

Professional Ethics as Instruments for Effective and Efficient Financial Management in the Nigerian Public Sectors: A Scientific Approach

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ABSTRACT

Ethics are essential in discharging professional services to clients and society at large. In accounting practice, ethics constitute the corner stones for reliable professional work. This study which adopted scientific approach was centred on the application of professional ethics towards proper financial management in the public sectors. Research instrument was developed and administered for relevant data. Data collected were analysed with appropriate statistical tools in order to test the authenticity of the research hypothesis. The analysis revealed that there is no significant relationship between professional ethics and effective/efficient financial management in the Cross River State Public Sector, used as case study. Further findings showed that a large difference exists between observed and expected acceptance of the significance of ethical standard in accounting practices in public sector. Consequently, it was concluded that ethical standards established by accounting professional bodies in Nigeria and the Nigerian Accounting Standard Board are not instrumental in ensuring that funds are adequately managed in the public sectors. Therefore, the Nigerian public sectors which are the reporting jurisdiction should evaluate their financial system to make sure that ethical standards are put in place to ensure effective and efficient and or scientific management of their funds. Over the year, most public organizations in Nigeria have clearly demonstrated their deficiencies in the provision of timely and accurate financial information. The nature of work carried out by accountants and auditors requires a high level of ethics because many users of financial statements rely heavily on

the yearly financial statements prepared by them to make informed financial decisions. It is true that the responsibility for the success of an organization lies squarely on the operating managers. Managers on their part depend on the financial information provided by the accountants within and outside the organizations to successfully perform their primary functions. However, the rate of failure of government organization has often been linked to wrong policy decisions which often are caused by inaccurate financial statements. Deductively therefore, one can say that the use of professional ethics in accounting practices plays an invaluable role in effective and efficient financial management in the public.

Keywords: Professional ethics, financial management, public sector, accounting standards, effectiveness and efficiency