ACCOUNTING SYSTEMS AND GHOST WORKERS SYNDROME IN NIGERIA

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Abstract
Ghost worker syndrome, a means through which huge sums of honey are siphoned from public treasury, has become an age-long problem that seems intractable in Nigeria and other developing countries. Some measures like privatization, commercialization, often retrenchment wave been adopted to tackle this hydra-headed monster, all to no avail. This study has come up with a solution: Accounting systems with an in-built control system to preclude and detect fraud. Chi-Square value was computed and compared it with X0

Since X' is greater than X0.05, This implies that Accounting Systems can be used to solve the Ghost Worker Syndrome, with the in-built control system in use, over bloated wage hill can be reduced to an acceptable levels: below 40%. By this, Governments can take care of the sectors of the Economy --- Capital projects like Road Construction. Agriculture, Industries, etc. that can help to accelerate economic growth and development of the State, in the light of the immediate foregoing, When this is achieved, governments can access enough money to embark on life transformation projects. The only conditions needed to accomplish the above are Transparency and good Accountability.

Introduction
The ghost worker syndrome is one of the conduit pipes for siphoning money from the public treasury has become a major headache in Nigeria. For a long time now various governments (Local, State and Federal) have been facing a bloated wage bill that is not concomitant with the available work force. Various concerns and even worries have been expressed over this malignant disease and various measures adopted to address or confront it but most of them seem to have failed.

Personnel audit, rationalization, and even retrenchment have been used to tackle this problem. None yet has been able to yield the desired result. In the light of the foregoing, therefore, it becomes necessary in the circumstance to adopt a different approach altogether to confront the problem. It becomes necessary also to use a professional approach to get to the root of the matter. Accounting systems with built in control mechanisms, to be manned by persons of intergrity can help to address this seemingly intractable problem.

This idea of sliming the state has caught the whole world like wild fire including Nigeria. Various governments in Nigeria have been retrenching workers as a means of reducing government expenditure to acceptable levels. But the ghost worker syndrome has made this effort appear to be an exercise in futility. The various governments' wage bills keep on increasing in spite of the retrenchments. The major concern of this study is to find out whether the known accounting systems can tackle the ghost worker syndrome in Nigeria.

Secondly, whether any thing specific or additional can be done to formulate or design them in such a way that they can address this seemingly endemic problem squarely.

Thirdly, in designing such systems, what appropriate built-in control mechanisms are needed to make the systems work effectively? Fourthly, what caliber of persons is required to exercise those controls for optimal results.
Hypotheses
H01 There is no concomitance between accounting systems and accurate number of workers in a workplace.
H1 There is concomitance between accounting systems and accurate number of workers in a workplace.
H02 Good accounting systems cannot reveal the incidence of ghost workers in a workplace.
H2 Good accounting systems can reveal the incidence of ghost workers in a workplace.

Accounting training helps managers make better business decisions.

Globally, throughout their lives, people make important decisions. One of the most important decisions is how to earn a living. People may prepare for many different careers, others may choose to prepare for a career in the accounting profession.

Business owners and managers need accounting records to enable them manage a business very well and prepare financial reports. Accounting information can be recorded by hand or by using accounting machine(s) or computers. The type of business and its size usually determine how its accounting records are kept. Whichever method is applied, the concepts and principles are the same. Managers and owners of both large and small profit — making organizations use accounting information to answer important questions: Are profits sufficient? Should selling prices be increased or decreased? How many workers should be employed? And so on. Persons responsible for non-profit making organizations also need accounting information as the basis for making decision. Non — profit making organizations such as churches, social clubs, Boy scouts, Girls’ Guide, Red cross society and others need to keep record of income an expenditure.

Accounting/Measurement:
Accounting is an information system. It releases financial information about an economic unit, information that users rely on to make decisions. The first step in this process, is the gathering of financial and economic data. Once these data are gathered, they need to be measured so that they can be compared and interpreted. Just as physical measurements enable us to learn about the world reports in booklet form contain financial statements and information useful to a great variety of readers.

Accounting systems: These are designed and tailored to the needs of our society. At the heart of these systems are embedded control measures designed:

To ensure accounting standards
To preclude and detect fraud
To discipline fraudsters, to act as a deterrent against future attempts. Madonna University is a model where the above control measures are strictly observed. These control measures are relaxed else where. This provides the occasion for and incidence of around us, economic measurements of financial events allow us to evaluate the performance of a business.

Standard Accounting Practices (SAP) or Generally Accepted Accounting Principles (GAAP):
The fundamental accounting concepts are seldom disclosed because they are generally accepted as the bedrock of the preparation and presentation of financial statements. Disclosure is however necessary if these fundamental accounting concepts are not followed.

The Development of Accounting Practices:
In the light of the fore going, it becomes necessary to describe some of the developments of modern accounting methods and identify the groups that influence modern accounting practice. Accounting is an old discipline, with its roots in the beginnings of civilization. Reporting requirements have evolved over the centuries and are currently shaped by professional authoritative bodies and by government agencies. As the United States moved towards an industrial economy, large companies emerged creating requirements for
more accounting information. New inventions brought forth new products and rapid population growth helped create awareness and demand for them. Accounting methods and techniques had to be developed to meet these changes. Today almost every large commercial firm across the globe prepares an annual report. Annual fraud in Nigeria. This level of fraud prevalent in Nigeria has produced the ghost worker, as one of the avenues through which enormous sums of money are siphoned from organizations. A foreign agency PATHS (Partnership for transforming Health Systems) a branch of DFID (British Department for international Development) came to establish the District health System in Nigeria, in the process, designed an accounting System to preclude fraud viz establishing Four information points about money collection which were reported to four different supervisory authorities. At the end of the day, the four control points compared notes, so that differences could be identified and explained. The same system can be used to check the incidence of ghost worker.

DFID Personnel Audit of Enugu State Civil Servants:

The areas covered by the investigation include physical inspection of: Letter of first appointment Letter of last promotion any ghost worker The investigation covered every Section, Division, Department and Ministry of Enugu State Civil Service. No civil servant was left uncounted. Every Section, Division, Department and Ministry was given a date for its own investigation to get fully prepared. On the actual date for say a section, the Civil Servants were asked to queue up in a single file. The investigators cross — checked the above requirements. Thereafter, they (investigators) asked the crucial question, “Is there any ghost worker in your midst?” Those on the queue looked in front, behind and around and pronounced that there was no ghost worker in their midst. The civil servants on the queue know themselves very well, they are colleagues for quite some years. Besides, it was in their best interest to see that the investigation succeeded. The "Physical count was carried out for thoroughness and accuracy".

Any civil servant who satisfied the above conditions was given a computerized ID Card. After that exercise, there is computerized data base of civil servants and their salaries. This exercise has reduced the wage bil to about 40 — 43%. By this, Government can take care of other sectors of the economy capital projects like road construction, Agriculture, industries etc that can help to accelerate economic growth and development.

Table 1 shows the response rates for the two groups interviewed. Out of 100 questionnaires distributed among Madonna University staff as described earlier. 67 persons responded, giving a response rate of 67%. On the other hand, the response rate from outside Madonna is 76% (ie 76 persons responded out of 100 questionnaires distributed). The response rates speak for themselves but the only comment is that it highlights the age — old problem of research in Africa. Research is difficult to execute in Africa for so many. reasons that are cultural, economic and literate. Many people still oppose research materials like questionnaires and would do every thing to avoid them. Some even think it is a waste of their precious time to entertain questionnaires while others out rightly say that no pecuniary benefits accrue from filling them and that they should therefore discountenance them.

Table 2 shows the arrangement of the responses from the two categories (in Madonna and outside Madonna) in three groups of questions and either in the affirmative or negative.
This table in its rawness does not tell much, not to talk of the whole story about the data collected. We, therefore, reconstructed it as Table 4 in order to be able to subject it to chi-square treatment to test whether there is a concurrence or otherwise of the responses between the groups interviewed.
obtained are presented as follows:

\[
\begin{align*}
Df &= (R \cdot 1) (C \cdot 1) \\
\text{df} &= (3 - 1) (4 - 1) \\
&= 2 \times 3 = 6 \\
X^2 &= 55.37 \\
\text{Po.05} &= 12.59 \\
\text{df} &= 6 \\
\end{align*}
\]

where:

\[
\text{Of} = \text{Degree of Freedom} \\
\text{Row Number Column}
\]
Number

$P_0 = \text{Probability at 95\% confidence}$

In order to determine whether the divergence between observed and expected frequencies is due to chance or otherwise, we computed the value of chi-square and compared it with $X_{0.05}$. Since $X^2_{\text{cal}}$ is greater than $X_{0.05}$, we rejected the postulation that the association is due to chance. We agree that Accounting systems can solve the ghost worker syndrome. These three categories of questions, namely 1, 2 and 4, 5 and 7, looked at the various dimensions of the Ghost Worker Syndrome and Accounting Systems are implicated as an answer or solution to the problem as a whole and this poses a challenge to Accountants as the prime professional to tackle this problem for society.

What all the above imply also is that the Ghost Worker Syndrome is not an impossible problem. It can be solved if Accountants are willing to take the bull by the horns and if they are ready to employ all the operational standards and manuals at their disposal to confront the problem. Personnel staff have a contribution to make, Heads of institutions have their own contributions to make as well, but Accountants are privileged to be at the forefront to provide a solution to this hydra-headed monster level of assuredness whether there is a Ghost worker in his/her institution or not. What this shows is that the ownership structure of Madonna University (a private University) makes it difficult, if not impossible, to harbour a Ghost Worker.

What the above scenario recommends to other institutions is that their heads of Accounting departments should be empowered enough to know the identity of all the staff they are supposed to pay. As shall be seen from the recommendations, they should also be given enough authority to conduct physical personnel audit of the employees when they consider this necessary to plug any perceived loopholes. Responses to question 10 re-enact the scenario observed above, 105 (out of 143) recommend that the appropriate ratio of wage bill to total income of any institution should be less than 40%. In each case, questions 8, 9 or 10, at least 50% of the respondents agree on this idea of below 40% of the total income or receipts as appropriate expenditure on the wage bill. When expenditure on the wage bill is reduced to this acceptable level, the institution can have enough money to attend to other equally important and urgent areas crying for attention.

**TABLE 1**

<table>
<thead>
<tr>
<th>CIVIL SERVANTS</th>
<th>SOCIETY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Questions</td>
<td>Yes</td>
</tr>
<tr>
<td>1, 2 &amp; 4</td>
<td>27</td>
</tr>
<tr>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>7</td>
<td>17</td>
</tr>
</tbody>
</table>

Source: Returned Questionnaires
Types I and I

**TABLE 2**

Analysis of Responses

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Below 40%</td>
<td>72</td>
</tr>
<tr>
<td>41 — 50%</td>
<td>20</td>
</tr>
<tr>
<td>51 — 60%</td>
<td>20</td>
</tr>
<tr>
<td>61 — 70%</td>
<td>10</td>
</tr>
<tr>
<td>71 — 80%</td>
<td>20</td>
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<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
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<tbody>
<tr>
<td>A i</td>
<td>72</td>
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<tr>
<td>B</td>
<td>27</td>
</tr>
<tr>
<td>C</td>
<td>27</td>
</tr>
<tr>
<td>D</td>
<td>9</td>
</tr>
<tr>
<td>E</td>
<td>9</td>
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<table>
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<th></th>
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<tbody>
<tr>
<td>A</td>
<td>105</td>
</tr>
<tr>
<td>B</td>
<td>19</td>
</tr>
<tr>
<td>C</td>
<td>10</td>
</tr>
<tr>
<td>D</td>
<td></td>
</tr>
<tr>
<td>E</td>
<td>9</td>
</tr>
</tbody>
</table>

Q,12  Yes 123  No 20

Source: Returned Questionnaires
TABLE 4
Arrangement of Responses for Chi-square Treatment

<table>
<thead>
<tr>
<th>Questions</th>
<th>CIVIL SERVANTS</th>
<th>THE PUBLIC</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Group I</td>
<td>27</td>
<td>40</td>
<td>63</td>
</tr>
<tr>
<td>Group II</td>
<td>4</td>
<td>63</td>
<td>38</td>
</tr>
<tr>
<td>Group III</td>
<td>17</td>
<td>50</td>
<td>25</td>
</tr>
</tbody>
</table>

Source: Adapted from Table 2

\[
df = (r - 1) (C - 1)
\]

\[
= (3 - 1) \times (4 - 1)
\]

\[
= 2 \times 3 = 6
\]

\[
X^2 = 55.37 \quad P0.05 = 12.59 \quad df = 6
\]

Detailed calculation for Chi-square is shown in Appendix II1

HYPOTHESES TESTING
At this juncture, it is in the fitness of things to test our hypotheses in the light of the evidence and finding generated from prior sections.

Hypothesis I:
Null Hypothesis H0: There is no concomitance between accounting systems and accurate number of workers in a workplace.

Alternative Hypothesis Hi: There is concomitance between accounting systems and accurate number of workers in a workplace.

The responses to question 3, taken together, include:
- By regular signing of monthly register
  - By head count
  - By their identity cards
  - By means of personnel audit where by every staff is physically seen, interviewed and recorded.
  - Letter of appointment/attendance
  - Attendance list and roll call
  - By physical identification
  - They sign attendance register - Staff parade to identify staff physically.
  - Personnel audit
  - The daily attendance register is taken to individual worker personally to sign.

At the month end staff payroll is prepared based on the attendance records dated. A schedule of payroll is given to the bank manager who identifies the individuals and pay them accordingly.
When they come to the bank to collect their salaries.  
- Staff of the institution usually receive their salaries through the bank. The workers in the bank know each and every staff because they too are employees of the institution because the bank belongs to the institution.  
  By showing identity cards  
The above list is by no means exhaustive and is corroborated by the responses to question 12:120 respondents out of 143 polled agreed that accounting systems can eradicate the problem. In the light of the foregoing; therefore, we accept the alternative hypothesis that "There is a concomitance between accounting system and accurate number of workers in a work place."

**Hypothesis II**  
**Null Hypothesis Ho:** Good accounting systems can not reveal the incidence of ghost workers in a work place.  
**Alternative Hypothesis Hi:** Good accounting systems can reveal the incidence of ghost worker in a work place.  
The facts revealed by hypothesis I make hypothesis II a corollary to hypothesis I. The facts clearly show that accounting systems can reveal the incidence of ghost workers in a work place. Therefore, we accept the alternative hypothesis, namely that good accounting systems can reveal the incidence of ghost workers in a work place.

**Hypothesis III**  
**Null Hypothesis Ho:** Built — in controls are not useful in maintaining the systems  
**Alternative Hypothesis Hi:** Built — in controls are useful in maintaining the systems.  
Responses to question 4, showing that if the control measures are replicated elsewhere, the same results shall obtain, indicate clearly that built-in controls are useful; in maintaining the systems. In the circumstance, we find it necessary to accept the alternative namely that built-in controls are useful in maintaining the systems.

**Hypothesis IV**  
**Null Hypothesis Ho:** No matter how good the systems and the controls are, they need not be manned by persons of integrity to make them produce the expected results.  
**Alternative Hypothesis Hi:** The systems and controls need to be manned by persons of integrity to make them produce the expected results.  
Even though the recommendations, made by respondents have been reserved for the appropriate chapter, respondents made it clear that the enabling work philosophy that accountants need to make the war against ghost workers succeed is integrity. Ordinarily, the attribute accountants need in their work to make them credible is integrity, without which nobody will reckon with reports, opinions or assessments. Integrity is like salt to the work of accountants.  
In view of the above, we accept the alternative hypothesis that "the systems and controls need to be manned by persons of integrity to make them produce the expected results.

**Recommendations**  
The study recommendations include the following.  
The use of head count and identity card to cross — check physically staff of an institution's payroll. This can be complemented by encouraging the workers to imbibe the culture of honesty.

The accounting system or the payroll section should be effective in their work by examining and checking employment of staff actual number of workers on the payroll. They should also take proper record of retirements, retrenchments, resignations, deaths, etc. In addition, transfers from one industry or institution to another should be noted and documented.  
Proper attendance list should be kept and maintained and also, workers should present themselves physically everyday for identification before and after close of work every day. Ghost workers can be eradicated by physical identification of employees and adequate file documentation. Provision of Attendance Register to all Departmental Heads. Keeping of accurate staff data through computerization. Periodic physical audit of staff. Registration of dead staff and removing their names from staff list by human resource managers;
insistence on physical identification before payment of salaries.
Pay employees with cheque/bank.
Annual Personnel Audit Exercise. Annual Payroll Audit. Monitoring of employment rate and where staff nominal roll is computerized. Regular computer payroll inspection should done by the Administration officer or Auditors.
Management of the organization to deal decisively with those found to be involved in ghost workers and other forms of fraudulent practices in the organization.
Cross — check with human resources section the actual number of staff and compare same with payroll section to see whether ghost workers exist. Management should ensure that unclaimed salary tS paid to company’s account especially where cash is paid. Periodic staff audit need to be undertaken to ensure that ghost workers are eliminated.

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