

IMPACT ASSESSMENT OF INTERNAL AUDIT ON THE PERFORMANCE OF PUBLIC SECTOR MANAGEMENT IN NIGERIA: A STUDY OF SELECTED STATES IN NIGERIA

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Abstract

The paper is an impact assessment of internal audit on the performance of public sector management in Nigeria. This research employed a survey research design. Questionnaires were distributed to selected respondents to gather information on the variables of interest. Data gathered were analyzed using descriptive statistical tools and the hypotheses were tested using the Analysis of Variance ('ANOVA,). From the analysis, it was discovered that there is a significant number of Public Sector Departments in Enugu and Kogi States that have internal audit units and that the use of internal audit can effectively check fraud in public sector. It is recommended that today's auditors should acquire the requisite techniques and skills in computer operations and electronic data; heads of internal audit unit should attend top management meetings and should be acquainted with the policy directions of their various organizations.

INTRODUCTION

Government constitutes the largest single business entity and her pattern of expenditure through its various parastatals, agencies and commissions stimulate lot of economic activities. As a result of these huge government investments in economic activities, steps are being taken all over the world towards improving the standards of accounting and auditing practices in government ministries, departments and agencies. The reason has become obvious on the need for general awareness and greater attention to the improvement of public sector management.

Accountants in the public sector have the responsibility of developing systematic arrangements to assist management in the performance of the services of the institution while the public sector auditor has among other duties, the complementary role to examine whether management actually performs that efficiently. The public sector auditors have to satisfy themselves that the account presented have been prepared in

accordance with statutory and constitutional requirements and regulation and that proper accounting procedures have been observed in their compilation. With the growing size and complexity of public sector in the recent years, the importance of the internal audit has correspondingly increased so as to establish high quality public sector internal control.

There has been a constant complaint that the internal audit department is usually understaffed and under resourced generally to be fully effective. There exist a lot of arrears of work due to inadequate staffing of internal audit departments. There is inadequate knowledge of Electronic Data Processing (EDP) and Computer for efficient auditing of computerized systems. Most of the public sector management working papers do not provide adequate documentation because of this problem. Staff of the internal audit department is not well remunerated and it makes them lack interest in their work. Many adduce the argument that internal auditors, being employees in public sector do not have the desired independence and liberty in the discharge of his audit responsibilities. In the heat of the controversies for inept public sector performances, Nigeria as a developing economy has to garner her resources for effective developmental utilization and the need for the services of internal auditors in the Public Sector becomes more imperative.

In light of the above, the following research questions have been formulated so as to suggest solutions to the problems: To what extent does internal audit departments of the Public Sector in the study area arc adequately staffed to check fraud and fraudulent activities in such Ministries? To what extent can the internal audit effectively check fraud in Enugu and Kogi States public sector? To what extent does the persistent existence of frauds and fraudulent activities exist in ministries despite the existence and adequate functioning of Internal Audit Departments? Therefore, the main objective of this study is to assess the impact of internal audit on the performance of public sector management in Nigeria focusing in Enugu and Kogi States. Specifically the study is set out: To find out whether the number of public sector departments in Nigeria that have internal audit units is significant. To ascertain if internal audit can effectively check fraud in Kogi State public sector. To find the extent of the persistent existence of frauds and fraudulent activities in ministries, despite the existence and adequate functioning of internal audit departments in the country. In order to achieve the stated objectives, the researchers stipulated the following null hypothesis. HO1: There is no significant number of public sector departments in Nigeria that have internal audit units. HO2: Internal audit cannot effectively check fraud in Nigeria public sector. HO3: There are no significant reasons for persistent existence of fraud and fraudulent activities in Nigeria State Public Sectors despite the presence of internal auditors in those offices.

The rest of the paper is structured into sections: Section two reviews the literature, section three deals with methodology while section four analyses the data and the last section concludes and makes recommendations.

LITERATURE REVIEW

Conceptual Nexus of Internal Audit

Unegbu and Obi (2012) defined internal audit as part of the internal control system put in place by management of an Organization to ensure adherence to stipulated work procedure and as aid to management. According to Unegbu & Obi (2012) Internal audit “measures, analyses and evaluates the efficiency and effectiveness of other controls established by management in other to ensure smooth administration, control cost minimization, and ensure capacity utilization and maximum benefit derivation.

In the view of Adeniji (2004) Internal audit is part of the internal control system put in place by management of an organization. It is an aid to management; it ensures that the financial operations are correctly carried out according to the law and also in accordance with the wishes of the board or council. Internal audit is a branch of management, which enables compliance with established financial instructions on expenditures. In order to achieve agreed objectives, public sector officers must incur expenses in line with established financial instructions. It is the responsibility of the internal audit to ensure adherence to these instructions by personnel involved in public sector administration.

According to Howard (1998) it is appropriate to contrast the public sector with the private sector. To the former, the main objective of the enterprise in principles is not to make profit but render services. Nwanyawu (2002) opined that public sector auditing means independent examination of and expression of opinion on the financial statements of government establishment, by appointed auditor in pursuance of that appointment and in compliance with the enabling constitution. The final accounts in the public sector especially for the Federal, State and Local government are classified into funds including: Consolidated Revenue Fund; Development Fund; Treasury Fund; Special and Trust Funds and Contingency Fund.

Vos (2005) said that objective of internal auditor is to evaluate effectiveness of financial and operating control, confirm compliance with company policies, procedure, protect assets verify the accuracy and consistency of organization’s external and internal reports. Stoner (1994) was of the opinion or view that the objective of internal audit is to evaluate several of the organization’s reports for accuracy and usefulness and also recommending improvement of the control system. Owler and Brown (1999) stipulated that the objective of internal auditor is to protect management against errors of principle and neglect of duty.

Barker (1999) agreed with Owler and Brown but added that it is to review the operations and record of the undertaking and in the course of these checks much of the detailed work of the organization in respect of financial and other statements are effectively audited.

Tracey (1994) is of the view that it is the responsibility of the internal auditor to review how well the accounting system works and also evaluate the effectiveness and efficiency of many operations in the organization. A lot of public sector has been operating without internal auditor. This can be attributed to the fact that few people outside the accounting profession realize the importance of the internal auditor. Emphasis was laid on discharging accountability for the use of owners fund through the internal auditor report. Some public sector management adduces the argument that internal auditors, being employees in public sector do not have the liberty to exercise the unbiased and independent attitude so necessary to an auditor.

The initial concept of auditor independence was primarily of British origin, in the 19th century, where auditors doubled as book keepers (Baker, 2013). Aderibigbe (2005) views independence as an emotive word serving as a banner for freedom, integrity and all that is good. Auditor independence according to Dictionary of International Accounting Terms (2001) infers a state of impartiality required of auditors who should have no personal or financial involvement with a client. Louwers et al. (2007) expresses independence as a mental attitude and physical appearance which portrays the auditor as being uninfluenced by others in judgment and decision. This can be sustained by avoiding financial connection that makes it appear that the wealth of the auditor depends on the outcome of the audit and management connections that makes the auditor appear as if he is involved in management decisions.

As a key ingredients of audit quality Gray & Manson (2000) and Hayes et al. (2005) described independence as a position required in other to take an unbiased viewpoint in the performance of audit tests, analysis of results and attestation in the audit report. Despite all the definitions, and descriptions of auditor independence, Whittington & Pany (2004) concluded that auditor independence is relative and not absolute. According to Tairu (2009), auditor independence comprises of programming independence, investigation independence, and reporting independence. Of these three components, reporting independence is the most likely to be influenced by the directors of a client company This is the foci of this research The independence of auditors is seen as a means and not an end in itself (McGrath,et al., 2001). Consequently, Smith (2003) opined that the prime responsibility of maintaining independence and objectivity rests with the auditor.

Internal Auditors' Responsibilities

According to Johnson (1996) General duties of an internal auditor in the public sector management include the following: An audited copy of a statement of the accounts is to be submitted in a prescribed form together with any report to the appropriate minister or secretary of state who in turn presents the accounts before the National Assembly; The auditors must state whether the accounts in their opinion give a true and fair view of the operation affairs; The auditor must state whether the accounts give all the information required under enabling statute and the auditors will normally report if they are not satisfied with any aspects of the financial statements.

Relevance of Public Sector Management Auditing System

Fischer (1996) identifies three major types of report that are basically germane for auditing relevancies. These are for: the internal reporting to managers for purposes of planning and control of current and anticipated operations; the internal reporting to chief Executives and Directors or Managers for institutional policy decisions and the formulation of long range plans and the external reporting mainly for credibility purpose before external entities, government, financial houses, foreign creditors etc.

Public Sector Management

In the eye of Woolf (1986) the public sector is primarily composed of non.-profit making organizations. Management control in its broadest context is the means by which an organization carries out its objectives effectively and efficiently. Public sector management can be generally distinguished as having hierarchical structures composed of responsibility centers, units, sections, departments and divisions. Central government department, the natural health services depend directly on the exchequer for all their funds if changes are made for certain services they are usually nominal and have a little impact on the level of services offered.

Autonomous bodies are subjected to high degree of Central government control. Local government authorities receive by far the largest proportion of their funds through statutory allocations. They can equally raise revenue locally, primarily by levying rates; the extent of their power is strictly monitored by central government. Therefore, the management and control of the public purse is the heart of government administration. The internal audit reports directly to the chief executive, the financial regulations, however, enjoins the chief executive of each ministry to ensure that the accounting and finance functions and internal audit functions are placed under the direct control of suitable, competent, and professionally qualified accountants.

Theoretical Nexus

The theoretical nexus guiding this work is ethical standards of accounting profession. Ethical Standards of Accounting Profession which traditionally fall within the scope of professional code of conduct for accountants in public practice are specified in the 1 CAN and ANAN Ethical Guide to members. Its contents are wide and ranging as demonstrated below, and any members found to be disregarding the rules laid down, whether in letter or spirit, faces the risk of disciplinary action and the severe consequences which may follow- from admonishment and payment of costs, to exclusion from membership. The Ethical guide covers the following subject matters: Unprofessional Independence, Integrity and Objectivity: The acceptability of audited accounts hinges materially on the degree of independence, integrity and objectivity which the users of accounts can infer from the auditors conduct. The auditor must therefore not only ensure that he is never seen in any situations that can be reasonably conceived to compromise these standards. While it is easy to assume that these standards can be achieved, there are situations in the real practice where the contrary is proved. The following are some of the examples to drive home the point: -

- i. Can an auditor be considered independent when he audits a company where his relative is the chief accountant? There is no law in Nigeria today that prevents the auditor from acting in these situations. But it is obvious that doubts will definitely arise in the minds of reasonable men or women as to the genuineness of the auditor's independence, in the United States for example, the securities and exchange Commission refused to recognize an accountant as independent for the purpose of reporting on the accounts of a company of which his son or brother was secretary and treasurer. As earlier mentioned, there is at present no statutory regulation in this country that prohibits this type of arrangement.
- ii. The auditor in his capacity as an accountant or management consultant at times prepares accounts and designs an accounting system for his client, in his capacity as an auditor, the same accountant is to audit the accounts he prepared and the accounting system which was in the first place designed and established by him. Can the auditor be construed as independent, objective in this context?

Definitely this cannot be so in the minds of reasonable men. Kitindi (2004) suggested that an accountant should be precluded from auditing companies in which they have performed accountancy or management consultancy work. This however has been made effective in the new companies Decree. There are other examples which can be cited. The practical audit world is full of these doubt-raising situations. The auditor being a human being who must inevitably interact with other human beings in the course of his work cannot in absolute terms overtly dislodge the apparent utopian requirements of physical manifestation of independence, integrity, and objectivity for no man is an island on to himself. An auditor can for all purposes appear physically independent but spiritually biased (Green, 2006).

According to Abbot, Parker, Peter and Raghunanan (2013), the concept of physical independence should therefore be recognized only within the bound of reason and should not be allowed to stretch into a province which makes audit work impracticable. In my opinion there is nothing wrong with an auditor auditing accounts which he initially prepared in his capacity as an accountant; as long as he maintains spiritual independence, integrity and objectivity right from the time he started preparing the accounts in his capacity as an accountant. The most important word to hold as a guide when interpreting the ethical concept of independence, integrity and objectivity is "reasoning". That is can the auditor, having regard to those circumstances, be considered reasonably independent. Once the answer to this question is positive, the requirement of independence should be deemed satisfied.

METHODOLOGY

This research employed a survey research design along with descriptive and hypothesis testing designs. Survey design entails selecting a few respondents from a population with an aim of generalizing the results to the entire population while descriptive statistics describes a phenomena and hypothesis testing uses inferential statistics to evaluate a proposition.

The research population is all the accountants and heads of various units in the ministries working in public sector in Nigeria with reference to Enugu and Kogi States Ministries. There are about twenty one ministries with accountants and sub unit heads working for them. Since the research design employed was a survey, the researcher circulated the questions to online accountant groups such as face book and linked in where random members responded. The researcher employed random sampling technique in this study. The researcher used a non-probability sampling (purposive sampling) to select the seventeen (17) ministries used as population for the study. The use of purposive sampling was based on the fact that, Kogi State has a total of 2134 accountants/those who have accounting background and 2818 sub heads of various ministries which the population were selected, also that the nature of audit carried out in all the ministries appears to be the same and therefore may serve a good representative of the whole ministries in the 36 States, Nigeria. Hence, the researcher used random sampling.

The use of Yaro Yamani formula was adopted to arrive at the sample size 'n' with 5% level of significance.

$$N = \frac{1}{1 + N(e^2)}$$

Where: n = Sample size

N = Population size

e = Level of significance

$$n = \frac{4952}{1 + 4952(0.05^2)}$$

$$n = \frac{4952}{1 + 4952(0.002^2)}$$

$$n = \frac{4952}{1 + 12.38}$$

$$n = \frac{4952}{13.38}$$

$$n = 370$$

The sample size of 370 selected from the 17 ministries was tabulate below:
 The data was collected from accountants working in the private sector in Nigeria. The research questions regarding impact assessment of internal audit on the performance of public sector management in Nigeria were in form of 4 point likert scale measured as follows: Strongly Disagree (1), Disagree(2), Agree (3) and Strongly agree (4). Tables and percentage were used in the analysis of the data collected from the respondents. The statistical tool used for testing of hypothesis one, two and three is the Analysis of Variance (ANOVA).

The formula is as follows in the table below:

Source	SS	DF	MS	F- ratio	Remark
Between	SSB	t — 1	SSB/dfB	MSB/MSW	Accept or Reject
Within	SSW	N — t	SSW/dfW		
Total	SST	N—I			

Field survey 2014

N = The total number of individuals scores in all

Q = The grand total of all the data

t = Number of groups

n = Number of elements or cells in each group

SST=Sum of the square of each of the individual scores in all the groups, subtract Q²/N

$$= (X_1^2 + X_2^2 + X_3^2 + \dots + Z_3^2 + Z_4^2 - \frac{Q^2}{N})$$

SSB = Square of each group sum, divided by the corresponding group (n), then sum all these and subtract Q²/N

$$= \left[\frac{XX^2}{n} + \frac{YY^2}{n} + \frac{ZZ^2}{n} + \dots - \frac{Q^2}{N} \right]$$

SSW = The outcome of SST less the outcome of SSB

$$SSW = SST - SSB$$

dfB = degree of freedom for “variance between” t- I

df_T = degree of freedom for total of all the data = N

df_W = degree of freedom for “variance within” = $df_T - df_B$ ($N - t$)

Ms mean square for “variance between” and “variance within”.

Decision Rule

The null hypothesis is rejected if the calculated value of F-ratio i.e. (MSB/MSW) is greater than the critical value of F. i.e. ($F_{t-1, N-t}$) as given in the F distribution table otherwise, it stands accepted.

- If $MSB/MSW > F_{t-1, N-t}$, then, reject the Null hypothesis

- If $MSB/MSW < F_{t-1, N-t}$ then, reject the ultimate hypothesis

The choice of ANOVA for this research is based on the fact that it determines the extent of variance in dependent variables that are caused by independent variables, also used in comparing the variation in more than two independent samples that are drawn just once from population with the same variance. More so, ANOVA reduces the type 1 error rate (rejecting null hypothesis instead of accepting) thus, the equality of several means can be tested in a single classification, where the relationship between one independent and one dependent variable is examined.

DATA PRESENTATION AND ANALYSIS

This section represents the data collected in response to 370 questionnaires distributed to accountants/auditors and heads and sub heads of the 17 ministries in Enugu and Kogi States about the impact of internal audit on the performance of public sector management in Nigeria by which 300 questionnaires were filled and returned.

Research question 1: To what extent has Internal Audit Departments of the Public Sector in Enugu and Kogi States been adequately staffed to check fraud and fraudulent activities in such Ministries?

Table 1 Shows that 200 of the respondents representing 67% strongly agree that Internal Audit Departments of the Public Sector in Enugu and Kogi States are adequately staffed, 50 respondents representing 17% also agree while 30 respondents representing 10% strongly disagree, 20 respondents representing 6% also disagree. This implies that Internal Audit Departments of the Public Sector in Enugu and Kogi States are adequately staffed.

Table 2 Shows that 180 of the respondents representing 50% strongly agree that in order to checkmate on the fraudulent activities in the Public Sector management, Internal Audit department is paramount, 90 respondents representing 30% also agree while 45 respondents representing 15% strongly disagree, 15 respondents representing 5% also

TABLE 1
Internal Audit Departments of the Public Sector in Enugu and Kogi States are adequately staffed

Responses	No. of Responses	Percentage	Cum %
Strongly Agree	200	67	67
Agree	50	17	84
Disagree	30	10	94
Strongly disagree	20	6	100
Total	300	100	

Field Survey, 2014

disagree. This implies that the in other to checkmate on the fraudulent activities in the Public Sector management, Internal Audit department in paramount.

TABLE 2
In other to checkmate on the fraudulent activities in the Public Sector management, Internal Audit department is paramount

Responses	No. of Responses	Percentage	Cu % Cum. %
Strongly Agree	180	50	50
Agree	90	30	80
Disagree	45	15	95
Strongly disagree	15	5	100
Total	300	100	

Field Survey, 2014

Table 3 shows that 140 of the respondents representing 47% strongly agree that internal audit units are necessary to public sector departments and that effect every public sector has audit unit, 125 respondents representing 41% also agree while 20 respondents representing 7% disagree, 15 respondents representing 5% also strongly disagree. This

implies that the internal audit units are necessary to Public Sector Departments and that effect every public sector has audit unit

TABLE 3
Internal Audit Units are Necessary to Public Sector Departments and to the Effect that Effect Every Public Sector has Audit Unit

Responses	No. of Responses	Percentage	Cum %
Strongly Agree	140	47	47
Agree	125	41	88
Disagree	20	7	95
Strongly disagree	15	5	100
Total	300	100	

Field Survey, 2014

Research question 2: To what extent can the internal audit effectively check fraud in Kogi State public sector?

Table 4 Shows that 190 of the respondents representing 53% strongly agree Lack of progressive career structure and conducive working environment of audit staff , 80 respondents representing 27% also agree while 20 respondents representing 7% disagree, 10 respondents representing 3% also strongly disagree. This implies that Lack of progressive career structure and conducive working environment of audit staff.

Table 5 Shows that 95 of the respondents representing 31% strongly agree that Internal audit can effectively check fraud in the management of public sectors in Nigeria if he/she is independent , 123 respondents representing 42% also agree while 40 respondents representing 13% disagree, 42 respondents representing 14% also strongly disagree. This implies that internal audit can effectively check fraud in the management of public sectors in Nigeria if he/she is independent.

TABLE 4**Lack of progressive structure and conducive working environment of audit Staff**

Responses	No. of Responses	Percentage	Cum %
Strongly Agree	190	63	63
Agree	80	27	90
Disagree	20	7	97
Strongly disagree	10	3	100
Total	300	100	

Field Survey, 2014

TABLE 5**Internal audit can effectively check fraud in the management of public sectors in Nigeria if he/she is independent**

Responses	No. of Responses	Percentage	Cum %
Strongly Agree	95	31	31
Agree	123	42	73
Disagree	40	13	86
Strongly disagree	42	14	100
Total	300	100	

Field Survey, 2014

Table 6 shows that 120 respondents representing 40% strongly agree that Internal audit can effectively check fraud in public sector if he can is always be involved in attending top management meetings, 95 respondents representing 32% also agree while 45

Table 6
Internal audit can effectively check fraud in public sector if he can is always be involved in attending top management meetings

Responses	No. of Responses	Percentage	Cum %
Strongly Agree	120	40	40
Agree	95	32	72
Disagree	45	15	87
Strongly disagree	40	13	100
Total	300	100	

Field Survey, 2014

respondents representing 15% disagree, 40 respondents representing 13% also strongly disagree. This implies that Internal audit can effectively check fraud in public sector if he can is always be involved in attending top management meetings.

Research Question 2: To what extent does the persistent existence of frauds and fraudulent activities in ministries despite the existence and adequate functioning of Internal Audit Departments?

Table 7 Shows that 240 respondents representing 80% strongly agree that inadequate staff remunerations and lack of accountability legislations for Chief Executives of those Parastatals contribute to persistent existence of frauds and fraudulent activities in public sectors, 30 respondents representing 10% also agree while 15 respondents representing 5% disagree, 15 respondents representing 5% also strongly disagree. This implies that inadequate staff remunerations and lack of accountability legislations for Chief Executives of those Parastatals contribute to persistent existence of frauds and fraudulent activities in public sectors.

Table 8 Shows that 180 respondents representing 60% strongly agree that: Chief Executives of Public Sectors arc not career and professional officeholders but politicians who had no commitments to the office in which they are in-charge, 90 respondents representing 30% also agree while 30 respondents representing 10% disagree. This

TABLE 7**Inadequate Staff Remuneration and Lack of Accountability Legislations for Chief Executives of those Parastatals Contribute to Persistent Existence of Frauds and Fraudulent Activities on Public Sectors**

Responses	No. of Responses	Percentage	Cum %
Strongly Agree	240	40	80
Agree	30	10	90
Disagree	15	5	95
Strongly disagree	15	5	100
Total	300	100	

Field Survey, 2014

implies that Chief Executives of Public Sectors are not career and professional officeholders but politicians who had no commitments to the office in which they are in-charge.

TABLE 8**Chief Executives of Public Sectors are not career and professional officeholders but politicians who had no commitments to the office in which they are in-charge**

Responses	No. of Responses	Percentage	Cum %
Strongly Agree	180	60	60
Agree	90	30	90
Disagree	30	10	100
Strongly disagree	0	0	100
Total	300	100	

Field Survey, 2014

Table 9 shows that 200 respondents representing 67% strongly agree that The Nigerian legal system makes for prosecution of Frauds and embezzlements in public sectors complex and costly, 74 respondents representing 25% also agree while 30 respondents representing 10% disagree. This implies that The Nigerian legal system makes for prosecution of Frauds and embezzlements in public sectors complex and costly

TABLE 9
The Nigerian legal system makes for prosecution of Frauds and embezzlements on public sectors complex and costly.

Responses	No. of Responses	Percentage	Cum %
Strongly Agree	200	67	67
Agree	74	25	92
Disagree	15	5	97
Strongly disagree	11	3	100
Total	300	100	

Field Survey, 2014

TEST OF HYPOTHESES

The researcher used questions, table 1, 2 and 3 were used to test hypothesis one, while table 4, 5 and 6 were used to test hypothesis two. Table 7, 8 and 9 were used to test hypothesis three.

Test of Hypothesis one: There is no significant numbers of Public Sector Departments in Enugu and Kogi States that have internal audit units.

Variables	Table 1	Table2	Table3
Strongly Agree	200	150	140
Agree	50	95	125
Disagree	30	31	20
Strongly disagree	20	16	15
Total	300	300	300

Field Survey, 2014

Variables (X)	Table 1	Table2	Table3	Total
4	800	632	560	1992
3	150	285	375	810
2	60	62	40	162
1	20	16	15	51
Total	1030	995	900	3015

Field Survey, 2014

ANOVA SUMMARY TABLE

Source	SS	Df	Ms	f-ratio
Between	793484.25	3	264494.75	37.57
Within	56296.5	8	7037.1	
Total	849780.5	11		

Autor's computation

Decision Rule:

Since the calculated value of 37.57 is greater than the critical value of 4.46, the alternate hypothesis (Ha) is accepted and the Null hypothesis (H0) is rejected. Therefore we can conclude that there are significant numbers of Public Sector Departments in Enugu and Kogi States that have internal audit units.

Hypothesis Two: Internal audit cannot effectively check fraud in Enugu and Kogi State public sector.

Variables	Table 4	Table 5	Table 6
Strongly Agree	190	95	120
Agree	80	123	95
Disagree	20	40	45
Strongly disagree	10	42	40
Total	300	300	300

Field Survey, 2014

Decision Rule:

Since the calculated value of 15.05 is greater than the critical value of 4.46, the alternate hypothesis (Ha) is accepted and the Null hypothesis (H0) is rejected. Therefore we can conclude that internal audit can effectively check fraud in Kogi States public sector.

Variables (X)	Table 4	Table 5	Table 6	Total
4	760	380	480	1620
3	240	369	285	894
2	40	80	90	210
1	10	42	40	92
Total	1050	871	895	2816

Field Survey, 2014

ANVOA SUMMARY TABLE

Source	SS	Df	Ms	F-ratio
Between	497912	3	165971	15.05
Within	88217	8	11027	
Total	586129	11		

Critical value of 5% level of significance with degree of freedom is 4.46

Hypothesis Three: There are no significant reasons for persistent existence of fraud and fraudulent activities in Kogi State Public Sectors despite the presence of internal auditors in those offices.

Variables	Table 7	Table 8	Table 9
Strongly Agree	240	180	200
Agree	30	90	74
Disagree	15	30	15
Strongly disagree	15	0	11
Total	300	300	300

Field Survey, 2014

Decision Rule:

Since the calculated value of 30.77 is less than the critical value of 4.46, the null hypothesis (H₀) is accepted and the alternate hypothesis (H_a) is rejected. Therefore we can conclude that there are no significant reasons for persistent existence of fraud and fraudulent activities in Enugu and Kogi States Public Sectors despite the presence of internal audit those offices.

Variables (X)	Table 7	Table 8	Table 9	Total
4	900	720	800	2480
3	90	270	222	810
2	30	60	30	120
1	15	0	11	26
Total	1005	1050	1063	3118

Field Survey, 2014

ANOVAS SUMMARY TABLE

Source	SS	Df	Ms	f-ratio
Between	721552.67	3	240517.56	30.77
Within	510636	8	63829.5	
Total	1232188.67	11		

Autor's computation

Discussion of Findings

In our test of hypotheses it was discovered in hypothesis one that the calculated value of 37.57 is greater than the critical value of 4.46, the alternate hypothesis was accepted and the Null hypothesis (H₀) is rejected. Therefore we can conclude that there is significant number of Public Sector Departments in Enugu and Kogi States that have internal audit units. In the second hypothesis the same discovery was made; since the calculated value of 15.05 is greater than the critical value of 4.46, the alternate hypothesis was accepted and conclude that that internal audit can effectively check fraud in Enugu and Kogi States public sector. In hypothesis three, the calculated value of 30.77 is greater than the critical value of 30.77, the alternate hypothesis was accepted and the hypothesis (H₀) is rejected. Therefore we can conclude that there are significant reasons for persistent existence of fraud and fraudulent activities in Enugu and Kogi States Public Sectors despite the presence of internal auditors in those offices.

CONCLUSION AND RECOMMENDATIONS

Based on the findings, the paper concludes that some task such as salary preparation, pension accounts, automation of vote book recording and many others could be tapped. In a system where manpower or manual operation are in use as it is a known fact, auditors are expected to operate at a tolerable level of performance for total system to run properly. Therefore training personnel as well as other training infrastructure becomes an important ingredient in the successful operation of control in such government parastatals. Public sector organizations are carried out periodically in order to identify

weaknesses in executing responsibilities and make recommendations for improvements. It has been noted that there is significant number of Public Sector Departments in Enugu and Kogi States State that have internal audit units. Also in line is that internal audit can effectively check fraud in Enugu and Kogi States public sector. Finally it has been concluded that there are significant reasons for persistent existence of fraud and fraudulent activities in Enugu and Kogi States Public Sectors despite the presence of internal auditors in those offices.

On the basis of the conclusion, the researcher recommendations include:

- i. Internal auditors should ensure total review of various departmental functions in every ministry. There is an inevitable need for today's auditors to acquire the requisite technique and skills in computer operations and electronic data processing because of the impact, which the advent of computer has made in our lives.
- ii. Heads of internal audit unit should be in attendance at top management meetings to be aware of policies affecting organizational objectives.\
- iii. There should be consistency in policy formulation so as to guarantee auditors independence.
- iv. The several professional accountancy bodies in Nigeria should ensure that auditors are trained with modern skills of audit procedures.
- v. The financial reporting council should ensure that best standards and regulations are established to ensure best practice and service delivery.

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The internal audit is one of the important means for management to confirm and verify the compliance of administrative units in the financial and administrative policies, legislations, financial and administrative systems and the adopted public policies. Efficient performance entails achieving goals with minimum waste of resources that is making the best use of resources that is making the best use of money, time materials and people (Lewin and Johnson 2000). The specific objectives are stated below: i. To investigate the impact of internal audit meetings on Return on assets of banks. ii. To investigate the impact of financial expert on return on assets of banks.

1.4 Research Questions i. Does internal audit committee meeting significantly influence the returns assets of banks? ii. Non-financial sector brought auditors into sharp focus and caused the public to question the role of accountants and auditors. This study aimed at examining the impact of audit quality on earnings management of listed conglomerates in Nigeria using secondary data collected from the annual report of sampled banks covering a period of 10 years from 2005-2016. The study analyzed the panel data using both OLS and random effect regression.

Empirical Studies Several studies had been conducted in Nigeria on audit quality and earnings management in Nigeria. such as the studies of (Okolie et al., 2013); (Jajeola, Taofiq, & Toluwalase, 2017); (Okoh, 2015); (Tyokoso & Tsegba, 2015); (Eriabie, & Dabor, 2017) and (Effiok, & Eton, 2016). This study therefore examined the impact of internal audit function (IAF) on accountability in the public sector in Nigeria. The study relied on primary data which was obtained through structured questionnaire administered to purposively selected respondents in 33 public sector organisations in Oyo State, Southwestern Nigeria. The respondents were Head of Internal Audit, Director of Finance and Supplies, and Head of Local Government Administration. Thus, the questionnaire was administered to 99 respondents who participated in the study. Five tools of IAF (independence of