

EFFECT OF FINANCIAL MISCONDUCT ON HEALTH CARE IN KANO STATE HEALTH MANAGEMENT BOARD

HAMZA A. Yusuf

Department of Public Administration
Ahmadu Bello University, Zaria
Hamzapad66@gmail.com

JAMES Adoyi

Department of Public Administration
Federal University Lokoja, Kogi
08060844885

SHEHU Sani

Department of Public Administration
Ahmadu Bello University, Zaria
08060841404
Shehusani1982@gmail.com

&

SURAJO Bello

Department of Public Administration
Ummaru Musa Yar'adua University, Katsina
Sirajo.bello@gmail.com
09076706732

Abstract

Financial misconduct is a crime being carried out every day all over the world, causing significant damage to the global human health and economy. Provision of healthcare requires funds to be properly budgeted and appropriately utilized. Failure to do that may harm the provision of health care services. This paper investigated the effect of financial misconduct in the provision of medical facilities in Kano State Health Care Management Board from 2011 – 2019. The main objective of this study is to examine the effect of financial misconduct in provision of medical facilities in two secondary health facilities of Kano State Health Care Management Board. The study adopted a descriptive survey research design. The instrument for data collection were questionnaire and interview. Data were presented and analyzed using frequency and percentage. Hypothesis was tested using regression analysis. The result showed that financial misconduct in terms of fraud, misappropriation, diversion of fund, direct stealing, and embezzlement are frequent in the two health facilities. This negatively undermined the provision of medical facilities. The study recommended that officers handling financial matters for the provision of medical facilities in the State should be staff with unquestionable integrity, trustworthy and self-control. Appropriate disciplinary measures should be taken against the erring employees.

Keywords: Financial misconduct, fraud, health care, misappropriation

Introduction

Financial misconduct is rooted in the manifestations of fraud, misappropriation, corruption and bribery activities in the public sector which are universally rampant. This focuses on the phenomenon of fruitless and wasteful, irregular and unauthorized expenditure proliferating on a daily basis. This persistent irregular conduct has been escalating as a result of failure by management to take effective and appropriate disciplinary steps against officials who made or permitted unauthorized, irregular or fruitless and wasteful expenditure (Soltani, 2015). Human nature being combination of vice and virtue needs to be tied up under a prescribed code of conduct and discipline. This makes organizations either public or private to have certain rules and regulations governing the conduct or behavior of its employees. Generally, in the public service there are government documents of operations in form of Government Order (G.O.), Financial Instructions, Policies, Rules and Regulations that governs the action of those placed in authority. This is to help them manage the complex network of activities of government. The effectiveness and performance of the public service depends on the existence of a systematic and well-established disciplinary procedure. It involves sanctioning erring employee/staff and rewarding conforming employees.

Health remains an integral component of man's existence because it is human capital that drives the other factors of production. The provision of accessible and affordable healthcare services on a sustainable basis in any country including Nigeria is an important obligation of government and the fundamental right of the citizens, through direct participation in health delivery system and good legislature on healthcare delivery. The government of Nigeria through the federal Ministry of Health has been undertaking this responsibility, but with abysmal result (FMOH, 2015). Nigeria's health sector is still striving to provide basic healthcare services with the collaborative efforts of the three tiers of government but efforts to achieve this seem impracticable due to the indiscipline attitudes such as financial misconduct in terms of fraud, misappropriation, diversion of fund and embezzlement etc. which resulted to poor provision of medical facilities (FMOH 2015). In Kano State Hospital Management Board, the situation is not any better as empirical evidences and experience revealed cases of financial misconduct in the secondary healthcare. Therefore, this work examines the effect of financial misconduct in the provision of medical facilities in Kano State Hospital Management Board.

Statement of the Problem

The National Health Policy has brought hope for many Nigerians. It stated what component of healthcare should be covered by what levels of government. The Federal, State and Local governments has committed so much financial resources, efforts and determination to see to the realization of health policy objectives. Since its adoption in 1978, the nation has embarked on reforming the existing health policies, institutions and strategies. This is also the case in Kano State as various efforts were put in place to actualized the objectives of health policies. It is therefore rationale to undertake a study of this nature, to assess the effect of financial misconduct on healthcare at secondary level in Kano State.

Kano State government have been budgeting huge amount of resources in the area of secondary healthcare. Partners like World Health Organization (WHO), Saving One

Million Lives (SOML), UNICEF etc. have also committed huge amount of resources for the provision of medical facilities and equipment. However, the secondary healthcare sector of the state remained incapacitated to provide healthcare services. This is attributed according to Ibrahim (2018), Aminu (2019) and Adoyi (2016) to financial indiscipline involving fraud, embezzlement, over invoicing, trading etc. in the healthcare sector of the State. In a bid to curb financial misconduct and other vices and to enhance the service delivery of the civil servants through disciplinary measures, the 2004 Public Service Rules(PSR) provides more relevant issues, which states that for any misconduct such as fraud, Bribery, Misappropriation, Embezzlement, etc., there shall be appropriate penalties as a means of correction. These penalties range from verbal warning, query, dismissal, termination, compulsory retirement etc.

In addition, under section 15(3) of the Medical and Dental Practitioners Act and Rule 25 of the Code of Medical Ethics in Nigeria, the Medical and Dental Practitioners Investigation Panel ('the Panel') is empowered to conduct preliminary investigation into any allegation of misconduct ranging from financial misconduct involving fraud, misappropriation, embezzlement etc. Similarly, Kano State government also constituted the Medical and Dental Practitioners Disciplinary Tribunal to regulate any act of misconduct exercise by any erring medical practitioner in section 6 of the Medical and Dental Practitioners Act. Also the State constituted Kano State Public Complaint and Anti-corruption commission in 2005 to curb with the raising cases of financial misconduct in the public service including health sector. In spite the above effort, the cases of financial misconduct are still in the increase (OHCS, 2018) in Sani (2018). These ranges from diversion of funds, extorting money from patient, trading, fraud, over invoicing etc. which undermined the provision of equipment and consumables in the healthcare sector.

Studies conducted on health care services emphasized more on the nexus of primary health care services and Millennium Development Goals, service utilization, financial misconduct and abuses in healthcare, funding of primary health care services and quality of health care service delivery. Some studies are meant to measure how democratic government has provided physical infrastructure which are essential for health care service delivery. The work of Yale 2012; Madu 2015; Dalhatu 2015 and Jamo 2013 can be an example. Some worked on Local Government and primary health care delivery, democracy and service delivery and evaluation of the implementation of primary health care programmes in specific areas (at national, regional or grass root levels) but using cross sectional study and qualitative data only without sampling the beneficiaries part of the samples. The work of Sani 2012; Adoyi 2016; Goga 2013 and Sani, 2017 are equally examined. None of these works covered the effect of financial misconduct on healthcare services at the secondary healthcare facilities in Kano State using mixed method design. It is in this light that this study seeks to bring to a limelight about the gap left by above researches as it attempts to assess the effect of financial misconduct on healthcare services in the two secondary hospitals of Kano State. It is against this backdrop the study seeks to find answers to the following questions.

Research Questions

This paper will provide answer to the following research questions;

- I. How has fraud affect the provision of medical facilities in Kano state

- ii. How misappropriation of fund affects the provision of medical facilities in Kano State.
- iii. How embezzlement of fund affects the provision of medical facilities in Kano State

The Objectives of the Study

The general objective of this paper is to determine the effect of financial misconduct on the provision of medical facilities in Kano State. The specific objectives are to:

- i. To examine the extent to which fraud affect provision of medical facilities in Kano State
- ii. To determined weather misappropriation, affect the provision of medical facilities in Kano State
- iii. To find out whether embezzlement of fund affect the provision of medical facilities in Kano State

Hypothesis of the Study

H₀₁: There is no significant relation between financial misconduct and the provision of medical facilities in Kano State Hospital Management Board.

Literature Review

In recent years, corporate financial accounting scandals no longer become unexpected news of the day. Many studies have discussed fraud-related issues, and the general view is that fraud prevention should be the main focus. It is less expensive and more effective to prevent fraud from happening than to detect it after the occurrence. Usually, by the time the fraud is discovered, the money is unrecoverable or the chance to recover the full amount of the loss is very slim. Furthermore, it is costly and time consuming to investigate frauds especially involving large-scale multinational operations. However, if the focus is on fraud prevention all the monetary losses, time and effort to reconstruct fraudulent transactions, track down the perpetrator, and reclaim missing funds can be saved. Sani (2019) states that before making any efforts to reduce fraud and manage the risks proactively, it is important for the business organizations to identify the factors leading to fraudulent behaviour by understanding who are the fraudsters, when and why frauds are committed.

Financial misconduct has grown rapidly over the last few years, and there is a growing trend for large organizations to consider hiring professionals such as forensic accountants to reduce the pressure and potential of occupational, financial frauds. Sutherland (1943) occupational fraud is the process of using one's occupation or responsibility to satisfy his personal interest by enriching himself through the deliberate abuse of power. Abuse of power by the fraud perpetrators includes deliberate mismanagement, and misrepresentation of organizational resources (fixed and current assets). Regardless of the type or nature of the sectors, various category of financial crime and other types of occupational are taking place such as swindles and employee trust violations (Ibrahim, 2018). Merriam Webster's Dictionary of Law (1996) as quoted in Adoyi (2016), financial misconduct can be defined as:

“Any act, expression, omission, or concealment calculated to deceive another to

his or her disadvantage, specifically, a misrepresentation or concealment with reference to some fact material to a transaction that is made with knowledge of its falsity. And or in reckless disregard of its truth or falsity and worth the intent to deceive another and that is reasonably relied on by the other who is injured thereby."

Goga (2013) defines fraud as an act of deliberate action made by an entity, knowing that such action can result in a possession of unlawful benefits. Aminu (2019) and Institute of Chartered Accountants of Nigeria (ICAN) (2006), state that fraud is an intentional act of individuals among management, employees or third parties who produce errors in financial reporting in favor of their personal desires. Financial misconduct can also be considered as any deliberate misrepresentation, concealing and negligence of a truth to manipulating the financial statement to at the expenses of the firm.

Financial misconduct can also refer to reckless financial activities committed by public officials that obstruct the enhancement of service delivery to the citizens. Financial malpractice is viewed as being a fundamental impediment to service delivery. Financial misconduct is seen as fraud. And Fraud is a false representation of a matter of fact, whether by words or by conduct, by false or by concealment of that which should have been disclosed that deceives and is intended to deceive another, so that the individual will act upon it to her or his legal injury (Black Law Dictionary, 2004). Financial Misconduct should be taken to cover fraud, corruption, theft, dishonesty or deceit by an employee, whether at the expense of institution, other employees or any other body or organization ?, as well as actions or inactions which fall below the standards of probity expected in public. That is to say any intentional act is regarded or termed as fraud.

Factors Affecting Financial misconduct include the following, Lack of financial capacity, Unfair public procurement and supply chain management, Inappropriate planning, Improper delegation of authority, Embezzlement of public funds, Lack of internal control systems, Corruption, Fraud, Political interference etc. These factors are actually interlinked in such a way that one factor could as well influence the other. These are discussed below.

Lack of Financial Capacity: The origin of financial misconduct lies in the absence of expertise required to administer public finances. Lack of appropriate expertise has been reported as an obstacle to effective administration of public finances (Ibrahim, 2018). Public officials are appointed to higher positions based on their political affiliation and interference. In essence, their political status is paramount in pursuing their self-interest and neglecting the needs of the society. Consequently, due to incompetence, public officials are unable to take informed decisions. Therefore, politicians end up embezzling the State funds.

Unfair Public Procurement and Supply Chain Management: Supply chain management entails the process of acquiring products and services at the most affordable costs. It includes, amongst others, units such as procurement, assets, transport and logistics. Public procurement has been identified as being pivotal to improved service delivery as huge budgets are allocated to it. Adoyi (2016) argues that the non-existence of openness and transparency in public procurement has led to the misuse of funds. Hence, non-compliance with the applicable policies governing

public supply chain and procurement processes has triggered a great deal of irregular and fruitless expenditure in the public service (Aminu, 2019).

Improper Delegation of Authority: According to Akpan (2015) delegation of authority entails “the shifting of management responsibilities from the center to the lower level, but the center retaining the overall control of powers”. Public officials on the higher authority tend to abuse these powers for their own personal interests and gain, and to neglect the needs of the vulnerable citizens.

Embezzlement of Public Funds: The lack of good financial governance and continuous incurring of unwanted expenditure both remain as challenge that obstruct service delivery (Aminu, 2019). This resulted in the mismanagement of public funds and thus, maladministration in different government departments.

Lack of Internal Control Systems: Ample internal control measures should be in place to direct the functions on the daily basis. The research findings by Osime (2019) revealed that inadequate financial governance is continuing to ensure the incurring of unauthorised expenditure, irregular expenditure and, fruitless and wasteful expenditure. The leaders in the public service tend to act based on their best interest and ignore compliance with applicable legislation. They engage in fraudulent activities by manipulating the systems for their personal gain and at the expense of the public; and no remedial actions are being taken against them.

Corruption: Etu (2007) states that corruption is a “cancer that appears to be endemic in African public service”. He lamented that public service institutions are still experiencing challenges of insufficient control over contract performance and assessment. This lack of control creates a loophole and possibility for escalating corruption. He argues that corruption is a “consequence of the nexus between bureaucracy, politics and criminals”. Furthermore, corruption creates economic obstacles in the public service in that public officials redirect public funds for their own personal gains and fail to render services to the communities. This has placed impoverished citizens in a crisis situation.

Misappropriation of assets: Misappropriation of asset is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing, indirectly causing accounting irregularities in financial statements (Kwock, 2005). Misappropriation of assets can be accomplished in a variety of ways including; a. Embezzling receipts (for example, misappropriating collections on accounts receivables or diverting receipts in respect of written-off accounts to personal bank accounts); b. Stealing physical assets or intellectual property (for example, stealing inventory, for personal use or for sale, stealing scrap for resale, colluding with a competitor by disclosing technological data in return for payment) c. Causing an entity to pay for goods and services not received (for example payment to fictitious vendors, kickbacks paid by vendors to the entity's purchasing agents in return for inflating process, payments to fictitious employees); d. Using and entity's asset for personal use (for example, using the entity's assets as collateral for personal loan or a loan to a related party)

Bribery and Corruption Fraud: Corruption is defined as bribery, that is, payment in money or in kind given or taken in a corrupt relationship. It can also involve the abuse of entrusted power for private gain, or an inducement to show favor. The perversion or destruction of integrity in the discharge of public duties by bribery, favor and the use

or existence of corrupt practices especially in a state or public corporation (Black Law Dictionary, 2004)

Financial Statement Fraud: According to the American Institute of Certified Public Accounts (AICPA, 1988), Financial statement fraud is intentional or reckless conduct, whether intentional act or omission that results in materially misleading financial statements. It also entails gross and deliberate distortion of corporate records such as inventory manipulation or fraudulent transactions such as fictitious sales or orders. Fraudulent financial reporting may also entail the misapplication of accounting principles.

Misappropriation: This is an intentional misuse of money. The appropriation of money and other assets meant for a specific purpose for either personal use or for what it is not meant for. Such act is an unauthorized disbursement of money or other assets for personal gain. Misappropriation is the highest type of fraud in the public sector. People deliberately convert public fund to personal use without a blink of fear or conscience disturbance (Osime, 2019). This type of fraud is committed by the following means (as provided by Udoayang and James 2004) in Adoyi (2016) and Goga (2013): Outright taking away of corporate or government assets for personal use, Payment of salary for non-workers, Payment for fictitious purchase and contract, Payment for no return onwards, Teeming and landing, Manipulation of any form for personal gains, Over-stating of the contract price, Conversion of government money into personal use, Conversion of office impress to the personal allowance, Unauthorized use of public funds or asset, Payment against uncleared cheque, Claim of deceased staff gratuity and pension benefits, Misuse of medical allowances and reimbursements, Embezzlement Larceny, Cheque fraud and some fraudulent behavior may include cutting costs and manipulating financial records for personal needs. This has very negative effects in the provision of medical facilities.

Theoretical framework

The Fraud Triangle Theory

In 1950, Donald Cressey, a criminologist, started the study of fraud by arguing that there must be a reason behind everything people do. Questions such as why people commit fraud led him to focus his research on what drives people to violate trust? He interviewed 250 criminals in a period of 5 months whose behaviour met two criteria: (i) initially, people are accepting responsibilities of trust in good faith, and (ii) circumstances make them violate the trust. He relates that three factors (pressure, opportunity, and rationalization) must be present for an offense to take place. Cressey further states the following:

“Trust violators, when they conceive of themselves as having a financial problem that is non-shareable and have knowledge or awareness that this problem can be secretly resolved by a violation of the position of financial trust. Also they are able to apply to their own conduct in that situation verbalizations which enable them to adjust their conceptions of themselves as trusted persons with their conceptions of themselves as users of the entrusted funds or property” (Crassey 1953).

Perceived Pressure/Incentive/Motive

Perceived pressure refers to the factors that lead to unethical behaviors. Every fraud

perpetrator faces some pressure to commit unethical behavior (Abdullahi and Mansor, 2015). These pressures can either be financial or non-financial pressures. Aminu (2019) pointed out that, since the pressure to commit fraud may not be real it is important to use the word perceived. If the perpetrators believed that they were pressurized, this belief could lead to fraud. Perceived pressure can exist in various ways, especially in non-sharable financial need. Financial pressure is recognized as the most common factor that leads an entity to engage in an evil action.

Perceived Opportunity

The second necessary element of fraud to occur is perceived opportunity. Opportunity is created by ineffective control or governance system that allows an individual to commit organizational fraud. In the field of accounting, this is termed as internal control weaknesses. The concept of perceived opportunity suggests that people will take advantage of circumstances available to them (Kelly and Hartley, 2010). The nature of perceived opportunity is like perceived pressure in the sense that the opportunity does not have to be real too. However, the opportunity exists in the perception and belief of the perpetrator. In most cases, the lower the risk of being caught, the more likely it is that fraud will take place (Cressey 1953). Several factors lead to the existence of an opportunity to commit fraudulent activities in an organization such as negligence of employee's breach of policies and lack of disciplinary action (Sausser, 2007). Wilson (2004) explains "opportunity" as the ability to override fraud controls. Furthermore, Srivastava, Mock and Turner (2005) and Hooper et al. (2010) argue that, even when the pressure is extreme, financial fraud cannot occur unless an opportunity is present. An opportunity has two aspects: (i) the inherent susceptibility of the organization to manipulation, and (ii) the organizational conditions that may warrant a fraud to occur. For example, if there is an inadequate job division, weak internal control, irregular audit, and the like, then the conditions will be favorable for the employee to commit fraud.

Rationalization

The rationalization is the third element of the FTT. This concept indicates that the perpetrator must formulate some morally acceptable idea to him before engaging in unethical behavior. Rationalization refers to the justification and excuses that the immoral conduct is different from criminal activity. If an individual cannot justify dishonest actions, it is unlikely that he or she will engage in fraud. Some examples of rationalizations of fraudulent behavior include "I was only borrowing the money", "I was entitled to the money because my employer is cheating me." Additionally, some fraudsters excuse their action as "I had to steal to provide for my family", "some people did it why not me too" (Cressey, 1953). Rationalization is difficult to notice, as it is impossible to read the mind of the fraud perpetrator. Individuals who commit fraud possess a particular mind-set that allows them to justify or excuse their fraudulent actions. Rationalization is a justification of fraudulent behavior because of an employee's lack of personal integrity, or moral reasoning (Rae and Subramanian, 2008).

Methodology

The study adopts survey research design. The population of this study comprises the entire staff of the two selected hospitals i.e. Murtala Muhammed Specialist Hospital (MMSH) and Kura General Hospital (KGH). The total population is 1190. The

population for Murtala Muhammed Specialist Hospital is 1051 while Kura General Hospital is 139. Sample was selected to represent the characteristics of the population and the sample size was chosen using Krejcie and Morgan (1970). The sample size for the study is 285. Simple percentage was used for selecting the sample size in relation to its proportion in the population. The sample size for Murtala Muhammed Specialist Hospital is 75% representing the population and the sample size for Kura General Hospital is 25% representing the population. A simple random sampling was employed in selecting the sample for the administration of questionnaires. Accidental sampling technique was also employed in selection of patients.

Data for the study were collected from both primary and the secondary sources. The primary sources of data used for this study are the Management, Doctors, Nurses, Pharmacists and Patients. The secondary sources of information for this research are government gazettes, articles and reports from the Ministry of Health. Information from dissertation, thesis, medical records, disciplinary files, minutes of meetings, staff records, secret files were utilized. Questionnaires were administered to Doctors, Nurses, Pharmacists, and Patients in the two selected hospitals. Interview was conducted with the aid of checklist with the Management staff of Kano State Hospital Management Board and Management staff in the two selected hospitals.

Data Presentation, Analysis and Test of Hypothesis

Data were presented from interview and questionnaires, analyzed and then hypothesis tested. On the whole, 254 questionnaires were administered to the two selected hospitals and 238 representing 93.7% of the total were successfully returned. The presentation is based on the Hospital. Responses from both Murtala Mohammed Specialist Hospital and Kura General Hospital were presented under the table below.

Table 1: Effect of Financial misconduct on the provision of medical facilities

Hospital	Level of response					Total
	S/A (%)	A (%)	U (%)	D (%)	S/D (%)	
Murtala Muhammad Specialist Hospital Kano	108 61.4%	62 35.2%	6 3.4%	-	-	176 100%
Kura General Hospital Kano	31 (50.0%)	19 (30.6%)	4 6.5%	8 12.9%	-	62 100%

Source: Researcher's survey, 2020

The above table shows that 108 respondents representing 61.4% of the sample strongly agreed that financial misconduct affect provision of medical facilities. 58 respondents representing 35.2% agreed with the above assertion. 6 respondents representing 3.4% have not decided with the above assertion while 4 respondents representing 2.3% disagreed with the assertion.

While responses from Kura General Hospital shows that 31 respondents representing 50.0% of the entire respondents unanimously agreed that financial misconduct affect the provision of medical facilities. 19 respondents representing 30.6% of the respondents agreed with the above assertion. Only 4 respondents representing 6.5%

have not decided.8 respondents representing 12.9% disagreed with the above assertion.

Responses of interview with the Chief Medical Director (CMD) reveals that financial misconduct affects provision of medical facilities, citing that in 2015, funds were allocated for the renovation of Antenatal ward, laboratory unit, accident and emergency unit but was diverted into individual account. He further explained that the project was completed with the intervention of Alh. Aliko Dangote. He also reveals that embezzlement is mostly in the area of running cost. He described that, the amount of funds spend for supply of diesel only is too high. It was revealed that diversion of funds is common. The officer also showed that embezzlement in the area of drugs and other consumable is common too. In the same vain, interview held with the Medical Director Kura General Hospital reveals that financial misconduct affects the provision of medical facilities. He stated that budgetary allocation for the provision of medical facilities shows a significant improvement but the realities on ground do not justify the vast amount of money spent on health facilities. He lamented that hospital lacks equipment and facilities such as generators, maternal beds, blood bank etc. Therefore, cases of severe bleeding cannot be properly handled.He also acknowledged that drugs are in short supply as most of the patients said they have to pay for the few they get from the pharmacy located outside the hospital. Furthermore, secondary data showed that on the 24/7/2019, medical laboratory Officer was alleged of extortion of money from a patient where he sold blood at the cost of 3000 thousand naira. The officer concern was however served with query letter where he accepted committing the offence and begged for leniency. In the same vein, on the 14/12/2015 a staff was alleged of collecting one thousand from a patient and was served with one-month suspension without salary and was posted from A&E to another unit. On the 24/7/2018 a staff from the dental department, an assistant chief dental tech. was alleged of illegal collection of money from a patient instead of the cashier. He was therefore issued with 3-month suspension without salary and was demoted by one grade level. Another medical officer was also alleged of collecting patient money in the clinic instead of the patient paying to the cashier. He was therefore suspended by the disciplinary adversary committee. This by implication affects the performance of the employee as well as effective healthcare service delivery. By comparison, shows that financial misconduct cases are more in Murtala Muhammad Specialist Hospital Kano as secondary data shows fifteen cases of financial misconduct from 2011-2016 as fund allocated for construction and renovation of some wards were diverted to personnel account. However, record shows that disciplinary action was taken by disciplinary committee, where some were suspended for three(3) months, some were queried and warned, this reduces the amount of in disciplinary attitude of personnel.

Table 2: Fraud affects the provision of medical facilities

Hospital	Level of response					Total
	S/A (%)	A (%)	U (%)	D (%)	S/D (%)	
Murtala Muhammad Specialist Hospital Kano	68	95	5	8	-	176
Kura General Hospital Kano	38.6%	54.0%	2.8%	4.5%	-	100%
	17	12	23	10	-	62
	(27.4%)	(19.4%)	37.1%	16.1%	-	100%

Source: Researcher's survey, 2020

From the above table it can be seen that 68 respondents representing 38.6% of the entire respondents unanimously agreed that fraud affect the provision of medical facilities. 95 respondents representing 54.0% of the respondents agreed with the above assertion. Only 8 respondents representing 4.5% of the entire respondents disagreed with the assertion. Very insignificant number of the respondents 5 representing 2.8% has not decided on the above assertion. This can also be proved from the response of interview with the Chief Medical Director of Murtala Muhammad Specialist Hospital which reveals that diversion of fund into personal pocket is frequent and affects the provision of medical facilities. In the same vain, there are clinics like ANC, Family Planning that are to provide free services for pregnant mothers and children under the age of 5 but staff exploit patients in the process of rendering services.

Responses from Kura General Hospital also shows that 17 respondents representing 27.4% of the respondents strongly agreed that diversion of fund affect the provision of medical facilities. 12 respondents representing 19.4% of the respondents agreed with the above assertion. 23 respondents representing 37.1% have not decided on the above assertion. Very insignificant number of the respondents i.e. 10 representing 16.1% disagreed with the above assertion. This can also be proved from the response of interview with some patients that fraud affects the provision of medical facilities. They cited an instance that the free medical scheme is frequent but they paid for each service rendered. That the objective of the free medical care programme was to provide quality healthcare in the state but the staff exploits the patients. He also acknowledged that drugs are clearly in short supply as most of the patients said they have to pay for few they got from the pharmacy located in the hospital. Furthermore, secondary data also shows that on the 18/7/2016, a medical lab. Officer was accused of extortion of money from a patient where he sold blood at the cost of 2500 thousand Naira. The officer concern was however served with query letter where he accepted committing the offence. On the 14/12/2015 a staff was also accused of collecting one thousand from a patient and was served with 1 month suspension without salary and was posted to another unit. On the 24/6/2019 a staff from the dental department, assistant chief dental tech. was alleged collecting money from a patient instead of the cashier. He was issued with 3month suspension without salary and was demoted by grade level. Another medical officer was also alleged of collecting patient money in the clinic instead of the patient paying to the cashier. He was therefore suspended by the disciplinary committee. Observation also revealed that drugs that are supposed to be for free are sold to patients and some of this consumables are diverted to private clinics. This affects the healthcare service delivery in the state. By comparison, Murtala Muhammad Specialist Hospital recorded more cases of diversion of fund and equipment than Kura General Hospital.

Table 3: Misappropriation of fund affects the provision of medical facilities

Hospital	Level of response					Total
	S/A (%)	A (%)	U (%)	D (%)	S/D (%)	
Murtala Muhammad Specialist Hospital Kano	70 39.8%	93 52.8%	9 5.1%	4 2.3%	-	176 100%
Kura General Hospital Kano	23 (37.1%)	20 (32.3%)	9 14.5%	10 16.1%	-	62 100%

Source: Researcher's survey, 2020

The above table shows that 70 respondents representing 39.8% of the entire respondents strongly agreed that misappropriation affect the provision of medical facilities. 93 respondents representing 52.8% of the respondents agreed with the above assertion. 9 respondents representing 5.1% of the entire respondents have not decided on the above assertion. Very insignificant number of respondent's i.e. 4 respondents representing 2.3% disagreed with the above assertion.

Interview held with the Medical Director reveals that misappropriation affect provision of medical facilities. He cited an instance where fund that was allocated for the purchase of consumables such as bandages, catheter, mask etc. were diverted for in house training. On the other hand, responses from Kura General Hospital shows that 23 respondents representing 37.1% of the entire respondent strongly agreed that misappropriation affect the provision of medical facilities. 20 respondents representing 14.5% have not decided. 10 respondents representing 16.1% disagreed with the above assertion. Interview held with one of the official reveals that misappropriation leads to direct stealing and by implication affect the provision of medical facilities. He cited an instance where money was budgeted for the provision of delivery beds, infant warmer and syringe pump but was said to be used for coppers allowance. This seriously affects the service delivery in the state.

Table 5.4 Embezzlement affects the provision of medical facilities

Hospital	Level of response					Total
	S/A (%)	A (%)	U (%)	D (%)	S/D (%)	
Murtala Muhammad Specialist Hospital Kano	60 34.1%	93 52.8%	15 8.5%	8 5.4%	-	176 100%
Kura General Hospital Kano	19 (30.6%)	22 (35.5%)	11 17.7%	10 16.1%	-	62 100%

Source: Researcher's survey, 2020

From the above table shows that 60 respondents representing 43.1% of the respondents strongly agreed that embezzlement by staff affect the provision of medical facilities. 93 respondents representing 52.8% of the respondents agreed with the assertion. 15 respondents representing 8.5% have not decided, 8 respondents representing 4.5% disagreed with the assertion.

Corroborating the above with the interview held with Head of Department, Medicine shows that embezzlement affects the procurement of medical facilities. He cited instances with the annual estimates on supply of laboratory consumables which can ideally be sufficient to supply adequate laboratory consumables but were diverted and wasted. On the other hand, 19 respondents from Kura General Hospital

representing 30.6% of the respondents strongly agreed that embezzlement affects the provision of medical facilities. 22 respondents agreed with the above assertion. 11 respondents representing 17.7% have not decided on the assertion. 10 respondents representing 16.1% of the respondents disagreed with the above assertion. Interview held with the HOD, pharmacy reveals that embezzlement in the area of drugs and consumables is common. These undermine the quality of health care services.

4.3 Test of Hypothesis

To test for the hypotheses formulated in this research, linear regressions were used.

Table 5. Regression table ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	26.692	1	26.692	62.582	.000 ^b
	Residual	100.657	236	.427		
	Total	127.349	237			

a. Dependent Variable: Provision of medical facilities. Source: Field Survey 2020

b. Predictors: (Constant), Financial Misconduct

In Table 5 above, the results from the simple regression analysis which tests the effects of the independent variable on the dependent variable is shown. The F -statistic which measures the adequacy and fitness of the model used in the study stood at 62.582 with a p-value of 0.000^b which is significant at 5%; this shows that the model is fit for the data.

Table 6. Regression Model Summary Output

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Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.458 ^a	.210	.206	.6530782	1.708

a. Predictors: (Constant), Financial Misconduct

b. Dependent Variable: Provision of medical facilities

Table 6 above shows the summary of the simple regression analysis. The empirical findings show that R, the multiple correlation coefficient stood at 0.458 which indicates a moderate correlation. R², the multiple coefficient of determination of the variables stood at 0.21 indicating that about 21% of the total variation in provision of medical facilities is explained by variations in the financial misconduct as captured in the study. The remaining 79% are explaining by other variables not captured. The adjusted R² being 0.206 also indicates that the financial misconduct will still explain 20.6% of the variations in provision of medical facilities even if other variables were added to the model.

Table 7: Regression Coefficients Output

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.653	.118		5.526	.000
	Financial Misconduct	-.464	.059	-.458	-7.911	.000

a. Dependent Variable: Provision of medical facilities. Source: Field Survey 2020

H₀₁: there is no significant relationship between Financial Misconduct and provision of Medical Facilities in Kano State Hospital Management Board.

The coefficient of “financial misconduct” stood at -0.464 which is negative. This implies that an increase in financial misconduct would lead to a decrease in provision of medical facilities in Kano State Hospital Management Board. However, the significance of this can be judged from the t statistics and its significance. The t statistics of “financial misconduct” stood at -7.911 with a p-value of 0.000. The p-value is less than 0.05, indicating that the relationship depicted in the model is significant at 95% confidence level. This implies that the study does not have enough statistical evidence to accept the null hypothesis. Based on the above analyses, the study rejects the null hypothesis H₀₁ which states that there is no significant relationship between financial misconduct and the provision of medical facilities in Kano hospital Management Board and accept its alternate H₁₁ which states there is a significant relationship between financial misconduct and the provision of medical facilities in Kano State Hospital Management Board

Summary of Major Findings

The presentation and analysis of data as well as test of hypothesis have revealed some significant and fundamental findings on the effect of financial misconduct in the provision of medical facilities. It was found that cases of financial misconduct are frequent in both Murtala Muhammad Specialist Hospital and Kura General Hospital Kano, as funds allocated for construction/renovation of some wards are diverted into personal account. This was proved from the secondary data gathered as well as interview conducted with some of the top management staff of the two hospitals under study. It was found that there are more cases of financial misconduct in Murtala Mohammed Specialist Hospital, Kano than the General Hospital, Kura.

It was found that, fraud and embezzlement are common in both Murtala Muhammad Specialist Hospital and Kura General Hospital in the state. The medical personnel exploit patients and used it as an avenue to make money. This has been shown by the secondary data that patients were asked to pay ransom before rendering some services meant for free. This negatively affects the effective healthcare service delivery.

It was also found that, misappropriation of funds is both recorded in MMSP and KGH as funds allocated for the provision of procurement of consumables and equipment's were diverted to training/workshop in the hospital. This by implication leads to direct stealing and diversion of funds into individual account which

negatively affect the provision of medical facilities.

Conclusion and Recommendation

In view of data presented and analyzed as well as the hypothesis tested, the study therefore concluded that poor state of healthcare in the state is caused by financial misconducts taken place in various dimension. This undermined the states capacity to provide adequate equipment and consumables in the healthcare sector. Here one can say provision of equipment and consumables is fundamental for the delivery of healthcare services.

It is therefore submitted that, officials handling financial matters for the provision of medical facilities in the state should be staff with unquestionable integrity and trustworthiness. There should be strict and routine supervision by the medical team from Hospital Management Board and office of the Head of Service. There should be reinforcement of fraud, misappropriation and embezzlement awareness and its implication through employee/patients sensitization programs. Strong monitoring and evaluation team should be established in order to carry out regular inspection to ensure compliance to the principles, rules and law on the conduct of every staff or employees as it relates to financial misconduct. Disciplinary action should be taking appropriately in line with the provision of Public Service Rules. Internal control system should be employed to regulate the financial abuses in the healthcare sector. There should also be sound financial management system like Treasury Single Account, Audit Alarm Committee and Tax force on healthcare finances to streamline the financial activities so as to reduce the abuses.

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