

## Administrative Structures for Accountability in Colonial Nigeria: A Review of their Impact on Fiscal Prudence, 1950–1960

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This study presents an aspect of the history of Nigeria's public finance during the colonial period showing how public institutions created for the administrations of the country's finances either helped to curtail or failed to arrest corrupt practices from 1950–1960. The study argues that the issue of graft in government and by public officials which is prevalent in contemporary Nigeria was not a rarity in the colonial period and that at least, on the problems of theft of public revenues and the failure to observe the rules of accountability in public expenditure matters, cases of indictment of colonial officials were rife in the decolonisation period. The study therefore discusses how the problems of corruption and the refusal to observe the due processes of financial accountability were managed by the institutions established to ensure that they were either obliterated or reduced to the barest minimum in colonial Nigeria. The study concludes that although those institutions succeeded in reporting many cases and acts of corruption including even miscellaneous but nonetheless improper dealings with Nigerian finances, they failed either to prevent them or took very lame steps to ensure that indicted officials were sanctioned appropriately for such acts.

[Financial Administration; Accountability; Fiscal Prudence; Colonial Nigeria; 20<sup>th</sup> Century]

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### Introduction

The fiscal administration of Nigeria in the colonial period was of great importance both to the consolidation of the alien rule and to the integration of the country into the orbit of British imperial economy. Public finance was at the very heart of colonial rule. It attracted the greatest attention of British administrators in their respective colonies. Hence, structures were built, laws were made, and institutions formed, together with their

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administrative procedures, to aid the efficient administration of colonial finance. The ultimate goal being first, to avoid the possibility of Nigeria depending indefinitely on British treasury for sustenance and second, to ensure that colonial rule in Nigeria was financially beneficial to the British government and its investing public.

Thus, issues of revenue generation as well as expenditure planning and disbursement which required utmost accountability from public officials were supported with clearly defined administrative structures and backed by institutional framework for ensuring prudence and discouraging corruption. There were in that regard, four major administrative structures built more along the lines of checks and balances than for separation of powers, in the fashion advocated by Baron de Montesquieu.<sup>1</sup> These four structures were the offices of the: (i) Governor-General (ii) Financial Secretary (iii) Accountant-General and (iv) the Director of Audit. All these offices belonged to the executive arm of government and, as such, little consideration was given to the Nigerian Legislative Council in fiscal matters except at the tail-end of the decolonisation period (1954–1960) when, beginning in the 1958/59 fiscal year, and as a result of some constitutional amendments, Nigerian indigenous political elite had conceded to them through the Legislative Council, some powers over the federal budget and fiscal policy.<sup>2</sup> It is important to stress here that even as far back as the proclamation of the Nigerian Letters Patent 1946, otherwise called the Arthur Richards Constitution, colonial authorities in England had ensured that money bills and other matters connected with taxation and budgeting were made the exclusive preserve of the British Monarch, his Privy Council and their representatives in Nigeria.<sup>3</sup> For instance, the 1946 Arthur Richards' Constitution while on the one hand conferred great powers over revenue and budgeting matters on the Governor, it, on the other hand, stipulated with respect to the same

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<sup>1</sup> Baron de Montesquieu, the eighteenth-century French philosopher was famous for popularising the idea of iron-cast separation of powers between the three arms of government of legislature, executive and the judiciary. See C. MONTESQUIEU, Selection from *The Spirit of the Laws* (1746), in: *The Political Theory of Montesquieu*, edited with an introduction by M. RICHTER, Cambridge 1977.

<sup>2</sup> This was contained in the amended version of the Constitution of Nigeria (Order in Council), 1954, (as amended, 1958) section 154, in which the Nigerian legislature, the House of Representatives, was conferred with the powers of initiating and approving every expenditure of government.

<sup>3</sup> See GOVERNMENT OF NIGERIA, *Constitution (Nigeria Letters Patent)* (Arthur Richards Constitution), Lagos 1946, section 22.

issues, a delimitation of the powers of the Nigerian Legislative Council. It did this in the following words: “[...] *the Council shall not proceed upon any Bill, amendment, motion or petition which, in the opinion of the Governor or in that of presiding member, would dispose of or charge any public revenue or public funds of Nigeria, or revoke or alter any disposition thereof or charge thereon, or impose, alter or repeal any rate, tax or duty.*”<sup>4</sup>

In other words, the above provision clearly put beyond the Legislative Council, any serious decision concerning public revenue. It limited its role only to giving advice to the Governor on matters of public finance. In fact, the whole issues of budgeting and the passage of the annual appropriation Act, which ordinarily should have been domiciled in the Nigerian Legislative Council in Lagos were the colonial authorities desirous of making themselves accountable to Nigerians, was actually directed to be forwarded to Britain through the Secretary of State for the Colonies. The relevant provision of the Arthur Richards’ Constitution in this regard stated: “*The Governor shall forward to Us, from year to year through a secretary of state, the annual book of returns commonly called the Blue Book, relating to revenue and expenditure, public works, legislation, civil establishments, pensions, populations, schools, course of exchange, imports and exports, agricultural produce, manufactures and other matters in the said Blue Book, more particularly specified with reference to the state and condition of Nigeria.*”<sup>5</sup>

A plethora of works exist about colonial administration in Nigeria. But the works weigh more in favour of the description and analysis of the political history of the period than they do on economic or financial administration.<sup>6</sup> Yet in 1940, just a year into the Second World War, Pim brought to the fore, a new and refreshing financial dimension to the historiography of colonial Africa when he published his *The Financial and Economic History of the African Tropical Territories*.<sup>7</sup> The book is one of the pioneering efforts in the financial history of African states. It reveals the nature and character of Africa’s financial relations with its European metropolitan states and the pattern of production which such nature and character brought to bear on the economy of tropical African countries. Eight years after, in 1948 Margery Perham edited a volume,

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<sup>4</sup> Ibid.

<sup>5</sup> Ibid., section 25.

<sup>6</sup> Most of the works before 1960 were concerned for instance, with an analysis of colonial administration and the indirect rule system. See for example J. WHITE, *Central Administration in Nigeria, 1914–1948*, Dublin 1981.

<sup>7</sup> A. PIM, *The Financial and Economic History of the African Tropical Territories*, London 1940.

*Mining, Commerce and Finance in Nigeria*,<sup>8</sup> which makes a direct and specific treatment of Nigeria's extractive industries – coal, tin, etc. It also offers a discussion of how the growth in commercial activities in Nigeria was guided and enhanced by European financial institutions and their investing public. The two works of Pim and Perham however fail to show or discuss the significance of colonial administrative structures to the birth and regulation of colonial finance.

It was not until 1956 that Arthur Hazzlewood published his highly detailed *The Finances of Nigerian Federation*<sup>9</sup> that a closer look and analysis of the structure of fiscal relations and the distribution of tax powers between the federating parts of the Nigerian federation was had. Nigeria had, by 1954, been formally proclaimed a federation of regions and the Lyttleton constitution which contained the proclamation had clearly stipulated the boundaries and character of the revenue powers of the federating parts. Hazzlewood's work offers a fascinating discussion of this fiscal relationship and the size of the Nigerian fiscal system vis-à-vis the country's developmental needs. Still, a direct analysis of the role and powers of the regulatory authorities such as the offices of the financial secretary and the Accountant-General of the Federation is not made in the work. Even works that were published, few years after independence on the subject of Nigeria's finances such as those of Pius Okigbo's *Nigerian Public Finance*,<sup>10</sup> and Adebayo Adedeji's *Nigerian Federal Finances: Its Development Problem and Prospects*,<sup>11</sup> though show extensively and illuminate the broad issues of public finance such as taxation and sharing of tax powers among Nigeria's component parts revealing in the process, a discussion of the topical issue of public debt, and the criteria for the determination of revenue allocation formulae, (especially Adedeji's *Nigerian Federal Finance*) from 1954–1965 but a discussion of the administrative and institutional bodies that regulated those fiscal relations escaped the attention of the authors.

However, in 1979, Adebayo Lawal made a major contribution to the financial history of Nigeria through his *A History of the Financial Administration of Nigeria, 1900–1945*.<sup>12</sup> Lawal's work which is actually his

<sup>8</sup> M. PERHAM, *Mining, Commerce and Finance in Nigeria*, London 1948.

<sup>9</sup> A. HAZZLEWOOD *The Finances of Nigerian Federation*, London 1956.

<sup>10</sup> P. OKIGBO, *Nigerian Public Finance*, London 1965.

<sup>11</sup> A. ADEDEJI, *Nigerian Federal Finances: Its Development Problem and Prospects*, London 1969.

<sup>12</sup> A. A. LAWAL, *A History of the Financial Administration of Nigeria, 1900–1945*, University of Lagos 1979, Ph.D. Thesis.

Ph.D. thesis submitted to the University of Lagos in 1979 on the subject lays bare the character of colonial finance in Nigeria and shows the role of British Colonial Officials particular the Governor-General and his Lieutenant – Governors in the preparation, legitimation and implementation of colonial fiscal policies. But Lawal's contributions only covers the period in which Nigeria was effectively, a unitary state. The scope of the work which terminates in 1945 did not even cover the time in which Nigerian colonial authorities experimented with a quasi-federal arrangement. Under the 1946 Arthur Richards' constitution, the fore runner to the 1954 Oliver Lyttleton constitution that embodied Nigeria's first federal law and its counterpart principle of fiscal federalism. This present study which begins in the very year of negotiation for Nigeria's federal structure in 1950 completes the trajectory of discussions on Nigeria's financial administration in the colonial period. It discusses the role, functions and powers of federal administrative officials who had the onerous responsibility of managing Nigeria's resources prudently and who ought to ensure fiscal accountability in so doing. The officials were not expected to work at their own whims and caprices but within clearly set prudential guidelines encoded both in the relevant constitution and laws guiding colonial finance and the administrative practices common to all British dependencies. By prudential guidelines it is meant here, the regulations set both by law and conventions by which all corrupt and non-accountable acts were to be avoided, detected and brought to justice. The guidelines were supposed to be obeyed by all civil and public officials because they defined the boundaries of administrative powers and discretion over public resources. They were in short, the canon of fiscal accountability in colonial Nigeria.

### **Prudential Guidelines for Nigeria's Colonial Finance**

The most important of these guidelines and which are of direct relevance to our purposes here are: (i) that all expenditure and revenue operations of government should be stipulated and contained in one "Blue Book" (annual budget) prepared and submitted by the Governor of Nigeria to the British Parliament for its concurrence and assent in every fiscal year;<sup>13</sup> (ii) that no moneys should be spent on any matter of state howsoever reasonable without it been first contained in an approved budget;<sup>14</sup> (iii) that

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<sup>13</sup> See Nigeria Constitution (Order in Council), Lagos 1954, section 154.

<sup>14</sup> *Ibid.*

disbursement of funds as approved in the budget should only be by means of warrant, duly issued either by the Financial secretary or the Governor;<sup>15</sup> (iv) that full statements of government financial transactions detailing all receipts and expenditure should be prepared on a yearly basis by the Accountant-General of the Federation who should transmit the same to the Director of Federal Audit;<sup>16</sup> (v) that the Director of Federal Audit should, working on the strength of the statements made available to him by the Accountant – General and on his own independent investigation, inquire into and report annually, on the use of public funds, showing whether the rules of prudence and accountability had either been obeyed or breached;<sup>17</sup> (vi) that responsible account/budget officer in every ministry should ensure that unspent balances in his ministry's expenditure vote were returned to the federal treasury;<sup>18</sup> and (vii) that the Governor or the Public Accounts Committee of the Nigerian legislature should act on the report of the Director of Federal Audit to apprehend cases of fraud or theft by bringing indicted officials to justice.<sup>19</sup>

The above prudential guidelines shall guide our subsequent analysis of the extent to which they were complied with by administrative bodies responsible for the management of Nigeria's public finance in the colonial period. We should now turn to a discussion of each of the role and impact of the four administrative bodies established for the prudent use of resources in colonial Nigeria.

### Office of the Governor

It was customary in those days of colonial rule for the Governor of Nigeria to prepare the annual budget with or without any input by the Nigerian Legislative Council and to send it to London for assessment and ratification. If it was ratified, then, it became law, that is the annual appropriation Act (budget) for the year indicated on it. This role of the Governor though exercised by him exclusively, was without prejudice to other very vital roles performed by other officials in other institutional structures for colonial finance such as the colonial Financial Secretary and

<sup>15</sup> See GOVERNMENT OF NIGERIA, Finance (Control and Management) Act, 1958, in: *Laws of the Federation of Nigeria*, Chapter F26, Lagos 2004, section 6(1–3).

<sup>16</sup> See GOVERNMENT OF NIGERIA, Audit Ordinance, 1956, section 13(1 and 2), in: *Laws of the Federation of Nigeria and Lagos*, Chapter 17, Lagos 1958.

<sup>17</sup> *Ibid.*, section 7(1 and 2).

<sup>18</sup> Finance (Control and Management) Act, Lagos 1958, section 16.

<sup>19</sup> Audit Ordinance, sections 9(3), 11, 14.

the Accountant-General. The ultimate purposes being to ensure prudence in the use of public resources and, as far as colonial underlining principles for the use of public funds permitted, make public officials accountable to His Majesty's government in England. We should return to this presently.

Suffice it to show here that apart from budget preparation and remittance to London, the office of the Governor also had the responsibility of making sure that the books of Accounts presented to it were kept at a state of financial balance before auditing took place. As a result, the Governor always took the final decisions on what debt or irrecoverable loans and advances should be written-off or charged to the Consolidated Revenue Fund before auditing. This was to close any gap between actual and budgeted expenditure on the one hand and the actual and planned revenue on the other. Hence, from 1950 up to 1960, but particularly after the promulgation of the 1954 Oliver Lyttleton Constitution, the Governor of Nigeria wrote-off huge sums of money either as irrecoverable loans and advances or losses due to fraudulent encashment, forged vouchers and other sundry excuses in order to balance the accounts.<sup>20</sup>

Table 1 below shows the sums written off by the Governor in the respective years indicated due to some of the reasons mentioned above. It should be noted that these sums did not represent all the losses to government treasury and stores in those years but only a proportion of those losses that have been selected due to the significant amounts involved. However, the total amount written-off by the Governor from 1951 to 1960 as shown in the table was £1,723,091-1s-1d.

**Table 1: Losses to Government Accounts written off by the Governor (1951–1960)**

Fiscal Year	Amount Lost		
	£	s	d
1951/52	2,291	15	6
1952/53	51,108	8	11
1953/54	16,551	5	6
1954/55	90,116	9	0

<sup>20</sup> In the 1956/57 fiscal year for example, the sum of £53,196-12-9d was written-off by the Governor as irrecoverable loans and advances. See GOVERNMENT OF NIGERIA, *Report of the Accountant-General with Financial Statements for the Year Ended, 31st March 1956*, Lagos 1956, p. 99.

1955/56	915,114	11	6
1956/57	612,122	4	6
1957/58	7,207	11	3
1958/59	7,462	8	0
1959/60	21,116	9	5
<b>Total</b>	<b>1,723,091</b>	<b>1</b>	<b>1</b>

Source: GOVERNMENT OF NIGERIA, *Report of the Director of Audit on the Accounts of the Government of Nigeria for the years 1951–1960*, Lagos 1960.

### Office of the Financial Secretary

Although the ultimate accountability and prudential burden rested on the Governor's office, but the office was not the only one saddled with the task of ensuring that public resources were prudently applied to productive purposes. The Financial Secretary's Office was by far, the greatest engine-room for drafting budget proposals and for aggregating and articulating the financial demands from all government departments. It, too, had great responsibility to enforce the rules of prudence on civil servants and to demand accountable behaviours from them. For example, the Financial secretary was empowered to write-off and, he actually wrote-off several times, huge sums of irrecoverable funds occasioned by theft, fraud, forged vouchers and loans and advances that were given to public officials who had either died without repaying the loans or absconded.<sup>21</sup> It was the Financial Secretary that had the usual authority to issue warrants for the withdrawal of monies from the Consolidated Revenue Fund and not the Governor.<sup>22</sup> Except for the purposes of debt amortization, the Governor could not issue such warrants without the concurrence of the Financial Secretary.<sup>23</sup> This was a built-in checks and balances measure designed to prevent the possibility of any one single colonial official from unilaterally dealing with public funds for whatever purpose howsoever reasonable.

In addition, it was the duty of the office of the Financial Secretary to receive, make comment thereon and transmit to the Director of Audit, the *Report of the Accountant General of Nigeria Together with Financial Statements* for

<sup>21</sup> See for example, GOVERNMENT OF NIGERIA, *Report of the Accountant-General with Financial Statements for the Year Ended, 31st March 1959*, Lagos 1959, p. 212.

<sup>22</sup> See GOVERNMENT OF NIGERIA, Finance (Control and Management) Act, 1958, sections 3 and 6(1–2), in: *Laws of the Federation of Nigeria*, Chapter 144, Lagos 1990.

<sup>23</sup> *Ibid.*, section 6(3).



every financial year.<sup>24</sup> Nigeria's financial year was a twelve-month period which, from 1914 until 1960 always began on the 1<sup>st</sup> day of April and ended on the 31<sup>st</sup> day of March of the following year.<sup>25</sup> The comments made on such reports were of extreme importance to the fulfilment of the prudential guidelines earlier mentioned. The statements must as a matter of law, always show the debt portfolio of Nigeria, the status of receipt into and disbursement from the Consolidated Revenue Fund.<sup>26</sup> They must also reveal whether monies spent actually exceeded or was less or equal to approved amounts. And, as stated earlier, the financial comments of the Financial Secretary must reflect the different amounts written-off as losses to government and on whose authority they were either written-off or charged to the Consolidated Revenue Fund.<sup>27</sup> Ample evidences reveal that the Financial Secretary, just like the Governor but before auditing, always wrote-off irrecoverable loans and advances and loss of petty cash in Ministries and Departments. For example and in the fiscal years 1954/55, 1956/57, 1958/58 and 1959/60, separate sums of £10,335-14s-7d,<sup>28</sup> £53,131-1s-3d,<sup>29</sup> £46,548-9s-0d<sup>30</sup> and £58,121-7s-6d,<sup>31</sup> respectively, were written-off under the authority of the office Financial Secretary.

### Office of the Accountant-General

Although the issuance of warrants authorising all expenditure activities belonged to the office of the Financial Secretary, the actual disbursement of funds in fulfilment of the directives of such warrants was entrusted to the office of the Accountant-General of Nigeria. Although the office was not dignified with any direct or express constitutional mentioning as

<sup>24</sup> See GOVERNMENT OF NIGERIA, Audit Ordinance, 1956, in: *Laws of the Federation of Nigeria and Lagos*, Chapter 17, Lagos 1958.

<sup>25</sup> A. O. OGUNYEMI, *Federal Budgets in Nigeria, 1954-1999: A History of the Processes, Policies and Problems*, University of Lagos 2008, Ph.D. Thesis, p. 81.

<sup>26</sup> Audit Ordinance, 1956, section 13(2)(a-d).

<sup>27</sup> See GOVERNMENT OF NIGERIA, *Report of the Accountant-General with Financial Statements for the Year Ended, 31st March 1959*, Lagos 1959, p. 212, statement No. 28.

<sup>28</sup> See GOVERNMENT OF NIGERIA, *Report of the Accountant-General with Financial Statements for the Year Ended, 31st March 1955*, Lagos 1955, p. 134.

<sup>29</sup> See GOVERNMENT OF NIGERIA, *Report of the Accountant-General with Financial Statements for the Year Ended, 31st March 1959*, Lagos 1957, p. 100.

<sup>30</sup> See for example, GOVERNMENT OF NIGERIA, *Report of the Accountant-General with Financial Statements for the Year Ended, 31st March 1959*, Lagos 1959, p. 212.

<sup>31</sup> See GOVERNMENT OF NIGERIA, *Report of the Accountant-General with Financial Statements for the Year Ended, 31st March 1960*, Lagos 1960, p. 110.

those of the Governor and the Financial Secretary in any of the constitutions enacted for Nigeria from 1914 to 1960, but it was nonetheless an important office in the hierarchy of administrative structures and authorities for the control of Nigeria's finances. At any rate, it was specifically mentioned and roles allocated to it in the 1956 Audit Ordinance and in the Finance (Control and Management) Act of 1958. A clear evaluation of the functions of the Accountant-General's office will show that in practical terms, it was a sort of financial gatekeeper for colonial Nigeria. The two laws and procedures on the fiscal administration of the country conferred on the occupier of the office, the duties of ensuring that all disbursements from the Consolidated Revenue Fund were strictly made in accordance with the appropriate expenditure warrants issued by the Financial Secretary and the expenditure vote contained in government budget.

In addition, after the creation of the Central Bank of Nigeria in 1958, it became a major duty of the Accountant-General to keep and maintain government revenues with the Bank and to report on the same to the Director of Audit. In effect, the Accountant-General was the manager of all the accounts of the government kept with the bank including accounts in respect of endowments and special funds set up for all federal projects.<sup>32</sup> The office was also imbued with the authority to apply and supervise compliance with government Financial Regulations and the Public Funds of the Federation (Disbursement) Rules.<sup>33</sup>

However, the Accountant General had no authority to disburse funds without prior written approvals. But he could, in good judgment, delay the release of funds if such a release would injure the rules of accountability enshrined in the Audit Act of 1956, namely when the disbursement would have the effect of paying for services or products which had not been included in an approved budget.<sup>34</sup> Thus, when warrants were addressed to the Accountant-General, it was his duty to cross-check whether it was in furtherance of an approved expenditure vote or not otherwise, he could be held culpable of a breach of extant laws on fiscal accountability. Hence, the Accountant-General had the onerous responsibility not only to ensure that moneys were disposed of as approved but that they were applied to approved purposes contained in relevant appropriation Acts.

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<sup>32</sup> GOVERNMENT OF NIGERIA, Finance (Control and Management) Act, Lagos 1958, section 10(1)(2)(a-c).

<sup>33</sup> These rules were made pursuant to the Finance (Control and Management) Act of 1958.

<sup>34</sup> *Ibid.*, section 13(1).

That was the reason why the law, especially the Audit Act imposed on the Accountant-General's office, the duty of preparing statements of accounts of revenue and expenditure detailing total accrual to and disbursement from the Consolidated Revenue Fund.<sup>35</sup> The office must do this within six months after the expiration of a financial year to which such statements referred.<sup>36</sup> The statements were to be submitted to the Director of Audit, who would report on them accordingly.

### **Office of the Director of Audit**

The office of the Director of Audit is today known as the office of the Auditor-General for the Federation of Nigeria.<sup>37</sup> The change in nomenclature was effected under the 1979 constitution and affirmed under the extant 1999 constitution (as amended).<sup>38</sup> The office of the Director of Audit for the colonial government of Nigeria was set up in 1922 as a department in the office of the Director-General of the British Overseas Audit Service.<sup>39</sup> But the duties and the authority connected to it was not domesticated under Nigerian laws until 1956 when Nigeria had its first domestic legislation on public accounts auditing, that is, the Audit Ordinance of 1956.<sup>40</sup> By the provisions of the legislation, all public revenues and expenditure were directed to be reported on and be audited by the Director of Federal Audit. The Ordinance stipulated in clear terms, what the duties, functions and powers of the Director of Audit should be and the place of his office in the accountability framework for Nigeria's federal finance. It stipulated: "*The Director of Federal Audit shall on behalf of the House of Representatives inquire into and audit under general supervision of the Overseas Audit Service, the account of all accounting officers and of all persons entrusted with the collection, receipt, custody, issue or payment of federal public moneys, or with the receipt, custody, issue, sale, transfer or delivery of any stamps, securities, stores, or other property of the Government of the Federation: Provided that except where the provisions of section 8 apply, the Director of Audit shall only inquire into and audit*

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<sup>35</sup> GOVERNMENT OF NIGERIA, Audit Ordinance, Lagos 1956, sections 13(1-2) and 14(1).

<sup>36</sup> *Ibid.*, section 13.

<sup>37</sup> GOVERNMENT OF NIGERIA, *Constitution of the Federal Republic of Nigeria, 1999*, Lagos 1999, section 85(1).

<sup>38</sup> Compare this with the *Constitution of the Federal Republic of Nigeria, 1979*, Lagos 1979, section 79(1) and *Constitution of the Federal Republic of Nigeria, 1999*, section 85(1).

<sup>39</sup> Audit Ordinance, 1956: section 2.

<sup>40</sup> CHAPTER 17, *Laws of the Federation of Nigeria and Lagos, 1958*.

*the accounts of a Regional Officer so far as those accounts relate to the Federal Public moneys or other property of the Federation.*"<sup>41</sup>

Thus, the Audit Act conferred on the Director of Audit from 1956, the powers and functions of reporting on the provisions and use of public money and other assets of government by all account officers at the federal level. But the Director could not except when federal moneys especially in the form of grants-in-aid to the Regions were concerned, audit or report on the accounts of Regional Governments.<sup>42</sup> His primary jurisdiction being limited to the federal level of governance. It is important to state that the Audit Ordinance of 1956 is now referred to as the Audit Act, 1956 and has remained since the year of its enactment up till today as Nigeria's only law on government auditing without any repeal, re-enactment or amendment whatsoever.

### **Impact of the Administrative Structures on the Duty to Ensure Prudence and Accountability**

Although it cannot be validly claimed that the level of official corruption due to imprudent use of public assets was on a scale that fundamentally derailed public expenditure plans, but there were clear cases of theft, fraudulent encashment of cheques and failure to report accurately on the use of public resources that the structures blatantly failed to arrest. Clear evidences from official records especially those of the Director of Federal Audit and the Accountant-General reveal huge cases of fraud and theft to include among others, cases of embarking on expenditure without recourse to warrants or even in default of appropriation,<sup>43</sup> exceeding expenditure limits without approval,<sup>44</sup> illegal virement of funds,<sup>45</sup> non-retiring of unexpended funds,<sup>46</sup> destruction of or alleged disappearance of vouchers,<sup>47</sup>

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<sup>41</sup> Ibid., section 7(1).

<sup>42</sup> Ibid.

<sup>43</sup> See for example, GOVERNMENT OF NIGERIA, *Report of the Director of Federal Audit on the Accounts of the Government of the Federation of Nigeria for the Year Ended 31st March 1954*, Lagos 1954, paragraph 41.

<sup>44</sup> Huge cases of this are contained in the *Report of the Director of Federal Audit on the Accounts of the Government of the Federation of Nigeria for the Year Ended 31st March 1959*, Lagos 1959, paragraph 112.

<sup>45</sup> See *Report of the Director of Federal Audit*, 1956, paragraphs 40 and 45.

<sup>46</sup> Ibid. It should be note however, that the legal basis for retiring unspent funds to treasury was laid by section 16 of the Finance (Control and Management) Ordinance 1958.

<sup>47</sup> See *Reports of the Director Federal Audit*, 1954 (paragraph 22) 1955 (paragraph 26) and 1956 (paragraph 46). See also, the GOVERNMENT OF THE FEDERATION OF

utter disregard to extant rules on financial prudence<sup>48</sup> and outright theft of public moneys.<sup>49</sup> However, the most notable cases of failure by the supervisory agencies to instil the rules of accountability in civil servants and arrest corruption were in the areas of public officials making expenditure either without due budgetary approval or in excess of it. They also failed to ensure that account officers adhered to extant rules on transmitting documentary evidences of purchases and payments made by them (the most important being receipt and payment vouchers), to the appropriate authorities for checking and validation. This transmission was the most important aspect of the prudential guidelines for reporting on the correct use and direction of government funds.

It is trite to say that the laws on the public finances of Nigeria under colonial rule forbade the application of funds to projects that were not expressly provided for in the budget. The most fundamental part of these laws was the provision in the 1954 Constitution on financial appropriation which provided that: “No monies shall be withdrawn from the Consolidated Revenue Fund or from other public funds of the Federation except on the authority of a warrant issued by the Governor-General or the Minister responsible for finance. No warrant should be issued for the purpose of meeting expenditure unless that expenditure had been authorised by a law enacted by the Federal legislature.”<sup>50</sup>

There was also the Finance (Control and Management) Act of 1958, which prohibited any expenditure which had not been backed by a ministerial warrant. But despite these laws, colonial officials still incurred expenditure in default or in excess of approved budgets. For instance, in the 1951/52, 1953/54, 1955/56 and 1957/58 fiscal years, senior civil servants and public officials spent without approval, the separate sums of £2,291–15s–6d,<sup>51</sup> £118, 448–5s–0d,<sup>52</sup> £915,114–11s–6d<sup>53</sup>

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NIGERIA, *First Report from the Public Accounts Committee of the House of Representatives Session 1964/1965*, National Archives Ibadan, File. No NA1/ NLI H4, pp. 10–14.

<sup>48</sup> See *Report of the Director of Federal Audit*, 1958, paragraphs 89 and 113.

<sup>49</sup> Cases like this are replete in all the Reports filed by the Director of Federal Audit from 1950–1960. See for example, the *Report of the Director of Federal Audit*, 1962, paragraphs 13, 15 and 17 and *Report of the Accountant-General of the Federation*, Lagos 1956, pp. 6–14.

<sup>50</sup> GOVERNMENT OF THE FEDERATION OF NIGERIA, *Nigeria Constitution (Order in Council) 1954*, Lagos 1954, section 154(1–2).

<sup>51</sup> GOVERNMENT OF NIGERIA, *Report of the Director of Federal Audit*, 1952, paragraphs 10–12.

<sup>52</sup> GOVERNMENT OF NIGERIA, *Report of the Director of Federal Audit*, 1954, paragraphs 8–17.

<sup>53</sup> GOVERNMENT OF NIGERIA, *Report of the Director of Federal Audit*, 1956, paragraphs 10–33.

and £7,207,356–0s–0d,<sup>54</sup> respectively. In fact, it has been shown that Nigerian colonial authorities spent without any approvals a total of £26,174, 934–13s–2d, which accounted for 11.87% of the total capital expenditure of £178.1 million expended by the same authorities from 1951 to 1960.<sup>55</sup> This means that the supervisory authorities such as the Governor and the offices of the Accountant-General and that of the Director of Audit failed to prevent such huge financial irregularity which devalued the rules of prudence and accountability during the period.

Again, on the issue of the failure of the supervisory authorities to ensure prudence, many vouchers, such as payment vouchers, receipt and adjustment vouchers, by which government transactions and the use of funds could be traced and accounted for were either reported “missing”, destroyed or “disappeared”.<sup>56</sup> No records either in those of the Accountant-General’s or in the Director of Audit’s office existed showing that officials who caused or negligently acted in a way that led to the disappearance of the vouchers were sanctioned. Huge numbers of vouchers were reported lost or missing in virtually all departments of the colonial government. In the 1953/54 fiscal year alone, 1,143 vouchers were reported “missing”<sup>57</sup> while a year earlier (1952/53), a total of 1,596 vouchers “disappeared” without a trace.<sup>58</sup> This fact again signifies a major failure of the supervisory ministries to discourage the loss of financial records and to bring indicted officers to book.

However, many reasons accounted for the failure of the supervisory authorities especially the Accountant-General and the Director of Audit to checkmate the abuse of the financial process and to ensure that extant laws on fiscal prudence were enforced. The most significant reasons were: (i) failure to or dilatoriness in prosecuting indicted officials (ii) insufficient legal basis on which the anti-corruption structures could exert authority to prevent or sanction corrupt acts (iii) destruction of or failure to supply the required evidence that could be used to validly establish a case of corruption against officials accused of corruption and (iv) the relatively small amounts involved in cases of theft and fraud vis-à-vis the legal cost of securing conviction for such theft and fraud.

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<sup>54</sup> *Report of the Director of Federal Audit*, 1959, paragraphs 9–12.

<sup>55</sup> OGUNYEMI, p. 434, table 7.1.

<sup>56</sup> See for example, *Report of the Director of Federal Audit*, 1956, paragraph 37.

<sup>57</sup> GOVERNMENT OF NIGERIA, *Report of the Director of Federal Audit*, 1954, paragraph 24.

<sup>58</sup> GOVERNMENT OF NIGERIA, *Report of the Director of Federal Audit*, 1953, paragraph 40.

Nigerian colonial authorities had a very unsalutary history of delays in sanctioning or prosecuting cases of theft of public funds and negligence occasioning losses to public assets. Therefore, very little (if any) lessons were learnt by public officials on the need to prudently apply public resources. Four instances will illustrate this point very vividly. First, in April 1950, a case of theft of petrol at the Public Works Department, Bamenda, occurred.<sup>59</sup> It was duly reported. The petrol was estimated to be worth the sum of £104–8s–6d.<sup>60</sup> But the matter was not brought to the notice of the Accountant-General by the storekeepers until September 1951. However, due to further delays in apprehending and sanctioning the alleged thief, the culprit escaped.

A board of enquiry was constituted to investigate the matter and to make recommendations. The Board reported on the case in March 1952, recommending that an officer in the Public Works Department should be surcharged for the loss and for allowing the alleged thief to escape. The surcharge was not imposed until July 1953.<sup>61</sup> The officer appealed against it in September 1954. When the matter was brought before the Financial Secretary for his administrative decision on the surcharge in 1954, the matter had delayed for almost three years. The Financial Secretary, who refused to allow the surcharge on the indicted officer considered that the matter had been allowed to delay for too long and that the justice of the matter required that such a delay annul any sanction that might be levied after it. Thus, he ordered that the surcharge be quashed because as he said: “[...] *there were mitigating circumstances on several grounds, one of which was dilatoriness of the Public Works Department in handling the case.*”<sup>62</sup> In other words, a case of theft clearly established in 1950, dragged until 1954 before a third-party (who ostensibly was not found guilty of the actual theft) could be recommended as a scape-goat for sanctioning when the actual thief was allowed to escape due to delays in apprehending him.

Second, there was also the case of a theft of the sum of £44–6s–6d at the Inland Revenue Office, Ebute-Metta by a staff of the office in November, 1953.<sup>63</sup> The matter was neither reported to the Accountant-General who should know of it, nor immediately to the police which had the duty to arrest and arraign the accused for prosecution. The accused was not arrested

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<sup>59</sup> GOVERNMENT OF NIGERIA, *Report of the Director of Federal Audit*, 1954, paragraph 11.

<sup>60</sup> *Ibid.*

<sup>61</sup> *Ibid.*

<sup>62</sup> *Ibid.*

<sup>63</sup> *Report of the Director of Federal Audit*, 1955, paragraph 7.

until 12<sup>th</sup> July 1955 and even after that, the charge against him was struck out on the 6<sup>th</sup> of July that year for want of evidence.<sup>64</sup> A Board of Enquiry which should have investigated the matter and supplied the evidence was never set up by the Commissioner of Income Tax under whose jurisdiction the case fell. Subsequent attempts to re-arrest the accused failed, and the theft went without being redressed.

Third, there was a case of theft of government property established in audit in 1953. The theft was committed through a break into government quarters at Yaba, Lagos. It was a very common problem in the 1950s up to the time of independence in 1960, for unauthorised persons to break into government quarters stealing furniture.<sup>65</sup> And, as it increasingly became clear that the decolonisation process was irreversible from the mid-1950s, the practice intensified. Several of such cases were reported on by the Director of Federal Audit in those years leading to independence. A particularly reprehensible case occurred in 1953 which the Director of Audit mentioned in his 1954 Audit Report because of the significance of the theft and the value of the properties involved which was more than £1,500. This case was neither investigated nor reported to the police despite the audit alarm raised.

Fourth and lastly, there was another interesting case of misappropriation of a relatively smaller amount of money than shown in our preceding discussions. But the issue was not about the size of the sum involved but the utterly condemnable dilatoriness and perhaps attempts at covering up a glaring case of fraud committed by a government official. On the 13<sup>th</sup> of October 1954, a loss due to fraudulent embezzlement of the sum of £5-3s-6d occurred at the Massey street Dispensary (Medical Department), Lagos.<sup>66</sup> A Board of Enquiry was not constituted to probe the fraud until January 1955. The report of the enquiry which clearly established a case of fraud against the culprit officer was not forwarded to the Accountant-General until August 1955.<sup>67</sup> The report remained with the Accountant-General until January 1956 when it was finally forwarded to the Federal Public Service in April of the same year for its action. By that time, the fraud case had been delayed for a period of one and half years. "Justice delayed", according to an established aphorism

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<sup>64</sup> Ibid.

<sup>65</sup> Ibid., paragraph 14. The break-in involved 13 government quarters at Yaba, Lagos.

<sup>66</sup> *Report of the Director of Federal Audit*, 1956, paragraph 17.

<sup>67</sup> Ibid.



in judicial practice, is “justice denied”. Thus, the chairman of the Federal Public Service Commission, declining to surcharge the amount to the indicted officer, blamed the offices of the Accountant-General and the Medical Department for the delay in doing justice to the matter for a period of 18 months. He said: “*Some of the delays in this case are without explanation. I consider it essential that steps be taken to speed up these cases of losses of public funds and assets.*”<sup>68</sup> Apart from objecting to the recommendation of the Board on surcharging the indicted officer on grounds of delay, the chairman also pointed at the small amount involved as a reason for his regarding the matter as trivial and should therefore be written-off at state expense. It was so done.

Another major cause of failures in enforcing the rules of accountability and prudence by the supervisory administrative institutions established for that purpose during colonial rule was the very insufficient or weak legal basis upon which their administrative powers were based. The Accountant-General of Nigeria, apart from being the person who had the authority to provide cash-backing to government expenditure was no more than a clerk of the Financial Secretary. Legal and administrative provisions only conferred huge responsibilities on him but failed to buttress these responsibilities with the right quantum of authority with which he could wield enough influence and power to supervise compliance with the rules of accountability stipulated in the relevant laws. He only received warrants from the secretary but could not query or refuse to direct the issuance of money in fulfilment of the directives contained in the warrants. Thus, his functions were almost purely routine with little powers to sanction his officers for dereliction of duty or corruption. Although he could set up a board of enquiry to investigate infraction of the fiscal laws guiding proper accounting of government funds, he could not discipline any erring officer. That authority was conferred by law on the Federal Public Service Commission. In fact, the office of the Accountant-General enjoyed no constitutional mention let alone empowerment throughout the one-hundred years of colonial rule in Nigeria.<sup>69</sup> Hence, the office, unlike those of the Governor-General or the Financial Secretary or even the Director of Audit only operated

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<sup>68</sup> Ibid.

<sup>69</sup> Even in the current *Constitution of the Federal Republic of Nigeria, 1999* (as amended), the office of the Accountant-General of the Federation has no direct functions and powers allocated to it.

based on subsidiary legislations or administrative orders issued by way of circulars.

The fact of insufficient legal foundations upon which some of the administrative structures rested particularly the non-constitutional backing of the office of the Accountant-General greatly delimited the ability and the extent of authority that the office could wield. As a matter of fact, it was only at the concluding part of colonial rule in Nigeria and specifically in 1958, that a law tangentially recognising the office was enacted.<sup>70</sup> Even at that, the law – the Finance (Control and Management) Act, 1958 – only referred to certain duties that the office of the Accountant-General should perform.<sup>71</sup> It failed to confer on it the necessary and definite powers by which it could ensure discipline and accountability by all account officers who had the duty of managing the finances of Nigeria and who reported to him. The effect of this on the whole fabric of Nigeria’s accountability framework as enshrined in the 1954 constitution (as amended in 1958) was that the Accountant-General could not effectively bring to book any officer who defrauded government.

Again, even the Director of Audit whose office had been in existence since 1922, did not have any constitutional backing for his office or the duties assigned thereto until independence in 1960. Although a law was enacted in 1956 – the Audit Ordinance – by which the Director of Audit was conferred with the functions and powers to “*inquire into and audit the accounts of all account officers and of all persons entrusted with the collection receipt, custody, issue or payment of Federal Public moneys*”,<sup>72</sup> and whereas the law empowered him to “*call on any Federal or Regional Officer to furnish forthwith any explanations or information which he may require to enable him to discharge his duties*”,<sup>73</sup> the same law delimited these powers in many other respects that had the effect of stopping the Director of Audit from enforcing the rules of accountability. At any rate, it baffles one why colonial authorities had to wait until the concluding part of their rule before such an important administrative structure for accountability could be legislated into existence.

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<sup>70</sup> This was the Finance (Control and Management) Ordinance (now designated as Act of the National Assembly). See CHAPTER F26 *Laws of the Federation of Nigeria*, 2004.

<sup>71</sup> Such as managing the “investment general” of Nigeria. See Finance (Control and Management) Ordinance, 1958, section 12(1 and 2).

<sup>72</sup> Audit Ordinance, 1956, section 7(1).

<sup>73</sup> *Ibid.*, section 12.

However, although the Director of Audit had the legal basis to probe and report on any infraction of the fiscal laws of the country beginning in 1956, he had no power to either surcharge any unjustifiable loss or reprimand or sanction any fraudulent official for failing to follow laid-down prudential guidelines. That is, whereas the law imposed the duty to investigate any officer of government on the use of public moneys, it however failed to grant him special prosecutorial powers or at least, the power to sanction by way of a surcharge any officer who brought unjustifiable loss to government treasury by his conduct. Second, the law also failed to protect the Director of Audit from possible victimisation or harassment by those he was required by law to investigate. For example, the law failed to secure his tenure of office, because his appointment was held at the pleasure of the Governor who could determine it at anytime.<sup>74</sup>

In addition, although the Director of Audit had the duty to submit his report to the Nigerian Parliament under the law, the law failed to show or provide any time-frame within which the recommendations contained therein should be acted upon and the type of punishment that should be levied on any official found culpable of corrupt acts. Finally, whereas the Audit Ordinance provided that reports of irregularities discovered in the application of public resources should be made either to the Governor-General or the Minister responsible for finance,<sup>75</sup> it fails to show or resolve the contradiction as to what happens when the irregularities was committed by either the same Governor or the Minister of finance. Because this would mean that either the Governor or the Minister would have the duty and power to preside over their own cases. A condition that is utterly abhorrent to the principles of fairness, justice and equity. The total of the effects of all these legal deficiencies in the Audit Ordinance of 1956 was that the Director of Audit never really had the powers to arrest, sanction or even bring to justice any account officer discovered to have corruptly or negligently dealt with public resources.

Another major reason why the administrative structures failed to block many corrupt acts from being committed on government accounts was the destruction or “disappearance” of vital statutory records that could be used as evidences in prosecuting corrupt or negligent officials and thereby dissuading any further misuse of power and corrupt behaviours. These records included the *Annual Financial Statements of Nigeria*, which

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<sup>74</sup> Ibid., section 4(1).

<sup>75</sup> Ibid., section 9(3).

the law compelled the Accountant-General to prepare on the financial transactions of Nigeria detailing statements of revenue, expenditure, debt payments, assets and liabilities. Other records included those dealing with the direct purchases of and receipts by government in the form of payment vouchers, receipt vouchers and so forth.

Many cases were established in audit that these vital records, without which no corrupt acts could be validly detected or proved in the court of law, were either not transmitted as at when due or were reported to have “disappeared” or “missing”. A very good example was the proven case of the financial reports for the fiscal years 1951/52, 1952/53 and 1953/54 which, as at the 31<sup>st</sup> of March 1954, had not been transmitted by the Accountant-General to the Director of Federal Audit for perusal and investigation.<sup>76</sup> The Director of Audit who had no power under the Audit Ordinance or the Finance (Control and Management) Act to compel the Accountant-General to submit the reports to him only contented himself with complaining bitterly of this dereliction of duty in his 1954 Audit Report.<sup>77</sup> We have already shown how such delays could and did frustrate the attempts at bringing to justice any corrupt behaviour and their perpetrators. But nowhere in the laws cited above was the refusal by the Accountant-General to submit financial statements made punishable. This loophole was exploited by the Accountant-General to the fullest throughout the period under review.

With regards to the failure to keep and on demand, present other official records (such as vouchers) evidencing government financial transactions apart from the annual financial statements referred to above, the office of the Accountant-General also failed woefully to follow the due process of public accountability. Thousands of payment, receipt and adjustment vouchers were reported as either “missing or “disappeared” by the office and several other departments of government without any justification whatsoever.<sup>78</sup> With “disappeared” vouchers, the Director of Audit could really not properly establish in audit the actual cause(s), source(s) and the person(s) responsible for either the misuse or theft of most of government assets especially cash. But the loss or disappearance of vouchers continued for many years with grave consequences for

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<sup>76</sup> *Report of the Director of Federal Audit, 1954*, paragraph 7.

<sup>77</sup> See for example *Reports of the Director of Federal Audit, 1954* (paragraphs 7 and 14), 1956 (paragraphs 7 and 8) and 1959 (paragraph 6).

<sup>78</sup> *Report of the Director of Federal Audit, 1955*, paragraph 27.

government financial assets. For example, and as shown in table 2 below, between the years 1940–1952, a total of 13,019 vouchers of different types were reported missing and could not be traced.<sup>79</sup> The vouchers concerned the payment of a total of £89,015 by government which could not be satisfactorily established in audit during the period.

Again and specifically in the fiscal years 1952/53, 1953/54 and 1954/55, separate sums amounts of vouchers that were reported “disappeared” as shown in table 2 below were: 1,596, 1,143 and 468, respectively, or a total of 3,207 disappeared vouchers in those three fiscal years. Although the number of vouchers that were reported missing without a single trace in 1955/56 was considerably less than one-thirds of those reported missing in the 1952/53 fiscal year, but even at that, to declare that 527 payment vouchers could not be found in the former fiscal year was still sufficiently serious enough to derail accurate financial reporting. Such cases of missing financial records also required that government set up a committee/panel to probe the issues of missing vouchers. Although the government considered it apt to constitute such a panel in 1955 when cases of missing vouchers had reached an alarming level especially when some vouchers concerning the accounts of the Colonial Welfare and Development Scheme, involving the sum of £32,000 were reported missing, it never really did until independence was achieved in 1960.<sup>80</sup> The colonial government just simply refused to constitute the right panel to investigate why those sensitive government financial records could be said to have “disappeared” and who ought to be responsible for their safe-keeping. In fact, in his 1956 annual report, the Director of Federal Audit, Mr J. W. H. Allen had cause to remind the government of its duty to accountable governance when he urged it to urgently constitute a committee/panel to probe the issue of missing vouchers. Mr. Allen had written: *“The committee to consider the question of outstanding vouchers has still not been appointed. The matter was further discussed at the Public Accounts Committee in 1956, and it was agreed that the committee should be set up in the near future. There are still large numbers of vouchers outstanding from previous years which searches have failed to produce. The matter has now reached stalemate owing to the delay in convening the committee. One most important aspect of this problem is the question of missing payment vouchers for colonial Development and Welfare expenditure [...] unvouched payments charged to Colonial Development and Welfare Schemes total*

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<sup>79</sup> *Report of the Director of Federal Audit, 1954, paragraph 19.*

<sup>80</sup> *Report of the Director of Audit, 1956, paragraph 37.*

*about £32,000. It is possible that if these vouchers are not produced, the Secretary of State will disallow the reimbursable part of this sum [...].*<sup>81</sup>

**Table 2: Missing Vouchers, 1940–1959**

S/N	Fiscal Year	Number of vouchers
1	1940/41–1952	13,019
2	1952/53	1,596
3	1953/54	1,143
4	1954/55	468
5	1955/56	527
6	1956/57	510
7	1957/58	601
8	1958/59	2,000
	<b>Total</b>	<b>19,864</b>

Source: GOVERNMENT OF NIGERIA, *Report of the Director of Federal Audit on the Accounts of the Government of Nigeria for the Years 1954–1959*, Lagos (Various Years).

In all, a total of 19,864 vouchers were declared missing and could not be produced even after several searches of government safes from 1940 to 1959.

However, the Director of Audit was able to link the issue of missing vouchers to an illegal practice by bureaucrats and senior colonial officials of flagrantly flouting the law tying all government expenditure to an approved budget and specific warrant. The extant law on this (section 154 of the 1954 Constitution cited earlier), forbade any civil or public servant from embarking on expenditure without the appropriate warrant sought and obtained from either the Minister of Finance or the Governor of Nigeria.<sup>82</sup> Apart from the fact that they exceeded their expenditure votes routinely, the Director of Audit found that they also succeeded in spending monies on projects that had not been approved at all in utter disregard of the same section 154 of the 1954 constitution. It was also reported that they hid the vouchers in respect of such transactions. In the 1958/59 fiscal year alone, a total of £5,793,815–6s–2d was spent

<sup>81</sup> *Report of the Director of Federal Audit*, 1956, paragraphs 36 and 37.

<sup>82</sup> It was mandatory under section 6(1 and 2) of the Finance (Control and Management) Ordinance of 1958 for warrants to be obtained from the Minister responsible for finance before any expenditure was made.

in this way without warrant either from the Minister of Finance or the Governor.<sup>83</sup>

Table 3 below shows the departmental and sectoral distribution of such illegal expenditure and the Heads of expenditure to which they specifically related. The table also shows that Federal expenditure which consumed the highest unapproved and non-warranted amount of £2,253,427-05-10d was the Development Fund Account.<sup>84</sup> That amount was used in financing government capital project of which the Colonial Welfare and Development Schemes constituted a major proportion. However, the highest amount of non-warranted expenditure of £2,795,807-6s-9d which was not expenditure on any federal project was made up statutory transfers to Regional Governments in the same year. The least amount of non-warranted expenditure of £4,490-16s-8d was spent on the Medical Services Department. All these evidences of unapproved expenditure point to a failure to stick to extant rules on financial prudence during colonial rule. They also show the extent to which the administrative structures and supervisory authorities on government finances failed to ensure accountability in the use of government resources.

**Table 3: Monies Spent Without Warrant (1958/59 Fiscal Year)**

S/N	Head of Expenditure	Ministry/Department	Amount (£)
1	34	Education	8,590-6s-6d
2	38	Finance	24,397-9s-0d
3	42	Statistics	5,661-7s-6d
4	46	Medical	4,490-16s-8d
5	81	Miscellaneous	701,440-18s-11d
6	82	Development Fund	2,253,427-0s-10d
7	83	Statutory appropriation to Regional Governments	2,795,807,6s-9d
<b>Total</b>			<b>5,793,815-6s-2d</b>

Source: GOVERNMENT OF NIGERIA, *Report of the Director of Federal Audit on the Accounts of the Federation of Nigeria for the Year ended 31<sup>st</sup> March, 1959*, Appendix II, p. 24.

<sup>83</sup> *Report of the Director of Federal Audit*, 1959, p. 24, appendix II.

<sup>84</sup> The Development Fund Account was created for Nigeria on 1<sup>st</sup> April 1956. The account on that date, established for the first time in Nigeria's financial history, a specific capital projects fund from which the capital side of the federal budget could be financed.

## Summary and Conclusions

The government of Colonial Nigeria did not fail to create veritable administrative and supervisory authorities for the prudential management of public resources. The authorities were required to enforce certain prudential guidelines for the prevention of corruption and the avoidance of financial losses. But the administrative structures, chief among which were the offices of the Governor-General, Financial Secretary, as well as those of the Accountant-General and the Director of Federal Audit were grossly ineffective in ensuring that civil or public servants obeyed their prudential guidelines in many respects and that they were accountable in the use of public resources. Many of the departments of government refused to comply strictly with extant rules on the remittances of appropriate financial transcripts and other documentary evidence such as payment vouchers through which non-accountable conducts could be traced and sanctioned. Apart from this, even the laws that were made to compel probity and financial prudence were by far too few and came too late to serve any useful purposes in effectively arresting and punishing fraud.

Even when the only two laws on the fiscal management of Nigeria were enacted in 1956 and 1958, colonial government had, in fact, begun to conclude its rule in Nigeria and since the laws had no retroactive effect, fraudulent acts committed before their enactment could not be brought to justice. Thus, whereas the Director of Audit complained vociferously about several non-accountable acts occasioning theft and fraud, very little was done by the supervisory authorities to bring the indicted officers to book. Although it was true that many of the incidences of theft and fraud involved small amounts of cash and stores of negligible value, but it would have served the cause of justice better if some of those acts, regardless of the cost of prosecution, were brought to justice to dissuade further theft and fraud. But it should be stated that even if the supervisory authorities had attempted to sanction every infringement of the laws on prudence, the fact that those laws particularly the Audit Ordinance of 1956 and the Finance (Control and Management) Ordinance of 1958 had no sufficient punitive measures to punish offenders further contributed to a culture of dilatoriness in bringing culprits to book. Thus, the authorities, especially the offices of the Governor-General and the Accountant-General merely resorted to writing-off losses to government due by theft and fraud particularly when the records that could be used to apprehend culprits were routinely declared “missing” or “disappeared”.