

Lifestyle Audits for the Prevention and Detection of Fraud in the Bayelsa State Public Service, Nigeria.

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Abstract

The study aims to investigate lifestyle audit on prevention and detection of fraud in Bayelsa State public service in Nigeria. This empirical study focused on expenditure pattern and ownership structure, income and revenue pattern and bank and financial record as dimensions of lifestyle audit on fraud detection. The methods used include: the net worth analysis method, the surveillance approach and Administration of lifestyle. The study concluded that expenditure pattern and ownership structure, income and revenue pattern and bank and financial record empirical evidence suggests that lifestyle audits can be a powerful tool for preventing and detecting fraud in Bayelsa State, Nigeria's public sector. By scrutinizing the standard of living of public officials in relation to their legitimate income, lifestyle audits can reveal discrepancies that may indicate fraudulent activities. For Nigeria's public sector to be more resilient to fraud, the link between ownership structure and habits of spending is essential. Unusual increases in spending often indicate the diversion of cash, and an opaque ownership structure such as the employment of shell companies, nominee directors, or intricate contractual arrangements provides an ideal environment for theft.

Keywords: Detection, Fraud, Lifestyle, Ownership Structure

Introduction

Fraud, particularly within the public sector, represents a significant threat to the integrity and functionality of governmental systems worldwide. In Bayelsa State, Nigeria, where public services are essential for the well-being of its citizens, the occurrence of fraud not only undermines the efficacy of public institutions but also erodes public trust. Addressing fraud effectively requires robust mechanisms that can both detect and prevent fraudulent activities. One such mechanism is the lifestyle audit, a tool that assesses the standard of living of public officials in relation to their legitimate income, with the goal of identifying discrepancies that may indicate illicit activities (Ashforth & Anand, 2003).

Fraud remains a pervasive issue in Nigeria, particularly within public institutions, where it significantly hampers development and erodes public trust. In response to the high incidence of corruption, scholars and policymakers have explored various tools and strategies to combat this menace, among which lifestyle audits have emerged as a prominent method. Lifestyle audits, which involve scrutinizing an individual's standard of living against their legitimate income, are

increasingly viewed as an effective mechanism for both preventing and detecting fraud. This review examines empirical studies on the application of lifestyle audits in Nigeria, with a focus on their effectiveness, challenges, and impact on public sector fraud (Abubakar & Enofe, 2021).

Coenen, et al. (2018) have defined lifestyle audits as a kind of net worth evaluation, intelligence background check, and suspect profiling. This statement accurately captures the goal of Nigerian lifestyle audits, which are conducted to find out whether public officials' lifestyles match their known revenue sources in order to spot any corrupt activities. There are concerns that the riches of those undergoing such audits may originate from illegal sources when it is discovered that they are living well beyond their reported income (Coenen, et al., 2018). Additionally, auditors use lifestyle audits to confirm if public officials declared income on their tax forms corresponds with their observed lifestyle. Lifestyle audits are not specifically permitted by law in Nigeria. Rather, separate laws, such as the Federal Inland Revenue Service (Establishment) Act of 2007 and the Code of Conduct Bureau and Tribunal Act of 2010, are implemented. In a similar vein, Powell (2011) defined lifestyle audits as the evaluations carried out to ascertain if an employee's known income and lifestyle align. The word is used by forensic auditors and corporate management. While management sometimes only has rudimentary information of the lives of their workers, employers usually have a comprehensive awareness of the compensation they pay their staff.

Lifestyle audits, often known as lifestyle checks or lifestyle monitoring, are an accountability technique that aids in identifying and preventing corruption, according to Transparency International (2021). These audits are often conducted when a person's apparent quality of living or lifestyle seems to exceed their known income. When such disparities are found, it often causes worry and demands further investigation.

A lifestyle audit promotes an atmosphere of transparency and accountability in public organisations, which serves as a preventative measure. By informing public officials that their financial activities are being monitored and that any unexplained income would be extensively probed, it acts as a deterrent. In areas like Bayelsa State, where the public sector is heavily involved in resource distribution and where corruption and poor management are more likely because of the state's substantial oil riches, this level of monitoring is especially important (Ebbe, 2016). The government may significantly reduce potential for corruption and enhance the general integrity of public services by putting in place a robust lifestyle audit mechanism.

In terms of detection, lifestyle audits are instrumental in uncovering fraud that might otherwise go unnoticed. Traditional methods of detecting fraud often rely on whistleblower reports or the discovery of anomalies in financial records. However, these methods can be circumvented by sophisticated fraudsters. A lifestyle audit provides an additional layer of oversight by examining the personal expenditures and assets of public officials, which can reveal inconsistencies between their declared income and their actual standard of living. For instance, if a public official with a modest salary is found to own multiple luxury properties or expensive vehicles, this would warrant further investigation (Albrecht, et al. 2001). The effectiveness of lifestyle audits in detecting fraud lies in their ability to reveal the hidden benefits that corrupt officials might be enjoying, thereby exposing fraudulent activities that are not immediately apparent from financial records alone.

The implementation of lifestyle audits in Bayelsa State faces several challenges, including resistance from public officials, inadequate legal frameworks, and a lack of political will. Public officials who engage in corrupt practices are likely to resist any attempts to introduce lifestyle

audits, as these audits threaten to expose their illicit activities. Moreover, the success of lifestyle audits depends on the existence of strong legal frameworks that allow for the effective investigation and prosecution of fraud. In Bayelsa State, as in many other parts of Nigeria, the legal and institutional frameworks for combating corruption are often weak, which can hinder the implementation of lifestyle audits (Nwokorie, 2017). Furthermore, the effectiveness of lifestyle audits is closely tied to the political will of those in power. Without strong support from political leaders, lifestyle audits may be underfunded, poorly implemented, or ignored altogether.

Despite these challenges, there are also significant opportunities for the successful implementation of lifestyle audits in Bayelsa State. The growing awareness of the impact of corruption on public services and the increasing demand for accountability from the public provide a strong impetus for reform. Additionally, the experience of other countries in implementing lifestyle audits offers valuable lessons that can be applied in Bayelsa State. For example, in Kenya, lifestyle audits have been successfully used to detect and prevent fraud among public officials, leading to the recovery of significant amounts of stolen public funds (Wakiaga, 2019). By drawing on these experiences, Bayelsa State can develop a robust framework for lifestyle audits that is tailored to its specific context.

The successful implementation of lifestyle audits in Bayelsa State requires a multifaceted approach that addresses both the challenges and opportunities outlined above. This includes strengthening legal and institutional frameworks, building political will, and engaging the public in the fight against corruption. By doing so, Bayelsa State can create a more transparent and accountable public service, which is essential for the effective delivery of public services and the overall development of the state.

Therefore, this study aims to explore the challenges, effectiveness, and best practices associated with implementing lifestyle audits as a tool for combating fraud among public officials. Specifically, it will examine the alignment of lifestyle audits with existing anti-fraud mechanisms, the impact on reducing fraud cases, and the potential barriers to successful implementation.

2. Conceptual Framework

1. Expenditure Patterns and Ownership Structure

Expenditure Patterns refers to the behavior and trends related to how individuals, households, or organizations allocate their financial resources. In public finance, it relates to how public sector entities spend their funds, which includes operational expenses, capital investments, and social services expenditures. Expenditure patterns help identify areas where resources are concentrated and can signal potential inefficiencies, misallocations, or even fraud (Tanzi, 2018). According to Tanzi (2018), expenditure patterns in the public sector are critical to understanding government priorities and efficiency. The allocation of funds often reflects political objectives, but discrepancies between planned and actual expenditures may indicate mismanagement or corruption. For example, higher-than-expected spending in certain areas, such as infrastructure or procurement, could point to potential fraud or the influence of vested interests.

Ownership Structure refers to the arrangement of ownership rights within an organization or entity. In a corporate context, ownership structure defines who holds equity and control rights, such as shareholders, government entities, or private individuals. In the public sector, ownership structure

can influence decision-making, control over resources, and governance practices. Different ownership structures can also impact transparency and accountability, potentially affecting the risk of fraud and corruption (La Porta, et al. 1999).

2. Income and Revenue Patterns

Income and revenue patterns within the public sector differ substantially from those in the private sector due to differences in organizational objectives, employment stability, and compensation structures. Individuals employed in the public sector often have different motivations for their career choices, such as job security, social welfare, and public service, compared to their private sector counterparts who may prioritize financial incentives. Income in the public sector typically refers to the total compensation that individuals receive in exchange for their labor. This includes salaries, bonuses, pensions, and various non-monetary benefits such as healthcare, retirement plans, and job security. Revenue patterns in the context of public sector employment are related to the sources of these incomes, which are primarily funded through taxpayer money rather than profits generated from business activities.

Banking and financial records refer to the documentation of an individual's financial transactions and relationships with financial institutions. These records include income deposits, loan agreements, credit history, savings, and investment portfolios. For individuals in the public sector, these records are influenced by their employment status, which often includes stable salaries, defined-benefit pension plans, and other financial perks such as healthcare and retirement benefits.

Public sector employees usually have a predictable income, which influences their banking behaviors. They are often seen as lower-risk clients by banks and financial institutions due to the relative stability of government employment. This can result in better access to credit and more favorable terms for loans and mortgages. For example, studies have shown that public sector workers often receive better interest rates on loans due to their perceived lower risk of default (Duygan-Bump & Grant, 2018).

Public sector income patterns are also characterized by salary structure /wage scales and classification systems, where employees' pay is tied to their job category, experience, and education level. Unlike the private sector, where pay can fluctuate significantly based on performance, negotiations, and market conditions, public sector wages are generally more standardized and subject to collective bargaining agreements (Gould & Hijzen, 2016).

3. Banking and Financial Records

The empirical literature on public sector financial behaviors highlights several key trends, particularly in areas such as credit access, savings behaviors, and debt management. These trends differ from those observed in the private sector due to the stability of public sector employment, the nature of government compensation packages, and the availability of pension plans.

Credit Access and Loan Terms

One area where public sector employees tend to differ from their private sector counterparts is in their access to credit. Due to the stable and predictable nature of public sector employment, banks often perceive public sector workers as less risky borrowers. According to Duygan-Bump and Grant (2018), public sector employees are more likely to obtain favorable loan terms compared to

private sector workers, even when controlling for factors such as income and credit score. This advantage stems from the low probability of sudden unemployment or income reduction, which lowers the risk for lenders.

Similarly, a study by Agarwal et al. (2014) examined the borrowing patterns of public sector workers in Singapore and found that they were more likely to secure low-interest loans and favorable mortgage terms compared to private sector employees. The study attributed this to the stable nature of public sector jobs and the perception that government employees were less likely to default on their loans. This research highlights the broader trend in which public sector workers are generally considered safer bets by financial institutions.

Savings Behavior and Investment Patterns

Public sector employment not only influences access to credit but also affects individuals' savings behaviors and investment patterns. Studies suggest that public sector employees tend to be more conservative in their savings and investment strategies compared to private sector workers. This is likely due to the stable nature of their income, which reduces the need for high-risk, high-reward investments (Hurd & Rohwedder, 2010).

In a study of retirement savings behavior among public sector employees, Beshears et al. (2015) found that government workers were more likely to participate in employer-sponsored retirement plans, such as 401(k)s and defined-benefit pension plans, compared to private sector employees. Public sector workers also tended to save more for retirement, reflecting both their longer job tenures and the security offered by government employment. This contrasts with private sector employees, who may have more volatile income streams and are often less inclined to save consistently for retirement.

Debt Management

The stability of public sector employment also affects how individuals manage their debt. According to empirical studies, public sector employees tend to have lower levels of consumer debt and are less likely to default on loans compared to private sector workers. This is largely due to the stability of their income and the comprehensive benefits packages that often accompany public sector jobs, which provide a financial safety net in times of need (Gouskova & Stafford, 2005).

A study by Delis et al. (2019) found that public sector employees in Europe had lower levels of debt compared to private sector workers, particularly in countries where public sector employment was associated with strong job security and benefits. The study noted that public sector workers were more likely to pay off their debts on time and less likely to incur high-interest debt, such as credit card balances. This aligns with the broader literature suggesting that public sector employment offers financial stability that can positively impact individuals' debt management strategies.

4. Revenue Sources and Budgetary Constraints

The revenue sources that fund public sector income come primarily from taxes, government fees, and, in some cases, external borrowing. This differs significantly from the private sector, which relies on business revenue from sales, services, or investments. Public sector revenue is subject to

government budgets, which are influenced by political decisions, economic conditions, and public needs (Romer & Romer, 2010).

A key concern in public sector income patterns is the constraint imposed by government budgets. When government revenues fall short, such as during economic recessions, public sector employees may face wage freezes, layoffs, or reduced benefits. Studies have shown that during economic downturns, austerity measures are often implemented in the public sector to control budget deficits, which can directly affect income patterns (Kuttner & Posen, 2017). For example, during the global financial crisis of 2008-2009, many governments around the world implemented austerity policies that reduced public sector wages and benefits (Armingeon & Baccaro, 2012).

Challenges in Implementing Lifestyle audits in Nigeria

Implementing lifestyle audits in Nigeria faces several challenges that limit their effectiveness. One of the primary challenges is the lack of political will. As noted by Akinwale (), the success of lifestyle audits largely depends on the commitment of political leaders to enforce anti-corruption measures without bias. In many cases, political leaders who are themselves implicated in corrupt practices may resist the implementation of lifestyle audits or manipulate the process to protect their interests. This lack of political will is compounded by the fact that Nigeria's anti-corruption agencies often lack the autonomy and resources needed to carry out comprehensive lifestyle audits.

Another significant challenge is the inadequacy of the legal and institutional frameworks necessary to support lifestyle audits. A study by Ogbonna and Appah () revealed that the legal provisions for conducting lifestyle audits in Nigeria are often vague and lack the necessary enforcement mechanisms. The study pointed out that while Nigeria has several anti-corruption laws, such as the Code of Conduct Bureau and Tribunal Act, these laws are not always effectively enforced, leading to a situation where lifestyle audits are conducted, but their findings are not used to prosecute offenders. The researchers called for reforms to strengthen the legal framework and ensure that lifestyle audits are supported by clear and enforceable regulations.

Furthermore, the culture of impunity that prevails in many parts of Nigeria poses a significant barrier to the effectiveness of lifestyle audits. According to Aniche and Onyejiuwa (2017), public officials who are found to have engaged in corrupt practices often escape punishment due to their connections with powerful individuals or groups. This culture of impunity not only undermines the effectiveness of lifestyle audits but also discourages whistleblowers and other stakeholders from reporting suspicious activities. The study recommends that efforts to implement lifestyle audits be accompanied by measures to protect whistleblowers and ensure that all public officials, regardless of their status or connections, are held accountable for their actions.

Lifestyle audits on Fraud Prevention and Detection

Despite the challenges, lifestyle audits have had a measurable impact on fraud prevention and detection in Nigeria. A study by Onyekwelu and Ugwuanyi (2020) examined the outcomes of lifestyle audits conducted in the federal civil service and found that the audits led to the identification and prosecution of several high-profile cases of fraud. The researchers noted that the audits helped to uncover hidden assets and illicit financial flows that traditional audits and financial

reporting mechanisms had failed to detect. The study also highlighted that lifestyle audits played a critical role in deterring fraud by creating a sense of accountability among public officials.

Moreover, lifestyle audits have been shown to enhance the overall transparency and integrity of public institutions. According to a study by Udoayang and James (2014), lifestyle audits contribute to a culture of transparency by making it clear that public officials' financial activities are subject to scrutiny. The study found that this increased transparency not only deterred fraud but also improved the public's perception of government institutions, leading to greater trust and confidence in the public sector. The researchers argued that lifestyle audits, when properly implemented, can serve as a cornerstone of a broader strategy to improve governance and reduce corruption in Nigeria.

Benefits and Cost of Lifestyle Audit

In a lifestyle audit, assets, automobiles, business registration information, and credit histories are examined (Powell, 2011). The methods used in lifestyle audits are useful for identifying money laundering activities, which may then support further investigations, since this procedure is closely linked to financial investigations. According to Powell (2011), a person's basic credit evaluation may disclose bad debts and court rulings, which are important markers of fraud risk and provide an accurate indicator of possible fraudulent conduct inside a company. In the words of Radcliffe (2004), by filling in knowledge gaps about possible risks from criminals, the application of enhanced intelligence in income record auditing aids law enforcement authorities in setting priorities. Planning and responding to new tax evasion risks are aided by the combination of creative intelligence with current data. The results of lifestyle audits are among the many pieces of information that are used in crime intelligence (Radcliffe, 2004). As per Gillespie (2014), doing a lifestyle audit has the following advantages:

Enables detecting misappropriated funds and hidden assets.

Allows narrowing the list of possible fraud suspects who are living beyond their financial means.

Identifies direct evidence of fraud.

A tool by which investigators can use to prove that a target is secondary sources of income unknown, declared

Aides the investigation by indicating to the investigator where to direct their inquiries.

Can yield direct or circumstantial evidence of illegal income or hidden assets, indicating that the subject cannot afford the lifestyle they are leading.

It is a crucial fraud risk indicator.

According to Gillespie (2014), a lifestyle audit might help the client refute the allegations made against them. In the words of Van Rooyen (2008), a criminal investigation is not a one-sided process; gathering information is necessary to establish a conclusion, and one must not ignore information that might clear the client.

Nigerian Context

The Economic and Financial Crimes Commission (EFCC) and the Independent Corrupt Practices Commission (ICPC) are beginning lifestyle audits nationwide, according to a government official recently (Legit, 2021). The purpose of these audits is to look into corruption and collect taxes on assets that were previously unreported or unrecorded.

Nevertheless it is still unclear what the precise legal foundation is for carrying out lifestyle assessments. Public officials may have their misleading asset declarations verified under the 1990 Code of Conduct Bureau and Tribunal Act. Furthermore, the Attorney-General's Office is able to look into assets that were obtained unlawfully thanks to the 2019 Asset Tracing, Recovery, and Management Regulations.

It seems that lifestyle audits and Unexplained Wealth Orders (UWOs) are sometimes confused (International Centre for Investigative Reporting, 2021). A lifestyle audit looks at a person's whole life, including the lives of their family and close friends, while a UWO focusses on certain assets that need to be explained in terms of where they started.

Nigerian police officers' tendency to misuse their authority while conducting lifestyle audits is a significant worry. There is a chance that lifestyle audits might turn into yet another instrument for officers to abuse their power, perhaps resulting in threats or extortion of civilians, given the Nigerian police's history of misconduct and unjustified profiling (Nairametrics, 2012). This emphasises the need of taking into account the background and public opinion of the organisations assigned to carry out the audits.

Theoretical Foundations and Relevance of Lifestyle audits in Nigeria

The concept of lifestyle audits is grounded in several theoretical frameworks that seek to explain and address corruption. According to Becker's (1968) rational choice theory, individuals engage in corrupt practices when the perceived benefits outweigh the potential costs. Lifestyle audits increase the cost of corruption by raising the likelihood of detection and punishment, thereby altering the cost-benefit analysis for potential fraudsters. In the context of Nigeria, where corruption is often deeply embedded in the social and political fabric, lifestyle audits serve as a deterrent by creating an environment of continuous scrutiny for public officials.

Several studies highlight the relevance of lifestyle audits in Nigeria's anti-corruption framework. A study by Okoye and Ani (2020) emphasized that lifestyle audits can significantly deter public officials from engaging in fraudulent activities due to the fear of exposure and subsequent legal consequences. The researchers argue that lifestyle audits, when combined with other anti-corruption measures, such as asset declarations and whistleblower protections, can create a robust mechanism for reducing the incidence of fraud in the public sector.

Review of Related Empirical Literature

Rajaram et al (2014) focused on public investment efficiency. They argue that reviewing expenditure patterns can reveal whether resources are being used productively or are wasted through inefficiencies, including cost overruns, delays, and corruption in public investment projects. Effective monitoring of expenditure patterns is essential for ensuring that public funds are used appropriately.

La Porta, Lopez-de-Silanes, and Shleifer (1999) highlighted the influence of ownership structure on corporate governance and accountability. In their study, they find that ownership concentration can lead to better oversight, but it can also create opportunities for self-dealing if owners have unchecked control. This is particularly relevant in state-owned enterprises, where political control can weaken corporate governance and increase the risk of fraud.

Hart (1995) discussed how different ownership structures influence decision-making and control rights, with implications for efficiency and governance. In the public sector, where government ownership is common, the distribution of control rights among politicians and bureaucrats can lead to conflicts of interest and challenges in ensuring transparency. Ownership structures that lack accountability mechanisms may contribute to higher incidences of corruption and fraud.

Diamond and Khemani (2006) emphasized the importance of financial management systems in tracking expenditure patterns to detect anomalies. They argue that automated systems that monitor real-time spending can significantly reduce opportunities for fraud by identifying unusual patterns that warrant further investigation. By linking expenditure patterns to preventive and detective measures, public sector entities can better safeguard against financial misconduct.

Adeyemi and Uadiale (2011) studied the implementation of lifestyle audits in Lagos State revealed that the audits were effective in uncovering discrepancies between the declared incomes of public officials and their actual lifestyles. The study found that several officials who were subjected to lifestyle audits could not account for their wealth, leading to further investigations and, in some cases, prosecution. The findings suggest that lifestyle audits can serve as a powerful tool for detecting fraud that might otherwise go unnoticed through traditional financial audits.

Abubakar and Enofe (2021) conducted an empirical investigation into the impact of lifestyle audits on fraud prevention in public institutions in northern Nigeria. The study utilized data from interviews and surveys conducted with anti-corruption agencies, public officials, and civil society organizations. The results indicated that lifestyle audits contributed to a reduction in corrupt practices by increasing the perceived risk of detection among public officials. The researchers also noted that lifestyle audits were particularly effective when combined with public awareness campaigns that educated citizens on their rights to report suspicious activities.

Eze and Uzochukwu (2018) conducted a study in Enugu State and found that while lifestyle audits were useful in identifying potential cases of fraud, their impact was often undermined by weak enforcement mechanisms. The study highlighted that in many instances, the findings of lifestyle audits were not acted upon due to political interference or inadequate legal frameworks, which allowed corrupt officials to evade accountability. The researchers concluded that for lifestyle audits to be truly effective, they must be supported by strong institutional frameworks that ensure the findings are followed up with appropriate legal actions.

Gunderson (2018) found that public sector workers in developed economies, such as Canada and the United States, often earn slightly less than their private sector counterparts when comparing similar positions. However, public sector jobs tend to offer more generous benefits packages and greater job security, which can make them more attractive in the long term. This finding aligns with earlier research by Borjas (2002), who noted that while base salaries might be lower in the public sector, the comprehensive compensation package often levels the playing field when compared to the private sector.

Blau and Kahn (2017) found that the gender wage gap is narrower in the public sector compared to the private sector. One reason for this is that the public sector is often more regulated, with standardized pay scales that leave less room for gender-based wage disparities. These findings are consistent with the research of Gregory and Borland (2001), who found that gender differences in public sector pay are smaller due to formalized and transparent wage-setting processes.

According to a study by Aslund and Engdahl (2017), higher levels of education are strongly associated with increased earnings within the public sector. However, this relationship can differ depending on the country and the specific public sector role. For example, doctors, engineers, and other specialized professionals in the public sector may earn significantly more than other public employees, reflecting their specialized skills and the demand for these services.

Methodology

To determine if a person is living over their legal means of subsistence, a number of techniques and procedures are used. Munyao outlines the three main approaches (2019):

- (i) The net worth analysis method concentrates on evaluating an individual's identifiable assets and liabilities, along with any alterations that may have taken place over time. This technique compares an individual's income and spending for the given time after deducting their obligations from their assets. subsequently, the person's known income is contrasted with the calculated net worth.
- (ii) The surveillance approach includes field observations, which may include going to a person's home or place of employment in person. In order to document and identify assets, expenditure trends, and other pertinent data, this approach often makes use of technology.
- (iii) Administration of lifestyle questionnaires, which usually includes questions about one's lifestyle, how they maintain it and the origins of the requisite funds.

As part of field observations, lifestyle audits might include things like following a public figure about, keeping an eye on their exterior and domestic assets, recording the items they wear, and taking photographs and videos (United Nations Development Programme, UNDP, 2016).

Conclusion

The empirical evidence suggests that lifestyle audits can be a powerful tool for preventing and detecting fraud in Bayelsa State, Nigeria's public sector. By scrutinizing the standard of living of public officials in relation to their legitimate income, lifestyle audits can reveal discrepancies that may indicate fraudulent activities. However, the effectiveness of lifestyle audits is contingent upon several factors, including political will, strong legal frameworks, whistle blowing and public support. While there are significant challenges to implementing lifestyle audits in Bayelsa State, Nigeria, such as political interference and a culture of impunity, the potential benefits in terms of fraud prevention, detection, and overall governance are substantial. By drawing on lessons from other countries and adopting a comprehensive approach. Therefore, Bayelsa State in Nigeria can enhance the effectiveness of lifestyle audits and make significant strides in the fight against corruption.

The unique features of government work, which include steady pay, generous benefits, and comparatively low-risk job security, have an impact on the banking and financial records of public sector workers. Employees in the public sector are often more financially secure than those in the

private sector due to these characteristics, which also influence their access to credit, saving patterns, and debt management techniques. The financial behaviour of public sector workers may still be impacted by economic downturns and government austerity measures, which emphasises the need of having a sophisticated grasp of the relationship between public sector employment and financial stability.

It is evident that widespread and pervasive corruption is a serious problem in Bayelsa State, Nigeria, especially in the public sector, where political appointees and public servants are often charged with different corrupt practices. The local populace, which depends on vital public services, is particularly harmed by this circumstance. Additionally, corruption impedes the development and progress of the country. Therefore, it is imperative to fight and eradicate corruption wherever it occurs. A range of actions targeted at addressing the underlying causes of corruption are needed to address this problem. By explicitly addressing the issue, Nigeria's government seems determined to take a firm stance against corruption. In order to prevent corrupt public officials from further depleting the national treasury via looting and causing irreparable harm to the nation's financial stability, proactive and preventive steps are required to detect, expose, and remove them.

Lifestyle audits are a useful technique for preventing and identifying fraud in Bayelsa State's governmental services. Lifestyle audits may identify disparities that may indicate fraudulent activity by comparing public officials' level of living to their legal sources of income. However, there are a number of obstacles that must be overcome for lifestyle audits to be implemented effectively in Bayelsa State, such as opposition from public officials, shoddy legislative frameworks, and a lack of political will. Notwithstanding these challenges, the growing need for accountability and other nations' experiences provide a strong basis for the successful execution of lifestyle audits in Nigeria, particularly in Bayelsa State. Bayelsa State can enhance the integrity and effectiveness of its public services and lower the prevalence of fraud by taking a holistic strategy that tackles these issues while leveraging current possibilities.

The efficiency of fraud prevention and detection in Nigeria's public sector is closely linked to transparent financial flows, according to an analysis of income and revenue trends. The research highlights how anomalies in tax collections, oil royalties, or customs charges might serve as early warning indicators of possible theft by examining cyclical tendencies, spotting spikes in anomalies, and keeping an eye on the concentration of income sources. Agencies may transition from typical reactive audits to real-time, risk-based monitoring by using data analytics technologies like Benford's Law and predictive clustering. This lowers the possibility of cash leakage and raises the likelihood of fraud discovery. A feedback loop that aids in discouraging fraudulent activity is also created by integrating insights from revenue patterns with automated reconciliation systems and enhancing institutional coordination amongst organisations like the ICPC, EFCC, and OAGF.

For Nigeria's public sector to be more resilient to fraud, the link between ownership structure and habits of spending is essential. Unusual increases in spending often indicate the diversion of cash, and an opaque ownership structure such as the employment of shell companies, nominee directors, or intricate contractual arrangements provides an ideal environment for theft. In order to counter this, it is possible to drastically cut down on illegal cash flows and rebuild public confidence in government by coordinating spending supervision with open ownership arrangements. In order to promote a fraud-resilient public service ecosystem in Nigeria, more institutional coordination,

legal support for beneficial ownership disclosure, and continuous capacity development are required.

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