Assessing the Impact of Financial Accountability and Transparency on Poverty Reduction in North Western, Nigeria

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Abstract

The study is an attempt to empirically evaluate the effectiveness and influence of the financial accountability and transparency on poverty reduction in local government areas of Northwestern Nigeria. The study is a survey research specifically designed to investigate if there exist a significant relationship between explanatory and explained constructs in order to examine the predictive influence between the study variables. A simple sampling technique was used through adaption of structured 5 scale likert style questionnaire. The study employed Partial Least Squares-Structural Equation Modeling (PLS-SEM) algorithm, with the use of smart-PLS 2.0 Software for data analysis and testing of the study's hypothesis. The study's finding showed that financial Accountability and transparency in the North western Nigerian local government areas is not only weak but is critically necessary in all the operations for effective functioning. The study also established that there is significant relationship between financial accountability and transparency in relation to poverty reduction. The study recommends that every government Department, Ministry and Agency (MDA) should have regular update of financial records and transparently operate an open door policy in every transaction conducted by the local governments. Such that accounts and reports should be published for public perusal.

Keywords: *Financial Accountability, Transparency, Poverty Reduction, Local Government, Good Governance and Responsibility*

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Background to the Study

A consensus has been developed worldwide over the importance and need for reforming public sector institutions to strengthen integrity, answerability and candidness in order to foster development, prevent, and combat impoverishment and debasement. Such reforms are crucial to protecting public resources, enhancing public sector performance, and strengthening the government's role in orchestrating development strategies and providing basic services. According to Ekpe & Kofi, (2008) "Serious challenges face developing countries in accelerating growth and development." With the advent of globalization, they face many obstacles to having a greater share of world trade and investment and poverty reduction." Overcoming such obstacles requires major reforms in the public sector to enhance its efficiency and effectiveness. It also requires better governance that is more inclusive of the various groups in society. Moreover, the success and effectiveness of public sector reforms rest more on effective control over poverty and corruption. Adiogun, (2013) suggests that transparency and accountability have emerged over the past decade as key ways to address both development failures and democratic deficits.

Lack of integrity, responsibility and lucidity at the level of governance definitely constitutes a heavy toll on the well-being of the people of local government (Agbo, 2012). Two of the characteristics of good governance namely accountability and transparency were examined in this study as applied to other advanced nations of the world. Bad governance as a bane of underdevelopment and poverty in Nigeria were highlighted, touching the various aspects which contributed to the underdevelopment of the nation. Finally, ways of ensuring poverty reduction in Nigeria were discussed with the resultant effects of creating national development strategy. However, one dominant and unique issue in local government administration and political systems is the statutory revenue allocation from the federation account and efficiency in expenditure for effective provision of basic amenities and social infrastructures since, provision of these services is fundamental key to the very existence of local governments.

Statement of Problem

Large amount of financial resources is being released to Local Governments through the state governments for provisions of educational infrastructures, health care services, rural feeder roads, clean drinking water and other social amenities all with aim of bringing growth, development and reducing poverty at grassroots. Despite all these financial releases, provision of development projects is not always there to match the volume of the resources allocated and poverty amongst the people is at its pinnacle, especially in the rural areas. Accordingly, Shagari, (2012) argues that the pertinent issue is where are the resources? Since there are no projects and the general economic wellbeing of the populace is deteriorating by the day. What can justify the release of the huge amount of financial resources to local government Areas? Where are the records, to provide sufficient answer and translucent explanation on how the expenditures and disbursements were carried out and what happened to the standard ethos of best practices in the handling of public funds and finally, what happened to the public trust, answerability, and responsibility, openness, comprehensibility and limpidity of evidences?

Poverty is found to be at the worst in the rural areas of Nigeria today according to Dandago, (2012) This is characterized by malnutrition, lack of standard education, low life expectancy and sub-standard income generation opportunities. In attempt to alleviate these problems, three actors are observed as being involved in any giving country. Namely; the three tiers of government (federal, state and local governments), international organizations and non-governmental organizations (NGO's).

Of course this has presented a good case for investigation for instance, from June 2006 to May 2016, the 181 LGAs of North Western Nigeria have received a total sum of approximately $17.3 billion from the federation Account (Federation Accounts Allocation Committee Reports, (2006- 2016). Despite the releases of these large sums of money to LGAs of the North-West, there are widespread complaints for absolute lack of enhancement in the lives of citizens' condition of living and high prevalence of destitution amongst the people, especially the rural ones. This is corroborated by World Bank Poverty Index Report, 2015 on Nigeria which points out that, North Western Nigeria (location of this study) is the second most poverty wracked zone following North Eastern Zone (Boko-Haram, Insurgency affected hot spot). However, with this lack of financial responsibility and openness in governance, it would be safe to assume that, in spite of the best efforts of the successive governments since the return of democratic rule in Nigeria privation still remains one of the most obstinate social conundrums facing the policy authorities in Nigeria.

There are number of empirical studies on financial accountability and transparency in LGAs of Nigeria and elsewhere in the world such as Ekpe & Kofi, (2008) Adiogun, (2013); Dandago, (2010); Halidu, (1994); Abubakar, (1992); Kwanbo, (2009); Kwanbo, (2010); Adebayo and Rowland, (2006); Ndas, (2005); Sanusi and Jumare, (1992); Premchand, (2001); Federick, (2002); Jayawickrana, (2008); James, (2007); Adogi, (2012) and Shagari, (2012). However, the results of these studies are divergent. The divergence seems to emanate from the different estimation procedures, locations of the studies, period covered, literatures reviewed and methodology employed for data collection and analysis. Therefore, it is against these backdrops that this study is embarked upon in other to fill the salient credibility gaps.

Objectives of the study

The primary objectives of this study are to critically assess the impact of financial accountability and transparency on poverty reduction in local government areas of Northwestern Nigeria.

The specific objectives are;

1. To investigate if there exist a significant relationship between financial accountability and poverty reduction in LGAs of North Western Nigeria.
2. To examine the explanatory and predictive influence of transparency on Poverty reduction amongst peoples of LGAs of North Western Nigeria.

Research Hypotheses

The study on the impact of financial accountability and transparency on poverty reduction in North Western Nigeria will statistically appraise the following hypothesis.

HO1: There is no significant relationship between financial accountability and poverty reduction in LGAs of North Western Nigeria.

HO1: There is no significant influence between transparency and poverty reduction in LGAs of North Western Nigeria.

Literature Review

Accountability

According to Bovens, (2006) accountability is a concept in accounting, ethics and governance with several meanings. It is often used synonymously with such concepts as responsibility, insurability, blame worthiness, liability, answerability, culpability and other associated terms with the expectations of account giving. As an aspect of governance it has been central to discussions related to problems in the public sector, nonprofit and private (corporate world). In leadership roles, accountability is the acknowledgement and assumption of responsibility for actions, products, decisions, and policies including the administration, governance, and implementation within the scope of the role or employment position and encompassing the obligation to report, explain and be insuperable for resulting consequences. Jayawickrana (2008) says as a term related to governance, accountability has been difficult to define. It is frequently described as an account –giving relationship between individuals, for example A is accountable to B when A is obliged to inform B about A's (past or future) actions and decisions, to justify them, and to suffer punishment in the case of eventual misconduct. Accountability cannot exist without proper accounting practices, in other words absence of accounting means absence of accountability.

Accordingly, Adegite (2010) defines "accountability as the obligation to demonstrate that work which has been conducted in accordance with agreed rules and standards and the officer reports fairly and accurately on performance results vis-à-vis mandated role or plans. It means doing things transparently in line with due process and the provision of feedback. Johnson (2004) says that financial accountability is an essential component for the functioning of our economic system, as accountability means that those who are charged with drafting and carrying out policy should be obliged to give an explanation of their actions to their electorate. Premchand (1999) observes that the capacity to achieve full accountability has been and continues to be inadequate, partly because of the design of accountability itself and partly because of the widening range of objectives and associated expectations attached to accountability. In their submissions they further argue that if accountability is to be achieved in full including its constructive aspects, then it must be designed with care. The objective of accountability should go beyond the naming and shaming of officials, or the pursuit of sleaze, to a search for durable improvements in economic management, to reduce the incidence of institutional recidivism. The future of accountability consists in covering the macro aspects of economic and financial sustainability, as well as the micro aspects of service delivery. (Premchand, 1999), added.

Concept of Public Financial Accountability

The concerns of financial accountability, whether in a kingdom, which was the more common form of government, or that of a democracy in the pre-Christian era, was the same, viz; the preservation of the wealth of the king or the society. In writings nearly three hundred years before the beginning of the Christian era, (Premchand, 2007), it was observed that human nature was disposed to acquire public money for private gain. He wrote just as it is impossible not to taste honey or poison that one may find at the tip of one's tongue, so it is impossible for one dealing with government funds not to taste, at least a little bit of the king's wealth He added just as it is impossible to know when a fish moving in water is drinking it, so it is impossible to find out when government servants in charge of undertakings misappropriate money.

In recognition of this human proclivity, (Premchand 2007), however, the growing public administration and management sciences have explored in some detail the functions of a modern executive. Premchand, (2007), devoted a considerable part of his attention to these aspects. An individual's actions are guided by an informal code of ethics (drawn from his moral environment), and more explicit and formal codes of organizations. He noted that morals are personal forces or propensities of a general and stable character in individuals which tend to inhibit control or modify inconsistent immediate specific decisions, impulses or interests and intensify those which are consistent with such propensities. This concept of individual responsibility is partly included in Simon's system of values that have a procumbent part in decision making (Simon, 1997).

James, (2007) defines the concept of public financial accountability to be an emerging one that government should be held financially accountable. This has led to two major competing models of government accounting. One model emphasizes hierarchical accountability within the executive branch and executive accountability to the parliament. The other model stresses the entire government's accountability to the electorate and general public. He added that it is a process where international and regional organizations are increasingly calling for greater transparency and commonality in government finance statistics. Public financial accountability has emerged as an international norm for government conduct. The ascendancy of democracy reaffirms the view that governments are politically accountable through the ballot box further more; the widespread adoption of market economy has given rise to a greater appreciation of the importance of contractual accountability under rule of law. As money is an essential element in many political and contractual relationships government financial accountability has become a focal point of many political debates and economic discussions.

Halidu, (1992) aptly describes public financial accountability when he posited that the objectives of public financial management practiced in local government is not only to determine government financial need, but to acquire funds and put them into effective use to achieve goals which include, constitutional mandate to carry out certain responsibilities by the local government staff. Thus, in addition to raising of funds,

financial practice in local government involve or is concerned with accountability, transparency and good governance and other functions in the local government. From the various discussions on the meaning of public financial accountability, the perspective expressed here is more relevant to the general objective of this study.

Importance of Financial Accountability and Transparency
Financial accountability and transparency are instrumental in fostering communal trust and goodwill, and almost inevitably pay off in economic and social dividends. The current investment climate in Nigeria is so unattractive that not even Nigerian citizens in the Diaspora are willing to invest at home, talk less of prospective foreign investors betting their money on the country. The result is that Nigeria continues to suffer unstoppable capital flight. In the meantime, the Nigerian Stock Exchange internationally acknowledged a gold mine remains heavily undercapitalized (see Zenith Economic Quarterly, 2006). Re-institutionalizing the pre-independence-era culture of accountability and transparency will help rebuild goodwill, sanitize domestic investment climate, and help re-attract international investments.

The importance of transparency and accountability in any society cannot be overemphasized. First, accountability and transparency foster good, ethical governance and are fundamentally needful for building public trust in leadership. Abused and neglected over time, the Nigerian public has gradually grown accustomed to not trusting its leadership any longer. People have become virtually disconnected from the government- not only in the political sense, but particularly in the civic, moral and ethical sense of duty. They have stopped to expect anything good from their government and have lost the sense of attachment and obligation to duty and society (Ake, 1995).

Without a reawakening of the culture of accountability and transparency lost over the years, the trusting relationship needed to forge between the government and the governed for the actualization of good governance will not materialize. The culture of financial accountability and transparency will help reintegrate Nigeria into mainstream global economy and help position her for rightful international opportunities. One of the few bright spots of the Obasanjo administration was the cancellation in 2005 of Nigeria's official debt to the tune of eighteen billion dollars- a goodwill reward by the international creditor community for the anti-graft crusade initiated by that administration. If current and future administrations demonstrate similar initiatives in the future, numerous other international opportunities await Nigeria.

The importance of accountability and transparency in government is beyond its obvious virtues, accountable and transparent government is, in this view, an integral step on the path to creating the most prosperous, productive economies that allow individuals, businesses and governments to create the highest possible standard of living for the highest possible number of people. In its recent 2009 Prosperity Index, according to Ombudsman, (2010) the Legatum Institute assessed 104 countries, representing approximately 90% of the world's population, in terms of a series of measures, such as

whether a country possesses "an honest and effective government that preserves order and encourages productive citizenship" or whether it features "transparent and accountable governing institutions that promote economic growth" in the 2009 index, Australia finished sixth and only a marginal amount separated Australia and the number one placed country, Finland.

What becomes apparent very quickly about those countries at the top of the prosperity index is that they are countries that are not just prosperous, but enjoy high levels of economic and personal freedom, respect for the rule of law and high levels of accountable and transparent governance. Of course, there could be some genuine debate about causation here. Does prosperity precede integrity and systems of accountability and become something that prosperous countries can afford, or do prosperous countries become so in part because of their commitment to the integrity mechanisms of its government and governance institutions? The Legatum Institute observes that "the foundations of prosperity reinforce each other" and goes on to say that "countries in which sound governance creates satisfied citizens are also the most likely to have the healthiest economic fundamentals and the most entrepreneurial societies".

Using Australia as an example, on one hand, it regularly appears at, or very near, the head of every international table that measures national prosperity, and on the other hand, at, or very near, the head of every international table that measures government integrity. It seems that the correlation and co-dependency of the two are irresistible. In short, there is, in this view, a very strong correlation between prosperity, the rule of law, democratic institutions, respect for economic and personal freedoms and good governance hallmarked by accountability and transparency.

A sustained culture of financial accountability and transparency will help Nigeria consolidate its democratic reforms. Nigeria's young democracy is tottering on the edge of collapse because the grassroots institutions and pillars that are needed for sustaining implemented reforms are bugged in outrageous corruption. At the very minimum, a proportionate platform for sustaining an enduring democracy must consist of the following components: transparent judiciary; capable law enforcement; viable electorate; an established culture of communal accountability; and a sense of recognition of duty by the government and the governed. Such a proportionate platform will help ensure survivability for Nigeria's infant democracy. (Adogi, 2012).

Accountability the Heart of Good Governance
"Accountability" originally derived from Latin word "accomptare" (which means to account) has often been used synonymously with other concepts as "answerability", "enforcement"," responsibility", "blameworthiness", and "liability". But notwithstanding the duplicity, all the terms used in connection with the concept are associated with one common meaning- "obligation and expectation of account-giving". Closer home to the questions addressed in the current study, sociologists describe leadership accountability as the case in which the legislature holds civil servants

accountable through mechanisms vested in the constitution and other supplementary laws governing a nation. Accountability as a concept according to Adiogun, (2013) is more than simply transparency. He asserted that it is a necessary component for outsider scrutiny of how an individual or corporate body plans and conducts its activities.

He views accountability as an individual or corporate body answering to a constituency or requiring some substantive standard against which to make a judgment. In other words, accountability implies that the government is accountable to her citizens. Accountability is noticed more by its absence, that is, the failure of the government or an agent of government or an elected or appointed officer to discharge official trust as given. Martin (1997) has put forward a simple definition of accountability as the process in which A answers to B (where Z has been prescribed by A and accepted by B). It has to do with responsiveness and being answerable to somebody or the people.

Lack of accountability manifests itself in a number of ways, for example, uncompleted projects. Nigerian physical environment is dotted with abandoned projects; some are as old as the first republic and non-functioning industrial establishments. This may explain why Nigeria, the 6th biggest world producer of oil and having four lame doc refineries, cannot meet domestic demands for petroleum products. The steel sector has also suffered severe knocks from political recklessness. A country with two major iron and steel industries and 4 inland rolling mills cannot produce 10% of domestic iron needs. Nigeria has the 2nd largest bitumen deposits in the world; yet up to 2010, exploitation has not commenced. Nigeria instead spends billions of dollars to import bitumen annually (Osakwe, 2011).

Lack of accountability in Nigeria public sectors also manifests itself in other areas like poor quality jobs execution and certificate of completion issued; political antagonism/vendetta and discrimination. Funds are denied or withheld to some areas because of their perceived lack of political goodwill towards the government in power. As a result, location of industries, tertiary and health institutions are denied deserving communities. In addition, political office holders name institutions and establishments after themselves. The latest dimension is that some serving public officers now own and run universities and huge public funds are spent to fund their private programmes like burial of parents and relations. All these forms of political misbehaviour are very serious breaches of accountability that could lead to poverty, suffering, depressed economy and impoverishment.

Also lack of accountability led to high level corruption which is the unlawful, illegitimate and fraudulent acquisition of status, goods, services, position/privileges; that is, obtaining rights and privileges through methods and procedures that contravene existing laws and accepted procedures. When applied to public life, it means abuse of official trust for selfish and illegitimate personal, group or party gain. Corruption thrives on nutrients such as money, power, fear, insecurity and sex. Aminu (2002) has noted very strongly that money is the most persuasive means of power and comfort, and that it plays a great role in

the entrenchment of corruption in Nigeria. The struggle for power in Nigeria has to a great extent, been achieved through the corrupt use of money. And when these corrupt individuals get to power, corruption is adored and glorified. Corruption is a negation of the accountability ethics of the public service when rules are circumvented or double standards are applied with the aim of getting something, be it power, position or privilege.

The Concept of Transparency
Herder et al, (2015) asserts that transparency is quite a buzzword in contemporary politics and an assumed good thing; yet what does it entail more precisely? What is transparency? What needs to be transparent? What purposes does transparency serve? Who needs to be transparent? To who is transparency directed? By what mechanisms is transparency achieved? The following paragraphs successively address these questions as they relate to finance today. The overall message is that, while transparency is laudable as a general principle, the specifics of its execution also matter a great deal. For example, in some guises transparency generates only minimal policy adjustments, but in others it can promote far-reaching economic and social transformation.

To begin with, then, what is transparency as a general concept? In a word, transparency entails openness and visibility. It means that actions and circumstances are observable and assessable. In the absence of transparency, people are ignorant of and cannot scrutinize a situation. Without transparency other aspects of accountability (such as consultation, review and redress) cannot be effectively attained. Thus transparency is a sine qua non of accountability. Naomi and Mihaela, (2010) defines transparency as a term of art, that could well win the prize for most increased usage of any word and has been used almost to the saturation point over the past decade.

Becoming a pervasive cliché of modern governance. In perhaps its commonest usage, transparency denotes government according to fixed and published rules, on the basis of information and procedures that are accessible to the public, and within clearly demarcated fields of activity. According, Mulgan, (2003) beyond this relatively simple foundational principle things get more complicated and contested. For instance, what more exactly needs to be transparent in respect of finance? It is broadly agreed that financial entrepreneurs and companies should be publicly registered and that their performance should be publicly reported in some way.

However, disagreements abound concerning the types and amounts of information that should be disclosed about such matters. What should a financial institution reveal about its ownership, assets, clients, organizational structure, decisions, activities, revenues, profits, social impacts, and environmental consequences? What should be the timing of such disclosures: immediate or after certain intervals? What exemptions should be allowed: e.g. for reasons of personal privacy or public safety? In general, the financial industry tends to default towards less transparency, while public-interest advocates default towards demanding more. After all, information is a key source of power. An

important caution might be inserted here, though. Sometimes more disclosure can actually be politically disabling for change agents.

Sanni, (2013) also posits that financial institutions and financial regulators may flood their reports and websites with insubstantial information while withholding small amounts of more crucial data. Piles of published documents may reveal far less than confidential board minutes and the CEO's appointments diary. Indeed, a surfeit of disclosure on relatively insignificant matters can distract activist and researcher energies away from key evidence that is kept invisible. Hence the quantity of released material can be less important than its quality. Important is not only what is made visible, but also for what purpose. What is one trying to achieve with transparency in finance? For most regulators and mainstream economists, transparency is a tool to bring greater efficiency and stability to financial markets. In contrast, for social justice advocates openness and visibility is a way to expose and counter financial practices which enable tax evasion, undue executive remuneration, money laundering, and other morally dubious conduct.

Adiogun, (2013) argues that for democracy promoters, transparency is an instrument that enables greater public participation and control in financial governance. For environmentalists, transparency is a means to identify and where necessary correct the ecological impacts of financial activities. So while many people want more transparency in financial markets, they want it for different reasons. Indeed, different kinds of transparency will serve different goals and benefit different constituencies. This makes transparency an object of considerable political struggle.

Transparency and Accountability in Local Governance
Transparency in government operations is widely regarded as an important precondition for macroeconomic fiscal sustainability, good governance and overall fiscal rectitude (Kopitand Craig, 2008). Lack of transparency makes fiscal discipline and expenditure control harder to achieve (Alesina and Perotti, 1966). According to Kopitand Craig (2008), and McGee (2005) transparency is openness towards the public at large about government structure and functions, fiscal policy intentions, public sector account and projections.

It involves ready access to reliable, comprehensive, timely, understandable and internationally comparable information on government activities (Kwanbo, 2010). Premchand, (2001); O'Donnell, (2003); Maiwarry and Welna, (2003) state that fiscal accountability as a derivative of fiscal transparency, permitting the provision of information on fiscal activities of government to a specified group (legislation) or to several group is a means to accountability, accountability implies the existence of a body of oversight charged with the responsibility of reviewing the content of information provided and reporting on to the general public. In order to achieve fiscal transparency and accountability in local governance, the federal government in 1989 established the office of the auditor general for local government. The establishment of this office paved way for the creation of the office of the internal auditors, as heads of the internal audit units of local councils (Kwanbo, 2010).

The internal audit unit is seen by Dandago (2002), Linet (2003), Leruth and Paul (2006), and Kwanbo (2010) as an element within the organization charged with the responsibilities of examining, evaluating, reviewing and reporting results obtained on the operations of the accounting and internal control system. The internal audit helps an organization to accomplish its objectives by bringing systematic discipline approach to evaluate and improve the effectiveness of risk management control and governance. Internal audit department within the public sector complement the work of the Supreme Audit Institution (SAI) through their investigative, monitoring and evaluation activities and, because of their focus on internal control, these departments contribute to no small measure in ensuring that sound and effective system and procedures are in place (Goolsrran and Hughes, 2006). It is right to say that the local government internal audit ensures fiscal transparency by allowing for procedures and methods of decision making and the disbursement of funds to be open and visible to all. On the other hand, the internal audit ensures fiscal accountability by allowing for monitoring of decision makers; this leads to organizational efficiency as problems are likely to be identified, corrected and timely, accurate and reliable information for use in decision making are produced (Brewer and List, 2004); (Hughes, 2006; Coso, 2009; Inanga and Amadu, 2009).

However, in most local governments fiscal transparency does not imply procedures and methods of decision making and the disbursement of funds are open and visible to all. Secondly there are mostly no reports highlighting administrative performance as there are no published service targets stands for key services provided is assessed by both local government and state government in order to achieve the objectives of fiscal accountability.

Concept of Poverty
According to the World Development Report (2002), poverty policies have utilized a broad conceptualization of poverty associated with different dimensions of poverty. Schiller (2008), Laderchi, Saith and Stewart (2003), point out that the way we conceptualize and measure poverty influences the fundamentals of poverty policies and programs. While different poverty measures have been utilized, little attention has been paid to their comparative outcomes and implications (Blank, 2007). Over the years, different perspectives regarding poverty influenced government welfare policy toward poverty reduction. Rank (2001) notes that understanding the real causes of poverty is important to enlighten our perspectives on the causes of poverty. According to Rank, our understanding of the causes of poverty could be grouped under three major factors: individual factors, cultural and neighborhood factors, and structural factors.

Also in Blank (2003) Poverty in its most general sense is the lack of necessities. Basic food, shelter, medical care, and safety are generally thought necessary based on shared values of human dignity. However, what is a necessity to one person is not uniformly a necessity to others. Needs may be relative to what is possible and are based on social definition and past experience (Sen, 1999). Valentine (1968) says that "the essence of poverty is inequality. In slightly different words, the basic meaning of poverty is relative

deprivation." A social (relative) definition of poverty allows community flexibility in addressing pressing local concerns, while objective definitions allow tracking progress and comparing one area to another.

The most common "objective" definition of poverty is the statistical measure established by the federal government as the annual income needed for a family to survive. The "poverty line" was initially created in 1963 by Mollie Orshansky at the U.S. Department of Agriculture based on three times her estimate of what a family would have to spend for an adequate but far from lavish diet. According to Michael Darby (1997), the very definition of poverty was political, aimed to benchmark the progress of poverty programs for the War on Poverty. Adjusted for inflation, the poverty line for a family of four was $17,050 income in 2000 according to the US Census. Most poverty scholars identify many problems with this definition related to concepts of family, cash income, treatment of taxes, special work related expenses, or regional differences in the cost of living (Blank 1997) Quigley, 2003).

Regardless of how we look at the "science" of poverty, or what O'Connor, (2001) calls the "knowledge of poverty," it is essential to retain focus on the fact that the definition of poverty and the policies addressing it are all shaped by political biases and values: It is this disparity of status and interest that make poverty research an inescapably political act: it is an exercise of power, in this case of an educated elite to categorize, stigmatize, but above all to neutralize the poor and disadvantaged through analysis that obscures the political nature of social and economic inequality (O'Connor 2001). In this sense, political agendas are the overriding factors in poverty that not only influence the choice of theory of poverty but the very definition of poverty to be explained by each theory. Powerful interests manage how poverty is discussed and what is being done about it; unfortunately, this paper can only identify the politicization of theories of poverty rather than separate it out for analysis. The perspective developed here is paralleled by discussions in Europe. See for example Alock (1993).

Poverty Data in Nigeria
According to Odior, (2014) since the publication of Sen's, (1976) (reviewed in 2016 as well) article on the axiomatic approach to the measurement of poverty, several indices of poverty have been developed that make use of three poverty indicators: the percentage of the poor, the aggregate poverty gap and the distribution of income among the poor. Also according to (Kakwani, 1993); (Ravallion and Datt, 1996) the measurement of poverty involves two distinct problems: (1) the specification of the poverty line - the threshold below which one is considered to be poor; and (2) once the poverty line is determined, construction of an index to measure the intensity of poverty suffered by those below that line.

Poverty measures could be additively separable or specific. The experiment on poverty indicators were calculated using the representative-household (RH) approach in a separate poverty module. In this function, the within-group household distribution is

specified by a lognormal frequency function. A poverty line of 791.10 Naira was used in this study. The poverty line was based on two-thirds of the average per capita expenditure (PCE) or 23,733 Naira this yielded estimates of 54.41%, 43.19% and 63.27% for national, urban and rural poverty incidence (P0) in the 2005 data set of the National Bureau of Statistic (NBS) Poverty Profile for Nigeria respectively. This poverty line is required to provide the minimum 2,900 calories per person per day. All persons with PCE less than this amount are considered poor.

Those equal to or above are non-poor. A core poor (or extreme poverty) are defined as one-third of the average PCE of 11,867 Naira. All persons with PCEs between 11,867 and 23,733 Naira are considered moderately poor NBS (2005). Rural and urban areas are calibrated to exogenous poverty rates using a log standard error of 0.35 for all RHs (household groups in the model). In the calculation of poverty indicators for each experiment, the CGE model feeds the poverty module with simulated data for mean consumption and CPI for each RH Lofgren *et al.* (2003). The poverty measures are pre-programmed in the household module that is linked to the standard model. For poverty, the module covers the three measures of the Foster *et al.* (1984) proposed class of poverty measures, the head-count ratio (P0), Poverty gap ratio (P1) and severity of poverty (P2).

Strategies and Approaches for Promoting Local Governance and Rural Poverty Reduction
According to European Forum on Rural Development Cooperation Policies and approaches for rural poverty reduction: what works in practice? (2014) Development cooperation initiatives have focused largely on building the capacity of public sector agencies at the central and local levels to perform their statutory functions under a decentralized administration. These initiatives have often been based on a demand driven approach in which the local government structures are supposed to request for support they have identified. It is argued that this promotes ownership and better commitment on the part of the local officials and development agencies.

Capacity building as an approach has sometimes been undertaken through institutional reform programmes intended to reduce public sector lethargy and corruption. Many development cooperation initiatives are designed and implemented with relatively high management/delivery cost. Managed from the national capital, with highly qualified and expensive personnel, and with the state of the art technologies, many of the programmes tend to post high overhead costs that are difficult to be maintained and/or replicated by the national budget and the local administrations.

The effect has been that a number of "island solutions" or non-replicable examples of good local governance systems have been left behind. Sector-wide approaches (SWAPs) have come in vogue as new ways of fostering coordination among donor agencies and governments of developing countries in the design and implementation of integrated programmes of action to reduce poverty and support local governance. Adiogun (2013) posits that these have begun to promote the preparation of coherent plans and budgets

and the implementation of transparent management systems in some sectors of recipient country economies. In some countries sector coordination groups have been set up and serve to reduce overlaps and duplication among development cooperation agencies and government departments through regular reviews of national Comprehensive Development Frameworks. Bilateral and multilateral cooperation agencies engage governments of developing countries in dialogue processes through the contents of their "Country Assistance Programmes" or "Country Strategy Papers".

These support packages clearly indicate the focal areas of development assistance they are able and willing to offer. This is supposed to enable the governments of the recipient countries to strategies and prepare a framework of mutual engagement; thereby allowing the governments to be in the "driver's seat". Quite often a three-pronged support package covering the private sector, NGO and civil society as well as the public sector are pursued, (Aminu, 2003). This ensures the strengthening of local governance structures and the development of a democratic culture. Bilateral and multilateral agencies tend to find support for civil society relatively complex to put together. Northern NGOs are, therefore, used as more effective channels of support for local NGOs and CSOs. What is interesting is that NGOs and CSOs are receiving more support in organization development and change management relative to public sector agencies.

Review of Relevant Empirical studies
From the study of Adiogun, (2013) it submits that there has been a persisting challenges of accountability and transparency in local government councils in Nigeria. The objective of her study has been to ascertain whether accountability and transparency has put to check the circumvention of due process in financial and non-financial activities of the Local government council in Nigeria. A survey research design was adopted for the study, 55 Administrative managements and 30 internal auditing totaling 85 was randomly sampled and stratified among members of staffs in local government out of 108 population sample. Three research questions and hypothesis tested at 0.05 percent level of significance guided to study. Frequencies, percentages, Means and standard deviation were employed to answer the research question while Z-test statistics were used to test the hypotheses. It was discovered that the process of accountability and transparency has affected the official and non-official financial behavourial attitudes of council staffs in Nigeria. It was recommended that there should be adequate sensitization through, workshops, seminars and lectures on the need for accountability and transparency in the government System.

Also Adogi (2012), in an empirical research on how accountability and transparency deficit affect economic development and political instability in Nigeria evaluates that the effects of corruption on a nation's economy are damaging. Indeed, a nation inundated with corruption cannot be viable economically neither can the system generate enough support/affection required for the survival of democratic system and political stability. This Nigerian situation is characterized in the following ways;

Bello Iman (1965) posits that in Nigeria corruption has become part and parcel of the political culture. Corruption has indeed robbed Nigerians the benefit of economic development because scarce available resources that should have been deployed to execute developmental projects have gone into private foreign accounts. For instance, in 2006, the head of Nigeria's Economic and Financial Crimes Commission, Nuhu Ribadu, estimated that Nigeria lost some US$380 billion to corruption between independence in 1960 and the end of military rule in 1999 more than half of the total money stashed out of African continent to Western World (BBC, 2007). According to Tony Blair (2005), the former Prime Minister of Britain, this amount is equivalent to all the western aid given to Africa in almost four decades and also equivalent to 300 years of British aid for the continent. It is also said to be six times the American aid given to post-war Europe under the Marshall plan.

Nigeria's corruption epidemic has continued since then. Some western diplomats estimated that Nigeria lost a minimum average of $4 billion to $8 billion per year to corruption over the eight years of the Obasanjo administration (HRW, 2007). That figure would equal between 4.25% and 9.5% of Nigeria's total GDP in 2006. To put those numbers in perspective, a loss of 9.5% of the United States' GDP to corruption in 2006 would have translated into $1.25 trillion in stolen funds or $222 billion (GBP 108.6 billion) in the case of the United Kingdom's economy (HRW, 2007). Though these figures may not be very reliable, it is incontestable that corruption has assumed a ludicrous dimension in Nigeria. Nigerian situation aptly fit into what Myrdal (Amuwo, 2005) described as the "folklore of corruption.

Expectedly, this has had a debilitating impact on the nation's socioeconomic and political development. Significantly, the levels of economic development and democratic stability have been found to be mutually supporting. The bulk of liberal democratic theory establishes a close relationship between the economies, refers to as development, and a stable democratic rule (Ake, 2001). However, the link between democracy and economic prosperity is not as simple as it has been taken to be, because the democratic process and the fortunes of the economy have a cybernetic feedback interaction.

Aminu (2002) says Democracy facilitates economic development, while economic backwardness and decline impedes political stability and economic development. The contention here is that the level of corruption in Nigeria due to mere absence of accountability and transparency mechanism has adversely affected the performance of economy because the resources which would have been deployed to facilitate development have found their ways into private pockets and individual accounts in foreign countries. This is indeed the reason for high level of poverty, insecurity, widespread diseases, and high unemployment rate. All these provide a suitable ground for rapid growth and development of militants groups like Boko Haram in Northern Nigeria and Niger Delta militants.

Scholars have described Nigeria, as an "unfinished state", (Joseph et al., 1996), and as "a truculent African tragedy" (Ayittey, 2006) in the midst of abundant human and material resources, which are propelled in the vicious cycle of poverty and autocracy. Efforts at building a democratic polity further entrapped it at the "political crossroads" (Kew, 2006). With enormous wealth from oil resources, and economic, social and political strength, Nigeria is qualified to be called the giant of Africa. As (Kew, 2006). has noted: "The giant was brought to its knees by 20 years of brutal and corrupt military rule, which left a legacy of executive dominance and a political corruption in the hands of Nigeria's so-called "godfathers"-powerful political bosses sitting atop vast patronage networks who view the government primarily through the lens of their own personal enrichment. Because of this instability, the focus of the leadership became parochial with the overriding consideration for personal survival rather than national development.

The centralized political and economic structures "made the military and civilian individuals who controlled key state posts fabulously wealthy, while 70% of Nigerians fell into abject poverty" (Sklar et al., 2006). These leaders have in common brazen disregard for the rule of law, lack of an independent judiciary and the legislature. Poor leadership has led to stagnation, and alienation of the citizenry, causing a low level of system affect – the sense of belonging to and identifying with the political system (Mayer et al., 1996).

According to (Kew, 2006): The Nigerian government remains distant from serving the interest of its people. Politics at the federal, state, and local levels of the Nigerian federation are dominated by the powerful mandarin who built vast patronage networks during the military days and who now use political office to expand these networks and their personal fortunes. Moreover, many of these so called "godfathers" have been cultivating personal militias to secure their position.

Methodology
The study employed the survey research design in investigating the impact of financial accountability and transparency on poverty reduction in LGAs of North Western Nigeria. The instruments of questionnaire were used in the study. The researchers used simple random sampling technique in this study, the unit of analysis or target respondents must be related to the area of study (Accounting and Finance). Hence, the choice of Accountants, Auditors and Finance officers is in line with this assumption. Each LGA is expected to have at least 40 number of employees in the Audit, Accounts and Finance departments. Therefore, with the 28 sampled LGAs we have 1,120 target populations whereby, using Morgan and Krejecie's (1970) table of samples 1200 number of population has a sample size of 291. Both primary and secondary sources of data were used in the study. The primary data included the survey tools especially the questionnaire while the secondary data included journal publications and texts among others. The validity of the instrument was done by showing the instrument to experts for their inputs. The items in the survey instrument were also based on the research questions designed for the study. The use of pilot study was adopted for determination of reliability of the research instruments. The essence was to determine consistency in responses, data obtained from

pilot's survey were committed to test of reliability using cronbach alpha statistic. The results reported a cronbach alpha of 0.72. the instrument was therefore 72% reliable. For the data analysis, the descriptive statistics, pilot study in terms of reliability and validity analysis of the variables are discussed. In addition, other analyses which include correlation analysis of the latent variables of the construct are adequately presented and analyzed. Furthermore,

This study also used Partial Least Squares-Structural Equation Modeling (PLS-SEM) which is robust and carter for some assumptions that render the results more valid. It is also known as PLS path modeling. The study used smart PLS 2.0 Software to test the model's hypothesis through some unique steps where inner and the outer model specifications are considered as employed and recommended by many scholars such as Ringle et al., (2005). The model specification is a stage that deals with the set-up of the inner and outer models that displays the relationship between the study variables. The outer model known as the measurement models used to evaluate the relationship between the exogenous variables and the corresponding endogenous variables. One of the conditions is to make sure both the inner and the outer models are correctly specified, and once this is done, then the thing next is to run the PLS-SEM algorithms. In the process of obtaining the result, all expected computations must be done where in the said results, there should be an evaluation of the reliability and validity of the variables in addition to the determination of the value of reliability for each individual item, the internal consistencies of the indicators, the content validity of the result as well as the discriminate validity in addition to the convergent validity.

Data Presentation and Findings

As it can be seen correlation matrix of the entire exogenous latent constructs in Table 1 below.

Table 1: Correlations Matrix

Latent Variable	1	2	3	4	5
3. Financial Accountability	.260	.256	**1.0**		
4. Poverty Reduction	.358	.172	.717	**1.0**	
5. Transparency	.479	.229	.377	.510	**1.0**

correlations is computed using SMARTPLS 2.0 software

The above table 1 indicated that the correlations of the exogenous latent variables were entirely sufficient because they are less than the suggested 0.90 and above. So, the values of threshold indicated that the exogenous latent constructs of this research were not correlated and happened to be independent. Also, after the examination of the matrix correlation of the exogenous latent variables, the variance inflated factor (VIF) and tolerance value were applied in order to find Multicollinearity in this research.

Table 2: Results of Multi co linearity Test

	Co linearity Statistics	
	VIF	1/VIF
Transparency	1.42	0.706
Financial Accountability	1.29	0.776

Source: Smart PLS software 2.0 2013

Furthermore, the Table 2 above revealed that there is no existence of multi co linearity between the study available exogenous latent variables, since; the entire VIF values were lower than 5, while tolerance values were above 0.20, as argued by Hair et al (2011). Therefore, the issue of multicolinearity does not exist in the ongoing research.

Descriptive Analysis of the Latent Constructs
This section concentrated primarily on descriptive statistics for the latent variables. Specifically, the study used descriptive statistics in computing means and standard deviations in relation to the latent variables as indicated in Table 3

Table 3: Descriptive Statistics

Variable	N	Mean	Std. Deviation
Financial Accountability	325	3.604615	.8122830
Poverty Reduction	325	3.793846	.7306932
Transparency	325	3.749615	.6612554

Source: Smart PLS software 2.0 2013

From the table the descriptive statistics of latent constructs whereby mean and the standard deviation of the latent constructs are considered including the number of their items. For instance, Financial Accountability has five items, Transparency has six items. Poverty Reduction has ten items and The likert scale used by this study are 5 points likert scale ranging from 1 Strongly Agreed, Agree, 3 Nuetral, 4 Disagree and 5 Strongly Disagree this is because the likert scale used is considered suitable to this kind of study since PLS-SEM is suitable for multi measurement scale.(Sass Emberq, Martsechke & SCHOLL, 2011).Table 4.7 above shows that overall mean ranged from 3.604615 –3.793846 with their corresponding standard deviation ranging from .6612554 – .8122830.

Meanwhile the Financial Accountability construct is having mean 3.604615 and the standard deviation of .8122830 thus this study found the accountants, auditors and those in the accounting and finance department of LGAs in Northwestern Nigeria are satisfied with level of Financial Accountability of the various LGAs.

Furthermore, the average value of 3.793846 and standard deviation of .7306932 is for the Poverty Reduction variable that also means the measure for Poverty Reduction are

accepted by the respondents from various LGAs on the average. In terms of Transparency variable, it has mean of 3.749615and standard deviation of .6612554. Based on their average value it therefore implies that most of the accountants, auditors and those in the accounting and finance department of LGAs in Northwestern Nigeria agreed with the level of Transparency by LGAs.

Discriminates Validity Analysis
Another important statistical analysis using Partial Least Square-Structural Equation Modeling is discriminants validity which can be regarded as the situation where each and every latent construct is different from one-another in a given study (Duarte & Raposo, 2010). In addition, Hair et al., (2006) added that, discriminants validity used to be achieved through the use of Average Variance Extracted in the calculation. This is done on the discriminants validity used through comparison of the statistical correlations of the latent constructs whereby the square roots of the average variance extracted are considered. Moreover, discriminants validity is said to be determine through some conditions where many researchers consider them as a criterion by comparing the indicators loadings with other reflective indicators in the cross loading found in the research analysis. As a result, 0.50 values and above is considered acceptable in respect of discriminants validity as a rule of thumb.

Consequently, in the case of this study Table 4 shows that the average variances extracted values fall within the range of acceptable values for the discriminates validity since the values fall between 0.506944 and 0.634474. Therefore, to ascertain the discriminants validity calculations Table 4 indicate the correlations between the latent variables as compared to the square root of the average variances extracted which is in shaded and bolded values. The Table 4 also indicates the values of the square root in respect of the average variances extracted and found that all were above the correlations between the research latent variables which is one of the conditions for the discriminants validity as suggested by Heir et al (2006). Therefore, based on the previous argument this current research could be considered sufficient for discriminants validity as it has sufficient discriminants validity values as seen in Table 4

Table 4: Square Root of AVE and correlations of latent variables constructs

Latent Variable	1	2	3	4	5
1.FinancialAccountability	.260	.256	**.751**		
2. Poverty Reduction	.358	.172	.717	**.756**	
3. Transparency	.479	.229	.377	.510	**.712**

Note: Diagonal elements (figures in bold) are the square root of the variance (AVE) shared between the constructs and their measures. Off diagonal elements are the correlations among constructs
Source: Smart PLS software 2.0 2013

Test of Hypothesis

In this segment, the two null hypothesis formulated for the study will be tested with a view to accepting or rejecting them based on the result from the table below. The result can also be seen in the following Table 5.

Table 5: Hypotheses Test

Hypotheses	Relationship	Beta value	Standard Error	T value	P value	Decision
H1	Financial Accountability ->Poverty Reduction	0.6146	0.0821	7.4881	0.000	Reject
H2	Transparency - >Poverty Reduction	0.2499	0.0851	2.9374	0.000	Reject

Note: ***Significant at 0.01 (1-tailed), **significant at 0.05 (1-tailed), *significant at 0.1 (1-tailed).

Test of Hypothesis 1 (Ho: 1)
Hypothesis 1, in retrospect, states that
 Ho 1: There is no significant relationship between financial accountability and poverty reduction in LGAs of North Western Nigeria

Hypothesis 1 predicted a positive relationship between Financial Accountability and Poverty Reduction. The finding had rejected the proposed Hypothesis 1 at (β = 0.6146, t = 7.4881, p < 0.01. The regression result shown in Table 5 in respect of Financial Accountability in relation to poverty reduction models which shows that Financial Accountability has coefficient parameter of 0.6146. This is clear indication that, Financial Accountability has positive relationship with poverty reduction since the parameter is positive. The said relationship is significant at 1%. This is because; the p-value of the Financial Accountability in respect of the poverty reduction is less than 0.01 while the T-value is greater than 1.25. This implies that there is sufficient evidence to suggest that Financial Accountability has a positive relationship with poverty reduction since the relationship is significant.

Therefore, the hypothesis formulated on Financial Accountability in relation to poverty reduction is said to be rejected. This is because the null hypothesis is said to be rejected when a regression result is significant, thereby the alternate hypothesis on Financial Accountability is supported which implies that there exists a relationship between on Financial Accountability and poverty reduction amongst LGAs of Northwestern Nigeria. As the relationship between Financial Accountability and poverty reduction is positive, it implies that when there is an increase in the Financial Accountability of any LGA by (1.00) one, the LGA poverty reduction will increase by 0.6146 parameter with econometric assumption of other things being equal. In other words, if Financial Accountability is upheld by LGA, the poverty level is expected to be reduced and vice-versa.

This may go in line with the argument put forward that the better Financial Accountability in LGAs the more the poverty reduction is achieved and the findings is in line with findings of Bardhan, (2002) which illustrates that institutions of local accountability in developing countries are often weak, with the attendant risk of 'capture' of public resources by local elite.

Test of Hypothesis 2 (Ho: 2)
Hypothesis 2, in retrospect, states that

Ho 2: There is no significant influence between transparency and poverty reduction in LGAs of North Western Nigeria". Hypothesis 2 predicted a positive relationship between Transparency and Poverty Reduction. The findings had rejected the proposed Hypothesis 2 at ($\beta = 0.2499$, $t = 2.9374$, $p < 0.05$).

From the regression result shown in Table 5, in respect of Transparency in relation to poverty reduction models in this study which shows that Transparency has coefficient parameter of 0.2499 which implies that Transparency has positive relationship with poverty reduction since the parameter is positive. The said relationship is also significant at 1%. This is because; the p-value of the Transparency in respect of the poverty reduction is less than 0.01 while the T-value is greater than 1.25. This also implies that there is sufficient evidence to suggest that Transparency has a positive relationship with poverty reduction since the relationship is significant. Therefore, the hypothesis formulated on Transparency in relation to poverty reduction is said to be rejected. This is because the null hypothesis is to be rejected when a regression result is significant as discussed earlier, thereby the alternate hypothesis on Transparency is supported which shows the existence of the relationship between on Transparency and poverty reduction among LGAs of Northwestern Nigeria.

As the relationship between Transparency and poverty reduction is positive, it implies that when there is an increase in the degree of Transparency of any LGA by one, the LGA poverty reduction will increase by 0.2499 parameters with econometric assumption of other things being equal. The result of this analysis has been supported by following Transparency Model in their claims Christensen et al, (2010) asserted that while the aims and claims of many Transparency and Accountability Initiatives are quite broad, the assumptions behind them are often unarticulated, untested and open to challenge. A common assumption is that greater transparency generates greater accountability, yet growing evidence exists that transparency alone is insufficient, and only leads to greater accountability in interaction with other factors. However, Transparency is a process or a mechanism of knowing.

Transparency in its literal meaning refers to the state of being easily visible throughout. Politically speaking, it is a developing phenomenon of ascending trust. It is a passage of increasing infidelity on the government by citizens and by government on citizens. It is a process of prolonged sharing of thoughts necessary in governing the state. Transparency, as we understand in laymen language is that it is a way to see through the workings of

government. In this related development, transparency is yet another variable that is very important to the development of LGAs of any given society especially in respect of resource allocation and spending. This could improve the economic management of resources thereby operating an open system with adequate disclosure measures resulting to more unambiguous candid financial methods of operation which will unvaryingly repress poverty amongst citizens of the LGAs. It is also argued by many researchers that Transparency is an element of economic expansion which will guaranty efficiency and effectiveness of budgetary system which is achievable through participatory budget cycles in the LGAs.

Consequently, in another model Mark, (2015) opines that transparency's importance as an administrative norm seems self-evident. Prevailing ideals of political theory stipulate that the more visible government is, the more democratic, accountable, and legitimate it appears. The findings of following studies have corroborated the result of this study: Ndas, (2015); Sanusi and Jumare, (1999); Premchand, (2001); Federick, (2002); Jayawickrana, (2008); James, (2007); Adogi, (2012) Shagari, (2012) Usman et al, (2011), and Osisioma, (2006), Also according to Dandago, (2016). Where he argues that this is in itself a way of empowering people and living by ideals of democracy. Most of the times, transparency is seen as one sided process. The government or the ruler has access to the citizen's activities. But the government is much reluctant to share or allow the same when citizens demand. This gives rise to loss in trust in governments' working and raises questions in all lengths and breadths.

Dandago also said a transparent government does not just inform the people about decisions that affect them, but also lets them know the grounds on which such decisions have been taken. Transparency also implies that all rules and regulations regarding the functioning of the various arms of the government and the powers and duties of its officers are in the public domain. While transparency offers great advantages to the people, it also has many benefits for the Government. For one, people have much greater sense of trust in governments they deem to be transparent and they are more likely to understand if the country is placed in a difficult situation.

In other words, if Transparency is improved by LGA poverty is expected to be reduced and vice-versa. This may go in line with the argument put forward that the better the transparency in governance the more the poverty is reduced and the findings is in line with the argument of Schaefer & Yilmaz, (2008), and NgoziI Eweala, (2018).

Conclusion and Recommendation
The findings of this study may mean that financial accountability, transparency; have significant relationship on poverty reduction in Northwestern, Nigeria. By implication the findings suggest that, when issues of financial accountability, transparency are addressed poverty reduction could be achieved amongst the people. Invariably the main causes of the result may not be unconnected with the strategic role of Local government in human development at the grassroots. It also suggests that majority of the populace in the Northwestern Nigeria have one connection or the other with their local government system.

Lastly it indicates that majority of the populace look forward to LG system to decipher the problems of poverty, destitution and impoverishment affecting them. The study also suggests that, the most important recipe for good governance and quality service delivery to the grassroots may come from radical transformation in financial accountability and transparency at the local governments areas of Northwestern, Nigeria. In light of the study's findings, it is recommended that: Having established the impact of financial accountability on poverty reduction in LGAs of Northwestern, Nigeria. Public awareness should be created or increased by the government (via the public enlightenment campaign) on benefits of accountability on development at grassroots.

Transparency is an indispensable tool in running public affairs. Therefore, it is highly important to be thoroughly open in all public system especially when holding public trust since there can be no good governance without transparency. The identified gap between financial accountability and transparency in poverty reduction should be bridged through further studies. Implications of corruption and wastages should be investigated and revealed at all levels.

Finally, the study recommends that every government Department, Ministry and Agency (MDA) should have a transparency and policy unit and in every financial year, produce a financial statement that includes budgetary provision for the period together with a report of performance, variance analysis and factors inhibiting performance. Such accounts and reports should be published for public consumption.

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