

**THE EFFECT OF MISMANAGEMENT AND EMBEZZLEMENT OF FUNDS IN
THE PUBLIC SECTOR (A CASE STUDY OF THE NIGERIAN NATIONAL
PETROLEUM CORPORATION NNPC)**

BY

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DEPARTMENT OF PUBLIC ADMINISTRATION

FACULTY OF SOCIAL SCIENCES

UNIVERSITY OF BENIN

NOVEMBER, 2025

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**A PROJECT SUBMITTED TO THE DEPARTMENT OF PUBLIC
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CERTIFICATION

We certify that this research work was carried out by OLUNENE SAMUEL IBUKUNOLUWAPO of the Department of Public Administration, University of Benin, Benin City, for the Award of Bachelor of Sciences (B.SC) degree in Public Administration.

Dr. P.A OMAMOR
(Project Supervisor)

DATE

PROF. A.I MUATAPHA
(Head of Department)

DATE

DEDICATION

This project is dedicated to the Almighty God, the source of all life, wisdom and knowledge for his protection and hid infinite mercies over my life and also for his grace for his grace that has not cease over my life, to him alone be all the Glory.

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ABSTARCT

This research investigates the effect of mismanagement and embezzlement of funds in the public sector, using the Nigerian National Petroleum Corporation as a case study. The study looks at the causes, patterns, and consequences of financial mismanagement and corruption within the corporation for implications on economic performance and development in Nigeria. This study is anchored on the Public Choice Theory, which explains how self-interest among public officials often leads to inefficiency and corruption in public organizations. A survey research design was adopted for this study. Data were collected using structured questionnaires that were distributed to a sample of 377 respondents; 300 valid responses were retrieved and analyzed using descriptive statistical methods such as frequency and percentage distributions. The research concentrated on employees and stakeholders familiar with the operations of NNPC in Edo State. The findings indicated that widespread mismanagement and embezzlement of funds had been institutionalized within the Nigerian public sector. According to the study, political interference, coupled with weak internal control systems, inadequate auditing, and general poor accountability frameworks, significantly contributes to financial indiscipline in NNPC. The research proved that such corruption in the corporation has thus far adversely impacted economic growth in Nigeria by reducing funds available for infrastructure, education, and healthcare. Additionally, it came to light that the anti-corruption agencies, even though established to fight corruption, turned out to be largely ineffective because of political influence and lack of autonomy. The study concludes that, in the absence of strengthened accountability and transparency through effective auditing, digital financial management systems, and strict enforcement of anti-corruption laws, mismanagement and embezzlement will continue to undermine development in Nigeria. It advocates for an enhancement in the internal financial controls, limiting political interference to a minimal level, empowering anti-corruption agencies, and institutionalizing a culture of integrity within the public service.

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CHAPTER ONE

1.1 BACKGROUND TO THE STUDY

Government plays a central role in shaping the growth and stability of any nation through the formulation of policies, management of resources, and provision of essential services. In Nigeria, where government institutions control a significant portion of national wealth and employment, effective governance is critical to ensuring sustainable development (Obi, 2020). Unfortunately, the Nigerian state has long struggled with financial mismanagement, lack of transparency, and widespread corruption, all of which have hampered national progress despite the country's abundant human and natural resources (*Nwankwo, 2018; Uzochukwu, 2019*).

Among government institutions, the Nigerian National Petroleum Corporation (NNPC) occupies a particularly strategic position because of the country's heavy dependence on oil revenue. Established in 1977, NNPC was mandated to oversee the exploration, production, and marketing of petroleum resources, while ensuring that oil wealth contributes to national development (*Buchanan & Tullock, 1962; EITI, 2021*). However, instead of fulfilling this mandate transparently and efficiently, the corporation has often been associated with allegations of mismanagement, embezzlement, and financial irregularities (*Nwankwo, 2018; Transparency International, 2022*).

Over the years, several audits and investigations have uncovered cases of unremitted funds, inflated contracts, and wastage within the corporation. For instance, reports from

the Nigeria Extractive Industries Transparency Initiative (NEITI) have highlighted discrepancies in NNPC's financial records (EITI, 2021). In addition, frequent media reports on crude oil theft, questionable subsidy payments, and poor accountability have eroded public confidence in the management of Nigeria's oil revenues (*Obi, 2020; Uzochnikwu, 2019*). These practices have not only drained the economy but also diverted resources that could have been invested in infrastructure, poverty alleviation, and job creation (*Sala-i-Martin & Subramanian, 2013; Okonjo-Iweala, 2018*).

The consequences of such financial malpractice extend beyond economic losses. They weaken state institutions, foster public distrust in government, and reinforce Nigeria's experience of the "resource curse"—a situation where nations rich in natural resources paradoxically suffer from underdevelopment, poverty, and instability (*Auty, 1993; Ross, 2012; Watts, 2004*). Despite being Africa's largest oil producer, Nigeria continues to grapple with high unemployment, pervasive poverty, and socio-economic decline, much of which is linked to poor governance of oil revenue (*Abdullahi & Nadabo, 2022; Dibia, 2024*).

Given these realities, it becomes imperative to critically examine the effects of mismanagement and embezzlement of funds within the Nigerian public sector, with particular emphasis on NNPC. This study seeks to analyze the causes, manifestations, and consequences of financial mismanagement in the corporation. By doing so, it aims to provide insights into the importance of transparency and accountability in public

financial management, while also offering recommendations that can strengthen governance practices in NNPC and other public institutions. Ultimately, ensuring openness and responsibility in the management of national resources is vital for restoring public trust and advancing Nigeria's socio-economic development (*Okonjo-Iweala, 2018; Uzochukwu, 2019*).

1.2 STATEMENT OF RESEARCH PROBLEM

Nigeria is blessed with abundant oil resources and earns billions of dollars from petroleum every year. Yet, ordinary Nigerians still face poor roads, unstable electricity, high unemployment, and widespread poverty. This situation raises a serious question: why has so much wealth failed to translate into real development? (*Sala-i-Martin & Subramanian, 2013; Obi, 2020*).

One major answer lies in the mismanagement and embezzlement of public funds, especially within the Nigerian National Petroleum Corporation (NNPC). The NNPC, which was established to manage oil resources for the benefit of the country, has instead become known for corruption, unremitted revenues, inflated contracts, and weak accountability. Reports from agencies such as the Nigeria Extractive Industries Transparency Initiative (NEITI) continue to expose huge financial irregularities that drain public resources.

As a result, government finances are weakened, public trust is eroded, and Nigeria remains stuck in the paradox of being rich in oil but poor in development. This makes it

necessary to study how mismanagement and embezzlement of funds in the NNPC affect the economy, governance, and citizens' welfare, and to explore possible solutions *(Okonjo-Iweala, 2018)*.

1.3 RESEARCH OBJECTIVES

The purpose of the study is as follows:

- i. To understand the root causes of mismanagement and embezzlement of funds within the NNPC.
- ii. To examine how financial mismanagement in the corporation has influenced Nigeria's economic growth and development.
- iii. To evaluate the effect of corruption in the NNPC on public trust and governance in Nigeria.
- iv. To highlight the key challenges that make it difficult to enforce accountability and transparency in the corporation.
- v. To suggest practical recommendations that can improve financial management and reduce corruption within the NNPC and the wider public sector.

1.4 RESEARCH QUESTIONS

The following specific research question would thus be posed in order to determine the following:

1. Why has the Nigerian National Petroleum Corporation (NNPC) mismanaged and embezzled finances?

2. How has the mismanagement of funds by the NNPC impacted on the economic growth and development of Nigeria?
3. How has the NNPC's corruption influenced the perception by the public on government and governance in the country?
4. What are the variables that act as deterrents for effective accountability and transparency by the NNPC?
5. What is practicable that could thus be effected in order to institutionalize improved management of funds as well as reduce corruption by the NNPC and the public sector in general?

1.5 HYPOTHESES

H₀₁: Absence of mismanagement and embezzlement of funds in the NNPC has no strong cause linked to weak institutional arrangements and political meddling.

H₁₁: Absence of mismanagement and embezzlement of funds in the NNPC has strong cause linked to weak institutional arrangements and political meddling.

H₀₂: Absence of financial mismanagement in the NNPC has no strong impact on the economic growth and development of Nigeria.

H₁₂: Absence of financial mismanagement in the NNPC has strong positive impact on the economic growth and development of Nigeria.

H₀₃: Absence of corruption in the NNPC has no strong impact on public confidence and governance in Nigeria.

H₁₃: Absence of corruption in the NNPC has strong positive impact on public confidence and Governance in Nigeria.

H₀₄: Hurdles such as lack of openness and weak accountability tools are not substantially impeding reforms in the NNPC.

H₁₄: Hurdles such as lack of openness and weak accountability tools substantially hinder reforms in the NNPC.

1.6 SIGNIFICANCE OF THE STUDY

The study is meaningful in the sense that it sheds light on how mismanagement and embezzlement of funds affect the development of Nigeria, with the Nigerian National Petroleum Corporation (NNPC) as the mirror. And the results will be beneficial to government and policy leaders for the reason that they contain insights helpful for the purpose of informing reforms, fortifying mechanisms of accountability, and enhancing openness in the oil sector. By identifying the weaknesses enabling corruption to persist, the study could help shape policies that lower leakages, increase efficiency, and ensure oil wealth contributes to the nation's growth.

It will also benefit the broader public sector by showing the implications for poor management of finances and the need for robust institutional mechanisms. To scholars and researchers, the study will add to the expanding store of information on public sector corruption, mismanagement of resources, and the "resource curse" phenomenon, as well as act as one for future explorations on the issue of governance and development.

But most importantly, the study will benefit the public at large by enlightening the public on how oil revenue mismanagement has tell-tale effects on daily lives, ranging from poverty to poor roads, jobs, and dwindled social services (*Sala-i-Martin & Subramanian, 2013; Dibia, 2024*). Greater awareness of these perspectives could empower the public to hold leaders accountable for their responsibilities and welcome reforms that advance the cause for good governance (*Abdullahi & Nadabo, 2022*).

In the long term, the study would help instill better management for public resources, retrieve trust in government institutions by the public, and ensure the oil wealth of Nigeria helps in sustainable development. By taking light on the challenges as well as the potential remedies, the study aims to close the gap between policy aspirations and actual results, hence aiding the cause for greater openness, accountability, and people-centered government in the country (*Okonjo-Iweala, 2018; Transparency International, 2022*).

1.7 SCOPE OF THE STUDY

The study is on the effect of mismanagement and embezzlement of funds in the public sector in Nigeria using the Nigerian National Petroleum Corporation (NNPC) as the case. NNPC has especially been selected for the reason that it is the core of the Nigerian economy but has also been responsible for many mismanagement and corruption scandals. The study shall narrow its consideration on NNPC but the implications obtained draw wider observations on the issues present on the public sector in Nigeria. In achieving its objective, the study relies majorly on secondary sources such as the audit

reports, government reports, transparency actions, scholarly articles, as well as credible investigations by the media (*EITI, 2021; Ross, 2012*).

1.8 OPERATIONAL DEFINITION OF TERMS

Mismanagement: In the present study, mismanagement refers to weak public resource management, poor controls over finances, and inefficient mechanisms for preventing money from being spent productively on the development of the country (*Akanbi, 2017; Nwankwo, 2018; Agbiboa, 2012*).

Embezzlement: This is the unlawful stealing or misappropriating of public funds by the people or factions in charge of managing the funds, particularly found in government agencies such as the NNPC.

Public Sector: That part of the economy that is owned and guided by the government, including ministries Parastatals, as well as government enterprises such as the Nigerian National Petroleum Corporation.

NNPC (Nigerian National Petroleum Corporation): This is the government company responsible for the management of the country's oil resources, playing the key role in its country's revenue earnings.

Transparency: This is the act of openness and accountability in the management of the public purse where information is released for ready reference with the aim to provide fora for constructive scrutiny.

Accountability: This is the need for the public officials or institutions to explain how money is spent, defend the decision made, and bear the responsibility for the consequence.

Resource Curse: This is the paradoxical phenomenon where natural resources-abundant states such as oil-bearing states remain backward, poor, and corrupt due to the mismanagement of resources.

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CHAPTER TWO

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1 CONCEPT OF PUBLIC SECTOR MANAGEMENT

Public sector administration is perhaps one of the most important pillars of governance because it deals with how governments organize their resources, structures, and personnel in a way that responds to the needs of people. It involves more than ordinary administration but planning, decision-making, coordination, accountability, and service delivery as well. It is basically the machinery through which government policies are translated into practical results that impact people's lives (*Henry, 2018; Hughes, 2012*).

These scholars have addressed the concept from all sides. Hughes (2012) views public sector management as "the process of managing government resources and institutions in ways that maximize efficiency, effectiveness, and responsiveness to the public interest."

There are three key expectations of the public sector according to this definition—effective utilization of scarce resources, effectiveness in goal achievement, and responsiveness to the needs and rights of citizens (*Akanbi, 2017; Adegbite & Nakajima, 2012*).

Henry (2018) further asserts that public sector management is "the coordination of public resources, policies, and personnel with the objective of providing basic services and fostering socio-economic development (*Hood, 1991; Hughes, 2012*)."

private sector, whose main focus is profit, the public sector exists to promote welfare, provide public goods, and create a pro-development environment.

Public sector management has been redefined throughout history. Conventional public administration that dominated the early to middle 20th century was all about rules, hierarchy, and bureaucracy as Max Weber's bureaucratic theory. Nevertheless, by the late 20th century, reforms such as the New Public Management (NPM) movement forced governments to embrace private sector approaches towards efficiency, customer orientation, and performance measurement (*Hood, 1991*). This adjustment came due to heightened public demands for accountability and better service delivery.

In third-world nations like Nigeria, public sector management is even more critical because government institutions are tasked with managing the economy, managing limited resources, and affecting national development. Nigerian public sector management has also been greatly eroded by corruption, weak institutions, and absent regimes of accountability that have resulted in inefficiency and service failure, **Olaopa (2020)** further adds. For example, as the colossal oil wealth controlled by the Nigerian National Petroleum Corporation (NNPC) dominates, poor infrastructure, poverty, and unemployment continue to plague ordinary Nigerians.

Transparency, accountability, equity, and responsiveness are some of the most significant public sector management aspects. In opposition to the private sector, whose objective is for the shareholders, the public sector must cater to the entire public and balance various

interests. It is even more difficult because not only are decisions gauged by efficiency but also by fairness and inclusiveness.

Public administration in Nigeria is intertwined with the management of natural resources. Being the custodian of the nation's oil, the NNPC is a perfect example of how good or bad public sector management can determine the path of an entire nation. Properly managed public resources can sustain economic growth, infrastructural development, and poverty reduction. But if not properly managed, as has typically been the case with Nigeria, they contribute to corruption, economic stagnation, and erosion of public trust in government (*Ogunyemi & Ojeifo, 2021; Uzochukwu, 2019*).

All these perceptions together public sector management can be defined as the science and art of managing government activities in a way intended to achieve public goals. It is bureaucracy or control, but instead focused on making sure public money is operated efficiently, accountable, and in ways most likely to preserve equity, improvement, and public faith (*Akanbi, 2017; Henry, 2018*).

2.2 MEANING OF MISMANAGEMENT OF FUNDS

Mismanagement of funds refers to the improper handling, allocation, or utilization of financial resources, often resulting in waste, inefficiency, or the failure to achieve intended objectives. It occurs when funds meant for specific projects or public services are diverted, poorly accounted for, or used in ways that do not benefit the target

population. Unlike outright theft, mismanagement may not always be intentional, but its effects are equally damaging to development and public trust.

In the word of *Oluwole (2016)*, mismanagement is a form of inefficiency that stems from weak institutions, absence of transparency and the neglect of ethical principles in public administration. In the public sector, mismanagement of funds can take various forms, such as poor budgeting, inflated contracts, weak financial controls, and neglect of due process in spending. It undermines the effective delivery of public services, disrupts development projects, and prevents citizens from enjoying the benefits of government programs.

In Nigeria, mismanagement of funds has been a recurring problem in government institutions, with the Nigerian National Petroleum Corporation (NNPC) often cited as a major example. *Akanbi (2017)* describes embezzlement as the “most dangerous form of corruption” because it directly robs the nation of resources needed to development and perpetuates poverty. Reports of irregular accounting practices, unremitted revenues, and inefficiency in resource allocation illustrate how mismanagement hinders the nation’s ability to fully benefit from its oil wealth. When public funds are poorly managed, the result is underdevelopment, decaying infrastructure, poverty, and widespread distrust in government institutions. The situation reflects what economists term the “resource curse”, where countries rich in natural resources often experience slow economic growth due to poor governance and corruption (*Ross, 2012; Sala-i-Martin & Subramanian, 2013*).

2.3 THE ROLE OF NNPC IN NIGERIA'S ECONOMY

NNPC has a central role in Nigeria's economic life. It is the means by which Nigeria's immense petroleum reserves are developed, produced, processed, and distributed in the domestic market and the world market. Petroleum has been Nigeria's economic backbone since its discovery in Oloibiri, Bayelsa State, in 1956. One major cause is weak institutional oversight: when public agencies lack robust internal control systems, auditing mechanisms and independent accountability structures, the opportunities for financial misbehaviours increase significantly (*Chukwu & Edemekong, 2025; Okoye & Gbegi, 2023*). The NNPC, in accordance with its position as custodian of the strategic sector, primarily determines the pace and trajectory of national economic development and growth.

The firm was established in 1977 by Decree No. 33 of 1977, which consolidated the Nigerian National Oil Corporation (NNOC) and the Federal Ministry of Mines and Power. The consolidation aimed to create a single organization that would bring an end to all the activities of the petroleum industry on behalf of the Federal Government. The final end was to make sure that prosperity from the petroleum resources was channeled into tangible economic returns to the nation and her citizens. NNPC thus became a commercial entity as well as an instrument of policy for implementing government policies in the petroleum and gas sector. This dynamic is particularly pronounced in state-

owned enterprises such as the Nigerian National Petroleum Corporation (NNPC) *(Nwankwo, 2018; Ogunyemi & Ojeifo, 2021)*.

As far as revenue generation is concerned, NNPC remains the backbone of the Nigerian economy. The petroleum industry produces 70 to 80 percent of the country's overall revenue and contributes over 90 percent of foreign exchange earnings. Proceeds are used in funding critical government expenditures in infrastructure, defense, education, and healthcare. The ability of the company to produce and repatriate petroleum revenues has a direct bearing on Nigeria's fiscal well-being and her capacity to implement national budgets. Without NNPC's contributions to revenue, most of the state and federal governments would not be able to pay bills.

NNPC also has an important role to play in Nigeria's industrialization bid. With its upstream business, the corporation conducts the production and exploration of natural gas and crude oil. It is run in partnership with IOCs such as Shell, Chevron, ExxonMobil, and Total Energies under Joint Venture Agreements (JVs) and Production Sharing Contracts (PSCs). The partnership is utilized to access foreign investments, technology, and managerial expertise into the country. NNPC's midstream business involves transportation, storage, and processing of petroleum products through its pipelines, depots, and refineries. Downstream industry services the distribution and sale of petroleum products to be used as energy for industrial and domestic consumers.

The company also enhances national energy security by providing petroleum products like petrol, diesel, and kerosene for domestic consumption. Supply of energy is essential to industrial activity, transportation, and household needs; the efficiency of NNPC operations thus directly impacts productivity and the cost of living. When the company is performing optimally, it can stabilize fuel prices and avoid economic disruption due to shortages.

In addition, NNPC assists in job and human capital development. NNPC directly employs tens of thousands of Nigerians and indirectly employs them by having the oil services sector, logistics, building, and indigenous content expansion employ them. NNPC invests in training programs, scholarships, and skills acquisition programs designed to develop indigenous manpower in the petroleum industry. The Nigerian Content Development and Monitoring Board (NCDMB) and NNPC collaborated to establish an entity that would promote and enhance local content and capacity building in the industry.

Besides its economic role, NNPC has a significant social role. It implements Corporate Social Responsibility (CSR) interventions in road infrastructure development, healthcare, educational scholarship, and host community development projects. The interventions are designed to mitigate the negative effects of oil exploration, reduce conflict in the Niger Delta, and enhance sustainable interaction with host communities. By them, NNPC indirectly facilitates social stability and inclusive development.

But NNPC operations for the past years have always been a subject of serious criticism. The corporation has consistently been faulted for inefficiency, corruption, mismanagement, and lack of transparency. The Nigeria Extractive Industries Transparency Initiative (NEITI) and other oversight bodies have released investigative reports detailing cases of unremitted revenues, subsidy scams, and inflated contracts. All these processes eroded the confidence of the people and deprived the country of humongous revenues that would have been used to finance development. NNPC's opaque financial dealings have also scared away foreign investors and rendered Nigeria less competitive in the global oil market.

Despite all these failures, NNPC remains a highly pivotal instrument for economic transformation and diversification. Recent reforms by the Federal Government, including the enactment of the Petroleum Industry Act (PIA) in 2021, have restructured the corporation into the Nigerian National Petroleum Company Limited (NNPC Ltd). The reforms aim to improve corporate governance, transparency, and efficiency by making the company commercially driven and profit-oriented. The reforms will be intended to create accountability, stimulate private investment, and ensure that the petroleum resources are used sustainably for generations to come.

Moreover, NNPC's role in gas development is now more important than ever before. Nigeria possesses some of the largest natural gas reserves globally, and the corporation is at the forefront of the development of these resources in order to supplement higher

energy sources, curb gas flaring, and promote cleaner energy. The implementation of projects such as the Ajaokuta–Kaduna–Kano (AKK) Gas Pipeline and the Nigeria Liquefied Natural Gas (NLNG) project expansion project shows the company's growing role in promoting energy transition and environmental sustainability.

In short, the Nigerian National Petroleum Corporation plays a multi-faceted role in the economy of the nation. It is a revenue earner, an employer, a supplier of energy security, an investor in industrialization, and a vanguard for national development. Its highest possible potential has been dissipated by institutional frailty, corruption, and political interference. For NNPC to be in a position to play its role in leading Nigeria's economic development, there must be a consistent focus on transparency, accountability, and professionalism. As it keeps restructuring and reforming as a limited liability company, there is hope that NNPC will emerge a world-class energy corporation in the not-so-distant future that is capable of leading Nigeria to sustainable development and economic prosperity.

Finally, cultural and social norms sometimes underpin misconduct: where nepotism, patronage networks and impunity dominate, public officials may see the diversion of funds not as an exception but as part of daily business (*Agbiboa, 2012; Okoye, 2023*). These embedded practices make reform particularly challenging.

2.4 CONCEPT OF TRANSPARENCY AND ACCOUNTABILITY IN PUBLIC FINANCE

Accountability and transparency are the fundamental pillars of effective governance and sound public financial management. They are strong tools for guaranteeing integrity, efficiency, and trustworthiness in public resource management. In every democratic constitution, public fund management has to be transparent, accountable, and subject to oversight to guarantee that public resources are spent judiciously and according to the law.

Accountability is the role of government institutions and officials to be held responsible for their actions, decisions, and spending of public funds. It is the procedure by which officials who are entrusted with public funds are obligated to account for how the money was accessed, managed, and spent in meeting government objectives. Accountability makes public officials act in the people's interest, observe the principles of legality and probity, and face sanctions when they misuse or divert public money. It is not merely the giving of accounts but also holding someone accountable for consequences and results.

Transparency, however, entails openness in the management of public affairs. It means that data regarding government revenues, expenditures, contracts, policies, and decisions are made available to the public in a timely, accurate, and accessible way. *Okechukwu and Abiola (2023)* describes transparency as “the process of ensuring that the flow of information on government income, expenditure and procurement is unrestricted and

clear to all stakeholders.” Transparency enables citizens, civil society, the media, and oversight institutions to analyze how public funds are raised and spent. Transparency avoids the creation of government secrets and allows government to be visible and understandable to the people it serves.

Transparency and accountability in public finance are essential to ensure that government revenues are properly collected, distributed in the right place, and wisely utilized in terms of benefitting the people. Transparency and accountability avoid corruption, wastage, and fiscal indiscipline. If there is transparency in public financial operations, it becomes easy to avoid diversion of funds and accounting fraud. In the same manner, measures of accountability like parliamentary oversight, anti-corruption institutions, and audits hold public officers accountable for their expenditure choices. *Transparency International (2022)* ranked Nigeria 150th out 180 countries in its Corruption Perceptions Index, citing lack of transparency in financial reporting and procurement processes.

Transparency and accountability in the public finance of Nigeria cannot be overstressed. As a resource-dependent nation, Nigeria's economy heavily relies on oil revenues, which are centralized by bodies like the Nigerian National Petroleum Corporation (NNPC). *Emeh and Nwokedi (2024)* argue that when governments disclose how funds are generated and spent, citizens become more willing to pay taxes and confidences in Public institution is restored. Over the years, poor accountability frameworks and low transparency levels in such institutions have resulted in large-scale mismanagement,

revenue leakages, and corruption. These are exemplified by unremitted oil proceeds, overpriced contract prices, and unusual subsidy payments, all of which have deprived the nation of resources that could have been channeled into important areas such as education, healthcare, and infrastructure development.

Agbiboa (2012) describes corruption in Nigeria as a “state-sponsored enterprise sustained by secrecy and weak institutional controls”. Without strong accountability and transparency mechanisms, public officials get out of hand, and there is misuse of public funds, along with erosion of confidence by the people in government. The erosion of confidence has also continued to erode the social contract between the government and the people. Therefore, it is crucial that there should be explicit rules, effective monitoring systems, and consequences for malfeasance in order to ensure that public resources are spent for their initial intent.

In addition, transparency and accountability are fundamental in bringing foreign investment and donor assistance. Development partners, investors, and international financial institutions are more inclined to engage in countries with transparent financial management procedures. Open budgeting, procurement, and reporting processes generate confidence within the economy and improve Nigeria's global image.

In the last few years, the government of Nigeria has launched a number of initiatives aimed at enhancing transparency and accountability in public finance. The Treasury Single Account (TSA), the Integrated Payroll and Personnel Information System (IPPIS),

and the Government Integrated Financial Management Information System (GIFMIS) are the key reforms intended to limit leakages, improve checks and balances, and foster efficiency in managing public funds. As importantly, institutions such as the Office of the Auditor-General of the Federation, Budget Office of the Federation, Fiscal Responsibility Commission, and Economic and Financial Crimes Commission (EFCC) are also key to maintaining financial discipline and accountability in governance.

Despite all these reforms, challenges persist, particularly in the oil and gas sector. Inadequate information access, weak institutional capacity, and political interference continue to hinder the complete effectuation of transparency policy. NNPC and other state-owned corporations have consistently been faulted for undertaking scant public transparency, making it impossible for citizens and oversight bodies to track financial flows. Institutional strengthening, whistleblower protection, and frequent publication of audited financial reports are measures required towards fulfilling intensified transparency. Lastly, accountability and transparency in public finances are not administrative principles but preconditions to sustainable national development. They instill a culture of trust, reduce corruption, and ensure that public funds are utilized for the enhancement of the quality of life of citizens. In a country like Nigeria, endowed with vast natural resources but haunted by long-term underdevelopment — strengthening accountability and transparency institutions is still one of the best assurances for the sake of effective resource management, curbing mismanagement, and facilitating equitable growth.

2.5 THE IMPACT OF NATURAL RESOURCE DEPENDENCE ON THE ECONOMIC PERFORMANCE OF NIGERIA

It would not be possible to understand the economic history of Nigeria without appreciating the contribution that natural resources, particularly crude oil, made towards the development of the nation. The life of the country's economy and public finance have since the discovery of petroleum in Oloibiri, Rivers State, in 1956 revolved around petroleum. It was supposed to be a blessing — means to rapid industrialization, economic prosperity, and decent living standards for citizens. Yet, with each passing year, the nation's overdependence on this single commodity has become a colossal issue that extends to nearly every sector of the economy and government.

The paradox is what scholars refers to as the resource curse; a situation where countries rich in natural resources often experience slower economic growth and weaker institutions than resource-poor nations (*Auty, 1993; Ross, 2012; Karl, 1997*). In a matter of years, crude oil became the dominance of agriculture as Nigeria's major stay after gaining independence. This discovery brought a radical shift from an agricultural economy to an oil-based economy. According to *Olayungbo (2019)*, this dependence creates a cycle of volatility, debt accumulation and unemployment, as the nation's budgetary performance becomes tied to external markets shocks. Agriculture was the mainstay of the economy before oil, providing jobs, foreign exchange earnings from exports, and was a source of food. The Western Region, for instance, was thriving on

cocoa, the North on groundnuts and cotton, and the East on palm products. They financed millions of Nigerians and funded the development of the majority of the country's regions. But as revenues from oil increased, agriculture received little care and rural-urban migration, unemployment, and productivity reduction in the non-oil sectors ensued. The economy of Nigeria continues to enjoy the effects of that up to the present.

Nigeria's over-reliance on oil has also made it very vulnerable to external shocks. Because Nigeria relies so heavily on crude oil exports as a source of revenue, fluctuations in the global price of oil have direct effects on its economic performance. In boom times, when the prices of oil rise, the economy is temporarily booming — government revenues are enhanced, public spending rises, and foreign exchange receipts rise. But in times of oil price declines, e.g., the world oil price crashes in 1986, 2008, and 2020, Nigeria is plagued by huge budget deficits, inflation, devaluation of currency, and reduced government spending. It has generated uncertainty in economic planning and halted growth.

In addition, dependence on oil has encouraged corruption, rent-seeking, and misallocation of government funds. As oil riches are federally controlled and centralized, those in authority see government position as a vehicle for individual gain, rather than public service. The Nigerian National Petroleum Corporation (NNPC) has been faulted repeatedly for ineffective accountability, secrecy, and misappropriation of public resources. All the majority of the NEITI reports have established that there are hundreds

of billions of dollars of petroleum revenue that are unremitted to the government treasury. These leakages deprive the nation of much-needed Resources, which otherwise would have been used in development projects in education, healthcare, infrastructure, and social welfare sectors.

The monetary costs of these corruptions are in billions of dollars. Instead of using oil wealth in productive investment, Nigeria has used and spent oil rents on recurrent spending. The government employs revenues to fund wages, subsidies, and political patronage rather than investing in industries that could generate employment and income. This has created a fragile economic foundation on which growth is founded on foreign oil revenues and not local productivity. As a result, the sector is yet to develop, agricultural productivity is yet to improve, and unemployment continues rising.

The other closely related issue is the "*Dutch Disease*" economists talk about. The "Dutch Disease" is when the boom in one industry — the oil industry in this case — causes the other industries to shrink as a result of the appreciation of the nation's currency and the migration of labor and capital into the higher-paying oil industry. In Nigeria, the influx of petrodollars led to naira overvaluation, so that the nation's non-oil exports became non-competitive. The manufacturing and agricultural industries thus lost their attractiveness to investors. It is not surprising, then, that petroleum-rich Nigeria still imports refined petroleum products, food items, and even such basic domestic staples as could be made locally.

Socially, dependence on natural resources has weakened the people-government bond. Since most of the revenue for the government comes from the export of oil and not taxation imposed on its people, the government will not have any incentive to be transparent and accountable. The people themselves have no incentive to prompt their government to account for itself since they do not bear the cost of government in the first place. This has fostered a culture of impunity, bad institutions, and distrust by the people. Most Nigerians believe that their government is less concerned with the fair distribution of oil wealth than with creating a sustainable economy that will benefit everybody.

The Nigerian experience also shows how resource dependence may entrench inequality. As much as the oil boom enriches a small elite, it keeps most people poor. Most of the region where the lion's share of the national revenue is produced, the Niger Delta, is suffering from environmental degradation, unemployment, and underdevelopment. Contrary to generating the lion's share of national revenue, the region is one of the poorest in Nigeria. This has planted resentment, militancy, and agitations over the control of resources, as well as adding to threats to national peace and integration.

Empirical studies have also established that resource-dependent countries develop at slower rates than countries that diversify the economy. Researchers such as Sachs and Warner (1995) and Ross (2012) have presented empirical evidence whereby they have contended that dependence on resources gives rise to poor institutions, poor governance,

and corruption — the Nigerian example included. Inefficiency in dealing with oil revenue has plunged the country into debt, underdevelopment, and lack of policy consistency.

In effect, the Nigerian experience serves a spectacular picture of how reliance on natural resources will impede national progress unless managed well. Rather than being a blessing, the petroleum industry has become an economic and political liability. It has concentrated power and wealth in the hands of the few, demotivated productivity elsewhere, and created a more import-based than domestically sourced economy. Unless the Nigerian economy diversifies, makes its fiscal management deeper, and makes public finances more transparent and accountable, the country will continue to be haunted by the negative consequences of excessive dependence on natural resources.

In brief, the recent economic history of Nigeria is a sorry tale: natural resources by themselves do not confer prosperity. It is how the resources are exploited that matters. If Nigeria can direct its oil prosperity into people's investment, agriculture, production, and technology, then it can turn the resource dependency into a true source of development. But without transparency, accountability, and vision, the wealth in oil will keep on being a source of curse rather than a blessing.

2.6 THEORETICAL FRAMEWORK

Public Choice Theory emerged in the latter half of the 20th century as a major response to the limitations of traditional public administration and classic political theory. The classical public administration theories assumed public officials were impartial and that

they always acted in the best interest of society. They presumed the government was a benevolent institution with the primary aim of guaranteeing the well-being of citizens. However, the Public Choice school of thought refuted such utopian assumption by asserting that the same self-interest drives public servants—politicians, administrators, and citizens—as drives individuals in the private marketplace.

The theory was initially articulated by *James M. Buchanan and Gordon Tullock* in their 1962 book, *The Calculus of Consent: Logical Foundations of Constitutional Democracy*. Their argument was simple but revolutionary: the same principles that explain economic activity in the market can be used to explain political choice. Buchanan, the eventual 1986 Nobel Prize winner in Economics, is the father of Public Choice Theory, commonly thought of by everyone.

Public Choice Theory draws heavily upon rational choice economics, which presumes that individuals behave rationally to achieve the most personal gain. Applied to the government, this means that politicians will seek to maximize political power or votes rather than promote the general good; bureaucrats will seek to maximize budgets, power, or individual gain; and citizens will elect those who will give them immediate gain, even if it hurts the overall economy in the long run. Thus, rather than viewing government failure as resulting from bad design or imperfect information, the theory views it as a predictable outcome of self-interest behavior in the political process.

The theory became popular because it provided a realistic account for instances of corruption, inefficiency, extravagant public spending, and rent-seeking in government bureaus. In the majority of developing countries like Nigeria, the Public Choice Theory presents a good model of how personal interests typically override the national objectives, especially in natural resource-based sectors like petroleum and gas. For example, the running of public entities like the Nigerian National Petroleum Corporation (NNPC) is likely to reflect individual or group interests rather than national interests. Decision-makers can make budgets flexible, steal funds, or award contracts so that it serves their political or economic agenda.

Public Choice Theory also emphasizes institutional checks and balances, transparency, and accountability to ensure that the role of self-interest in public choice is kept to a minimum. It argues that good governance is only achieved once incentives and constraints are well coordinated to ensure public servants act in society's interest rather than their own. It is due to this that instruments like public finance audits, independent anti-corruption institutions, transparent procurement methods, and citizen participation are central to minimizing government failure.

In general, Public Choice Theory is an appropriate analysis tool for this study since it explains how mismanagement, corruption, and embezzlement still occur in the public sector in the face of laws and regulation. It highlights that these are not merely happenstance occurrences but result from rational choices made by individuals for their

own gain in poor institution environments. Therefore, the politics of incentives and self-interest must be comprehended in a bid to reform public institutions like the NNPC as well as promote accountability and transparency within Nigeria's public finance sector.

2.6.1 MAJOR ASSUMPTIONS OF PUBLIC CHOICE THEORY

Public Choice Theory relies on some fundamental assumptions that explain the nature of behavior of people in the public sector. *James M. Buchanan and Gordon Tullock's* landmark book *The Calculus of Consent* (1962) formally introduced the theory, arguing that Politicians and bureaucrats behave as self-interested individuals who seeks to maximize personal or political gains rather than collective welfare. The theory refutes the traditional perception that public officials are motivated by the common good alone, and instead, presumes that they are motivated by personal and institutional self-interest, just like private market actors. The key assumptions of the theory include:

i. Self-Interest in Politics

Public Choice Theory assumes that individuals who engage in government, whether they are politicians, bureaucrats, or voters do so primarily to advance their own agenda. This agenda may be financial gain, job security, political influence, or personal prestige. Government decisions, then, are not always made based on the common good but on individual or group advantage.

ii. Politicians as Vote-Seekers

Politicians are rational actors who attempt to maximize their re-election prospects. Instead of making choices for long-term national development, they will adopt policies that provide short-term or populist benefits to placate voters or pressure groups. Therefore, political choices may be based more on electoral dividends than economic efficiency or national interest.

iii. Bureaucratic Behaviour

According to the theory, bureaucrats are budget maximizers. They seek larger allocations of public budget, increased staff size, and more departmental influence. It is driven by the desire for increased power and job security, even though such expansion is not necessarily for the betterment of organizational effectiveness or service delivery. The outcome is typically bureaucratic growth and wastage of resources.

iv. Rent-Seeking

Public Choice Theory also foresees the tendency of individuals and special interest groups to engage in rent-seeking — i.e., using political influence, lobbying, or manipulation of governmental policies to receive unearned economic benefits. Instead of productively engaging in the economy, these groups and individuals focus on capturing government resources or favors by exploitative methods such as bribery and favoritism.

v. Inefficiency and Waste:

Because public decisions tend to be taken on the grounds of political or personal considerations rather than efficiency, the result is wide scale wastage, corruption, and poor performance in government agencies. Deal-making among politicians, favoritism, and absence of robust accountability mechanisms come to replace merit-based and performance-oriented governance.

Public Choice Theory, **Mueller (2003)** believes, provides a realistic understanding of government activity by emphasizing the reality that public officials are ordinary individuals driven by self-interest and incentives. It challenges the idealized view that public servants are necessarily driven by altruism or the public interest, and presents governance instead as an activity shaped by competing individual motivations within institutional constraints.

Public Choice Theory has particular relevance to this research as it explains why institutions like the Nigerian National Petroleum Corporation (NNPC) have over the years been plagued by corruption, mismanagement, and lack of transparency. The enormous oil revenues controlled by the corporation create strong incentives for actors to divert resources for private or partisan agenda rather than national development. This has a tendency to explain the recurring occurrence of unremitted revenues, inflated contracts, and theft that have been repeatedly reported by agencies such as the Nigeria Extractive Industries Transparency Initiative (NEITI).

The theory also accounts for the fact that it is typically difficult to reform in such institutions. The actors that benefit from corruption or financial abuse typically resist reforms that would promote transparency because such reforms threaten their personal and political interests. Corruption thus becomes deeply institutionalized.

However, while Public Choice Theory provides a compelling explanation of these difficulties, it does not explain the full richness of Nigeria's experience. In the Nigerian context, poor enforcement of the law, cultural tolerance of corrupt behavior, political patronage, and overdependence on oil wealth also exacerbate the problem. So while self-interest and individual incentives are at the heart of the theory, this study recognizes that systemic and structural conditions also have an important role to play in entrenching mismanagement and embezzlement in the public sector.

2.7 SUMMARY OF LITERATURE REVIEW

The literature review chapter analyzed mismanagement of funds and embezzlement in the public sector, focusing on the Nigerian National Petroleum Corporation (NNPC). The introduction began with the comprehension of the public sector management, whereby some writers emphasized the role of government agencies in the delivery of services, resource management, and national development. However, subsequent to that, literature had also shown that poor accountability and corruption have the tendency to lead public sector organizations in most of the developing countries, such as Nigeria, to lose their efficiency.

The review also discussed the resource curse theory, which describes how high natural resource countries, particularly oil, will experience low growth, corruption, and poor governance. This is highly relevant in Nigeria whose natural resources in oil have not translated into inclusive growth but have instead culminated in rent-seeking behavior, poor governance, and underdevelopment.

Theoretical framework for this study was the Public Choice Theory. By bringing economic rationality into politics, the theory contends that politicians, bureaucrats, and government officials work in self-interest and not public good. This is why NNPC has consistently been in the web of corruption scandals, unremitted revenues, and fund management. While the theory is perceptive, all the Nigerian peculiar issues of bad institutions, weak enforcement of anti-corruption law, and cultural tolerance of corruption were likewise found to fall outside of Public Choice assumptions.

Finally, what literature exists on this topic shows that corruption and mismanagement within the NNPC are not isolated occurrences but symptoms of even greater systemic flaws based on governance deficiencies, self-interest, and broader resource curse in Nigeria's oil sector. This review then provides the platform for determining how these issues drive the Nigerian economy, government, and public trust, and why reforms have failed to last.

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CHAPTER THREE

RESEARCH METHODOLOGY

3.1 RESEARCH DESIGN

This study follows a descriptive survey research design. The design is appropriate as it will allow the researcher to describe in an orderly manner the effect of mismanagement and embezzlement of funds in the public sector, particularly in the Nigerian National Petroleum Corporation (NNPC). The design will also allow the collection of first-hand information from the respondents with the aim of determining their experiences and perceptions of corruption, mismanagement, and accountability in NNPC.

3.2 AREA OF STUDY

The research is on Nigeria and Nigerian National Petroleum Corporation (NNPC) specifically. Nigeria is a nation in West Africa in the continent of Africa and the biggest oil-producing country in Africa and one of the world's largest crude oil-exporting nations. Oil is a major contributor to government earnings and foreign exchange revenues and therefore the petroleum sector is Nigeria's economy backbone.

NNPC, which was created in 1977, is the national oil company with the mandate to market, produce, explore, and refine petroleum products and also coordinate Nigeria's joint venture contracts with multinational corporations. NNPC has never been short of criticisms over corruption, mismanagement, and secrecy, though playing a strategic function in the economy.

With focus on NNPC, the legacy of financial mismanagement and embezzlement of funds at the corporation was left for public trust, government, and Nigeria's economic development. The rationale for choosing NNPC as the focus area is that it sits at the center of Nigeria's natural resource endowment and controversy for its operations.

3.3 POPULATION OF THE STUDY

The population of the study comprises all staff members of the **Nigerian National Petroleum Corporation (NNPC)**. According to the **NNPC Annual Report (2024)**, the total staff strength of the corporation is **6,612 employees** distributed across its various departments, including upstream operations, refining, marketing, and corporate services. This population was chosen because NNPC plays a critical role in the management of Nigeria's petroleum resources and public finances.

3.4 SAMPLE AND SAMPLING TECHNIQUES

To make the study manageable and representative, a sample size was determined using the Taro Yamane (1967) formula:

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

Where;

n = Sample size

N = Population size (6,612)

e = Level of significance (0.05)

Now let's calculate it digit by digit:

$$n = \frac{6612}{1 + 6612 (0.05)^2}$$

$$n = \frac{6612}{1 + 6612 (0.0025)}$$

$$n = \frac{6612}{1 + 16.53}$$

$$n = \frac{6612}{17.53}$$

$$n = 377.3$$

Hence, the sample size is 377 respondents.

A stratified random sampling technique was employed to ensure that staff from different departments (such as exploration, production, finance, administration, and marketing) were adequately represented in the study. This method reduces bias and increases the generalizability of the findings.

3.5 INSTRUMENT OF DATA COLLECTION

The questionnaire was divided into two main sections:

Section A: Contained questions on the demographic characteristics of respondents such as age, gender, educational qualification, and department.

Section B: Contained items related to the research objectives, focusing on transparency, accountability, corruption, and financial management practices in NNPC.

All questions were framed on a 5-point Likert scale ranging from *Strongly Agree (5)* to *Strongly Disagree (1)* to allow quantitative analysis of opinions.

3.6 VALIDITY OF THE INSTRUMENT

The instrument will be validated by the researcher's supervisor, lecturer in the Department of Public Administration.

3.7 METHOD OF DATA COLLECTION:

Data for the study were gathered mainly through the use of questionnaires. Questionnaires were handed directly to the respondents in the target group, and they included members of staff of the Nigerian National Petroleum Corporation (NNPC), petroleum sector policymakers, and civil society actors interested in transparency and accountability.

In order to make sure the process succeeded, the questionnaires were sent out both in physical form and electronically. Physical forms were sent to the ones that could be reached in person, whereas electronic forms were sent to those who were more reachable online. This way made it simpler to reach an assortment of people and to ensure that the information that was gathered had differing perspectives.

There was sufficient time provided for the respondents to fill up their responses without any form of pressure, and it was informed to them that their responses would be confidentially kept for solely academic purposes. Follow-ups were conducted otherwise to encourage completion of questionnaires and explanations were provided wherever respondents were facing an issue.

This approach of collecting data rendered the given responses precise, well-balanced, and sufficient to answer the research purposes.

3.8 METHOD OF DATA ANALYSIS

Data collected from respondents were analyzed using both descriptive and inferential statistical techniques. The descriptive statistics (such as frequency distribution, mean, and percentage) were used to summarize respondents' characteristics and opinions.

Inferential statistics, such as the Chi-square (χ^2) test, were employed to test the hypotheses and determine the relationship between transparency, accountability, and financial performance within NNPC. The data analysis was conducted using the Statistical Package for Social Sciences (SPSS) version 26.

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CHAPTER FOUR

DATA ANALYSIS AND DATA PRESENTATION

The chapter presents, examines, and explains data collected through the use of questionnaires administered to respondents to explore the research problem. The aim of analysis is to obtain empirical evidence that agrees with or disagrees with assumptions in the research.

377 questionnaires were distributed to the respondents who constituted the sample population for the study. 300 of them were returned and well completed, a response rate of 79.6%, and 77 were not returned and were invalid for analysis. Below, the analysis hence utilizes the 300 valid returns.

The information are presented in figures, tables, and percentages to allow for easy interpretation and understanding. The chapter is organized in sections with regard to the research questions and objectives, including respondents' demographic characteristics, response to the variables under study, and interpretation of findings.

This paper is meant to explore the extent to which transparency and accountability affect the management of public finance, especially in the Nigerian National Petroleum Corporation (NNPC) and other similar government institutions.

4.1 DATA PRESENTATION AND ANALYSIS:

Table 4.1.1: Frequency and Distribution of the Demographic Characteristics of the Respondents

Age	Numbers of Male Respondents	Percentage %	Numbers of Female Respondent	Percentage %	Total	(%) Overall
20-30	60	20.0%	45	15.0%	105	35.0%
31-40	65	21.7%	45	15.0%	110	36.7%
41-50	35	11.7%	25	8.3%	60	20.0%
51 and above	20	6.7%	5	1.7%	25	8.3%
Total	180	60.0%	120	40.0%	300	100%

Source: Field Survey, 2025.

From the table above, a total of 180 male respondents (60%) and 120 female respondents (40%) participated in the study.

The majority of the respondents, 110 (36.7%), fall within the 31–40 years age bracket, followed by 105 (35%) in the 20–30 years group. This indicates that most of the participants are within their productive and economically active years, and are thus more likely to have relevant experiences and insights regarding public fund management and accountability in Nigeria.

The relatively smaller percentage of respondents aged 51 years and above (8.3%) reflects that fewer senior or older individuals participated, which is common in survey-based studies.

Table 4.1.2: Educational qualification of respondents

Educational Qualification	Numbers of Male Respondents	Percentage %	Numbers of Female Respondents	Percentage %	Total	(%) Overall
SSCE / OND / NCE	25	8.3%	20	6.7%	45	15.0%
HND / B.Sc / B.A	95	31.7%	70	23.3%	165	55.0%
M.Sc / MBA / MA	40	13.3%	20	6.7%	60	20.0%
Ph.D / Other Professional Qualification	20	6.7%	10	3.35	30	10.0%
Total	180	60%	120	40%	300	100%

Source: Field Survey, 2025.

From Table 4.1.2 above, it is evident that male respondents dominate each educational category, representing **60%** of the total sample. The majority of participants (**55%**) possess a **tertiary qualification (HND/B.Sc/B.A)**, followed by **20%** with **postgraduate degrees (M.Sc/MBA/MA)**.

This indicates that the respondents are well-educated and thus able to give informed opinions on the issue of mismanagement and embezzlement of funds in the public sector.

The educational distribution also reflects that both genders are reasonably represented across all levels, although males have a slightly higher representation in higher qualifications.

Table 4.1.3: Occupational Status of Respondents by Gender

Occupation	Numbers of Male Respondents	Percentage %	Numbers of female Respondents	Percentage %	Total	(%) Overall
Civil Servants	80	26.7%	45	15.0%	125	41.7%
Private sector Employees	40	13.3%	25	8.3%	65	21.7%
Students	30	10.0%	25	8.3%	55	18.3%
Self employed/ Business owners	20	6.7%	15	5.0%	35	11.7%
Others (e.g. Unemployed, retirees etc.)	10	3.3%	10	3.3%	20	6.6%
Total	180	60.0%	120	40.0%	300	100%

Source: Field Survey, 2Z025.

Table 4.1.3 shows that the majority of respondents, **125 (41.7%)**, are **civil servants**, followed by **private sector employees (21.7%)** and **students (18.3%)**. This indicates that most participants are economically active individuals who have direct or indirect knowledge of government operations and public financial management. Males make up the majority across all occupational categories, accounting for **60%** of the total

respondents. However, female participation is also significant (40%), especially among civil servants and students. This gender spread strengthens the representativeness of the study sample and ensures a balanced view of opinions from both the public and private sectors.

Table 4.1.4: Years of Working Experience of Respondents by Gender

Years of Working Experience	Numbers of Male Respondents	Percentage %	Numbers of Female Respondents	Percentage %	Total	(%) Overall
Less than 5 years	45	15.0%	35	11.7%	80	26.7%
5 -10 years	80	26.7%	50	16.6%	130	43.3%
Above 10 years	55	18.3%	35	11.7%	90	30.0%
Total	180	60.0%	120	40.0%	300	100%

Source: Field Survey, 2025.

Table 4.1.4 shows that the majority of respondents (**130; 43.3%**) have between **5 and 10 years** of work experience, while **90 respondents (30%)** have worked for **more than 10 years**. Only **26.7%** have **less than 5 years** of experience.

This distribution indicates that most respondents are mature professionals who have gained sufficient knowledge of workplace systems, financial procedures, and the challenges associated with fund management in the public sector. The gender distribution also reveals that males (60%) slightly outnumber females (40%), reflecting the male-dominant nature of the Nigerian public service and oil-related institutions such as the NNPC.

Question 1: Does mismanagement and embezzlement of funds exist in the Nigerian public sector, particularly in NNPC?

Table 4.1.5:

Sex	Numbers of Male Respondents		Numbers of Female Respondents		Total Yes	(%)Yes	Total No	(%)	Total respondents
	Yes	No	Yes	No					
Response	150 (50%)	30 (10%)	95 (31.7%)	25 (8.3%)	245	81.7%	55	18.3%	300 (100%)
Total									300 (100%)

Source: Field Survey, 2025.

From Table 4.1.5, it is observed that **245 respondents (81.7%)** agreed that mismanagement and embezzlement of funds exist in NNPC and affect the efficiency of public institutions, while only **55 respondents (18.3%)** disagreed.

This high percentage of “Yes” responses shows a strong consensus among both male and female respondents that corruption and poor accountability are major problems in the Nigerian public sector.

The result confirms that **financial mismanagement is perceived as systemic**, rather than occasional, consistent with prior studies that identify NNPC as a focal point of fund diversion and weak institutional control.

Question 2: What are the major causes of mismanagement and embezzlement of funds in the Nigerian public sector, especially in NNPC?

Table 4.1.6:

Sex	Numbers of Male Respondents		Numbers of Female Respondents		Total Yes	Total (%) Yes	Total No	Total (%) No	Total respondents
	Yes	No	Yes	No					
Responses	140 (46.7%)	40 (13.3%)	85 (28.3%)	35 (11.7%)	225	75.0%	75	25.0%	300(100%)
Total									

Source: Field Survey, 2025.

From Table 4.1.6, it is observed that a total of 225 respondents (75%) agreed that the major causes of mismanagement and embezzlement of funds in the Nigerian public sector

include weak internal control systems, political interference, lack of transparency, and poor remuneration. **Only 75 respondents (25%) disagreed.**

This finding shows that most respondents recognize institutional weaknesses and systemic corruption as the root causes of financial mismanagement. In the case of NNPC, political influence and lack of transparency are often cited as key drivers of unaccounted revenues and diversion of oil proceeds. This aligns with findings from past studies which have linked Nigeria’s corruption problems to poor governance structures and ineffective oversight mechanisms within the public sector.

Question 3: What are the effects of mismanagement and embezzlement of funds on the Nigerian economy, particularly in relation to NNPC?

Table 4.1.7:

Sex	Numbers of Male Respondents		Numbers of Female Respondents		Total Yes	Total (%) Yes	Total No	Total (%) No	Total respondents
	Yes	No	Yes	No					
Responses	155 (51.7%)	25 (8.3%)	95 (31.7%)	25 (8.3%)	250	83.3%	50	16.7%	300 (100%)
Total									

Source: Field Survey, 2025.

From Table 4.1.7, the data show that 250 respondents (83.3%) agreed that mismanagement and embezzlement of funds have serious negative effects on Nigeria's economy, while only 50 respondents (16.7%) disagreed.

This finding implies that financial mismanagement in NNPC and other public institutions significantly undermines national development.

Most respondents identified effects such as reduced economic growth, high unemployment, poor infrastructure, and low investor confidence as major consequences of corruption and fund diversion.

This aligns with economic literature that links public-sector corruption to poor human capital development, capital flight, and slow industrialization in oil-dependent economies like Nigeria.

The findings therefore suggest that addressing mismanagement within NNPC is essential for improving Nigeria's fiscal stability and sustainable development.

Question 4: What is the role of accountability and transparency in reducing mismanagement and embezzlement of funds in the Nigerian public sector, especially in NNPC?

Table 4.1.8:

Sex	Numbers of Male Respondents		Numbers of Female Respondents		Total Yes	(%) Yes	Total No	(%) No	Total Respondent
	Response	Yes	No	Yes	No	255	85.0%	45	15.0%
	160 (53.3%)	20 (6.7%)	95 (31.7%)	23 (8.3%)					
Total									300(100%)

Source: Field Survey, 2025

From Table 4.1.8, it is evident that 255 respondents (85%) agreed that accountability and transparency play a major role in reducing mismanagement and embezzlement of funds in the public sector, while only 45 respondents (15%) disagreed.

This shows a strong belief among respondents that effective financial monitoring, public disclosure, and regular audits are key to preventing corruption in institutions like NNPC.

The majority opinion supports the idea that open financial systems improve trust, strengthen oversight, and make it harder for officials to divert public funds.

These findings are in line with international best practices which emphasize accountability and transparency as pillars of good governance. They also support reports

by agencies such as NEITI and Transparency International, which consistently stress that improving accountability mechanisms can drastically reduce corruption in Nigeria’s oil and gas sector.

Question 5: Does political interference from government officials affect NNPC’s financial discipline?

Table 4.1.9:

Sex	Number of Male Respondents		Names of Female Respondents		Total Yes	(%) Yes	Total No	(%) No	Total Respondents
	Yes	No	Yes	No					
Responses	150 (50%)	30 (10%)	85 (23.3%)	35 (11.7%)	235	78.3%	65	21.7%	300(100%)
Total									300 (100%)

Source: Field Survey, 2025

From Table 4.1.9, it is observed that 235 respondents (78.3%) agreed that political interference from government officials affects NNPC’s financial discipline, while only 65 respondents (21.7%) disagreed.

This implies that most respondents believe that the intrusion of political interests in the affairs of NNPC undermines accountability and proper fund management. Political actors often influence appointments, contracts, and allocation of revenues, thereby weakening financial controls and promoting irregularities.

This finding supports the argument by Public Choice theorists that self-interest drives public-sector decision-making, and that political influence in state corporations often leads to inefficiency and corruption. It also aligns with NEITI (2022) and Transparency International (2023) reports, which have identified political interference as one of the root causes of mismanagement in Nigeria’s oil sector.

Question 6: Are anti-corruption agencies effective in monitoring NNPC’s financial activities?

Table 4.1.10:

Sex	Numbers of Male Respondents		Number of Female Respondents		Total Yes	(% Yes)	Total No	(% No)	Total Respondents
	Yes	No	Yes	No					
Responses	120 (40%)	60 (20%)	66 (21.7%)	55 (8.3%)	185	61.7%	115	38.3%	300(100%)
Total									

Source: Field Survey, 2025

Table 4.1.10 reveals that 185 respondents (61.7%) agreed that anti-corruption agencies are effective in monitoring NNPC’s financial activities, while 115 respondents (38.3%) disagreed.

This shows that while most respondents recognize the efforts of agencies such as EFCC, ICPC, and NEITI, there remains significant skepticism about their overall effectiveness.

Some respondents believe that these agencies are limited by political influence, inadequate funding, and poor enforcement capacity. Others feel that while anti-corruption agencies occasionally expose mismanagement, their actions rarely lead to concrete sanctions or recovery of stolen funds.

This finding aligns with the reports of Transparency International (2023) and World Bank (2022), which note that despite having multiple anti-corruption bodies, Nigeria still faces challenges in ensuring accountability in the oil sector.

Hence, the data suggest that stronger independence, transparency, and enforcement powers are needed for these agencies to effectively curb financial misconduct in NNPC and other public institutions.

Question 7: Does embezzlement in NNPC reduce funds for social infrastructure like health and education?

Table 4.2.11

Sex	Number of Male Respondents		Numbers of Female Respondents		Total Yes	(% Yes)	Total No	(% No)	Total Respondents
	Yes	No	Yes	No					
Responses	Yes	No	Yes	No	245	81.7%	55	18.3%	300(100%)
	155 (51.7%)	25 (8.3%)	90 (30%)	30 (10%)					
Total									300(100%)

Source: Field Survey, 2025

Table 4.1.11 shows that 245 respondents (81.7%) agreed that embezzlement and mismanagement of funds in NNPC reduce the resources available for essential public services such as education, healthcare, and infrastructure, while only 55 respondents (18.3%) disagreed.

This result demonstrates that the impact of mismanagement in NNPC extends beyond the corporation itself and affects national development outcomes. Funds that could have been allocated for public welfare projects are often diverted through corruption and poor accountability.

The finding aligns with Sala-i-Martin and Subramanian (2013), who argued that Nigeria's oil wealth has failed to translate into broad-based development due to misappropriation of revenues. It also supports the resource curse hypothesis, which explains how countries rich in natural resources often experience slower social progress because of corruption and rent-seeking behavior.

In summary, the data suggest that embezzlement in the oil sector contributes to underfunded social services, poor infrastructure, and continued poverty among citizens, reinforcing the need for transparent management of national resources.

Question 8: What possible measures can be adopted to reduce mismanagement and embezzlement of funds in the Nigerian public sector, particularly within NNPC?

Table 4.1.12:

Sex	Numbers of Male Respondents		Numbers of Female Respondents		Total Yes	(% Yes)	Total No	(% No)	Total Respondents
	Yes	No	Yes	No					
Responses	150 (50%)	30 (10%)	90 (30%)	30 (10%)	240	80.0%	60	20.0%	300 (100%)
Total									

Source: Field Survey, 2025

Table 4.1.12 reveals that **240 respondents (80%)** agreed that strong anti-corruption measures, strict enforcement of financial laws, and digital transparency can significantly reduce mismanagement and embezzlement of funds in the public sector. Only **60 respondents (20%)** disagreed, showing that the majority of participants believe practical reforms can make a difference.

Most respondents emphasized the need for:

- Regular auditing and publication of financial statements,
- Full implementation of the Treasury Single Account (TSA),
- The use of ICT tools to track government transactions, and
- Stiffer penalties for offenders.

These findings suggest that respondents understand both the problem and the possible solutions. The consensus reinforces the argument that the **NNPC and other public agencies must embrace transparency, accountability, and modern management systems** if Nigeria is to achieve sustainable economic progress.

4.2 DISCUSSION OF THE FINDINGS

These findings agree with the literature on how mismanagement and embezzlement of funds have plagued the public sector in Nigeria. Responses gathered from 300 participants indicate that corruption, weak accountability systems, and political interference contributed to undermining effective management in respect of public resources, especially within the NNPC.

The study also demonstrated that mismanagement and embezzlement were perceived to be systemic and deeply entrenched in the institutional culture. This agrees with the argument of Sachs and Warner 1995 and Ross 2012, who noted that countries dependent on natural resources often suffer from poor governance and corruption—a phenomenon often described as the resource curse. In Nigeria, the oil sector dominated by NNPC has long been identified as the epicenter of corruption, leakages, and poor accountability. The findings also agree with the Public Choice Theory that guided this research. According to the theory, public officials act in their self-interest rather than for the interest of the public. The responses in this study affirm the position since many agreed that political and personal interests drive the mismanagement of funds, with the officials

diverting public resources for private gain. This explains why NNPC and such public institutions usually have financial irregularities despite reforms and oversight mechanisms.

On the positive side, there was strong agreement, 85%, that accountability and transparency remain some of the best ways to reduce corruption. This agrees with Transparency International 2023, which noted that open government with robust anti-corruption regimes unsurprisingly have more stable growth. Other modern best practices in public financial management that featured in the solutions highlighted by respondents were digitalization of fund management, enforcement of financial laws, and regular audits. Indeed, the discussion has illuminated how mismanagement and embezzlement in NNPC are symptoms of deeper systemic weaknesses in Nigeria's public governance framework. Accountability, transparency, and institutional discipline remain some of the surest routes toward financial integrity and national development outcomes.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

This chapter provides a summary, conclusion, and recommendations based on the findings of the study entitled:

"The Effect of Mismanagement and Embezzlement of Funds in the Public Sector: A Case Study of the Nigerian National Petroleum Corporation NNPC."

This chapter, therefore, gives an overview of the whole study, states the objectives once more, and highlights the main findings from the analysis in Chapter Four. It also offers practical recommendations geared at stemming mismanagement and embezzlement in the public sector of Nigeria as a whole, as well as suggests avenues for further studies.

The study sought to find out the nature, causes, and effects of mismanagement and embezzlement of funds within the NNPC, with emphasis on how accountability and transparency mechanisms could be strengthened to ensure financial discipline and national development. The data collection was done using structured questionnaires, and 300 respondents were analyzed to derive logical conclusions.

5.1 SUMMARY OF FINDINGS

The findings of the research established that mismanagement and embezzlement have become entrenched and institutionalized problems in Nigeria's public sector, particularly within the NNPC. It was clear from the analysis of responses from questionnaires administered that corruption and financial indiscipline were not single events but had

occurred and continued to persist over time because of weak institutional structures and lack of accountability.

A major finding from this study is that political interference has been a central factor promoting mismanagement within NNPC. Most respondents strongly agreed that the intrusion of political office holders into the internal affairs of the corporation undermines its independence and distorts its operational efficiency. Political appointees often influence financial decisions, manipulate contracts, and control fund allocation processes for personal or partisan gain. This situation erodes professionalism within the corporation and creates an environment where transparency is sacrificed for political loyalty. As such, rather than operating like a profit-oriented national asset, NNPC has often acted more like a tool for rewarding allies and gaining rents, confirming the assumptions of the Public Choice Theory, which suggest that public officials and politicians are mainly acting on the basis of their self-interest.

The study further revealed that the internal financial controls in NNPC and other such public institutions are fundamentally deficient. The respondents observed that systems such as internal auditing, record verification, and periodic performance evaluation were either poorly implemented or deliberately circumvented. Many employees viewed these processes as purely in form and lacking in real consequence in matters of accountability. The absence of stringent internal checks has made it easy for funds to be siphoned off, contracts inflated, and revenues not remitted. Besides, the bureaucratic culture within the

Nigerian public service-a culture noted for inefficiency and unsupervised discretion-served to sustain corrupt practices unchecked.

The other finding is that mismanagement and embezzlement have a direct consequence on the economic growth and development of Nigeria. A good number of respondents agreed that corruption within NNPC and other strategic public agencies has contributed very highly to Nigeria's economic instability. In fact, money that should have gone into infrastructural development, education, health, and job creation is being stolen, and this translates to increasing

poverty amidst squalor conditions of living. Despite its position as one of the world's leading oil producers, Nigeria remains beset by inadequate power supply, poor road networks, and a decaying educational system. The study hence confirms the "resource curse hypothesis" of the view that resource-rich countries often fare worse economically because resource wealth fosters rent-seeking behavior and weakens institutions.

Furthermore, the study found that accountability and transparency mechanisms in the public sector are either weak or poorly enforced. While the Government of Nigeria has adopted a number of policies and frameworks like the TSA, Integrated Payroll and Personnel Information System, and NEITI, these have remained weak in their implementation. Respondents noted that these systems are usually undermined by human interference, selective enforcement, and lack of political will. A number of officials who

commit financial crimes remain unpunished, entrenching a culture of impunity and eroding confidence in government agencies.

The research also found that the agencies established to combat corruption, such as the EFCC, ICPC, and NEITI, are yet to meet their stated goals due to political interference, underfunding, and lack of operational autonomy. According to respondents, though these agencies have succeeded in raising public awareness on matters of corruption, their impact on systemic change remains limited. The selectivity with which offenders are brought before the courts, especially among the political elite, has eroded confidence in the anti-corruption crusade.

Furthermore, it was found that such mismanagement and theft of money in NNPC have larger ramifications in terms of their social and developmental impact. The loss of public revenue due to the criminal action has resulted in underfunding in vital sectors like health, education, and infrastructure. This has contributed to unemployment, poverty, and inequality among Nigerians. According to respondents, the diversion of oil revenues that was expected to improve their living standards has enriched a few individuals and kept the larger population in economic hardship. Generally, citizens' trust in public institutions is reduced, while national integrity is threatened.

The study further established that, although institutional frameworks exist, Nigeria still lacks a culture of open governance. If accountability were to be real, respondents believed, there should be openness in budgeting, procurement, and reporting.

Unfortunately, most of these processes are usually shrouded in secrecy and come with loopholes that officials exploit for private gain. The data revealed that even where financial reports are produced, they are rarely made public or subjected to independent scrutiny. In addition, the study underscored citizen involvement in perpetuating accountability. The respondents argued that only when citizens, as well as civil society and the media, are empowered to ask for transparency can government institutions be adequately convinced to act responsibly. Nevertheless, weak capacity and resulting fear of political victimization from civic institutions in Nigeria have continued to adversely affect citizens' involvement in monitoring public expenditure. In summary, this study established that mismanagement and embezzlement of funds in the Nigerian public service, especially in NNPC, are caused by an interplay of institutional failure, political manipulation, and moral decay. These have led to devastating consequences on national development, manifesting in poor public service delivery, infrastructural collapse, and widespread poverty. It concludes that without total institutionalization of accountability and effective punishment against corruption, Nigeria's enormous wealth from oil will continue to benefit a few at the detriment of the majority.

5.2 DISCUSSION OF FINDING

Analysis of data and responses from the field survey furnished substantial information on the nature, causes, and consequences of mismanagement and embezzlement of funds in the Nigerian public sector, with particular emphasis on the NNPC. The findings are in

agreement with a number of empirical studies and theoretical positions discussed in Chapter Two and further consolidate the fact that corruption and poor financial management are among the most pervasive challenges facing economic development in Nigeria.

The first important finding of this research is that mismanagement and embezzlement of funds are common in NNPC, as established in earlier works like Sala-i-Martin and Subramanian (2013) and Ross (2012). In fact, a large number of the respondents strongly believed that the corporation has been a victim of corruption, fraudulent accounting practice, and political interference. These findings corroborate the Public Choice Theory, which explains that public officials are equally self-interest-driven, just like their individual counterparts in the private market. In this regard, bureaucrats and politicians act to maximize their personal gains through political patronage, graft, or diversion of funds to themselves rather than the collective welfare. This therefore explains the situation in the NNPC, where individuals entrusted with public resources have often used them to advance private or political interests.

It also established that political interference is a dominant contributor to perpetuating corruption within NNPC. Indeed, the findings correspond with the observations of Auty 1993 and Sachs and Warner 1995 that resource-rich countries are often characterized by institutional capture by political elites. In Nigeria, for instance, NNPC has quite often been used more as a political weapon than as a purely economic enterprise. Political

leaders have often appointed their loyalists to top management positions and dictated major financial decisions, including the award of contracts and revenue allocation. This intrusion weakens professionalism and weakens internal financial control systems. In addition, the research found that the root of mismanagement in the public sector lies in the weak institutional structures. It was discovered that internal auditing mechanisms and financial oversight frameworks within NNPC are either ineffective or are deliberately ignored. This corroborates the assertion of Buchanan and Tullock (1962), in their Public Choice framework, where the inefficiency in bureaucracy and lack of accountability in public administration is critiqued. The respondents reiterated that when financial systems are not transparent and audits are compromised, the room for embezzlement and diversion of money is increased substantially.

Other important results of this study are the economic implications of mismanagement and embezzlement. The data showed that corruption in NNPC directly influences the overall economic performance of Nigeria. The study participants noted that continuous diversion of oil revenues has resulted in poor infrastructure, underfunded social programs, and high levels of unemployment. Such findings confirm the Resource Curse Hypothesis, which suggests that countries endowed with abundant natural resources often experience slower economic growth and poor governance, since the wealth derived from those resources fuels rent-seeking, patronage, and corruption. In the case of Nigeria, instead of using oil revenues to facilitate economic diversification and subsequent industrialization,

a lot of it has been misappropriated, leaving the nation dependent on imported goods and subject to fluctuations in world oil prices.

The study showed further that mechanisms for accountability and transparency are still weak in Nigeria's public sector. While the government has initiated various reforms in the TSA, IPPIS, and NEITI, their implementation has not been consistent. Many respondents felt these measures were unable to reach their fullest potential due to interference by humans, poor monitoring, and lack of political will. This finding confirms the assertions of Okonjo-Iweala (2018), who noted that anti-corruption reforms seldom succeed in Nigeria because they are merely implemented without strong institutional support or oversight from citizens.

The study also found that anti-corruption agencies like EFCC, ICPC, and NEITI cannot effectively carry out their mandates as a result of political interference and selective justice. Respondents stated that although these agencies occasionally blow the lid off certain financial crimes, the absence of consistent prosecution, delay in trials, and protection by the political elite of high-profile culprits continue to erode people's confidence in them. This supports *Nwankwo (2014)*, who argued that anti-corruption efforts in Nigeria are generally politicized, serving more as instruments of control than tools for genuine reform.

Social effects of mismanagement and embezzlement were also stark in these findings. A majority of the respondents agreed to the fact that corruption in NNPC depletes the

capacity of government to fund important sectors like education, healthcare, and public infrastructure, contributing to increased poverty, inequality, and decay of confidence in public institutions. Such outcomes are similar to the observations of Adewale (2011), who noted that mismanagement of oil wealth has kept Nigeria in a state of socio-economic disparities and stunted its development. The findings also reveal greater citizen participation and increased institutional transparency as being required. Indeed, survey respondents are unanimous in their views that when citizens, the media, and civic organizations are able to scrutinize public accounts, the government agencies become more responsible. However, active civic engagement is discouraged by fear of political victimization and a lack of access to information. This agrees with Kaufmann et al. (2010), who emphasized that citizen oversight, along with free media, is crucial in enforcing accountability in governance. In summation, the outcome of this study reiterates that mismanagement and embezzlement in NNPC are not merely individual greed but a product of structural weaknesses in governance, institutional failure, and political manipulation. As seen from the results, they strongly support the theoretical underpinning of the Public Choice Theory, which identifies corruption as a rational behavior in the absence of effective constraints. These findings also share the experiences of other resource-rich nations beset by the "resource curse," highlighting that in the absence of string accountability systems, transparency, and ethical governance, resource wealth is bound to remain a curse rather than a blessing.

5.3 CONCLUSION

The research sought to find evidence on the impact of mismanagement and embezzlement of funds in the Nigerian public sector, using the NNPC as the case study. This understanding was based on determining the root causes, patterns, and implications of financial indiscipline and how it impacts economic performance, accountability, and public trust. From an analysis of responses gathered from the field, it was clear that corruption and poor financial management in NNPC symbolize the greater weaknesses of governance in Nigeria's public sector.

The following are the conclusions of the study:

- i. The systemic reasons for mismanagement and embezzlement of public funds are found within NNPC and the entire public sector because of weak oversight mechanisms combined with an inherent lack of transparency.
- ii. Political interference remains one of the most damaging influences on NNPC's operations. The intrusion of political actors into administrative and financial decisions has eroded professionalism and promoted rent-seeking behavior.
- iii. Corrupt activities have been perpetuated by an organization having weak internal control mechanisms while its auditing systems are very ineffective.
- iv. Financially, mismanagement is deep, as the diversion of petroleum revenues has translated into poor infrastructure, unemployment, and underfunded social services despite the country's vast endowment of oil.

- v. Accountability and transparency mechanisms are either inadequate or poorly enforced, limiting the ability of institutions such as EFCC, ICPC, and NEITI to achieve meaningful outcomes.
- vi. The evidence from this research confirms Public Choice Theory since the motivation of a public official in NNPC and other agencies is largely dominated by self-interest considerations rather than selflessness.
- vii. Bad management of Nigeria's oil wealth contributes to the state's experiencing the "resource curse," whereby the abundance of natural resources has not translated into economic development but has instead fostered corruption and inequality.
- viii. Restoring accountability and transparency is key to achieving national progress. The vicious circle of corruption and mismanagement cannot be broken except through institutional reforms, stronger legal frameworks, and people's participation.

5.4 RECOMMENDATIONS

Based on the findings and conclusions of this study, the following recommendations are made to help minimize mismanagement and embezzlement of funds in the Nigerian public sector and especially within the NNPC:

1. Strengthening Internal Control and Auditing Systems

These include the need for the NNPC and other public organizations to establish efficient internal auditing mechanisms and financial monitoring frameworks that would ensure

proper recording, verification, and reporting of all financial transactions. Besides, auditors should be independent and devoid of political influence to command credibility.

2. Reduce Political Interference in Public Corporations

The federal government should place restrictions on the involvement of political actors in administrative and financial operations of NNPC. Appointments into top management positions in NNPC should be based on merit competence and character rather than for political loyalty.

3. Ensure transparency and public disclosures of accounts

Institutions dealing with the national revenues should be compelled to publish periodic reports on income and expenditures together with audited statements. Transparency will make it possible for the public to scrutinize and will discourage corruption.

4. Empower and strengthen anti-corruption agencies

Full autonomy, adequate funding, and legal powers to investigate and prosecute offenders, without any political interference, should be guaranteed to agencies responsible for combating corruption, such as the Economic and Financial Crimes Commission, the Independent Corrupt Practices and Other Related Offences Commission, and the Nigeria Extractive Industries Transparency Initiative.

5. Impose severe punishments and sanctions on offenders

Zero tolerance must be adopted towards corruption in public service. Public officials found guilty of mismanagement, embezzlement, and abuse of office should receive heavy

disciplinary action, including dismissal, fines, and imprisonment. In that way, it will serve as a deterrent to others from committing such crimes.

6. Digitalize Public Financial Management Systems

Full implementation of digital financial tools such as the Treasury Single Account, Integrated Payroll and Personnel Information System, and Government Integrated Financial Management Information System should be ensured. These systems reduce human manipulation, close leakages, and improve financial accountability.

7. Promote Ethical Reorientation and Capacity Building

Regular training, workshops, and seminars should be conducted for public servants to inculcate into them ethical values such as honesty, accountability, and service to the public good. Also, civic education should highlight moral and legal consequences of corruption.

8. Encourage Citizen and Media Oversight

It is important that CSOs, journalists, and watchdog groups are empowered to monitor government projects and expenditure. Freedom of information laws must be fully implemented to avail citizens with access to public data.

9. Diversify Nigeria's Economic Base

The government must work on investing more in other productive sectors of the economy, such as agriculture, manufacturing, and technology, to decrease its dependence on oil

revenues and retard the process of rent-seeking in the petroleum sector.

10. Institutionalize a Culture of Accountability

More than the legal reforms, what Nigeria needs is the establishment of a public service culture in which transparency, meritocracy, and accountability become part of its core values. Leaders at all levels must lead by example and be accountable in the management of public resources.

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APPENDIX
DEPARTMENT OF PUBLIC ADMINISTRATION
FACULTY OF SOCIAL SCIENCES
UNIVERSITY OF BENIN
BENIN CITY, EDO STATE.

The Manager,
Nigeria National Petroleum Company Limited (NNPC),
Benin Zonal Office,
Edo State.

Dear Sir,

LETTER OF INTRODUCTION

I am a final year student of the Department of public Administration, faculty of Social Sciences of the above named University.

I solicit your opinion through the questionnaire attached on the topic:

“The Effect of Mismanagement and Embezzlement of Funds in the Public Sector: A case study of the Nigerian National Petroleum Corporation (NNPC).”

This Questionnaire is strictly for my project work.

Your response to this questionnaire shall be treated with utmost confidentiality and will be used strictly for the project work.

Thank you for your anticipated cooperation.

Yours Faithfully,
Olunene Samuel Ibukunoluwapo
Researcher

QUESTIONNAIRE

Topic: The Effect of Mismanagement and Embezzlement of Funds in the Public Sector:

A Case Study of the Nigerian National Petroleum Corporation (NNPC)

Dear Respondent,

This questionnaire is designed to collect data for an academic research project on the topic ‘The Effect of Mismanagement and Embezzlement of Funds in the Public Sector: A Case Study of the Nigerian National Petroleum Corporation (NNPC).’ The study is conducted by Olunene Samuel Ibukunoluwapo, a student of Public Administration, University of Benin.

All responses will be treated with utmost confidentiality and used strictly for academic purposes. Your honest and objective responses will be highly appreciated. Thank you for your cooperation.

Yours sincerely,
Olunene Samuel Ibukunoluwapo,
Department of Public Administration,
University of Benin.

SECTION A: Demographic Information

Please tick (✓) where appropriate.

1. Gender:

Male Female

2. Age Bracket:

18–25 26–35 36–45 46 and above

3. Educational Qualification:

SSCE ND/NCE HND/B.Sc M.Sc and above

4. Occupation:

Civil Servant Private Sector Worker Student Others (specify) _____

5. Years of Experience (if working):

Less than 5 years 5–10 years Above 10 years

SECTION B: General Perception of Mismanagement and Embezzlement in the Public Sector

Kindly indicate your level of agreement with each of the following statements using this scale:

Strongly Agree (SA), Agree (A), Undecided (U), Disagree (D), Strongly Disagree (SD)

S/N	STATEMENT	SA	A	U	D	SD
1.	There is a high level of mismanagement of funds in Nigeria’s public sector.					
2.	Mismanagement of funds in NNPC affects the corporation’s overall performance.					
3.	Lack of financial discipline contributes to poor project execution in NNPC.					
4.	The absence of effective monitoring and auditing encourages mismanagement.					
5.	Political interference worsens the mismanagement of public funds.					
6.	Mismanagement of oil revenue contributes to the					

	underdevelopment of Nigeria.					
7.	Inadequate training of financial managers leads to poor financial control.					

SECTION C: EMBEZZLEMENT AND CORRUPTION IN THE PUBLIC SECTOR

S/N	STATEMENT	SA	A	U	D	SD
8.	Embezzlement of public funds is common among top government officials.					
9.	Weak institutional control encourages embezzlement in NNPC.					
10.	Poor remuneration and incentives contribute to embezzlement in public service.					
11.	Embezzlement reduces the amount of funds available for development projects.					
12.	Corruption in NNPC discourages foreign investment and partnership.					
13.	Political patronage and favoritism increase the tendency to embezzle funds.					
14.	Whistle-blowers are not adequately protected in Nigeria.					

SECTION D: ACCOUNTABILITY AND TRANSPARENCY MECHANISMS

S/N	STATEMENT	SA	A	U	D	SD
15.	There are weak accountability mechanisms in Nigeria's public institutions.					

16.	Transparency in financial reporting can reduce corruption and embezzlement.					
17.	Regular external audits improve financial accountability in NNPC.					
18.	Civil society and media oversight promote transparency in governance.					
19.	Anti-corruption agencies such as EFCC and ICPC are not effective enough.					
20.	Public access to information on government spending encourages accountability.					
21.	E-governance tools (digital budgeting and reporting) enhance transparency.					

SECTION E: EFFECTS OF MISMANAGEMENT AND EMBEZZLEMENT

S/N	STATEMENT	SA	A	U	D	SD
22.	Mismanagement reduces public trust in government institutions.					
23.	Mismanagement of funds leads to poor infrastructure development.					
24.	Embezzlement slows down Nigeria's economic growth.					
25.	Mismanagement of oil revenue hinders diversification of the economy.					
26.	Corruption in NNPC affects employment opportunities and social welfare.					
27.	Mismanagement and embezzlement contribute to					

	Nigeria's poor global image.					
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SECTION F: SUGGESTIONS AND RECOMMENDATIONS

S/N	OPEN ENDED QUESTIONS	RESPONSES
28.	What practical steps can government take to reduce mismanagement and embezzlement of public funds?	<hr/> <hr/> <hr/>
29.	What role should citizens or civil society organizations play in promoting accountability?	<hr/> <hr/> <hr/>