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Fraud Detection for Public Sector Management in Africa: A Study of Nigerian Situation

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Abstract
The research work is designed to analyze the incidence of fraud in the Nigeria public sector and the means of achieving a successful management of such fraud. The study is quantitative research. The population of the study consisted of thirty (30) ministries in Nigeria from which sample size was drawn to twenty-eight (28) ministries through judgemental sampling. Three hundred and ninety-two (392) copies of the questionnaire were distributed and three hundred and fifty (350) were filed and retrieved. The analysis of variance (ANOVA) was used in testing the hypotheses with the aid of SPSS17.0. It was found that, there is positive and significant relationship between management policies and Nigeria public sector fraud, fraud prevention and detection methods have influence on Nigeria public sector fraud, there is no strong internal control system in the Nigeria public sector and management integrity has influence on fraud prevention in the Nigeria public sector. The study recommends that, there is need for developing strong management policies, public sector should take advantage of modern accounting and auditing software to enhance resourceful and smooth detection of fraud, there need to shape up robust internal control system in the public sector and management integrity should be prescribed.

Keywords: *Fraud, Fraud Detection, Fraud Prevention, Public Sector.*

Introduction

Interest in the antiquity of public sector accounting and accountability has grown during the past 20years as scholars make more use of key records often containing extensive public records. Some scholars have even studied the transfer of accounting technology (accounting techniques, institutions and concepts) from the public to other sectors of government or to the private sector.
The adoption of full accrual accounting in the public sector in many countries recently has stimulated research into public sector accounting more generally. The development has generated contributions to the historical accounting literature with a more contemporary historical focus and a concern with the interplay of accounting and fraud. Fraud is not a new phenomenon, it occurred from centuries with numerous high profile cases. This has led to collapsed of many high profile organization likes Pamalat (Italy), Satyam (India), HIH Insurance (Australia), Barings Bank and Equitable life (United Kingdom), Worldcom, Adephia Communication Corporation, Lehman Brothers, Tyco International Limited, Enron, and Bernie Medoff scandals (United State of America), Cadbury and Nampark, (Nigeria) and others (Adekoya, Olaoye & Lawal, 2023). Fraud is an act of deception intended for personal gain or loss to another party. Fraud as a crime embraces

all the multifarious means which a human ingenuity can device which are resorted to by an individual to get an advantage over another by false representation. This means that fraud can be perpetrated in the course of personal relationship in religious organizations, social clubs etc. Seetharaman, Sentivelmurugan & Periyananyagam (2004). Fraud causes tremendous loss to the business world and creates morale problems in the work place. When we are stripped of our money by fraudulent means the consequences can be devastating. Fraud losses are serious problems to organizations that need to be managed, controlled and monitored.

In depth studies are needed to the weaknesses in the accounting standards, which understand the reasons for the collapse fully, but the negatively affects the purpose of those statements, to existing fraud at all levels could be one of the major provide relevant and reliable information on one hand and reasons. The collapse of the banking sector, which was as recently witnessed causes an increase in the rate of the country's most important and leading sector, raised many questions about the management and financial information published in the past for most of the companies operating in the country (Hendieh, Schneider, & Sakr, 2023).

The Association of Certified Fraud Examination (ACFE) identifies three main categories of fraud that affects organizations; the first of these is asset misappropriations, which involves the theft or misuse of an organizations asset. Examples include theft of inventory or cash, false invoicing, accounts receivable fraud and payroll fraud. The second category of fraud is fraudulent financial statements which are the costliest with median loss of $2million among the 99 financial misstatements included in the 2008 ACFE study. The final of the three fraud categories and most common is corruption occurring in 27% of all fraud cases (AICPA, 2009). Corruption includes activities such as the use of bribes or acceptance of ‘’Kickbacks” improper use of confidential information, conflicts of interest and collusive tendering.

Fraud has been cited as Nigeria’s biggest single problem both in public and private sectors. It has not only snapped public trust in government but it has cost the government and people of Nigeria billions, due to corrupt management of public companies unrealized public projects and deteriorated infrastructure caused by looted maintenance budget. It is against this background that the researcher intends to analyze the issue of fraud and strategies to manage it. We are indeed in a time when some boys have obtained for themselves unlimited access to the cyber space and are using it to illegally acquire huge amount of money from unsuspecting victims of their fraudulent transactions (Chukwuka, 2022).

Statement of the Problem

It has been observed that in Nigerian public sector huge amount of money is lost through fraud and other criminal temptations which drain the nation’s meager resources through fraudulent means with its far-reaching and attendant consequences on the development of the nation. Thus, like Kamaludeen (1991) observes “billions of naira is lost in the public sector every year through fraudulent means” this he argues represents only the amount that is ferreted out and made public. Indeed, much more substantial or huge sums are lost in undetected frauds or those that are for one reason or the other hushed up. Cases of frauds in the public sector are so pronounced that every one in every segment of the public service could seem to be involved in one way or the other in some of those nasty acts. This assertion is not difficult to appreciate if we accept and adopt the simple definition of fraud as any deliberate false act aimed at deceiving or injuring any party, individual or corporate body, in any manner. Haladu (1991) put it starkly when he observes that: The bane of fraudulent administration in Nigeria has since the oil boom year, a period under which

the forgoing observation becomes relevant, has been the existences of structurally weak control mechanism, which create a variety of loopholes that have tended to facilitate and sustain corrupt practices. This is coupled of course, with the fact that there is a near total absence of the notion and ethics of accountability in the conduct of public affairs in the country.
What all these tend to expose is that there is a management or operational problem in the Nigeria public sector in the area of financial or accounting control. Thus, one needs not to wonder much how devastatingly frauds have compromised the administrative competence, performance capacity and general credibility of the public sector. Initial estimates of major projects become little fractions of ultimate costs paid; original cash projections produce less than half of the benefits expected and projects which seemed technically feasible and economically viable, turned out "while elephant "if not abandoned, with serious implications for growth and development.

Research Questions

- **i.** What is the relationship between management policies and fraud in Nigerian public sector?
- **ii.** How do the fraud prevention and detection method influence frauds in the Nigerian public sector?
- **iii.** What is the relationship between internal control system and fraud in Nigerian public sector?
- **iv.** How sound is the integrity of public sector management team in Nigerian public sector fraud prevention?

Objectives of the Study

The primary objective of this study is to analyze the incidence of fraud in the Nigerian public sector and the means of achieving a successful management of such fraud. Specifically, the study aims at achieving the following objectives:

- **i.** Examine the relationship between management policies and fraud in Nigerian public sector.
- **ii.** Examine the influence of fraud prevention and detection methods on fraud in Nigerian public sector.
- **iii.** Examine the relationship between internal control system and fraud in Nigerian public sector.
- **iv.** Examine the relationship between management integrity and fraud prevention in Nigerian public sector.

Research Hypotheses The study will be guided by the following hypothesis:

Ho1: There is no relationship between management policies and Nigerian public sector fraud.
Ho2: Fraud prevention and detection methods have no influence on Nigerian public sector fraud.
Ho3: There is no strong internal control system in the Nigerian public sector.
Ho4: Management integrity has no influence on fraud prevention in Nigerian public sector.

Review of the Related Literature

Conceptual Review

Fraud

Fraud is an intentional act, deceit, suppression of truth, cunning behaviour, tricks or dishonesty by one or more individuals among those saddled with responsibilities, to obtain unjust or illegal advantage over others. It is an intent to deceive with false statement in which other parties relied upon and caused damage or financial loss. Fraud are committed basically through, pressure (motive), opportunity (ability to perpetrate fraud) and rationalization (fraudster's justification for the dishonest behaviour). Association of certified fraud examiners (ACFE) classified fraud into three: corruption, asset misappropriation, and financial statement fraud. Asset misappropriation is an act of stealing, dishonesty, misuse or concealment of organization assets or resources. Corruption is an intentional act by individual to violate his duty for personal benefit. Financial statement fraud is intentional act of misstatement or omission of vital material information in the organization financial reports (Adekoya, Olaoye & Lawal, 2023).

The terms "fraud" has received attention and different definitions from different scholars, researchers and authors. What is very peculiar to the definitions is that the concept has been associated with embezzlement, financial misstatement and misappropriation, extortion, illegal amassing of wealth through dubious means, act of deception, bribery, false representation, theft, concealment of material fact etc. Osisioma (2013) defined fraud as all the multifarious means which human ingenuity can devise and are resorted to by one individual to get any advantage over another. It includes all surprise, trick, cunning, dissembling and unfair ways by which another is deceived.

Fraud detection

Fraud detection is a critical factor in anti-fraud strategy, it involves prevention, detection, and investigation. FD is the process of spotting signs or signals of possible fraud and mechanism to stop such at the earliest time. It involves the process to uncover, reveal, or identify existence of fraudulent acts in an organization (Adekoya, Olaoye & Lawal, 2023). In the context of big financial scandals underlying the economic, financial and other (political, social, etc.) crises, the quality of the financial and accounting information as well as the obtaining of an accurate image of the company's financial position and performance represent the main wish of the stakeholders (Robu, Chersan, Mironiuc and Carp, 2012).

Public sector

For Nwachukwu (2010) public sector is defined as all organizations, which are not privately owned and operated, but which are established, run and financed by the government on behalf of the public. Thus, public sector is a vital root to provide essential services to the citizens of the third world nations. Nwabueze (2011) defined public sector accounting as the process of recording, summarizing, analyzing, interpreting and communicating financial statement in aggregate and in details in a public sector organization. The vital requirement is to record all historical cost and income involving the receipt, custody and disbursement of government funds, which in further process become useful information necessary for current appraisal, future decision making and performance control.

According to Institute of Chartered Accountants of Ghana (2010) public sector accounting is a system or process, which gathers, records, classifies and summarizes as reports the financial events existing in the public or government sector as financial statements and interprets as required by accountability and financial transparency to provide information users associated to public institutions. Hence, public sector accounting framework is a systematic government accounting procedure design to measure overall efficiency and effectiveness of government resources reflected in the various tiers of financial statement to enhance their management. The principles and procedures prescribes the act of rendering stewardship to citizens by being able to account transparently and diligently for resources entrusted to the public servants and show sense of probity in the collection and disposal of public funds. Public sector management entails planning a broad policy guidelines and methods of implementation in government establishment, organizing and directing human and material resources in order to achieve a specific objective in an intricate web of financial management and control that span through executive, legislative and judicial power and administration.

Public sector refers to the segment of a country's economic agents whose activities are managed, on behalf of the public, by government-appointed individuals, which includes all corporations which are established, run and financed by government on behalf of the public. It consists of entities that implement public policy through the provision of services and the redistribution of income and wealth, with both activities supported mainly by compulsory tax or levies on other sectors. For Daborand Aggreh (2017) in Chima and Obiah (2021), public sector comprises governments and all publicly owned, controlled and or publicly funded agencies, and other entities of government that deliver public programmes, goods, or services. They defined public sector accounting as a system or process which gathers, records, classifies and summarizes as reports the financial events existing in the public or government sector as financial statements and interprets as required by accountability and financial transparency to provide information to users associated to public institutions. Public accounts provide information on budget management, proper and appropriate use of public funds, ensuring for users the possibility of making the best economic decisions.

Theoretical Framework

Historical accounting researchers have declared their adoption of the theoretical ideas of Marx, Foucault, Latour, Bourdieu, Weber and other eminent scholars, as well as institutional theory, the sociology of the professions, legitimacy theory, stakeholder theory, imperialism, agency theory and positive accounting theory. Even papers that do not attach a name to their theoretical approach usually embed their archivally based findings in an analytical or explanatory framework rather than simply presenting the findings as a "factual" narrative. This paper adopts institutional theory and labelling theory as a theoretical framework

Institutional theory

Institutional theory, which describes institutional pressures, is rapidly spreading globally, and is the most prominent theory used in organizational analysis and because of its relevance to accounting research, this theory has been used as a key theory for behavioural accounting studies for the past several decades. It provides complementary perspectives on legitimacy theory and stakeholder theory. Its advancing slowly but progressively as a recognized and beneficial academic theory. The works, studies and research of Meyer and Rowan (1977), Zucker (1977), DiMaggio and Powell (1983), Meyer and Scott (1983) and Zucker (1987) are generally recognized to be the foundations of the institutional theory which were carried out from 1977 to 1983. Consequently, this theory spans across a very broad scope of disciplines and fields.

As per the old institutional economics theory, individuals and entities' actions are determined by acceptable and socially learned behaviours and the foundation to the new institutional sociology were laid down by Meyer and Rowan in 1977. They argued that the activities of the entity can be in accord with the institutionalized expectations of the environment, instead of being rational from a business aspect. The theory gives us a way to understand how entities might navigate rules (such as regulatory structure, governmental agencies, law courts, professions, and scripts and other societal and cultural practices that exert conformance pressures) and norms of the institutional environment so as to appear legitimate and survive. Therefore, the institutional theory suggests that organizations are influenced by their institutional contexts, which consist of socially constructed norms, myths or rationales that guide organizational behaviour and action. Consequently, the theory builds the awareness of a new institutional space, which in socially responsible entities evokes the need to refer to the economic, environmental and social dimensions. The development of non-financial reporting, (for example, environmental disclosure) represents a shift from non-regulated methods of communicating performance in the social and environmental areas of the ever more formalized presentation formats (Zyznarska-Dworczak, 2018).

The American neo-institutional theorist Richard Scott defined institutionalization as "the process by which actions are repeated and given similar meaning by self and others". The institutional approach emphasizes the importance of institutions, as well as such related phenomena as rules, habits, routines, norms and culture. This theoretical framework is useful to understand the accounting change because it pays attention to history, to the evolution of institutions and to the causal factors of social change. Therefore, the institutional theory represents a valuable framework to explain the country-specific factors affecting the development of financial accounting and reporting, as an inter-play between practices, routines and institutions. In institutional theory, organizational behaviour is controlled by expectations derived from the institutional environment. Zucker (1987) believes that the difference between institutionalized and non-institutionalized environments often appears to be simply a matter of rationality.

However, the key concept in institutional theory is Isomorphism, defined broadly as the propensity of entities in a population to resemble other entities that operate under similar environmental conditions. Institutional theory involves the examination and explanation of how institutionalized pressures and norms affect social change among entities. American sociologists Powell and DiMaggio (1983) distinguish between three different institutional pressures and give them distinctive labels. According to both neo-institutional theory and comprehensive institutional theory, there are three types of isomorphisms: coercive isomorphism; which occurred due to the formal and informal pressure of other entities that rely on them, and the cultural expectations of the society in which the entities operate, mimetic isomorphism; which stem when the entities model themselves on other entities due to the poorly understood organizational technologies, ambiguous goals, symbolic uncertainty which is created by the environment, and normative isomorphism; which stem from the professionalism (DiMaggio & Powell, 1983). Mimetic pressures include benchmarking and identifying of best practices and leading players in the field. This is mostly used in situations and conditions of uncertainty, when "institutional rules" are

replaced by “technical rules” in this case the entity will decide to mimic similar, larger, or more successful entities. Entities, as humans, want to be seen as socially acceptable, and not as outsiders. Further, entities require more than material resources and technical information if they are to survive and thrive in their social environment.
In association with the environmental consequences of the performance of an entity and its behaviour, the institutional theory framework highlights the significance and importance of instruction, and the cognitive elements that influence the results of entities to implement a detailed organizational practice. The theory provides a vital paradigm of research in organizational sociology. Hence, this study adopts the institutional theory and stakeholder theory as a theoretical underpin for the study of institutional pressures affecting the environmental disclosure process or other corporate reporting forms, and explanatory power on various aspects of the financial performance. The institutional theory provides a theoretical basis for demonstrating how early environmental disclosure users contribute to the process of environmental disclosure institutionalization. (Scott, 2001; Donleavy, 2016).

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Labelling Theory

The problem of defining human behaviour is very old and can be said to date back to the very beginnings of the organization of human society. The desire of people, from ancient times to live in meaningful and organized communities, pushed them into the process of building appropriate systems of values, norms, customs, and in response to them and sanctions (Jovanoski & Rustem, 2021). Labelling theory is a perspective that emerged as a distinctive approach to criminology during the 1960s, and was a major seedbed of the radical and critical perspectives that became prominent in the 1970s (Gay, 2000). Labeling theory provides a distinctively sociological approach that focuses on the role of social labeling in the development of crime and deviance (Bernburg, 2009). It was propounded by Howard Becker in 1963. Labelling theory sees criminal behaviour as being defined by society. It holds that the deviance is not inherent to an act but instead focuses on the tendency of majorities to negatively label the minorities or those seen as deviant from standard cultural norms. According to Becker (1963), deviance is not a quality of the act a person commits but rather a consequence of the application by other rules and sanctions to a defender. Behaviours in this case is not seen as wrong rather as a deviant behaviour. For a crime to occur there are five logically necessary preconditions, which can be identified as: labelling; motive; means; opportunity; and the absence of controls (Reiner 2007: 80-90 in Greer & Reiner, 2013).
Becker first defines the theory of labeling according to which he sees deviation as a consequence of the process of interaction between social control and possible deviation and therefore it can be seen that the theory of labeling and deviation are closely related. Deviant are those individuals whom society has marked as such because they have violated its norms. Becker believes that the first consequence of labeling a person is the consolidation of his deviant status, which automatically becomes dominant. Thus, the theory of labeling, with all that it encompasses and refers to, is neither a theory nor focused solely on the act of marking as some believe. Theory of

labeling is considered an important approach in deviant research, suggesting that people become deviant because political authorities and others name their behaviour by assigning certain labels. The problem of labeling was explored by another sociologist, Erwin Goffman, at about the same time as Baker. According to Becker, the theory of labeling belongs to the developmental concepts, mainly focused on the social psychology of deviation and deals with assumptions for deviation at the level of individual and small group. ...This assumes that those who have broken a rule constitute a' homogeneous category, because they have committed the same deviant act.
Labeling theory is a theory that laid emphasis on the social process through the special attention devoted to the interaction between individuals and society. Labeling theory is criticized for the lack of systemization and formalization (which if strictly applied in general, would remove many so-called theories from sociology and criminology). Many criminologists condemned the labeling perspective because it offered no testable hypotheses and no empirical generalizations. Specific criticisms of the labeling theory conclude that it is not at all clear whether Becker (1963) is pursuing a theory about deviant behaviour or a theory about reactions to deviance, which (Cressey, 1953; Cressey, 1973) relied on the participants of fraud triangle.

Empirical Review

Ozuomba, Nwadialor and Ifureze (2016) in Chima and Obiah (2021) investigated effective internal audit as a tool for improving institutional governance and accountability in the public sector based on survey design in a size of 90 staff from Imo State Ministry of Finance, Auditor-General's office and Internal Audits department. Using Analysis of Variance (ANOVA) statistical tool, they found out that the internal audit can effectively check fraud and fraudulent activities in the Imo State public sector and a significant number of internal audit departments functioning effectively exist. The essence of accountability is to deter fraudulent activities.
Olatunji and Adekola (2017), examined the impact of auditors captured by risk assessment, system audit and verification of financial report on banking fraud control in Southwest Nigeria. The study employed survey design in which a set of questionnaire was administered on the selected banks in Southwest Nigeria. Multiple regression technique and ANOVA were used for the analysis. The results indicated that the level of fraud control in Nigerian banks during the period covered was low; the result revealed that risk assessment management, system audit and verification of financial reports adopted by the banking industry in Southwest Nigeria limit the fraudulent activities among the Nigerian banks by 35, 13 and 18 percent respectively; the results also showed that audit roles captured by risk assessment, system audit and verification of financial reports were statistically significant in determining the fraudulent act in banking industry in Nigeria as revealed by (Tcal 4.446, 2.251 and 3.708 > Ttab (141) = 1.684). Based on the findings, the study concluded that risk assessment, system audit and financial report verifications are carried out to determine the effectiveness and impact of auditors on fraud control in Nigerian banks which reveals that auditors' roles need to be improved to enhance fraud control in banking industry.
Edori and Edori (2018) assessed the relationship between auditing and fraud control in corporate organizations and also assessed the most effective between internal and external auditing and forensic auditing as it regards fraud unearthing. The quasi experimental research design was employed in this work. The primary data were collected from respondents using the questionnaire. The data collected was then subjected to analysis. Three hypotheses were formulated and the Pearson product moment correlation coefficient was used in testing Ho1 and Ho2 while the chi-square was used in testing Ho3. From the results, we found out that significant relationship exist

between the dimensions of auditing (traditional auditing and forensic auditing) and fraud control and we also find out that forensic auditing is more effective than internal and external auditing in unearthing fraud.

Chima and Obiah (2021), investigated the 21st century public sector accounting framework as a strategy in rebuilding third world nations for public sector management. The paper adopted quasi experimental research design. Questionnaires was used to draw primary data in a sample of 300 randomly selected staff from directors, accountants and auditors of different MDAs. The paper employed Pearson Product Moment Correlation (PPMC) and Chi-square as statistical tool for the test of hypotheses. The study revealed a significant relationship between the variables. In other words, public sector accounting framework has a significant relationship with public sector management and accountability. The paper also showed that both IPSAS and public sector accounting framework are necessary in providing transparency in public sector management. The study concluded therefore that, in this 21st century, to rebuild third world nations, adoption of IPSAS should be taken serious as public sector accounting framework to encourage public sector management, particularly the MDAs.

Chima and Obiah (2021), examined forensic accounting on mitigation of corporate fraud in Nigerian banks. The study adopts descriptive research design. The population of this study composed of 103 small and medium scale enterprises in South East. The top, middle and lower level managers were employed as the sample for the study. The study made use of primary data which was collected through semi-structured questionnaire. The data obtained were analyzed with the help of SPSS Version 21 and F-test in Analysis of Variance (ANOVA) and t-test were used to measure statistical significance and t-statistic to test statistical significance of study coefficients. The result revealed that the coefficients of determination shows that at 95% confidence level all the variables (proactive fraud audit, compliance with policies, robust internal controls, management override of controls, segregation of duties, dispute resolution, and litigation support) of forensic accounting had a positive and significant effect on the fraud mitigation in banks. The paper therefore, concluded that, there is correlation between forensic accounting and mitigation of corporate fraud in Nigerian banks.

Egielewa (2022), interrogated narrow-mindedness and laziness leading many of the Nigerian undergraduates' to be tempted to cheat and fraud on Internet instead of working hard for their studies. The author proposes a contextual survey around a tendency also called "yahooism", "yahoo-yahooism", as most of the first attempted cybercrimes were realized by sending yahoo emails. The study used the quantitative survey method of 372 undergraduates from two purposively selected higher institutions in Nigeria, namely: Edo State University Uzairue and Federal Polytechnic Auchi, both in Etsako West Local Government Area of Edo State, Nigeria. A questionnaire with a set of nine semi-structured questions is used to obtain data from the students between 15th July and 15th August 2022

Wahidahwati and Asyik (2022), examined the effect of auditor experience, auditor ethics, professional skepticism, and auditor personality type on fraud detection. This research was designed using a quantitative approach. Data analysis using multiple linear regression model with SPPS software. There are several tests carried out before carrying out data analysis. The analysis prerequisite tests include data validity, reliability, normality, multicollinearity, and heteroscedasticity tests. The population and sample in this study were 156 supreme audit boards spread across various regional entities in east java province consisting of 38 city governments and 1 provincial government. The sampling technique used is by using a non-probability sampling approach. The sample in this study amounted to fifty-seven auditors. The results show that auditor experience has a positive and significant effect on fraud detection, auditor ethics has a positive and significant effect on fraud detection, professional skepticism has a positive and significant effect on fraud detection and auditor personality type has a positive and significant effect on fraud detection.

Obiah, Ukaegbule, Okere, Eke and Igwe (2023), examined scientific application in accounting science, focusing on the fundamentals of forensic accounting and neuroaccounting research. Both descriptive and survey methods were employed in a study population of 2,865 students of accounting departments in higher institutions in Imo State. The sample size is 352 students with 44 students drawn from each of the eight higher institutions in Imo State. Questionnaires were used to source the primary data and Pearson Product Moment Correlation Coefficient (PPMC) was used for data analysis. The findings revealed a significant relationship between scientific application in accounting as found in the areas of forensic accounting and neuroaccounting.

Adekoya, Olaoye and Lawal (2023), considered the probable influence of IAV on FD in Nigerian Manufacturing Industries (NMI). Survey research design was adopted with population study of 19,443 workers in ten selected industries in Nigeria manufacturing sector. 392 sample size was determined and questionnaire administered, this gives 86% response rate. Descriptive and inferential statistics were used to analyze data at 5% level of significance. The study revealed that IAV positively influenced FD (Adj.R2=0.857, F(3, 337)=667.489, p=0.000). The study concluded that IAV influenced and has significant impact on FD in NMI. The study further recommends that independence of internal audit unit and quality of audit team should be guaranteed. Opportunity that enhances capability should be flagged and promptly investigated, internal control mechanism should be re-enforced to mitigate fraud while technological monitoring devices should be adopted.

Research Methodology

Since this work is aimed at gaining useful insight into fraud management strategies in Nigeria Public Sectors, the researcher employed survey research method in order to achieve the objective. The determination implies that survey method involves obtaining data from respondents. In this research, data was collected from both primary and secondary sources. The population comprises of thirty (30) ministries in Nigeria. Due to the peculiar nature of fraud management, the elements of the population considered in this research are Accountants, Auditors and Chief Executive Officer of the ministries. The researcher determined the sample size using judgemental sampling to arrive at twenty-eight (28) ministries. Three hundred and ninety-two (392) copies of Questionnaire were distributed to the selected ministries in Nigeria out of which three hundred and fifty (350) were fully filled and returned. Using the descriptive data approach, the data generated from the study were analyzed using the Analysis of Variance (ANOVA) was used to test all the hypotheses with the aid of SPSS 17.0 Version.

Test of Hypotheses Test of hypothesis one

Ho1: There is no relationship between management policies and Nigerian public sector fraud.

Test of Homogeneity of Variance

Levene Statistic	Df 1	Df 2	Sig.
4.361	4	40	.005

ANOVA

	Sum of Squares	Df	Mean Square	F	Sig.
Between	80348.222	4	20087.056	13.558	.000
Groups	59261.778	40	1481.544		
Within	139610.00	44			
Groups					
Total					

Source: Field Survey (2025) using SPSS Version 17.0

The result of data analysis in table 4.6a and 4.6b reveals that the mean is statistically positive and significant at 5% level of significance. The F (4,40) = 13,558 is greater than the F (tab) = 2.61, therefore the estimated parameters are statistically positive and significant. This means that the Null hypothesis is rejected, while accepting the alternate hypothesis since the F (4,40) of 13.558 is greater than the F (tab) of 2.61: we therefore concluded that there is positive and significant relationship between management policies and Nigerian public sector fraud.

Test of Hypothesis Two
Ho2: Fraud presentation and detection methods have no influence on Nigerian public sector fraud.

Test of Homogeneity of Variance

Levene Statistic	Df 1	Df 2	Sig.
7.657	4	75	.000

ANOVA

	Sum of Squares	Df	Mean Square	F	Sig.
Between	188538.13	4	47134.531	24.498	.000
Groups	144300.56	75	1924.008		
Within	332838.69	79			
Groups					
Total					

Source: Field Survey (2025) using SPSS Version 17.0

The result of data analysis in table 4.7a and 4.7b reveals that the mean is statistically positive and significant at 5% level of significance. The F(4,75) = 24.498 is greater than the F(tab) = 2.53. Therefore, the estimated parameters are statistically positive and significant. This means that the Null hypothesis is rejected while accepting the alternate hypothesis since the F(4,75) of 24.498 is greater than the F(tab) of 2.53. We therefore, concluded that fraud prevention and detect ion methods have influence on Nigerian public sector fraud.

Test of Hypothesis Three
Ho3: there is no strong internal control system in the Nigerian public sector.

Test of Homogeneity of Variance

Levene of Statistic	Df 1	Df 2	Sig.
2.475	4	44	.058

ANOVA

	Sum of Squares	Df	Mean Square	F	Sig.
Between	22424.35	4	5606.088	2.079	.100
Groups	118621.20	44	2695.936		
Within	141045.55	48			
Groups					
Total					

Source: Field Survey (2025) using SPSS Version 17.0

The result of data analysis in table 4.8a and 4.8b reveals that the mean is statistically positive but not significant at 5% levels of significance. The F(4,44)= 2.079 is less than the f(tab) = 2.60, therefore the parameter are statistically positive but not significant. This means that the Null hypothesis is accepted since the F(4, 44) of 2.079 is less than F(tab) of 2.60, we therefore conclude that there is no strong internal control system in the Nigerian public sector .

Test of Hypothesis Four

Ho4: management integrity has no influence on fraud prevention in the Nigerian public sector.

Test of Homogeneity of Variance

Levene Statistic	Df1	Df2	Sig.
877	4	25	.492

ANOVA

	Sum of Squares	Df	Mean Square	F	Sig.
Between	41686.333	4	10421.583	3.300	.027
Groups	78951.667	25	3158.067		
Within	120638.00	29			
Groups					
Total					

Source: Field Survey (2025) using SPSS Version 17.0

The result of data analysis in table 4.9a and 4.9b reveals that the mean is statistically positive and significant at 5% level of significance. The F(4,25) = 3.30 is greater than the F(tab) = 2.76, therefore the estimated parameters are statistically positive and significant. This means that the Null hypothesis is rejected while accepting the alternate hypothesis since the F (4,25) of 3.30 is greater than the f (tab) of 2.76, we therefore concluded that management integrity has influence on fraud prevention in the Nigerian public sector.

Conclusion

The research analyzed why attention has to be given to the question of fraud prevention in the Nigerian public sector, it has discussed the management policies as regards fraud prevention in the Nigerian public sector. The study also appreciated fraud prevention and detection methods and its influence on Nigerian public sector and discovered that there is no strong internal control system. The study further examined management integrity as regards its influence on fraud prevention in the Nigerian public sector. The study, therefore conclude that the ultimate responsibility for discouraging and preventing fraud rest with the government and management and need good and effective fraud prevention policies to be in place.

Recommendations

The following recommendations are necessary from the research:

- ❖ As management policies has positive and significant relationship with Nigerian public sector fraud, it is essential for strong management policies, which must be supported with training and guidance because they are necessary in maintaining the effectiveness of the strategy for the detection and prevention of fraud. The policy setting procedure should be modernized and rationalized to ensure that strategies can be attended, created or eliminated as changing situation dictates.
- ❖ The Nigerian public sector should take advantage of modern accounting and auditing software to enhance efficiency and smooth process of the task of detection prevention and recovery through the application of relevant information technology.
- ❖ The government need to support indention and works related training, particularly for employees involved in internal control system and accounting units to ensure their roles and duties are frequently stressed to reinforced and that best practices are followed across the nation service.
- ❖ Policies should be set up to ensure that management integrity be enforced as it has impact on fraud prevention in the Nigerian public sector. Those management level and even those at lower level should avoid actual or seeming conflict of interest, refuse any gift, favour, or gratification that would influence or would appear to influence their actions and avoid any other act that would temper with their integrity.

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