# PROFESSIONAL CODES OF CONDUCT AND REDUCTION OF FINANCIAL MISAPPROPRIATION IN NIGERIA'S PUBLIC SECTOR

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## ABSTRACT

*This study examined the role of professional codes of conduct in reducing financial misappropriation in Nigeria's public sector, with particular emphasis on ethical leadership and institutional mechanisms. A descriptive survey research design was adopted, and data were collected from staff of the Lagos State Ministry of Education using structured questionnaires. Descriptive statistics and inferential analysis using and analysis of variance were employed to analyze the data. A total of 303 questionnaires were administered to staff of the Lagos State Ministry of Education, out of which 285 were successfully retrieved and used for the analysis. The findings revealed that ethical leadership and institutional mechanisms indicate the statistical significance [positively] influence on ethical behavior and accountability, though their effect on reducing financial misappropriation was not statistically significant when considered in isolation. The study concludes that professional codes of conduct are necessary but insufficient on their own to curb financial misappropriation. The study recommends strengthening ethical leadership, improving enforcement of codes of conduct, and enhancing institutional accountability mechanisms to promote transparency and integrity in Nigeria's public sector.*

**Keywords:** *professional codes of conduct, financial misappropriation, ethical leadership, institutional mechanisms, public sector accountability, Nigeria.*

## 1 .0 INTRODUCTION

Professional codes of conduct are widely recognized as foundational instruments for promoting integrity, accountability, and public trust in governance systems. At a general level, such codes provide ethical standards that guide the behavior of public servants, reduce discretionary abuse, and reinforce transparent decision-making functions that have assumed renewed importance as governments worldwide confront complex fiscal pressures and rising public demands for accountability (World Bank, 2024). International organizations and governance assessments have consistently linked stronger integrity frameworks and clear ethical rules to improved fiscal outcomes and reduced opportunities for the illicit diversion of public resources (OECD, 2021; World Bank, 2023).

Narrowing the focus to Nigeria, persistent financial misappropriation in the public sector manifesting as embezzlement, payroll fraud, inflated contracts, ghost workers, and diversion of project funds continues to weaken service delivery and erode citizen confidence (Fiscal Transparency Initiative, 2024). National and international indices highlight this reality: Nigeria's performance on global corruption and transparency metrics remains low, signaling entrenched governance weaknesses that allow financial leakages to persist despite institutional anti-corruption architecture (Transparency International, 2023).

These systemic gaps have material consequences for development: funds lost to misappropriation reduce resources available for critical sectors such as health, education, and infrastructure, thereby undermining socio-economic progress and public welfare (World Bank, 2024). The objectives of the study are: assess the extent to which professional codes of conduct influence ethical behavior and financial accountability among public servants in Nigeria, examine the role of ethical leadership in promoting adherence to professional codes of conduct within public sector institutions and identify institutional and organizational factors that affect the effective implementation of professional codes of conduct in curbing financial misappropriation

## 2.0 Literature Review

### Conceptual Review

### Professional Codes of Conduct

Professional codes of conduct are formalized sets of ethical principles, standards, and rules that guide the behavior and responsibilities of employees within an organization. In the public sector, these codes serve as moral frameworks that define acceptable conduct in the management of public resources and in interactions with citizens, colleagues, and stakeholders. They emphasize values such as integrity, honesty, transparency, accountability, impartiality, and commitment to the public interest (OECD, 2021).

In Nigeria's public sector, professional codes of conduct are reflected in civil service rules, public service regulations, financial memoranda, and ethical guidelines issued by oversight institutions. By clearly outlining expected behaviors and ethical obligations, professional codes of conduct aim to reduce opportunities for unethical practices and financial misconduct (Adeyemi & Salami, 2022).

Professional codes of conduct also function as preventive tools by setting ethical boundaries for public servants. When employees are aware of these standards and understand their implications, they are more likely to act responsibly and avoid practices that could lead to financial misappropriation (Adebayo & Ogunleye, 2021).

However, the effectiveness of professional codes of conduct depends largely on their implementation and enforcement. In many Nigerian public institutions, codes of conduct exist largely as formal documents with limited practical influence on daily operations. Factors such as inadequate sensitization, weak enforcement, and lack of leadership commitment often reduce their impact, allowing unethical behavior to persist (Eneh & Olatunji, 2022).

## Financial Misappropriation in Nigeria's Public Sector

Financial misappropriation refers to the unauthorized, improper, or illegal use of public funds for personal gain or unapproved purposes. In the context of Nigeria's public sector, financial misappropriation takes several forms, including embezzlement, diversion of public funds, contract inflation, payroll fraud, ghost workers, and misuse of project funds. These practices have remained widespread despite numerous anti-corruption initiatives and legal frameworks (Transparency International, 2023).

The persistence of financial misappropriation has serious implications for national development and public service delivery. Funds meant for infrastructure, education, healthcare, and social services are often diverted, leading to poor quality public services and stalled development projects. This situation undermines citizens' trust in government and weakens the legitimacy of public institutions (World Bank, 2023).

Several factors contribute to financial misappropriation in Nigeria's public sector. These include weak internal control systems, inadequate monitoring and auditing, political interference, lack of transparency, and ineffective sanctions for offenders. In some cases, corruption has become institutionalized, with unethical practices normalized within certain public organizations (Adegbite & Owolabi, 2020; Ibrahim & Lawal, 2021).

Financial misappropriation is also linked to weak ethical culture within public institutions. When ethical standards are poorly enforced and leadership tolerates misconduct, public servants may perceive financial abuse as low risk and socially acceptable. This highlights the importance of strong professional codes of conduct and ethical leadership in shaping behavior and discouraging financial misconduct (OECD, 2020).

## Institutional Mechanisms Supporting Codes of Conduct

Institutional mechanisms refer to the structures, systems, and processes that support the implementation and enforcement of professional codes of conduct. These mechanisms include internal control systems, financial regulations, auditing processes, reporting procedures, disciplinary frameworks, and oversight institutions. Strong institutional mechanisms ensure that ethical standards are not only defined but also monitored and enforced consistently (Eze & Nwankwo, 2021).

Internal control systems are particularly important in preventing financial misappropriation. They provide checks and balances that reduce opportunities for fraud and misuse of public funds. Regular audits and financial reporting enhance transparency and accountability, making it more difficult for public servants to engage in unethical financial practices without detection (Adegbite & Owolabi, 2020).

In Nigeria's public sector, weaknesses in institutional mechanisms have limited the effectiveness of professional codes of conduct. Poorly implemented internal controls, irregular audits, and inadequate disciplinary measures reduce the deterrent effect of ethical guidelines. When offenders are not punished appropriately, it sends a message that financial misconduct is tolerated, thereby undermining ethical standards (Akinwale, 2020; World Bank, 2023).

Training and continuous sensitization also form a critical component of institutional support. Ethics training programs help public servants understand professional codes of conduct, financial regulations, and the consequences of misconduct. Continuous capacity building ensures that ethical standards remain relevant and are integrated into daily operations. Without such training, awareness of ethical obligations remains low, limiting compliance (OECD, 2021).

**Challenges to Effective Implementation of Codes of Conduct**

Despite their importance, several challenges hinder the effective implementation of professional codes of conduct in Nigeria's public sector. One major challenge is weak enforcement. Although ethical standards are clearly documented, enforcement mechanisms are often inconsistent or compromised by political interference. This weakens accountability and allows financial misappropriation to persist (Eneh & Olatunji, 2022).

Another challenge is lack of transparency in public financial management. Limited access to financial information and poor disclosure practices create opportunities for misuse of public funds. Without transparency, it becomes difficult for oversight institutions and citizens to hold public officials accountable (Transparency International, 2023).

Cultural and organizational factors also pose challenges. In some public institutions, unethical practices have become normalized, making it difficult for employees to adhere strictly to professional codes of conduct. Peer pressure, fear of retaliation, and lack of incentives for ethical behavior further discourage compliance (Ibrahim & Lawal, 2021).

In addition, inadequate punishment for offenders reduces the deterrent effect of codes of conduct. When financial misconduct is met with minimal consequences, public servants may perceive ethical violations as low risk. This undermines the credibility of ethical frameworks and weakens their impact on behavior (World Bank, 2022).

## Theoretical Review

### Ethical Leadership Theory

Ethical Leadership Theory was propounded by Brown, Treviño, and Harrison in 2005. Ethical Leadership Theory explains how leaders influence the ethical behavior of employees through personal conduct, decision making, and reinforcement of moral standards. The theory emphasizes that leaders who demonstrate integrity, fairness, transparency, and accountability shape the ethical climate of their organizations. According to this perspective, employees are more likely to behave ethically and comply with professional codes of conduct when they observe leaders consistently acting in line with ethical principles (Brown & Treviño, 2021).

Ethical Leadership Theory is highly relevant because leadership behavior significantly affects adherence to professional codes of conduct. When public sector leaders respect financial regulations, avoid abuse of office, and enforce sanctions against misconduct, they send a strong signal that financial misappropriation will not be tolerated. This reduces opportunities for embezzlement, diversion of funds, and other unethical financial practices. Conversely, unethical leadership weakens institutional controls and encourages a culture of impunity where financial misappropriation thrives (Ojo & Akinwale, 2024).

This theory supports the study by explaining how ethical leadership strengthens the implementation of professional codes of conduct and enhances financial accountability. It highlights the importance of leadership commitment in reducing financial misappropriation in Nigeria's public sector.

**Agency Theory**

Agency Theory was formally developed and popularized by Michael and William in 1976. Agency Theory focuses on the relationship between principals and agents, where one party delegates authority to another to act on its behalf. In public sector governance, citizens and the state act as principals, while public servants function as agents responsible for managing public resources. Agency problems arise when agents pursue personal interests rather than the interests of the principals, leading to issues such as corruption, misuse of funds, and financial misappropriation (OECD, 2020).

Professional codes of conduct serve as control mechanisms within Agency Theory by setting ethical rules, defining acceptable behavior, and specifying sanctions for misconduct. These codes help reduce information asymmetry and opportunistic behavior by guiding public servants on responsible financial management. In Nigeria's public sector, weak monitoring and enforcement often allow agents to exploit their positions for personal gain, resulting in widespread financial misappropriation (Adegbite & Owolabi, 2020).

Agency Theory is relevant to this study because it explains why financial misappropriation occurs and how professional codes of conduct can reduce it. By strengthening ethical standards, accountability systems, and enforcement mechanisms, codes of conduct help align the interests of public servants with those of the state and citizens, thereby reducing financial misconduct.

**Empirical Studies**

Adebayo and Ogunleye (2021) conducted an empirical study titled Public sector ethics and corruption control in Nigeria. The purpose of the study was to examine how ethical standards and professional codes of conduct influence corruption control within Nigeria's public sector institutions. The study adopted a survey research design and collected data from civil servants across selected federal ministries using structured questionnaires. Descriptive and inferential statistical techniques were employed for data analysis. The findings revealed that adherence to professional codes of conduct significantly reduced corrupt practices such as embezzlement and misuse of public funds. The authors recommended strengthening disciplinary measures, continuous ethics training, and leadership commitment to ethical standards to enhance compliance and reduce financial misappropriation.

Adegbite and Owolabi (2020) carried out a study titled Accountability mechanisms and financial misconduct in the Nigerian public sector. The study aimed to assess the effectiveness of accountability structures, including codes of conduct and internal control systems, in curbing financial misconduct. Using a quantitative research approach, data were gathered from accountants, auditors, and administrative officers in selected government agencies through questionnaires. Regression analysis was used to test the relationship between accountability mechanisms and financial misconduct. The findings showed a significant negative relationship between strong accountability mechanisms and financial misappropriation. The study recommended improved enforcement of professional codes of conduct, regular audits, and independence of oversight bodies to reduce financial misconduct.

Adeyemi and Salami (2022) examined Ethical standards and public service delivery in Nigeria with the purpose of investigating how ethical compliance affects efficiency and integrity in public service delivery. The study adopted a mixed methods approach, combining surveys and key informant interviews among senior and junior public servants in selected ministries. Data were analyzed using thematic analysis and descriptive statistics. The findings indicated that weak adherence to professional codes of conduct contributed to financial misappropriation, delays in project execution, and poor service delivery. The authors recommended institutionalizing ethics education, strengthening sanctions for misconduct, and promoting ethical leadership at all levels of public administration.

Eneh and Olatunji (2022) conducted a study titled Institutional weaknesses and corruption persistence in Nigeria. The purpose of the study was to examine how institutional failures affect the implementation of professional codes of conduct and contribute to persistent financial misappropriation. The study employed a qualitative research design using document analysis and in-depth interviews with officials from anti-corruption agencies and public institutions. The findings revealed that political interference, weak enforcement of ethical rules, and lack of transparency undermined the effectiveness of professional codes of conduct. The study concluded that institutional weaknesses allowed financial misappropriation to thrive despite the existence of ethical frameworks. The authors recommended strengthening institutional independence, improving transparency, and ensuring consistent enforcement of ethical standards.

Ojo and Akinwale (2024) conducted an empirical study titled Ethical leadership and corruption prevention in Nigeria’s public service. The study aimed to assess the role of ethical leadership in promoting compliance with professional codes of conduct and reducing financial misappropriation. A survey research design was adopted, and data were collected from public servants in selected federal and state government institutions. Structural equation modeling was used to analyze the data. The findings showed that ethical leadership had a significant positive effect on adherence to professional codes of conduct and a negative effect on financial misconduct. The authors recommended leadership development programs focused on ethics, transparency, and accountability as strategies for reducing financial misappropriation in Nigeria’s public sector.

## 3.0 Methodology

The study adopted a descriptive survey research design. This design was considered appropriate because it enables the collection of data from respondents to describe existing ethical practices, leadership behavior, and financial accountability within the Lagos State Ministry of Education.

The population of the study comprised all staff of the Lagos State Ministry of Education. This included administrative officers (520), finance and accounts officers (280), auditors (150), and senior management staff (300) who are involved in policy implementation and financial management within the ministry.

According to the staff records of the Lagos State Ministry of Education, the total workforce of the ministry was approximately 1,250 employees as of 2024 (Lagos State Ministry of Education, 2024).

From the population of 1,250 staff, a sample size of 303 respondents was selected for the study using Yamane formula (1967). The sample size was considered adequate to provide reliable and representative data. A stratified random sampling technique was adopted to ensure fair representation of different categories of staff within the ministry. The population was first stratified into administrative staff, finance and accounts staff, and senior officers. Respondents were then randomly selected from each stratum to minimize bias and ensure diversity of opinions.

The study relied mainly on primary data. Primary data were collected through the use of structured questionnaires administered to selected staff of the Lagos State Ministry of Education. Data collected were analyzed using descriptive statistics such as frequencies, percentages, and mean scores. Inferential statistics and analysis of variance were used to test the research hypotheses at 0.05level of significance

## 4.0 Data Analysis and Discussion of Result

A total of 303 questionnaires were administered to selected respondents across different departments within the ministry. Out of this number, 285 questionnaires were successfully retrieved and found usable for analysis, representing a high response rate. The retrieved questionnaires provided sufficient data for meaningful analysis and generalization of findings.

### Analysis of Research Questions

**Research Question 1:** To what extent do professional codes of conduct influence ethical behavior and reduce financial misappropriation in Nigeria's public sector?

**Table 4.1:** Influence of ethical behavior

| Item | SA | A | D | SD | Mean | Decision |
|---|---|---|---|---|---|---|
| Professional codes of conduct guide public servants to act ethically | 112 | 130 | 28 | 15 | 3.19 | Accepted |
| Adherence to professional codes reduces misuse of public funds | 104 | 128 | 36 | 17 | 3.11 | Accepted |
| Codes of conduct promote transparency in financial management | 98 | 140 | 30 | 17 | 3.08 | Accepted |
| Following professional codes discourages corrupt practices | 107 | 125 | 38 | 15 | 3.10 | Accepted |
| Awareness of professional codes improves accountability | 95 | 138 | 38 | 14 | 3.05 | Accepted |

**Source:** Field Survey (2026)

The analysis of Table 4.1 shows that respondents generally agreed that professional codes of conduct significantly influence ethical behavior and reduce financial misappropriation. All five items received mean scores above 3.0, indicating strong acceptance. Specifically, the highest mean (3.19) was observed for the item "Professional codes of conduct guide public servants to act ethically," suggesting that public servants recognize codes of conduct as a key guideline for ethical behavior. Similarly, adherence to professional codes was seen to reduce misuse of public funds (mean = 3.11), promote transparency in financial management (mean = 3.08), discourage corrupt practices (mean = 3.10), and improve accountability (mean = 3.05). These findings align with prior studies emphasizing the preventive role of professional codes of conduct in reducing financial misconduct. For example, Adebayo and Ogunleye (2021) found that ethical standards embedded in codes of conduct provide clear guidance for public servants, thereby minimizing opportunities for embezzlement and misappropriation.

**Research Question 2:** How does ethical leadership affect compliance with professional codes of conduct among public servants?

**Table 4.2:** Ethical leadership compliance

| Item | SA | A | D | SD | Mean | Decision |
|---|---|---|---|---|---|---|
| Leaders who demonstrate integrity encourage ethical behavior | 118 | 122 | 28 | 17 | 3.20 | Accepted |
| Ethical leadership promotes compliance with codes of conduct | 110 | 130 | 32 | 13 | 3.15 | Accepted |
| Leaders who model ethical behavior reduce financial misappropriation | 102 | 132 | 36 | 15 | 3.10 | Accepted |
| Ethical leadership strengthens accountability mechanisms | 108 | 128 | 37 | 12 | 3.12 | Accepted |
| Leaders who enforce codes of conduct improve financial management | 105 | 130 | 38 | 12 | 3.09 | Accepted |

**Source:** Field Survey (2026)

Table 4.2 highlights that ethical leadership plays a crucial role in ensuring compliance with professional codes of conduct. All items recorded mean scores above 3.0, indicating agreement among respondents. Notably, "Leaders who demonstrate integrity encourage ethical behavior" had the highest mean (3.20), suggesting that the personal conduct of leaders strongly influences the ethical orientation of subordinates. Other items, including promoting compliance (mean = 3.15), reducing financial misappropriation (mean = 3.10), strengthening accountability mechanisms (mean = 3.12), and improving financial management through enforcement of codes (mean = 3.09), also scored above the threshold. These findings are consistent with the Ethical Leadership Theory, which posits that leaders' actions and ethical standards shape organizational culture and influence employee behavior (Brown & Treviño, 2021).

**Research Question 3:** What institutional factors influence the effectiveness of professional codes of conduct in reducing financial misappropriation in Nigeria's public sector?

**Table 4.3:** Professional codes of conduct in reducing financial misappropriation

| Item | SA | A | D | SD | Mean | Decision |
|---|---|---|---|---|---|---|
| Strong internal control systems reduce financial misappropriation | 115 | 125 | 30 | 15 | 3.18 | Accepted |
| Regular audits improve compliance with codes of conduct | 108 | 132 | 32 | 13 | 3.14 | Accepted |
| Clear reporting procedures encourage ethical financial practices | 102 | 138 | 30 | 15 | 3.11 | Accepted |
| Disciplinary frameworks ensure adherence to professional codes | 100 | 140 | 35 | 10 | 3.10 | Accepted |
| Training and sensitization programs strengthen ethical compliance | 95 | 135 | 40 | 15 | 3.05 | Accepted |

**Source:** Field Survey (2026)

From Table 4.3, it is evident that institutional factors such as internal control systems, regular audits, clear reporting procedures, disciplinary frameworks, and training programs strongly influence the effectiveness of professional codes of conduct. "Strong internal control systems reduce financial misappropriation" had the highest mean score (3.18), followed closely by regular audits (mean = 3.14) and clear reporting procedures (mean = 3.11). Disciplinary frameworks (mean = 3.10) and training programs (mean = 3.05) were also positively recognized by respondents. The findings revealed the importance of well-structured institutional mechanisms in supporting ethical conduct. Consistent with the principles of Institutional Theory, public servants tend to comply with codes of conduct when formal rules, monitoring systems, and enforcement mechanisms are clearly established and applied (Eneh & Olatunji, 2022; World Bank, 2022).

**Hypotheses Testing**

**$H0_1$:** Professional codes of conduct have no significant effect on the reduction of financial misappropriation in Nigeria's public sector

**ANOVA[a]**

| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 69736.265 | 1 | 69736.265 | 8.859 | .059[b] |
| | Residual | 23614.935 | 3 | 7871.645 | | |
| | Total | 93351.200 | 4 | | | |

a. Dependent Variable: Professional codes of conduct
b. Predictors: (Constant), Reduction of financial misappropriation

The ANOVA table for $Ho_1$ shows a regression sum of squares of 69,736.265 and a residual sum of squares of 23,614.935, giving a total sum of squares of 93,351.200. The calculated F value is 8.859 with a significance value of 0.059. Since the significance value 0.059 is greater than 0.05, the null hypothesis is accepted.

This means that professional codes of conduct do not have a statistically significant effect on the reduction of financial misappropriation in Nigeria's public sector. Although professional codes of conduct are important in promoting ethical behavior, the result suggests that they may not be sufficient on their own to significantly reduce financial misappropriation without complementary factors such as strong enforcement, ethical leadership, and institutional support. This finding is in line with Adebayo and Ogunleye (2021) and Eze and Nwankwo (2021), who argued that codes of conduct are effective only when properly enforced and supported by accountability systems.

**Decision:** Accept $H_{01}$

**$H0_2$:** Ethical leadership has no significant influence on adherence to professional codes of conduct among public servants

**ANOVA[a]**

| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 29903.224 | 1 | 29903.224 | 69.934 | .004[b] |
| | Residual | 1282.776 | 3 | 427.592 | | |
| | Total | 31186.000 | 4 | | | |

a. Dependent Variable: Ethical leadership
b. Predictors: (Constant), Adherence to professional codes of conduct

The ANOVA table for $Ho_2$ shows a regression sum of squares of 29,903.224, residual sum of squares of 1,282.776, and total sum of squares of 31,186.000. The calculated F value is 69.934 with a significance value of 0.004. Since the significance value 0.004 is less than 0.05, the null hypothesis is rejected.

This implies that ethical leadership has a statistically significant influence on adherence to professional codes of conduct among public servants. The result indicates that leaders who demonstrate integrity, accountability, and fairness significantly encourage public servants to comply with ethical standards and codes of conduct. This finding supports the Ethical Leadership Theory, which emphasizes that leaders' moral behavior shapes the ethical climate of an organization and influences subordinate conduct (Brown & Treviño, 2021; Ojo & Akinwale, 2024).

**Decision:** Reject $H_{02}$

**H0$_3$:** Institutional mechanisms do not significantly affect the effectiveness of professional codes of conduct in curbing financial misappropriation in Nigeria's public sector

**ANOVA[a]**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 27457.397 | 1 | 27457.397 | 1.120 | .321[b] |
| | Residual | 196202.603 | 8 | 24525.325 | | |
| | Total | 223660.000 | 9 | | | |

a. Dependent Variable: Institutional mechanisms
b. Predictors: (Constant), financial misappropriation

The ANOVA table for $Ho_3$ shows a regression sum of squares of 27,457.397, residual sum of squares of 196,202.603, and a total sum of squares of 223,660.000. The calculated F value is 1.120 with a significance value of 0.321. Since the significance value 0.321 is greater than 0.05, the null hypothesis is accepted.

This means that institutional mechanisms do not have a statistically significant effect on the effectiveness of professional codes of conduct in curbing financial misappropriation in Nigeria's public sector. Although institutional mechanisms such as internal controls, audits, and disciplinary frameworks are important, the result suggests that they may not be effective in isolation without proper implementation, ethical leadership, and consistent monitoring. This supports the findings of Eneh and Olatunji (2022) and the World Bank (2022), who noted that weak implementation often limits the impact of institutional structures in reducing corruption.

**Decision:** Accept $H_{03}$

The hypotheses tested in this study reveal that not all the independent variables significantly influenced the reduction of financial misappropriation in Nigeria's public sector. Specifically, Hypothesis One was accepted, indicating that professional codes of conduct alone do not have a statistically significant effect on reducing financial misappropriation. Hypothesis Two was rejected, showing that ethical leadership significantly influences adherence to professional codes of conduct among public servants. Hypothesis Three was accepted, indicating that institutional mechanisms alone do not significantly affect the effectiveness of professional codes of conduct in curbing financial misappropriation.

## 5.0 Conclusion and Recommendations

This study investigated the role of professional codes of conduct in reducing financial misappropriation in Nigeria's public sector, focusing on ethical leadership and institutional mechanisms. The findings indicate that professional codes of conduct serve as important ethical guides that promote integrity, transparency, and accountability among public servants. However, the statistical analysis revealed that codes of conduct alone do not significantly reduce financial misappropriation unless they are supported by strong leadership commitment and effective enforcement structures.

The study further established that ethical leadership plays a critical role in ensuring compliance with professional codes of conduct. Leaders who demonstrate integrity, fairness, and accountability significantly influence the ethical behavior of subordinates and reduce tolerance for financial misconduct. This confirms that leadership behavior is a key driver of ethical compliance within public institutions.

Based on the findings of the study, the following recommendations are made:

Public sector institutions should strengthen ethical leadership by ensuring that senior officials and managers consistently demonstrate integrity, transparency, and accountability in their actions. Leadership development programs focusing on ethics should be institutionalized.

Furthermore, professional codes of conduct should be actively enforced rather than existing merely as formal documents. Clear sanctions for violations should be applied consistently to deter unethical behavior and financial misappropriation.

In addition, government should improve awareness and understanding of professional codes of conduct through regular ethics training, workshops, and sensitization programs for public servants at all levels.

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