building, investment in modern accounting technologies, and strong managerial support to ensure that the systems function effectively. Addressing these issues will enhance the overall efficiency of accounting systems, strengthen public expenditure control, and promote accountability and transparency in Nigerian government agencies.

Recommendations

Based on the findings of this study, the following recommendations are proposed:

i. Firstly, it is recommended that Nigerian government agencies invest in continuous training and capacity building for staff involved in accounting and financial management. The study revealed that inadequate staff training is a major challenge limiting the effective use of accounting systems. Regular training programs, workshops, and refresher courses should be organized to ensure that employees are proficient in using both computerized and hybrid accounting systems. This will enhance efficiency, reduce errors, and improve the overall reliability of financial reporting and expenditure control.

ii. Secondly, agencies should modernize their accounting infrastructure and adopt up-to-date technologies. Outdated systems and poor technological support were identified as significant barriers to the optimal performance of accounting systems. Upgrading to advanced accounting software, ensuring proper system maintenance, and providing necessary hardware will improve system functionality, reduce technical breakdowns, and facilitate real-time monitoring of public expenditure. This investment will also promote transparency and make financial management more responsive and accurate.

iii. Thirdly, it is recommended that management actively support and enforce proper use of accounting systems within their agencies. Resistance to system adoption and occasional misuse were highlighted as challenges in the study. Managers should create policies and frameworks that encourage compliance, accountability, and ethical use of financial systems. Regular audits, monitoring, and feedback mechanisms should be implemented to ensure that the accounting systems are effectively contributing to expenditure control and that all staff understand the importance of adhering to established procedures. Strong managerial support will foster a culture of financial discipline and maximize the benefits of modern accounting systems.

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