EVALUATION OF DUE PROCESS AS A TOOL FOR FISCAL RESPONSIBILITY IN THE NIGERIAN PUBLIC SECTOR

BY

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DECLARATION

I declare that the work in the project entitled "***Evaluation of Due Process as a Tool For Fiscal Responsibility in The Nigerian Public Sector***" has been performed by me in the Department of Business Administration, Ahmadu Bello University, Zaria. The information derived from the literature has been duely acknowledged in the text and a list of references provided. No part of this project report was previously presented for another degree or diploma at any university.

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CERTIFICATION

This is to certify that this project titled “Evaluation of Due Process as a Tool For Fiscal Responsibility in The Nigerian Public Sector” written by ERIKEN, Fidelis Ikemefuna Uchechukwu meets the partial regulations governing the award of the degree of Master of Business Administration (MBA) of Ahmadu Bello University, Zaria and it is therefore approved for its contribution to knowledge and literary presentation.

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Dean, Postgraduate School Signature Date

DEDICATION

This project is dedicated to God Almighty for His amazing Grace in my life. I have enjoyed undeserved mercies and uncommon favour in His sight.

ACKNOWLEDGEMENT

I most humbly acknowledge the God Almighty who has made my academic pursuit at this level possible inspite of daunting odds. For He leadeth me to complete this course successfully.

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ABSTRACT

The Nigerian Public sector in recent times, have been accused of corruption, bribery and other vices that retard national development especially in the award of public contracts and in its implementation. The central objective of this work is to examine the Due Process Policy as a mechanism for reducing corruption and illegal award of contracts in the public sector. Also, to ascertain whether it has achieved the intended goals and objectives which it was established for.

Against this background, data for the work were drawn from relevant Due Process office and from the Federal Ministry of Finance through the use of a questionnaire and interview to obtain specific information for analysis and to provide empirical data as a basis for establishing research findings. This research reveals however, that there is reduction in corrupt practice in contracts and government expenditure, as a result of the Due Process policy. The study therefore recommends among others that the Federal Government should encourage the states and Local Government Councils to establish Due Process offices in their respective jurisdiction.

CHAPTER ONE:

INTRODUCTION

1.1 BACKGROUND TO THE STUDY

The world over, it is the constitutional responsibility of governments to provide social and economic security for their citizens. In particular, most of these governments have realized that social security is a critical milestone to their growth, sustenance and global recognition. They, therefore, strive to embark on policies and programmes aimed at developing their nations. Fiscal and monetary policies are in most cases such policies which governments use to control and guide their national economies towards sustainable growth and development. Nigeria under the present regime of President Obasanjo requires such sound fiscal policy to pursue the regimes economic reforms. These are targeted at prudent management of national domestic economy. Fiscal policy usually forms a central part of the annual national budget statement. Therefore, government has the responsibility to evolve fiscal policies in line with the national development goals, (*Dike 2005)*.

In Nigeria, successive administrations have attempted to adopt series of strategic policies aimed at enhancing the economic growth and development of the country. We have witnessed this in the Green Revolution Programme in the 1980s, the Structural Adjustment Programme to address the economic recession of the 1980s. Unfortunately, these policies and programme failed woefully to yield the desired results.

In the recent years, many foreign investors were skeptical of doing business in Nigeria. This was mainly because the cost of investing in Nigeria was estimated to be higher than elsewhere in the world. In a similar vein, Nigerians have noticed that projects in Nigeria are procured at higher cost than that for similar projects within the African region and globally. Thus, the Nigerian economy and infrastructural development remained stunted in growth. Corruption has been identified as being in the top of the factors responsible for this situation. This equally account for why corruption has been discovered to be most pervasive in the areas of contract awards and procurement of services for governments. As *Dike (2004)* has rightly observed, a diagnostic study conducted in 2001 by the federal government into the state and federal government public procurement revealed that Nigeria may have lost 68 billion Naira over the last decade. It is important to

note that the manner in which contracts were awarded and procured lack some level of competition and transparency in projects leading to high cost of projects.

There was also the issue of none or poor releases of fund appropriated. This accounts for why *Wahab (2004)* argued that there was unjustifiable gap between appropriation and actual releases thus leading to under-funding, delay in completion and price escalation. Hence, there is the need for due process.

Due Process implies following the laid down procedure of doing things. ''Fiscal'' is defined by the Lexicon Webster Dictionary as ''*of or pertaining to financial affairs; pertaining to public treasury or public revenues''.* The same dictionary also defines responsibility as ''the state of being accountable for performance or discharge of duty or trust; being reliable; being trustworthy''. It follows that fiscal responsibility implies people whose duty it is to deal in public treasury or revenues being able to discharge such duty in an accountable and trustworthy manner. In other words, living up to the trust the public has in them by putting them in charge of the public revenues.

As a panacea for national growth and development, the President Olusegun Obasanjo administration instituted and spearheaded the war against corruption. Accordingly, in April,

2002 the Budget Monitoring and Price Intelligence Unit (BMPIU) otherwise known as ‘’The Due Process Unit’’ was established.

This research study, therefore, intends to study how due process policy has ensured fiscal responsibility in the public sector in terms of contract awards and procurement between 2002 and 2006.

1.2 STATEMENT OF THE RESEARCH PROBLEM

Cases of sharp practices in the management of public contracts are perceived to still abound even with the introduction of Due Process policy. There are several allegations of contractors influencing Federal Government officials in processing of their documents for contracts. The due process mechanism is seen by many Nigerians as slowing down the execution of much needed projects, thus negatively impacting on national development. In many quarters, the process is considered too rigid and therefore should be completely abolished. There are yet those that support the mechanism but advocate for a reform in certain aspect of its implementation.

Some public servants have expressed concerns and doubts on the adequacy of the number of competent staff available in the Due Process unit. If the unit is under staffed, as it is with some parastatals in ministries, then the goals and objectives of the policy

could be hindered. Furthermore, the fact that some States and Local government councils are reluctant to embrace the policy is devastating to the observers of Nigerian economy. It is against this back ground that this study intends to evaluate the efficacy of Due Process as a tool for enhancing infiscal responsibility in Nigerian Public Sector.

1.3 STATEMENT OF RESEARCH QUESTIONS

It is on the basis of this that this research will attempt the following questions

(a) Why did the federal government introduced the Due Process policy?

(b) To what extent has the Due Process contributed to national development since its inception?

(c) How can the Due process policy be improved upon to enhance fiscal responsibility in public sector for contract award

(d) Why do certain government officials oppose Due Process and some calling for the reformation.

1.4 OBJECTIVES OF THE STUDY

This research is carried out to achieve the following objectives.

(a) To ascertain and confirm whether the Due Process has achieved the intended goals and objectives which it was established for.

(b) To identify and assess some major problems confronting the operation of the Due Process unit

(c) To account for the failure of some national economic policies in Nigeria

(d) As a contribution to knowledge.

1.5 STATEMENT OF HYPOTHESES

(a) There was a significant relationship between corruption and abuse of procedures and the adoption of Due Process

(b) There is a correlation between the corruption and the call for the abolition of Due Process.

(c) There tends to be a functional relationship between Due Process and national development

(d) Economic growth and development of Nigeria has a necessary relationship with the sustenance of Due Process

(e) Due Process has the prospects of attracting more foreign investments to Nigeria.

1.6 SIGNIFICANCE OF THE STUDY

This research work is on the investigation and examination of Due Process as a tool for enhancing fiscal responsibility in the public sector of Nigeria. This research will be of immense assistance to policy makers and bureaucrats in the government cycle as well as people within the academic environment. It will also be of importance to government officials in-charge of contract awards and businessmen and women that patronize the Due Process unit. Finally, the research will be of benefit to captains of industries who are usually beneficiary of government contracts to be familiar with the operations of due process policy.

1.7 SCOPE AND LIMITATION

The research intends to cover the period of 2002 to 2005 from when the Due process unit was established. During this period, a lot of fiscal and financial dealings in terms of contract bidding and awards have taken place. It is in the light of this that the research will focus on the period when it was established. One problem that may be the limiting factor is that Due process unit is a new initiative; therefore, there may be limited literature on the area.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

There are limited literatures on the subject of Due Process in Nigeria because the policy is relatively new and still on going. As such, not much is known about the policy and what it sets out to achieve. Consequently, there is the need to highlight some of the work done on the subject matter to give a better understanding and appreciation of its aims and objectives. This would assist us to assess the effectiveness of the Due Process Policy in realizing these objectives. However, efforts are adequately made to review literatures on Due process, fiscal responsibility, public policy and Due Process and National Development.

2.1 Due Process and Public Policy

Due process is a form of public policy. Public policies are instruments or tools used by the governments to carry out their programmes. In fact, they lay emphasis on public administration or government institutions. This is basically because for each institution to function or operate effectively there must be policies on which their business is based. According to Anya (1977), public policy is an instrument for making preferential value choices

and for charting and bringing about what the government elites desire for the nation. By implication, the workability of a functional cooperation is determined by the capacity of its public policy.

In a similar vein, Dror (1999) described public policy as major guidelines that usually lay down general directives rather than detailed instructions on the main lines of actions to be followed. Therefore as a public policy, Due process provides guidelines for government contracts.

Kwanashie (1987) has strongly opined that public policy is the basis and core of government direction. The flow of government business towards the economic enhancement of the state is largely associated with the public policy of the regime in power. In other words, public policy is the bedrock of a regime operation. According to this scholar, every functional government all over the world is managed by an effective public policy system. The security of the state and the enabling environment for government to function is a creation of how government is able to formulate an effective policy.

In the views of Gettu (2004) Due process is a mechanism to review contract award, oversight and certification. He contended to explain that a strict implementation of Due process would

develop world class procurement policies and system. It would also ensure the productive participation of previously disadvantaged persons. Hence, the Due process regime would promote entrepreneurship as well as improve international competitiveness in the conduct of government business in Nigeria. Therefore, with the introduction of the Due process, Nigeria would attain what the Phillipines Government Procurement Policy Board described as system that is transparent, efficient and free of corruption, using information and communications technology as a tool for implementing, creating solidarity and proper coordination amongst all government and its suppliers, contractors and consultants, and an atmosphere of trust and confidence between government and the general public. The author argued further that Due process would give equal opportunities to all bidders for government contracts.

In the words of Obasanjo (2003), Due process is a simple mechanism that certifies for public funding only those projects that have passed the test of proper project implementation packaging. Such packaging must have adhered stringently to the international competitive bid approach in the award process. He postulates that through the instrument of certification. Value for money would once again return as the fundamental premise for public expenditure.

Ezekwesili (2004) in support of Obasanjo emphasized that Due Process is a programme of re-establishing an effective and transparent system of economic and financial management of government resources. In fact she asserts that

> ``Due process certification is the application of the dual principles of openness or transparency, competency or qualification and competition or equal opportunity to all in the contract and award of federal government contracts to ensure that the winner, the cost and quality is right for every kobo of the Nigerian Public treasury that is spent in the purchase of goods, service and works''

Thus, from both Obasanjo and Ezekwesili, the study sees Due process as a mechanism for ensuring compliance with rules and procedures guiding the processing of contract award and its implementation.

Adedoyin (2004) observed that Due Process certification establishes an elaborate set of process and procedures to assure that no potential contractor was treated unfairly and that the field was a level plain. He asserts that the focus of Due Process certification could be built on an effective operating environment that would be responsive and successful in meeting the challenges

of an effective public sector. Therefore, the Government would be better positioned to achieve efficiency and accountability in the purchase of goods and services. From what Adedoyin (2004) and the Phillippines Government Procurement Policy Board (GIPB) had earlier asserted, they both agreed on a significant consequences of Due process. They believe that Due process promotes and achieve good governance, in general while ensuring transparency, accountability, equity, effectiveness, efficiency and economy in Government in particular.

Ihonvbere (2006) opined that at the inception of the Obasanjo administration in 1999, the morale of Nigerians was at the lowest ebb as a result of total decay, high level of corruption, general waste of public fund, pension collapse and the inefficiencies of state enterprises. There was also soaring inflation, unemployment and a dissatisfied citizenry. Thus, Nigerians had almost lost confidence in the government and faith in their country. President Obasanjo, recognizing this basic fact, embarked on some fundamental reforms in the socio-economic and political spheres of the state aimed at giving Nigerians a better future. He argued that these reforms include reviewing of government Budgeting and Taxation laws, Debt management, Service Delivery and Economic empowerment programme.

Others are Poverty Reduction and Job/Wealth creation and the public policy on Due process. The federal government evolved some strategies to implement these reform programmes. These are the National Economic Empowerment and Development Strategy at the National level, the State and even the Local Government levels.

The above assertion indicate that the Due Process therefore, came at a time Nigeria needed to save cost in terms of contracts and to curb corruption associated with the system of bidding for government projects. It was meant to block some of the abuses common with the public sector contracts binding system. This according to Ihovbere (2006) explains why President Obasanjo called it a simple mechanism that certifies for public funding only those projects implementation packaging.

According to Kaigama (2006) as a result of the Due process policy, Government has outlined certain conditions that must be taken before ministries/agencies could award contracts and pay contractors. Kiagama further explained that:

``By Due process, Government is stressing that there must be strict compliance with the extant financial Regulations and relevant circulars on the award and funding of contracts. The necessary feasibility studies, designs and the bill of quantities,

when necessary, should be negotiated or concluded only when funds are available or it is certain that funds would be available. Also, adequate arrangement must be put in place for the monitoring, supervision and evaluation of performance".

Adoba (2006) argued that with the establishment of Due process, the Nigerian Army has ten mandatory stages which a contract must pass through before it is finally awarded, according to him, these stages are advertisement, pre-qualification quotation/return of forms, opening of tenders technical evaluation/analysis committee, negotiation, NARDPT certification, award of contract by the Army Tenders Board (ATB) issue of job completion certificate and payment by the Federal Ministry of Finance. Since the beginning of these processes, there have been elaborate improvements in the management and award of contract in the army within this period.

According to Oyediran (2005), the successful implementation of Due process policy in public sectors contracts can only work with the determination of government to commit reasonable personnel and experts in monitoring its activities. According to him, Due process is relation to management skills. By project management skills, the traits, attributes, characteristics behaviors and techniques possessed by a project manager in order to

successfully manage projects. He categorized the features of a project to follow a pattern of communication and completion, project li9fe-cycle, Budget, unique and non-repetitive activities, point of responsibility and team building. He argued that successful execution of projects have been possible through the application of project management technique. He defines project management as the application of knowledge, skills, tools and techniques to project activities in order to meet stakeholders needs and expectations from a project.

Oluwagbami (2005) is of the view that developing countries need to react positively to technology change in the era of Due process. Such a process brings new products in areas as diverse as construction and education; technology lowers prices for consumers and is the principal source of economic growth. At the period of Due process, the legality of contract award will be strictly followed, as fair hearing and equal bidding system is allowed to all those involved in the award and execution of contract. This system, likely will promote and improve the level of work to be dome.

According to Oribuhyaku (2005) who gave an overview of the **A B C** of Due process Policy of **BMPIU.** To him, there is categorization of contracts in different stages, and the award of

these contracts must follow the normal procedures, otherwise, it is assumed that fraud has been committed. Due process in contract award is categorized into, contracts below ₦1 million, contracts above ₦1 million but below ₦50 million and contracts of ₦50 million and above. For these contracts to be awarded there are six contracting games: Advertisement requirements, pre-qualification requirements, invitation to tender, opening of tender or bid or tender evaluation and determination of winning bid or tender.

2.2 FISCAL POLICY

Onimode (2002) defined fiscal policy as an economic tool to increase the level of investment in a nation. Thus, developing nations use fiscal policies as tool for boosting their economic capacity and enhancing national development. By implication, the workability of government's fiscal policy formulated by the policy and decision makers is to ensure investment in the economy. Agreeing with Onimode, Fajana (2005) posited that fiscal policy is a technique to inject money supply into an economic system through taxation based on certain percentage level. According to him, fiscal and monetary policies are twin public policies which Nigerian government continues to use to generate fund and stimulate economic development. This implies that revenue

generation into government fund is part and parcel of fiscal policy arrangement.

Soludo, (2004) the Central Bank Governor, described fiscal policy as a working document and test-tube for Due process. According to him, the Due Process as management technique applied in the pursuit of performance measurement, value analysis and the benchmark for public sector projects, required an effective fiscal policy system. According to him, performance measures provide strategic management post-mortems by which policy systems and contracts are evaluated and awarded. Thus, the Due Process policy gives a good measurement of the performance of the public sector in terms of contract awards and execution. It would therefore, serve to check the excesses of public servants thus, ensuring fiscal responsibility.

Obadan (1987) contends that the problem of Nigerians economic woes stems from an ineffective fiscal policy. Addressing the issue of medium scale enterprises, Obadan argued that considering the situation in Nigeria's agriculture, it is possible to employ the bank of idle resources such as land and labour to increase productivity over the medium term, in response to better incentive and Naira depreciation. But the increase use of agricultural raw materials in importing, substituting and potential

export industries will severely limit the volume of exports of agricultural products.

Even if domestic consumption does not limit the volume of exports foreign demand for agricultural exports may be highly constrained by the increasing resort to synthetic substitutes and other factors. All these deficiency in the productive capacity of Nigeria, is geared from lack of fiscal policy output.

2.3 THE FORMATION OF DUE PROCESS

Due process becomes the adopted short for the Budget Monitoring and Price Intelligence Unit (BMPIU) which is the unit tasked with implementing Nigeria's Public Procurement Reform Programme. The BMPIU was established by President Olusegun Obasanjo in 2001 in fulfillment of his tenacious commitment to ensuring transparency and accountability in the Management of Nigerians Public Resources, Oribuyaku (2005).

A diagnostic study conducted in 2001 into the state of Federal Government Public Procurement revealed that Nigeria may have lost several hundreds of Billions of Naira over the last two decades because of flagrant abuse of procedures for award of public contracts, inflation of contract costs, lack of transparency, competence – based competition and merit as the fundamental

criteria for award of public contracts. The findings of the study made it imperative that we urgently needed to reform the procurement system if Nigerian was to reduce the large scale corruption of waste that had reduced the efficiency of the Nigerian public sector. The vision of the BMPIU was to help move Nigeria to a level where public procurement is governed by the principles of Integrity, transparency, competence and competitiveness as National Ethos.

The mission of the BMPIU was to use the Due Process Mechanism to reestablish and sustain an open, transparent and competitive Federal Procurement system that is integrity – driven, upholds spending within Budget and ensures speedy implementation of projects in other to achieve value-for-money outcomes without sacrificing quality and standards.

OBJECTIVES OF DUE PROCESS

(a) To harmonize and update all Federal Government policies and practices on public procurement.

(b) To ensure that project conceptualization and packaging match the defined priorities and targets as set in annual Appropriations.

(c) To strictly enforce the Due process principles of transparency, competition and efficiency and value-for-money in the procurement of public goods, works and services.

(d) To ensure efficient and integrity-based monitoring of the implementation of all Federal Government Projects in line with Due Process Principles.

(e) To prevent extra budgetary spending by ministries, departments and agencies by ensuring that only projects with due Appropriation by the National Assembly are Certified and thus funded for execution.

(f) To prevent contract inflation by ensuring cost reasonableness, accuracy and comparability of all public contracts with national, regional and global costing.

FUNCTIONS OF DUE PROCESS

The Due Process Unit performs the following functions:

(a) Regulates and sets standards to enforce harmonized Bidding and Tender Document for all Federal Government contracts.

(b) Upholds professional ethics and reports erring procurement personnel, public officials, departments and private sector companies and their personnel to relevant authorities for appropriate application of prescribed sanctions.

(c) Develops, updates, maintains relevant system wide database and technology.

(d) Monitors prices of tendered items and provides price database advisory services to the public sector.

(e) Sensitize, promote and educate the public on public procurement issues.

(f) Advise and provides relevant procurement and budget performance information to any interested parties and institutions.

2.4 PROCUREMENT CONTRACT UNDER DUE PROCESS

The BMPIU reviews and certifies Federal Government contracts according to established and approved thresholds to ensure that compliance with the principle of right procedures (Transparency, competition and merit) and right cost guide all Federal Government contracts for goods, works and services from the award stage through to their successful extension and completion (BMPIU White Paper).

CONTRACT APPROVAL THRESHOLD

There exist three approval thresholds for the approval and award of Federal Government Contracts: These are contracts below:

(a) Contracts below ₦1 million

(b) Contracts above ₦1 million but below ₦50million

(c) Contracts of ₦50 million and above.

CONTRACT BELOW ₦1 MILLION

According to the Due Process regulations, permanent secretary/chief executive of the ministry, Parastatals or Agency handles the Due Process compliance Review of all such contracts and has the power to approve the award of the contracts once compliance is unanimously established by all the members. The provisions of the guidelines on the members of all ministry, departments or agency resident Due Process Team are the following:

- The permanent secretary/DG - Chairman
- Director of Finance/Accounts - Member
- Director of Research and Statistics - Member
- Director of Admin/Finance/Supplies - Member
- A representative of BMPIU (Due Process Unit)

By implication, Oribuyaku (2005) assert that the BMPIU in the procuring entity's RDPT is an institutional one. This means that there is no designated permanent BMPIU nominee for any ministry's departments or agency's RDPT. The role of the BMPIU representative at meetings of the RDPT is limited to observing the proceeding and confirming compliance in order to facilitate the units endorsements of the Ministry/Agency and Departments internally generated certificate to which all the members of the RDPT are signatories, simply put it is the RDPT of Ministries departments and agencies that review and certify this threshold of projects with the role of the BMPIU being limited to endorsement.

Ezekwesili (2004) a leading advocate of the Due Process argued that the **RESIDENT DUE PROCESS TEAM (RDPT)** concept was established at the outset of the compliance Review work of the BMPIU in 2002 as a vehicle to diffuse, decentralize, internalize and thus breed ownership of the Due Process reform measures at the primary points within the Public and Civil Service.

It is therefore incorrect to aver that the implementation of the Due Process Policy is over-centralized and

concentrated within the BMPIU since the reality is that over 70% of the contracts of the Federal Government are within the Below ₦50 million thresholds and are reviewed and certified in-house by ministries, departments and agencies officials through their own RDPT.

CONTRACTS OF ₦50 MILLION AND ABOVE

This category of contracts are to be processed by the relevant ministry, department or agency following the published rules of the game contained in the FGN treasury circular TRY/A 4 & B4/2002 of July, 1st 2002 on Due Process Guidelines for Award of capital projects. Upon conclusion of the contract procedures the ministerial Tenders Board shall then forward their conclusions and all relevant supporting documentation to BMPIU for Due Process compliance Review and certification. It is only after the Due Process certificate is obtained from BMPIU that the ministry, department or agency can forward the project to the Federal Executive Council for final approval to award contract.

2.5 THE POSITION OF THE DUE PROCESS IN PUBLIC SECTOR

The Due Process Policy has the backing of the bill to institutionalize it in order to facilitate and account for the benefits it

will derive for Nigerians. Like Wahab (2006) a leading advocate of the Due Process unit, the decision to support the public procurement reforms with legislation was to institutionalize the policy. The legislation would also insulate the policy from prejudices and indiscretions of future administration. The procurement law is to strengthen the fight against corruption, restore transparency competition and value for money in the award and Execution of public contract. Introducing the legislation means deliberate design to develop indigenous capacity and promote opportunities for local industries.

The overall goal of the legislation was to reduce cost of doing business in Nigeria, stressing that the only law on public procurement was the finance Act of 1958. The procurement Bill was packaged to align Nigeria with global practices, as it was the only country in West Africa without a procurement law, Wahab (2006). The Bill contains some conditions that may open up bidding and awarding of contract to contractors in a more transparent way. These include: restricting mobilization fees to a contractor to only 15$ of the total contract sum, and such mobilization must be supported with bank guarantee, it provided for the establishment of the Federal Public Procurement Bureau to

enforce guidelines and regulatory standards in the awards of contract.

President Obasanjo informed Nigerians that the Due Process Mechanism has saved Nigeria over #102 billion in two years, arising from various Federal Governments over – bloated contracts, (This day News paper, July 13 2004) By implication, He pointed out that the Due Process has saved over six hundred and seventy two million from a single project by the ministry of Health meant to procure and supply equipment to tertiary health institutions. Such wasteful charge on the public treasury impacts on the ability of the government to deliver goods and services to the people. According to him, such inflated cost will create a large deficit.

With the above development in the due process policy, the following captured a summary of the Benefits of Due Process to the Nigerian economy:

(a) Rebuilding of the confidence of average Nigerians in government conduct of public and financial activities.

(b) Reinstatement of over 185 Nigerians who rightly won public contracts by merit but were overlooked at the ministry, agency and Department level and 80 elevation of the principle of competition as a primary factor in contracting.

(c) Cancellation of the process for the award of over 330 Federal Contracts found to have fallen short of Due Process and a fresh procurement process compliant with the principles of openness, transparency, competition and right cost.

(d) Improved fiscal management through more effective expenditure management, institutions, processes and control mechanisms.

(e) Improved technical efficiency in managing and utilizing resources through improved information flows more relevant to decision responsibilities of managers.

(f) As at October 2004, the BMPIU has saved Nigeria over #137 billion through reduced contract cost. There are several instances where sums ranging from #10 million to #11 billion have been saved through Due Process from a single contract transaction.

2.6 **DUE PROCESS AND NATIONAL DEVELOPMENT**

Kozlowaki and Hill (1993) defines development as a rapid and sustained rise in real output per head and an attendant shift in technological, economic and demographic characteristics of a society Development of any kind is usually determined by social

goals effecting the present and future needs and aspiration of the communities involved. Now, when the goals of development are formulated by government or the government cut indirectly evaluates the production of specific goods and services in the private and public sector of the economy, it is mostly oriented towards National Development.

Experienced planners are compelled to understand the strategic importance of monitoring and proper implementation of projects, especially when it relates to national, consisting of a number of different dimensions, for example organization and enforcement of the different stages of the approved government procedure is given. It is the implementation and monitoring aspect of these procedures that makes the policies a constructive realization.

Before Due Process became institutionalized, Nigerians development was affected by inflationary government spending. The inflationary impact of the expansionary fiscal policy led to the official exchange rate of the Naria to appreciate in real effective terms by close to 13% in the year 2000. However, at the same time, the premium in the parallel exchange market rose significantly. Aided by the increase in the price of oil by about, 71%, the current account moved to a surplus of 5% of GDP in

2000 from a deficit of about 10% of GDP in 1999. As a result, gross international reserves increased to US $9.4B from US $5.4B over the same period.

In effect, therefore, the Due Process mechanism has accursed substantial amount of money to the government through the regulation of excess spending and openness in the award of contract. The competitive nature of contract bidding and award in the face of this policy signifies that every contractor has access to bid for contracts at all levels. It will reduce corruption and briefing which was occasioned in the award of contracts. The process of awarding contract seems to take some procedures before a final award is made. Contract award process lasted between three and five months. It is argued that from the time contractors submitted their bids to the time they were given Due Process certificate for award of the contract a time lag of between 3 – 5 months had passed. This could be due to the work load the BMPIU has of going through all Federal Contract Certification. The RDPT in various ministries and agencies forward relevant documents such as advertisement placement on the dailies, original bid submitted.

The BMPIU goes through all these documents to ensure that selection procedures as stipulated in Guidelines for implementation of Due Process Certification of Contracts were

followed. If satisfied, they then issue Due Process Certificate for the project to be executed. Most of these procedures are to access careful and detailed information which is beneficial and promote the development of Nigeria.

FUNDAMENTAL OBSERVATIONS

The researcher observed that contractors are faced with a major impediment during contract award. Due Process entails that contractors are either to use their resources to execute the job or if they require an advance payments, then they have to produce a bank bond that covers 70% of the contract sum. The problem is that stage payment or final payment becomes difficult as bureaucracy in the system becomes much. The BMPIU whom have been monitoring the implementation if satisfied would issue a payment certificate. The certificate is the authority with which the contractor can get his money paid by the CBN. It was observed that time lag before final contract payment is at least between 1 – 3 months after the completion of the contract. In a situation where a contractor borrowed from the bank the delay in payment would definitely increase the interest he has to pay to the bank. This contravenes the statement by BMPIU giving contractors the assurance that they would be paid after completion certificate has been issued.

ACCESS TO BMPIU OFFICE

The researcher further observed that the office of the BMPIU is located within the premises of the presidential villa. This area is a highly restricted area and access into it is mostly on appointment. This means that contractors or other Nigerians with grievances or seeking further information might not gain access to the office. Therefore, there would be insufficient exchange of information between the public and the BMPIU that would enhance proper functioning of the system. Hence, it is imperative that the office of the BMPIU be relocated to an area that would be reachable and accessible to the public. Even though the office has now being moved out of the presidential building area in later 2006, it is still located within the villa.

LEGALITY

Despite the frantic efforts by the Due Process Unit in contracts bidding and award, the Due Process Office has no legal authority to withhold appropriated funds. The constitution of the Federal Republic of Nigeria 1999, provides that it is only the National Assembly that has power to allocate funds from the treasury, and once that is done, such funds would go direct to the spending ministries and agencies. Furthermore, the Due Process

Unit has no legal foundation though it has power to revalue contracts and even refuse to release appropriated funds. Therefore, in the estimation of NASS, the Due Process Policy is holding the Nation to ransom thereby grinding government operations to a halt.

2.7 OVERVIEW OF THE LITERATURE

Most of the works cited in this study so far suggest that the Due Process is an efficient mechanism in the procurement and award of contracts in the public sector. They agreed that the process has brought some degree of sanity into the public procurement system and contract award. However, some school of thought disagrees with this line of argument.

The leadership and some members of the National Assembly were reported to be skeptical about the 2005 national budget because of the Due process policy. The legislators worries centred on an existing hostage situation between 2004 and the administration's policy of Due Process. They argued further that the Due process slows down activities of various ministries by serving as a wedge between the CBN and the spending ministries in respect of budget release to the ministries by the Federal Ministry of Finance. Thus, Due process is now seen as a regulating agency in fund releases between the CBN and the

receiving ministries. Consequently, funds duly appropriated by the NASS are often locked up in the CBN.

Similarly, the members of the National council on works shared similar opinion on the Due process policy, for example, though, they agreed that the policy has a potential to reduce corruption, they complained that the slow pace of the process has impacted negatively on their goals and targets. The council therefore, called for a reform of the process. Consequently, it advised government to decentralize it in order to remove the alleged distortions

2.8 THEORETICAL FRAMEWORK

So many theories have been propounded by scholars to analyse issues in the social and Business Sciences. Some of these theories include, elites, under-development theory, conflict theory, group theory, games theory, social contract theory, etc. But for the purpose of this study, the structural functionalist theory is used. This is basically because the structures within government circle are mostly responsible for the corruption and decay in the ministries and parastatals of government leading to the establishment of the Due Process Policy.

According to the proponent of this theory, Talcott Parsons, every political system has four basic functions to perform in the society. These functions are: Adoption, goal attainment, integration and pattern maintenance. What this implies is that structural functional theory emphasizes the role of structure and functions in understanding the working of government policies and the conditions under which structures can perform and the functions could be fulfilled Eminue, (2001).

In this study, the structures are the official agencies of government, parastatals, ministries, contractors, Banks, etc that are involved in the award and execution of government contracts. According to the structural functional theory, it is only when all these structures play the game according to the rules that the corruption and fraud associated with the award of contracts in public sector can be reduced and possibly be eliminated.

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 INTRODUCTION

This chapter focuses on the methodology of the research. It highlights the methods and procedures adopted in conducting the study. It also emphasizes the methodological strength and weaknesses of the study.

3.2 RESEARCH DESIGN

This study is designed to evaluate Due Process Mechanism as a tool for enhancing fiscal responsibility in Nigerian public sector. The study falls within the category of descriptive survey research. As such, the substance of analysis consists on public opinon elicited through questionnaires and official records (documentary sources).

3.3 VARIABLES OF THE STUDY

The study has two basic variables, namely Due Process and fiscal responsibility in Nigerian public sector. The functional relationship between these two variables is to be underscored by the study of the two variables. Due Process is the independent variable while fiscal responsibility constitute the dependent variable.

3.4 POPULATION OF THE STUDY

The inclusive population of the study is the Nigerian public servants drawn across the three tiers of government in the country. However, for the convenience of the study, a sample of the above inclusive population was selected for the research.

3.5 SAMPLING AND SAMPLING TECHNIQUE

In line with the above, a sample of the target population was selected for the purpose of the study. The sampling method adopted in this respect was random sampling, which concentrated on a cross-section of public service personnel drawn across different establishments. The sampling was systematically done in order to ensure maximum sectional spread and representativeness.

3.6 INSTRUMENTS OF DATA COLLECTION

The instruments of data collection for this study are principally questionnaires and documentary sources. The questionnaire contains sixteen (16) specific questions research problem. In all, sixty-five (65) copies of questionnaires were prepared and administered respondents.

As regards the documentary sources, official records and publication relating to the subject matter were sought and elicited from relevant public sector establishments.

3.7 VALIDITY AND VALIDATION OF INSTRUMENTS

To ensure maximum reliability and validity, the above mentioned instruments of data collected were systematically and critically applied. The administration of questionnaires, for instance, was made in such a way that respondents were allowed to make objective and un-influenced responses. The questions pose were also clear and concise.

The use of personal observation as well as informal interviews was also adopted to revalidate information gotten through the above instruments. Finally painstaking systematization was applied in interpreting and analyzing the corpus of data generated in the course of the research.

3.8 METHOD OF DATA COLLECTION

This empirical research work gathered data and information relating to due process for presentation and analysis. Data was sourced from the Due process unit of the presidency, library, journals, newspapers, seminar papers, magazines, etc and, the researcher administered questionnaires and analyzed them for interpretation. This research used the analytical and descriptive method to examine the implementation of Due process policy in the management of contracts, programmes and projects in Nigeria. However, the following offices were consulted:

Accountant-General of the Federation office, National Assembly, Budget office of the Federation, Ministry of Finance, Central Bank of Nigeria, and some contracting firms.

The study made use of both primary and secondary data. The primary data were sourced through questionnaires as corroborated with personal observation and informal interviews. On the other hand, secondary data were generated from documentary sources, which comprise the existing literature, official records and documents as well as electronic sources.

The existing literature refers to relevant scholarly/ academic writings on the subject derived from books, journals, dailies and periodical as well as the internet.

3.9 METHOD OF DATA ANALYSIS

Data generated for the purpose of the study were qualitatively analyzed with the aid of sample statistical tables, percentage analysis and thematic schemes.

Deductions and inferences were drawn from the analysis. These constitute the basis of the research findings and submissions.

The organization of analysis was essentially thematic in approach. Salient issues arising from the study were discussed

under a number of carefully developed themes and sub-themes which derived from the research questions.

3.10 METHODOLOGICAL WEAKNESSES OF THE STUDY

The study was faced with some methodological difficulties. In the first place, there was a problem associated with data collection. Not all the questionnaires administrated, for instance, were returned. Again, some of the questionnaires were carelessly completed in such a manner that posed problems of interpretation.

Furthermore, the research found it difficult, in some cases, impossible to access some official information which were needed in executing the study.

This arose from the attitude of some government officials who insisted on getting material gratifications before releasing relevant materials.

Finally, it was also realized in the course of the research that not all the information required to make the study worthwhile were readily available. All these combine to pose series challenge to the research. These limitations notwithstanding, the study was accomplished within the best possible standards.

3.11 CONCLUSION

This chapter has presented the methodological processes, procedures and issues involved in the study. In a nutshell, it

highlighted the methods and techniques of the study as well as its methodological strengths and weaknesses. The next chapter (chapter 4) presents the thrust of the analysis in keeping with the above methodology.

CHAPTER FOUR

4.0 DATA PRESENTATION AND ANALYSIS

4.1 Introduction

This chapter concerns itself with the presentation and analysis of data generated in the course of the study. The study is a survey research, having the major substance of analysis consisting of public opinion, which were elicited by the means of questionnaire.

The data were presented with the aid of simple statistical tables, and deductions were drawn from them. Organizations of analysis are systematically thematic as salient issues were considered under a number of carefully developed themes and sub- themes, which derive from the research problem.

The hypotheses were verified against the thrust of the analysis, based on which premise some findings were arrived at.

4.2 Administration and Collection of Questionnaires

In the course of the research, sixty five (65) questionnaires, each containing 16 (sixteen) specific questions, were prepared and administered. Out of these questionnaires, only 50 (fifty) were returned (collected). This can be represented as follows:

Table 4.1: **Questionnaire Administered and Collected**

S/N	Questionnaires	Frequency	Percentage %
1	Administered	65	100
2	Collected/ Returned	50	76.9
3	Not Collected/ Not returned	15	23.1

Source: Questionnaire, May, 2007

In the above distribution, 76.9% of the respondents (i.e. 50 respondents) returned their questionnaires, while 23.1% representing 15 respondents) did not. This shows, among other things, the nature of methodological difficulties encounters by the study.

4.3 Analysis of the Biodata of Respondents

To ascertain the biographical distribution of the respondents, the researcher asked a number of relevant questions, the outcome of which is presented below.

Table 4.2

S/N	Questionnaires	Frequency	Percentage %
1	Male	20	40
2	Female	30	60
*	Total	50	100

Source: Questionnaire, May, 2007

The above table shows that 60% (30 respondents) were females, while 40% (20 respondents) were male. The preponderance of female respondents in the distribution may be traceable to the fact that the research sampling was concentrated among the public servant where women are dominant.

4.3.2:Distribution of Age among Respondents

Table 4.3: Age Distribution of Respondents

S/N	Age Bracket	Frequency	Percentage %
1	18-25	5	10
2	26-35	10	20
3	36-45	15	30
4	46-55	15	30
5	55-above	5	10
*	Total	50	100

Source: Questionnaire, May, 2007

Table 4.3 above indicates that respondents within the age-brackets of 36-45 and 46-55 predominate. Both age-brackets polled 60% (30% to 30%) of the entire distribution. This suggests that the bulk of the population sampled are in their prime.

4.3.3 Distribution of Educational Attainment Amongst Respondents

Table 4.4: Educational Distribution of Respondents

S/N	Educational Qualification	Frequency	Percentage %
1	FSLC	5	10
2	SSCE	5	10
3	Diploma	10	20
4	Degree	20	40
5	Higher Degree	10	20
*		50	100

Source: Questionnaire, May, 2007

In the above table, 40% of the respondents have Degree, while 20% respectively have Diploma and another 20% Higher Degree. This shows that the bulk of the population sampled are knowledgeable people.

4.3.4 Distribution of Occupation Among Respondents

Table 4.5: Occupational Distribution of Respondents

S/N	Occupation	Frequency	Percentage %
1	Politician	10	20
2	Civil Servant	30	60
3	Trader	5	10
4	Farmer/ Artisan	5	10
*	Total	50	100

Source: Questionnaire, May, 2007

The distribution above (Table 4.5) shows that majority of those sampled were public servants, comprising 20% politicians and 60% Civil servants. The skewed distribution was largely informed by the research sampling, which focused on the public sector.

4.3.5 Distribution of Marital Status of Respondents

Table 4.6 Marital Distribution of Respondents

S/N	Marital Status	Frequency	Percentage %
1	Married	40	80
2	Single	08	16
3	Dedicated/ Celibate	02	4
*	Total	50	100

Source: Questionnaire, May, 2007

1t is clear from the above that majority of the population sampled were married men and women. This correlates with the outcome of the distribution on age where people of the “marrriable age” predominate (see table 4.3).

4.4 Analysis of the Research Problem

To address the subject matter of the study, a number of questions were posed to respondents. Below is the presentation and analysis of the outcome.

4.4.1 The Notion of Due Process

To ascertain the understanding of respondent of the subject matter, the researcher inquired to know the respondents’ notion of the concept of “Due Process”. The distribution of responses is as follows:

Table 4.7 Distribution by Respondents’ Notion of Due Process

S/N	The Notion of Due Process	Frequency	Percentage %
1	Anti- corruption Policy	0	0
2	Fiscal/ Procurement responsibility initiative	40	80
3	Code of conduct Drive	05	10
4	Accountability watch dog	05	10
*	Total	50	100

Source: Questionnaire, May, 2007

The implication of the above distribution is that majority of the respondents have adequate understanding of the Due Process concept. 80% response in the distribution is an agreement with the essence of Due Process.

4.4.2 The Main Concern of Due Process

Table 4.8 Distribution Respondents Perception of the main thrust of Due Process

S/N	Response	Frequency	Percentage %
1	Public Procurement/ Contract	40	80
2	Resource Allocation	10	20
3	Others	0	0
*	Total	50	100

Source: Questionnaire, May, 2007

The above distribution reinforces the outcome of table 4.7 above. 80% of the respondents were able to decipher the main concern of Due Process. This shows that they have maximum understanding of the concept as well as its essence/ purpose.

4.4.3 Assessment of Public Procurement/ Contract Prior to Due Process

Table 4.9 Distribution of Respondents Rating of Public Procurement/ Contract prior to Due Process

S/N	Rating	Frequency	Percentage %
1	Poor	35	70
2	Ok	0	0
3	Fair	15	30
*	Total	50	100

Source: Questionnaire, May, 2007

From the above table, majority of the respondents (35 = 70%) were of the opinion that PP/C (Public Procurement and Contract) in Nigeria before the advent of Due Process was poor. 15% of the respondents, however, opined that the process was fair, None of the respondents opined that the process was OK. This suggests among other things, that the process of PPlC in Nigeria in the past was problematic, hence the introduction of the Due process mechanism.

4.4.4 Assessment of the Fiscal Status of Nigerian Public Sector before Due Process

As a follow up to the preceding point of inquiring, respondents were requested to describe the fiscal state of Nigeria public sector before the adoption of Due Process. The following distribution ensured.

Table 4.10: Respondents Rating of the Fiscal State of Nigerian Public Sector

S/N	Rating	Frequency	Percentage %
1	Chaotic	20	40
2	Responsible	05	10
3	Reckless	25	50
*	Total	50	100

Source: Questionnaire, May, 2007

The above distribution shows that 40% + 50% of the respondents decried the state of fiscal affairs in Nigerian public sector prior to Due Process. This justifies the adoption of the Due Process policy.

4.4.5: Reason for Fiscal Crisis in Nigerian Public Sector

Table 4. 11: Respondents' Perception of Reasons for Fiscal Crisis in Nigerian Public Sector

S/N	Reason	Frequency	Percentage %
1	Indiscipline	10	20
2	Corruption	20	40
3	Abuse of Procedures	20	40
*	Total	50	100

Source: Questionnaire, May, 2007

The above distribution implies among other things, that the generality of the respondents (40+40+10%) attribute the poor fiscal state of Nigerian public sector to absence or breach/ violation of 'Due Process'.

4.4.6 Performance of Due Process

Table 4.12: Respondents' Perception of the Performance of Due Process

S/N	Response	Frequency	Percentage %
1	Fair	40	80
2	Very Good	10	20
3	Poor	0	0
*	Total	50	100

Source: Questionnaire, May, 2007

80% of the respondents here rate the performance of Due Process so far as fair. This underscores the need to sustain, and improve on, the efforts.

4.4.7 Prospects of Due Process

As regards whether the Due Process mechanism has the prospects of achieving its purpose, the following responses were elicited.

Table 4.13: Respondents Perception of the Prospects of Due Process

S/N	Response	Frequency	Percentage %
1	Yes	45	90
2	No	5	10
*	Total	50	100

Source: Questionnaire, May, 2007

It is obvious from table 4.12 above that people respose much confidence in Due Process. 90% of the respondents opined that the initiative has every prospects of leading to the desired goal.

4.4.8 Challenges to Due Process

Table 4.14: Respondents' Perception of the Obstacles to Due Process

S/N	Response	Frequency	Percentage %
1	Poor implementation	10	20
2	Operational Deficiencies	25	50
3	Lack of political will	15	30
4	Other……	0	0
*	Total	50	100

Source: Questionnaire, May, 2007

The above respondents have a fairly balanced distribution. 50% of the respondents contended that the problem rests with the operations of the initiative, while 30% and 20% blame the problem on lack of technical resource and poor implementation respectively.

4.4.9: Enhancement of Due Process

Table 4. 15: Respondents suggestion towards Enhancement of Due Process

S/N	Suggestion	Frequency	Percentage %
1	Increased funding	10	20
2	Sustained political will	15	30
3	Capacity building	10	20
4	Continued Public support	15	30
*	Total	50	100

Source: Questionnaire, May, 2007

The above distribution is a pointer to the fact that both government and the governed have stake in advancing the course of Due Process. The variety of suggestions above indicates that a lot more needs to be done to make the Due Process initiative worth while.

4.4.10: Due Process and National Development

Table 4.16: Distribution of Respondents Opinion on the Relationship between Due Process and National Development

S/N	Response	Frequency	Percentage %
1	Yes	50	100
2	No	-	0
*	Total	50	100

Source: Questionnaire, May, 2007

In relation to the question whether Due Process will bring about national development, the distribution of responses as shown in the above table shows 100% affirmation. In effect, most of the respondents believed that Due Process can bring about economic growth and development in Nigeria.

4.4.11 General Acceptance of Due Process

Table 4.17: Respondents' Opinion (response) on the Acceptability of Due Process

S/N	Response	Frequency	Percentage %
1	Yes	50	100
2	No	-	0
*	Total	50	100

Source: Questionnaire, May, 2007

In the table above, 100% of the respondents accepted the Due Process idea. This underlines the popular acceptability of the initiative among Nigerians.

4.5 Verification of Hypothesis

Against the background of the preceding presentation and analysis of data, this section seeks to establish the validity of otherwise of the research hypotheses (Cf: Chapter 1, section 1.5).

Hypothesis No 1

"That corruption was associated with contract award and procurement before Due Process was established".

Questions 3, 4 and 5 were designed to elicit data on this question. Analysis of data so elicited shows that the process of public contract and procurement in Nigeria prior to Due Process was characterized by corruption and sundry abuses. In respect of each of the questions above (see the Appendix), the inferences

drawn shows that corruption was one of the basic problem of pubic contract/ procurement in Nigeria. Hypothesis No 1 was therefore validated on this premise.

Hypothesis No 2

"That those calling for abolition of Due Process policy are motivated by corrupt tendencies".

Data generated in respect of questions 6, 7 and 10 (of the appendix), as well as those elicited by documentary studies clearly contains the fact that the generality of Nigerians see Due Process as a welcome development. It, therefore, becomes obvious that those calling for the abolition of the policy must have been motivated by corruption. This validates the hypothesis No 2.

Hypothesis No 3 and 4

"That Due Process contributes to National Development and also brings about economic growth and development".

The bulk of information sourced through secondary sources corroborates responses to question No 10 (of the appendix); to the effect that Due Process has a significant positive correlation with economic growth and development of Nigeria. This goes to prove the validity of hypothesis 3 and 4.

Hypothesis No 5

"Those foreign investors are likely to invest more in Nigeria because of the gives of Due Process".

Inferences that could be drawn fro the thrust of the analysis revealed that Due Process has re-establish sanity in Nigeria economy. The necessary corollary to this is that the initiative promotes the opportunities of Nigeria as an investment destination.

4.6 Summary of Findings

From the analysis and discussions presented above, a number of findings have been arrived at. They are summarized below.

In the first place, it was discovered by the study that the introduction of Due Process was necessitated by fragment above of procedures and systemic corruption which hitherto characterized the process of public procurement and contract in Nigeria public sector. The Due Process, therefore, becomes a policy designed to re-establish responsibility in the process.

Secondly, the study also found out that the generally of Nigerians repose much hope in Due Process as a panacea to fiscal crisis and irresponsibility which has been the bane of economic growth and development in the country. This explains their support of the initiative.

Thirdly, the study further discovered that the performance of Due Process has been constrained by certain difficulties most of which arose of the operational deficiencies and implementation of the policy. In this respect, it becomes imperative to improve upon the operations of the initiative.

Fourthly, the study observed that Due Process has great prospects of revitalizing the decadent Nigerian economy by re-establishing values of rectitude and sanity in the process of public fiscal relations. This, the study argues, will enhance the opportunities of Nigeria as an investment destination.

Fifthly, the study identified increased political cum administrative will as well as public support as veritable factors which are required to sustain and build upon the gains already achieved by Due Process in Nigeria.

To say the least, the study concludes that, Due Process is a welcome agenda which must be sustained in order to bring about the much desired transformation of the Nigerian economic.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 SUMMARY

The foregoing analysis on Due Process as a tool for fiscal responsibility in the Nigerian Public Sector seems to indicate that the Nigerian Public Sector was dominated by wrong bidding approach and award of contracts before the establishment of Due Process in Nigeria. To consolidate the reforms agenda of the current administration Due Process with available records have strengthen the public sector and had work hard to reduce and possibly eliminate the act of bribery and corruption in the award of contracts in recent times.

Elaborate literatures were reviewed in chapter two to fill in the existing gaps in the area of study. In doing this, it was discovered that academic research of this nature is still lacking for the issues, under review. Chapter Three has dealt on research methodology and sampling procedure. There are clear indications that some of these policies were well intended but fail for lack of proper implementation. Much discussions were done in chapter four ranging from procurement of contracts, bidding and award, benefits, the effect on National Development. The final finding is on chapter five.

5.2 CONCLUSION

The current administration of President Obasanjo introduced the Due Process policy in Nigeria with establishment of BMPIU in April, 2002. This was one of the policies formulated by the Federal Government to deal decisively with the myriad of socio-economic problems confronting the nation in recent times. The Due Process therefore, came at a time Nigerian needed to curb corruption associated with the system of bidding for government contracts.

The Due Process is a simple mechanism that certifies for public funding only those projects that have passed the test of proper project implementation packaging. The value for money in terms of public sector contracts in Nigeria is expected to return through the Due Process mechanism. This is because the Due Process Policy is aimed at re-establishing on effective an effective and transparent of government resources. Thus, the Due Process Policy would enforce strict compliance with rules, regulations and procedures guiding the processing and implementation of contract awards and procurement system.

The Due Process would engender a culture of efficient bargaining with the aim of getting the best deal thereby obtaining value for money expended. Thus, the policy has set out detailed guidelines for checking wastages, corruption and fraud which are

vices that directly plunder and misallocate resources to unproductive ends. It would therefore, serve to check the excesses of public servants thus ensuring fiscal responsibility. However, the techniques of the policy need to be updated regularly to meet the current realities especially against exploitation of contracts and dubious practices.

The research shows that the Due Process Policy is required in government businesses for economic, Political and social development. The Policy is a fiscal instrument used to regulate the conduct of government business in such a way as to foster national economic development. This it seeks achieve by ensuring a strict adherence to the culture of probity, transparency and accountability in contract award in the Nigeria Public Sector. This in turn, engenders equity, competitiveness and justice in terms of contract bidding among contractors in the public sector.

The studies also confirm one of the hypotheses that the Due Process has reduced wastages in the public sector through an improved national procurement and contract award system. Thus, the policy has led to a reduction in the level of corruption in the public contract award and procurement system in Nigeria. This it has achieved by injecting a new order and sanity into the award of public sector contracts. This has in turn, brought about prudent

management of government contracts and procurement, thereby conserving scare national resources.

The research however, reveals that the Due Process Policy has not totally solved the problem of corruption and rigidity in contract award and procurement processes in the public sector. There are indications from literatures that majority of the stakeholders still manipulate the system to their advantage. The problem is further compounded by lack of adequate number of competent technical staff at the BMPIU to handle the various job schedules. This causes undue delay in the completion of Due Process Certification procedures. In addition, there is the problem of non-application of the Due Process Policy at the State and Local Governments levels.

This research posits that the problem of the Due Process Policy not withstanding, its inherent advantages are overwhelming. Therefore, the policy would require only some fine-tuning which would be in the form of removing official bureaucracy and designing appropriate officials forms for the work of the Due Process Unit.

In the final submission, the Due Process has to a large achieved its objectives of enhancing value for money and transparency in the public contract award and procurement

system. It has also led to a significant reduction in the level of financial loss to the Federal Government through inflation of contracts. Thus, the Due Process Policy has proved to be an effective fool for enhancing fiscal responsibilities in the Nigerian Public Sector.

5.3 RECOMMENDATIONS

This research makes the following recommendations:

(a) The Federal Government should removed official bureaucracy from the due Process activities.

(b) Employ more experts and personnel with knowledge of contract and financial management for the Due Process Office.

(c) Encourage the States and Local Government to establish Due Process offices in their respective jurisdictions.

(d) Decentralize the Operations of BMPIU.

(e) The Businessmen should be given more opportunities in contract bidding and implementation.

(f) Nigerians should accept the policy as a way of reducing and eliminating corruption in the Public Sector.

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APPENDIX

DEPARTMENT OF BUSINESS ADMINISTRATION
AHMADU BELLO UNIVERSITY
ZARIA

Dear Respondent,

I am conducting a research on the topic "Due Process as a tool for fiscal responsibility in public sector in Nigeria"

Any information given to me will be used purely for academic purpose.

Thank you.

PART A

BIO-DATE (Tick"√" the appropriate option)

(i) SEX: Male [ ] Female[ ]

(ii) AGE 19-25 [ ] 26-35[ ] 36-45 [ ]56 - Above[ ]

(iii) EDUCATION: FSLC [ ] SSCE[ ]Diploma[ ]Degree[ ] Higher degree[ ]

(iv) OCCUPATION: Artisan [ ] Trader[ ] Civil Servant[ ] Politician [ ]

(v) MARITAL STATUS: Single [ ] Married [ ] Dedicated/Celibate[ ]

PART B

(1) What is your notion of Due Process?

Anti-corruption policy [ ] Fiscal responsibility initiative[ ]

Code of conduct drive [ ] Accountability watch dog [ ]

(2) What is the main concern of Due Process?
Public procurement/contract [ ] Resource allocation [ ]

(3) How do you rate the quality of public procurement and contract awards prior to the Due Process? Poor [ ] Fair [ ] OK [ ]

(4) How would you characterize the state of public sector fiscal status
Chaotic [ ] Reckless [ ] Responsible [ ]

(5) What is your opinion account for fiscal crisis in Nigeria before Due process?
Indiscipline [ ] Corruption [ ] Abuse of established rules [ ]

(6) How do you assess the performance of Due Process in terms of re-establishing fiscal rectitude?
Good [ ] Very good [ ] Fair [ ] Poor [ ]

(7) Do you think Due process mechanism has the prospects of bettering the state of public procurement/fiscal rectitude? Yes [ ] No [ ]

(8) What in your opinion is the major obstacle to the success of Due Process? Lack of technical resource [ ] Poor implementation [ ] Operational deficiencies [ ] Others [ ]

(9) In what ways can the operations of Due Process be enhanced?
Sustained funding [ ] Increased political will/commitment [ ]
Capacity building [ ] Continued public support [ ]

10 Can Due Process bring about economic growth and development?

Yes [ ] No [ ]

11. Do you welcome the idea of Due Process? Yes [ ] No [ ]