

**FRAUD CONTROL IN EGOR LOCAL GOVERNMENT:
CHALLENGES AND PROSPECTS**

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***A PROJECT WORK SUBMITTED TO THE DEPARTMENT OF PUBLIC
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CERTIFICATION

We certify that this research project was done by Okonkwo Nkiruka for the partial fulfilment of the requirement for the award of Bachelor of Science Degree in the Department of Public Administration, Faculty of Social Sciences, University of Benin, Benin City.

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Date

DEDICATION

This project is dedicated to the Lord God Almighty who has given me the grace, wisdom and direction throughout the course of my study. May his name be praised both now and forever. Amen.

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Abstract

The study was designed to examine the challenges and prospects of fraud control in Egor Local Government Area of Edo State. The objectives of the study include the following; to find out the impact of fraud control measures, on the overall management of Egor Local Government, to find out the local government council employees knowledge base on the concept of fraud in the public organisation sector. To find out effective fraud control measures influence on prevention and detection of fraud, and to find out the problem of fraud and how to curb it. The study adopted survey research design. The population of study of this research is made up of all staffs of Egor local government council which is 1,156. The sample size of this study is respondents selected randomly from the population of the study. The instrument used for the collection of data was the questionnaire which was administered to the study sampled respondents. 150 questionnaires were distributed with a 100% retrieval. The data collected was analyzed using simple percentage. The study revealed amongst others that Egor local government does not have modern technological devices to track the inflow and outflow of revenue in the council. Furthermore, policy recommendations were proffered, one of which is that Egor local government should acquire and utilize modern technological devices for transactions. This can help to track all payments and transactions made in the council.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Organisation failures and widespread losses over the past two decades have elevated the importance of effective fraud control within the formal financial sector worldwide. In the United States for example, organisation failures rose over 200 percent in the 1980s partly due to fraud and mismanagement (Manurung, & Hadian, 2013). Internationally, the collapse of Barings Organisation and Yamaichi Securities further focused the financial sector's attention on fraud control. The Basle Committee analyzed the problems related to these losses and concluded that they probably could have been avoided had the organisations maintained effective fraud control measures (public organisation, a regulatory and auditing guide). In addition, a review of traditional organisations affirmed that the implementation of effective fraud control measures played an important role in reducing organisation failures.

The value of public resource lost each year in Nigeria through fraud and corruption defies precise quantification, but almost certainly runs into many billions of naira. Fraud in public institution in Nigeria, particularly at the Local government level, is ever on the increase and dates back to the ages. This seems to be in an escalating rate as we witness it day-in-day-out through newspapers

reportage that public officers and treasury managers entrusted with public treasury manage business to their own advantages.

Many studies have discussed fraud related issues and the general view is that fraud prevention should be the main focus. It is less expensive and more effective to prevent fraud from happening than to detect it after occurrence (Okezie, 2012). Usually, by the time the fraud is discovered, the money is unrecoverable or the chance to recover the full amount of the lost is very slim. Furthermore, it is costly and time consuming to investigate frauds especially involving large-scale multinational operations. However, if the focus is on fraud prevention all the monetary losses, time and effort to reconstruct fraudulent transactions, track down the perpetrator, and reclaim missing funds can be saved. Thanasak (2013:1) states that before making any efforts to reduce fraud and manage the risks proactively, it is important for the business organizations to identify the factors leading to fraudulent behaviour by understanding who are the fraudsters, when and why frauds are committed.

Fraud control, the strength of every organisation, has become of paramount importance today in Nigeria organisations. The reasons being that the control measures in any organization are a pillar for an efficient accounting system as well as achievement of organizational goals. Fraud which is a major reason for setting up an internal control system has become a great pain in the

neck of many internal auditors in Nigeria. It is a fact that any institution with a weak internal control system is dangerously exposed to fraud. Flaws and loopholes may still exist in an organization despite the existence of internal control system, which can easily be circumvented by individuals who are inclined towards fraudulent activities. Therefore, measures have to be put in place to checkmate such fraudsters. One best way of curbing the menace of fraud is through the institutionalization of a vibrant and effective internal audit unit (Abu-Saeed and Kabir, 2012).

1.2 Statement of the Problem

The regularity of fraud and misappropriation of funds is creating fear, anxiety, and a loss of confidence in the minds of organisation customers and service users. Also, poor fraud control measures leads to increase in organisation losses. Fraudulent practices in the local government administration in Nigeria has led to the ineffectiveness of the local government councils in the discharge of their constitutional duties. The management of local government councils is required to set up fraud control measures. Although, fraud control systems varies significantly from one organization to another, depending on such factors as their size, nature of operations, and objectives. Since fraud controls operate in an environment which influences its operations, proper care must be exerted into the implementation of these systems in other to achieve the

utmost aim of the local government to capture the interest of the citizens at the grassroot. This heightened interest in fraud controls is, in part, a result of significant losses incurred by the local government and several public organisation organizations. An analysis of the problems related to these losses indicates that they could probably have been avoided had the organisations maintained effective fraud control measures. Such systems would have prevented or enabled earlier detection of the problems that led to the losses, thereby limiting damage to the local government council or public organization.

1.3 Objectives of the Study

1. To find out the impact of fraud control measures, on the overall management of Egor Local Government.
2. To find out the local government council employees knowledge base on the concept of fraud in the public organisation sector.
3. To find out effective fraud control measures influence on prevention and detection of fraud.
4. To find out the problem of fraud and how to curb it.

1.4 Research Questions

1. Does Egor local government council have fraud control measures?

2. What kind of relationship exists between detection and prevention of fraud and fraud control measures?
3. Is lack of good fraud control measures a major cause of fraud in Egor local government council?
4. Can effective fraud control measures prevent the menace of fraud in Egor local government council?

1.5 The Significance of the Study

The findings of the study would help the effective and efficient management of local government councils. It will help to maintain an enhanced controlled environment by helping management and local government council employees to establish and maintain an environment throughout the organization that sets a positive and supportive altitude towards fraud control, reliable management, operating personnel for effecting fraud control and internal audit for evaluating whether appropriate controls have been implemented and whether the fraud controls are functioning as intended. The findings of tgis study will be sufficient enough to aid the local government councils in reducing fraudulent activities that occur in the organization. Lastly, it will also serve as a veritable reference for other research topics.

1.6 Scope of the Study

This study will be carried out among selected employees in Egor Local Government Area of Edo State, Nigeria. The respondents will be drawn from the various departments in the local government area in order to get comprehensive views, response and information relevant to the study. Data collected from these respondents shall be subjected to further analysis and the results gotten from it shall be utilized for making inferences.

1.7 Limitations

The limitations of this research work are as follows;

1. The fraud control involves human actions which introduces the possibility of errors in processing or judgement.
2. Fraud controls can also be overridden by the plan among local government council employees and evasion of controls or oppression by top management and superior external influences.
3. Limited funds prevented the choice of more than one study area.

1.8 Operational Definition

Fraud control

A control is “any action taken by management to enhance the likelihood that established objectives and goals will be achieved” [Institute of Internal Auditors, 1993]. In other words, controls are designed to ensure that organizations

conform to standards or plans. Examples of controls include the use of sales or expense budgets, computer passwords, or even padlocks on warehouses.

Effectiveness

Within this context of the study it means measure of productivity in utilizing an entity's resources.

Efficiency

It means measure of cost control in performing recurring function within an entity

Fraud

Intentional deception made for personal gain or to damage another individual.

Local Government

Local government is a generic term for the lowest tiers of public administration within a particular sovereign state. It is the government of a specific local area constituting a subdivision of a major political unit (such as a nation or state).

CHAPTER TWO

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1 Local Government: An Overview

The concept of local government as a tier of government has generated exciting debates among scholars in the academic world, practitioners and politicians alike. It has attracted the attention of various scholars across the globe, thereby resulting in various conceptualizations by different scholars. The need to conceptualize what local government is arising because it is the unit of analysis in this study, and different meanings/names are being used in different countries in referring to local government as a tier of government.

Local government as a concept that refers to people at the grassroots is as old as the human race itself. Its concept can be traced to when humans lived in communal and feudal settlements. The history of local government administration in Nigeria predates its existence as an entity and can be traced to the precolonial era.

Agagu (2011:72) posited that: Local government administration has undergone a very long and tortuous journey in Nigeria from the diversities of the precolonial era, through the lugard's experiment and the travails of the military adventurists and the military guided democracy. The local government

in Nigeria has developed its peculiarities and forms. Any meaningful attempt to thoroughly study local government in Nigeria will amount to studying the government and politics in Nigeria.

Local government administration has passed through torturous phases of development in the country, from precolonial settlements, colonial rule, independence local council administration, military rule, the 1976 local government reform to the fourth republic. Since independence, several governments have made attempts to ensure that the local government is the closest to the people, engineers the drive for development through democratic participation and efficient service delivery. However, there is little or nothing to show for these efforts at the grassroots level in the country. There is no uniform structure and administration local government system in the country despite its constitutional provision (Achilonu, 2013). The development of local government administration in Nigeria took a new turn since the return of the country to democracy on May 29, 1999, after long years of military rule. The hope of Nigerians was high that expectedly, democratic government would lead to good governance viz-a-viz enthronement of due process, constitutionality, respect for the rule of law, transparency, accountability and, free and fair elections. However, the reverse is the case, especially at the local government levels, which has made genuine democracy elude the grassroots in Nigeria. The

consequences are a lack of meaningful socioeconomic development at the local level, which should typically provide a solid foundation for the nation's infrastructural development and security (Achilonu, 2013).

The study analyzed the historical development of local government administration from the precolonial rule, where the different communities and kingdoms, later known as Nigeria, lived in peace and harmony with varying governance systems. It further empirically discussed local government administration under military rule analyzed the 1976 local government reform where has been described as the bedrock of local government development in the country and the contemporary realities bedevilling local government administration in the country. The concluding section of the study revealed the contemporary realities of local government administration viz-a-viz. Other challenges such as state interference, constitutional ambiguity, lack of electoral uniformity all hinge on the lack of local government autonomy as the clog on the wheel of local government development in the country.

2.1.1 Evolution of Local Government Administration in Nigeria

Pre-Colonial and Post-Colonial Local Administration

Before the advent of colonial rule in Nigeria, local administrations have developed, whether the Hausa-Fulani Emirate in the North, the Oyo Empire in

the West and the Igbo Kingdom in the East. There were traditional institutions in operation across the country upon which the colonists built the native administration. There were established pockets of traditional administration set-ups fashioned along the lines of a King, Emir, Oba or Head of a family lording over his subjects using traditional councils in large communities in existence in precolonial Nigeria. There was a centralized system of government in the Hausa-Fulani Emirate, a decentralized system of government in the Oyo Empire with no transparent cut system of government in the Igbo Kingdom. The Igbo kingdom operated a family/compound controlled system with representatives of family/compound forming the leadership structure in each community (Etebom, 2019).

The amalgamation of Northern and Southern protectorate in 1914 and the subsequent introduction of indirect rule or the native administration across the country succeeded in the Fulani/Hausa Emirate and the Oyo Empire, where traditional institutions were better organized respected. The British adopted the indirect rule to preserve and use the authority of existing local institutions in the country. Sir Donald Cameron, a British officer who worked with Lugard, collaborated the overhead view, he argued that: We desire to make (the chief) a good African. He said this objective could not be achieved if we destroyed all the institutions, traditions, and habits of the people and superimposed upon

them what we consider better administrative methods and principles. (Mukoro, 2003).The native authority system had developed rather slowly over a quarter of the century. However, from the mid-1940s, the pace of development accelerated for several factors from different sources and directions, including the creation of regional councils and the review of the native administration system by Richard constitution of 1946, among other factors (Etebom, 2019).

This became a turning point in the development of native authority and local government in Nigeria. As the journey for self-government gathered more momentum in the 1950s, the Macpherson constitution of 1957 introduced parliamentary democracy into Nigeria and local council's law. The status was the native authority law of 1954, and the instruments were the chief and council, the chief in-council, the federated native authority, country council and the municipal councils. The Eastern region was first to initiate a radical change in the operation and administration of local government in 1950. The reason for this was the region's dissatisfaction with the native authority, not only because of the nature and custom of the people but also because of corruption (Mukoro, 2003; Agagu, 2008). In the Western region, the local government law was comprehensively reviewed, and all previous amendments were consolidated in new legislation in 1957; while during this period, the Northern region exercised much refrain in its approach to changes in its native authority given the fact that

indirect rule system emanated from its harmony with culture and consent of the people in the region (ibid). The various kingdoms/regions which Lord Lugard later amalgamated to form the Nigerian state had existing traditional systems through which they governed themselves. They lived in peace and harmony, respecting the traditional institutions of the land.

Post Colonial Era Local Government Colonial-era Local Government administration was associated with Indirect Rule or Native Administrative System introduced by Lord Lugard. The system was a massive success in Hausa-Fulani Northern Nigeria because of its existing centralized structure of the traditional system of government. It also succeeded in Yoruba Western Nigeria based on its decentralized traditional structure. The story was different in Igbo Eastern Nigeria because the indirect rule did not suit the existing method of government in the region. While the closing years of colonial rule witnessed the efforts at installing a liberal democratic system of government, "political decay" soon emerged in place of political development (Etebom, 2019).

This period from 1960 to 1976 is quite significant in the nation's history, particularly the development of local government. It marks the development and creation of the modern local government system in Nigeria. Since the colonial era, local government administration in the country has shown much

divergence across the various parts and regions of the country. The development of local government during the post-independence era was not different. Its development was along regional lines and different development paces across the country—the history of local government administration in the post-independence era in the history of the military in power. The reforms of the early 1950s in the Eastern and Western parts of the country started on a promising note; But with the military coming into power in 1966, the take-over of local government functions by the regional/state governments and the subsequent introduction of varying local government system across the country placed the local government in a precarious position in the country. The Eastern region began the pioneering effort to model local government in Nigeria with its Local Government ordinance of 1950. In terms of structure, it was patterned along with the Western Regions Local Government Law of 1952. The Northern Region also passed the Native Authority Law of 1954. Following the creation of 12 states in 1967, structural rearrangements in the state-local government relationships became inevitable (Agagu, 2011;Gboyega,1988). In Northern Nigeria, reforms marked a watering down of the Emir's position and power vis-a-vis the state bureaucracy. Divisional administration and the native authority system were abolished. A two tiered pyramidal structure remained, for instance, in Kano, consisting of a Local Authority and subordinate District authorities. A

new wave of local government through popular participation rather than hereditary began to sweep across the Northern states.

In Eastern states, different systems were adopted after the civil war. Essentially the philosophy of local government in war-torn areas was a system of centralization that decentralized powers and functions to the headquarters from the centre or state headquarters'; the system was described as development administration, particularly in the SouthEast states as Bendel state that was created in 1963. This was clearly stated in the South-East state Development Edict No.7 of 1972 and Bendel State Edict No. 26 of 1974. In the East central state, the home state of the Ibo people, "local administration", was replaced with "local government". According to Wraith (1972:187) cited in Agagu (2011:80), an attempt has been made at the village level to harness ancient indigenous patterns of organization and systems of authority under the generic term "communities" for modern development. The state adopted a divisional administration system following the abolition of the country, councils, and local administration.

The sole administrator system was adopted in Western states but later abandoned for the Local Advisory Council. This was because the sole Administrators became mere advisors to the nominated local council. They attended meetings of the management committee as the watch-dogs of

government. The advisory council or committees consisted of ten unpaid members, while the district officers served as chairman. The new arrangement brought about the Agbekoya Riots in West in 1968 and 1969 when they protested tax payment without representation. By 1971, a circular was issued by the ministry of local government equity local government staff with civil servants based on pay and status. These were means to encourage qualified personnel to join the local government council (ibid). In 1973, an internal management system was introduced, a "council manager system". In the council manager system, the Chief Executive is the secretary to the council. The manager was not appointed by the council but instead by an independent Local Service Board, an apparatus of the central government (the state governments).

The most remarkable thing about the various reform's measures adopted by the state government was the shift in power, relative financial resources and staffing from the local authorities to the state ministries. According to Egonwman (1990), what was usually not recognized by members of the various reform committee at that time, was that the fundamental changes in central-local relationships were not due to constitutional reasons but due to the underlying economic changes following the creation of states, 12 in 1967, increased to 19 in 1976. He added that, without the transfer of power, some of the newly created state ministries would have had relatively fewer

responsibilities than the subordinate level of government. With the increase in the number of states came a drop in the revenue from the government to each state. States then tried to compensate for such losses by acquiring functions, even those purely local nature, because they were lucrative in revenue yielding. The net effect of all this was continued impoverishment of local government and increasing overhead on state government bureaucracies.

In conclusion, the period 1960 to 1976 brought out new experiments in terms of philosophies, structure, innovation, and changes. Agagu (2008) argued that; despite the various reforms across the country, local government still maintained the divergence in its operation till 1976. The implication to him is that without conscious efforts to give direction and a sense of mission to our institutions in the country, the national ideal may be absent. Local governments became cash strapped thereby, being unable to carry out their statutory duties, hence, the need for a reform of the various local government systems in the country. The federal military government reacted, and the outcome was the setting up of the Public Service Review Commission, whose terms of reference included their view of the local government system in the country. The commission made some recommendations to improve the performance capability of local governments in the country. The recommendations did not see the light of the day before another military government took over power in

July 1975. However, in November 1975, working parties comprising local government practitioners and consultants were appointed to advise on the appropriate local government system in the country.

Based on their recommendations partly derived from the Public Service Review Commissions Report, the federal and state governments agreed on the issue of guidelines for local government reform. The policy output was the 1976 Federal Republic of Nigeria Guidelines for Local Government Reform and the promulgation of Local Government Edicts by all the state governments.

2.1.2 The 1976 Local Government Reform

The 1976 Local Government Reform marked a turning point in the evolution of local government development in Nigeria. The reform has been described as a landmark in the history of local government in the country. It is the bedrock of local government development in the country. Many authors have acknowledged this. According to Gboyega (2001), "for the first time the Federal government has shown a direct interest spearheaded the reform throughout the country and it was the first time the local government will be recognized as a tier-of-government in Nigeria". For the first time, the reform provided, among other things, a uniform local government system in all the states of the federation.

Adamolekun and Roland (1979) argued that what distinguished thereform from other previous ones is the distinct level of government with defined boundaries, clearly started functions and provisions for adequate human and financial resources. General Shahu Yar'Adua, the then Chief of Staff, Supreme Headquarters who was the spokes man for the Federal Military Government, justified the reform when he asserted that: The local government had over the year suffered from a continuous whittling down of powers. The state governments had continued to encroach upon what had been recognized in other countries as the executive preserve of local government. Lack of adequate funds and appropriate institutions has continued to make local government ineffective and inefficient. Moreover, the staffing arrangements to ensure a virile local government system had been inadequate. Excessive politicking had made even modest progress impossible. Consequently, there has been a divorce between the people and government institutions at the most basic level (Federal Government, 1976).

According to Agagu (2011);The 1976 Local Government reform demonstrated a commitment to a new political value nationwide. He further added that it was an essential element of the political transition program of the Murtala/Obasanjo regime and part of the process of building a solid foundation for the return of the democratic government. The federal and state government

jointly carried out the reform though the federal government initiated it. It was derived primarily from the Udoji Commission Report set up by the previous military government of General Yakubu Gowon and a nationwide consultation on how to reposition the public service in Nigeria, including the local government (Adeyeye, 2016). The guidelines for the 1976 Local Government Reforms highlighted some of the main objectives for establishing a local government system: They include;

1. To make appropriate services development activities responsive to local wishes and initiatives by developing or delegating them to local representatives' bodies. To facilitate the exercise of democratic self-government close to the local levels of our society and to encourage initiative and leadership potential.
2. To mobilize human and material resources through the involvement of the public in their local development and;
3. To provide a two way channel of communication between local communities and government.

The overall objective of the reform was to revamp the local government system and serve as a broad guideline for local government administration throughout

the country. Aghayere (1995) summarized the fundamental areas of the 1976 reform as follows;

1. The functions of local government;
2. The structure of local government;
3. The financial resources of local government;
4. The place of traditional rulers in local government;
5. The relationship with state government;
6. Law enforcement.

The reform provided for two sets of local government functions in Nigeria, with a third one not in statutes but assigned by the appropriate legislative body in intergovernmental content (Ola & Tonwe, 2005). The functions are the exclusive, concurrent and permissive functions. These functions were provided for under section 5 of the reform, and it also found expression in schedule 4 of both the 1979 and 1999 Constitution of the Federal Republic of Nigeria. Some of the main achievements of the reform are:

1. The introduction of a multi-purpose single-tier local government structure in the country. According to the guidelines, each local

government area should compose a population of between 150,000 and 800,000.

2. The issue of finance; called for the federal government financing of local government and local government financing from own sources through internally generated revenue (IGR). The current sharing formula given by the Nigeria senate is the federal government 56%, states 24% and local government 20%, respectively.
3. The reform clearly stated the relationship between the state and local government, which was a superior-subordinate relationship. Each state was directed to establish a ministry of local government to perform effectively. Although this could not be said to have substantially altered the relationship, it only modified it as the debate for local autonomy in the country is still ongoing.
4. The reform led to the exclusion of traditional rulers from direct participation in local government administration throughout the country. It only assigned consultative advisory roles to traditional institutions. The reform called for a council which are authorized to deal with the chieftaincy, traditional or country matters in each local government area.
5. The reform allows democratic participation at the local levels through the institution of popularly elected representative local government

councils throughout the federation. The recruitment of chairpersons and councilors were to be made through direct elections.

It is important to note that the reform had some pitfalls, among which are;

1. The reform deprived the local government of any power of maintaining law and order. It only provided for a police committee that should operate in advisory capacity. The committee was given the responsibility of maintaining a constant review of questions relating to the enforcement of byelaw and other government legislation.
2. The uniformity imposed by the reform on local government in the country contradicts the localists justification of local government based on diversity of local conditions.

Adeyeye (2016) argued that the 1976 Local Government experiment ended on a sour note as most of its policy recommendations, especially the institution of a democratic elected Local Government system, could not be realized. However, one of the enduring features of the reform was its incorporation into the 1979 constitution, which provided the bedrock of subsequent constitutions; viz: 1989, 1999 and 2011 as amended constitutions of the Federal Republic of Nigeria.

2.1.3 The Contemporary Realities of Local Government Administration in Nigeria

The realities of local government as a third tier of government in the fourth republic are in contradictions with the constitutional provisions of local government and the 1976 local government reform which amongst other things laid the foundation for a uniform structure of local government and democratic local government councils in the country. The ambiguity of the 1999 Constitution viz-a-viz the role of the State Houses of Assembly and State Governors has not helped the development of local government in the Fourth Republic. The statutory roles of local government have been taken over by the state government. The 1976 reform identified and classified local government functions into three categories. These functions are enshrined under schedule 4 of the 1979 and 1999 constitutions. The first category is, the general functions, the second are the concurrent functions and third, the exclusive functions (Adeyeye, 2016; Ola & Tonwe, 2009; Aghayere, 2010).

Another reality of local government in fourth republic is the lack of democratic local councils as provided for in the 1999 constitution. Elections have not held in many states and where they are held, there are issues varying from imposition of candidate to rigging of the elections (Adeyeye, 2016; Etebom, 2019). Etebom, 2019 argued that, The structure of local government in

the country varies from one state to another depending largely on the disposition of the state government. Some states have caretaker committee systems like Akwa -Ibom, Nasarawa, Kaduna, some democratic local councils like Lagos, Sokoto, Benue, while sole administrator system is in practice in Kogi state. The situation is not different in Southwestern Nigeria. Lagos and Ogun states have been consistent in the conduct of local government elections. They have held council elections four times respectively since 1999. Ekiti and Oyo have been fairly regular in the conduct of local government elections, having held it three times. Caretaker committees have been holding sway at the grassroots level in Ondo and Osun states. They have held council elections in both states two times since the country returned to democratic rule. The council manager system of local government administration used in the old Western Region was in practice in Osun state. This as well are against the provisions of the Constitution, Section 7(1), which states that “...the system of local government by democratically elected local government councils is under this Constitution guaranteed...”

2.2 Fraud: Conceptual Framework

Fraud is not peculiar to any specific, organization, it is a general phenomenon. Some multinational, organizations such as Enron, World com, and so on have been affected negatively due to fraud occurrence, therefore

many, organizations have made so many attempts to restore their goodwill, and image by instituting internal controls, ethical guidelines, and code of ethics to prevent unethical behavior. The terms fraud has received attention, and different definitions from different scholars, researchers, and authors. What is very peculiar to the definitions is that the concept has been associated with embezzlement, financial misstatement, and misappropriation, extortion, illegal amassing of wealth through dubious means, the act of deception, bribery, false representation, theft, concealment of material fact, etc.

Eze (1994), fraud is defined as any illegal act characterized by deceit, concealment, or violation of trust. These acts are not dependent on the application of threat, or violence, or physical force. On the other hand, Lorsase (2004) defined fraud as any premeditated act of criminal deceit, trickery, or falsification by a person, or group of persons to alter facts to obtain an undue personal monetary advantage. Kabiru and Abdullahi (2014) defined fraud as all the multifarious means which human ingenuity can devise, and are resorted to by one individual to get any advantage over another. This includes all surprise, trick, cunning, dissembling, and unfair ways by which another is deceived. Fraud covers a plethora of corporate crimes like embezzlement, larceny, theft, misappropriation of assets, among others. Penny (2002) explains fraud as an illicit financial gain for the fraudster, or loss for the victim while Mahinda (2012) added that the menace occurs as a result of a person in a position of trust,

or accountability who advances his interests at the expense of the public interests through digressing from the set standards, and rules.

2.2.2 Fraud Prevention

Fraud prevention involves those actions taken to discourage the commission of fraud and limit fraud exposure when it occurs. Instilling a strong ethical culture, and setting the correct tone at the top are essential elements in preventing fraud. A strong principal mechanism for preventing fraud is effective, and efficient internal controls, including controls related to screening customers, vendors, and external business relationship partners (IIA 2009). An organization with effective internal controls deters fraudsters from the temptation to commit fraud. Management is primarily responsible for establishing and maintaining internal controls in an organization. The European Federation of Accountants (2005) however presented the following measures to combat the risk of fraud in companies:

- i. Ethical culture ethical standards in the working environment
- ii. Identification of risk areas
- iii. Set-up of policies, sound internal control procedures, and monitoring
- iv. Whistleblowing

2.2.2 Fraud Detection

Fraud detective controls are designed to provide warnings, or evidence that fraud is occurring, or has occurred.

Effective internal controls are one of the strongest deterrents to fraudulent behavior and fraudulent actions.

Simultaneous use of preventive, and detective internal controls enhances any fraud risk management program's effectiveness (Josiah, Samson & Akpeti, 2012). Although detective internal controls may provide evidence that fraud exists, detective internal controls are not intended to prevent fraud. Fraud detection methods need to be flexible, adaptable, and continuously changing to meet the changes in the risk environment. While preventive measures are apparent and readily identifiable, detective controls may not be as apparent (that is, they operate in the background) (John & Rudesil, 2010)., organizations often rely on employees to report suspicious activity through an anonymous whistleblower hotline. Using employee feedback capitalizes on the fact that many employees within the organization want to share what they know about, organizational issues (European Federation of Accountants, 2005). An effective way for an organization to learn about existing fraud, according to European Federation of Accountants (2005) is to provide employees, suppliers, and other

stakeholders with a variety of methods for reporting their concerns about illegal, or unethical behavior. Ways to collect this information include:

1. Code of conduct confirmation: When employees sign an annual code of conduct outlining their responsibilities in the prevention, and detection of fraud, they can be asked to report any known violations.
2. Whistleblower hotline: This can take the form of a telephone hotline or Web-based reporting system where the whistleblower can remain anonymous.
3. Exit interviews: Conducting exit interviews of terminated employees, or those who have resigned can help identify fraud schemes. They may also help determine whether there are issues regarding management's integrity, and may provide information regarding conditions conducive to fraud.
4. Proactive employee survey: Routine employee surveys can be conducted to solicit employee knowledge of fraud, and unethical behavior within the organization. A proactive survey could elicit anonymous information from employees, which would aid, organizations in catching fraud sooner than if they wait for employees to volunteer such information.
5. Other methods for fraud detection include surprise audits in high fraud risk areas by internal auditors, external auditors, or management.

2.2.3 Fraud Remediation

At the conclusion of every audit assignment, findings, and recommendations are made in relation to the lapses in the internal control, fraud, or irregularities established during the audit. Therefore, Management is expected to take necessary corrective actions to address the findings, and recommendations of internal auditors, and external auditors in a timely manner; addressing control weaknesses, non-compliance with policies, laws, and regulations, and other problems identified by internal audit, and external audit, and ensuring that deficiencies identified by supervisory authorities related to the internal audit function are remedied within an appropriate time frame, and that progress of necessary corrective actions are reported to the Board of Directors (Chimeocha, 2018).

2.3 Theoretical Framework

This study will be anchored on the Agency Theory. The theory was developed by Jensen and Meckling in 1976. The theory is used to understand the relationships between agents and principals. The agent represents the principal in a particular business transaction and is expected to represent the best interests of the principal without regard for self-interest. The different interests of principals and agents may become a source of conflict, as some agents may not perfectly act in the principals best interests. The resulting

miscommunication and disagreement may result in various problems, and discord within companies. Incompatible desires may drive a wedge between each stakeholder, and cause inefficiencies, and financial losses. This leads to the principal-agent problem (Investopedia 2019). This theory defines the contract among the organization's owner(s), and its top management. Managers work with the organization as agents to perform some service on behalf of owners who delegate some decision-making authority to managers. These authorities could be misused by managers to meet their interests through fraudulent engagements.

Therefore, internal auditors will help the organization in enhancing their performance, and also will ensure that the management carries out its plans according to procedures. Ilaboya and Ohiokha (2014) considered internal auditors as agents and monitors for a variety of internal audit users that include the board, audit committee, and senior management. Internal auditors often are employed by senior management, but at the same time, they are also agents of the board, and audit committee who trust in the internal auditors' ability to evaluate senior management's works, and anti-fraud controls established by the senior management. Internal auditors as agents must perform audit processes at the professional level requiring education, and professional certifications, experience, and other competencies needed to perform their responsibilities perfectly.

Having internal auditors with such requirements, and the existence of training programs for internal auditors, would increase the confidence level of the board, and audit committee in the internal auditor competence. At the same time, internal auditors, by proving their duties in accordance with the professional level, can refute charges of neglecting their duties.

The internal audit department works are achieved under the supervision of the chief audit executive who is the main responsible individual for putting the internal audit plan, reporting internal audit findings, and following up on internal audit recommendations. The organization members are required to evaluate the internal control system, and in, order to achieve this requirement they depend on the internal audit department. During this evaluation, internal auditors should collect sufficient, and reliable evidence that will support their assessment of the internal control system. The existence of such evidence will increase the confidence level of company members on the works performed by the internal audit. Hence, internal audit department performance is a crucial requirement for company members to consider internal auditors as agents (Idris, 2009).

Internal auditors, as agents of the company members, need their support. The existence of an effective audit committee in the company enhances internal audit independence, and also, reduces senior management interferences either

in internal audit scope, or its performance. For example, the problem related to the ability of senior management's influence over the future employment, and salaries of internal auditors will be resolved by having an audit committee as the absolute authority for appointment, and removal of the chief audit executive.

CHAPTER THREE

RESEARCH METHODOLOGY

Methodology in a research work basically refers to the methods, procedures or modalities which the researcher employs to achieve the objectives of the research (Agbonifoh and Yomere, 1999: 106). The methodology used in this study comprises of the following, research design, population of the study, sample size and technique, instrument of data collection, method of data analysis amongst others.

3.1 Research Design

This study adopts the survey research design. According to Tonwe et al (2007:22), survey research has become popular in modern times as a scientific method of discovering the impact and inter-relationships of social and psychological variables from given populations.

More so, survey research studies large and small populations by selecting and studying samples drawn from the population to discover the relative incidence, distribution and inter – relations of sociological and psychological variables (Tonwe et al, 2007:22). This involves the Collection of large and standardized data using well - structured questionnaire to examine revenue administration and service delivery in Oredo Local Government Area of Edo State between the period of 2015 to 2022.

3.2 Population Study

Research population is the sum total of all the elements or unit of analysis associated with a research. The population of study of this research is made up of all staff of Egor Local Government Council Secretariat, Benin City, Edo State which is 1,156 (Source: Office of the Head of Administration, Egor Local Government).

3.3 Sample Size and Sampling Technique

The sample size of this study is one hundred and fifty (150) drawn from 4 departments (Office of the Chairman, Office of the Secretary, Administration and Accounts & Audit) in Egor Local Government Council; see Table 1 below. The research study utilised the simple random sampling and purposive sampling technique in collecting relevant opinion of the focus respondents.

Table1: chart showing population.

| Departments | Total Population | Sample |
|-------------------------|-------------------------|---------------|
| Office of the Chairman | 46 | 20 |
| Office of the Secretary | 53 | 20 |
| Administration | 161 | 50 |
| Accounts & Audit | 159 | 60 |
| Total | 419 | 150 |

Source: Office of the Head of Administration, Egor Local Government.

3.4 Sources of Data

Data for this study will be generated from two sources; the primary sources which depend mainly on the design and administration of questionnaire to elicit information from respondents while the secondary source involves the use of archival materials such as books, journal, publications conferences, newspapers government gazettes and internet materials.

3.5 Instrument of Data Collection

The main instrument for data collection in this research is the questionnaire. This will enable the researcher to obtain data that are relevant to actualizing the research objectives. The questionnaire will be structured into part A and B. Part A of the questionnaire deals with the bio-data of the respondents, while part B covers questions that are relevant to the research topic.

3.6 Techniques of Data Analysis

The study employs the simple percentage statistical tool of data analysis in the analysis of data collected from the field. The simple percentage which is a descriptive tool for statistics was used for the analysis.

Reference

Tonwe, D.A, Osemwota, O, Okhakhu, M.A (2007). Research and Statistical Methods. Ibadan; Amfitop Book Company.

Yomere, G.O. and Agbonifoh, B.A. (1999). Research Methodology in the Management and Social Sciences. University of Benin Press, Benin.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

This chapter deals with the analysis of data from the study's field survey that focused on the challenges and prospects of fraud control in Egor Local Government Area of Edo State. 150 copies of questionnaires were distributed of which all were retrieved.

4.1 Frequency Table

Table 1

Gender Distribution

| | Frequency | Percent | Cumulative Percent |
|--------|-----------|---------|-----------------------|
| Male | 79 | 52.7 | 52.7 |
| Female | 71 | 47.3 | 100 |
| Total | 150 | 100 | |

Source: Field Survey, 2023

Table 1 above shows that 79 respondents which is 52.7% of the total respondents were male while 71 respondents covering 47.3% were female respondents. This result shows us that more male respondents from the sampled population participated in this study.

Table 2

Age Distribution

| | Frequency | Percent | Cumulative Percent |
|--------------|-----------|---------|-----------------------|
| 18-35years | 41 | 27.3 | 27.3 |
| 36-54years | 80 | 53.3 | 80.6 |
| 55 and above | 29 | 19.4 | 100 |
| Total | 150 | 100 | |

Source: Field Survey, 2023

Table 2 above reveals the age distribution of the sampled respondents. It shows that 41 respondents covering 27.3% of the study sampled respondents are 18 – 35 years of age, 53.3% which is 80 of the respondents are 36 – 54 years of age, while 29 sampled respondents which make up 19.4% are 55 and

above years of age. This shows that respondents between 36 - 54 years participated more in this research study.

Table 3

Marital Status

| | Frequency | Percent | Cumulative Percent |
|----------|-----------|---------|-----------------------|
| Single | 34 | 22.7 | 22.7 |
| Married | 111 | 74 | 96.7 |
| Divorced | 5 | 3.3 | 100 |
| Total | 150 | 100 | |

Source: Field Survey, 2023

Table 3 above shows the marital status of the sampled respondents in this study. 22.7% of the sample population representing 34 respondents are single, 111 of the respondents covering 74% of respondents are married, while the remaining 5 respondent representing 3.3% of the sampled respondents are divorced. This Indicates that, more married respondents participated in this study.

Table 4

Educational Qualification

| | Frequency | Percent | Cumulative Percent |
|---------------|-----------|---------|-----------------------|
| OND | 39 | 26 | 26 |
| HND | 51 | 34 | 60 |
| First degree | 42 | 28 | 88 |
| Second degree | 18 | 12 | 100 |
| Total | 150 | 100 | |

Source: Field Survey, 2023

Table 4 reveals that 26% respondents are OND certificate holders, 34% are HND certificate holders, 28% have obtained a first degree while the remaining 12% are second degree holders. It goes to show that a higher percentage of respondents in this study are HND certificate holders.

Table 5

Grade Level

| | Frequency | Percent | Cumulative Percent |
|--------------|-----------|---------|-----------------------|
| Senior Staff | 57 | 38 | 38 |
| Junior Staff | 93 | 62 | 100 |
| Total | 150 | 100 | |

Source: Field Survey, 2023

Table 5 reveals the grade level of the respondents. 57 respondents covering 38% are senior staff, while 93 respondents representing 62% respondents are junior staff. Hence, signifying that, respondents that are junior staff participated more in this study.

SECTION B

Table 5: 1 Egor local government has qualified auditors and accountants.

Question 1

| | Frequency | Percent | Cumulative Percent |
|----------------------|-----------|---------|-----------------------|
| Valid Strongly Agree | 51 | 34 | 34 |
| Agree | 58 | 38.7 | 72.7 |
| Undecided | 3 | 2 | 74.7 |
| Disagree | 23 | 15.3 | 90 |
| Strongly Disagree | 15 | 10 | 100 |
| Total | 150 | 100 | |

Source: Field Survey, 2023

The table above is an analysis of the research question if Egor local government has qualified auditors and accountants. The analysis reveals that 34% of the respondents strongly agree that Egor local government has qualified

auditors and accountants, 38.7% agreed, 2% were undecided, 15.3% disagreed on this research question, while 10% of the respondents strongly disagreed that Egor local government has qualified auditors and accountants. The analysis thus reveals that majority of the sampled respondents agreed that Egor local government has qualified auditors and accountants.

Table 6: Egor local government has modern technological devices to track the inflow and outflow of revenue

Question 2

| | Frequency | Percent | Cumulative Percent |
|----------------------|-----------|---------|-----------------------|
| Valid Strongly Agree | 11 | 7.3 | 7.3 |
| Agree | 34 | 22.7 | 30 |
| Undecided | 8 | 5.3 | 35.3 |
| Disagree | 54 | 36 | 71.3 |
| Strongly Disagree | 43 | 28.7 | 100 |
| Total | 150 | 100 | |

Source: Field Survey, 2023

Table 6 presents the analysis to the response of respondents to the research question if Egor local government has modern technological devices to track the inflow and outflow of revenue. 7.3% of the respondents strongly agreed that Egor local government has modern technological devices to track the inflow and outflow of revenue, 22.7% agreed, 5.3% were undecided, 36% disagreed, while 28.7% strongly disagreed that Egor local government has modern technological devices to track the inflow and outflow of revenue. This therefore reveals that majority of the sampled respondents agreed that Egor local government has modern technological devices to track the inflow and outflow of revenue.

Table 7: Egor local government has proper record keeping.

Question 3

| | Frequency | Percent | Cumulative Percent |
|----------------------|-----------|---------|--------------------|
| Valid Strongly Agree | 38 | 25.3 | 25.3 |
| Agree | 46 | 30.7 | 56 |
| Undecided | 11 | 7.3 | 63.3 |
| Disagree | 32 | 21.3 | 84.6 |
| Strongly Disagree | 23 | 15.4 | 100 |
| Total | 150 | 100 | |

Source: Field Survey, 2023

Table 7 above presents the analysis to the response of respondents to the research question if Egor local government has proper record keeping. 25.3% strongly agreed that Egor local government has proper record keeping, 30.7% agreed, 7.3% were undecided, 21.3% disagreed, while 15.4% strongly disagreed that Egor local government has proper record keeping. This therefore reveals that majority of the sampled respondents agreed that Egor local government has proper record keeping.

Table 8: Egor local government has a system of checkmating the activities of revenue collectors.

Question 4

| | Frequency | Percent | Cumulative Percent |
|----------------------|-----------|---------|--------------------|
| Valid Strongly Agree | 45 | 30 | 30 |
| Agree | 46 | 30.7 | 60.7 |
| Undecided | 4 | 2.7 | 63.4 |
| Disagree | 32 | 21.3 | 84.7 |
| Strongly Disagree | 23 | 15.3 | 100 |
| Total | 150 | 100 | |

Source: Field Survey, 2023

Table 8 reveals 30% of the respondents strongly agreed that Egor local government has a system of checkmating the activities of revenue collectors, 30.7% agreed, 2.7% were undecided, 21.3% disagreed; the remaining 15.3% strongly disagreed that Egor local government has a system of checkmating the activities of revenue collectors. The above analyses clearly reveals that Egor local government has a system of checkmating the activities of revenue collectors.

Table 9: Egor local government carryout auditing exercise, but not regularly.

Question 5

| | Frequency | Percent | Cumulative Percent |
|----------------------|-----------|---------|--------------------|
| Valid Strongly Agree | 31 | 20.7 | 20.7 |
| Agree | 48 | 32 | 52.7 |
| Undecided | 7 | 4.7 | 57.4 |
| Disagree | 41 | 27.3 | 84.7 |
| Strongly Disagree | 23 | 15.3 | 100 |
| Total | 150 | 100 | |

Source: Field Survey, 2023

Table 9 shows that 20.7% of the respondents strongly agreed that Egor local government carryout auditing exercise, but not regularly, 32% agreed, 4.7% were undecided, 27.3% disagreed, while the remaining respondent which were 15.3% of the sampled respondents strongly disagreed that Egor local government carryout auditing exercise, but not regularly. It therefore shows from the above analyses that, majority of the sampled respondents agreed that Egor local government carryout auditing exercise, but not regularly.

Table 10: Regular auditing could help to detect fraud in Egor local government.

Question 6

| | Frequency | Percent | Cumulative Percent |
|----------------------|-----------|---------|--------------------|
| Valid Strongly Agree | 54 | 36 | 36 |
| Agree | 62 | 41.3 | 77.3 |
| Undecided | 3 | 2 | 79.3 |
| Disagree | 21 | 14 | 93.3 |
| Strongly Disagree | 10 | 6.7 | 100 |
| Total | 150 | 100 | |

Source: Field Survey, 2023

Table 10 clearly reveals that 36% of the sampled respondent in this study strongly agreed that regular auditing could help to detect fraud in Egor local government. 41.3% respondents agreed, 2% were undecided, 14% disagreed, while 6.7% strongly disagreed that regular auditing could help to detect fraud in Egor local government. The above analyses reveal that majority of the respondent agreed that regular auditing could help to detect fraud in Egor local government.

Table 11: The application of technological devices can help to detect and prevent fraud in Egor Local Government Area.

Question 7

| | Frequency | Percent | Cumulative Percent |
|-------------------------|-----------|---------|--------------------|
| Valid Strongly Disagree | 46 | 30.7 | 30.7 |
| Agree | 53 | 35.3 | 66 |
| Undecided | 2 | 1.3 | 67.3 |
| Disagree | 31 | 20.7 | 88 |
| Strongly Disagree | 18 | 12 | 100 |
| Total | 150 | 100 | |

Source: Field Survey, 2023

Table 11 presents that 30.7% of the respondent strongly agreed that the application of technological devices can help to detect and prevent fraud in Egor Local Government Area, 35.3% respondents agreed, 1.3% were undecided if the application of technological devices can help to detect and prevent fraud in Egor Local Government Area, 20.7% disagreed, while the remaining 12% of sampled respondents strongly disagreed that the application of technological devices can help to detect and prevent fraud in Egor Local Government Area. The above analyses reveal that majority of the respondent agreed that the application of technological devices can help to detect and prevent fraud in Egor Local Government Area.

Table 12: Proper record keeping can help to prevent fraud in Egor Local Government Area.

Question 8

| | Frequency | Percent | Cumulative Percent |
|----------------------|-----------|---------|--------------------|
| Valid Strongly Agree | 53 | 35.3 | 35.3 |
| Agree | 61 | 40.7 | 76 |
| Undecided | 3 | 2 | 78 |
| Disagree | 21 | 14 | 92 |
| Strongly Disagree | 12 | 8 | 100 |
| Total | 150 | 100 | |

Source: Field Survey, 2023

Table 12 reveals that 35.3% of the respondent strongly agreed that proper record keeping can help to prevent fraud in Egor Local Government Area, 40.7% respondents agreed, 2% were undecided, 14% disagreed, the remaining 8% strongly disagreed that proper record keeping can help to prevent fraud in Egor Local Government Area. The above analysis shows that majority of the respondent agreed that proper record keeping can help to prevent fraud in Egor Local Government Area.

Table 13: There is a constant check on the activities of revenue collectors in Egor Local Government Area.

Question 9

| | Frequency | Percent | Cumulative Percent |
|----------------------|-----------|---------|-----------------------|
| Valid Strongly Agree | 25 | 16.7 | 16.7 |
| Agree | 32 | 21.3 | 38 |
| Undecided | 13 | 8.7 | 46.7 |
| Disagree | 44 | 29.3 | 76 |
| Strongly Disagree | 36 | 24 | 100 |
| Total | 150 | 100 | |

Source: Field Survey, 2023

Table 13 reveals that 16.7% of the respondent strongly agreed that there is a constant check on the activities of revenue collectors in Egor Local Government Area, 21.3% respondents agreed, 8.7% were undecided, 29.3% disagreed, while the remaining 24% of the sampled respondents strongly disagreed that there is a constant check on the activities of revenue collectors in Egor Local Government Area. The above analysis shows that majority of the respondents disagreed that there is a constant check on the activities of revenue collectors in Egor Local Government Area.

Table 14: Irregular auditing has led to fraud in Egor Local Government Area.

Question 10

| | Frequency | Percent | Cumulative Percent |
|----------------------|-----------|---------|--------------------|
| Valid Strongly Agree | 53 | 35.3 | 35.3 |
| Agree | 61 | 40.7 | 76 |
| Undecided | 9 | 6 | 82 |
| Disagree | 13 | 8.7 | 90.7 |
| Strongly Disagree | 14 | 9.3 | 100 |
| Total | 150 | 100 | |

Source: Field Survey, 2023

Table 14 reveals that 35.3% of the respondent strongly agreed that irregular auditing has led to fraud in Egor Local Government Area, 40.7% respondents agreed, 6% were undecided, 8.7% disagreed, while the remaining 9.3% of the sampled respondents strongly disagreed that irregular auditing has led to fraud in Egor Local Government Area. The above analysis shows that majority of the respondents agreed that irregular auditing has led to fraud in Egor Local Government Area.

Table 15: The unavailability of modern technologies has led to increase in fraud in Egor Local Government Area.

Question 11

| | Frequency | Percent | Cumulative Percent |
|----------------------|-----------|---------|--------------------|
| Valid Strongly Agree | 43 | 28.7 | 28.7 |
| | | | |
| Agree | 55 | 36.7 | 65.4 |
| Undecided | 5 | 3.3 | 68.7 |
| Disagree | 31 | 23.4 | 92.1 |
| Strongly Disagree | 16 | 7.9 | 100 |
| Total | 150 | 100 | |

Source: Field Survey, 2023

Table 15 reveals that 25.3% of the respondent strongly agreed that the unavailability of modern technologies has led to increase in fraud in Egor Local Government Area, 34% respondents agreed, 3.3% were undecided, 23.4% disagreed, while the remaining 14% of the sampled respondents strongly disagreed that the unavailability of modern technologies has led to increase in fraud in Egor Local Government Area. The above analysis shows that majority of the respondents agreed that the unavailability of modern technologies has led to increase in fraud in Egor Local Government Area.

Table 16: Improper record keeping can increase fraud in Egor Local Government Area.

Question 12

| | Frequency | Percent | Cumulative Percent |
|----------------------|-----------|---------|--------------------|
| Valid Strongly Agree | 43 | 28.7 | 28.7 |
| Agree | 64 | 42.7 | 71.4 |
| Undecided | 4 | 2.7 | 74.1 |
| Disagree | 23 | 15.3 | 89.4 |
| Strongly Disagree | 16 | 10.6 | 100 |
| Total | 150 | 100 | |

Source: Field Survey, 2023

Table 16 reveals that 28.7% of the respondent strongly agreed that improper record keeping can increase fraud in Egor Local Government Area, 42.7% respondents agreed, 2.7% were undecided, 15.3% disagreed, while the remaining 10.6% of the sampled respondents strongly disagreed that improper record keeping can increase fraud in Egor Local Government Area. The above analysis shows that majority of the respondents agreed that improper record keeping can increase fraud in Egor Local Government Area.

Table 17: Inadequate check and follow-up on revenue collectors can increase fraud in Egor Local Government Area.

Question 13

| | Frequency | Percent | Cumulative Percent |
|----------------------|-----------|---------|--------------------|
| Valid Strongly Agree | 48 | 32 | 32 |
| Agree | 57 | 38 | 70 |
| Undecided | 10 | 6.7 | 76.7 |
| Disagree | 19 | 12.7 | 89.4 |
| Strongly Disagree | 16 | 10.6 | 100 |
| Total | 150 | 100 | |

Source: Field Survey, 2023

Table 17 reveals that 32% of the respondent strongly agreed that inadequate check and follow-up on revenue collectors can increase fraud in Egor Local Government Area, 38% respondents agreed, 6.7% were undecided, 12.7% disagreed, while the remaining 10.6% of the sampled respondents strongly disagreed that inadequate check and follow-up on revenue collectors can increase fraud in Egor Local Government Area. The above analysis shows that majority of the respondents agreed that inadequate check and follow-up on revenue collectors can increase fraud in Egor Local Government Area.

Table 18: There are much fraudulent activities going on in Egor Local Government Area.

Question 14

| | Frequency | Percent | Cumulative Percent |
|----------------------|-----------|---------|--------------------|
| Valid Strongly Agree | 43 | 28.7 | 28.7 |
| Agree | 58 | 38.7 | 67.4 |
| Undecided | 11 | 7.3 | 74.7 |
| Disagree | 21 | 14 | 88.7 |
| Strongly Disagree | 17 | 11.3 | 100 |
| Total | 150 | 100 | |

Source: Field Survey, 2023

Table 18 reveals that 28.7% of the respondent strongly agreed that there are much fraudulent activities going on in Egor Local Government Area, 38.7% respondents agreed, 7.3% were undecided, 14% disagreed, while the remaining 11.3% of the sampled respondents strongly disagreed that there are much fraudulent activities going on in Egor Local Government Area. The above analysis shows that majority of the respondents agreed that there are much fraudulent activities going on in Egor Local Government Area.

Table 19: Regular auditing can reduce fraud in Egor Local Government Area.

Question 15

| | Frequency | Percent | Cumulative Percent |
|----------------------|-----------|---------|--------------------|
| Valid Strongly Agree | 42 | 28 | 28 |
| Agree | 61 | 40.7 | 68.7 |
| Undecided | 4 | 2.7 | 71.4 |
| Disagree | 24 | 16 | 87.4 |
| Strongly Disagree | 19 | 12.6 | 100 |
| Total | 150 | 100 | |

Source: Field Survey, 2023

Table 19 reveals that 28% of the respondent strongly agreed that regular auditing can reduce fraud in Egor Local Government Area, 40.7% respondents agreed, 2.7% were undecided, 16% disagreed, while the remaining 12.6% of the sampled respondents strongly disagreed that regular auditing can reduce fraud in Egor Local Government Area. The above analysis shows that majority of the respondents agreed that regular auditing can reduce fraud in Egor Local Government Area.

Table 20: The application of modern technologies can reduce fraudulent activities in Egor Local Government Area.

Question 16

| | Frequency | Percent | Cumulative Percent |
|----------------------|-----------|---------|--------------------|
| Valid Strongly Agree | 37 | 24.7 | 24.7 |
| Agree | 56 | 37.3 | 62 |
| Undecided | 11 | 7.3 | 69.3 |
| Disagree | 31 | 20.7 | 90 |
| Strongly Disagree | 15 | 10 | 100 |
| Total | 150 | 100 | |

Source: Field Survey, 2023

Table 20 reveals that, 24.7% of the respondents strongly agreed that the application of modern technologies can reduce fraudulent activities in Egor Local Government Area, 37.3% of the respondents agreed, 7.3% were undecided, 20.7% of the respondents disagreed, while 10% of the respondents strongly disagreed that the application of modern technologies can reduce fraudulent activities in Egor Local Government Area. The above analysis shows that respondents agreed that the application of modern technologies can reduce fraudulent activities in Egor Local Government Area.

Table 21: Proper record keeping can help to prevent fraud in Egor Local Government Area.

Question 17

| | Frequency | Percent | Cumulative Percent |
|----------------------|-----------|---------|--------------------|
| Valid Strongly Agree | 47 | 31.3 | 31.3 |
| Agree | 61 | 40.7 | 72 |
| Undecided | 4 | 2.7 | 74.7 |
| Disagree | 22 | 14.7 | 89.4 |
| Strongly Disagree | 16 | 10.6 | 100 |
| Total | 150 | 100 | |

Source: Field Survey, 2023

Table 21, shows that, 31.3% of the respondents strongly agreed that proper record keeping can help to prevent fraud in Egor Local Government Area, 40.7% agreed, 2.7% were undecided, 14.7% disagreed, while the remaining 10.6% of sampled respondents strongly disagreed that proper record keeping can help to prevent fraud in Egor Local Government Area. It therefore shows from the above analyses that, majority of the sampled respondents agreed that proper record keeping can help to prevent fraud in Egor Local Government Area.

4.2 Discussion of Findings

The study was designed to examined the challenges and prospects of fraud control in Egor Local Government Area of Edo State. The main goal of this study was to establish the challenges and prospects of fraud control in Egor local government. Having subjected the data collected from the respondents to statistical calculations and analysis, the outcome of the research revealed the following findings.

Firstly, the study examined the fraud control measures in Egor local government council. It was established that Egor local government council has qualified accountants and auditor in the council as agreed by majority of the respondents. Judging by the response of majority of the respondents, It was established that there is proper record keeping in Egor Local government

council. Majority of the respondents agreed that the council have a system of checking the activities of revenue collectors but do not have modern technological devices to track the inflow and outflow of revenue in the council. Davis (2014), asserts that computers and other electronic devices veritable tools to detect and prevent fraud.

The study reveals that Egor local government does not carryout regular auditing exercise. This was established given the responses of the sampled respondents based in the research question on whether or not Egor local government regularly carryout auditing exercise. It was observed that majority of the sampled respondents agreed that even though Egor local government carryout auditing exercise, it is not done regularly. The study reveals that the application of technological devices can help to detect and prevent fraud in Egor Local Government Area. This assertion was agreed by majority of the respondents. Majority of the sampled respondents also agreed that proper record keeping can help to prevent fraud in Egor Local Government Area. Okezie (2012) posits that local governments in Nigeria should adopt the use of computers and proper record keeping through the issuance of certified receipts for transactions in order to curb fraudulent activities in their system. According to Yakubu (2008), by ensuring that all transactions are properly recorded and audited, fraud can be easily detected and ultimately prevented. He went further to posit that

fraudulent activities could be increased if the financial transactions are not captured.

Lastly, this study examined how fraud control measures prevent the menace of fraud in Egor local government council. It was revealed that there is prevalence of fraud in Egor Local Government Area. It was agreed that regular auditing can reduce fraud in Egor Local Government Area. Majority of the sampled respondents agreed that the application of modern technologies can reduce fraudulent activities in Egor Local Government Area by tracking all transactions in the council. They also agreed that proper record keeping can help to prevent and minimize fraud in Egor Local Government Area.

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CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.2 Summary

The study was designed to examine the challenges and prospects of fraud control in Egor Local Government Area of Edo State. The objectives of the study include the following; to find out the impact of fraud control measures, on the overall management of Egor Local Government, to find out the local government council employees knowledge base on the concept of fraud in the public organisation sector. to find out effective fraud control measures influence on prevention and detection of fraud, and to find out the problem of fraud and how to curb it. The study adopted survey research design. The population of study of this research is made up of all staffs of Egor local government council which is 1,156. The sample size of this study is respondents selected randomly from the population of the study. The instrument used for the collection of data was the questionnaire which was administered to the study sampled respondents. 150 questionnaires were distributed with a 100% retrieval. The data collected was analyzed using simple percentage.

The study established some findings, and they are expressed as follows; that Egor local government council has qualified accountants and

auditor in the council as agreed by majority of the respondents, that there is proper record keeping in Egor Local government council, that the council have a system of checking the activities of revenue collectors, that despite the aforementioned findings, there is still much fraudulent activities ravaging the council. This could be attributed to the irregular auditing exercise in the council and the fact that Egor local government does not have modern technological devices to track the inflow and outflow of revenue in the council. Other findings include; that regular auditing can help to detect and minimize fraud in the council, that the application of technological devices can help to detect and prevent fraud in Egor Local Government Area, and that proper record keeping can help to prevent fraud in Egor Local Government Area.

5.2 Conclusion

From the data collected and analyzed from the field, the study concludes amongst others that, fraudulent activities in Egor Local Government Area is on the high side despite having qualified accountants and auditors, keeping proper records of transactions and checkmate the activities of revenue collectors in the local government. This high rate of fraudulent activities in Egor Local Government Area can be attributed to the irregular auditing on the transactions of the local government council and also the council's inability to utilize modern technological devices to track the inflow and outflow of revenue in the council. These technological devices such as computers, POS machines,

internet facilities among others can be applied to capture and track down every transactions in the local government council.

5.3 Recommendations

The findings of the study have provided useful information about the challenges and prospects of fraud control in Egor Local Government Area of Edo State. . It is based on the findings of this study that the following recommendations were made:

1. There should be regular auditing exercise on all daily transactions of Egor local government.
2. Receipt should be issued for all transactions of the council irrespective of the amount of money involved.
3. Egor local government should acquire and utilize modern technological devices for transactions. This can help to track all payments and transactions made in the council.
4. There should be a paradigm shift from cash transactions to online/digital transactions. All payments should be made online so that it will be easy for the accountants and auditors to track all inflow and outflow of money in the council.

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APPENDIX
QUESTIONNAIRE
DEPARTMENT OF PUBLIC ADMINISTRATION,
FACULTY OF SOCIAL SCIENCE,
UNIVERSITY OF BENIN, BENIN CITY.

Dear Sir / Madam,

**REQUEST FOR YOUR COOPERATION IN COMPLETING THIS
QUESTIONNAIRE**

I am an undergraduate student of the above mentioned Department and University. As part of the programme, I am presently conducting a research on the topic “Fraud Control in Egor Local Government Council: Challenges and Prospects”. This questionnaire is therefore designed to collect the relevant data for the study. Your response to the questions will not be used for any other purpose other than the one stated above.

Furthermore, you are kindly requested to respond as sincerely as possible to all the questions as stated in the questionnaire. Please, tick (✓) in the space provided in the most appropriate column on each of the item.

Thank you for your cooperation.

SECTION A: BIODATA

Please, kindly tick the box that best fit the information given below:

1. Gender: Male Female
2. Age: 18 – 35 years 36 – 53 54 and above
3. Marital Status: Single Married Divorced
4. Educational qualification: OND HND First Degree
Post Graduate Others
5. Grade Level: Senior Staff Junior Staff

SECTION B

Where: SD – Strongly Agree; A – Agree; UN – Undecided; DA – Disagreed;

SD – Strongly Disagreed

Please tick the space that best fit your view.

What kind of relationship exists between detection and prevention of fraud and fraud control measures?

| S/N | STATEMENT | SA | A | UD | D | SD |
|-----|---|----|---|----|---|----|
| | Does Egor local government council have fraud control measures? | | | | | |
| 1. | Egor local government has qualified auditors and accountants. | | | | | |
| 2. | Egor local government has modern technological devices to track the inflow and outflow of revenue. | | | | | |
| 3. | Egor local government has proper record keeping. | | | | | |
| 4. | Egor local government has a system of checkmating the activities of revenue collectors. | | | | | |
| | What kind of relationship exists between detection and prevention of fraud and fraud control measures? | | | | | |
| 5. | Egor local government carryout auditing exercise, but not regularly. | | | | | |
| 6. | Regular auditing could help to detect fraud in Egor local government. | | | | | |
| 7. | The application of technological devices can help to detect and prevent fraud in Egor Local Government Area. | | | | | |
| 8. | Proper record keeping can help to prevent fraud in Egor Local Government Area. | | | | | |
| 9. | There is a constant check on the activities of revenue collectors in Egor Local Government Area. | | | | | |
| | Is lack of good fraud control measures a major cause of fraud in Egor local government council? | | | | | |
| 10. | Irregular auditing has led to fraud in Egor Local Government Area. | | | | | |
| 11. | The unavailability of modern technologies has led to increase in fraud in Egor Local Government Area. | | | | | |
| 12. | Improper record keeping can increase fraud in Egor Local Government Area. | | | | | |
| 13. | Inadequate check and follow-up on revenue collectors can increase fraud in Egor Local | | | | | |

| | | | | | | |
|-----|---|--|--|--|--|--|
| | Government Area. | | | | | |
| | Can effective fraud control measures prevent the menace of fraud in Egor local government council? | | | | | |
| 14. | There are much fraudulent activities going on in Egor Local Government Area. | | | | | |
| 15. | Regular auditing can reduce fraud in Egor Local Government Area. | | | | | |
| 16. | The application of modern technologies can reduce fraudulent activities in Egor Local Government Area. | | | | | |
| 17. | Proper record keeping can help to prevent fraud in Egor Local Government Area. | | | | | |