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AN ASSESSMENT OF CORPORATE GOVERNANCE AND ACCOUNTABILITY IN NIGERIA'S 4TH REPUBLIC

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ABSTRACT

The changing structure of world economy in the 21st century which has traversed serious upheavals in which renown banks and world class corporate entities have been liquidated arouse much concern by policy makers, researchers and analysts. This sad picture has been seen in North and South America, Asia, Europe and Africa and this is despite the application of corporate governance (CG) principles. Companies like Enron, Parmalat, Adephia, Communication Ltd, Worldcom, America On Line (AOL), Arthur Andersonand GlobalCrossing among other have been swept away by non-compliance with the ethics of C.G. Back in Nigeria where the principle of C.G. is still in its formative stage, this paper is out to assess the level of compliance to the ethics or international best practices taking the banking sector as the focal sector of reference. This research will be looked atconcurrently with the level of accountability which is the core of the principle and evaluate corporate governance vis-à-vis accountability in the 4th republic. The research is basically qualitative with reference to current write-ups and research. The result as would be expected by the number of liquidated banks is that corporate governance is still at its infancy in the Nigeria's financial sector and there is need for the regulatory authorities to ensure that the sector is made to comply to best practices and the

principles of C.G as applied worldwide for the growth, success and competitiveness of the banking and other sectors of the economy.

Key words: Corporate Governance, Accountability, World Economy, Banking Sector, Best Practices, Nigeria Financial Sector

1. Introduction

The Nigeria's state of economic development which remained underdeveloped after more than 54 years of independence calls for assessment, a holistic assessment that will take into consideration the key variables in development paradigm. All said and done, it is not overstatement that Nigeria is a rich country in natural resources and human capital. These endowments constitute a substantial variable when analysed from all perspectives that give the country an hedge over most developed countries. The other variable is the quality of corporate governance which invariably points to the leadership's ability or accountability.

Perusing these variables, Nigeria is indisputably the first economyin the West African sub region. It is the most populous country with an estimated population close to 200 million which alone is more than half of all the population of the sub region. And in the entire world, Nigeria is home to largest number of black people; a rich country in agricultural and mineral resources, being primary exporter of cocoa, palm kernel, cotton etc. in the 60s when these produce accounts for over 70% of GDP and over 80% of foreign exchange. However, since 1970's coinciding with the nation's victory over civil war, crude petroleum has become the mainstay of its economy, accounting for about 50% of GDP and over 90% of foreign exchange earnings; not to talk of gas potential with a reserve that can last for over a decade.

When all these potentials are considered, Nigeria naturally should be among the foremost developed countries in the world but a cursory look at the governance points to weaknesses arising from governance inadequacies and leadership paucity which has spurred this write up.

This brief introduction is section 2 the theoretical framework while in section 3 the state of corporate governance was discussed. In section 4 concept and principles of accountability was analysed and wasrounded up with concluding remarks

2. The State of Corporate Governance in Nigeria

Corporate governance is a critical factor for a nation's development. In other words, the economic performance of any nation is shaped and conditioned by the standard of the nation's corporate governance which must follow world best practices (Sanusi, 2012). While the performance of corporate governance in the banking sector is a key variable for measuring the success or otherwise of nation's development especially in the developing economies. The success or otherwise of corporate governance is also dependent on the robustness of political governance which provides the institutional framework. Unfortunately, weak governance practice by the government has been advanced as a major obstacle to economic development.

Corporate governance standard has been projected as an instrument to measure the performance of a nation's political governance which makes it a global standard to evaluate economic growth and overall development of a nation. The existence of and the application of the ethics of corporate governance in the key sectors of a nation serves as checks and balances to keep the sectors on their toes and also to be able to adapt to international competitiveness and standard

In the past sixteen years since the civilian administration has replaced military regime, what can be said of corporate governance in Nigeria? Fundamentally, if we go by the practice of corporate governance, one major indicator of its performance is the ability of the necessary institutions to function accordingly. In Nigeria, what we have seen despite efforts of the government is weak, unresponsive institutions which points to the absence of needed corporate governance instruments in place. The lack of such instruments have resulted in the liquidation of some erstwhile powerful and international organizations as Enron, Baring Bank, Texas, Parmalat among others (Akpofurere, 2013; Osoand Semiu (2012). that was a pointer to the fact that, once there is poor corporate governance instruments in an economy, the result is bound to be negative whether in a developed environment or developing economy.

The consequence of poor or weak corporate governance practice in Nigeria as depicted by the performance of the banking sector is palpable and cut across all the sectors. Perusing the banking industry, it is interesting to note that prior to Central Bank reform of 2004/2005, there were 89 banks actively quoted on the Stock Exchange but due largely to complete disregard to corporate governance, prudential guidelines and ethical practice forced most of these banks to go on distress (Soludo, 2004). This discovery engineered the Central Bank to intervene by unveiling new codes of corporate governance that tally with world best practices. This measure brought about elements of consolidation in the industry that enhanced the image of country and guide the economy from collapse. The Central Bank in totally agreement with the Nigerian Deposit Insurance Corporation (NDIC) and the Nigerian government proceeded on a consolidating exercise, which saw the number of banks being reduced from 89 to 25 following mergers, acquisition or complete buy overs (Cowry Asset Management Ltd, 2009; Oso et al. 2012). It may be interesting to note that one of the greatest weaknesses of our banks can be traced to leadership (Directors & Managements) whose reckless abuse of power and influence as noted by Yusuf (2010) is the inordinate use of depositors' fund, giving loans to colleagues and relatives without collateral. The picture of the liquidated banks is such that some banks were established on dubious mission to defraud the public. Among the liquidated banks were: Alpha Merchant Bank Ltd, Societies General Bank Ltd, All States Trust Bank Plc, African International Bank (Akpan, 2007; Akpofurere, 2013). The sad story was that despite the efforts of the CBN and the government the consolidation exercise was a farce as some of Banks such as Intercontinental Bank Plc, Afribank and Oceanic Bank never raised the mandatory N25 billion. They manipulated depositors' fund. (Sanusi, L.S., 2010 cited inMmadu, R.A. (2013)

Table 1 shows the liquidated banks while Table 2 shows the banks mergers and acquisition. These tables show the seriousness and the importance of corporate governance. For instance Table 2 shows how the banks were reduced from 89 to 25 and later to 24. Noteworthy was the inability of 9 banks rescued by the central bank to recapitalize by September 30, 2011 (Timbee, 2012) which led to licences being withdrawn. The affected banks were Afribank, Spring bank and Bank PHB for their inability to recapitalize before the expectation of the deadline. They were effectively nationalized with Assets Management Corporation of Nigeria(AMCON) having controlling shares. The banks were accordinglyrenamed as follows: Afribank as Mainstream Bank, Bank PHB as Keystone Bank and Spring bank as Enterprise bank. It can be said that with sound corporate governance principle and the adherence to fundamental economic law which states that never lend money to people who cannot pay it back, most of these banks may not have been liquidated.

Corporate governance ethics are not limited to Banks. The lack of it is at the root of corruption which has almost brought Nigeria to her knees and of course if today Nigeria is referred to as a failed state, it is the way and manner key industries was killed by those at the helm of nurturing them. This is the case with Ajaokuta Steel Rolling Mills among others. And of course the consequence of epileptic power supply had forced the liquidation of viable and employment generation industries such as Dunlop, Michelin and a host of others to relocate from Nigeria to sister West African countries.

TABLE 1: LIST OF SOME LIQUIDATED FINANCIAL CORPORATIONS

S/No.	NAME OF LIQUIDATED BANKS	DATE OF CLOSURE
1.	Abacus Merchant Bank Ltd	Jan. 16, 1998
2.	ABC Merchant Bank Ltd	Jan. 16, 1998
3.	African Express Bank Ltd	Jan. 16, 2006
4.	Allied Bank of Nigeria Plc	Jan. 16, 1998
5.	Allstates Trust Bank Plc	Jan. 16, 1998
6.	Alpha Merchant Bank Plc	Sept. 08, 1994
7.	Amicable Bank of Nigeria Plc	Jan. 16, 1998
8.	Assurance Bank of Nigeria Plc	Jan. 16, 2006
9.	Century Merchant Bank Plc	Jan. 16, 1998
10.	City Express Bank Plc	Jan. 16, 2006
11.	Commerce Bank Plc	Jan. 16, 1998
12.	Commercial Trust Bank Ltd	Jan. 16, 1998
13.	Continental Merchant Bank Plc	Jan. 16, 1998
14.	Coop. & Commerce Bank Plc	Jan. 16, 1998
15.	Credit Bank Nig. Ltd	Jan. 16, 1998
16.	Crown Merchant Bank Ltd	Jan. 16, 1998
17.	Financial Merchant Bank Ltd	Jan. 21, 1998
18.	Great Merchant Bank Ltd	Jan. 16, 1998
19.	Group Merchant Bank Ltd	Jan. 16, 1998
20.	Gulf Bank Ltd	Jan. 16, 2006
21.	Hallmark Bank Plc	Jan. 16, 2006
22.	Highland Bank of Nig. Plc	Jan. 16, 1998
23.	ICON Ltd (Merchant Bankers)	Jan. 16, 1998
24.	Ivory Merchant Bank Ltd	Dec. 22, 2000
25.	Kapital Merchant Bank Ltd	Jan. 21, 1994
26.	Lead Bank Plc	Jan. 16, 1998
27.	Lobi Bank of Nig. Ltd	Jan. 16, 1998
28.	Mercantile Bank of Nig. Plc	Jan. 16, 1998
29.	Merchant Bank of Africa Ltd	Jan. 16, 1998
30.	Metropolitan Bank Ltd	Jan. 16, 2006
31.	Nigeria Merchant Bank Ltd	Jan. 16, 1998
32.	North South Bank Nig. Plc	Jan. 16, 1998
33.	Pan African Bank Ltd	Jan. 16, 1998
34.	Pinnacle Commercial Bank Ltd	Jan. 16, 1998
35.	Premier Commercial Bank Ltd	Dec. 22, 2000
36.	Prime Merchant Bank Ltd	Jan. 16, 1998
37.	Progress Bank Ltd	Jan. 16, 1998
38.	Republic Bank Ltd	Jan. 29, 1995

39.	Rims Merchant Bank Ltd	Dec. 22, 2000
40.	Royal Merchant Bank Ltd	Jan. 16, 1998
41.	Trade Bank Plc	Jan. 16, 1998
42.	United Commercial Bank Ltd	Sept. 8, 1994
43.	Victory Merchant Bank Ltd	Jan. 16, 1998
44.	Eagle Bank Plc	Jan. 16, 2006
45.	Liberty Bank Plc	Jan. 16, 2006

Source: Cowry Asset Management Limited 2009, pp. 11-12

BANK MERGERS

S/NO	BANK	MERGED BANKS
1.	Access Bank	• Access Bank Nig. Plc • Marina International (Merchant Bankers) • Capital Bank International
2.	Afribank	• Afribank Nigeria Plc. • Afribank International Ltd (Merchant Bankers)
3.	Diamond Bank	• Diamond Bank Limited • Lion Bank of Nigeria Plc.
4.	Eco Bank	• Eco Bank
5.	Equitorial Trust Bank	• Equitorial Trust Bank Ltd • Devcom Bank Ltd
6.	Fidelity Bank	• Fidelity Bank of Nigeria Plc • FSB International Plc
7.	First Bank	• First Bank of Nigeria Plc • MBC International Bank Plc • FBN (Merchant Bankers) Ltd
8.	First City Monument Bank	• First City Monument Bank • Co-operative Development Bank • NAMBL
9.	First Inland Bank	• Inland Bank • First Atlantic Bank Plc
10.	Guaranty Trust Bank	• Guaranty Trust Bank
11.	IBTC Chartered Bank	• Investment Banking • Trust Company Limited • Chartered Bank • Regent Bank

12.	Intercontinental Bank	• Intercontinental Bank Ltd • Equity Bank of Nigeria Ltd • Global Bank Plc • Gate Way Bank Plc
13.	Nigeria Int'l Bank (CitiBank)	• Nigeria Int'l Bank (CitiBank)
14.	Oceanic Bank	• Oceanic Bank
15.	Bank PHB (Platinum Habib Bank Plc	• Platinum Bank Ltd • Habib Nigeria Bank Limited
16.	Skye Bank	• Prudent Bank Plc • EIB International Bank Plc • Bond Bank Reliance Bank • Cooperative Bank Plc
17.	Spring Bank	• Citizens International Bank Ltd • Guardian Express Bank Plc • Omega Bank (Nigeria) Plc • Fountain Trust Bank Limited • Trans International Bank Plc
18.	Stanbic Bank	• Stanbic Bank
19.	Standard Chartered Bank	• Standard Chartered Bank
20.	United Bank of Africa	• United Bank of Africa Plc • Standard Trust Bank Plc
21.	Sterlin Bank	• Trust Bank of Africa Limited • Magnum Trust Bank • NBM Bank • NAL Bank Plc • Indo Nigeria Bank
22.	Union Bank	• Broad Bank Nigeria Ltd • Universal Trust Bank • Union Bank Plc • Union Merchant Bank Limited
23.	Unity Bank	• Bank of the North Limited • NNB International Bank Plc • New Africa Bank Ltd • Intercity Bank Plc • First Interstate Merchant Bank Ltd • Tropical Commercial Bank Plc • Pacific Bank Ltd

		• Center-Point Merchant Bank Ltd • SocieteBencaire Nigeria Ltd
24.	Wema Bank	• Wema Bank Plc • National Bank of Nigeria Plc.
25.	Zenith Bank	• Zenith Bank

Source: Timbee, (2012: 354 - 355)

The poverty of good corporate governance in enhancing corporate performance and accountability has robbed Nigeria of the expected development; thrown the youth in unemployment market and heightened corruption in all facets of the political economy (Adeola, 2015). But the banking sector is critical to the overall economic development which goes to say that corporate governance best practices have not been strictly adhered to in that sector. As such from the foregoing, it can be adjudged that human factor is the greatest reason for become a breeding ground for corruption where malpractices of all sorts have become the norm. And like every other sector of the economy, the urge to reap where one does not sow, just to make it any how have become rampant. The battle therefore, to combat the primary enigma wrapped in corruption but which in the banks is the complete indifference to the guidelines regulating lending and thereby turning the industry into a family or associates affairs, where the right personnel are not recruited to man key portfolios underlies the type of results Nigerian banks have demonstrated.The same can be said of other sectors where professional and ethical norms for good corporate governance are not followed resulting in negative outcomes.

Corporate governance, therefore to take its rightful place in the Nigerian economic sector must in addition to abide by the international codes of conduct that regulates corporate governance in particular, the Nigerian banking sector must take a critical look at the lending regulations. In other words, the CBN should rise up to the occasion to ensure the enforcement of code of best practices and guidelines for lending such that no individual no matter how powerful or influential in the company can prey on the depositors fund; and such enforcement strategy must be backed by legislation so as to renew depositors confidence in the system. The other area has to do with the quality of personnel of the bank at all level, especially at the level of Directors and Managers. For instance a scholar, Umoh (2002) revealed that a number of reports on liquidated banks gave startling revelation of the straw that broke the Carmel's back as the flagrant abuse of position and connections by owners, directors and close associates by granting of non-collateral credit facilities to themselves and related companies or individuals which at times are far beyond their banks statutory lending limit which contradict the law (Osota, 1992). This is why Fargo,

(2004) noted that in articulating corporate governance, the rule of controlling owners; those having large stakes in particular companies should be seriously monitor as they could create problems for it. Indeed, it is an important discovery in respect to Nigerian entrepreneurs or investors as the real problems to the companies they own majority share.

This in essence should direct the attention of policy makers and regulatory bodies where to effect changes. In addition to fashion out a legally binding code of best practices for corporate governance which has taken care of the flaws that wrecked the banks and sent them into oblivion, notwithstanding, the issue of owners, directors and key personnel needed stricter, tougher legislation to put them on their toes. To this end, the Basel II framework for corporate governance which of course had been taken into consideration in some respect by the regulatory authorities in Nigeria in respect to monitoring the board senior management; all the same as canvassed by the OECD principles, the Board is critical to the performance and overall success of the company. The board as providing leadership for the senior cadre should be qualified with perfect understanding of their responsibility and a sound judgment. This calls for internal control mechanism such as sound auditing system that will take into cognizance internal and external auditing process to detect early foul players and back hand deals in the bank. This way, illegal transactions will be forestalled and of course gradually, the principle of good corporate governance needed for corruption free society will become institutionalized.

3. Theoretical Framework

The focal point of the paper is assessment of corporate governance and how accountable or responsible those charged with its operation have performed in the 4th republic. The theory that is best suited for these issues is one that while analyzing ways of improving or adding value to shareholders portfolio, the interest of other stakeholders are also adequately taken care of. The Agency or (principal-agent) theory represents the environment of resources where the shareholders represent the principal in control of the resources, and the agents are the managers charged or employed to manage the resources for the shareholders. The environment could also mean the nation or the polity, the shareholders or (stakeholders as the case may be) as the citizens while the leadership at all levels being the agents like in the business as postulated by Bamberg and Klaus (1987). The relationship between shareholders and the managers may not all the time be cordial as there is bound to be frictions from time to time. Be that at it may, and as postulated in the prototypal guide of agency theory, submits that the agents who are the managers should always act in the interest of the principal who are the shareholders. (Osoetal 2012). This presupposes that the managers must always conform to the desire and interest of the shareholders which may not go well with business ethics. The same can be advanced from political standpoint that come rain or sunshine the leaders must do the will of the electorate which may not always be correct as there are codes of ethics that guides both the leadership and the masses such as civics codes which can further be analysed as patriotism and accountability. In this theory, the codes of corporate governance should serve as checks and balances to both parties – the shareholders and the managers. The business environment in 2007, where the activities of principal and those of the agents have been responsible for bank failure even in developed polities show the salience of codes of best practices and when sidetracked can bring doom. What we have seen in the international environment leading to bank failure and collapse of other important business concerns is an unwelcome situation which has eroded public confidence especially in the banking sector.

The consequence of bank's collapse and insolvency has by far more devastating impression in the developing economies. The reason for this was well captured by King and Levine (1993) Levine (1997) cited in Mmadu (2013) who expressed the cardinal role of corporate governance application in banks of developing countries because of their unique position in the financial sector of developing economies and as nexus of economic growth, saving, monetary policy and business transactions.Good and effective corporate governance practice is thus crucial to maintaining and securing public confidence and trust in the banking industry as well as the overall economy (Isaksson,Binachi, &Akgiray., 2012), while accountability is the driver that oil that confidence and trust.

4. Concepts and Principles of Accountability

Good governance or corporate governance as we have seen are strategies formulated to ensure effective and efficient performance as well as the legitimacy of an organization be it political organization such as state or a company. Whichever way one looks at it, central to governance is decision making and leadership and to that extent, the issue of accountability to the success or otherwise of the organization is paramount.

In analyzing accountability another concept that needs to be clarified is responsiveness as the two concepts are intertwined. At any rate, the issue of accountability becomes a central subject of discourse and reference when those in authority or position of responsibility behaves in a manner acceptable or desired by the people which can translate to the responsiveness of the public service to the people which according to Nkoma (2009, pp.40) are very important when it:

- Promotes trust and confidence in public officials.

- Enhances the authority and legitimacy of government.
- Encourages openness and transparency in government
- Forces public officials to be aware of the needs and demands of the people.
- Makes public officials accountable for their actions.
- Compels administrators and civil servants to address citizens' complaints and grievances in a timely and satisfactory manner.
- Boosts public participation and involvement in government thereby promoting democracy.
- Helps to create awareness among those that have a stake in their government.

We shall now try to define fully the concept of accountability in its entire ramification as it applies to socio - political and economic environments:

What is Accountability?

Accountability may be defined as the duty imposed on any person who holds power or authority or is in a position of trust to act for and on behalf of another person to take responsibility for his action and to render account of stewardship whenever it is necessary to do so (Adesola S.M 2001). Accountability may be explained by the principle of agency which is usually referred to as Agency Theory. According to this principle, the person who holds or manages a given amount of resources for the benefit of another person is an agent. As an agent, he must operate according to the mandate given to him and he must perform to the satisfaction of those who are to benefit from his achievement. The managers of a business enterprise are agents to the business owners as well as those who will benefit from the activity of the business, including the society at large. At the end of each period of operation, the managers will render accounts of stewardship for the information of those who may be interested in the operation of the business.

Public Accountability

Public accountability may be defined as the system by which persons who act, either voluntarily or by requirement, for the public are made to justify their action. Those who may be assumed to act voluntarily for the public are non-public officers who, by virtue o f their specialised knowledge or skill, and the position they hold in society, are expected to play constructive roles in formulating and executing public policy. Examples are teachers, professionals, traditional and religious leaders. These groups of people are natural leaders and they are accountable for whatever role they play in society. Those who act for the public by requirement are the public officers. Public officers are of two categories. There are the officials who are elected or appointed into office through the political processes. They include members of the National Assembly and State Assemblies, Chairmen and Councillors of Local Governments. They also include Ministers, Commissioners etc. The other category consists of public employees who have regular tenure of office.

Two important pre-requisites for public accountability are mandate to act for the public and legitimacy. A public officer has mandate to act for public in a particular capacity when he is elected or appointed into the office which is responsible for the performance of such function. A public officer has legitimacy to perform a public function when he is personally qualified to perform and he is performing such function satisfactorily in accordance with relevant rules and regulations and in the interest of the public at large (Adesola, 2001). An example of public officer who has no mandate is a soldier who takes over political power through a military coup.The process of accountability in the public sector is much more involved than in the private sector. This is due largely to the complicated system of making and implementing decisions in the public sector

Types of Accountability

Three types of accountability may be identified. These are:

(1) Political Accountability

(2) Managerial Accountability

(3) Legal Accountability

These may be considered as follows

Political Accountability

Political accountability has to do with the way and manner that public decisions are made and implemented. Politics involves evaluation of alternative lines of action from the perspectives of various interests that are likely to be affected by the outcome of a decision (Adesola, 2001). Politics cannot be totally avoided where two or more people are required to take decision. The process of decision making in such a situation involves exchange of information, exchange of views, taking of position by group members and reconciliation of interests and reaching of compromise.

In a state, the ideal thing would be for all the adults in the state to take part in the decision making process. This used to be the case to some extent in ancient Athens. The decisions of the city state of Athens were made at the meeting of all the citizens. Those who were to implement the decisions were also elected at such meetings. As the population of the state grew and the number of citizens increased, this method of taking decisions became unwieldy. It is totally impossible in the modern state for all the citizens of the state to take decisions at meetings. This led to the institution of representative government according to which both the public policy makers and implementers were elected by universal suffrage and charged with the duty of acting for the best interest of the citizen. In a representative govern ment, individuals put themselves forward for election by the people aa political position or office. There is always competition or room for competition. The electorate exercises its political right and judgement to choose a candidate whom it perceives to be the best given the promise made by the candidate and the perceived ability of the candidate to fulfil those promises. An elected official must operate with others both in setting public objectives and implementing them. He cannot get everything he wants included in decision list but by interaction with others, he may achieve some of his objectives. In the same vein, Adesola (2001) sub-divided political accountability into:

(a) Constitutional Accountability
(b) Decentralized Accountability
(c) Consultative Accountability.

Constitutional Accountability

The constitution establishes a government and its institutions. It provides forinter-governmental relations, prescribes the composition and functions of government institutions and provides for the rights of citizens.Whether a constitution is written or not is not important. The important thing is for a country to recognise and accept a particular system of government.

For the purpose of accountability, the functions of government are performed by those different arms, namely, the legislative, executive and judicial arm. The legislative arm makes law, the executive arm applies the law while the judicial arm interprets and enforces die law. The executive arm, in exercise of its constitutional power, raises and disburses public revenue as laid down by law. At the end of each period, the execution arm renders accounts of stewardships to the legislative arm for review and sanction.

An elected public officer is required to swear to an oath of office that he will uphold the provisions of the constitution.

As of now, Nigeria is operating a presidential constitution. The president and members of National Assembly are elected. The National Assembly has power to remove the president from office. There is no provision in the constitution for the removal of the National Assembly as an aggregate institution. In a sense, the National Assembly is not accountable to any person. This state of affairs appears to be a serious defect of the constitution

Decentralised Accountability

Decentralisation may be defined as the delegation of decision-making authority away from the centre or headquarters of an organisation to employees at the lower levels of organisation Delegation of authority in an organisation has a number of advantages. One is to take cognisance of the fact that human beings have limited cognitive ability and are bounded in their ability to process information and so to provide for decentralisation of decision-making. The second advantage is to enable local managers who have knowledge of local situation to make decision about local matters. Decentralisation motivates subordinates and enables them to acquire experience about making decisions.

Delegation in public setting involves dispersal of authority for decision-making through the government. Government itself is divided into a number of tier to bring governance nearer to the people. In Nigeria as of now, there are three tiers of government and the function of each tier is prescribed by the constitution. The tier nearest to the people is the local government. Each local government has a Chairman and a number of councillors making up the local government council. One important principle of accountability is that the government which collects a particular revenue should spend the revenue. This will enable tax payers to know how and for what purpose the tax collected from them has been spent. This principle operates at the local government level more than at any other level. State government has jurisdiction over a wider area than that of a local government. A federal structure of government exists when there is a federal (central) and state governments coexisting. A federal government is suitable in any situation where the people making up a country have differences such as cultural, religious and social differences.

Apart from the decentralisation of political decisions which may lead to establishment of multiple tiers of government, there is also decentralisationof decision-making within each particular government. The administrative head of each ministry or department is the accounting officer of that ministry or department. He may however delegate authority to spend money to designated spending officers within the ministry or department. Those officers to whom functions have been delegated are accountable to the accounting officer. The mere fact that an accounting officer has delegated authority to a subordinate officer does not absolve the accounting officer from responsibility for any irregularity that the subordinate may have committed. The delegation of authority in a presidential system of government starts from the Chief Executive, that is, the President at the Federal level, the Governor at the state level and the Chairman at the local government level. In principle, the Chief Executive delegates authority to all public officers and they operate by his authority. All such officers are accountable to the Chief Executive.

Consultative Accountability

Making informed decision demands access to the views of every one that may or are likely to be concerned with the outcome of the decision. A sole proprietor may not have to consult other persons before taking decision about his business. He may however need to consult with important customers or creditors before taking a decision. The same may be said about a partnership. In the case of a company, there may be a need to consult major shareholders before any major decision is taken. No modern government can afford to ignore informed pressure groups. Such group will include professional organisations, trade association, trade unions, etc. These pressure groups are referred to as stakeholders. For example, University lecturers undertake researches and they are expected to make the outcome of their researches to the government. The government needs to consult with this group of people when formulating a policy. A professional organisation such as medical association will expect to be consulted on health and health related services. Accountability demands that these professionals should give advice to the government in the best interest of the public at large.

Consultative accountability also takes place with respect to political decisions. The National Assembly and State Assemblies have power tcconduct hearing, that is, to assess the views of a wide spectrum of public opinion on any bill before the bill is passed into law. In U.K., members o1 Parliament have question time. During this period, members ask question; on matters affecting their respective constituencies as well as matters affecting the country as a whole. Responsible Ministers of Crown are required to answer those questions. Most of such questions are prompted by the demands of the members of their respective constituencies. For consultative accountability to take place successfully, the medium of interaction between the people and their representatives must be properly institutionalised, the people must be current and willing to take part in public affairs.

Managerial Accountability

Managerial accountability is connected with the management of public enterprises. There are three aspects to managerial accountability. These are:

(a) Commercial Accountability
(b) Resource Accountability
(c) Professional Accountability.

Commercial Accountability

Commercial accountability is the application of the principles of commerce to achieve accountability in the public sector as it is practised in the private sector. Many of the government public enterprises are run on commercial basis. A public enterprise will impose user charges on the consumers of the products produced by them. Where this is the case, the enterprises will be controlled not by means of government budgetary process but by their performances. Such performances can be appraised in terms of capital maintenance achieved, prices charged for products, consumer satisfaction and dependability of service, assets owned, surplus generated or deficits incurred overtime. Public enterprises like any business firm, is subject to market discipline. At the end of each period, the managers of any public enterprise are to render accounts of stewardship similar to those of a business firm. The government, performing the role of an owner, will evaluate the performance of the enterprise.

Resource Accountability

Resource accountability is associated with the budgetary control of government. The annual expenditure budget of government shows the object of expenditure, the amount/to be spent on each object and the accounting officer responsible for control of expenditure. The accounting officer is required to prepare expenditure account at the end of the accounting year showing the amount appropriated compared with the actual expenditure for each item of expenditure.

As part of the control process, the accounting officer allocates authority to incur expenditure (A.I.E.) to every spending officer who is under his control. The amount so allocated to each spending officer will depend on the officer's level of authority. The amount allocated to each spending officer must be spent in accordance with rules and regulations. The subordinate to whom authority to incur expenditure has been delegated is accountable to the accounting officer who has delegated the authority.

Professional Accountability

Professional accountability arises because of the inability of political leaders to measure output in critical areas of government and the need for them to rely on the judgement and advice of professionals in formulating and in allocating resources to implement public policies. Professionals and other service providers are becoming more sophisticated and more specialised. Hardly can government take any decision today without input from one professional or another.

There are two major levels of decision-making in government. Policy decisions are made at both the executive and the legislative levels. The constitution requires the Chief Executive to prepare the annual appropriation bill. Such a bill when prepared and submitted to the legislature amounts to a request by the executive arm of government for authorisation of supplies to provide the services and execute the programmes listed in the bill. In addition to annual appropriation bill, bills to make law on any matter may originate from the executive arm of government. At the executive level, government relies on the advice of professionals such as engineers, lawyers, doctors, economists, academicians, etc., who are in the civil service. Government, in addition, also obtains inputs from professional consultants for advice. In many, respects, professionals, especially in areas of education and health services' determine the level of service and the proportion of total expenditure to be incurred for the provision of each service. Outside the government, the professionals also may constitute themselves into pressure groups to influence government activity. What obtains at the executive level also obtains at the legislative level although it may be stated that the legislative arm of government has access to more quantitative and qualitative professional advice than what obtains at the legislative level. To the extent that government relies on professional advice in formulating public policy and taking decisions, to that extent can it be said that the professionals are also accountable. They may also be held accountable for the proper implementation of public policy.

Legal Accountability

Like other types of accountability, legal accountability, may also be divided into:

(a) Judicial Accountability;

(b) Quasi-Judicial Accountability;

Procedural Accountability.

Judicial Accountability

This type of accountability occurs when the performance or non-performance of a public officer is called to question and reviewed by the court at the instigation of an aggrieved citizen. For example, if a university expels a student from the university, that student has a right to challenge the decision of the university in a court of law. If he exercises this right, the court will review the action taken by the university. The university is thus being made accountable for its action.

Quasi-Judicial Accountability

Quasi-Judicial accountability involves the review of the action of a public officer by a tribunal or appeal body. There are regular tribunals established by law and tribunals set up on ad-hoc basis and for specific purposes. An example of a regular tribunal is the body of appeal commissioners set up by the government to review tax assessment According to income tax assessment process, a tax authority is given power to assess tax payers. If a tax payer is not satisfied with his assessment as made by the tax authority, he may appeal against the assessment to a body of appeal commissioners which has power to review the assessment. Example of ad-hoc tribunal will be one set up for a purpose such as investigation of human right abuses

Procedural Accountability

Procedural accountability involves the review of any decision of a public officer by an external body such as Ombudsman or the Code of Conduct Bureau set up under the provisions of the constitution. An Ombudsman is a body which is established by laws and which has power to review any administrative action taken by a public officer at the instigation of a citizen. For a workable corporate governance, accountability must be the norm at all facets of the political economy.

5. Concluding Remarks

Effectivecorporate governance may not have been appreciated until the global financial crisis that began in 2007 in the developed economies. In Nigeria, since 1994 consistent bank failure has been on the rise despite the efforts of the regulatory bodies to establish a workable corporate governance structure that meets the world best practices standard. In this regard, mention can be made chronologically of laws, issued for that purpose such as the Nigeria Deposit Insurance Corporation (NDIC) Acts of 1988; the Security and Exchange Acts (SECA) 1988; the Company and Allied matter Act (CAMA) of 1990; the Banks and Other Financial Institutions (BOFI) Acts of 1991; Central Bank of Nigeria (CBN) Acts of 1991; the Investment and Securities Acts (ISA) 1999; (Umoh, 2002, Wilson, 2006) and from global perspective, despite the three major internationally referred codes implicitly incorporated into the Nigeria corporate governance codes such as the principles of Corporate Governance by the Organization for Economic Cooperation and Development (OECD) 1999; Principles of Corporate Governance by the Commonwealth Association for Corporate Governance (CACG), and the First or Second King Report on Corporate Governance for South Africa by Institute of Directors of South Africa IoD; (1991, 2002) (Rossouw, 2005 cited in Oso et al., 2012).

In Nigeria, corporate governance codes are entrenched and known by all the operators but the problem is its unworkability which can be traced to the Nigerian factor and that is the entrenched corruption which has become a monster (Adeola, 2015). The failure of corporate governance in Nigeria is thus the human factor critically linked to kleptocracy and all the vices of corruption (Osoba, 1999). The institutions that are the bedrock of democracy or governance are decayed, while social infrastructures are comatose, the economy which remained mono-cultured is completely weak and vulnerable as currently witnessed by a downward adjustment in the price of oil has completely knocked down the national economy and all the financial gurus helpless as the naira continues to depreciate vis-à-vis the dollar despite all the efforts to contain the slide. This is a pointer to poor leadership due to poor corporate governance. As a result, the nation needs a holistic overhaul of the system as we welcome a new government that will address squarely the flaws of the past which has made nonsense of corporate governance and instituted a polity of impunity and erosion of accountability.

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