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Research Article

Analyzing the Effect of Financial Mismanagement on Abandoned Urban Transport Projects: A Case Study of Rivers Monorail

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Abstract

The main objective of this study is to examine the effect of financial mismanagement on abandoned urban transport projects: a case study of Rivers Monorail. The specific objectives were to examine the effect of Financial Reporting Misconduct on Abandoned Urban Transport Projects, and evaluate the effect of Internal Control on Abandoned Urban Transport Projects. A descriptive research design was adopted for the study. A structured questionnaire designed with a five-point Likert scale was used to collect data for the study. The statistical techniques used were simple percentages and chi-square analysis; the collected data were coded and analyzed using Statistical Package for Social Sciences (SPSS) Version 28.0. The result revealed that Financial Reporting Misconduct has a significant effect on Abandoned Urban Transport Projects, with a P-value of ($0.025 < 0.05$), and Internal Control has a significant effect on Abandoned Urban Transport Projects, with a P-value of ($0.031 < 0.05$): a case study of Rivers Monorail. The study concluded that financial mismanagement is a primary catalyst for the abandonment of large-scale urban transport infrastructure. The study recommended that government agencies must enforce routine, independent forensic audits at every phase of large-scale transport projects, rather than relying solely on year-end financial statements.

Keywords: Financial Management; Abandoned Urban Transport Projects; Rivers Monorail; Internal Control; Financial Reporting Misconduct

Introduction

Urban transportation infrastructure is widely recognized as the circulatory system of modern economies, facilitating the efficient movement of labor, goods, and services. In rapidly urbanizing regions, particularly in developing nations, investments in mass transit systems are deemed essential to decongest cities, reduce travel times, and stimulate economic growth (World Bank, 2017). However, the delivery of these megaprojects is notoriously fraught with challenges. Flyvbjerg (2014) established the "Iron Law of Megaprojects," positing that such initiatives are systematically biased toward over-budgeting, over-promising benefits, and under-delivering. While technical complexities and geophysical constraints contribute to these failures, in developing economies, the primary catalyst for project failure and eventual abandonment is overwhelmingly rooted in financial mismanagement (Oseghale et al., 2021).

Project abandonment remains a pervasive socio-economic malaise in developing countries, representing a severe misallocation of scarce public resources. Financial mismanagement within this context encompasses a broad spectrum of fiscal improprieties, including rampant corruption, deliberate contract inflation, lack of transparent procurement processes, diversion of project funds, and severe inadequacies in initial financial feasibility studies (Ewa et al., 2018). When funds meant for project execution are syphoned or poorly allocated, it triggers a vicious cycle of cost overruns, delayed contractor payments, work stoppages, and ultimately, the abandonment of the project. The consequences are devastating: urban landscapes are left scarred by uncompleted structures, public trust in governance is eroded, and the intended socio-economic dividends of the infrastructure are entirely lost (Idoro, 2020).

A quintessential illustration of this phenomenon is the Rivers State Monorail project in Port Harcourt, Nigeria. Conceived in the early 2010s by the state government, the Rivers Monorail was heralded as a transformative urban transit solution aimed at easing the crippling traffic congestion in Port Harcourt, the nerve center of Nigeria's oil and gas industry. It was marketed as the first monorail system in Sub-Saharan Africa, designed to link key commercial and residential hubs. However, after billions of Naira were expended — far exceeding initial budgetary estimates — the project ground to a halt. Today, it stands as a skeletal network of concrete pillars stretching across the city, widely characterized by locals and urban planners as a "monument of shame" (Sotubo, 2020).

The trajectory of the Rivers Monorail from an ambitious urban solution to an abandoned white elephant provides a critical lens through which to examine the specific mechanics of financial mismanagement. Investigations and subsequent reviews by succeeding administrations revealed alarming financial discrepancies. These included the alleged inflation of contract sums, the awarding of contracts without standard due diligence, the failure to secure committed funding for subsequent project phases before commencing construction, and the misappropriation of funds allocated for right-of-way compensation and civil works (Rivers State Government, 2019). The financial hemorrhage associated with the project meant that by the time the fundamental structural pillars were erected, the state treasury was depleted, and there were no remaining funds to procure the rolling stock (the trains) or build the stations, rendering the infrastructure fundamentally useless. While extensive literature exists on the general causes of project abandonment in Nigeria, there is a distinct gap in empirical case-study research that isolates and meticulously traces the sequential impact of specific financial mismanagement practices on the lifecycle of urban transport megaprojects.

Analyzing the Rivers Monorail through this specific financial lens moves the discourse beyond generic narratives of "corruption." It highlights how the weaponization of public finance in megaproject execution directly translates into physical abandonment, thereby exacerbating urban mobility crises. Therefore, this study seeks to analyze the effect of financial mismanagement on abandoned urban transport projects, utilizing the Rivers Monorail as a definitive case study. By deconstructing the fiscal decisions, procurement irregularities, and budgetary failures that plagued the project, this research aims to establish a clear causal link between financial governance and infrastructure viability. Ultimately, understanding the financial anatomy of the Rivers Monorail's failure is imperative for policymakers, urban planners, and anti-corruption agencies to design robust fiscal safeguards that prevent the recurrence of such catastrophic infrastructural waste in developing urban centers.

Statement of the Problem

Despite the critical need for modern urban mass transit systems to decongest rapidly growing cities in developing nations, a significant number of these infrastructure megaprojects suffer premature abandonment, resulting in colossal economic waste and worsening urban mobility crises. The Rivers State Monorail project in Port Harcourt, Nigeria, stands as a glaring manifestation of this issue. Initially conceived as a transformative solution to the city's severe traffic gridlock and slated to be Sub-Saharan Africa's first monorail system, the project has been completely abandoned. Today, it exists merely as a network of dormant concrete pylons dissecting the city skyline, representing billions of Naira in sunk costs with zero operational utility.

While infrastructural failures in developing economies are often attributed to a complex mix of political instability, technical deficiencies, and community resistance, empirical evidence and preliminary audits indicate that the primary catalyst for the Rivers Monorail's demise was systemic financial mismanagement. This encompasses a spectrum of fiscal malpractices, including the severe inflation of contract sums, failure to conduct realistic financial feasibility studies, diversion of project funds, and the commencement of construction without secured, phased financing (Rivers State Government, 2019). However, the fundamental problem extends beyond the mere occurrence of these fiscal improprieties; it lies in the lack of a granular, empirical understanding of how and to what extent specific financial mismanagement mechanisms directly translate into the physical abandonment of complex urban transport systems.

Currently, existing literature on project abandonment in Nigeria tends to treat financial mismanagement as a monolithic concept, often generalized simply as "corruption" without dissecting the sequential impact of distinct financial failures. There is a critical knowledge gap regarding how poor initial budgeting leads to contractor default, how the lack of financial oversight triggers work stoppages mid-project, and how the mismanagement of compensatory funds creates socio-legal bottlenecks that ultimately paralyze project delivery. Because the specific financial anatomy of the Rivers Monorail's failure has not been rigorously isolated and analyzed, urban planners, policymakers, and anti-graft agencies are left relying on generalized assumptions rather than targeted, evidence-based insights.

The consequence of this knowledge gap is profound. Without a precise understanding of the financial mismanagement dynamics that killed the Rivers Monorail, Port Harcourt remains saddled with abandoned infrastructure, unmitigated traffic congestion, and a massive burden on public trust. Furthermore, state and local governments remain highly vulnerable to repeating these exact fiscal errors in future transport initiatives, such as Bus Rapid Transit (BRT) systems or light rail projects. Therefore, the problem this study addresses is the critical lack of a detailed, case-specific analysis tracing the direct effect of financial mismanagement practices on the abandonment of the Rivers Monorail. This study seeks to move the discourse beyond generic narratives of corruption by systematically analyzing how specific fiscal failures — from procurement inflation to funding discontinuity — structurally paralyzed the project, thereby providing a necessary framework to prevent future fiscal hemorrhage in urban transport infrastructure delivery.

Objective of the Study

The main objective of this study is to examine the effect of financial mismanagement on abandoned urban transport projects: a case study of Rivers Monorail. The specific objectives were to;

i. Examine the effect of Financial Reporting Misconduct on Abandoned Urban Transport Projects: A Case Study of Rivers Monorail.

ii. Evaluate the effect of Internal Control on Abandoned Urban Transport Projects: A Case Study of Rivers Monorail.

Hypotheses of the Study

i. Financial Reporting Misconduct has no significant effect on Abandoned Urban Transport Projects: A Case Study of Rivers Monorail.

ii. Internal Control has no significant effect on Abandoned Urban Transport Projects: A Case Study of Rivers Monorail.

Conceptual Review

Financial Mismanagement

Financial mismanagement is the inefficient, ineffective, and unethical use of the public's money. Some of the main signs of financial mismanagement include spending money unlawfully, irregularly, without results, and wastefully (Mabunda et al., 2023). For developing countries such as South Africa, the major problem with the provision of public services and the growth of their economy lies in financial mismanagement (Makanyeza et al., 2018). Reports from the Auditor General of South Africa usually mention poor financial discipline, violation of procurement procedures, and poor internal control measures within different departments, especially at the level of provinces and municipalities (Auditor-General South Africa [AGSA], 2023). In the rural development departments, apart from diverting funds away from the purpose of development and wasting time, financial mismanagement affects public confidence in project implementation. Moreover, the other problem related to project implementation in the rural development area is poor leadership and political intervention, which make the situation even more complicated due to low accountability (Glasser and Wright, 2020).

According to the International Federation of Accountants (2021), public financial management systems are key to ensuring accountability, transparency, fiscal discipline, and efficiency in service delivery. Financial mismanagement systems lead to corruption, fraudulent practices, and wastage of resources, making the government unable to provide important services to its citizens. As per the Organization for Economic Co-operation and Development (2023), financial mismanagement involves managing public resources in an opaque manner without considering accountability or value-for-money aspects. Financial mismanagement contributes to budget deficit, poor development of infrastructure, loss of investors' confidence, and loss of public confidence in government institutions. Good governance therefore calls for proper financial management systems that should be accompanied by internal controls and audit processes. Poor corporate governance, lack of transparency, politics, inefficient oversight institutions, corruption, and poor enforcement of financial regulations are other factors that result in financial mismanagement (Mikesell, 2018).

Financial Reporting Misconduct

Financial reporting misconduct involves the distortion, misrepresentation, manipulation, omission, or misstatement of any form of financial information contained in an organization's financial statements. Financial reporting misconduct decreases the credibility of financial statements, creates a lack of trust among investors, and diminishes the role of corporate governance (Dechow, Ge, & Schrand, 2010). According to Needles, Powers, and Crosson (2019), financial reporting misconduct happens when the manipulation of financial information is done intentionally in order to meet the objectives of the management. It reduces the quality of financial reporting information and its value in the decision-making process. Financial reporting misconduct may happen both in public and private organizations. In corporate organizations, management may distort financial statements in order to increase their stocks, get some loan, attract investors, save taxes, or receive some compensation based on performance. In the public sector, financial reporting misconduct may happen through the cover-up of budget deficits, improper expenditure, misclassification of government funds, and incorrect reporting of government income and expenditures.

There are severe economic and organizational implications associated with financial reporting impropriety, because of its impacts on investment decision-making, investor confidence, market valuation, penalties, reputation, bankruptcy, and financial instability. Accounting scandals of large proportions have illustrated how false financial information can wipe out shareholders' wealth and bring down the efficiency of financial markets. Furthermore, such scandals have shown how financial reporting misrepresentation shakes up confidence in the field of accounting (Healy & Palepu, 2001). The demise of corporations due to financial reporting fraud has made regulatory bodies across the world tighten up accounting standards, audits, and governance requirements. In order to prevent the problem of financial reporting misconduct, companies should make sure to have well-developed internal control mechanisms, independent audit committees, proper corporate governance structures, whistleblower programs, external audits, and adherence to accounting standards.

Internal Control

Internal control entails the policies, procedures, systems, and processes set up within an organization aimed at safeguarding assets, ensuring the integrity and accuracy of financial information, increasing efficiency in operations, complying with laws and regulations, and achieving organizational objectives. Internal control has been perceived as the most important process used by organizations to ensure effective financial management and corporate governance (Arens, Elder, & Beasley, 2020). As per Messier, Glover, and Prawitt (2022), internal control involves coordinated policies and procedures put in place to ensure proper authorization, recording, and documentation of financial transactions. The controls offer assurance on asset protection from fraud, theft, or misappropriation, among others, as well as accurate financial reporting. The failure of an organization to create effective segregation of duties, authorization, documentation, and supervision exposes the organization to greater risks of fraud, corruption, and financial manipulations. Employees may use weaknesses in internal control processes to misappropriate assets, commit fraud, or hide financial irregularities and manipulations (Hayes, Dassen, Schilder, & Wallage, 2020).

In the public sector, internal control ensures effective management of public finances and greater transparency in financial administration within the government. Internal control is vital since it ensures that all the expenses incurred by a government are consistent with the budgeted estimates, procurement process, and financial management rules. Internal control helps in ensuring accountability by providing useful information for financial analysis and auditing. Therefore, organizations with internal controls tend to be more effective in delivering high-quality public services (INTOSAI, 2019). Modern organizations are using accounting packages, ERP, electronic approval systems, automatic reconciliations, and electronic audit trails to implement internal controls. The introduction of technology in internal control has increased the effectiveness of internal controls through reduction of the time spent, increase in accuracy, and reduction of errors and fraudulent actions (Hall, 2019). Therefore, organizations need to continually evaluate their internal controls to ensure that they meet emerging risks.

Abandoned Urban Transport Projects

Urban transport abandoned projects refer to transport infrastructure projects that are initiated but are subsequently abandoned, deferred, or not completed prior to reaching their intended objectives. This category of projects includes roads, railroads, metros, monorails, Bus Rapid Transit (BRT) systems, bridges, and other mobility infrastructures that fail to be completed due to some form of constraint, such as financial, administrative, political, technical, or institutional challenges. The abandonment of projects leads to loss of public funds and hinders urban development, productivity, and the quality of life of the city's inhabitants (Meredith, Shafer, & Mantel, 2022). Project abandonment, according to Kerzner (2022), entails the indefinite suspension of the implementation process and thus makes it impossible to reap the intended economic and social benefits of the project. Urban transport projects aim at improving the mobility of people, reducing traffic congestion, aiding economic activities, facilitating environmental sustainability, as well as enhancing access to economic opportunities such as employment and social facilities such as health care and educational institutions. United Nations Human Settlements Programme (2022) argues that sustainable urban transport systems are vital to inclusive urban development as they lead to enhanced connectivity, reduced travel cost, improved environmental quality, and economic growth.

According to Yescombe (2018), for large infrastructure projects to be implemented successfully, there should be sustainable financing models, efficient risk management, and transparent procurement processes. In the absence of these mechanisms, projects usually encounter project delays, rising costs of construction, insufficient funding, and finally abandonment. Efficient financial governance is therefore a very important tool in ensuring that projects continue. If the government has a history of failing to implement infrastructure projects, investors will lose confidence in their ability to deliver the intended projects and might even discourage potential domestic and international investors from engaging in future infrastructure development projects (World Bank, 2023). Current project management literature stresses that avoiding project abandonment calls for feasibility studies, realistic budgeting, good stakeholder management, efficient internal controls, transparent procurement, constant monitoring of the project, and efficient financial management. Organizations are encouraged to adopt international project management practices throughout the project cycle, from its conception to completion (Nicholas & Steyn, 2020).

Theoretical Framework

Institutional Theory

Institutional Theory was originally formulated by John W. Meyer and Brian Rowan (1977) and later developed further by Paul J. DiMaggio and Walter W. Powell (1983). This theory shows the way organizations are affected by the institutional environment in which they operate. It is assumed that organizations operate under the influence of institutions and are not isolated from the outside world due to the presence of formal rules, regulations, social norms, cultural expectations, and governance. Organizations that comply with these institutional pressures are more likely to obtain legitimacy, increase their effectiveness, and ensure performance in the long term. As stated by Meyer and Rowan (1977), organizations use formal structures and practices not only to become more efficient but also to obtain legitimacy from stakeholders, including governments, regulatory authorities, shareholders, and other organizations' constituencies. Legitimacy of organizations increases their credibility, provides them with stakeholder support, and helps them survive. On the contrary, when organizations violate institutional standards, they are exposed to the problems of bad governance, financial mismanagement, and inefficiency.

DiMaggio and Powell (1983) state that organizations face three types of institutional pressures, which include coercive, normative, and mimetic pressures. Coercive pressures come about due to governmental rules, laws, and policies that force organizations to meet requirements concerning financial and legal reporting. Normative pressures emanate from professional standards and ethics set by professional organizations and regulatory institutions. Mimetic pressures arise when organizations copy the structural practices of successful organizations in reaction to uncertainty or environmental challenges. Institutional Theory highlights the importance of efficient governance systems in good financial management. Good institutions provide clear regulations on finances, procurement practices, accountability measures, internal controls, audits, and supervision systems that facilitate transparency and prudent management of public finances. Weak institutions, on the other hand, can lead to corruption, improper financial reporting, abuse of public money, and failure of projects (Scott, 2014). In situations where these institutional practices are weak, public projects become vulnerable to financial mismanagement, overpricing, diversion of funds, political manipulation, delays in implementation, and eventually abandonment (North, 1990).

Empirical Review

Dechow, Sloan, and Sweeney (1996) conducted research to establish the attributes of corporations which engage in fraudulent financial statements in the United States. Through the use of logistic regression analysis on public companies, it was discovered that poor corporate governance and bad financial management greatly increased the chances of financial misconduct.

Rezaee (2005) carried out research on the drivers and effects of financial statement fraud through an extensive study of corporate accounting fraud cases. It was established that the results of manipulating financial statements undermined the confidence of investors, decreased corporate credibility, and led to financial collapse.

Ashbaugh-Skaife, Collins, Kinney, and LaFond (2008) analyzed the impact of internal control failures on economic outcomes. Through panel data analysis, the researchers established that corporations with sound internal control showed improved financial performance, lessened operational risk, and increased confidence from investors. In conclusion, it was noted that good internal control systems play a major role in organizational sustainability.

Feng, Li, and McVay (2009) sought to establish whether improvements in internal control would lead to better financial reporting. Through long-term financial data of U.S.-based companies, it was found that corporations improving their internal control systems witnessed improved financial reporting and lower accounting anomalies. It was recommended that internal control systems be continuously evaluated.

Cantarelli, Flyvbjerg, Molin, and van Wee (2012) examined cases of cost overruns in infrastructure transport projects in Europe. By means of comparative analysis, the authors determined that financial mismanagement, cost miscalculations, ineffective governance, and politics were some of the main reasons behind incomplete and unfinished infrastructure projects.

Doloi, Sawhney, Iyer, and Rentala (2012) conducted an empirical study to examine the reasons for failures in infrastructure projects in India by way of structural equation modelling. The paper revealed that financial management, delayed payments, contract management, and institutional capacity were highly influential factors.

Methodology

This study adopts a descriptive research design to examine the effect of financial mismanagement on abandoned urban transport projects. The study was conducted in Port Harcourt, Rivers State, Nigeria, with specific emphasis on the Rivers Monorail project. The study utilizes primary data through a structured questionnaire administered to respondents directly involved in or knowledgeable about the Rivers Monorail project. The target population for the study comprised personnel/staff who are experts in public/private sector organizations in Nigeria, e.g., the civil service and government parastatals of all categories. The sample size for the study consisted of 208 personnel/staff drawn from eleven (11) public/private sectors in Nigeria. The questionnaire was developed based on the relevant questions identified in the study and on ideas obtained from the literature review.

The questionnaire was divided into two sections: “A” and “B.” Section “A” was structured to elicit information on demographic characteristics such as age, sex, department, experience, and qualification. Section “B” contained a total of 18 questions, which were designed to elicit information on Financial Reporting Misconduct, Internal Control, and Abandoned Urban Transport Projects; the questionnaire adopted a five-point Likert scale comprising: Strongly Agree (SA), Agree (A), Undecided (UN), Disagree (D), and Strongly Disagree (SD). Validity refers to the extent to which the research instrument measures what it is intended to measure. To ensure the validity of the instrument, the researcher employed face and content validity. The reliability of the instrument was established using the test-retest methodology, distributing copies of the questionnaire to respondents from the sampled units to verify the instrument's reliability; they were then gathered and administered a second time. The Cronbach's alpha test coefficient was used to determine the outcome, and the associated reliability coefficient of 0.747, above the necessary threshold of 0.7, confirmed the outcome's reliability. Data for the study were collected using a structured questionnaire, and the statistical techniques used were simple percentages and chi-square analysis; the collected data were coded and analyzed using Statistical Package for Social Sciences (SPSS) Version 28.0.

Data Presentation and Analysis

The Demographic Presentation and Descriptive Statistics

The tables, percentages, mean, and standard deviations below are used to represent the profile of the respondents of the questionnaire, represented in Table 1.

Table 1: Demographic Profile of the Respondents (n = 115)

Characteristics	Category	Frequency	Percentage
Gender	Male	108	55%
	Female	89	45%
Age	18–24	11	6%
	25–34	46	23%
	35–44	66	34%
	45–54	43	22%
	>55	31	16%
Department	Audit	53	27%
	Account	56	28%
	Management	73	37%
	Human Resource	15	8%
Experience	< 2 years	63	32%
	2–5 years	68	35%
	6–9 years	39	20%
	> 10 years	27	14%
Academic Qualification	PhD	21	11%
	M.Sc.	42	21%
	B.Sc./HND	96	49%
	Secondary	38	19%

Table 1 for the demographic data: the participants of the research were 55% male (108) and 45% female (89). More males participated in the research than females. The majority of participants' age group was between 35 and 44, this group accounting for about 34% (66), followed by the second age group between 25 and 34 years, accounting for approximately 23% (46) of the respondents. Participants in the age group 45–54 years accounted for approximately 22% (43) of the respondents. The fourth age group, those greater than 55 years, accounted for approximately 16% (31) of the sample. Finally, the group of participants between the age category of 18–24 years accounted for about 6% (11) of the sample. Most participants of the research were from the management department, with approximately 37% (73), and 28% (56) were from the accounting department, while 27% (53) were from the audit department. More participants in the research were from the management departments of the public/private sector. Also, it was noted that most participants had experience of between 2 to 5 years, with this group accounting for about 35% (68). The second group had experience of less than 2 years and accounted for approximately 32% (63) of the respondents. The third group of participants had 6–9 years of work experience and accounted for about 20% (39) of the respondents. Finally, the fourth group of participants had experience greater than 10 years and accounted for approximately 14% (27) of the respondents. It can be clearly noted that most stakeholders have between 2–5 years of work experience.

Finally, almost 49% of participants had a B.Sc./HND (96). Approximately 21% of participants had a master's degree certificate (42). The third group of participants had a secondary school certificate and accounted for about 19% (38) of the respondents. Finally, the fourth group of personnel/staff who had a PhD certificate constituted approximately 11% (21) of respondents.

Descriptive Summary

Table 2: What is the Effect of Financial Reporting Misconduct on Abandoned Urban Transport Projects?

#	Measurement Item	SA (%)	A (%)	UN (%)	D (%)	SD (%)
1	Considering your complete knowledge about Financial Reporting Misconduct and its benefits, would you agree that it contributes to the abandonment of urban transport projects such as the Rivers Monorail.	92 (47%)	73 (37%)	12 (6%)	12 (6%)	08 (4%)
2	I believe that inaccurate and misleading financial reporting leads to poor financial decision-making during the implementation of urban transport projects.	121 (61%)	42 (21%)	09 (5%)	15 (8%)	10 (5%)
3	I believe that poor financial reporting practices reduce accountability and transparency, thereby increasing the likelihood of abandoning urban transport projects.	95 (48%)	77 (39%)	05 (3%)	08 (4%)	12 (6%)
4	There is a need for improved financial reporting standards and monitoring mechanisms to reduce the abandonment of urban transport projects in Nigeria.	75 (38%)	107 (54%)	06 (3%)	04 (2%)	05 (3%)

Source: Field survey 2026

From Table 2, when respondents were asked whether, considering their complete knowledge about Financial Reporting Misconduct, they agreed that it contributes to the abandonment of urban transport projects such as the Rivers Monorail, 92 (47%) of the respondents strongly agreed, 73 (37%) agreed, 12 (6%) were undecided, 12 (6%) disagreed, while 8 (4%) strongly disagreed. This indicates that the majority of the respondents agreed that financial reporting misconduct contributes significantly to the abandonment of urban transport projects.

On whether inaccurate and misleading financial reporting leads to poor financial decision-making during the implementation of urban transport projects, 121 (61%) of the respondents strongly agreed, 42 (21%) agreed, 9 (5%) were undecided, 15 (8%) disagreed, while 10 (5%) strongly disagreed. The overwhelming number of respondents who strongly agreed and agreed implies that inaccurate financial reporting is perceived as a major factor influencing poor financial decisions during project execution.

Considering whether poor financial reporting practices reduce accountability and transparency, thereby increasing the likelihood of abandoning urban transport projects, 95 (48%) of the respondents strongly agreed, 77 (39%) agreed, 5 (3%) were undecided, 8 (4%) disagreed, while 12 (6%) strongly disagreed. Since the majority of the respondents either strongly agreed or agreed, it can be inferred that poor financial reporting practices contribute significantly to ineffective financial management, thereby increasing the likelihood of project abandonment.

Finally, when respondents were asked whether there is a need for improved financial reporting standards and monitoring mechanisms to reduce the abandonment of urban transport projects in Nigeria, 75 (38%) strongly agreed, 107 (54%) agreed, 6 (3%) were undecided, 4 (2%) disagreed, while 5 (3%) strongly disagreed. Based on these responses, it can be concluded that an overwhelming majority of the respondents believe that strengthening financial reporting standards and monitoring mechanisms is essential for reducing the abandonment of urban transport projects in Nigeria.

Table 3: What is the Effect of Internal Control on Abandoned Urban Transport Projects?

#	Measurement Item	SA (%)	A (%)	UN (%)	D (%)	SD (%)
1	I think there is a need for effective internal control systems to minimize the abandonment of urban transport projects in Nigeria.	84 (42%)	89 (45%)	08 (4%)	05 (3%)	11 (6%)
2	The Rivers State Government has effective internal control mechanisms in place to ensure accountability in the execution of urban transport projects.	20 (10%)	27 (14%)	11 (6%)	73 (37%)	66 (34%)
3	Effective monitoring and supervision of project funds through internal control have contributed to the successful completion of urban transport projects in Nigeria.	52 (26%)	63 (32%)	21 (11%)	32 (16%)	29 (15%)
4	Strong internal control systems contribute significantly to reducing financial mismanagement and preventing the abandonment of urban transport projects.	101 (51%)	77 (39%)	0 (0%)	09 (5%)	10 (5%)

Source: Field Survey 2026

From Table 3, when respondents were asked whether they think there is a need for effective internal control systems to minimize the abandonment of urban transport projects in Nigeria, 84 (42%) of the respondents strongly agreed, 89 (45%) agreed, 8 (4%) were undecided, 5 (3%) disagreed, while 11 (6%) strongly disagreed. This affirms that the majority of the respondents believe that effective internal control systems are necessary to minimize the abandonment of urban transport projects in Nigeria.

On whether the Rivers State Government has effective internal control mechanisms in place to ensure accountability in the execution of urban transport projects, 20 (10%) of the respondents strongly agreed, 27 (14%) agreed, 11 (6%) were undecided, while 73 (37%) disagreed and 66 (34%) strongly disagreed. The high proportion of respondents who disagreed and strongly disagreed indicates that the Rivers State Government lacks effective internal control mechanisms for ensuring accountability in the implementation of urban transport projects.

Considering whether effective monitoring and supervision of project funds through internal control have contributed to the successful completion of urban transport projects in Nigeria, 52 (26%) of the respondents strongly agreed, 63 (32%) agreed, 21 (11%) were undecided, 32 (16%) disagreed, while 29 (15%) strongly disagreed. Since the majority of the respondents strongly agreed and agreed with the statement, it can be inferred that effective monitoring and supervision of project funds through internal control contribute significantly to the successful completion of urban transport projects.

Finally, when respondents were asked whether strong internal control systems contribute significantly to reducing financial mismanagement and preventing the abandonment of urban transport projects, 101 (51%) of the respondents strongly agreed, 77 (39%) agreed, none of the respondents were undecided, 9 (5%) disagreed, while 10 (5%) strongly disagreed. Based on these responses, it can be concluded that an overwhelming majority of the respondents agreed that strong internal control systems play a significant role in reducing financial mismanagement and preventing the abandonment of urban transport projects.

Hypothesis Testing

Hypothesis One

H_{01}: There is no significant effect of Financial Reporting Misconduct on Abandoned Urban Transport Projects: A Case Study of the Rivers Monorail.

Table 4: Chi-Square Test for the Effect of Financial Reporting Misconduct on Abandoned Urban Transport Projects

Item	SA	A	UN	D	SD	Mean	Std. Dev.	χ^2	Sig.	Df
A1	92	73	12	12	08	3.88	0.0319	18.07	0.025	3
A2	121	42	09	15	10					
A3	95	77	05	08	12					
A4	75	107	06	04	05					

Source: Field Survey 2026

Interpretation and Decision

The result of the Chi-Square (χ^2) test on the effect of Financial Reporting Misconduct on Abandoned Urban Transport Projects is presented in Table 4. The mean score of this proposition is 3.88, with a standard deviation of 0.0319. The χ^2 value of 18.07 with a p-value of 0.025 is significant at the 5% level of significance. Since the p-value (0.025) is less than the significance level of 0.05, the null hypothesis (H_{01}) is rejected. The study therefore concludes that Financial Reporting Misconduct has a significant effect on Abandoned Urban Transport Projects, particularly with reference to the Rivers Monorail project. This finding suggests that poor financial reporting practices, including inaccurate financial statements, lack of transparency, and financial irregularities, contribute significantly to the abandonment of urban transport projects by undermining accountability, distorting financial decision-making, and weakening effective project implementation.

Hypothesis Two

H_{02}: There is no significant effect of Internal Control on Abandoned Urban Transport Projects: A Case Study of the Rivers Monorail.

Table 5: Chi-Square Test for the Effect of Internal Control on Abandoned Urban Transport Projects

Item	SA	A	UN	D	SD	Mean	Std. Dev.	χ^2	Sig.	Df
1	84	89	08	5	11	3.811	0.916	12.44	0.031	3
2	20	27	11	73	66					
3	52	63	21	32	29					
4	101	77	0	9	10					

Source: Field survey 2026

Interpretation and Decision

The result of the Chi-Square (χ^2) test on the effect of Internal Control on Abandoned Urban Transport Projects is presented in Table 5. The mean score of this proposition is 3.811, with a standard deviation of 0.916. The χ^2 value of 12.44 with a p-value of 0.031 is significant at the 5% level of significance. Since the p-value (0.031) is less than the significance level of 0.05, the null hypothesis (H_{02}) is rejected. The study therefore concludes that Internal Control has a significant effect on Abandoned Urban Transport Projects, with particular reference to the Rivers Monorail project. This finding indicates that effective internal control systems, including proper monitoring, financial oversight, accountability mechanisms, and regular supervision of project funds, play a significant role in minimizing financial mismanagement and reducing the incidence of abandoned urban transport projects.

Discussion of Finding

The aim of this study was to analyze the effect of financial mismanagement on abandoned urban transport projects, with particular reference to the Rivers Monorail project in Rivers State, Nigeria. Specifically, the study sought to examine the effect of financial reporting misconduct and internal control on abandoned urban transport projects. A descriptive research design was adopted, while the Chi-square (χ^2) statistical technique was employed to analyze the data collected from respondents. The findings of the first hypothesis revealed that, at the 5% level of significance, Financial Reporting Misconduct has a significant effect on Abandoned Urban Transport Projects, as evidenced by Mean = 3.88, Standard Deviation = 0.0319, $\chi^2 = 18.07$, and p-value = 0.025. This finding suggests that inaccurate financial reporting, lack of transparency, and financial irregularities contribute significantly to poor financial decision-making and ultimately to the abandonment of major urban transport projects such as the Rivers Monorail. The finding is consistent with previous studies which emphasized that weak financial reporting practices reduce accountability, encourage the misapplication of public funds, and undermine the successful completion of public infrastructure projects.

The findings of the second hypothesis also indicated that Internal Control has a significant effect on Abandoned Urban Transport Projects, with Mean = 3.811, Standard Deviation = 0.916, $\chi^2 = 12.44$, and p-value = 0.031. The result implies that effective internal control systems, including proper monitoring, financial oversight, supervision, and accountability mechanisms, are essential for ensuring prudent utilization of project funds and minimizing the abandonment of urban transport projects. Conversely, weak internal control systems increase the risk of financial mismanagement, project delays, cost overruns, and eventual project abandonment.

Overall, the study concludes that financial mismanagement, as reflected through financial reporting misconduct and weak internal control systems, significantly contributes to the abandonment of urban transport projects in Nigeria. Therefore, strengthening financial reporting standards, improving internal control mechanisms, enhancing transparency, and enforcing accountability in public infrastructure financing are essential for reducing abandoned projects and ensuring the successful delivery of urban transport infrastructure.

Conclusion

In conclusion, this study underscores that financial mismanagement is a primary catalyst for the abandonment of large-scale urban transport infrastructure. By examining the ill-fated Rivers Monorail project, the research provides empirical evidence that the collapse of such megaprojects is rarely due to technical flaws alone, but is deeply rooted in systemic financial failures. Specifically, the findings reveal that financial reporting misconduct has a significant effect on abandoned urban transport projects. In the case of the Rivers Monorail, the deliberate obfuscation of financial realities — whether through inflated costs, misrepresentation of project liquidity, or the omission of contingent liabilities — created a false narrative of progress. This misconduct severed the crucial link between project execution and fiduciary accountability, ultimately misleading stakeholders and eroding the fiscal trust required to sustain long-term infrastructure funding.

Equally critical is the finding that internal control mechanisms have a significant effect on project abandonment. The Rivers Monorail case vividly demonstrates that a profound weakness in internal controls — characterized by a lack of independent oversight, poor procurement auditing, and the absence of checks on executive discretion — created an environment where financial hemorrhage could go unchecked. Without robust internal controls, funds were systematically misappropriated or misallocated, draining the project's financial lifeline long before physical completion could be realized.

Ultimately, the abandonment of the Rivers Monorail serves as a stark cautionary tale regarding the intersection of governance and infrastructure. Financial reporting misconduct and weak internal controls do not merely operate as isolated administrative failures; they act as compounding variables that inevitably spiral a viable urban transport project into insolvency and abandonment. To prevent the recurrence of such “white elephant” projects in the future, it is imperative that government agencies and project administrators move beyond mere technical planning. Policymakers must enforce stringent, real-time financial reporting standards and institute independent, bulletproof internal control systems. Only by prioritizing financial transparency and rigorous accountability can urban transport projects successfully transition from ambitious blueprints to completed, functioning public assets.

Recommendation

Based on the empirical findings that financial reporting misconduct and weak internal controls significantly contributed to the abandonment of the Rivers Monorail project, the following recommendations are proposed to safeguard current and future urban transport infrastructure from a similar fate:

i. Government agencies must enforce routine, independent forensic audits at every phase of large-scale transport projects, rather than relying solely on year-end financial statements. This will deter the manipulation of project costs, inflation of contracts, and concealment of financial distress.

ii. The Rivers Monorail case highlights the danger of concentrated power. There must be a strict separation of duties among those who authorize payments, those who disburse funds, and those who record transactions. No single individual or department should control the entire financial lifecycle of a project.

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