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Public Expenditure and Financial Accountability in Rivers State, Nigeria

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Abstract: This study looked into how public spending impacts financial accountability in Rivers State, Nigeria, focusing specifically on auditing systems, budget transparency, and mechanisms for tracking expenditures. Using a descriptive and explanatory research design, the study carefully documented existing accountability practices while also exploring the causal links between how expenditures are managed and the resulting accountability outcomes. The research involved a population of 1,950 finance and budget officers, auditors, members of the Public Accounts Committee, and civil servants from various Ministries, Departments, and Agencies (MDAs). By applying Yamane's (1967) formula, a sample of 332 respondents was scientifically selected through stratified and simple random sampling techniques to ensure a fair representation. Primary data were gathered using a structured questionnaire aimed at capturing trends in public spending, transparency measures, and monitoring systems. The data analysis was performed using SPSS version 25, utilizing descriptive statistics to summarize the responses and multiple regression analysis to test the study's hypotheses. The findings showed that public expenditure significantly positively affects auditing systems ($R^2 = 0.986$, $\beta = 0.993$, $p < 0.05$), budget transparency ($R^2 = 0.988$, $\beta = 0.994$, $p < 0.05$), and expenditure tracking mechanisms ($R^2 = 0.959$, $\beta = 0.979$, $p < 0.05$). These results suggest that enhancing public expenditure management greatly improves the effectiveness of financial accountability structures in Rivers State. The study concludes that strengthening expenditure processes promotes transparency, ensures thorough auditing, and enhances expenditure tracking, all of which are vital for sustainable fiscal governance. It recommends that government institutions focus on effective budget implementation, regular audits, and strong expenditure tracking systems.

Keywords: *Public Expenditure, Financial Accountability, Auditing Systems, Budget Transparency, Expenditure Tracking Mechanisms.*

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Introduction

Good governance relies on financial accountability in democracies where people expect their leaders to handle public money. In Nigeria Rivers State, people are pushing for more openness and better use of public funds. Rivers State gets a lot of money from the federal government and its own sources dealing with billions of naira each year. But there's a big gap between what is spent and what is achieved making people wonder if the current ways of keeping track of money work (Okezie & Akenbor 2021). Even though a lot of money goes into building things, healthcare, schools, and safety many projects get left unfinished, services are poor, and there are problems with how things are bought. All this means the money spent isn't helping as much as it should (Ene & Nwokah 2020).

Financial accountability goes beyond following rules; it's about public institutions being able to plan, budget, carry out, report, and check financial dealings and under public watch (Schick, 1998). In Rivers State how well accountability works depends on things like political drive how capable institutions are legal rules, and how much citizens get involved. New systems like the Treasury Single Account (TSA), Integrated Payroll and Personnel Information System (IPPIS), and the Public Procurement Act aim to boost accountability, but the state doesn't always put them into practice or enforce them well (Aliyu & Ahmed, 2019). The state's Auditor-General keeps pointing out odd spending late reports, and poor following of money rules in audits and reports, which opens the door to misuse and waste. The state's failure to produce timely financial statements and to act on audit suggestions makes it hard to see what's going on and make good choices (Auditor-General of Rivers State 2022).

People don't get many chances to join in on budget talks or keep an eye on how money's spent. This makes public spending less trustworthy and lets funds get moved away from what's needed (World Bank, 2020). Government offices often lack the know-how and tools to track things. Politics also gets in the way, like when contractors with connections get special treatment, which weakens how we hold people responsible (Okezie & Akenbor 2021). Even with these problems, it's key to set up strong ways to keep track of money. This helps make sure public cash leads to real improvements, keeps spending in check, and builds trust with the public. In Rivers State, there's a big gap in research on how the state keeps track of its money. This matters a lot because mishandled public funds can hurt development. This study aims to look at how public money is spent and kept in check in the state. It will check how well current methods work, spot what's making them hard to use, and suggest ways to make money matters clearer and more efficient. Getting a grip on these issues is crucial to guide changes that boost good governance, make the best use of resources, and improve life for everyone in the state.

Literature Review

Theoretical Framework

This research leans on several theories that explain the relationship existing between public expenditure and financial accountability. According to stewardship theory, public officers can behave as responsible stewards whose actions are driven by professionalism, ethics, and collective interest rather than self-interest. It bases its argument on trust, integrity, and commitment to organizational goals as drivers of accountability and argues that when public institutions have these values cultivated, officials voluntarily ensure transparency and fiscal responsibility (Davis, Schoorman & Donaldson, 1997). On its part, institutional theory looks at financial accountability as resulting from obedience to the norms, laws, and standards set within the institutional environment. Governments adopt known practices like TSA and IPSAS not only for efficiency gains but also to appear legitimate and garner public trust in their operations (DiMaggio & Powell, 1983; Scott, 2014).

Accountability theory provides perhaps the most direct lens through which to understand financial accountability in the public sector. It defines accountability as a relationship in which public officials have an obligation to explain, justify, and take responsibility for their actions, while oversight bodies and citizens have the right to question and enforce consequences (Bovens, 2007). It involves emphasis on three related elements namely, answerability, enforceability, and transparency which underpin effective financial management. In the context of the Public Expenditure and Financial Accountability framework, these practices include, among others, legislative oversight, independent audits, and open budgeting (Schedler, 1999; Agwor & Akani, 2017).

Agency theory further supports this by indicating the principal-agent relationship between citizens and government officials. It states that when monitoring is weak and incentives are not aligned, public officials may act against citizens' interests, misusing the public resources for poor service delivery of various means and reasons; Jensen & Meckling, 1976. Similarly, extending this reasoning, Public Choice Theory upholds that political and bureaucratic leadership, induced by self-interest, often makes expenditure decisions which are in their political or personal benefits rather than in the interest of the people; Buchanan & Tullock, 1962; Mueller, 2003. Together, these standpoints underscore strong institutions, transparency, and citizen engagement as remedies to mitigate opportunistic behavior and promote fiscal integrity. Among these theories, Accountability Theory is adopted for this study because it most directly explains the mechanisms through which financial accountability operates: ensuring that those entrusted with public resources are answerable for their use, subject to oversight, and transparent in their dealings. This, therefore, makes it the most suitable framework for evaluating public expenditure and financial accountability in Rivers State.

Conceptual Review

Public Expenditure

Public expenditure is all about how the government spends money on goods and services to boost economic growth, enhance social welfare, and develop infrastructure. It breaks down into two main categories: capital expenditure, which is used for long-term investments like building roads and schools, and recurrent expenditure, which takes care of salaries, pensions, and day-to-day operational costs. In Rivers State, a significant portion of the budget comes from oil revenue, but challenges like inefficiencies, poor budget execution, and political interference often hinder real developmental progress. To make public expenditure effective, it's crucial to ensure proper allocation, maintain transparency, and monitor spending closely so that resources lead to real, positive outcomes (Musgrave & Musgrave, 2004; BudgIT, 2023). Financial Accountability in Public Sector Management

Financial Accountability

Financial accountability is all about public officials and institutions being responsible for managing and reporting public resources in a clear, efficient way that follows legal and budgetary guidelines (Oke, 2013; Bovens, 2007). In Nigeria, especially in Rivers State, this accountability often takes a hit due to weak institutions, political meddling, and poor enforcement of rules. This leads to mismanaged resources, unfinished projects, and a lack of transparency in finances (Okpala, 2012; IMF, 2014). While auditing systems both internal and external are designed to ensure that funds are used properly and in compliance with regulations, issues like delays, weak enforcement, and political pressure really undermine their effectiveness (Van Gansberghe, 2005; INTOSAI, 2001; Agbo, 2020). Budget transparency is crucial because it allows citizens and oversight bodies to examine financial decisions closely. However, limited information and low public involvement make it hard to hold officials accountable and can disrupt coherent policy-making (OECD, 2002; BudgIT, 2020; IBP, 2021). Tracking expenditures is important as it connects budget allocations to actual service delivery, revealing inefficiencies and preventing waste. Unfortunately, weak monitoring in Rivers State has led to project abandonment, inflated contracts, and poor service delivery (Reinikka & Svensson, 2004; Akanbi & Adebisi, 2016; World Bank, 2013). To boost financial accountability, we need to strengthen institutions, enhance transparency, and improve monitoring. This is vital for making better use of resources, improving public services, and building trust in governance.

Empirical Review

Empirical studies have shown a strong connection between financial accountability and effective management of public spending. For instance, Reinikka and Svensson (2004) found that in Uganda, tracking expenditures led to a significant reduction in fund leakage and improved service delivery. In Nigeria, Onuorah and Appah (2012) pointed out systemic issues in financial reporting and transparency, which contributed to inefficiencies despite the country having substantial revenue. Research by Pere and Osain (2015), Okwori and Sule (2016), and Agwor and Akani (2017) similarly emphasizes that weak auditing, limited oversight from Public Accounts Committees, and poor financial controls hinder accountability.

On the flip side, increased transparency has been shown to boost local government performance and service delivery. Studies by Olowookere and Adebayo (2018), Olubunmi and Adesopo (2017), and Adeyeye and Adeyeye (2019) confirmed that budget openness and fiscal accountability have a positive impact on

service efficiency. State-specific research in Rivers and Ogun States has uncovered ongoing gaps in monitoring, reporting, and citizen engagement (Okonjo & Asanye, 2020; Nweze, 2021; Ogiriki & Buseri, 2021). More recent investigations (Audu, 2023; Nnah & Maccarthy, 2023; Akujuru & Elike, 2025) reveal that strong auditing, financial control, and procurement oversight can significantly enhance fiscal responsibility, although challenges like political interference, weak institutional capacity, and lack of stakeholder participation still persist.

Methodology

This study takes a descriptive and explanatory approach to explore public spending and financial accountability in Rivers State. The descriptive part looks at the current structures, patterns, and mechanisms of financial accountability within key Ministries, Departments, and Agencies (MDAs). Meanwhile, the explanatory part delves into the causal links between how expenditure is managed and the resulting accountability outcomes. The study focuses on a population of 1,950 individuals, including finance and budget officers, internal auditors, members of the Public Accounts Committee, and civil servants working in the financial departments of selected MDAs, such as the Ministry of Finance, Ministry of Budget and Economic Planning, Office of the Accountant General, and Office of the Auditor General. To ensure a representative sample, 332 respondents were chosen using Yamane's formula with a 5% margin of error and stratified random sampling. Primary data was gathered through a structured questionnaire aimed at capturing insights on expenditure practices, audit and monitoring mechanisms, transparency measures, and perceptions of accountability. The data analysis was conducted using SPSS version 25, where descriptive statistics provided a summary of respondent characteristics, and inferential statistics, including multiple regression, were used to test hypotheses and assess the impact of public expenditure on financial accountability at a 5% significance level. The functional form of the model is specified as follows:

$$FA = \beta 0 + \beta 1RECEXP + \beta 2CAPEXP + \beta 3AUD + \beta 4TRANS + \varepsilon$$

Where:

FA = Financial Accountability

RECEXP = Recurrent Expenditure

CAPEXP = Capital Expenditure

AUD = Audit Effectiveness

TRANS = Transparency and Disclosure

ε = Error term

β0 = Constant,

β1−β4 = Coefficients of independent variables

A Priori Expectations

Variable	Description	Expected Sign
RECEXP	Recurrent expenditure	±
CAPEXP	Capital expenditure	+
AUD	Audit effectiveness	+
TRANS	Transparency and disclosure	+

Results and Interpretations

Table 1: Questionnaire Distribution and Retrieval

Activities	Frequency	Percentage
Distributed Copies	332	100%
Retrieved Copies	298	90%
Used Copies	298	90%
Unused Copies	0	0%

Source: Survey Data, 2025

Table 1 showcases how the research instruments were distributed and retrieved for data collection. We handed out 332 copies of the questionnaire to respondents from various Ministries, Departments, and Agencies (MDAs) in Rivers State. Out of those, we successfully collected 298 completed questionnaires, which gives us a solid 90% response rate. This impressive retrieval rate reflects a strong willingness from the respondents to participate, suggesting that our findings truly represent the targeted population. Plus, every single one of the 298 questionnaires we got back was fully completed and suitable for analysis, resulting in a perfect 100% validity rate. Not a single questionnaire was left incomplete or deemed invalid, highlighting how effective our administration process was and how clear the instrument was. This positive outcome really boosts the reliability of our analysis. The high retrieval rate also adds to the strength of the study, reducing the chances of any non-response bias. Therefore, the data we have gathered lays a solid foundation for examining the relationship between public expenditure and financial accountability in Rivers State. We coded and analyzed the responses using SPSS version 27, applying both descriptive and inferential statistical techniques.

Demographic Analysis

Demographic analysis here look at how respondents are distributed across various Ministries, Departments, and Agencies

(MDAs), their roles within these organizations, their years of service, and their educational backgrounds.

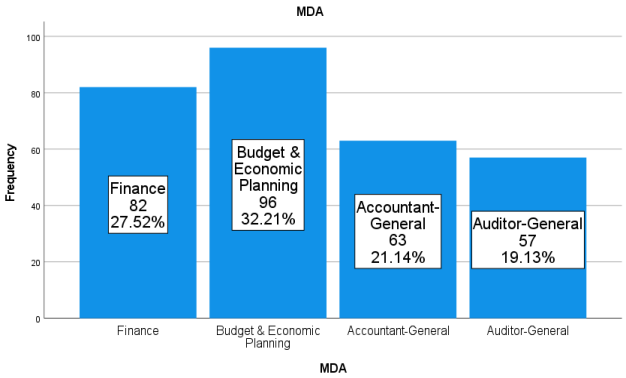

Figure 1: Data Distribution for MDA of the Participants

Take a look at Figure 1, which illustrates how participants are spread across key MDAs in Rivers State. The Ministry of Budget and Economic Planning had the highest number of respondents, with 96 individuals making up 32.21%. Following closely was the Ministry of Finance with 82 respondents (27.52%), then the Office of the Accountant-General with 63 (21.14%), and finally, the Office of the Auditor-General with 57 (19.13%). This distribution ensures that we have a well-rounded representation of both budget formulation and expenditure control, along with financial reporting and auditing functions, giving us a thorough understanding of public financial accountability.

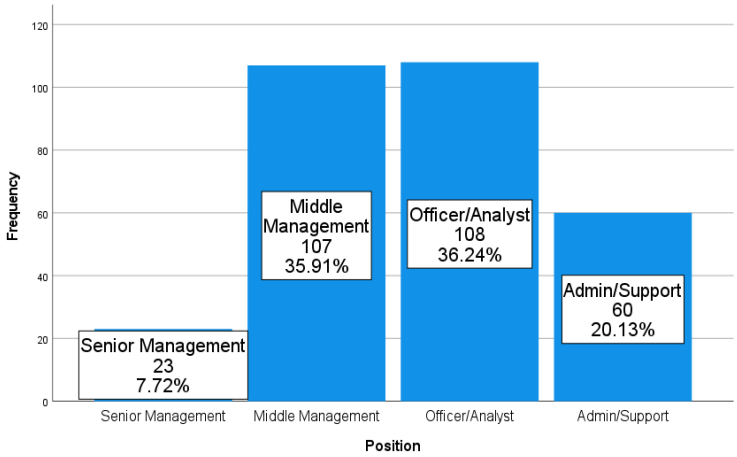

Figure 2: Data Distribution for the Position of Participants

Moving on to Figure 2, we can see the breakdown of participants by their organizational positions. Officers and Analysts made up 108 respondents (36.24%), while Middle Management accounted for 107 (35.91%). This shows a strong presence of operational and mid-level staff in budget execution and financial monitoring. Admin and Support staff represented 60 individuals (20.13%), and Senior Management included 23 respondents (7.72%), highlighting the importance of policy-level oversight. This distribution really emphasizes the practical, hands-on perspectives in public expenditure and accountability.

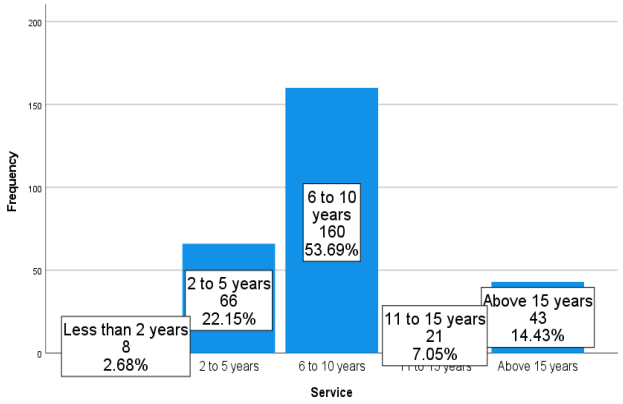

Figure 3: Data Distribution for Length of Years in Service

Figure 3 dives into the years of service among participants. The majority, 160 respondents (53.69%), had between 6 to 10 years of experience, followed by 66 individuals (22.15%) with 2 to 5 years, 43 (14.43%) with over 15 years, 21 (7.05%) with 11 to 15 years, and 8 (2.68%) with less than 2 years. This suggests that the study primarily includes mid-career professionals who bring a wealth of practical experience in financial management.

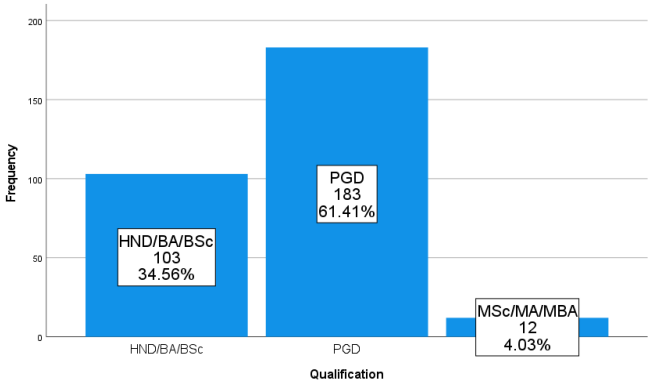

Figure 4: Data Distribution for Highest Qualification Attained

Lastly, Figure 4 presents the educational qualifications of the participants. A significant portion, 183 respondents (61.41%), held a Postgraduate Diploma (PGD), while 103 (34.56%) had HND/BA/BSc degrees, and 12 (4.03%) possessed MSc/MA/MBA qualifications. This indicates a workforce that is not only well-trained but also has a solid academic foundation, which enhances the credibility of their insights on public expenditure and financial accountability.

Table 2: Univariate Data Analysis for Public Expenditure

	Strongly Disagree	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**	**Total**	
	Count	Count	Count	Count	Count	Mean	Standard Deviation
PE1	37	110	0	151	0	2.89	1.17
PE2	0	110	37	74	77	3.40	1.22
PE3	37	113	0	111	37	2.99	1.32
PE4	73	40	37	111	37	3.00	1.41
PE5	73	74	0	111	40	2.90	1.46
PE6	37	110	0	111	40	3.02	1.33
PE7	73	74	0	111	40	2.90	1.46
PE8	0	147	0	114	37	3.14	1.17
PE9	37	110	0	114	37	3.01	1.32
PE10	0	147	0	114	37	3.14	1.17

Source: Survey Data, 2025

The univariate results regarding public expenditure show a moderate endorsement of how expenditure is handled across the sampled MDAs in Rivers State. The average values for the indicators (PE1–PE10) fall between 2.89 and 3.40, all surpassing the study's benchmark of 2.0. This suggests that respondents generally agree that both recurrent and capital expenditure practices are noticeable. The strongest agreement was found for PE2 (mean = 3.40, SD = 1.22), indicating a solid recognition of the government's expenditure commitments in certain areas. On the flip side, lower mean values like PE1 (mean = 2.89, SD = 1.17) and PE5 (mean = 2.90, SD = 1.46) point to a less favorable view of expenditure effectiveness in some areas. The standard deviation values, ranging from 1.17 to 1.46, show moderate variability in responses, highlighting the differences in perceptions among respondents across MDAs.

Table 3: Univariate Data Analysis for Audit Systems

	Strongly Disagree	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**	**Total**	
	Count	Count	Count	Count	Count	Mean	Standard Deviation
AS1	73	74	3	111	37	2.88	1.45
AS2	0	147	3	74	74	3.25	1.30
AS3	37	110	0	151	0	2.89	1.17
AS4	0	147	3	148	0	3.00	1.00
AS5	36	74	40	74	74	3.26	1.38
AS6	0	147	3	54	94	3.32	1.36
AS7	0	147	0	114	37	3.14	1.17
AS8	37	110	0	114	37	3.01	1.32
AS9	0	110	37	77	74	3.39	1.22

AS10	73	74	0	114	37	2.89	1.45

Source: Survey Data, 2025

The results in Table 3 illustrate the distribution of responses regarding auditing systems. The mean scores for most items are between 2.88 and 3.39, which exceed the study's benchmark value of 2.0, indicating a moderate to strong affirmation of the existence of auditing systems within the organizations. Items like AS2 (mean = 3.25), AS5 (mean = 3.26), AS6 (mean = 3.32), and AS9 (mean = 3.39) reflect a stronger perception of effective audit mechanisms, especially concerning financial oversight and compliance monitoring. In contrast, AS1 (mean = 2.88), AS3 (mean = 2.89), and AS10 (mean = 2.89) show weaker levels of agreement, pointing out areas where auditing systems might not be consistently applied.

Table 4: Univariate Data Analysis for Budget Transparency

	Strongly Disagree	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**	**Total**	
	Count	Count	Count	Count	Count	Mean	Standard Deviation
BT1	0	147	0	151	0	3.01	1.00
BT2	37	110	0	77	74	3.14	1.45
BT3	37	73	37	40	111	3.39	1.49
BT4	0	147	0	114	37	3.14	1.17
BT5	0	151	0	114	33	3.10	1.15
BT6	37	110	0	110	41	3.03	1.34
BT7	0	147	0	106	45	3.16	1.20
BT8	73	70	7	103	45	2.92	1.47
BT9	0	143	7	74	74	3.27	1.29
BT10	37	110	0	127	24	2.97	1.27

Source: Survey Data, 2025

The results shown in Table 4 highlight how responses were distributed regarding budget transparency. The average scores, which fall between 2.92 and 3.39, all exceed the benchmark of 2.0, indicating that respondents generally recognized some level of transparency in budgeting practices. For instance, items like BT3 (mean = 3.39), BT9 (mean = 3.27), and BT7 (mean = 3.16) provide stronger evidence of openness in financial disclosures and access to budget information. Conversely, BT8 (mean = 2.92) and BT10 (mean = 2.97) reveal lower levels of agreement, suggesting there are some inconsistencies and gaps in the thoroughness of transparency practices. Overall, these findings imply that while budget transparency is acknowledged among the organizations surveyed, there are still significant gaps in achieving consistent and reliable financial disclosures, which could impede the overall goals of accountability.

Table 5: Univariate Data Analysis for Expenditure Tracking Mechanisms

	Strongly Disagree	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**	**Total**	
	Count	Count	Count	Count	Count	Mean	Standard Deviation
ET1	0	135	3	124	36	3.20	1.15
ET2	52	66	36	70	74	3.16	1.46
ET3	0	143	3	50	102	3.37	1.37
ET4	0	147	8	118	25	3.07	1.11
ET5	37	110	0	74	77	3.15	1.46
ET6	0	106	41	61	90	3.45	1.25
ET7	85	62	3	103	45	2.87	1.51
ET8	28	115	7	74	74	3.17	1.41
ET9	61	86	0	127	24	2.89	1.36
ET10	8	127	3	124	36	3.18	1.19

Source: Survey Data, 2025

Moving on to Table 5, we see the distribution of responses regarding expenditure tracking mechanisms. The average scores here range from 2.87 to 3.45, indicating a moderate level of agreement on the existence of expenditure tracking practices across the organizations examined. Items like ET6 (mean = 3.45) and ET3 (mean = 3.37) received the highest levels of agreement, suggesting that monitoring and following up on financial expenditures are fairly well established in certain areas. Similarly, ET1 (mean = 3.20), ET2 (mean = 3.16), and ET10 (mean = 3.18) show consistent evidence of expenditure tracking. However, items such as ET7 (mean = 2.87) and ET9 (mean = 2.89) indicate weaker agreement, pointing to gaps in the comprehensive use of tracking mechanisms.

Table 6: Descriptive Analysis for Public Expenditure and Financial Accountability in Rivers State

	N	Mean	Std. Dev.	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Public Expenditure	298	3.0393	1.22893	-.023	.141	-1.982	.281
Audit System	298	3.1030	1.22387	-.017	.141	-1.951	.281
Budget Transparency	298	3.1121	1.22237	-.026	.141	-1.982	.281
Expenditure Tracking System	298	3.1517	1.22230	-.040	.141	-1.886	.281
Valid N (listwise)	298						

Source: Survey Data, 2025

The descriptive statistics shown in Table 6 give us a clear overview of the main variables explored in the study regarding public spending and financial accountability in Rivers State. The average values for all the variables are just above the benchmark of 3.0, with public expenditure at 3.04, audit systems at 3.10, budget transparency at 3.11, and expenditure tracking systems at 3.15. This suggests a moderate level of agreement on how these practices are being carried out in the institutions surveyed. The close mean scores indicate that while these accountability mechanisms are somewhat in place, they aren't being implemented as effectively as they could be.

The standard deviation values, which consistently exceed 1.2 across all variables, reveal a significant variation in responses, highlighting the differing opinions among respondents regarding the strength and reliability of these mechanisms. The skewness values hover around zero, indicating a fairly balanced distribution of responses. However, the negative kurtosis values point to a flatter-than-usual distribution, suggesting a wider spread in the data. Overall, this descriptive analysis shows that while financial accountability mechanisms do exist in Rivers State, their application is moderate and inconsistent, emphasizing the need for stronger enforcement and more uniform implementation across Ministries, Departments, and Agencies (MDAs).

Table 7: Regression Results

Dependent Variable	R	R^2	Std. Error	B (Unstandardized)	Beta (Standardized)	t	p-value
Audit System	0.993	0.985	0.14740	0.989	0.993	142.057	0.000
Budget Transparency	0.994	0.988	0.13570	0.989	0.994	154.280	0.000
Expenditure Tracking Mechanism	0.979	0.959	0.24770	0.974	0.979	83.282	0.000

Source: Authors' Computation from Primary Data (2025) using SPSS version 25

The results of the study reveal a very strong and positive relationship between public expenditure and the key mechanisms of financial accountability in Rivers State, including the audit system, budget transparency, and expenditure tracking. The analysis shows that public expenditure has a near-perfect predictive effect on these accountability measures, demonstrating its central role in shaping effective financial management practices. For the audit system, the correlation coefficient of 0.993 indicates an extremely strong positive association, while the coefficient of determination ($R^2 = 0.986$) suggests that 98.6% of the variation in audit performance is explained by public expenditure. The regression analysis further indicates that for every unit increase in public expenditure, the audit system improves by approximately 0.989 units. The standardized beta of 0.993, coupled with a t-value of 142.057 and a p-value below 0.001, confirms that the effect is both highly significant and practically meaningful. This finding implies that improvements in expenditure management directly enhance the effectiveness of auditing mechanisms, thereby strengthening accountability in public financial management.

Similarly, public expenditure exhibits a very strong positive effect on budget transparency, with a correlation coefficient of 0.994 and an R^2 value of 0.988, indicating that nearly 99% of the variation in transparency outcomes is attributable to expenditure practices. The regression coefficient of 0.989, with a standardized beta of 0.994 and a highly significant t-value of 154.280 ($p < 0.001$), demonstrates that effective allocation and utilization of funds substantially increase the openness and accessibility of budgetary information. This suggests that well-managed public expenditure not only supports efficient operations but also promotes greater transparency in fiscal processes, enhancing stakeholders' confidence in government financial practices.

For expenditure tracking mechanisms, the results also indicate a strong positive relationship with public expenditure. The correlation coefficient of 0.979 and an R^2 value of 0.959 reveal that about 96% of the variation in tracking effectiveness is explained by public expenditure. The regression coefficient of 0.974, alongside a standardized beta of 0.979 and a t-value of 83.282 ($p < 0.001$), confirms that improvements in public expenditure significantly enhance the monitoring and follow-up of financial flows. This demonstrates that efficient expenditure management is closely linked to the effectiveness of tracking mechanisms, which in turn supports accountability and reduces the potential for

mismanagement. The findings consistently show that public expenditure practices are a critical determinant of financial accountability in Rivers State. The very high explanatory power across all models, the strong positive coefficients, and the statistical significance of the results suggest that well-planned and properly managed expenditure directly strengthens audit functions, promotes budget transparency, and enhances expenditure tracking.

Discussion of Findings

The findings of this study highlight the crucial role that public spending plays in shaping accountability mechanisms in Rivers State. The results reveal a strong and significant impact of public expenditure on auditing systems, indicating that how the government allocates and manages its funds directly affects the effectiveness of audits. When spending is substantial and well-handled, it creates a greater demand for thorough auditing to ensure accountability. This aligns with the insights of Premchand (1999) and Diamond (2002), who pointed out that effective monitoring of expenditures strengthens public financial management systems. It also supports the empirical evidence from Akinwumi and Adegbie (2021), which found that robust auditing processes are essential to prevent the misuse of funds. In Rivers State, auditing systems act as a vital oversight mechanism, ensuring that public funds are used responsibly and accounted for properly.

Additionally, the study found a significant positive relationship between public expenditure and budget transparency. When expenditures are managed effectively, they enhance transparency by making financial information clear and accessible to relevant stakeholders. This backs up the arguments made by Kopits and Craig (1998), who stated that transparency is fundamental to fiscal discipline, and Alt and Lassen (2006), who demonstrated that open budget processes can reduce the risk of fiscal mismanagement while fostering trust between the government and its citizens. In the context of Rivers State, these findings suggest that careful management of public funds directly improves the clarity, accessibility, and reliability of budgetary information, thereby reinforcing accountability within Ministries, Departments, and Agencies.

The study highlighted how crucial public spending is for effective expenditure tracking systems. As government budgets grow, having solid mechanisms to monitor and assess how funds are flowing becomes vital. This aligns with findings from the World Bank (2008), which pointed out that tracking expenditures is key to reducing waste and improving service delivery. Similarly, Reinikka and Svensson (2004) showed that expenditure tracking surveys boost accountability by following the money from central budgets down to the frontline services. For Rivers State, this emphasizes that having well-designed expenditure tracking systems is essential to ensure that the resources allocated truly meet their developmental goals without being misused or diverted.

Conclusion and Recommendations

The study concludes that public expenditure is a central determinant of financial accountability in Rivers State. Effective allocation, management, and monitoring of public funds significantly enhance auditing systems, budget transparency, and expenditure tracking mechanisms. Auditing performance improves when funds are properly disbursed and accounted for, while budget transparency is strengthened when expenditure processes are clear, participatory, and accessible. Similarly, expenditure tracking systems function effectively only when spending is disciplined and well-monitored. Overall, the findings underscore that financial accountability in the State depends heavily on the quality and integrity of public expenditure management, and that lapses in planning, allocation, or monitoring compromise accountability outcomes. Based on these conclusions, it is recommended that

- Rivers State Government strengthen audit institutions by providing financial autonomy, adequate staffing, and technological tools to ensure timely and impartial reviews.
- Open budget initiatives should be adopted to make budgetary information readily accessible, supported by public hearings and participatory platforms.
- Digital tracking systems, including IFMIS, should be fully integrated to allow real-time monitoring of expenditures, while strict fiscal discipline should be enforced to prevent unauthorized spending and inefficiency.
- Legislative oversight, civil society, and media engagement should be intensified to enhance external scrutiny of public funds.
- Ethical governance should be entrenched across MDAs through continuous training, accountability measures, and strong sanctions for mismanagement, fostering a culture of transparency and responsible stewardship of public resources.

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