

VALUE FOR MONEY AUDIT AND FINANCIAL PERFORMANCE OF LISTED CONSUMER GOODS MANUFACTURING FIRMS IN NIGERIA

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ABSTRACT

This study determined the value for money audit and financial performance of listed consumer goods manufacturing firms in Nigeria. The specific objective of the study was to determine whether efficiency and effectiveness value for money audit relate with net profit margin of listed consumer goods manufacturing firms in Nigeria. This study is anchored on agency theory. The research design used in this study was descriptive survey and ex-post facto research. The target population of this study consists of all the twenty (22) listed consumer goods manufacturing firm from the Nigerian Exchange Group formally known as Nigerian Stock Exchange, but the accessible population consist of fifteen (15) listed consumer goods manufacturing firms as sample size of the study for the purpose of secondary data collection while five out of the fifteen 15 consumer goods manufacturing firms that have branches in Rivers State with a total of hundred and ninety-four (194) respondents was used as primary data collection which was sample to one hundred and thirty-one (131) using Taro Yamen's formula. The study employed primary data source of questionnaires and it was administered to the respondents. The study utilized Descriptive Statistics, Spearman Correlation Coefficient and Ordinary Least Square Regression method with the aid of SPSS v 20. The findings showed that, there is a positive and significant relationship between efficiency value for money audit and net profit margin of financial performance. Also, there is a positive and significant relationship between effectiveness value for money audit and net profit margin of listed consumer goods manufacturing firms in Nigeria. Based on the findings, this study concluded that value for money audit had significant relationship with financial performance of listed consumer goods manufacturing firms in Nigeria. The study recommended that, firms should critically examine efficiency and effectiveness value for money auditing in order to avoid wastage in cost control.

Keyword: Value for Money Audit, Efficiency Value for Money Audit, Effectiveness Value for Money Audit and Net profit Margin

INTRODUCTION

The manufacturing sector plays an important role in economic development of nations by providing goods which other sectors may not be willing or be able to provide, it plays an essentially roles in creating or producing goods that will sustain human consumption. it performs those functions that the market economy does not do efficiently or lacks the incentive to do at all. In Nigeria the different manufacturing firms perform these functions in varying degrees (Johnson, 2010). To effectively perform these functions, private sector, especially manufacturing firms deploys resources within its reach to achieve set objectives. In this regard, the value for money audit plays a vital role in establishing and maintaining this interconnected relationship (Shittu, 2020). Value for Money Audit (VFMA) emerges as a tool for measuring organisations and performance to reduce waste and inefficiency and improve service to end consumers (Kururia, 2018). Value for Money Auditing (VFMA) refers to as an examination that provides an objective and constructive assessment of the extent to

which financial, human and physical resources are managed with due regard to economy, efficiency, and effectiveness utilization of resources and how accountability relationships are served. Value for money audit is a framework of economy, efficiency, and effectiveness (Free et al, 2012). Eze (2015) noted that economy and efficiency are two sides of the same coin: Audit of economy analyses is a problem from input side, examining whether it would be possible to achieve the same output with a smaller input of resources; Efficiency audit's view of the problem is from the output side, whether it would be possible to achieve higher output with given limited input of resources while effectiveness audit checks whether the purpose of a program or individual project has actually been realized.

VFM auditing is now a main requirement when assessing the performance of manufacturing. Consequently, Private procurement audits (and the resulting reports) should include a VFM analysis in relation to the entity's performance. Although VFM auditing is relevant in both the manufacturing firms, other sectors and public sector, it is the manufacturing sector that has taken the lead because of the special need for private organizations to demonstrate their accountability and their regard for economy performance and effectiveness in the use of private funds and other resources (Bawole & Ibrahim, 2015). Oshisami (2004) explained Value for Money Audit (VMA), as an examination of economy, effectiveness and performance, to bring to light examples of wasteful, extravagant or unrewarding expenditure, failure to maximize receipts or financial arrangements detrimental to the Treasury and weaknesses leading to them. VFM audit is oriented towards investigating the performance, economy, performance, and effectiveness of the use of resources in an organization.

Statement of the Problem

There has been a private hullabaloo that in spite of huge revenues generated by the manufacturing firms. Their performance has been dismal as evidenced in the poor availability of services provided in areas like mismanagement of fund, inadequate cost control, inefficiency targeted budgetary, Improper methods of appointment of auditors, Inadequate internal control, Lack of independence of auditors, Untimely and unreliable financial statements, Lack of transparency and inadequate method of accountability etc,. In Nigeria, these problems have become private and public issues, thus Okwoli, (2004), debate on the relevance of VFM auditing in the manufacturing firms. Similarly, Appah (2010) there is an explosion of the demand for VFM auditing of firms entities and that of public procurement audit reports should include a VFM analysis in relation to the entity performance. Hence, this study research on value for money audit and financial performance of listed consumer goods manufacturing firms in Nigeria.

Conceptual Framework

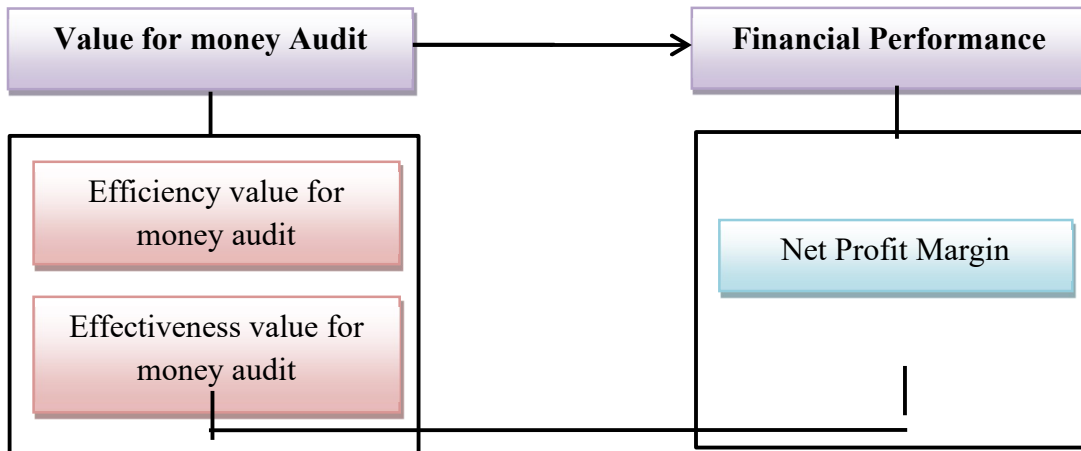


Fig 1.1 Conceptual Framework Showing the variables employed in measuring value for money audit and financial performance of listed consumer goods manufacturing firms in Nigeria.

Sources: Patrick and Peace (2020); Saeid and Maryam (2017); Wadesango and Makerevi (2018)

Aim and Objectives of the Study

The aim of this study was to determine the relationship between value for money audit and financial performance of listed consumer goods manufacturing firms in Nigeria. In specific terms, this study seeks to attain the following objectives to

- i. Determine the relationship between efficiency value for money audit and net profit margin of listed consumer goods manufacturing firms in Nigeria.
- ii. Determine the relationship between effectiveness value for money audit and net profit margin of listed consumer goods manufacturing firms in Nigeria.

Research Questions

In order to ascertain a valid research work, it is necessary to answer the following questions, which are formulated as guide to this study:

- i. What is the relationship between efficiency value for money audit and net profit margin of listed consumer goods manufacturing firms in Nigeria?
- ii. What is the relationship between effectiveness value for money audit and net profit margin of listed consumer goods manufacturing firms in Nigeria?

Hypotheses

The following null hypotheses are drawn from the research questions and shall be tested at 0.05 level of significant.

- H₀₁ There is no significant relationship between efficiency value for money audit and net profit margin of listed consumer goods manufacturing firms in Nigeria.
- H₀₂ There is no significant relationship between effectiveness value for money audit and net profit margin of listed consumer goods manufacturing firms in Nigeria.

REVIEW OF RELATED LITERATURE

Conceptual Reviews

Value for Money Audit: According to Nwosu and Mshelia (2015), value for money auditing referred to as comprehensive auditing, operational auditing, extended scope auditing, performance auditing or management auditing, it is an investigation into whether proper arrangements have been made for ensuring economy, performance and effectiveness in the use of resources i.e. a financial analysis looking into whether resources are used in an economic, efficient and effective way. According to The Canadian Comprehensive Auditing Foundation, Value for Money auditing is defined as "an examination that provides an objective and constructive assessment of the extent to which; (1) Financial, human and physical resources are managed with due regard to economy, performance and effectiveness; and (2) Accountability relationships are served". It is designed to determine whether the organization in question is performing economically, efficiently and effectively in its use of resources, operating procedures and pursuit of its objectives. A VFM audit is an objective, professional and systematic examination of the systems and procedures that management has established for the purpose of ensuring that resources, such as financial, human and physical resources are managed with due regard to economy, performance and effectiveness (Poate & Barnett, 2014).

Carmicheal and Willingham (2016) described value for money as comprising of three dimensions: Economy, Performance and Effectiveness. This description is based on the traditional audit's understanding of the term. Value for Money is a term generally used to describe an explicit commitment to ensuring the best results possible obtained from the money spent. It is about obtaining the maximum benefit over time with the resources available. It is about achieving the right local balance between economy, performance and effectiveness or spending less, spending well and spending wisely to achieve the local priorities. Nwosu (2015) value for money audit determines whether an entity is acquiring, managing or utilizing its resources (staff, building, spaces, materials, etc) in an economic and efficient manner and the causes of any inefficiencies or uneconomical practices. This suggests that VFM audit involves an inquiry into whether in carrying out the responsibilities; the organization gives adequate consideration to optimal acquisition, procedures and practices, safe keeping of its assets, money and minimum expenditure of effort.

In Nigeria, the concept of value for money audit is yet to gain the required level of recognition though; it lies within the jurisdiction of internal control, which is a management device for effective operation of the organization (Okwoli, 2004). As such value for money audit, compared to the statutory or compliance audit is relatively new innovation that emerged amidst accountability concerns in the public sector. Central to the concept of value for money (VFM) in public sector organizations is the principle that public funds should be put to best possible use and that those who conduct public business should not only be accountable but also be economical, efficient and effective in the management of the resources entrusted to them (Nwosu, 2012).

Efficiency value for money audit: The researcher referred efficiency as efficiency principle in utilization of resources. This is the second principle or element of value for money auditing that shows the relationship between input resources and output resources (a measure of productivity). It is the efficient use of goods and services bought by an entity to achieve the desired outputs. Technical, it is concerned with output divided by inputs. It deals with the relationship between inputs and outputs through optimum utilization of resources (Nwamgbebu et al., 2019).

Efficiency value for money audit: Efficiency value for money audit is maximizing inputs to obtain a given outputs without sacrificing quality. Effectiveness: This third element of value for money audit can also be called effectiveness principle in budget implementation. This principle compares organization's actual outputs with the budgetary intended objective in order to determine the extent at which such targets have been achieved. Therefore, it shows the relationship between actual output and budgetary expected output. Effectiveness is qualitative and quantitative measures of increase or decrease in outcomes that shows whether a programme is effective in delivering its intended objectives or not. Technically, it is calculated as actual output divided by expected output. It measures whether predetermined objectives are achieved or not (Nwamgbebu et al., 2019).

Financial performance: Performance is the accomplishment of or the ability to accomplish a job with minimum expenditure of time and effort. Financial Performance is a measure of the organization's ability to translate its financial resources into mission related activities. Financial Performance is desirable in all organizations regardless of individual mission or structure. It measures the intensity with which a business uses its assets to generate gross revenues and the effectiveness of producing, purchasing, pricing, financing and marketing decisions. At the micro level, Financial Performance refers to the performance with which resources are correctly allocated among competing uses at a point of time (Nwannebuike & Eugene, 2016). Financial Performance is a measure of how well an organization reduce its cost of production, minimize personnel fraud and maximize revenue in the use of its financial resources. Financial Performance is regarded as management guide to greater performance to the extent of profitability, productivity, liquidity and capital strength can be taken as a final proof. It is interesting to note that sometimes, even sufficient profits can mask in performance and conversely, a good degree financial performance could be dressed with the absence of profit (Johnson, 2010).

Net Profit Margin: Net profit margin it is also known as Profit Margin or Net Profit Margin Ratio, is a financial ratio used to calculate the percentage of profit a company produces from its total revenue. It measures the amount of net profit a company obtains per naira of revenue. The net profit margin is equal to net profit (also known as net income) divided by total revenue, expressed as a percentage (Mehran & Izah, 2012). Net profit margin is one of the most important indicators of a company's financial health. By tracking increases and decreases in its net profit margin, a company can assess whether current practices are working and forecast profits based on revenues. Because companies express net profit margin as a percentage rather than a dollar amount, it is possible to compare the profitability of two or more businesses regardless of size. Investors can assess if a company's management is generating enough profit from its sales and whether operating costs and overhead costs are being contained. For example, a company can have growing revenue, but if its operating costs are increasing at a faster rate than revenue, its net profit margin will shrink. Ideally, investors want to see a track record of expanding margins, meaning that the net profit margin is rising over time (Nwaobia, 2016).

Theoretical Review

Theories are characterized as an assumption or system of assumptions, accepted principles, and rules of procedure based on limited information or knowledge, devised to analyze, predict, or otherwise explain the nature or behavior of a specified set of phenomena; abstract reasoning. However, For the purpose of this study, the study was anchored on Agency theory

Agency theory

The agency theory Jensen and Meckling (1976) encapsulates the problem of owner versus agent and has been used extensively in the finance and accounting literature. Specifically, it has been used to explain the relationship between external auditor performance and function (Adams, 1994). The theory postulates that problems arise when interests are misaligned and where informational asymmetry exists between the agent and the owner. The main contention is that agents will make potentially prejudicial and onerous decisions to shareholders in order to benefit themselves. This type of opportunistic behaviour can lead to poor financial performance. The information asymmetry that exists between principal and agent requires a redress in order to improve information about company performance. External audits act as a monitoring tool that reduces information asymmetry. Therefore, the greater the information asymmetry, the higher the demand for higher quality audits and vice versa (Farouk & Hassan, 2014; Gunn et.al, 2017).

Empirical Reviews

A number of studies have focused on the relation between value for money audit and financial performance in developed and developing countries like Nigeria. The results varied from one study to another depend on the variables used in measuring value for money audit and financial performance, the methods of data analysis and the time series period used during the study.

Nwamgbebu et.al (2019) effect of value for money auditing on cost of governance in Nigeria: Evidence from Local Government Councils in Ebonyi State. The researcher adopted cross-sectional survey design which made use of primary data obtained through the use of structured questionnaires. Multiple regression method anchored on ordinary least square was employed in testing the hypotheses. The result of the analysis revealed that economy principle in procurement and effectiveness principle in budget implementation have significant effect on cost of governance, while efficiency principle in utilization of resources has no significant effect on cost of governance in local government councils in Nigeria.

Evelyn and Kwadwo (2016) look at measures of ensuring value for money in public procurement, a study of selected polytechnics in Ghana. The study distributed structured questionnaire through postal means and the data collected was subjected to descriptive analysis. Findings revealed that inadequate skilled personnel in the procurement processes and inadequate measures for monitoring and evaluation of the procurement policy to ensure value for money are the major challenges.

Nwosu, (2015) Value for money audit: an accountability tool in the Nigeria public sector. The study used desktop approach and the analysis shows that lack of the processes affects the promotion of accountability in the Nigeria Public Sector. The study recommended that proper Value for Money Audit process in the Nigeria Public sector and suggests a need for a formal accounting system and associated controls.

Adedokun and Ogunwole (2018) examined the roles of Internal Audit at ensuring value for money in higher education management in Nigeria. The study employed theoretical method of research. The study concluded that the roles played by internal audit unit in the higher institutions in Nigeria were geared towards ensuring value for money. It was recommended that in order to have commensurate value for money in higher institutions in Nigeria, all hands must be on deck to ensure accountability, transparency, probity by the Accounting officers and the needs to eschew waste and extravagance were also recommended.

Changalima (2016) examines the determinants of value for money in the procurement of works in public sector of Tanzania. With the objective of determining the determinants of value for money in procurement of works in public in Tanzania, the study administered questionnaire to Ministry of Transport and Ministry of Works in Tanzania. From the descriptive analysis, findings revealed that procurement planning and ICT usage in the procurement processes were the major determinants of value for money in procurement process in the selected ministries.

Alwardat et.al (2015) examined the ability of value for money (VFM) audit procedures to improve performance in UK Public Sector Organizations. Semi-structured interviews for both auditors and auditees were chosen as data collection method. The interviews were recorded, transcribed and finally analyzed using descriptive statistics with the aid of special package for social sciences (SPSS, Version 20). The results showed that VFM audit was perceived as an important potential means with which to improve institutional performance in the public sector, but had been poorly implemented in the audited bodies. Moreover, the results of the study showed that difference in expectations and perceptions of role between the external VFM auditors and the auditees give rise to significant conflict.

Mahbuba (2012) examined the impact of performance (VFM) audit on government social programme: The Study was on forest management in Bangladesh with particular focus on social forestry. Chi-square was use for the analysis of the data that were gathered through both qualitative and quantitative means. The findings showed that most of the variables of economic use of resources showed positive correlation with the improved management of government programme, resulting in enhanced livelihood opportunities, increased participation, increased income and empowerment of beneficiaries.

Nwannebuike and Eugene (2016) evaluated the effectiveness of external audit in the Nigerian public sector using Chi-square analysis with sample size of one hundred and twenty three (123), comprising accountants', auditors and members of the public. The finding among others, that external audit is an invaluable tool for achieving economy of funds detecting financial fraud, errors weak corporate governance in parastatals.

METHODOLOGY

Research Design: The study adopted both descriptive survey design and ex-post facto research design. A descriptive survey research design describe the state of affairs as they were at the time of research; and collected information from respondents on their attitudes and opinions on value for money audit and financial performance at the selected consumer goods manufacturing firms in Nigeria.

Population of the study: The target population of this study consists of all the twenty (22) listed consumer goods manufacturing firm from the Nigerian Exchange Group formally known as Nigerian Stock Exchange.

Sample and Sampling Technique: The sample for this study was fifteen (15) listed consumer goods manufacturing firms for the purpose of secondary data collection while five out of the fifteen 15 consumer manufacturing firm that have branches in Rivers State with a total of hundred and ninety-four (194) respondents was used as primary data collection. The respondents were reduced to one hundred and thirty-one (131) using Taro Yamen's formula for primary data while purposive sampling technique was used as secondary data. The time frame considered for this study was 2014-2021 for the purpose of secondary data.

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

Where: n = Sample size
 N = Population
 1 = Constant
 e = Level of errors (00.5)²
 Thus: sample size sought (n) is

$$n = \frac{194}{1 + 194 (0.05)^2}$$

 N = 131

Instrumentation: The instrument for this study was secondary sources and primary source of questionnaires designed after an extensive literature review. The researcher took cognizance of the research questions as well as the research hypotheses in a manner that enable the researcher gather as much information as possible from the respondents. Structurally, the questionnaire was divided into two sections (A and B) section 'A' elicits personal information such as the respondents sex, marital status, age, occupation, educational qualification, etc, while section 'B' sought information on the study variables. Section B has 20 items which was structured on four (4) Likert-type scales: Strongly Agree, Agree, Disagree, and Strongly Disagree reflecting the degree of agreement with the statements/items. Weights / values were assigned to four (4) rating scale thus: Strongly Agree = 4, Agree = 3, Disagree = 2, Strongly Disagree = 1. The scale items were intended to measure the relationship between value for money audit and financial performance. While the secondary data was obtain from the annual reports and accounts of the sampled listed oil and gas firms in Nigerian Exchange Group Fact Book. Secondary data was also used due to the nature of the variables under study.

Administration of Instrument: Copies of the instrument were administered directly to the respondents by the researcher and two research assistants that were trained by the researcher. The researcher and her assistants identified the study group before administering the instrument. Copies to the instrument were collected by the researcher and her assistants on the spot and in some cases after an interval of few days. Out of the total number of one hundred and thirty-one (131) instruments distributed, the researcher retrieved a total number of one hundred and seven (107) instruments which represented 82% of the sample size. The retrieved instruments were used for the analysis of this study.

Method of Data Analysis: This study used estimated technique of both Spearman Correlation Coefficient and Ordinary least square (OLS) regression analysis method with the help of Statistical Package for Social Science (SPSS) to run the coefficient. The statistical test for the measurement of the parameter estimate includes the co-efficient of determination R², Durbin-Watson (DW), F-ratio and the t-test. The significance level at which the hypothesis is accepted is 5% (0.05).

Model Specification

In order to investigate the relationship existing value for money audit and financial performance of manufacturing firms in Nigeria. thus, drawing from the Neo-classical syntheses of Sala-i- Martin (2002), the research analyses was guided in a functional relationship established for the variables: the independent variable 'value for money audit', indices as efficiency value for money audit (EFFICEVFMA) and effectiveness value for money audit (EFFECTVFMA). These independent variable metrics are used linearly in measuring the net profit margin (NPM). The model specification is as stated below

NPM = f (EFFICEVFMA, EFFECTVFMA,)1

This can be written in Ordinary Least Square (OLS) form as:

$$NPM_{it} = a_0 + a_1EFFICEVFMA_{it} + a_2EFFECTVFMA_{it} + U_t \dots \dots \dots 2$$

$$a_1 > 0; a_2 > 0$$

Where: NPM= Net profit margin as proxy for financial performance
 EFFICEVFMA = efficiency value for money audit as proxy for value for money audit
 EFFECTVFMA = effectiveness value for money audit, as proxy for value for money audit
 t = time period under study
 a₀ = constant
 a₁-a₂= parameter or coefficient of explanatory variable
 u = error term.

DATA ANALYSIS AND DISCUSSION

Table 1 Response Rate of Questionnaire Distributed

		Frequency	Valid Percent
Valid	Number of copies of questionnaire returned	130	99.0
	Number of copies of questionnaire not returned	1	1.0
	Total	131	100.0

Source: SPSS Printout of descriptive survey (2022)

The researcher distributed a total of 131 questionnaires to the selected manufacturing firms located within Rivers State. Out of these, 130(99.0%) of the respondents filled and returned the questionnaires whereas 1(1.0%) never returned the questionnaires. This therefore gave the study a response rate of 99.0% which is adequate according to Mugenda and Mugenda 2003 who advocates for a response rate of 75% and above.

Table 2 Demographic Respondents on Age, Sex and Educational Qualification

SEX		Frequency	Valid Percent
Valid	MALE	90	69.2
	FEMALE	40	31.0
	Total	130	100.0

AGE		Frequency	Valid Percent
Valid	below 25 years	16	12
	between 26 and 35 years	55	42
	between 36 and 45 years	36	27
	46 and above	25	19

	Educational Qualification	Frequency	Valid Percent
Valid	WAEC/SSCE/GCE/NECO	52	40
	OND/NCE	23	18
	HAND/B.SC	35	27
	M.SC/MBA/PH.D	20	15
	Total	130	100.0

Source: SPSS Printout of descriptive survey (2022)

In table 2, the information showed that 69.2% of 90 respondents are male while 31.0% of 40 respondents are female. The information showed that, most of the manufacturing firms use in the study employs more male staff than female staff due to the nature of works in the manufacturing industries. The age bracket in the table shown that 16 respondents representing 12% were below 25 years, 55 respondents representing 42% between 26 to 35 years, 36 respondents representing 27% between 36 to 45 years, 25 respondents representing 19% between 46 and above, this showed that the moderate age range that work in manufacturing firms are age between 26 to 35 years.

Finally, from the table, it was showed that more of the respondents (40%) of 52 respondents had their highest educational qualifications as Senior School Certificate. This was followed by 18 % of 23 respondents that had OND /NCE, then 27% of 35 respondents had First Degree of HND/B.Sc.ED while 15 % of 20 respondents had M.sc and PhD.

Table 3 Descriptive Statistics

	N	Minimu m	Maxim um	Mean	Std. Deviation	Skewness	Kurtosis		
	Stati stic	Statistic	Statisti c	Statistic	Statistic	Statisti c	Std. Error	Statisti c	Std. Error
EFFICIVFMA	131	328.00	412.00	363.3333	33.69075	3.473	.845	1.557	1.741
EFFECTVFMA	131	301.00	398.00	353.8333	36.27350	-4.189	.845	2.831	1.741
NPM	131	-.70	.20	.039	.11	-3.666	.254	21.421	.503

Valid N (listwise)

Source: SPSS Printout of Field survey (2022)

In table 3 the descriptive statistics of the data are presented with the variables of efficiency value for money audit (EFFICIVFMA), effectiveness value for money audit (EFFECTVFMA) and net profit margin (NPM). The results showed that all the independent variables have a positive growth rate as indicated between the minimum, maximum mean and standard derivation statistical values. Efficiency value for money audit (EFFICIVFMA) grows from 328.00 to 412.00, effectiveness value for money audit (EFFECTVFMA) grows from 301.00 to 398.00 and net profit margin (NPM) had a negative growth rate. Net profit margin grow from -0.70 to 0.20 with Mean value of 0.0396 and standard derivation of 0.11315. The result also indicated the skewness and kurtosis show a high level of consistency. The various statistics indicate that the variables have different distribution. The skewness and kurtosis statistics provide useful information about the symmetry of the probability distribution of various data series as well as the thickness of the tails of these distributions respectively. Efficiency value for money audit (EFFICIVFMA) is positive skewed indicating a long right tail while effectiveness value for money audit (EFFECTVFMA). Net profit margin (NPM) had negative skewed means that, (NPM) had a short

right tail. Results also indicate that, all the variables had positive kurtosis implying that, the extent of flatness of the distribution is normal among these variables.

Table 4 Correlations coefficient of the variables

		EFFICVFMA	EFFECTVFMA	NPM	
Spearman's rho	EFFICVFMA	Correlation Coefficient	1.000	-.029	.686**
		Sig. (2-tailed)	.	.957	.034
		N	6	6	6
	EFFECSVFMA	Correlation Coefficient	-.029	1.000	.829**
		Sig. (2-tailed)	.957	.	.042
		N	6	6	6
	NPM	Correlation Coefficient	.686**	.829**	1.000
		Sig. (2-tailed)	.034	.042	.
		N	6	6	6

** . Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Printout of Field survey (2022)

Spearman Bivariate correlation coefficient was used to compute the correlation between the dependent variables net profit margin (NPM) and the independent variables efficiency value for money audit (EFFICVFMA) and effectiveness value for money audit (EFFECTVFMA). According to Sekaran (2008), this relationship is assumed to be linear and the correlation coefficient ranges from -1.0 (perfect negative correlation) to +1.0 (perfect positive relationship). The correlation coefficient was calculated to determine the strength of the relationship between dependent and independent variables (Kothari, 2013).

From table 4, the results generally indicate that, the independent variables efficiency value for money audit (EFFICVFMA) were found to have positive and significant correlations on net profit margin (NPM) at 5% level of significance. There was a positive and significant correlation between efficiency value for money audit (EFFICVFMA) and net profit margin (NPM) with $r = -0.686$, $P < 0.034$. Effectiveness value for money audit (EFFECTVFMA) was found to have positive and significant correlations on net profit margin (NPM) at 5% level of significance with $r = 0.829$, $P < 0.042$.

Table 5 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.941 ^a	.928	.247	29.57362	1.003

a. Predictors: (Constant), EFFECTVFMA, EFFICVFMA

b. Dependent Variable: NPM

Source: SPSS Printout of Field survey (2022)

From the results in table 4 shows that the R and R² that measures the proportion of the variations in the dependent variable attributed to the independent variables are 0.941 implies that, the independent variables explain at least 90% (percent) of the variation in net profit margin (NPM). The remaining

variation is the error term that attributed to other factors not included in the model. The value for net profit margin (NPM) is excited and low since the unexplained variation is just 10% (percent). The result of durbin-waston statistic of 1.003 shows absence of autocorrelation of the error term. This means that the estimates based on OLS is not spurious. It means that the results of the analysis are reliable for predictions.

Table 6 ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3186.202	2	1593.101	3.822	.043 ^b
	Residual	2623.798	3	874.599		
	Total	5810.000	5			

a. Dependent Variable: NPM

b. Predictors: (Constant), EFFECTVFMA, EFFICIVFMA

Source: SPSS Printout of Field survey (2022)

The table above gives a regression significant P value of $0.043 \leq F(3.822)$ indicating that, the overall model is statistically significant at 0.05% in efficiency value for money audit (EFFICVFMA) and effectiveness value for money audit (EFFECTVFMA) of the independent variables and net profit margin (NPM) in financial performance of listed consumer goods manufacturing firms in Nigeria.

Table 7 Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	426.627	221.572		1.925	.650
	EFFICIVFMA	-.541	.405	-.535	-1.337	.034
	EFFECTVFMA	.373	.376	.397	.993	.005

a. Dependent Variable: NPM

Source: SPSS Printout of Field survey (2022)

Decision Rule: Reject H_{01} if Sig (P-value) is less than 0.05 significant level otherwise Accept.

Decision: The above table indicated that, the p value of 0.034 is < less than 0.05 significant level between efficiency value for money audit (EFFICVFMA) and the predictor variable of net profit margin (NPM). Therefore, we reject the null hypotheses and accept the alternative which stated that, there is significant relationship between efficiency value for money audit and net profit margin (NPM) of listed consumer goods manufacturing firms in Nigeria. It is also indicated that, p value of 0.005 is > less than 0.05 significant level between effectiveness value for money audit (EFFECTVFMA) and the predictor variable of net profit margin (NPM). Therefore, we reject the null hypotheses and accept the alternative which stated that, there is a significant relationship between effectiveness value for money audit and net profit margin (NPM) of listed consumer goods manufacturing firms in Nigeria.

CONCLUSION AND RECOMMENDATIONS

This study determined value for money audit and financial performance listed consumer goods manufacturing firms in Nigeria using Spearman Correlation Coefficient and Ordinary Least Square (OLS). The study made use of questionnaires which was administered to 131 respondents from five selected branches of consumer goods manufacturing firms in Rivers State. From the research findings, the study concluded that there is a significant relationship between efficiency value for money audit and net profit margin of listed consumer goods manufacturing firms in Nigeria. The study further concluded that, there is a significant relationship between effectiveness value for money audit and net profit margin of listed consumer goods manufacturing firms in Nigeria. Therefore, the study support empirically evidence that, value for money audit had significant relationship on financial performance of listed consumer goods manufacturing firms in Nigeria. Base on the findings of this study, the following recommendations are advanced:

- i. Firms should critically examine efficiency and effectiveness value for money auditing in order to avoid wastage in cost control.
- ii. To make value for money audit to be easily imbibed, there is a need for rewarding individuals who conform to the ethics of value for money audit and penalize those who undercut the ethics. However, the rules and regulations should be clearly defined and communicated to the operatives before it is used for their assessments.
- iii. There should be a formal accounting system and the associated controls to ensure completeness, accuracy and validity of the data obtained through the system. International Public Sector Accounting Standard Part 1 and 2 are strongly recommended.

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