

Economic and Financial Crimes Commission (EFCC) and Financial Accountability and Transparency in Nigeria

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Abstract

This study explores the effect of Economic and Financial Crimes Commission (EFCC) and financial accountability and transparency in Nigeria from 2010 to 2023. Using an *ex-post facto* research design and secondary data from the International Centre for Investigative Reporting (ICIR) and EFCC Conviction reports, the study investigates the effect of EFCC's operational metrics: number of petitions received, investigated cases, cases filed in court, and convictions secured, on the Corruption Perception Index (CPI) as a proxy for financial accountability and transparency. The analysis employs Ordinary Least Squares (OLS) regression to assess these relationships. The results reveal distinct effects of EFCC activities on corruption perception: the number of petitions received has a negative significant effect on the corruption perception index, whereas the number of investigated cases positively influences perceptions of corruption. However, the study finds that the number of cases filed in court and convictions secured have insignificant effects on corruption perception. The study recommends enhancing EFCC's processes for receiving and handling petitions transparently, prioritizing investigations based on severity and public interest, streamlining court processes to expedite legal proceedings, and strengthening collaboration between EFCC and the judiciary. Additionally, capacity building for prosecutors and legal teams, alongside systemic reforms within the legal system, are crucial for improving the effectiveness of anti-corruption measures in Nigeria.

Keywords: Economic and Financial Crimes Commission (EFCC), Financial Accountability, Transparency, Corruption Perception Index (CPI), Ordinary Least Squares (OLS), Regression.

Introduction

Financial accountability and transparency are crucial components of good governance and sustainable economic development in any country. In Nigeria, where the prevalence of economic and financial crimes has long been a challenge, the role of institutions such as the Economic and Financial Crimes Commission (EFCC) in promoting accountability and transparency is of paramount importance (Ayobami, Adeola, & Oyebanji, 2022). Financial accountability refers to the obligation of individuals and institutions to be answerable for their financial actions and decisions, particularly in the management of public funds (Kim, 2022). It encompasses transparency, responsibility, and oversight mechanisms aimed at ensuring that resources are utilised efficiently, effectively, and in accordance with legal and ethical standards. Within the Nigerian context, achieving financial accountability has been

hindered by systemic corruption, fraud, and embezzlement, necessitating the intervention of specialised agencies such as the EFCC. The Economic and Financial Crimes Commission (EFCC) was established in 2003 with the mandate to investigate, prosecute, and prevent economic and financial crimes in Nigeria (Economic and Financial Crimes Commission, 2024). As an independent law enforcement agency, the EFCC plays a crucial role in combating corruption, money laundering, fraud, and other financial malpractices that undermine financial accountability and transparency in the country.

The effectiveness of the EFCC in promoting financial accountability and transparency in Nigeria is influenced by various independent variables, including its legal framework, institutional capacity, political will, and public perception. The legal framework provides the statutory basis for the EFCC's operations and determines its authority, powers, and limitations (Okafor, 2024). Financial accountability and transparency, fundamental pillars of governance, are intricately linked to perceptions of corruption within a country. The Corruption Perception Index (CPI), compiled by Transparency International, serves as a benchmark for assessing the perceived levels of corruption in countries worldwide (Transparency International, 2021). In Nigeria, the CPI provides valuable insights into the prevalence of corruption and the effectiveness of anti-corruption efforts, thus serving as a dependent variable in this study.

The activities of the EFCC represent key independent indicator that influence the financial accountability and transparency in Nigeria. Firstly, the number of petitions received by the EFCC reflects the level of public awareness and confidence in reporting instances of corruption (Ogbole, Yusuf, & Omotosho, 2021). A higher volume of petitions may indicate increased public trust in the EFCC's ability to address financial misconduct, potentially leading to improvements in the Corruption Perception Index (CPI).

Subsequently, the EFCC's capacity to investigate and prosecute cases of financial crimes plays a crucial role in shaping perceptions of corruption. The number of investigated cases by the EFCC reflects the agency's operational efficiency and commitment to tackling corruption (Uadiale, Uwuigbe, & Olayinka, 2022). Effective investigations and prosecutions can contribute to a decline in corruption perceptions, thereby positively influencing the Corruption Perception Index (CPI).

Moreover, the number of cases filed in court by the EFCC signifies the agency's efforts to ensure accountability and uphold the rule of law (Lah, Shaibu, & Abdullahi, 2020). Successful prosecution and adjudication of corruption cases demonstrate the EFCC's effectiveness in combating financial crimes, potentially leading to improvements in the Corruption Perception Index (CPI) as perceptions of corruption diminish. Lastly, the number of convictions secured by the EFCC serves as a tangible measure of the agency's impact on deterring corruption and holding perpetrators accountable (Olayiwola & Adekunle, 2023). Convictions send a strong signal that corrupt practices will not be tolerated, thereby fostering public confidence and potentially contributing to improvements in the Corruption Perception Index (CPI).

By examining key constructs such as the number of petitions received, investigated cases, cases filed in court, and convictions, this study seeks to elucidate how the EFCC's operations helps in enhancing financial accountability and transparency in Nigeria.

Statement of the Problem

The effectiveness of the Economic and Financial Crimes Commission (EFCC) in promoting financial accountability and transparency in Nigeria faces multifaceted challenges that hinder its ability to combat economic and financial crimes effectively (Okechukwu, 2021; Uguru & Eke, 2019). Despite its mandate and efforts, corruption, institutional weaknesses, political interference, and public distrust undermine the EFCC's capacity to achieve its objectives, thereby perpetuating a culture of impunity and hindering sustainable economic development (Igbuzor, 2017; Transparency International, 2021). In Nigeria, ensuring financial accountability and transparency has been a significant challenge due to systemic issues such as corruption, weak institutional frameworks, and inadequate enforcement mechanisms (Umar, 2019). Despite various reforms and initiatives aimed at improving accountability and transparency, including the implementation of International Public Sector Accounting Standards (IPSAS) and the establishment of anti-corruption agencies such as the Economic and Financial Crimes Commission (EFCC), the country continues to grapple with issues of mismanagement and misappropriation of public funds (Ogbodo, 2020). This has led to a lack of trust among citizens, hampering development efforts and undermining socio-economic progress (Owoye & Oludayo, 2019).

Empirically, several studies have been conducted as regards the operations of EFCC on the Nigerian economy, a notable research gap is the lack of studies specifically examining the effect EFCC's operational activities, such as the number of petitions received, investigated cases, filed cases in court, and convictions secured, and their impact on financial accountability and transparency as measured by the Corruption Perception Index (CPI).

While existing studies have explored various aspects of the EFCC's effectiveness, including its role in combating corruption and promoting accountability, there is a dearth of research that directly links the commission's operational metrics to broader indicators of financial accountability and transparency. Additionally, none of the reviewed studies utilized the Corruption Perception Index (CPI) as a proxy for financial accountability and transparency, representing another research gap.

The current study aims to fill this gap by specifically investigating how the EFCC's operational activities, represented by the number of petitions received, investigated cases, filed cases in court, and convictions secured, influence financial accountability and transparency as measured by the Corruption Perception Index (CPI). By utilizing quantitative data analysis techniques, including regression analysis, the study seeks to provide empirical evidence on the causal relationship between EFCC's activities and financial accountability in Nigeria.

Research Questions

The following open-ended research questions are used as a guide for our study:

1. How does the number of petitions received by the EFCC affect the Corruption Perception Index (CPI) in Nigeria?
2. What effect does the number of investigated cases by EFCC have on the Corruption Perception Index (CPI) in Nigeria?
3. How does the number of cases filed in court by EFCC influence the Corruption Perception Index (CPI) in Nigeria?
4. What is the effect of convictions secured by the EFCC on the Corruption Perception Index (CPI) in Nigeria?

Research Hypotheses

The following research hypotheses are formulated to guide the study.

1. **H₀₁**: There is no significant effect of the number of petitions received by the EFCC on the Corruption Perception Index (CPI) in Nigeria.
2. **H₀₂**: There is no significant effect of the number of investigated cases by EFCC on the Corruption Perception Index (CPI) in Nigeria.
3. **H₀₃**: There is no significant effect of the number of cases filed in court by EFCC on the Corruption Perception Index (CPI) in Nigeria.
4. **H₀₄**: There is no significant effect of convictions secured by the EFCC on the Corruption Perception Index (CPI) in Nigeria.

Literature Review

Conceptual Review

The Economic and Financial Crime Commissions (EFCC) represent specialized government agencies tasked with the responsibility of investigating and prosecuting economic and financial crimes within a particular jurisdiction. These commissions are established to combat a wide range of offenses, including but not limited to corruption, money laundering, fraud, and cybercrimes, all of which pose significant threats to the economic stability and integrity of a nation (Magu, 2020). The creation of such commissions underscores the recognition of the detrimental impact of economic crimes on society, including hampering economic development, undermining public trust in institutions, and fostering a culture of impunity.

In many countries, including Nigeria, the establishment of the EFCC reflects a proactive response by governments to address the pervasive problem of economic and financial crimes (Ume, 2018). These commissions are typically endowed with extensive powers, including the authority to conduct investigations, arrest suspects, freeze assets, and prosecute offenders in accordance with the law. The mandate of the EFCC often extends to collaborating with other law enforcement agencies, regulatory bodies, and international organizations to enhance the effectiveness of anti-corruption and anti-money laundering efforts (EFCC, 2023).

Measures of Economic and Financial Crime Commissions (EFCC) in Nigeria

Number of Petitions Received by EFCC

The number of petitions received by the Economic and Financial Crimes Commission (EFCC) serves as a critical proxy for assessing public engagement and confidence in the commission's mandate to combat economic and financial crimes. Petitions represent formal complaints or reports submitted by individuals, organizations, or entities alleging instances of corruption, fraud, money laundering, and other financial malpractices. As such, the quantity of petitions received by the EFCC reflects the level of awareness and trust among the populace regarding the commission's effectiveness in addressing such illicit activities.

A surge in the number of petitions received by the EFCC indicates a heightened level of public awareness and confidence in the commission's capacity to investigate and prosecute economic and financial crimes. It suggests that individuals and entities are increasingly willing to report suspicious activities and collaborate with law enforcement agencies to combat corruption and uphold financial integrity (Ogwumike & Ogwumike, 2020).

Number of Investigated Cases by EFCC

The number of cases investigated by the Economic and Financial Crimes Commission (EFCC) serves as a vital indicator for assessing the commission's operational effectiveness and capacity in combating economic and financial crimes. This metric provides valuable insights into the EFCC's ability to carry out thorough and comprehensive investigations, gather evidence, and identify individuals or entities involved in illicit activities. According to Adejare (2019), by tracking the trends in the number of investigated cases, stakeholders can gauge the commission's performance in fulfilling its mandate to enforce laws against corruption, fraud, money laundering, and other financial malpractices.

Number of Cases Filed in Court by EFCC

The number of cases filed in court by the Economic and Financial Crimes Commission (EFCC) is a crucial metric that reflects the commission's commitment to legal prosecution and accountability in combating economic and financial crimes. This indicator signifies the EFCC's efforts to translate its investigative findings into actionable legal proceedings aimed at holding perpetrators accountable for their actions. By initiating legal actions and presenting evidence in court, the EFCC demonstrates its resolve to uphold the rule of law and ensure that individuals or entities implicated in financial malpractices face judicial scrutiny and consequences (Ogunsakin, 2018).

Number of Convicted Cases by EFCC

The number of convicted cases secured by the Economic and Financial Crimes Commission (EFCC) is a fundamental measure for evaluating the commission's effectiveness in combating economic and financial crimes. This metric assesses the tangible outcomes of the EFCC's investigative and prosecutorial efforts, providing insights into the commission's

impact in deterring criminal activities and promoting accountability in governance and business practices (Adewole & Omojola, 2021). Convictions signify successful outcomes of legal proceedings wherein perpetrators of financial malpractices are found guilty and held accountable for their actions, thus reinforcing the rule of law and serving as a deterrent to potential offenders.

Financial Accountability and Transparency in Nigeria

Financial accountability refers to the obligation of governments, organizations, and individuals to demonstrate stewardship over public resources by providing accurate and reliable information about financial activities and outcomes (International Budget Partnership, 2020). It entails the responsibility to use resources efficiently, effectively, and in accordance with established rules and regulations, ensuring that public funds are utilized for their intended purposes and in the best interest of citizens (Oteh, 2012). Transparency, on the other hand, involves openness and accessibility of financial information to the public, allowing for scrutiny and oversight of financial decisions and processes (World Bank, 2012). It encompasses the disclosure of financial data, budgetary allocations, expenditure reports, and other pertinent information to enhance public understanding and trust in the management of public finances (Okoye, 2018).

Measure of Financial Accountability and Transparency in Nigeria

Corruption Perception Index (CPI)

The Corruption Perception Index (CPI) is a widely recognized tool developed by Transparency International for evaluating perceived levels of public sector corruption in countries around the world. It ranks countries on a scale from 0 to 100, with higher scores indicating lower levels of corruption and greater transparency. The index aggregates data from multiple sources, including surveys and assessments conducted by international organizations, business groups, and experts in the field of corruption.

In Nigeria, the CPI serves as a critical benchmark for assessing the country's progress in combating corruption and promoting transparency in governance. Over the years, Nigeria's performance on the CPI has been mixed, reflecting the complex nature of corruption and the challenges faced in addressing systemic issues. For instance, in the 2020 CPI, Nigeria scored 25 out of 100, indicating a perception of high levels of corruption in the public sector (Transparency International, 2020).

Theoretical Framework

Institutional Theory

Institutional theory, proposed by scholars such as DiMaggio and Powell (1983), emphasizes the importance of formal and informal institutions in shaping behavior and outcomes within organizations and societies. In the context of the EFCC, this theory suggests that the commission's existence and mandate influence the norms, rules, and practices related to financial accountability and transparency in Nigeria. According to this perspective, the

EFCC acts as an institutional mechanism that sets standards, monitors compliance, and enforces penalties for deviations from accepted norms of ethical conduct and financial probity (Ayodele, 2017). By studying the EFCC through an institutional lens, researchers can assess how the commission's interventions shape organizational behavior, institutionalize anti-corruption practices, and promote a culture of integrity in governance and business.

Deterrence Theory

Deterrence theory, proposed by scholars such as Becker (1968), posits that individuals weigh the potential costs and benefits of engaging in criminal behavior before deciding to commit an offense. Applied to the EFCC's role in combating economic and financial crimes, this theory suggests that the commission's enforcement actions, including investigations, prosecutions, and convictions, serve as deterrents to potential offenders (Ume, 2018). By imposing penalties and sanctions on perpetrators, the EFCC aims to raise the perceived risks associated with corrupt practices, thereby dissuading individuals and organizations from engaging in illicit activities (Ojo, 2019). Research within the framework of deterrence theory can explore the effectiveness of the EFCC's deterrent strategies, the factors influencing compliance with anti-corruption laws, and the unintended consequences of enforcement efforts on organizational behavior and decision-making.

Principal-Agent Theory

Principal-agent theory, developed by scholars such as Jensen and Meckling (1976), examines the relationship between principals (e.g., citizens, taxpayers) and agents (e.g., government officials, regulatory agencies) and the challenges of aligning their interests and incentives. In the context of the EFCC, this theory highlights the agency problem inherent in combating corruption, wherein government officials entrusted with public resources may prioritize personal gain over the public interest (Akpan, 2018). The EFCC serves as a principal-agent relationship, tasked with representing the interests of citizens in holding public officials accountable and ensuring transparency in financial management. Research drawing on principal-agent theory can explore issues of accountability, oversight mechanisms, and the efficacy of the EFCC in addressing the agency problem and promoting accountability in Nigeria's public sector (Umar, 2019).

Empirical Review

David and Iroko (2023) analyzed how the EFCC's anti-corruption efforts have impacted governance and accountability in President Muhammadu Buhari's administration. Using qualitative data gathered from interviews with informed sources, the study applied Richard Joseph's (1996) theory of prebendalism to interpret findings. While recognizing the government's intentions to curb corruption, the study found that EFCC's efforts have been seen as limited, often viewed as a tool for targeting political opponents rather than achieving widespread accountability. The study recommends increased transparency within the EFCC to enhance its role in fostering good governance.

Umar, Samsudin, and Mohamed (2018) examined the effectiveness of the EFCC in addressing systemic corruption, focusing on how institutional and organizational factors affect the agency's performance. Through interviews, observations, and document analysis, the study revealed that inadequate commitment, judicial inefficiency, limited budgets, and insufficiently skilled personnel undermine EFCC's effectiveness. The authors suggest reforms including increased political support, improved legal processes, larger budgets, and enhanced recruitment and training for EFCC personnel.

Ifeanyi and Chukwuma (2015) focused on identifying strategies to improve EFCC's impact in reducing corruption within Nigeria's public sector. Their content analysis pointed to societal non-cooperation, inadequate staff training, pre-bargaining, and structural issues as major hindrances to the EFCC's success. The study calls for collaboration between the EFCC and civil society, stricter anti-corruption policies, and adherence to ethical standards within the public sector to strengthen EFCC's efforts.

Bello and Cosmas (2022) assessed how corruption undermines public institutions and endangers citizens' well-being, emphasizing that reducing corruption supports societal development. Using secondary data, their study found that political interference significantly hinders the EFCC's effectiveness. Although the EFCC has contributed to reducing corruption in the public sector, the study suggests that the government needs to uphold its commitment to anti-corruption efforts by limiting political interference and empowering anti-corruption agencies.

Madumere and Okegbe (2014) investigated transparency and accountability in Nigeria's civil service, arguing that pervasive corruption threatens national stability. Their study, conducted across six Nigerian states, highlighted issues such as misplacement of qualified personnel, societal "get-rich-quick" attitudes, and lax professional ethics. They recommend holding public officials accountable, enforcing professional standards, and making budgets less susceptible to political manipulation. They also advocate for the independence of the EFCC and ICPC from executive interference.

Nkemdilim and Iyoha (2024) explored the EFCC's role in combating corruption in Nigeria's Fourth Republic, using secondary data. The study found corruption pervasive within the executive and legislative branches, which severely impacts development. They recommend broad public education campaigns to raise awareness about corruption and advocate for extending EFCC offices to all Nigerian states to enhance their reach and impact at the grassroots level.

Methodology

This study uses an ex-post facto research design, which is suitable when researchers have no direct control over the variables, as these have already occurred or cannot be manipulated. Data were gathered on five key variables, sourced from EFCC convictions, reports from the International Centre for Investigative Reporting, and Transparency International, covering the years 2010 to 2022. Secondary data was specifically obtained

from Transparency International (2023), the International Centre for Investigative Reporting, and the EFCC Conviction report (2022).

Given that the data consists of quantitative, aggregate figures, time series analysis was used to interpret trends. The E-views econometric software was employed for these analyses, including:

Trend Analysis: This involved creating a graph to track changes over time in EFCC metrics (e.g., petitions received, investigations, court cases filed, and convictions), alongside the Corruption Perception Index (CPI) as an indicator of financial accountability and transparency in Nigeria.

Descriptive Statistics: Summaries were provided to describe the data and observations.

Multiple Regression Analysis (OLS): Ordinary Least Squares (OLS) regression was used to analyze the relationship between a dependent variable and multiple independent variables, helping assess the impact of each independent variable on the dependent variable while controlling for other factors.

Model Specification:

The model aims to assess how the Economic and Financial Crimes Commission (EFCC) has influenced financial accountability and transparency in Nigeria from 2010 to 2022, illustrating the functional relationship of the variables involved.

$$CPI_{Index} = f(NPTRC, NINVC, NCFC, NCVC) \quad (i)$$

The econometric specification of the OLS multiple regression is given as follows;

$$CPI_{Index}_t = \beta_0 + \beta_1 NPTRC_t + \beta_2 NINVC_t + \beta_3 NCFC_t + \beta_4 NCVC_t + U_t \quad (ii)$$

Log transformation of data:

$$\ln CPI_{Index}_t = \beta_0 + \beta_1 \ln NPTRC_t + \beta_2 \ln NINVC_t + \beta_3 \ln NCFC_t + \beta_4 \ln NCVC_t + U_t \quad (iii)$$

Where;

CPI_{Index} is Corruption Perception Index, NPTRC is the Number of petitions received by EFCC, NINVC is the Number of investigated cases by EFCC; NCFC is the Number of cases filed in court by EFCC; and NCVC is the Number of convicted cases.

t = represents the combination of time and individuality

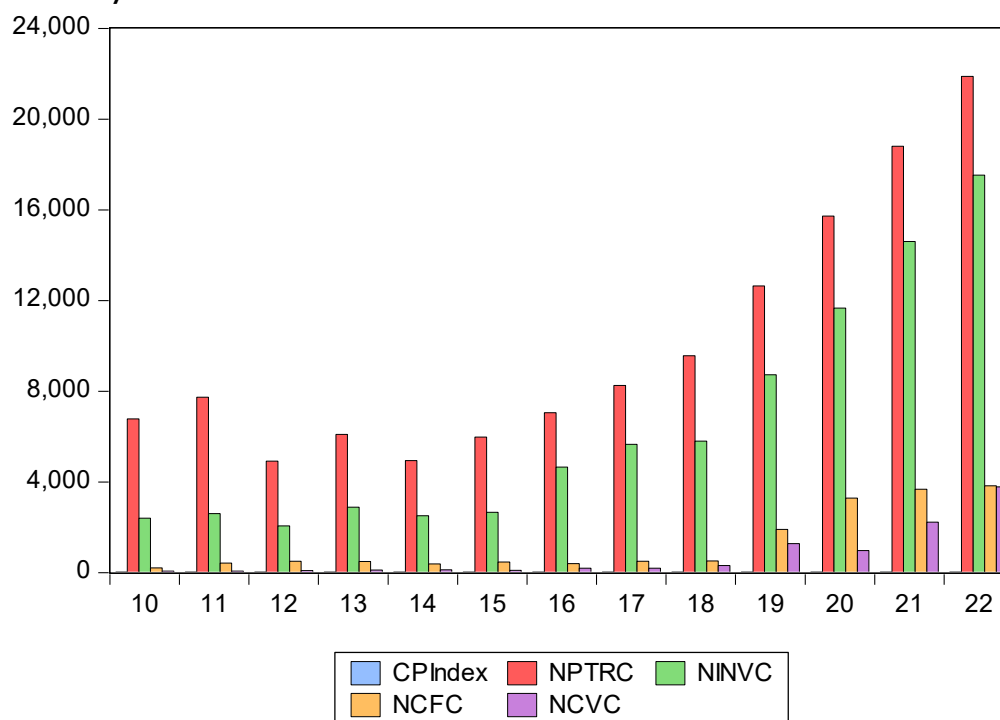
α_0 = intercept

$\beta_1 - \beta_4$ = Coefficients of the explanatory variables to be estimated. They measure the effect of a unit change in EFCC indicators on financial accountability and transparency in Nigeria.

U_t = Error term of the time series for data set.

Results and Discussion

Trend Analysis



Source: Eviews 10

Fig 1: Trend Analysis Graph

The trend analysis graph indicates the movement of the variables under consideration over the study period. We can see from the graph 4.1 that there has been a high fluctuating, but mostly upward trend or movement amongst the variables for the study period.

Descriptive Statistics

Table 1: Descriptive Result

	CPINDEX	NPTRC	NINVC	NCFC	NCVC
Mean	25.80692	10026.77	6443.154	1273.308	732.6923
Median	26.00000	7737.000	4660.000	501.0000	189.0000
Maximum	28.00000	21878.00	17531.00	3826.000	3785.000
Minimum	24.00000	4914.000	2062.000	206.0000	67.00000
Std. Dev.	1.316418	5542.494	5154.340	1390.629	1121.556
Skewness	0.064483	1.055285	1.068130	1.072697	1.841376
Kurtosis	1.708653	2.758885	2.784698	2.344905	5.305548
Jarque-Bera	0.912280	2.444349	2.497062	2.725595	10.22570
Probability	0.633725	0.294589	0.286926	0.255944	0.006019
Sum	335.4900	130348.0	83761.00	16553.00	9525.000
Sum Sq. Dev.	20.79548	3.69E+08	3.19E+08	23206181	15094653
Observations	14	14	14	14	14

Source: Eview 10 Output

The descriptive statistics for the dataset provide an overview of key variables related to financial accountability in Nigeria. The mean Corruption Perception Index (CPINDEX) is 25.81, with a relatively low standard deviation of 1.32, indicating minimal variation across observations. Meanwhile, the other variables; number of petitions received (NPTRC), number of investigated cases (NINVC), cases filed in court (NCFC), and convictions (NCVC), show greater variability, with higher standard deviations, especially NCFC and NCVC. These variables are positively skewed, suggesting that the data are more concentrated on the lower end, with fewer high-value cases. Notably, NCVC has a high kurtosis of 5.31, indicating a pronounced peak and suggesting a few extreme values. Jarque-Bera test results show a probability value of less than 0.05 for NCVC, indicating that this variable deviates from normality. Overall, these statistics highlight the general distribution and spread of financial accountability metrics observed across the 14 data points.

Table 2: Ordinary Least Squares Regression Result

Dependent Variable: LnCPINDEX				
Method: Least Squares				
Date: 03/28/24 Time: 01:34				
Sample: 2010 2022				
Included observations: 13				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	4.512532	0.366354	12.31740	0.0000
LnNPTRC	-0.301528	0.070705	-4.264570	0.0027
LnNINVC	0.182062	0.066899	2.721423	0.0262
LnNCFC	-0.019928	0.028355	-0.702821	0.5021
LnNCVC	0.011110	0.033462	0.332025	0.7484
R-squared	0.754015	Mean dependent var		3.249442
Adjusted R-squared	0.631022	S.D. dependent var		0.051010
S.E. of regression	0.030985	Akaike info criterion		-3.826896
Sum squared resid	0.007681	Schwarz criterion		-3.609608
Log likelihood	29.87483	Hannan-Quinn criter.		-3.871559
F-statistic	6.130562	Durbin-Watson stat		2.156553
Prob(F-statistic)	0.014704			

Source: Eview 10

The Ordinary Least Squares (OLS) regression results offer insights into the effects of various EFCC activities on financial accountability, measured by the log of the Corruption Perception Index (LnCPINDEX). The constant term (C) is statistically significant with a coefficient of 4.51, suggesting a strong baseline effect on the dependent variable. The log of the number of petitions received (LnNPTRC) has a significant negative impact on LnCPINDEX (coefficient: -0.30, p-value: 0.0027), indicating that increased petitions correlate with lower perceived corruption. The log of investigated cases (LnNINVC) shows

a positive and significant impact (coefficient: 0.18, p-value: 0.0262), implying that more investigations are associated with a slight increase in perceived corruption. The number of cases filed in court (LnNCFC) and convictions (LnNCVC) do not show significant effects, with p-values of 0.5021 and 0.7484, respectively. The model explains approximately 75.4% of the variation in financial accountability (R-squared: 0.754), indicating a good fit, and an F-statistic probability of 0.0147 suggests that the model is statistically significant overall. This analysis reveals that petitions and investigations influence public perceptions of corruption, while court filings and convictions have minimal impact in this dataset.

Hypotheses Testing

Decision Rule: If the test statistic falls within the critical region or the p-value is less than 0.05, the null hypothesis is rejected. Otherwise, if the test statistic falls outside the critical region or the p-value is greater than 0.05, the null hypothesis is not rejected.

Hypothesis One

H₀₁: There is no significant effect of the number of petitions received by the EFCC on the Corruption Perception Index (CPI) in Nigeria.

Based on the data presented in the OLS table, it is evident that number of petitions received by the EFCC yields a t-statistic value of -4.264570 with a probability value of 0.0027, which is below the predetermined level of significance of 0.05. Consequently, one can infer the presence of a negative but statistically significant effect of the number of petitions received by the EFCC on the Corruption Perception Index (CPI) in Nigeria. Thus, the null hypothesis is rejected.

Hypothesis Two

H₀₂: There is no significant effect of the number of investigated cases by EFCC on the Corruption Perception Index (CPI) in Nigeria.

Upon reviewing the table, it becomes evident that number of investigated cases by EFCC exhibits a t-statistic value of 2.721423 and a probability value of 0.0262, which is below the predetermined level of significance at 0.05. This indicates the presence of a positive and statistically insignificant effect of the dependent and independent variable. The null hypothesis in this instance is again rejected. This holds that number of investigated cases by EFCC has a positive and significant effect on Corruption Perception Index (CPI) in Nigeria.

Hypothesis Three

H₀₃: There is no significant effect of the number of cases filed in court by EFCC on the Corruption Perception Index (CPI) in Nigeria.

After analyzing the table, it becomes apparent that the number of cases filed in court by EFCC exhibits a t-statistic value of -0.70281, accompanied by a probability value of 0.5021, which surpasses the predetermined significance level of 0.05. Thus, the null hypothesis is

upheld; thus, indicating that, number of cases filed in court by EFCC has a negative and insignificant effect on the Corruption Perception Index (CPI) in Nigeria.

Hypothesis Four

H₀₄: There is no significant effect of convictions secured by the EFCC on the Corruption Perception Index (CPI) in Nigeria.

Upon examining the OLS regression table, it is evident that convictions secured by the EFCC have a t-statistic value of 0.332025, accompanied by a probability value of 0.7484, which is above the predetermined significance level of 0.05. Consequently, we can deduce that there exists a positive but statistically insignificant effect amongst the dependent and independent variables. Thus, the null hypothesis is rejected.

Discussion of Findings

The findings from the study reveal several significant relationships between the activities of the Economic and Financial Crimes Commission (EFCC) and the corruption perception index in Nigeria. Firstly, the number of petitions received by the EFCC shows a negative significant effect on the corruption perception index, suggesting that increased reporting and awareness of corruption may correlate with a decrease in perceived corruption levels, a phenomenon supported by the theory of deterrence (Becker, 1968). Secondly, the number of investigated cases by the EFCC positively impacts the corruption perception index, aligning with deterrence theory as increased enforcement and scrutiny contribute to deterring corrupt behaviour, and also aligning with the work of Ume (2018). Conversely, the number of cases filed in court and the number of convictions secured by the EFCC demonstrate contrasting effects. While filed cases show a negative but insignificant effect on corruption perception, indicating potential inefficiencies in legal processes and challenges outlined in prior studies by (Umar et al., 2018), convictions exhibit a positive yet insignificant effect, highlighting the complexities and limitations in translating enforcement efforts into tangible reductions in perceived corruption (Madumere & Okegbe, 2014). These findings underscore the multifaceted dynamics involved in combating corruption and emphasize the need for comprehensive institutional strategies that align with theories of deterrence and institutional frameworks to promote financial accountability and transparency (Ayodele, 2017; Akpan, 2018).

Conclusion and Recommendations

This study investigated the impact of the Economic and Financial Crimes Commission (EFCC) on financial accountability and transparency in Nigeria from 2010 to 2022. Utilizing data on EFCC's operational metrics and the Corruption Perception Index (CPI), the analysis revealed significant relationships between the EFCC's activities and perceptions of corruption. Specifically, while the number of petitions received by the EFCC correlated negatively with the corruption perception index, the number of investigated cases had a positive and significant effect. However, the study found that the number of cases filed in

court and convictions secured by the EFCC had insignificant effects on corruption perception. Overall, the findings suggest that the EFCC plays a crucial role in influencing perceptions of corruption and promoting financial accountability and transparency in Nigeria, although challenges remain in translating investigations into legal proceedings and convictions effectively.

Recommendations

Based on the findings of the variables analyzed in the study, the following recommendations can be proposed:

1. The EFCC should implement streamlined processes for receiving and documenting petitions, ensuring transparency and accountability in handling. Government should provide adequate resources and support for EFCC to efficiently manage and address incoming petitions. And, the public should actively engage in reporting instances of corruption to the EFCC and support awareness campaigns to foster transparency and accountability.
2. The EFCC should prioritize investigations based on severity and public interest, allocating resources effectively and enhancing collaboration with other law enforcement agencies. Also, government should support EFCC's investigative efforts through funding, legal reforms, and inter-agency coordination. Likewise, the Judiciary should collaborate closely with the EFCC to expedite court proceedings related to investigated cases, ensuring timely adjudication.
3. The EFCC should strive to strengthen collaboration with the judiciary to streamline court processes, advocate for legal reforms addressing prosecution bottlenecks. In so doing, the government should enact and enforce legal reforms to improve court efficiency and prosecution outcomes, providing support for capacity building efforts within the judiciary.
4. The EFCC body should enhance capacity building for prosecutors and legal teams, address systemic challenges hindering successful prosecutions. While, government should provide support for capacity building efforts and address systemic challenges in the legal system, ensuring the effectiveness of anti-corruption measures.

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APPENDIX I:

Raw data of EFCC and Financial Accountability and Transparency in Nigeria

YEAR	Number of Petitions Received	Number of Investigated Cases	Number of Cases Filled in Court	Number of Convicted Cases	Corruption Perception Index
2010	6,782	2399	206	68	24
2011	7,737	2,606	417	67	24
2012	4,914	2,062	502	87	27
2013	6,089	2,883	485	117	25
2014	4,941	2,512	388	126	27
2015	5,979	2,662	462	103	26
2016	7,045	4,660	390	195	28
2017	8,251	5,662	501	189	27
2018	9,566	5,795	515	312	27
2019	12,644	8,729	1,901	1280	26
2020	15,722	11,663	3287	976	25
2021	18,800	14,597	3,673	2,220	24
2022	21,878	17,531	3,826	3,785	25

Source: International Centre for Investigative Reporting (ICIR, 2023) and EFCC Conviction reports

APPENDIX II

Logged form of the Data of EFCC and Financial Accountability

	CPINDEX	NPTRC	NINVC	NCFC	NCVC
2010	3.178054	8.822027	7.782807	5.327876	4.219508
2011	3.198265	8.953769	7.865572	6.033086	4.204693
2012	3.295837	8.499844	7.631432	6.218600	4.465908
2013	3.218876	8.714239	7.966587	6.184149	4.762174
2014	3.295837	8.505323	7.828835	5.961005	4.836282
2015	3.258097	8.696009	7.886833	6.135565	4.634729
2016	3.332205	8.860073	8.446771	5.966147	5.273000
2017	3.295837	9.018090	8.641532	6.216606	5.241747
2018	3.295837	9.165970	8.664751	6.244167	5.743003
2019	3.258097	9.444938	9.074406	7.550135	7.154615
2020	3.218876	9.662816	9.364177	8.097731	6.883463
2021	3.178054	9.841612	9.588571	8.208764	7.705262
2022	3.218876	9.993237	9.771726	8.249575	8.238801

Source: Eviews 10