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# Impact of Federal Government Financial Regulations on Fraud Prevention in Nigeria's Federal Ministries

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**Abstract**

The study investigates the impact of financial regulations on fraud prevention in Nigeria's Federal Ministries. It aims to understand the effectiveness of current financial legislation in preventing fraud and protecting public funds. The research uses a survey research design and documentary analysis to obtain secondary data. The findings show that Nigeria's Federal Ministries have some extent of financial regulation, minimizing fraud incidents. Additionally, maintaining proper accounting records, such as books of accounts, has also been effective in minimizing fraud. This aligns with the financial regulation requiring Accounting Officers to maintain proper accounting records for all financial matters. The study suggests strengthening financial regulations by the Federal Government to address emerging fraud risks. Regular reviews and updates are necessary to ensure effectiveness in combating fraudulent activities. Robust internal control systems, including segregation of duties, authorization and approval processes, audits, and risk management practices, should be enforced within federal ministries. Comprehensive training programs on fraud prevention and financial regulations should be provided to employees, raising awareness about the consequences of fraudulent activities and the importance of adhering to established regulations.

***Keywords:*** Financial regulations, Fraud prevention, Maintenance of accounting, Nigeria's federal ministries.

## 1.0 Introduction

To combat financial fraud, authorities have ushered in a new era of financial accountability and probity. It's a method of keeping the government's finances in order by regulation or supervision that imposes constraints on ministries, departments, and agencies. Comprehensive provisions for the management of public finances can be found in the Constitution of the Federal Republic of Nigeria, which came into effect in 1999. Constitutional provisions

(Financial Regulation, Part 1:102) govern monetary transactions such as the deposit of funds into the Federation Account and the Consolidated Revenue Fund, the approval of transfers of funds between the Federation Account and the Consolidated Revenue Fund, the distribution of funds from the Consolidated Revenue Fund to the Development Fund and the Contingencies Fund, and the auditing of public accounts.

The history of official corruption and abuse of public funds in Nigeria justifies this provision (Daniel, 2013). The pervasiveness of corruption in Nigerian society has hampered the country's progress and damaged its international reputation (Daniel, 2013). It is the leading cause of inefficiency and waste in government operations in Nigeria (Achua, 2011). As a result, the country consistently ranks high on lists of the most corrupt nations. In 2022, for instance, Nigeria topped Transparency International's Global Corruption Perception Index a measure of public sector corruption as the most corrupt country in the world. Before that, in 1999, 2001, 2002, and 2003, Nigeria ranked second. The much-touted Index has not seen significant updates since then. In 2016, Nigeria received a score of 46.5 out of 100 on the Ibrahim Index of African Governance, which aims to evaluate the level of governance in African countries. Even with that, the score is higher than in both 2014 and 2015, so it's deemed an improvement. It has been hypothesized that misaligned government spending priorities contribute to the current economic downturn (Anochie & Duru, 2015). This study was prompted by an interest in learning how current financial restrictions prevent fraud in federal ministries.

Very little research has been done in the area of financial regulation and fraud prevention, especially in Nigerian federal ministries, and the research that has been done on the topic has not taken the appropriate methodological approach. For example, Fasua et al. (2016) examined the connection between financial control and fraud prevention in Nigeria's public sector, albeit the study only used documentary research design. James and Ibanichuka, (2014) in another study looked into the difficulties of fraud prevention and financial control in the banking sector. The study also relies documentary research design and its focus on private sector instead of public sector.

Nonetheless, despite the existence of financial restrictions, the public service has continued to be characterized by gross impunity in decision-making on problems affecting the nation's treasury (Maimako, 2005). Corruption at the highest levels of government is on the rise, and it seems to grow in tandem with the size and scope of the bureaucracies entrusted with handling taxpayer money.

According to Okpala (2012), Nigeria loses a significant amount of money every year due to various forms of financial fraud, which has serious repercussions for the country's economic growth and development. Some reports have revealed that the financial related fraud have cost Nigerians over N25.5 billion in just four years (Vanguard, 2023, June 8)

In light of this, the study sought to examine how Nigeria's federal ministries deal with fraud prevention in light of financial regulation.

It was decided to look into how well the Federal Ministries of Nigeria adhere to financial regulation, and whether or not keeping accurate books of accounts can help prevents fraud in the Federal Ministries, so that the researcher could assess the impact of financial regulation on fraud prevention in Nigeria. Toto achieve the aforementioned goals; the following research questions will serve as a roadmap. To what extent have the Federal Ministries applied and adhered to financial regulation? How much fraud has been prevented in Federal Ministries due the keeping of accounting records like books of accounts? This study therefore seeks to ascertain whether proper maintenance of accounting records has prevented fraud in Federal Ministries.

## 2.0 Literature Review

### *Financial Regulation*

Accounting techniques tailored specifically to the needs of detecting and preventing financial fraud are an integral part of financial regulation (Oyadonghan, 2018). According to Robertson (2016), financial regulation serves as a yardstick to guarantee that financial statements follow all mandated guidelines, regulations, and standards. Adams (2014) argues that the two main components of financial regulation are tax and spending policy. If a company's income can't be increased, then the paper argues that it should engage in a set of coordinated operations known as "revenue control." In contrast, spending control refers to the sequence of coordinated measures that must be taken to guarantee that all funds are spent only on approved projects. According to Robertson (2016), financial regulation encompasses all of the measures taken by an organization to guard against, detect, and remedy any fraudulent or otherwise questionable financial reporting. When it comes to accounting for financial transactions, financial controls are specialized tools that are deliberately designed to prevent and detect fraudulent activity (Oyadonghan, 2008). According to Robertson (2016), financial control is the mechanism by which businesses make sure their financial statements follow all mandated rules and laws.

### *Concept of Fraud*

Zimbelman and Albrecht (2012) define fraud as a broad concept that includes a wide variety of schemes that people can come up with to deceive one another. Methods of cheating another person by means of surprise, deceit, cunning, or unfairness fall under this category.

In a similar vein, based on the findings of Singleton and Singleton (2010), organizations or government agencies have a responsibility to define fraud, include it in an ethics or fraud policy, and require all employees to sign an admission of understanding and acceptance to abide by the policy.

Fraud is defined by Oyadonghan (2008) as the act of purposely misleading individuals for personal gain or profit. The Association of Certified Fraud Examiners (2008) identifies two categories of fraud: financial statement fraud and occupational fraud and abuse. Both of these types of fraud are illegal. While occupational fraud and abuse (employee frauds) refer to acts of using one's occupation for personal gain by stealing from or misusing one's employer's resources or assets, financial statement fraud refers to the intentional misrepresentation of financial reports through the intentional misstatement or omission of amounts or disclosure in financial statements with the intent to deceive users (ACFE, 2008)

***Fraud and Fraud Prevention***

Authors, academics, and researchers have all placed a distinctive perspective on what "fraud" meant. Embezzlement, financial misrepresentation and misappropriation, extortion, illicit amassing of money by dubious methods, acts of deception, bribery, false representation, theft, concealing of material fact, etc., have all been included in various definitions of the term. According to Osisioma (2013), fraud encompasses any of the creative ways in which one person seeks to unfairly benefit at the expense of another. Everything that is used to deceive another person falls under this category. Embezzlement, larceny, theft, and the misappropriation of assets are all examples of fraud.

Fraud is described as "deceit involving intentional distortion of the truth, misrepresentation, or concealment of a material fact with the intent to take advantage of another for one's gain at the expense of others" (Abdullahi & Mansor, 2014). In the landmark decision of Wells v. Zenz, fraud was defined as "any deception by which one person obtains an improper benefit at the expense of another" (Osisioma, 2013). Owolabi (2010) defines fraud as the deliberate misrepresentation of reality by an individual or organization for financial advantage.

***Fraud Prevention in Federal Ministries***

Weak internal controls in government agencies, the promotion of ethnicity and a lack of nationalism, and low wages in the civil service have all been linked to an increase in public sector fraud in Nigeria (Okoye & Gbegi, 2013; Gbegi & Adebisi, 2015; Bello 2011; Onuoral & Appah, 2012). In its 2014 study, the Association of Certified Fraud Examiners (ACFE) divided fraud into three broad types. Theft of assets, false reporting of financial results, and bribery fall into this category. Theft of inventory or cash, phony billing, and fraudulent payroll are all examples of asset misappropriation. When an organization's financial reports mislead its genuine operational profitability and financial condition, this is called financial statement fraud. The Enron and WorldCom scandals in the United States are prime examples. Corruption encompasses a wide range of wrongdoings, such as bribery, kickbacks, misuse of secret information, conflicts of interest, and bid-rigging.

Losses from fraud and financial malpractices in the Nigerian public sector are substantial, draining national resources and having far-reaching effects on growth and development (Bello, 2010). Every government ministry, department, and agency in Nigeria may be complicit in the widespread fraud that plagues the country (Appah & Appiah, 2010). Several researchers, including Karwai (2005), Modugu and Anyaduba (2013), Ojaide (2000), Kasum (2009), and Okoye and Akamobi (2009), have concluded that the alarming increase in fraud, embezzlement of funds, and money laundering activities in Nigeria, particularly in the public sector, is deeply troubling. Transparency International (2013) found that out of 177 nations, Nigeria is the 33rd most corrupt. In 2013, Nigeria ranked 144th on Transparency International's Corruption Perceptions Index. Former CBN governors Charles Soludo and Mallam Sanusi Lamido Sanusi have recently allegations of financial mismanagement and poor fiscal governance against the administration of former President Goodluck Jonathan. Both Lamido and Soludo claimed that the former minister of finance, Dr. Ngozi Okonjo-Iweala, had misappropriated $30 trillion in oil revenues (Vanguard, 2015). Punch (2015) claims that the previous government in Nigeria covered up the fact that former petroleum minister Mrs. Diaziane Allison-Madueke had $700 million in cash in her residence.

***Relevance of Accounting on Fraud Prevention***

Forensic accounting is the subfield of accounting that focuses on using accounting principles to detect and prevent fraud. Accounting, auditing, and investigation are all brought together in forensic accounting, according to Zysman (2004). Legal review accounting provides the highest level of assurance possible and is commonly understood to connote a methodical, evidence-based methodology (Crumbley, 2006). According to Coenen (2005), the field of forensic accounting makes use of accounting principles and methods. The requirement for reporting arises in situations where responsibility or fraud must be shown and the report must be admissible as evidence in a legal or administrative procedure (Joshi, 2003). It offers a court-ready accounting analysis that can be used as a foundation for debate and, eventually, a compromise (Zysman, 2004). As such, forensic accounting is concerned with the provision of evidence, particularly for legal purposes, and is considered a subfield of accounting. Individuals employed in the field of forensic accounting are responsible for investigating and documenting financial fraud as well as white-collar crimes such as embezzlement. In addition to this, professionals that specialize in forensic accounting investigate allegations of fraud, assess losses, damages, and assets, and analyze complex financial transactions. Businesses, law companies, departments of public safety, and other government bodies are some of the recipients of these services (Coenen, 2005). Their work is mostly focused on determining who is responsible for the loss of funds and tracking down those responsible so that they can hold them accountable. Instead of focusing on the numbers, students are instructed to keep their attention on the business realities (Zysman, 2004).

Forensic accounting services have not been in particularly high demand over the previous few decades because there has been a very consistently low level of fraud during that time period. However, the growing number of corporate scandals and the dissolution of corporate organizations (Izedonmi & Ibadin, 2012), which are largely caused by fraudulent activities of management and people in positions of managing public funds, have brought to light the significance of forensic accounting in reestablishing trust in the functioning of businesses. In the Nigerian public sector, where the majority of management of organizations is involved in some kind of financial scandal, the value of forensic accounting in finding fraud is incontestable.

To ensure a better world economy free of fraud, Ozkul & Pamukc (2012) recommend that "companies and governments around the world make material and moral investments in forensic accounting, calling it "one of the best careers of the future." Bressler (n.d.) investigated the significance of lawyers' and judges' familiarity with forensic accounting evidence in the provision of litigation support services. Claiming that the judges' views on Accounting Information Systems (AIS) have a significant impact on how juries get to their decisions".

***Empirical Review***

Cheng et al. (2023) examined green finance regulation in improving renewable energy utilization: Evidence from energy consumption efficiency. This study examined the impact of green finance regulation on renewable energy utilization at the firm level. The study stated that adopting energy consumption efficiency as a measure of renewable energy utilization, the difference-in-difference estimation results show that, firms' renewable energy utility in the pilot regions is enhanced by the regulation and this result is robust after several tests. The financing constraints and the corporate digitalization are the economic channels by which the green finance policy stimulates corporate renewable energy utility. In addition, this simulation impact is more prominent in small firms, young firms, and firms with weak governance corporations. In general, our study offers new evidence of advantages of green finance regulation.

Another study conducted by Tylchyk et al. (2022) examined administrative and legal regulation of public financial activity: Questions Politicians. The research revealed basic characteristics of the management of financial activity in countries such as: France, Germany, United States of America, Great Britain, and Sweden. The organizational structure of financial management bodies was studied and the participation of state legislatures in financial policy was emphasized. Also, a review of materials and methods was carried out based on the analysis of documents for the regulation of public financial activity. The methodology included a comprehensive analysis and generalization of the available scientific and theoretical material, as well as the formulation of relevant conclusions. During the research, the methods of scientific cognition were used: terminological, logical-semantic, functional, system-structural, logical-normative, comparative. It is concluded that the participation of all the higher powers of government is fundamental in the formation and implementation of public policy in the field of finance; this requires a wide range of bodies and institutions exercising control over financial activities; concentration of financial management in a single line ministry, as well as distribution among several ministries and a clear division of powers between financial management bodies, among other aspects.

Another study conducted by Cigu et al. (2020) examined the nexus between financial regulation and green sustainable economy. The study explores the literature regarding the importance of financial regulation and the state of green sustainable economy as a first objective. The study developed a linear regression model for empirically understanding how the financial regulation can affect green sustainable economy and apply it for 25 European Union countries, over the period of time 2000–2018, covering pre-crisis, crisis, and post-crisis period. Our findings support the idea that coherent financial regulation framework determines green economy to be growth-friendly and sustainable. The paper can be considered a useful viewpoint in understanding the complex relationship between regulation and green sustainable economy, thus adding to existing literature.

Another study conducted by Odugbesan et al., (2021) examined financial regulations matters for sustainable green economy: evidence from Turkey. The attention of scholars and policymakers on the achievement of sustainable green economy has been on increase; this study empirically investigates the implications of financial regulations on sustainable green economy in Turkey utilizing a time series data spanning from 1996 to 2019. This study employed Perron and Lee-Strazicich unit root test in the presence of structural break point for examining the stationarity properties of the series and FMOLS, CCR, and ARDL for estimating the long and short-run effect of the financial regulations on carbon productivity. Our study demonstrates that rule of law, economic freedom, and inflation have a significant long-run relationship with carbon productivity as confirmed by FMOLS and CCR, while rule of law, regulatory quality economic freedom, and inflation were confirmed by ARDL to have long-run causal relationship with carbon productivity. In addition, our study found that control of corruption, government effectiveness, rule of law, regulatory quality economic freedom, and inflation have a short-run causal effect on carbon productivity. Finally, this study concludes that financial regulations is significant for achieving sustainable green economy in Turkey and as such should be accorded adequate attention by the policy makers.

Another study conducted by Abbott and Faude (2021) examined choosing low-cost institutions in global governance. The study stated that contemporary global governance takes place not only through formal inter-governmental organizations and treaties, but increasingly through diverse institutional forms including informal inter-governmental organizations, trans-governmental networks, and transnational public–private partnerships. Although these forms differ in many ways, they are all what we call 'low-cost institutions' (LCIs): the costs of creating, operating, changing, and exiting them, and the sovereignty costs they impose, are substantially lower on average than those of treaty-based institutions. LCIs also provide substantive and political governance benefits based on their low costs, including reduced risk, malleability, and flexibility, as well as many of the general cooperation benefits provided by all types of institutions. LCIs are poorly-suited for creating and enforcing binding commitments, but can perform many other governance functions, alone and as complements to treaty-based institutions. We argue that the availability of LCIs changes the cost–benefit logic of institutional choice in a densely institutionalized international system, making the creation of new institutions, which existing research sees as the 'last resort', more likely. In addition, LCIs empower executive, bureaucratic, and societal actors, incentivizing those actors to favor creating LCIs rather than treaty-based institutions. The availability of LCIs affects global governance in multiple ways. It reduces the status quo bias of governance, changes its institutional and actor composition, enables modest cooperation in times of polarization and gridlock, creates beneficial institutional divisions of labor, and expands governance options. At the same time, the proliferation of LCIs reduces the focality of incumbent institutions, increasing the complexity of governance.

A study conducted by Henry and Osagie (2016) analyses "the role of financial control in reducing fraud in Nigeria's public sector. The research aims to confirm the effectiveness of government financial management and prevention initiatives. The research team used a questionnaire survey to collect information from two of the fifty states in the country: Edo and Ondo. Thirty-three people ended up being used as respondents. Financial control and fraud prevention in the public sector, along with other hypotheses, were investigated using a regression analysis. The survey questions relied on straightforward percentages. It has been determined that the federal government's current control procedures are adequate in content and scope to prevent fraud in the public sector; nonetheless, the effectiveness of these effective controls depends on honest individuals and a trustworthy tone set by the top. Therefore, the report suggested, among other things, hiring individuals of integrity and honesty in addition to forensic professionals to investigate the appropriate controls in place. Good labelling and modelling should set the tone at the top.

James and Ibanichuka (2014) researched "the challenges of fraud prevention and financial control in the banking sector. They found a positive correlation between financial control implementation and fraud prevention, and they suggested that banks adhere to prudential norms and other internal control policies. Human error, management policies, commitment, and employee recruitment were found to have a significant impact on compliance with required control measures".

The study conducted by Zimbelman and Albrecht (2012) investigate "the methods for preventing fraud. According to the study, there are three key elements needed to effectively combat fraud: honesty, openness, and cooperation. Among these include the provision of an employee assistance scheme (to help workers cope with personal difficulties), the employment of honest persons or people, and the provision of fraud awareness training. To ensure that the government is hiring honest people and preventing fraud, they recommended that the government teach those involved in the recruiting process to conduct skillful and thorough interviews. The government can learn a great deal about the applicant's qualifications, work experience, and personal life by conducting such an interview".

Furthermore, Zimbelman and Albrecht (2012) propose that "a method to minimize fraud is to cultivate a pleasant workplace environment. Having an open-door or easy-access policy, having positive staff and operating processes, and creating expectations regarding honesty through having a decent corporate code of conduct is also important. Those in positions of authority (the board of directors and the chairman) must believe and accept these projections as reasonable. Those interviewed agreed that the concept of moral development says that "if you want someone to behave honestly, you must both label and model honest behaviour They concluded that good internal controls, a zero-tolerance policy on collusion between employees and customers or vendors, the availability of an anonymous tip line (whistleblowing systems), regular monitoring of employees, and the establishment of an expectancy of honesty from all parties involved are all necessary components of an effective fraud prevention strategy". Internal control is emphasized by the Committee of Sponsoring Organizations (1998) to guarantee "the effective removal of fraud possibilities. An effective accounting system, well-planned control operations, effective monitoring, and effective communication and information dissemination are all described as essential components of a robust internal control structure".

***Theoretical Framework***

There are several competing theories that attempt to explain the dynamics of government finance, but the elite theory is the most well-known and pertinent to our investigation. Management of public funds and monetary constraints are explained in terms of the elite hypothesis. This idea establishes a connection between how government agencies handle their finances and the behavior of public officials. According to Onah and Ibietan (2010), the theory's central tenets are as follows: the elite is powerful because it is well-organized and cohesive, while the masses are disorganized and fractured; the elite makes the most important societal decisions, and those decisions tend to favour the elite's interests over the wishes of the masses; the masses are largely manipulated and controlled by the elite. This is what Pareto meant by the phrase "circulation of elites," and he went on to say that "all elite tend to become decadent." Deterioration in quality and loss of vitality; minority rule as an inherent aspect of social life; the masses of the population being incapable of self-governance and hence need the direction and guidance of an elite. Least-developed countries (LDCs) like Nigeria are the inspiration for this thesis.

## 3.0 Methodology

In this specific study, a survey research design was employed. The researcher needed to be able to ask questions that would lead to the discovery of knowledge regarding the matter that was being investigated, which is why this method was chosen. The staff of the account departments from the following selected ministries make up the Mineral; the Federal Ministry of finance; the Federal Ministry of Interior; the Federal Ministry of trade and investment; the Federal Ministry of Finance, budget and economic planning; and the Federal Ministry of science, Technology and Innovation and Federal Ministry of communication and digital economy. The total population is 912. population for this study: the Federal Ministry of Agriculture; the Federal Ministry of work, and Ministry of Power and Housing, the Federal Ministry of Health; the Federal Ministry of Solid The population is staff members from the selected ministries. The study used simple random sampling technique. The sample size of the study was determined with the use of the statistical formula developed by Taro Yamane:

$$n = \frac{N}{1 + N(e)^2}$$

Where:

n= sample size;

N= total population size;

1= constant;

e= the assume error margin or tolerable error which is taken as 5% (0.05)

$$n = \frac{912}{1 + 912(0.05)^2}$$

$$n = \frac{912}{3.28}$$

n= 278 = Sample size

Both primary and secondary sources of information were utilized in the course of gathering the data for this investigation. The major data come from two different types of in-person interactions: primary data were sourced through the use of questionnaire. On a three-point Likert scale, where 3 means agree, 2 means disagree, and 1 means uncertain, questionnaires were handed out to respondents, and they were asked to indicate whether or not they agreed with the statement. While the secondary sources of data were acquired from textbooks, public service handbooks, journals, newspapers, magazines, and the Internet.

In order to portray the data that was collected, descriptive statistics including frequency distributions, percentage breakdowns, and tables were utilized. Furthermore, Multiple regression methods of data analysis were utilized. The equation for the multiple regression model was stated as:

$Y= \beta_0+ \beta_1X_1+ \beta_2X_2+\mu$.

The hypotheses were tested using 5% level of significance. For the purpose of this study, the selection of the method of surveying participants was based on the fact that this is one of the most effective ways there is to collect a great deal of data in a short amount of time. It is also possible for the subjects who are being surveyed to maintain their anonymity, which helps prevent any possibility of bias in the interpretation of the results. The justification for using survey method in this study is because it allows easy access to large amounts of information.

## 4.0 Statistics and Discussion

*Data Presentation*

**Table 1: Federal Ministries adherence to financial regulation.**

| | | Frequency | Percent | Valid Percent | Cum. Percent |
|---|---|---|---|---|---|
| Valid | Agreed | 249 | 70.5 | 79.0 | 79.0 |
| | Disagreed | 50 | 15.9 | 15.9 | 94.9 |
| | I'M not Sure | 16 | 5.1 | 5.1 | 100.0 |
| | Total | 315 | 100.0 | 100.0 | |

**Source:** Field Survey, 2023.

The table above shows that 249 respondents representing 79% reveals that, Federal Ministries have adhered to financial regulation. 50 respondents representing 16% disagreed, while 16 respondents representing 5.1% could not ascertain whether Federal Ministries have adhered to financial regulation. From the above analysis, it is assumed that Federal Ministries have adhered to financial regulation.

**Table 2: Maintenance of Accounting records such as books of accounts and preventing fraud in Federal Ministries**

| | | Frequency | Percent | Valid Percent | Cum. Percent |
|---|---|---|---|---|---|
| Valid | Agreed | 270 | 85.7 | 85.7 | 85.7 |
| | Disagreed | 29 | 9.2 | 9.2 | 94.9 |
| | I'M not Sure | 16 | 5.1 | 5.1 | 100.0 |
| | Total | 315 | 100.0 | 100.0 | |

**Source:** Field Survey, 2023.

The table above shows that 270 respondents representing 85.7% reveals that, maintaining of accounting records such as books of accounts has prevented fraud in Federal Ministries. 29 respondents representing 9.2% disagreed, while 16 respondents representing 5.1% could not ascertain whether Maintaining accounting records such as books of accounts has prevented fraud in Federal Ministries. From the above analysis, it is assumed that, maintaining ~~of~~ accounting records such as books of accounts has prevented fraud in Federal Ministries.

**Table 3: Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .938[a] | .880 | .879 | .163 |

a. Predictors: (Constant), Maintaining of Accounting records such as books of accounts and preventing fraud in Federal Ministries? Federal Ministries adheres to financial regulation?

The result of the model Summary above shows that, 88% of variation in the dependent variable can be explained by the two independent variables or the Adjusted R-square shows that; 88% of variation in the dependent variable can be explained by the two independents variables.

**Table 4: Result of ANOVA[a]**

| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 60.324 | 2 | 30.162 | 1141.039 | .000[b] |
| | Residual | 8.247 | 312 | .026 | | |
| | Total | 68.571 | 314 | | | |

a. Dependent Variable: Financial Regulation has helped to reduce fraud in Federal Ministries?

b. Predictors: (Constant), Maintaining ~~of~~ Accounting records such as books of accounts and preventing fraud in Federal Ministries? Federal Ministries adhere to financial regulation?

The result in the Table above shows that; Maintaining ~~of~~ Accounting records such as books of accounts and preventing fraud in Federal Ministries and Federal

Ministries adhering to financial regulation has have a significant relationship with Financial Regulation helping to reduce fraud in Federal Ministries

**Table 5: Coefficients of the Regression**

| **Coefficients**[a] | | | | | | |
|---|---|---|---|---|---|---|
| **Model** | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | | B | Std. Error | Beta | | |
| **1** | (Constant) | .141 | .024 | | 5.917 | .000 |
| | Federal Ministries adheres to financial regulation? | .231 | .037 | .268 | 6.250 | .000 |
| | Maintaining of Accounting records such as books of accounts and preventing fraud in Federal Ministries? | .635 | .039 | .691 | 16.112 | .000 |

a. Dependent Variable: Financial Regulation has helped to reduce fraud in Federal Ministries?

In analyzing Hypothesis 1: Federal Ministries adhering to financial regulation indicates that fraud prevention in Federal Ministries increase by 0.231 percent for every 1 percent increase in Federal Ministries adhering to financial regulation. The P-value of 0.000 is lower than the t-value of 0.05. Therefore, the Null Hypothesis is rejected and the Alternate Hypothesis is accepted, implying that there is a significant relationship between Federal Ministries adhering to financial regulation and fraud Prevention. In analyzing Hypotheses 2: Maintaining of Accounting records such as books of accounts could prevent fraud in Federal Ministries indicates that fraud prevention in Federal Ministries increase by 0.635 percent for every 1 percent increase in Maintaining of Accounting records such as books of accounts. The P-value of 0.000 is lower than the t-value of 0.05. Therefore, the Null Hypothesis is rejected and the Alternate Hypothesis is accepted, implying that there is a significant relationship between Maintaining ~~of~~ Accounting records such as books of accounts and preventing fraud in Federal Ministries. The correlation coefficient (r) of 0.938 demonstrates a strong correlation between the dependent variables and the predicting variables, and the coefficient of determination Adjusted ($r^2$) of 0.879 indicates that approximately 88% of variation in fraud prevention in Federal Ministries can be explained by the two independent variables: Federal Ministries adhere to financial regulation and constraints hindering the (error term).

The results showed a strong correlation between the federal ministry's compliance with financial regulations and fraud prevention. The majority of ministry employees have been trained to understand and apply the provisions of FRs for the collection, approval, disbursement, and reporting of public monies.

Adams (2005), in his book titled public sector accounting and Finance, discusses the authorization of government expenditure and the control of government revenue, funds, fund accounting, and expenditure control, and our findings align with his. The papers outline steps for regulating public funds so that budgets can be managed more efficiently. Timely deposit of all income into the bank account; issuance of controlled forms, documents, and receipt records; timely demand notices and a follow-up action to track debts; periodic monitoring; policing the Revenue administration system to ensure no free services are rendered; establishing both authority limits and cash limits; and establishing a functional system of internal control.

Books of accounts and other accounting documents play a crucial role in combating fraud in federal government agencies. This indicates that most Federal Ministries have been keeping accurate records of their financial transactions (receipts, payments, revenues, and expenditures). The Accounting Officer is responsible for keeping accurate financial records, including books of accounts and Subsidiary Ledgers, in accordance with applicable financial regulations.

This finding agrees with previous work by Henry et al. (2016). The research shows that public sector fraud can be avoided provided proper financial controls are in place. Therefore, there is a connection between sound financial management and reducing the incidence of fraud within Nigeria's public administration. The research aims to determine whether or not the federal government's current fraud prevention procedures are adequate in content and scope, and whether or not the success of these controls relies on honest individuals and a positive tone at the top. Timely depositing of all income into the bank account; timely issuance of demand notices and a follow-up action to track debts; timely issuance of controlled forms, documents, and receipt records; regular monitoring; enforcement of authority and cash limits within the Revenue administration system; and development of a workable system of internal control.

## 5.0 Conclusion and Recommendations

Every Accounting officer in federal government Ministries, Departments, and Agencies must follow the established financial regulations. According to the results of the study, most federal ministries have been subject to financial regulation on the upkeep of essential accounting documents including books of accounts, Main and Subsidiary Ledgers. It was found that Federal Ministries were not following the provision of financial regulation concerning the preparation and defense of budget proposals and the maintenance of effective budgeting control through the comparison of planned expenditures and revenues and the provision of appropriate advice. Since most Federal Ministries have been submitting annual returns of procurement records to the Bureau of Public Procurement, we can assume that they are following the bureau's regulations and taking measures to reduce the possibility of fraud within their respective departments. The study therefore recommends that: the Federal Government should strengthen financial regulations. They should enhance the existing financial regulations to address emerging fraud risks. There should be regular reviews and updates of these regulations to ensure they remain effective in combating evolving fraudulent activities; the Federal Government should enforce robust internal control systems within federal ministries. This includes segregation of duties, proper authorization and approval processes, regular internal audits, and effective risk management practices; and the Federal Ministries should ensure that accurate records of all their financial transactions (receipts, payments, revenues, and expenditures) for scrutiny by the external Auditors. This will further promote accountability in public financial management.

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## Appendix

QUESTIONNAIRE

Instruction: Please thick a least one option from the list of questions below:

Are you familiar with the provisions of FRs on recording, authorization, utilization and accounting for public funds?

Agree ( )
Disagree ( )
Undecided ( )

Does FRs form the basis of our accounting manual?

Agree ( )
Disagree ( )
Undecided ( )

Does the ministry strictly adhere to FRs in our daily financial operations?

Agree ( )
Disagree ( )
Undecided ( )

Does the ministry adhere to FRs in our expenditure template?

Agree ( )
Disagree ( )
Undecided ( )

Does the ministry adhere to FRs in our contracting and procurement functions

Agree ( )
Disagree ( )
Undecided ( )

Does FRs facilitate internal audit checks and balances?

Agree ( )
Disagree ( )
Undecided ( )

Does FRs promote accountability and transparency in our spending?

Agree ( )
Disagree ( )
Undecided ( )

Does maintaining of accounting records such as books of accounts prevented fraud in Federal Ministries?
Agree ( )
Disagree ( )
Undecided ( )
Does Matching/comparing budgeted figures with actual expenditure prevented fraud in Federal Ministries?
Agree ( )
Disagree ( )
Undecided ( )
Does rendering of annual returns of procurement records to the Bureau of Public Procurement prevent fraud in Federal Ministries?
Agree ( )
Disagree ( )
Undecided ( )