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The Control Environment; a Panacea for Effective Internal Control System in Nigeria's Public Service Entities

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Abstract- The study has examined the control environment one of the five components of the COSO internal control integrated framework; which is widely accepted as a model for evaluation of effectiveness of internal control by organizations. Among the five components, the control environment, the focus of this study is widely accepted as the foundation of an organizations entire internal control system. It is generally observed that the internal control system in the Nigerian public entities is very weak, the result is control failures which have given rise to fraud, embezzlement and other corrupt practices which run into billions of naira. The study sought to achieve the following objectives: firstly, identification of factors responsible for weak internal control in public service entities and secondly assessment of the role of the control environment as a panacea to the very weak internal control system in the public service entities in Nigeria. The study is conducted based on desktop and library; both published and unpublished materials were consulted. The study revealed that the managerial style, absence of integrity and ethical values, lack of commitment to competence, organization structure and accountability greatly impact the internal control system in public service entities. The study recommends the adoption of the principles embedded in the control environment for application in the public service entities.

Keywords: *control environment, internal control, Panacea, public service entities.*

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Keywords: control environment, internal control, Panacea, public service entities.

I. Introduction

Organizations generally tend to realize their objectives when there is good control environment. A good control environment enables the organization to conduct its activities in line with best practices, comply with laws, regulations, processes and procedures. The control environment is the foundation upon which an entire and effective system of internal control of an organization is built. Most of the front-page news stories which highlight cases of fraud, embezzlement and other corrupt practices such as the recent well publicised case of N109billion fraud involving the Accountant General of the Federation are mostly attributable to the weak control environment pervading the public service entities.

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II. Internal Control

As people come into an organization to help it achieve its goals, the need arises to set ground rules to ensure there is orderliness and control. These ground rules are what is collectively known as internal control. Internal control therefore is concerned with rules and regulations, processes and procedures, policies, checks and balances, systems and structures put in place to guide the internal operations of the organization members in the pursuit of the organization's objective. It aims at achieving the following objectives: promote orderly and efficient conduct of the business of the organization and thus ensure that all transactions are recorded; safeguard the assets and resources of the organization against loss, waste, abuse and mismanagement; ensure that people adhere to laws, regulations, processes and procedures, contracts, policies and management directives; ensure detection and prevention of errors, irregularities and fraud; ensure accuracy, reliability and completeness of records i.e. there is adequacy of documentation; and ensure timely reporting. Internal control therefore defines the way things should be done in an organization.

It is the responsibility of management to institute the controls as a whole and supervise them to ensure they function as prescribed and that there is compliance throughout the entire organization (Akinbo and Ojo, 2022).

III. The Concept of Control Environment

Control environment is one of the components of the internal control integrated framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO); an initiative of five American professional associations. The other components are: Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities. The focus of the paper is on the individual elements of the control environment namely: Management philosophy and operating style, Integrity and Ethical values, Commitment to Competence of employees, Organization Structure, and Accountability.

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These will be used to evaluate the internal control system in the Nigeria's public service entities.

Control environment is concerned with the top people in the hierarchy of an organization, those who decide the direction of the organization, their attributes which include: Management style and philosophy, integrity, ethical values, competence, and a commitment to upholding what is right and doing it the right way all the time (Ramos 2004; Nurse, 2018; IIA, 2011; AuditNet, 2022). It is this general attitude and actions of the top men which set the tone for staff members as they carry out their activities in the work place day to day. It is the base or foundation on which all other components of the internal control system are built.

The Institute of Internal Auditors defines control environment as "*the foundation on which an effective system of internal control is built and operated in an organization that strives to achieve its strategic objectives, provide reliable financial reporting to internal and external stakeholders, operate its business efficiently and effectively, comply with all applicable laws and regulations, and safeguard its assets." (IIA, 2011).*

A strong control environment minimises the regularity and undesirable consequences of control failures; the absence of a good control environment will put the integrity of the entire internal control system to question no matter how well it is designed or operated (Zhang 2016).

According to Gallagher, (2022) failure in the control environment is the cause of fraud, embezzlement, and other corrupt practices which are prevalent in most public service entities. The creation of specialised bodies such as the Economic and Financial Crimes and Commission (EFCC), Independent Corrupt Practices Commission (ICPC), Code of Conduct Bureau (CCB) and even the regular audit has not posed a deterrence (Sanda, Mikailu, etal. 2010). Most of the reported cases being handled by these bodies involve the heads of the relevant government agencies and their management which the control environment calls the tone at the top.

a) Management Philosophy/Operating Style

Organizations in whatever form whether business, education, government religious etc. are formed for the pursuit of common objectives; which will be hard to attain if it were to be undertaken solo. Management philosophy/style is concerned with the way and manner the managers lead their teams and how they make decisions. Circumstances of organizations never happen by chance; it is consciously created by the leadership or management. As Robbins (1993) put it, whether the conditions of an organization will change or not largely depends on the management philosophy and operating style.

Managers hold different viewpoints or beliefs about workers: they generally tend to favour one of two viewpoints: that all workers either like or dislike work. This affects their attitude towards the workers in their daily interactions. Managers who believe that employees dislike work, are lazy, have little ambition, and wish to avoid responsibility and thus must be forced to put a good effort in their duties tend to closely supervise and control workers. On the other hand, managers who assume that employees generally like work and are willing to accept responsibility tend to give workers opportunity to participate in decision making as opposed to close supervision and tight control. Whatever belief a manager holds about workers has profound effect on the control environment and thus the internal control system of that organization.

Management operating style can be classified into three general categories (Mullins, 1996; Everard and Shilt, 1979): Theautocratic or dictatorial style is where the manager is the maximum leader; the authority and power to make decisions, institute policy and procedure, establish basis for rewards and punishment reside with the manager. Generally, the approach is said to be effective in the short term, during crisis or times of emergency. The tendency to undermine internal controls is more prevalent and pervasive under the autocratic managerial style. Achebe, (1984) submits that appointments into positions of leadership in public service entities is seen as a way of rewarding the appointees; and as such many of those appointed view it as an opportunity to exercise power, grant favours and acquire wealth. The autocratic leadership style therefore has wide support among those appointed to positions in the Nigerian public service entities, with its profound negative effect on the internal control system.

The public service entity solo leaders have no patience for rules and laid down procedures, they issue directives and expect compliance. Any attempt to draw attention to due process in our parlance is perceived as disobedience to constituted authority; which may earn one disciplinary action. In some instances, directors who insist on following laid down rules are harassed, intimidated, side-lined or frustrated out of service or transferred out of the agency back to the pool for those who are from the common services (i.e. Office of the Head of service and/or the Office of Accountant General of the Federation). It is not unusual to find head of agencies abandon the Director or Head of department to work with subordinates who are willing to cooperate with them in their abuse of processes. Because of this dictatorial tendency which pervade these agencies, most cases of control failure which run into billions of naira involve the heads of the relevant government agencies and their management. Internal controls are thus breached recklessly without consequence. They generally demonstrate personal inclination away from

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the norm and equally use deviant behaviour to subvert the internal control system.

The democratic leader is one who perceives himself as been more part of a team. Team members are more involved in decision making, discuss solutions, procedures and processes with employees rather than merely announce decisions; there is greater cohesion and interaction in the team. The leader consciously curtails his/her role, is more consultative, shows respect and trust in his team members and is more willing to delegate. Under this kind of style, the organization is more inclined to keep to rules and regulations, processes and procedures, uphold structures and standards of operation. The tendency for breach of internal control with its attendant consequences of fraud, embezzlement and corruption is not as profound and thus minimal.

Still a third style is laissez-faire style which can be called leaderless or non-style of leadership. The manager avoids trouble situations, the team is left with decisions which are within the sphere of the manager; there is total abdication of responsibility. In the circumstances, the organization is in confusion and disorder, crisis and chaos as there is no leader. There is total breakdown of internal control; in short controls are not in existence.

Each of these styles sets the tone and communicates it throughout the whole gamut of the organization. Internal controls will function well in practice if management believes they are important by their style of leadership; and thus, communicates this position to employees at all levels in the organization. Where management treats controls with disdain, conceives them as unimportant or worse still as an obstacle as epitomized by the autocratic style of leadership this attitude will trickle throughout the organization. Employees will naturally see internal controls as a red tape which they must cut through to be able to accomplish the task on hand (AuditNet, 2022).

Spend love, (2007) submits that decisions and actions for delivering sustainable quality public service are guided by leadership; generally, things get done through management. Armstrong (2003) supports this conceptual postulation when he argues that organizations can attain optimum performance at all levels only through the existence of efficient and effective management or leadership style. Effectiveness of controls is greatly dependent on the style of leadership adopted by the manager. At the heart of the success of any human endeavour is the quality of leadership driving it. It is leadership that upholds the control environment and sustains it, it does not occur by accident. Effective controls will not emerge accidentally; leadership will create the environment in which controls will thrive (Robbins, 1993; Akindele and Afolabi, 2013; Sudha, Shahnawaz, and Farhat, 2016). One cannot but agree with the submission by Brown (2001) that unfortunately, the atmosphere that will create and foster the desired standards of behaviour in the public service entities particularly in our clime is still very much lacking.

b) Integrity and Ethical Value

Ethical values are a set of moral principles, values, norms, rules of conduct that guide the behaviour of individuals, organizations, professions or a society at large. It is concerned with judging the rightness or wrongness of intentions, actions, decisions of an individual, group or a profession and how this affects others or society at large. Muhammad and Hamid, (2014). Munroe, (2014) sees it as ideas, principles, and qualities on which one places a very high premium and which are very dear to such a one. It has to do with something or someone you hold in high esteem; they govern the behaviour, conduct or policy of an individual or a group as the case may be. Examples include: rules and regulations, religious doctrine, code of business ethics for industry group or professional code of conduct. Munroe, (2014) further submits that where individuals imbibe strong positive values, there will be no need for introduction of multiplicity of laws to moderate their conduct. Such individuals will naturally do what they ought to do without someone else having to monitor them. Rules are not an end in themselves; after all they are designed to make us aware of the standard of what is right and proper so as to modify our behaviour; the rules on their own lack power to coerce people into obedience if they are not internalized.

Integrity is concerned with the application of strong ethical principles in our daily lives and activities. It encompasses such attributes as honesty, truthfulness, fair play, probity, trustworthiness etc. It is acting in ways that are consistent with one's personal values and commonly held values of an organisation and society at large (Naran, 1992). We should not espouse the ideal and then turn round to act in a contradictory manner; this will amount to a preacher who urges his congregation to a life of abstinence from the pulpit while he lives a life of gluttony in private. Munroe (2014) says integrity is "who we are when no one is watching."

It is generally referred to as a person's honour, character, standing for what one believes and the values he/she holds dear at all times in his action. It is being incorruptible, eschewing fraudulent behaviour, adhering to moral values, conformity with rules, standards and behaviours that are generally acceptable to an organization and in some cases the society as a whole (Bauman, 2013; Ssonko, 2010; Olanrewaju, Yemisi, Aliu, Daudu, 2020). To sustain integrity in an organization therefore requires that the leadership exalt these values at all times in all their dealings.

The clearest message to the employees about the importance of internal controls is the conduct of the management which either will encourage or discourage employees from being fraudulent or corrupt (Palanski

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and Yammarino, 2007; IIA, 2011).Acting with integrity has overwhelming influence on the control environment; subordinates usually tend to emulate the leader's integrity which almost always has a trickle-down effect. The decisions and actions of the leader whether inside or outside the organisations are under constant watch and have serious consequences on success or failure of the organization as a whole (Kathryn Christie, Kehoe Fellow).

The words of the Manager must reflect the reality in his or her life, only then can it impact the led. A call for commitment, integrity, ethical values, dedication, or sacrifice will never be honoured unless these qualities or values represent both the principles and practice of the personal life of the leaders (Briner and Pritchard, 2008; Munroe, 2014).

Subordinates will normally heed the call from managers whose words and actions are in congruence, and exhibit the behaviours and values they espouse. This ultimately affects the internal control environment and organization effectiveness (Downe, Cowell and Morgan, 2016). When this happens, those who are unwilling to conform may become uncomfortable, and have no option but to either adjust their conduct or exit the organization (Briner and Pritchard, 2008; Munroe, 2014). Many senior management/executives of government agencies have been in the media for scandal and illegal acts. One thing that has been consistent in their downward slide is their lack of integrity and the failure to align their behaviour in accord with moral set of values. Integrity is a key leadership quality; Employees tend to put in their best and controls also are most effective where leaders demonstrate integrity and ethical conduct, are consistent in word and deed, exude confidence and trustworthiness (Kalshoven et al., 2011). To build an ethical organization, the approach is top down. Employees tend to adopt the characteristics, behaviour, choices and values they see in their leaders. Ethical leaders espouse values they want their staff to exemplify i.e. leadership by example. Their decisions and behaviours both within and without the organization are more predictable (Kuligowski, 2022).

No matter the effort the management makes in enthroning ethical code, it will make no difference if the men at the top conduct themselves in unethical manner. They will tacitly be encouraging their subordinates to act the same way. In the same vein leaders who consistently uphold high ethical standards will become good examples for others in their organizations; through what they do which is more important than what they say, the leaders pass information as to what is acceptable and what is not.

For instance, where leaders use the organization's assets/resources for private benefit, inflate bills for settlement, demonstrate favouritism towards friends or relations, or other unorthodox behaviours and suffer no consequence the implication is that such conduct is allowable for all employees and that organizational rules are not applicable to those in power (Achebe, (1984). This has profound negative effect on the internal control system which is what is prevalent in our public service entities. Good leadership qualities should include morals and values, such as honesty, trustworthiness and integrity (Alam, Hoque, and Oloruntegbe, 2010)

How people are rewarded or punished also sends a strong message through the organization. When those who do questionable things or who operate on the basis of the end justifies the means are rewarded, then the message is that those approaches are alright. Appropriate punishment should be visited on wrong doing and this should be done openly whenever and wherever it is detected. This will be another message that wrong doing has consequences and that unethical behaviour will not be tolerated in the organization (Robbins, 1993; Brown et al. 2005).

LeBeouf, (1985) supports this proposition that organizations get what they reward; individuals are wont to do those things which they believe will be most beneficial to them. If we want an organization with a strong control environment built on ethics and integrity, then we reward those whose actions reflect these values; we can't reward the wrong values, ignore the right ones and expect a different result. We cannot hope for B, reward C and expect to get B as the result. Human beings generally irrespective of their status whether as managers, teachers, politicians etc. conduct themselves in line with the reward system. If the reward system tolerates impunity or unethical behaviour, then that the way they will act.

President Nyerere of Tanzania demonstrated integrity and ethical leadership in 1960s as a model for the citizens. He is on record to have requested for a moratorium on the mortgage for his private house from his bankers after he settled the school fees for his children. Tanzanians had no need for preaching on patriotism or a commission on ethical re orientation made up of the clergy and traditional rulers, the leader had set the pace (Chinua Achebe, 1984). Herein lies the challenge for our clime where the display of lack of integrity and unethical conduct is seen more as a virtue than a vice (Olatunji, 2015). There is the example of a Minister of Aviation who purchased two bullet proof cars at an inflated sum of N255 million in breach of all procurement processes. Although pressure from NGOs and the press forced her to resign in 2014, she later emerged as a senator of the federal Republic in the 2015 election (Ekene and Ugwunwanyi, 2016). Instances such as this abound where heads of public institutions undermine controls and get away with it, without even a whimper. The system rather rewards this behaviour with promotion which serves as encouragement to others to indulge in same.

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Basically, subordinates try to emulate the behaviours of their leaders their mannerisms and many times out do the leader in every way, positive or negative. As little boys in the elementary school, one of our teachers who was a great footballer walked with a limp. All of us who played football then started emulating the teacher believing that is how great footballers walk. Therefore, if a leader lacks ethical conduct and integrity, the effect is apt to spread automatically down to his followers. A good number may see his action as the norm; those with a discerning mind may turn it over for a while but may ultimately conclude within themselves that the action of the leader is right. If controls are going to work, it must be from top down. However, Brown (2001) submits that unfortunately, the atmosphere that will create and foster the desired standards of behaviour in the public service entities particularly in our clime is still very much lacking.

c) Commitment to Competence

There are several theories that relate to competence; but the general conclusion is that competence refers to those observable and measurable behaviours and skills the possession of which make an individual to be effective and successful in his chosen career or in a work environment. It is being able to do something well, perform a task or job effectively and efficiently; it affects performance at work more than any other factor else. Tarekegne, (2015)submit that inability to put up satisfactory performance may draw form such factors as knowledge and skills gap, ignorance, incompetence, poor internal control or structure. These are like the tools which an individual need to possess in order to be able to resolve problems and also address different situation sat work.

According to (IIA, (2011) an organization that is committed to attracting and retaining competent employees must demonstrate the following attributes:

1. There must be clearly established rational basis or standard for attracting and retaining those that are most qualified and thus satisfy the organizations competency framework. The criteria must take into account such factors as requisite educational qualifications, previous work experience, past accomplishment, proven record of integrity and ethical conduct.
2. Performance review and appraisal should be conducted periodically to enable the organization advance or reward those that put up satisfactory performance to higher levels of responsibility; compensate competent and trustworthy people.
3. Organize regular trainings whose major objective should be to give personnel skills that enable them carry out their roles and responsibilities to meet up with expected performance.

Organizations are exposed to a higher level of risk where positions are filled by people without the required level of competence; those who occupy their positions by virtue of their relationship to those in charge of governance. The negative consequences of recruiting incompetent staff include: lost productivity, wasted time, increased operating cost, pressure on other employees which may lead to lower morale, more effort will be put in supervision, breach of procedures and controls. The ultimate is control failure which may lead to fraud as others begin to exploit the ignorance and incompetence of the wrong hire.

An example is cited of the appointment of the head of a particular public service entity. The appointee claimed to be a lawyer of many years' experience. The directors of the entity later discovered that his claims were suspected to be forged; they thus forwarded a petition to the supervising ministry. Instead of taking the appropriate action as prescribed by Public Service Rules (PSR), the minister was said to have threatened at a public function to sack all the Directors for daring to bring the matter to the fore. The appointee still completed his tenure of four years. However, his limited education clearly manifested in his operations in the entity; he had no concern for structure, due process or controls. There was total breakdown of internal control. Even though he eventually left, the impact of his mis rule is still been felt in the entity. Information has it that he got the appointment through the Minister overseen that agency. This is a typical experience of the overwhelming number of public service entities

Public service entities tend to eulogise mediocrity and compromise over merit and competence. Those in position of governance have notoriety for hiring relatives which negates established standards. Matters are made worse when such hires do not possess the needed competence, an action that can compromise the effectiveness of internal control. Competent, honest and efficient people are able to perform well even in the absence of elaborate controls. Internal control is disrupted where operations are in the hands of incompetent personnel.

Effective recruitment policy should attract quality personnel to an organization. Effective internal controls and continued success of an organization depends on the quality of its personnel (Cole, 2002). The recruitment policy of the federal government is very clear; available positions must be advertised so that people from all regions and states can vie for them and the best will be selected from the pool of applicants. The system has however adopted what is known as "waiver". This simply means that public entities are permitted to recruit without placing advertisement. The Federal Character Commission the body responsible for ensuring there is equitable distribution of available positions admitted that they grant waivers to agencies when vacancies are few and not deserving of a newspaper advertisement (Daily Trust Newspapers 5th February, 2021). This nebulous position has opened the

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door for recruitment of thousands of family members, in-laws, relatives, friends and cronies or other considerations such as tribe, political affiliation, sexual prejudice, religion or from corruption. Such people may not necessarily be the best for the positions.

Whenever merit is set aside for whatever consideration, it is the organization that ultimately pays the price. Competent staff do not invite supervision from external force, they are able to perform with minimal supervision which is a favourable environment for controls to thrive (Chinua Achebe, 1983).

Organizations that have achieved sustainable success are those that will not hire someone for an important position unless they ensure he/she is the best they can find. Public service entities have demonstrated consistent inclination to go for mediocrity and compromise instead of merit and competence. This explains why control failures are very pervasive and will continue so unless merit takes a central place in the scheme of things. (Chinua Achebe, 1984).

IV. Organisational Structure

Organizational structure designates roles and responsibilities, clearly defines the duties of each and every staff on the job. It establishes authority and responsibility, appropriate reporting standards or lines for every job holder. Koontz (1980) define organization structure as a formal and conscious arrangement of roles or positions geared towards the attainment of set objective/s. Organization structure avoids overlapping and ambiguity in setting job boundaries which may lead to conflict and crisis (Afolabi and Onwudinjo, 2008).

According to Robbins, (1993) structure assigns authority and responsibility; provides clarity and minimizes ambiguity as people know whose directives they are expected to follow. They know the scope of their jobs, who they report to and who reports to them. Organization structure supports one of the cardinal components of a good internal control system which is approval and authorization. Each transaction or activity should require the specific approval/authorization of a specified responsible officer on the hierarchy of the organization structure; this is to enthrone order and control.

Organisation structure is a carefully planned coordination of the activities of personnel to enable it attain its objectives. This is achieved by way of division of labour, functions or roles, and a hierarchy of authority and responsibility; how people, jobs, roles, positions, authority and responsibility are organized, coordinated and clarified (Minztberg, 2009). This is in line with another cardinal principle of internal control which is segregation of duties; no one individual in the organization should carry out a transaction solely from the beginning to the end. The essence of segregation is to minimize abuses such that critical phases of a transaction cycle are not under the control of a single individual; segregation also helps to detect and deter irregularities (UNDP, 1996).

According to Greenberg (2011), organization structure focuses on job positions, their relationship to each other, reporting standards and accountability for every job responsibility. Arranging individuals into positions also help to institute the principle of internal check in the organization; which is arranging work in such a manner that the work of one individual or department becomes an automatic and independent check on the work performed by another. It is the position of Brumbach (1988) that in the absence of controls, confusion and inefficiency are most likely to set in; the ultimate is that goals will not be achieved.

Structure helps to keep watch and check on the organization and also guide its activities towards achieving its objectives. A good structure makes an organization's internal control more effective and efficient. The real challenge of public service entities is those with the power to implement the tenets of the structure and ensure compliance are the same people who undermine it; the unwillingness of the top people in the public service entities to rise to the challenge of personal example which is the hallmark of integrity and ethical value (Achebe, 1983).

V. Accountability

One component of a good control environment is accountability. Internal controls are more effective if employees are made to know very clearly that the organization will hold them to account where its rules, regulations, policies, processes, procedures or the known standards are not complied with; and that appropriate disciplinary measures will be meted out against violators in order to ensure that effective control is maintained.

It is the position of Hedger and Blick (2008), that to enthrone accountability three elements must be present: wrongs done must be clearly identified, offenders must be adequately punished or disciplined as the case may be and finally steps must be taken to correct the inappropriate action. In our clime there appears to be no consequences for wrong doing; and even where attempts are made at sanction, they are so feeble that the culprits are able to escape. Then there is the challenge of protracted remedial action; it is not unusual for cases to last for up to ten or more years in the courts. In the process the actors would have retired and those called to respond may be total aliens to the events that transpired or would even have died. Agbonika and Musa (2014) refer to this as "the inexcusable delay or non-commitment to the administration of justice by the Nigeria judicial system". This protracted remedial action has continued and still

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continues to be a hindrance to effective internal control in the public service entities.

Accountability is concerned with the obligation to ensure that work has been done in line with known rules, regulations, processes, procedures and standards; those charged with responsibilities give fair, accurate and transparent feedback to relevant stakeholders on the performance attained in line with due process (Adegite, 2010). Internal financial accountability encompasses financial reporting framework, strong internal control, good budgeting practices and both internal and external auditing; these together create an enduring internal control environment. (Ng'eni, 2016).The challenge in our clime is not the absence of these structures, they are in abundance. Reports on any matter are always available, internal controls including both internal audit and public external audit are in existence, there is a whole ministry of budget and planning; therefore, what one would consider as best practices superficially are available. The greatest challenge is the commitment to ensure that these controls actually function in practice. Agencies indulge in extra budgetary expenditures without consequence, audit queries are ignored by MDAs; the Chairman of the public accounts committee of the House of Representatives was on national television on the 31st October, 2023 threatening to sanction head of MDAs who refused to appear before the committee to answer queries emanating from the Auditor General; even such threats would appear to have become ritual without consequence.

One other very important attribute of good internal control is adequacy of documentation which is evidence that work has been done. UNDP, (1996) submits that accountability can be discharged through oral or verbal reports of activities undertaken; this is a weak and the bare minimum form of discharge of accountability because of non-permanency and prone to forgetfulness. Accountability is much better and improved when transactions are documented in writing which is stronger than oral or verbal reports; it is more enduring and is not amenable to forgetfulness. Accountability is at its best when transactions are not just in writing but are backed up with supporting documents as evidence which can be traced and verified. Attestation of the accounts and supporting documents by an independent detached professionally qualified and recognized expert represent the highest quality assurance in the accountability chain.

Many times, this chain of accountability suffers a serious setback. Agencies sometimes deliberately keep as few records as possible. In circumstances where adequate documentation exists, the independent expert the auditor is made to have access to as few records as possible. In extreme cases finance and accounts department or sometimes a whole office of an MDA is burnt down in order to conceal the consequences of control failure. For example, the office of Nigeria's Accountant General was gutted by fire in the wake of the investigation of expenditure on Covid 19 (Punch Newspapers, 6th August, 2020). The Accounts department of the Federal Capital Development Administration (FCDA) was burnt down after alleged embezzlement of over N21 million naira by the staff (Washington Post, 27th February, 1983).

Briston, (1981) emphasizes on sub-division of duties in the accountability chain so that no one handles transaction completely from the beginning to the end. Where functions are segregated, individuals may not be able to conceal financial errors or any improper action all alone. The busiest departments in a typical MDA including those that are moribund are the office of the CEO, Finance and Accounts and procurement. Within these departments, functions are concentrated in the hands of very few mostly junior officers to the neglect of their most seniors. On occasions, committees such as the Parastatals Tenders Board (PTB) are populated by people who are outside the prescription of the Public Procurement Act. Heads of agencies sometimes request for specific officers (i.e. those in the common services) to be posted to their agencies. Both the punch Newspapers of 1st June, 2021 and the Premium Times of 8th November, 2021 carried the story of the embezzlement of over N2 billion naira by Abdulrasheed Maina who was appointed the head of the Presidential Task Force on Pension Reforms, At the time of his appointment, Mr. Maina was an Assistant Director under the supervision of at least two other cadres of Directors, when he was surprisingly appointed to head the pension task force. The manner of his appointment by the president on the recommendation of the Head of Service in the midst of numerous people who were his seniors is also very curious. That he was able to siphon such a huge amount of money out of the system undetected by the controls put in place in the agency speaks volumes of the decrepit state of our internal control system.

Internal financial accountability also suffers set back because of the conspiratorial relationship between political appointees and civil servants (Adeyemi and Obamney, 2010). It is the accounting officers and the career civil servants who possess the requisite knowledge and are the custodians of due process, rules and regulations, processes and procedures, and the known standards for conducting public sector business. Political appointees almost always rely on the accounting officers and the directors for guidance. It is the civil servants who guide the politicians and make them believe that controls can be undermined, known practice and due process recklessly violated; and how weaknesses in the system can be exploited. There is active conspiracy between political appointees and career civil servants at all levels to render the internal control moribund. The result is that internal account-

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ability mechanisms in the agencies are defeated; most times cases of control failures are brought to the fore through petitions to anti-graft agencies or through the media by NGOs or CSOs. Thus, the weakness in the internal control system which has been with us since our independence but on a limited scale has now attained a very disruptive and damaging magnitude to our system.

VI. Conclusion and Recommendation

The paper has explored the control environment which is one of the components of the COSO internal control integrated framework. The control environment is the foundation of the internal control system of any organization that wants to achieve its goals. The general finding is that the internal control system in public service entities is very weak; this is due to their inability to adopt the principles of the control environment in benchmarking their internal control system namely: management philosophy style, integrity and ethical values, lack of commitment to competence, non-adherence to tenets of organizational structure and the lack of internal accountability.

It is recommended that public service entities adopt the control environment which is very appropriate for the system in bench marking their internal control systems. The adoption and application of the principles of the control environment as presented in this paper will greatly minimize the frequency and severity of control failures in the public service entities.

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