

PUBLIC SECTOR AUDIT PRACTICES AND ACCOUNTABILITY OF FEDERAL PUBLIC ENTERPRISES IN RIVERS STATE, NIGERIA

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ABSTRACT

The study evaluated public sector audit practices and accountability of federal public enterprises in Rivers state, Nigeria. The aims and objectives of the study were; evaluate the effect of financial audit on financial accountability of federal public enterprises in Rivers state, Nigeria. Determine the effect of performance audit on financial accountability of federal public enterprises in Rivers state, Nigeria. And analysis the effect of regulatory/compliance audit on financial accountability of federal public enterprises in Rivers state, Nigeria. The correlational survey design was adopted. The population of 134 federal enterprises in River's state, Nigeria (source: federal civil service commission). Using probability judgmental sampling method, only 20 of the federal ministries, departments and agencies in River's state was used. The instrument for this study was questionnaires. The data collected from the questionnaire were analyzed in the Statistical Package for Social Sciences (SPSS) Version 25. The formulated hypotheses were tested using the simple regression analysis. The findings of the study were that there is relationship between financial audit and financial accountability of government organizations in Nigeria. Meanwhile there is no relationship between performance audit and financial accountability of government organizations in Nigeria Also, there is relationship between regulatory/compliance audit and financial accountability of government organizations in Nigeria. The study recommended that financial audit should be more seriously maintained as it helps in promoting financing deepening and contributes significantly. Effective and professionally known external auditors should be hired to independently evaluate and examine books and accounts of public organizations and express an unbiased view on accounts audited. Civil service commission should refuse to accept any known political party card carrying members to be appointed as managers or top staff in public organizations as the see it as their time to embezzle.

Keywords: Public Sector Audit Practices, Accountability Financial Audit, Financial Accountability, Performance Audit and Regulatory/Compliance Audit.

INTRODUCTION

There have been many accusations of public officers on accountability in the public sector organizations in Nigeria of recent governments, but only a hand few have been found guilty. Regrettably, misappropriation, misallocation and embezzlement of funds are still rearing its ugly heads in public sector organizations. Thus, government need to pay greater attention to the improvement of public sector accountability management (Anekwe, 2011). The reason is obvious, has government constitutes the largest single business entity and her pattern of expenditure through its various parastatals, agencies and commissions have expanded of recent and have stimulated a lot of economic activities and the concern for accountability through audit is more demanding (Angus & Mohammed, 2011).

According to Nwannebuike and Eugene (2016), audit is an essential element of a strong public sector structure that measures the performance of oversight, insight, and foresight of parastatal activities. Public sector audit activities should have the authority and the competency to evaluate financial and program compliance, effectiveness, economy, and efficiency. According to Anekwe (2011), audit is an official inspection of an individual's or organization's accounts, typically by an independent body. An audit is the examination of the financial report of an organization as presented in the annual report by someone independent of that organization. The financial report includes a

balance sheet (statement of financial position), an income statement, a statement of changes in equity, a cash flow statement, and notes comprising a summary of significant accounting policies and other explanatory notes. Audit serves an accountability relationship to government and the entire citizenry. It is the independent, objective assessment of the fairness of management's representations on performance or the assessment of management's systems and practices, against criteria, reported to a governing authority or others with similar responsibilities.

Therefore, audit is a cornerstone of good public sector governance. By providing unbiased, objective assessments of whether public resources are managed responsibly and effectively to achieve intended results, auditors help public sector organizations achieve accountability and integrity, improve operations, and instill confidence among citizens and stakeholders. The public sector auditor's role supports the performance responsibilities of oversight, insight, and foresight. Oversight addresses whether public sector entities are doing what they are supposed to do and serves to detect and deter public corruption. Insight assists decision-makers by providing an independent assessment of public sector programs, policies, operations, and results. Foresight identifies trends and emerging challenges. Auditors use tools such as financial audits, performance audits, investigations, and advisory services to fulfill each of these roles. There have been many accusations of public officers on accountability and embezzlement in the public sector organizations in Nigeria of recent governments, but only a hand few have been found guilty. Regrettably, misappropriation, misallocation and embezzlement of funds are still rearing its ugly heads in public sector organizations.

Statement of the problem

Federal owned enterprises are mostly associated with mismanagement and misappropriation of funds meant to be used in provision of public goods. This is especially as most of those at the helms of affairs in these enterprises ascend to their positions as a reward for political support. These managers mostly take their reign in those positions as a time to reap bountifully. This is usually at the expense of the citizens. Hence, service deliver is always at its lowest. Audit in these organizations supposed to check this problem. Yearly audited accounts which serves as a report of stewardship ought to be presented, and should fairly represent the affairs of the enterprises and how budgets have been implemented in each year.

In Nigeria, audit in public sector is an ordinary fulfillment of legislations and of due process. It is more or less a caricature to the citizenry. The general opinion according to literature is that most of the public parastatals have failed to deliver on the purposes for which they were established. Many people accuse managers of public parastatals in Nigeria of ineffectiveness and inefficiency, recklessness in terms of resource wage. They argue that poor application of audit principles and procedures leads to blatant diversion of scarce resources with its attendant consequences on the traditional accountability of government to the public even though there are adequate and standard public audit legislations.

Another factual problem is that public enterprises does not report timely and adequately on their accounts in Nigeria. Also public enterprises are establishment by government to make profit on behalf of the government, in order government to use this profit to finance public project and general administrative for citizen benefit, but public enterprises year in year out make low profits or sometime deficits (loss). It appears that certify audit is not realistic (properly followed) in public sector. In an attempt to address this problem, prior empirical studies (Emeh & Obi, 2013; Enofe, et al, 2015). Therefore, the study investigates public sector audit practices and accountability of federal public enterprises in Rivers state, Nigeria.

Conceptual Framework Fig 1.1

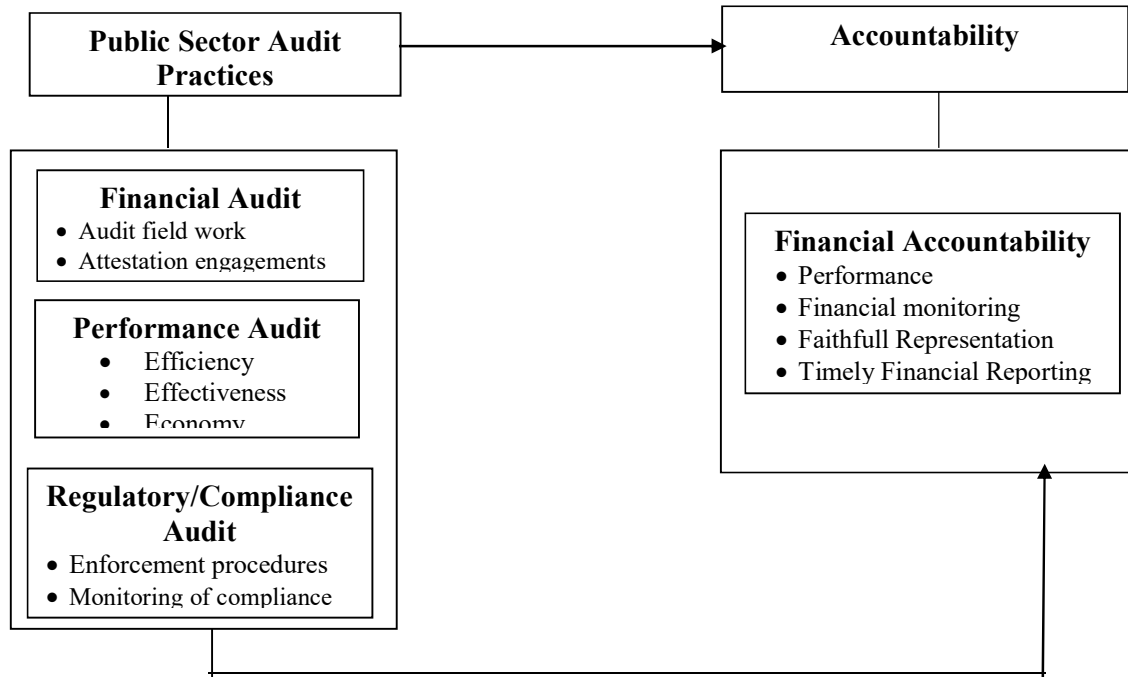


Fig. 1.1: Conceptual framework showing the relationship between public sector audit practices and accountability of federal public enterprises in Rivers state, Nigeria.

Source: Adapted from Anyanwu, 1989, Nnamocha, 2006 and John, 2017

Aim and objectives of the study

The primary aim of this study centers on the evaluation of public sector audit practices and accountability of federal public enterprises in Rivers state, Nigeria. To achieve this broad aim, specific objectives pursued are to;

1. evaluate the effect of financial audit on financial accountability of federal public enterprises in Rivers state, Nigeria.
2. determine the effect of performance audit on financial accountability of federal public enterprises in Rivers state, Nigeria.
3. analysis the effect of regulatory/compliance audit on financial accountability of federal public enterprises in Rivers state, Nigeria.

Hypotheses

In line with the objectives of this study and the research questions posed, the following hypotheses have been formulated and shall be tested later;

- H₀₁:** There is no significant influence of financial audit on financial accountability of federal public enterprises in Rivers state, Nigeria
- H₀₂:** There is no significant influence of performance audit on financial accountability of federal public enterprises in Rivers state, Nigeria
- H₀₃:** There is no significant influence of regulatory/compliance audit on financial accountability of federal public enterprises in Rivers state, Nigeria.

Conceptual Review

Public Sector Audit

Nwannebuike and Eugene (2016), public sector audit involves the scrutiny of the financial affairs of the governmnet-owned enterprises to assess whether they have been operated in way which is in the best interest of the public and whether standard procedures have been followed to comply with the requirements in place to promote transparency and good governance (e.g. public sector

procurement rules). Public sector audit therefore goes a step further than the financial audit of private organizations which primarily focuses on the reliability of financial statements. They added that, audits of public sector companies are becoming increasingly concerned with the efficiency, effectiveness and economy of resources used in state organizations which has given way for the development of performance audits. State owned companies and institutions are required by law in several jurisdictions to have their affairs examined by a public sector auditor. In many countries, public sector audits are conducted under the supervision of the auditor general which is an institute responsible for strengthening public sector accountability and governance and promoting transparency.

According to Okezie (2014), audit is the examination or inspection of various books of accounts by an auditor followed by physical checking of inventory to make sure that all departments are following documented system of recording transactions of a private or public sector organization. It is done to ascertain the accuracy of financial statements provided by the organization. Audit can be done internally by employees or heads of a particular department and externally by an outside firm or an independent auditor. The idea is to check and verify the accounts by an independent authority to ensure that all books of accounts are done in a fair manner and there is no misrepresentation or fraud that is being conducted. Audit is the systematic examination and verification of a firm's books of account; transaction records other relevant documents, and physical inspection of inventory by qualified accountants (auditors). A member of the Institute of Chartered Accountants of Nigeria (ICAN) can do independent audits of any organization (ICAN, 2012).

Dimensions of Public Sector Audit:

Financial audit

Financial Audit is an independent, objective evaluation of the ministries' financial reports and financial reporting processes so that resources management and transparency of activities could be attained (Aren, 2012). Aren further explained that a financial audit is conducted to provide an opinion whether financial statements (the information being verified) are stated in accordance with specified criteria. Normally, the criteria are international accounting standards, although auditors may conduct audits of financial statements prepared using the cash basis or some other basis of accounting (accruals basis for public organizations) appropriate for the organization. In providing an opinion whether financial statements are fairly stated in accordance with accounting standards, the auditor gathers evidence to determine whether the statements contain material errors or other misstatements.

Attah (2000), Is the type of audit that is conducted in order to ensure that the accounting and financial control systems are efficient and operating properly; and that financial transactions have been correctly authorized and accounted for. In other words, it is to ensure that the financial statements and accounts have been prepared to present a true and fair view of the state of affairs of the establishment concerned and in respect of the period covered by the audit. This is the type of audit conducted on the treasury accounts of the federation from time to time.

Performance Audit

Attah (2000), focuses on whether organizations, programmes and institutions are performing in accordance with the principles of economy, efficiency and effectiveness and whether there is room for improvement. Performance is examined against suitable criteria, and the causes of deviations from those criteria or other problems are analyzed. The aim is to answer key audit questions and to provide recommendations for improvement.

A performance audit is an assessment of operations or functions, efficiency, effectiveness, and compliance to legal and other requirements of an entity to determine whether functions are working as intended. It is done to implement improvements so that desired goals can be achieved. It is mostly done in case of the governmental organizations and nonprofit making organizations.

In Governmental and Nonprofit making organizations, a performance audit is conducted to determine the efficiency and effectiveness of the program and various functions of the entity to improve and make it more efficient. An organization performs this audit to decide whether or not

they achieved proprietary objectives like spending amounts where needed and didn't spend excess money than required (Emeh & Obi, 2013).

Enofe, et al, (2015), performance audit guidelines also determines whether optimum utilization of resources is done and areas where improvement is needed. Also, whether fraud or fraudulent transactions are detected or whether the entity achieved its objectives or worked correctly to achieve its goals. Also, if legal and other compliance applies to the entity, it is necessary to comply in the said manner.

It to determine whether an entity is running efficiently and effectively. Also, to bring out the unlawful activities by organizations in management and government's eyes.

Regulatory audit

This type of audit (otherwise referred to as Compliance Audit) is conducted with a view to ensuring that expenditure has been incurred on approved services and in accordance with the enabling statutory provisions and regulations governing the particular expenditure. The following are the documents that the auditor of a public sector organization may require in conducting a compliance audit:

- a) The Nigeria constitution (latest edition);
- b) Civil service rules; Establishment circulars;
- c) Official Gazettes of Government;
- d) Financial instructions; Budgets; and
- e) Financial Acts etc.

An example of this type of audit is the audit conducted on each project or contract.

Enofe, et al, (2015), this is a type of audit service that focuses on whether the entity complying with statutory laws, local laws, internal rules, and decisions of the organization as applicable or not. It is done by evaluating compliance procedures, security policies, user access control, risk management procedure, and the entity's policy, procedure, and processes. A compliance audit assesses how well an organization adheres to internal bylaws, rules and regulations, standards, and even codes of conduct. An audit also reviews the effectiveness of an organization's internal controls using multiple types of audits. External agencies such as regulatory bodies conduct compliance audits to assess a business's adherence to regulations governing that industry.

A compliance audit is conducted to assess whether the organization's compliance program is effective or not and bring out the non-compliance in front of management and government/tax authorities. An independent evaluation ensures that the organization is abiding by all of the compliance that includes rules and regulations, laws, or internal guidelines that apply to it. There are different types of compliance audits that apply to companies falling under the specified criteria. Such compliance is important as non-compliance would attract the penalty and sanctions. American Institute of Certified Public Accountants that apply to service providers hold or process, prepare audit reports and submit to the appointing authority/ management. It ensures that all information is arranged in an easily understood manner (Johnson, 2016).

Accountability

Adebite (2014) defined accountability "as the obligation to demonstrate that work has been conducted in accordance with agreed rules and standards and the officer reports fairly and accurately on performance results vis-à-vis mandated roles and/or plans. Johnson (2016) opined that public accountability is an essential component for the functioning of our political system, as accountability means that those who are charged with drafting and/or carrying out policy should be obliged to give an explanation of their actions to their electorate. According to Stephurst and O'Brien (2005)"accountability exists when there is a relationship where an individual or body, and the performance of tasks or functions by that individual or body, are subject to another's oversight, direction or request that they provide information or justification for their actions". Accountability is the liability to give an account of what one has done, or not done, to another who has authority to assess the account and allocate praise or blame'

Accountability denotes a relationship between a bearer of a right or a legitimate claim and the agents or agencies responsible for fulfilling or respecting that right. It denotes the duty to be accountable in return for the delegation of a task, a power or a resource' the concept of accountability is how those entrusted with the powers of the State are held responsible for their actions accountability as a proactive process by which public officials inform about and justify their plans of action, their behaviour, and results and are sanctioned accordingly. Accountability is the process whereby public sector entities, and the individuals within them, are responsible for their decisions and actions, including their stewardship of public funds and all aspects of performance, and submit themselves to appropriate external scrutiny. It is achieved by all parties having a clear understanding of those responsibilities, and having clearly defined roles through a robust structure. In effect, accountability is the obligation to answer for responsibility conferred. (IFAC, Governance in the Public Sector: A Governing Body Perspective).

Financial accountability

Many countries face a serious economic challenge today because our desires always outpace our resources. This means that the economy's resources must be used in a way that maximizes individual happiness. While the resources available to pay for the charges are either unchanged or declining, development and administrative costs typically climb everyday. Many developing countries, such as Nigeria, are unable to meet the requirements of their citizens because of this. Because of this, ensuring the greatest possible use of few resources necessitates holding people accountable.

According to Okoro (1991), accountability of public finances in diverse sectors of the economy can accomplish three basic goals. The following are examples:

- i. Determine how best to deploy resources for the most sustainable economic enterprise in the economy Resources in the economy are few under this situation, and they must be carefully distributed in order to reap the greatest possible profit.
- ii. Economic ventures that generate similar or divergent advantages may necessitate a government allocation of resources. Economically speaking, the most beneficial projects are those that receive the greatest funding. There may be judgments to be made on the optimum method to allocate resources among equipment, administrative expenditures, and supplies even within the same program or project (1995).
- iii. To ensure that the project's facilities are distributed fairly. This means that a considerable percentage of the government's budget will be used to purchase the necessary facilities for every project. So accountability guarantees that funds be spent wisely, reducing or avoiding wasteful expenditures on programs that have no direct impact on the community.

To compare two or more different programs or ways of utilizing the same set of resources. A program's efficiency and ability to achieve the same outcome at a lower cost can both be determined through accountability. To be clear, it is obvious that if two programs or two methodologies are utilized, we need to identify which of them can generate better results at various costs. One that is least expensive should be used, according to Onah and Ejiofor (1978).

Because of this, public funds must be used wisely while expenditure records are retained to ensure financial prudence and accountability. Accountability ensures that records of funds utilized can be used to defend previously made expenditures (1978).

Theoretical review

Agency theory

The connection between an agent and a principal is defined by the theory of agency (Adams, 1994). For a fee, the principal hands over some of the work to the agent. It can also be interpreted as the process of delegating the management of a person or group's productive resources to another person or group of persons (Millicamp & Taylor, 2008). Internal auditing theories include the agency hypothesis. Agents, according to the agency theory, should behave in the best interests of their employers when working for a company (shareholders). They've been accused of acting in their own self-interest instead of for the shareholders.

It is believed that the monitoring of the agents' (directors and managers) operations will lead to distrust between the parties. On the basis of the above ideas, auditing is a career choice (Millichamp & Taylor, 2008). The notion was also prompted by the agent's predisposition to behave in his own self-interest rather than the interest of the principal. Conflict of interest and moral hazard have the potential to arise in the workplace.

Empirical review

MohamadAzizi (2015) examined the effect of public sector Audit accountability practice in the public sector in Malaysia. The main objective of the study was to determine the role of the public sector audit function in ensuring good accountability practice in the public sector in Malaysia. Primary data for the study were obtained using structured questionnaire and data analysis was done using correlation analysis and multiple regression technique. The study found that public sector audit moderately contributes to the effectiveness of accountability practice in the public sector in Malaysia and concluded that the public sector audit function is a veritable tool for promoting good accountability practice in the Malaysia public sector. The study recommended that there should be legal mandate in public sector organizations that allows government information to be publicly published and that special funds should be made available to public sector auditors as it would enhance the effectiveness of the public sector audit function and boost good accountability practice in public organizations.

Orukwo (2014), 'auditing and performance of government enterprises: an effective application of audit standards can particular help reduce overhead, identify ways to improve efficiency and maximize exposure to possible losses and inadequately safeguarded public organization assets. Similarly, Nwannebuike and Eugene (2016), 'evaluation of effectiveness of external audit in the Nigerian public sector': had stated that external audit is an "invaluable tool for detecting financial fraud, errors weak corporate governance and informing the company and its financial report users from disaster by publishing such findings. Thus making the organization function efficiently and effectively to increase stakeholders' value". Waring and Stephen (2007), 'public sector performance auditing in developing countries': Thus, audit act as a watchdog have saved the government owned organization from malpractices and irregularities thus enabling them to achieve its objectives of ensuring high level of productivity, better service and profit.

In another study, Solomon, (2018), examined the role of financial audit function in promoting effective accountability of public sector organizations in Kenya. The purpose of the study was to determine the role of the of financial audit function in promoting effective accountability of public sector organizations in Kenya. Survey design was adopted for the study and stratified sampling technique used in selecting the sample elements. The findings of the study revealed that financial audit has a positive and significant influence on effective accountability of public sector organizations. The study concluded that financial audit function plays a positive and significant role in promoting effective accountability of public sector organizations in Kenya. The study recommended that the audit committee should take responsibility for approving the appointment, remuneration and disengagement of the Chief Audit Executive to enhance the effectiveness of the public sector audit function.

Jackson (2013), conducted a study on public sector audit and accountability in local governments in Tanzania, using Mwanza City Council as a case study. The primary objective of the study was to determine the factors that contribute to ineffectiveness of the public sector audit function in promoting accountability in the public sector in Tanzania. Data were obtained primarily using structured questionnaire. The study which adopted the multiple regression approach to data analysis found that factors such as lack of independence, proficiency of public sector auditors as well as Jack of integrity on the part of public sector audit contributed to the ineffectiveness of the public sector audit function in Mwanza city council hence the public sector in Tanzania. The study concluded that the public sector audit function Mwanza city council does not promote good accountability.

Consequently, it recommended that public sector auditors should ensure they improve their skills to enable them perform better and assist the council in promoting good accountability.

Odoyo & Omwono (2014) investigated the role of regulatory audit in enhancing financial accountability for companies listed at the Nairobi stock exchange. The objectives of the study were: to assess the auditor's role in financial accountability, to assess the regulatory audit's capacity to achieve its objectives, and to suggest how public sector auditors' independence can be achieved. The descriptive research design was used and the data collection instrument was the questionnaire. The study employed both stratified and systematic sampling procedures. The sample size was thirty (30) companies quoted in the Nairobi stock exchange. The study found that eighty four (84) percent of the respondents were of the opinion that regulatory audit influence financial accountability of companies listed in the Nairobi stock exchange, hence it was concluded that the regulatory audit function contributes to financial accountability. One of the recommendations made in the study was that public sector auditor should report functionally to the audit committee and administratively to the chief executive officer of the organization.

METHODOLOGY

The correlational survey design was adopted. The population of 134 federal enterprises in River's state, Nigeria (source: federal civil service commission). Using probability judgmental sampling method, only 20 of the federal ministries, departments and agencies in River's state was used. The instrument for this study was questionnaires. The data collected from the questionnaire were analyzed in the Statistical Package for Social Sciences (SPSS) Version 25. Demographic data were analyzed using simple percentage in a 5point scale. The formulated hypotheses were tested using the simple bivariate regression analysis with model summary explaining the relationship and determinant percentage of the relationship by the R and R-square respectively. The significance of the variability will be tested using the ANOVA and hypotheses acceptance and rejection at 0.05 levels of significant using Coefficients table with the aid of the Statistical software for social sciences (SPSS version 25).

Model specification

According to Freedman (2009), regression analysis is concerned with the study of how one or more variables affect changes in another variable.

Thus, the formula for regression: $\psi = a_0 + bx + e.....1$

- Where: ψ = index of outcome variable
- a = constant term for the independent variables
- b = index of predictor variable
- x = coefficients
- e = error level

In functional form, our hypotheses model are:

First Model: FAC = f(FIA).....(i)

Where:

- FAC = Financial Accountability
- FIA = Financial Audit

Second Model: FAC = f(PEA)..... (vii)

Where:

- FAC = Financial Accountability
- PEA = Performance Audit

Three Model: FAC = f(RCA).....(iv)

Where:

- FAC = Financial Accountability
- RCA = Regulatory/Compliance audit

Bivariate Analysis and Results Interpretations

Test of Hypotheses

Hypothesis one: Ho₁: There is no relationship between financial audit and financial accountability of federal enterprises in Rivers state, Nigeria.

Model 1: The first hypothesis test model; the relationship between financial audit and financial accountability: $FAC_{it} = a_0 + b_1(FIA)_{it} + e$ (.05)

Table 1a Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.823 ^a	.677	.659	2.47202	2.0054

a. Predictors: (Constant), FIA

b. Dependent Variable: FAC

Source: Author's computations with SPSS V25

The above model summary table 1 a produced a correlation coefficient, 'R' of 0.832 showing that there is a linear relationship between financial audit and financial accountability. And our R² stood at .677 which implies that about 67% variations in the dependent variable (FAC) is attributed to changes in the independent variable (FIA).

Table 1b Coefficients^a

		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	11.024	.480		27.975	.000
	FIA	12.753	.154	.823	4.0521	.000

Source: Researcher's SPSS (v.25) computation Result, 2023

The above 4.10b coefficient table shows a Beta (β) value (same as correlation coefficient, R) of 0.823, produced a t-value of 4.0521 which is significant at P (0.000) less than the chosen alpha of (0.05). The result is significant thus; the null hypothesis is rejected (P-Value < 0.05). Hence, there is significant relationship between financial audit and financial accountability of government organizations in Nigeria.

Hypothesis two: Ho₂: There is no significant relationship between regulatory/compliance audit and financial accountability of government organizations in Nigeria.

Model 2: The second hypothesis test model; the relationship between regulatory/compliance audit and financial accountability: $FAC_{it} = a_0 + b_1(RCA)_{it} + e$ (.05)

Table 2a Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.890 ^a	.790	.798	2.39967	2.235

a. Predictors: RCA

b. Dependent Variable: FAC

Source: Researcher's SPSS (v.25) computation Result, 2021

The above model summary table 4.13a produced a correlation coefficient, 'R' of 0.890 showing that there is a relationships linear relationship between regulatory/compliance audit and financial accountability. And our R² stood at 0.790 which implies that about 79% variations in the dependent variable (FAC) is attributed to changes in the independent variable (RCA).

Table 2b **Coefficients^a**

		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	12.474	1.341		9.305	.000
	RCA	19.234	.084	.890	1.778	.211

Source: Researcher's SPSS (v.25) computation Result, 2023

The above 4.13b coefficient table shows a Beta (β) value (same as correlation coefficient, R) of 0.890, produced a t-value of 2.778 which is significant at P (0.011) less than the chosen alpha of (0.05). The result is significant thus; the null hypothesis is rejected (P-Value < 0.05). Hence, there is a significant relationship between regulatory/compliance audit and financial accountability of government organizations in Nigeria.

Hypothesis three: Ho₃: There is no relationship between performance audit and financial accountability of government organizations in Nigeria.

Model 3: The three hypothesis test model; the relationship between performance audit and financial accountability of government organizations in Nigeria: $FAC_{it} = a_0 + b_1(PEA)_{it} + e$ (.05

Table 2a Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.847	.717	.692	2.47202	1.9054

a. Predictors: (Constant), PEA

b. Dependent Variable: FAC

Source: Author's computations with SPSS V25

The above model summary table 4.15a produced a correlation coefficient, 'R' of 0.832 showing that there is a linear relationship between performance audit and financial accountability. And our R² stood at .717 which implies that about 72% variations in the dependent variable (FAC) is attributed to changes in the independent variable (FIA).

Table 4.15b **Coefficients^a**

		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	15.783	.702		27.477	.000
	FIA	14.709	.542	.847	3.304	.120

Source: Researcher's SPSS (v.25) computation Result, 2023

The above 4.15b coefficient table shows a Beta (β) value (same as correlation coefficient, R) of 0.847, produced a t-value of 4.0521 which is significant at P (0.120) greater than the chosen alpha of (0.05). The result is significant thus; the null hypothesis is accepted (P-Value > 0.05). Hence, there is no significant relationship between performance audit and financial accountability of government organizations in Nigeria.

Summary Results Findings

Table 4 **Summary Computation of Hypotheses Results**

Hypotheses	R ²	T-Stat	P-Value 0.05	Statistical Decision	Result
H0 ₁	.677	4.0521	.000	Significant	Rejected H0 ₁
H0 ₂	.890	1.778	.011	Not Significant	Accepted H0 ₂
H0 ₃	.717	2.004	.120	Not Significant	Accepted H0 ₃

Source: Researcher's Computation, 2023

From the summary of hypotheses table above, the results of the hypotheses of the study were presented in line with the statistical decision rule: 'if the probability value (PV) is less than 0.05 alpha level, we reject the null hypotheses and accept significant relationships. Meanwhile, if the probability value (PV) is greater than 0.05 alpha level, we accept the null hypothesis and accept an insignificant relationship. Hence:

- H₀₁:** There is relationship between financial audit and financial accountability of government organizations in Nigeria.
- H₀₂:** There is no relationship between performance audit and financial accountability of government organizations in Nigeria.
- H₀₃:** There is no relationship between regulatory/compliance audit and financial accountability of government organizations in Nigeria.

CONCLUSIONS

The study therefore, concludes that there is relationship between financial audit and financial accountability of government organizations in Nigeria. Meanwhile there is no relationship between performance audit and financial accountability of government organizations in Nigeria. Also, there is relationship between regulatory/compliance audit and financial accountability of government organizations in Nigeria.

RECOMMENDATIONS

Financial audit should be more seriously maintained as it helps in promoting financing deepening and contributes significantly. Effective and professionally known external auditors should be hired to independently evaluate and examine books and accounts of public organizations and express an unbiased view on accounts audited. Civil service commission should refuse to accept any known political party card carrying members to be appointed as managers or top staff in public organizations as they see it as their time to embezzle.

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**APPENDIX B: QUESTIONNAIRE
FORENSIC AUDITING AND FINANCIAL STATEMENT QUALITY QUESTIONNAIRE
(FAFSQMQ)**

Section A: Demographic Profiles of Respondents

Official Position: Top Management / administrative Staff [] and middle Management / administrative Staff []

Gender: Male [] Female []

Academic Qualification: Diploma [] Bachelor Degree [] Professional [] Master Degree []

Years of Experience: < 5 years [] 6-10 years [] 11-15 years [] >16 years []

Section B: Research Instrument

Instruction: This questionnaire is rated on a five point likert scale; Please tick (✓) where applicable to you.

Response key: Very High Extent (VHE)
High Extent (HE)
Moderate (ME)
Low Extent (LE)
Very Low Extent (VLE)

Questionnaire Items

Independent Variable dimensions

S/N	Financial Audit	VHE	HE	ME	LE	VLE
1	Financial statements audited are free from material error of misstatement.					
2	Financial transactions are recorded in appropriate and required book of accounts.					
3	Financial audited statements yearly are in accordance with its appropriate finance act and other government circulars.					
4	Financial statements are prepared using the cash basis.					
5	Financial statements are stated in accordance with accepted and appropriate accounting standards.					
S/N	Regulatory/Compliance Audit	VHE	HE	ME	LE	VLE
6	Government's annual accounts are constantly reviewed in line with current treasury circulars.					
7	Financial statement audited are in line with current official gazettes of government.					
8	Audited accounts are in accordance to the Financial Acts.					
9	Financial statement audited are in line with the Nigeria Constitution (latest edition).					
10	Audited financial statement in your ministry/parastatals/agency are accordance to established laws and regulations.					
S/N	Performance Audit	VHE	HE	ME	LE	VLE
11	Capital expenditure project appropriated has been effectively and efficiently been utilized.					

12	Recurrent expenditures appropriated has been effectively and efficiently been utilized.					
13	Capital expenditure project appropriated has been wholly completed over the years.					
14	Recurrent expenditure project appropriated has been completely yearly.					
15	Performance Audit audited financial statements are published annually.					

Dependent Variable Measures

S/N	Financial Accountability	VHE	HE	ME	LE	VLE
16	Financial activities are reported timely.					
17	There is a strong internal financial monitoring team and mechanism.					
18	Financial records and transactions are recorded in line with appropriate and faithfully represented.					
19	Recurrent expenditures appropriated have been duly recorded.					
20	Capital expenditure project appropriated have been duly recorded.					