

Role of E-Payment System in Promoting Accountability in Government Ministries as Perceived by Accounting Education Graduates and Accountants in Ministry of Finance of Ebonyi State

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Abstract

This paper identified the role of electronic payment system in promoting accountability in government ministries as well as the challenges facing the implementation of e-payment in government ministries in Ebonyi State. The study was guided by two research questions and two hypotheses. The population of the study comprised of 112 accountants as well as accounting education graduates working in the Ministry of Finance as accounting officers. The entire population was studied because of the small number of the population. A structured questionnaire was administered to all the respondents while 98 copies of the questionnaire were filled correctly and returned. The research questions were answered using mean and standard deviation while the hypotheses were tested using t-test. All the items except absence of a standard format for remittance of public funds were accepted as the challenges of implementing e-payment in government ministries in Ebonyi State. The test of hypothesis showed no significant difference on their responses based on gender and experience. The researchers based on their findings concluded that e-payment helps in assuring correctness of financial transactions recorded. The paper recommended that security of accounts details of e-payment beneficiaries should be prioritized to prevent hacking of such accounts; efforts should be geared towards the improvement of power as well as provision of alternative power; and Government should ensure adequate provision and maintenance of e-payment facilities.

Keywords: Electronic Payment, Government Ministries, and Accountability

INTRODUCTION

Background of the problem

The increasing rate of corruption in government establishments is worrisome especially to patriotic citizens. It is of no doubt that the resources made available in government ministries are often diverted for personal use by the employees especially those at the helm of affairs. These personnel tend to use their positions for personal enrichment. Even the assets in office are constantly looted away by most of the public servants thereby leading to nonchalant attitude in the protection of government assets. In agreement with the above, Ribadu (2004) observed that many public servants are milking their establishments and stashing the loot in foreign tills. Supporting Ribadu, Ojukwu in Udu (2013) blames bribery, corruption and nepotism in government establishments as being responsible for the complete neglect and impoverishment of the people. No wonder many public servants this day are living above their legitimate monthly earnings without other legal source of income. From the on going, it is obvious that accountability in government ministries is in danger.

The use of cash in government ministries undoubtedly is contributing to the high rate of corruption and fraud in different ministries. Bribery, corruption and fraud are common enemies of any establishment be it public or private. These crimes have devastating effects especially on the revenue and efficiency of any establishment. They have no borders as they have spread across all the sectors and economies of the world. Corruption and fraud have assumed the status of permanent risks in government as well as private establishments. Corruption has no positive contribution to any economy instead it infects all the segment of the economy. It destroys public confidence on public officers, distorts the allocation of resources and consequently has permeated into all spheres of Nigeria economy. Ibrahim (2012) posited that Nigerians from all sexes, religion, socio-political cum economic affiliations, education levels, tribes and ages are directly or indirectly involved in one sharp practice or the other. Despite knowledge of the fact that there is corruption in all areas of our national lives, individuals have failed to commensurate government efforts.

In light of the above, accountability of government staff is a tool to curtail the increasing rate of corruption, bribery and fraud. Accountability according to Mainoma (2008) simply implies stewardship. But in governance and administration, accountability is beyond stewardship. The span of accountability includes openness and transparency in carrying out any activity in order to give credible account to relevant authorities. This implies that government officials and those involved in carrying out/ or running the activities of various ministries under the principle of accountability are expected to manage government programmes, activities and functions transparently bearing in mind that they are holding stake for the public. To support the above, David (2014) observed that the definition of accountability in governance has expanded with the growth and complexity of government and business.

Government ministries are part of the establishments established, maintained and funded with public fund with the government employing and/or appointing people into different positions. These people employed and/or appointed manage and control the activities and programmes of the ministries on behalf of their employers. Since government activities and programmes are funded with tax payers' money, it is a fact that these tax payers are the owners of various government establishments. It therefore means that staff of these ministries is expected to be answerable to these tax payers who provided fund for their programmes and activities. But it is worrisome that some of these government officials are financially irresponsible as well as reckless with government treasures entrusted into their hands. To check this, e-payment was introduced.

E-payment is an aspect of electronic commerce which includes making payment for goods and services through the use of computer and other information technologies. It is an electronic form of transferring fund among partners who have financial relationship. Before the introduction of electronic payment, the payment system in various ministries and other government establishments were predominantly cash-based. All the financial involvements and other government activities were carried out using cash which was believed to be convertible to other forms of value. This was the payment medium in government ministries until recent time.

According to Taiwo, Tajudeen and Ebenezer (2011) e-payment is an act of effecting payment from one person to another through the use of computer without any manual intervention except imputing the payment data. It includes all the activities involved in making payment to business partners, staff and other persons with the use of cards, computer, mobile phones and other internet enabled platform. With the use of various e-payment media, individuals can confidently effect payment for transactions without carrying cash thereby avoiding the risk of losing money to criminals, the use of point of sales (POS), cards and mobile phones in making payment has enabled customers to make payment for goods and services anywhere and anytime. Customers can now pay for goods, make fund transfer and settle other debts without any physical contact with the seller.

Tawo, Tajudeen and Ebenezer (2011) posited that electronic payment was introduced into Nigerian payment system because government was inundated with allegation of corruption in various government establishments (ministries inclusive). They explained that e-payment was introduced with the aim of eliminating delay in payment, check corruption and institutionalize financial probity of government programmes and activities. But it could also be stated that the inability of cash transactions to serve Nigerians especially in this condition of insecurity informed the government quest to take advantage of the opportunities in electronic platform. With many media used for transaction in e-payment, government ministries can now pay their workers salary, purchase office equipment and carry out other financial transactions globally without physically meeting with people involved. Also, electronic payment seems to be offering financial services at quicker rate thereby facilitating speedy and efficient completion of transaction.

E-payment system through the use of information and communication technologies has permeated into business transactions. Due to its benefits, e-payment is gradually replacing cash payment system that involves personal contact between buyers and sellers. To the government, e-payment has offered variety of payment alternatives thereby making it easier for staff and other persons to be paid without delay. The implementation of e-payment in government ministries will promote transparency as it will ensure data integrity, authenticity of payment receivers, issuance of bank statement as at when due, accessibility of account information by approved signatories as well as ensuring that appropriate fund are paid into and/or remitted from the public treasure (FRN, 2008).

The accountants and accounting education graduates keep record of the financial transactions of the ministry. Accountants are those that studied pure accountancy under management sciences while accounting education graduates are those that studied accounting as an option under business education (accounting option) hence called accounting educators. These accounting educators are employed to either teach or work in the ministries and other public and private sectors as accounting officers.

Statement of the Problem

Before the use of computer and other information technologies in making payments into the account of government as well as remitting fund to staff, those in charge of such transactions seem to be reckless and irresponsible with public funds. This is evident in a situation whereby staffs of government ministries usually live above their stipulated monthly salaries. Their lives of extravagancies leave interested persons with a question about their sources of income. In most cases, it was revealed that most of those living above their salaries without other legal source of income were directly or indirectly involved in financial improprieties. No wonder Udu (2013) noted that the public still see government establishments (ministries inclusive) as gateway to financial impropriety.

With the introduction of e-payment it is expected that the rate of financial misappropriation of public fund will be reduced. Ebonyi state ministries have used these e-payment system for some time hence the need to ascertain the roles of e-payment in ensuring accountability in government ministries as well as the challenges

associated with the use of e-payment in government ministries.

Purpose of the study

This study investigated:

1. The role of e-payment in promoting accountability in government ministries in Ebonyi State.
2. Challenges facing the implementation of e-payment in government ministries in Ebonyi State

Research Questions

The study was guided by the following research questions

1. What are the roles of e-payment in promoting accountability in government ministries in Ebonyi state?
2. What are the challenges facing the implementation of e-payment in government ministries in Ebonyi state?

Hypotheses

The following hypotheses were tested at 0.05 level of significance:

Ho1: There will be no significant difference on the mean rating of male and female staff on the roles of e-payment in promoting accountability in government ministries in Ebonyi state.

Ho2: There will be no significant difference on the mean rating of accounting staff on the challenges facing effective implementation of e-payment in government ministries in Ebonyi state based on their level of experience.

Methodology

The study adopted descriptive survey design as it sought the opinions, beliefs and attitudes of the respondents. The population comprised of all the accounting staff of Ebonyi state ministry of finance. As one of the government ministries, the ministry was used because they are involved in the initiation and implementation of e-payment platform in the state. The population was 112 and the entire population was used due to its small size. The instrument used for data collection was a structured questionnaire. The instrument was validated by two experts from business education department of Ebonyi state university. To ensure the reliability of the instrument, it was trial tested and the responses were correlated which gave a coefficient of 0.80 which indicated that the instrument is reliable. The instrument was patterned strongly agreed (SA) Agree (A), Disagreed and strongly Disagree (SD). Data collected was analyzed using mean and standard deviation with a bench mark of 2.50. A total of one hundred and twelve questionnaires were distributed but ninety eight were returned. The hypotheses were analyzed using t-test statistical tool.

Results

1. What is the role of e-payment in promoting accountability in government ministries.

Data on the roles of e-payment in promoting accountability in government ministries is presented thus:

ROLE OF E-PAYMENT IN PROMOTING ACCOUNTABILITY IN GOVERNMENT MINISTRIES

S/N	E-payment	SA	A	D	SD	\bar{x}	SD	Decision
1	Assures correctness of financial transactions recorded	44	25	20	9	3.06	1.01	Strongly Agree
2	Promotes transparency in handling financial issues	52	37	6	3	3.41	0.74	Strongly Agree
3	Reduction of the rate fraudulent acts are being perpetuated in ministries	48	40	6	4	3.35	0.77	Strongly Agree
4	Ensures adequate payment of fund into government account	31	53	12	1	3.15	0.74	Strongly Agree
5	Interested users of the accounting information can easily have access to financial information	20	61	14	3	3.0	0.69	Strongly Agree
6	Easy access to financial statements	40	38	18	2	3.18	0.80	Strongly Agree
7	Auditing of financial records are easily and effectively done.	63	18	10	7	3.40	0.94	Strongly Agree
8	Prompt payment of staff salary carried out into their various bank accounts	58	27	3	10	3.36	0.96	Strongly Agree
9	Ensures cost effectiveness of government	18	42	25	13	2.66	0.93	Agree
10	Enhances uniformity of government accounting system	39	33	20	6	3.07	0.92	Strongly Agree
	Grand mean					3.16		

The respondents accepted all the items as the role of e-payment in promoting accountability in government ministries. All the items scored a cut off point above 2.5.

2. What are the challenges facing the implementation of e-payment in government ministries in Ebonyi State

The response to the research question is presented thus:

Table 2: Challenges Facing the Implementation Of E-Payment In Government Ministries

S/N	E-payment	SA	A	D	DS	\bar{x}	SD	Decision
1	Poor provision of facilities	60	28	6	4	3.47	0.79	Strongly Agree
2	Use of account details of the beneficiaries	51	37	7	3	3.39	0.75	Strongly Agree
3	Presence of weak internal uniformed e-payment platforms	42	28	18	10	3.04	1.01	Strongly Agree
4	Inability to use uniformed e-payment platforms	13	39	40	6	2.60	0.80	Agree
5	Hacking of outline accounts by cyber criminals	24	42	27	5	2.87	0.85	Agree
6	Absence of a standard format for remittance of public funds	18	20	48	12	2.45	0.93	Disagree
7	Epileptic poor supply	50	35	7	6	3.32	0.86	Strongly Agree
8	Poor maintenance of available machines	48	32	11	7	3.17	0.92	Strongly Agree
Grand mean						3.04		

All the items except absence of a standard format for remittance of public funds were accepted as the challenges of implementing e-payment in government ministries in Ebonyi State.

Hypotheses

Ho1: There will be no significant differences on the mean rating of male and female staff on the roles of e-payment in promoting accountability in government ministries in Ebonyi state.

Table 3 below shows the mean rating of male and female staff on the roles of e-payment in promoting accountability in government ministries in Ebonyi state as shown below:

Table 3: T-Test Analysis Of Responses Of Male And Female Accounting Staff On The Roles Of E-Payment In Promoting Accountability In Government Ministries In Ebonyi State

S/N	Items	Sex	\bar{x}	SD	DF	T-cal	T-crit	Decision
1	Assures correctness of financial transactions recorded	Male	3.04	1.04	96	0.19	1.98	Accepted
		Female	3.08	1.00				
2	Promotes transparency in handling financial issues	Male	3.36	0.80	96	0.59	1.98	Accepted
		Female	3.45	0.70				
3	Reduction of the rate fraudulent acts are being perpetuated in ministries	Male	3.27	0.75	96	0.96	1.98	Accepted
		Female	3.42	0.80				
4	Ensures adequate payment of fund into government account	Male	3.16	0.71	96	0.51	1.98	Accepted
		Female	3.09	0.64				
5	Helps interested users of accounting information to have access to financial information.	Male	3.07	0.69	96	0.93	1.98	Accepted
		Female	2.94	0.69				
6	Ensures easy access to financial statements	Male	3.27	0.78	96	0.99	1.98	Accepted
		Female	3.11	0.82				
7	Ensures easy and effective auditing of financial records	Male	3.56	0.81	96	1.62	1.98	Accepted
		Female	3.26	1.02				
8	Prompt payment of staff salary into their various bank accounts	Male	3.38	0.83	96	0.21	1.98	Accepted
		Female	3.34	1.06				
9	Ensures cost effectiveness of government programmes	Male	2.91	0.79	96	2.56	1.98	Rejected
		Female	2.45	0.99				
10	Enhances uniformity of government accounting system.	Male	3.29	0.92	96	2.18	1.98	Rejected
		Female	2.89	0.89				
Grand T-test								0.74

Except that e-payment ensures cost effectiveness of government programmes, and enhances uniformity of government accounting system. All other items were accepted by both male and female respondents accounting staff on the roles of e-payment in promoting accountability in government ministries in Ebonyi state

Ho2: There will be no significant difference on the challenges facing the implementation of e-payment in government ministries.

Table 4 below shows the mean rating of Summary of the t-test analysis of the responses of the accountants and accounting education on the challenges facing the implementation of e-payment based on their level of experience as shown below:

Table 4: T-Test Analysis Of Responses Of Accounting Staff On The challenges facing implementation of E-Payment In Promoting Accountability In Government Ministries In Ebonyi State

S/N	Items	Experience	\bar{x}	SD	DF	T-cal	T-crit	Decision
1	Poor provision of facilities	1-10 yrs 11yrs & above	3.43 3.50	0.84 0.76	96	0.42	1.98	Accepted
2	Use of wrong account details of the beneficiaries	1-10 years 11years & above	3.28 3.47	0.91 0.63	96	0.15	1.98	Accepted
3	Presence of weak internal control of government financial system.	1-10 years 11years & above	2.70 3.19	1.12 0.95	96	2.26	1.98	Accepted
4	Inability to use uniformed e-payment platforms	1-10 years 11years & above	2.60 2.60	0.87 0.75	96	0.17	1.98	Accepted
5	Hacking of outline accounts by cyber criminals	1-10 years 11years & above	2.70 2.98	0.82 0.85	96	0.64	1.98	Accepted
6	Absence f a standard format for remittance of public funds	1-10 years 11years & above	2.55 2.38	0.96 0.91	96	0.88	1.98	Accepted
7	Epileptic power supply	1-10 years 11years & above	3.30 3.33	0.91 0.82	96	0.17	1.98	Accepted
8	Poor maintenance of available machines	1-10 years 11years & above	3.33 3.17	0.83 0.98	96	0.87	1.98	Accepted
	Grand T-test					1.02		

All the respondents accepted the challenges facing implementation of E-Payment In Promoting Accountability In Government Ministries In Ebonyi State irrespective of their level of experience.

DISCUSSION

The findings in research question I showed that all the items were rated above 2.5 indicating respondents' acceptance of the items as roles of e-payment in promoting accountability. In the test of hypothesis 1, there was no significant difference in the mean response of male and female staff on the roles of e-payment in promoting accountability in government ministries in Ebonyi state. In other words, respondents agreed that e-payment plays vital roles in the promotion of accountability in government ministries. This means that its integration is a sure way of ensuring transparency in handling financial issues, correctness of financial transactions recorded and adequate payment of funds into government account thereby reducing fraud.

In support of the above findings, Suleyman and Seckim (2012) identified accountability as one of the basic principles of electronic accounting e-payment inclusive. But the view of Lina (2013) contradicted the finding of this study as he posited that e-payment system has contributed to the increasing rate of electronic fraud. By and large, e-payment though may be experiencing some hitches caused by cyber criminals, handlers of government transactions under electronic platforms are more accountable now than when they were using manual accounting platform. This fit may have been achieved through making government transactions accessible to all the interested users.

On research question 2, the findings showed that all the items except item 6 which is absence of a standard format for remittance of public funds was rated as challenges facing the implementation of e-payment in government ministries. In the test of hypothesis 2, it showed that the critical t-value is greater than the calculated t-value. This indicates that there is no significant difference on the mean rating of staff on the challenges facing effective implementation of e-payment in government ministries in Ebonyi state based on their experience. The implication is that government ministries have standard format for remittance of public funds. The view of Lina (2013) collaborates the finding on item 2 as she explained that many cyber criminals have used account details of the beneficiaries in e-payment platforms to hack such accounts. This therefore suggests that account details of beneficiaries should be adequately secured if the accountability principle of e-payment is to be achieved. In support of the findings of this study, Taiwo, Tajudeen and Ebenezer (2011) found that constraints to the implementation of e-payment in Nigeria ranges from poor availability of needed resources to insecurity of customers accounting information.

Conclusion

From the findings of this study, the following conclusions were drawn:

E-payment helps in assuring correctness of financial transactions recorded. This is an indication that those who handle public funds in government ministries will ensure accurate recording of accounting information. However the study revealed that different factors pose challenges to the implementation of e-payment in government ministries. These challenges include but not limited to poor provision of e-payment facilities, poor maintenance of available facilities etc. though e-payment has the needed potentials to promote accountability, if the identified challenges are not resolved, the implementation of e-payment in government ministries may be a mirage.

Recommendations

From the findings of the study, the following recommendations were made:

1. Security of accounts details of e-payment beneficiaries should be prioritized to prevent hacking of such accounts.
2. Efforts should be geared towards the improvement of power as well as provision of alternative power.
3. Government should ensure adequate provision and maintenance of e-payment facilities.

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