

# Impact of Effective Internal Audit Functions on Public Sector Management and Accountability in Edo State, Nigeria

**Onatuyeh, E. A.**

**\*Aniefor, S. J.**

*Department of Accountancy  
School of Business Studies  
Delta State Polytechnic, Ozoro, Nigeria  
E-mail: edwin.onatuyeh@yahoo.com  
\*E-mail: anieforjones@yahoo.com*

## ABSTRACT

*This survey examines the impact of internal audit functions on public sector management and accountability in Edo State of Nigeria. Its main objective is to ascertain the extent to which effective internal audit functions could be used as an instrument to improve public sector management and accountability in Edo State. Data were collected via a well structured and tested questionnaire administered on 245 respondents in the audit departments of 12 government ministries and parastatals in Benin City, Edo State. The data collected were analyzed using Cross tabulations, descriptive statistics and Spearman rank order correlation coefficient. The findings of the study suggest that effective internal auditing ensures proper stewardship reporting, and inadequate qualified manpower does hinder proper auditing of government accounts in Edo State. Based on these, it is concluded that auditing of government accounts is fundamental to the effective and efficient stewardship reporting by accounting officials without political and administrative interference. Hence, it is recommended among others that objectivity, integrity and transparency should be observed by auditors and council officials and improvement of internal auditors' remuneration and fringe benefits should be improved for enhanced performance.*

**Keywords:** *Internal Audit Function, Accountability, Public sector, Edo State.*

## INTRODUCTION

Auditing is an independent examination of, and the expression of an opinion on the financial statements of an enterprise by an appointed auditor, in accordance with his terms of engagement and the observance of statutory regulations and professional requirements (Mainoma, 2007; Dandago, 1999). It is a systematic investigation and appraisal of transactions procedures, operations and result in financial statements (Anichebe, 2010). The auditor should be approved and must have personal and operational independence in order to perform his duty effectively. Akpata (2001) and (Sabari, 2003) classify audit into four: private, statutory, management and internal audit, even though all the types of audit focus on regulations, which lead to control of expenditure or revenue. Millichamp (2000) defines internal auditing as "an independent appraisal function within an organisation for the review of system of control and the quality of performance as a service to the organisation. Unegbu and Obi (2012) see 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 for smooth administration, control cost minimization; ensure capacity utilization and maximum benefit derivation. Adeniji (2011) and Tijjana (2003) encapsulate internal auditing as a review of various operations of the company and of its records by the staff specially appointed for this purpose. By measuring and evaluating the effectiveness of organizational controls, internal auditing, itself, is an important managerial structure and the general rules of the business (Cai, 1997; Schnider and Winers, 1990). Internal auditors are concerned with the entire range of an organization's internal controls that includes operational, financial, and compliance controls (Simmons, 1997). Contemporary internal controls and well-functioning internal audit systems are meant to deliver key assurances to all stakeholders against corruption, waste, and inefficiencies in public services. In the absence of a control system with internal audit as a safeguard for checking efficiency and effectiveness of that system, government offices are vulnerable to waste, corruption, and inefficiencies.

The goal of internal audit function should be to add value and improve an organization's operations and control structure. Effective and efficient audit of accounts ensures the proper reporting of the activities of an organization (Okezie, 2008; Nwaorgu, 2003). Internal auditing ensures that funds have been expended in accordance with the terms by which such monies were appropriated and that accounts have been properly prepared (Johnson, 2004). It provides both governments and related parties with a powerful tool for understanding the extent to which the public institution has delivered on-budget and effective services. Therefore, internal audit is "a well-defined activity and a recognized profession" (Manasseh, 2007; IIA, 1994) that is performed by professionals who determine whether the organization's decision making is sound and effective. The elements of effective internal audit comprises; auditor independence, good working relationship, proper staffing and training, exercising due care, evaluation of internal control systems, proper reporting and follow-ups, among others (IIA, 2004).

### **Scope and Objective of Internal Audit Function**

The scope and objective depend upon the responsibilities assigned to the internal auditor by the management, the size and structure of the enterprise and the skills and experience of the internal auditor. Sani (2009), Mainoma (2007), Vos (1997) and others all highlight the common areas covered by internal auditing to include among others; reviewing the internal control system with a view to determining its adequacy and effectiveness, reviewing compliance with government regulations and accounting rules and standards, checking compliance with policies and procedures, safeguarding the asset of the organisation so as to prevent and detect errors (Stoner, 1994), frauds and theft, appraising the effectiveness and efficiency in the use of resources, ensuring that the goals and objectives of the organisation are attained, making recommendations on improvement in the operation of the organisation, acting as in-house consultant on control matters (Millichamp, 2000). Oowler and Brown (1999) declare that the objective of internal auditor is to protect management against errors of principle and neglect of duty. Barker (1999) agrees with Oowler and Brown but adds that it is to review the operations and record of the undertaking and in the course of these checks to ensure that 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 (Tijjani, 2003). Emphasis was laid on discharging accountability for the use of owners fund through the internal auditor's 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 (Rafiu and Oyedokun, 2007).

### **Public Accountability and Audit Accountability**

There is no generally accepted definition of the term accountability. Adesola (2001) maintains that accountability is one of those terms employed in government studies, which suffers from frequent misuse and imprecise or varying meaning. Adesola (2001), however, goes on to define it as the duty imposed on any person who holds power or authority or is in position of trust to act for and on behalf of another person to take responsibility for his action and to render account of stewardship whenever it is necessary to do so. Dowdall (2003) also considers accountability not to be a simple notion which is often not well understood and its effective application to the complexities of government today can be quite daunting. Johnson (1994) argues that the definitional problem may be due in part to the fact that the traditional way of thinking about accountability in public administration represents an insufficient framework for analysis. Day and Klein (1997) view accountability as being directed at the community at large, rather than at the lines of constitutional accountability. In similar vein, Dowdall (2003) concedes that modern governance and management reflect contemporary pressures from various sources in society. These pressures involve:

- i The emergence of essentially non-hierarchical relationships in many alternative delivery approaches being tried today, such as network, partnerships and arrangements between the Federal and State governments, where responsibilities may not be conferred from a senior party to a junior one but agreement nonetheless assume accounting for results;
- ii The call for an increased focus on results and performance-based management by the public sector in addition to addressing concerns with the integrity of governance;
- iii The parallel call for providing greater flexibility and autonomy to government organizations and managers in order to achieve better results; and
- iv The importance of transparency as an essential feature of public sector accountability.

These pressures determine which perspective of accountability is adopted. Consequently, accountability can be viewed from a number of perspectives (Rafiu and Oyedokun, 2007), including the traditional perspective, democratic perspective, regulatory perspective as well as government perspective.

### **Internal Audit in Government Offices**

The nature and position of the internal audit department in government differs from one country to another (Mizrahi and Ness-Weisman, 2007). The law requires that an internal audit department or unit be established in each government office in Nigeria, and shall be headed by an experienced or/and a qualified accountant in order to provide a complete and continuous audit of the accounts, and records of all received and expenses (Aruwa, 2003). Additionally, internal auditors of every office should be accountable to the accounting officer and Auditor General of the state on the real situation in terms of conformity with the standards of the audit work and also the internal auditor shall issue special reports, where necessary, if he is of the views that the Auditor General (State) concerned is needed (Barkan, Gboyega and Stevens, 2001).

By its structure, the internal audit is a service department and as such, it is essential that it should not be connected to finance and account unit and ideally the head of internal audit should belong to top management (Aguolu, 2009; Belay, 2007). However, governments' ministries and departments should periodically measure their internal audit function to ensure that it is operating in accordance with best practice and principles (Glace, 2006). Thus, the motives behind the establishment of internal audit unit, as already noted, was to promote accuracy and reliability in accounting and operating data; safeguarding government resources in order to prevent resources embezzlement and fraud, also to determine the extent of compliance with relevant government laws, policies and procedure established within the various department as well as ensuring proper and judicious resources utilization (Sani, 2009; Mainoma, 2007; Glance, 2006)

Furthermore, when it come to the issues of legality of auditing in Nigeria, the legal instruments that sets the overall framework for the financial management, auditing procedures, government accounting and financial reporting for either the Federal, State or Local government are: The Constitution of the Federal Republic of Nigeria 1999, the Finance Control and Management Act 1958, the Audit Ordinance No. 28 of 1956, the Annual Appropriation Act and the financial memoranda of 1999. While in the aspect of professionalism, is usually handled by the professional bodies such as ICAN and ANAN through Nigerian Standard on Auditing (NSA) (Aruwa, 2003). However, with the adoption of IFRSs in Nigeria, NSAs are gradually being phased out.

The scope and objective of internal audit unit in government offices in Nigeria are almost the same with the provision of Institute of Internal Audit to some extent. The Nigerian Standard on Auditing (NSA) concerned with the professional pronouncement on the auditor's responsibilities relating to accounting issues and related to disclosures in an audit of financial statements as well as the review of organizational operation by an auditor. Internal auditors are uniquely placed in organizations with the view to examine and evaluate the systems used in different parts of organization and to make recommendations for improvement (Page and Spira, 2004). Therefore, the status of internal audit in the public sector should be improving from the current situation to meet international standard so as to improve the performance of government activities and to ensure the achievement of set objectives (Payne, 2005). Unfortunately, the internal audit functions in most government

offices have not been effective due to neglect on the part of the government at both Federal and State levels (Belay, 2007). All past policies by government geared towards repositioning the internal audit profession had not been matched with appropriate actions (Aguolu, 2009).

### **Implications of Ineffective Internal Auditing in the Public Sector**

The dramatic collapse of the global stock markets and subsequent economic crises with its impacts, which accompanied it, resulted in a sharp concentration in both public and private sector in Nigeria (Azubike, 2002). For an economic development of any public sector to be put correctly as well as guard the pattern of its revenue and expenditure, a proper record of the expenditure items must be kept. This way, effectiveness in the auditing system can be reinforced. The internal audit function is meant for internal consumption with varying socio-economic benefits. An effective internal audit function in any government office can guarantee reliability of accounting data and protection against fraud (Azubike, 2002). The economic implications of an ineffective auditing system in the management of government offices are the negative aspects of the positive development of the auditing system such as:

- (i) Inability to plan effectively due to the availability of unconfirmed financial operations of the organization in past years.
- (ii) Inability to make effective financial decision.
- (iii) Inadequacy of information about the assets of the organization.
- (iv) Difficulties in controlling the financial operations of the organization.
- (v) There is the possibility of the emergence of fraud.

Reasons for ineffectiveness of internal auditing in the public sector management, according to Woolf (1996), are as follows.

**Lack of Audit Manual:** The absence of standard internal audit manual and detailed audit work plan will affect the quality of audit work particularly for internal auditors who are either non-accountants or non qualified accountants.

**Lack of Growth Prospect:** Most internal auditors who are professionally qualified accountants have been prevented from ascending to levels that are equivalent to those held by their professional colleagues in the finance/accounts department. This gives such colleagues in the accounts department an advantage and a feeling of superiority to the internal auditor hence they stifle with impunity the process of information flow to the auditor and makes available only things they want the internal auditor to see.

**Shortage of Qualified Personnel:** The government sector is punctuated with numerical shortages of qualified personnel and staff with deficiencies in professional knowledge and skills.

**Reporting Structure and Professional Independence:** The internal auditor used to be a unit of the accounts department in the past but to ensure a level of independence, they were made to report directly to the Chief Executive. The change however negatively impacted on Public Sectors as most Chief Executives are political office holders, having no permanent interests and leading to non-commitment to internal audit reports.

***Privileges of Office:*** The lack of adequate remuneration and pre-requisites of office has made some internal auditors to compromise their positions in favour of fraud stars.

***Hazards of Office:*** Another factor, which impairs internal audit efficiency, is the hazards that stare the honest and principled internal auditor in the face. For instance, there are reported cases of assassinations, burglary, spiritual attack and acid attacks on the lives and property of internal auditors. The general awareness all over the world for the need to pay more attention to the improvement in accountability and management of organisations in the public sector is on the increase. This is because 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 government huge involvements in economic activities, initiatives are being taken all over the world towards improvement of the standards of accounting and auditing departments in government.

While the public sector accountant is charged with the responsibility of developing systematic arrangements to assist management in the performance of the services of the institution, the public sector auditor has, among other duties, the complementary role to examine whether management actually performs that efficiently. The public sector auditor has to satisfy himself that the account presented have been prepared in accordance with statutory and constitutional requirements and regulation and that proper accounting practice have been observed in their compilation. With the growing size and complexity of activities in public sector in recent years, the importance of the internal audit function has correspondingly increased so that it has now become a major factor in establishing the quality of the public sector internal control, and its development has made a considerable contribution to the improvement of the public sector management and accountability.

The Internal audit is an integral part of the finance structure of any public organization. Sadly, a constant complaint in the sector is that internal audit department is too understaffed and under resourced. Generally to be fully effective and, thus leaving accountability in most offices in the sector in serious doubt. Besides, 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 to lack interest in their work.

Many adduce 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. In the heat of the controversies for inept public sector performances, Nigeria as a developing economics and Edo State in particular must gear her resources for effective developmental utilization and the need for the services of Internal Auditors in the Public Sector cannot be overlooked. It is against this background that a study on how the internal audit functions could be used as an instrument of improving the management of public sector becomes warranted. The purpose of this study, therefore, is to assess and evaluate the impact an effective internal audit function would have on the accountability and general management of the public sector in Edo State of Nigeria. In order to achieve the stated

objective, the researchers formulated the following null hypotheses:

- Ho<sub>1</sub>: Inadequate qualified manpower does not hinder effective auditing of government accounts in Edo state.
- Ho<sub>2</sub>: The ineffectiveness of the internal audit functions in operation in Edo state has nothing to do with neglect from the state government.
- Ho<sub>3</sub>: There is no significant relationship between effective internal auditing of accounts of government ministries/parastatals and proper reporting of stewardship by accounting officers in government offices.

## **METHOD**

This study adopts the survey research design. The population of the study include all the government ministries, parastatals, departments in Edo State of Nigeria. The research was conducted between March-July 2013. The Yaro Yamen Model was used to arrive at the sample size of 245 respondents for the study. Data collected and used in this study were collected using a well structured research questionnaire developed by the authors. The main instrument is a 20 item questions which measures effectiveness of auditing accounts government offices in Edo State. Responses were therefore keyed using five point scale of 5-strongly agree, 4-agree, 3-neutral, 2-disagree and 1-strongly disagree. The research instrument was pilot tested to determine its internal consistency and reliability of the study by administering it to auditors in the office of the Auditor General (State). The Cronbach Alpha and Pearson Product Moment Correlation Coefficient of 0.71 and 0.73 show the internal consistency and reliability of the research instrument. The data collected via the questionnaire were analyzed using descriptive statistics and Spearman Rank Order Correlation Coefficient. Spearman Rank Order Correlation was used because the data collected was ordinal. Excel software helped us to transform the variables into format suitable for analysis, after which the Statistical Package for Social Sciences (SPSS) was utilized for data analysis.

## **RESULTS AND DISCUSSION**

Table 1 reports the opinion of respondents regarding career structure/working condition and the internal audit functions. Overwhelming majority of the respondents did not agree that lack of progressive career structure and conducive working environment of audit staff may not be a significant reason for any ineffective functioning of the internal audit, 31% of the respondents thought otherwise. This means that for proper and effective functioning of the internal audit in the public sector, good working condition and progressive career structure are very necessary. Table 2 reports the opinion of respondents regarding inadequate staff remunerations and lack of accountability legislations for chief executives/public office holders. Vast majority of the respondents stated that inadequate audit staff remunerations in the public sector and lack of accountability legislations for chief executives in government offices have impacted negatively on the effectiveness of the internal audit function, 32% of the respondents believe this was not the case. The opinion of the respondents regarding perception of politician/public office holders about their appointments and the internal audit (table 3). More than half of those sampled (59%) reported that the

selfish perception of politicians/public office holders about their appointments has not had positive impact on the various departments (including the internal audit unit) within their ministries, with the remaining respondents sampled either disagreeing with this position or not too sure. Table 4 shows the Spearman rank order correlation coefficient for inadequate qualified manpower and audit of government accounts in Edo state. The table shows the rho for inadequate manpower and audit to be 0.019 with a p-value of 0.000, implying that inadequate manpower hinder effective auditing of government accounts in Edo State. This result is consistent with the findings of Woolf (1996) and Oshisami (2004) who state that in the government sector, not only are there numerical shortages but deficiencies in professional knowledge and skills.

Table 5 shows the descriptive statistics for inadequate manpower and the audit of government accounts in Edo State, Nigeria. The mean, standard deviation, maximum and minimum figures for both variables (manpower and audit) show 18.14, 3.48, 24, 13 and 18.27 3.43, 25 and 12 respectively. Thus, given the foregoing analysis, the hypothesis which stipulates that Inadequate qualified manpower does not hinder effective auditing of government accounts in Edo State is not accepted. Table 6 shows the Spearman rank order correlation coefficient for neglect from government and audit of government accounts in Edo State. The table shows the rho for inadequate manpower and audit to be 0.017 with a p-value of 0.000, implying that government neglect is significantly positively correlated. This result is further explained by the findings of Belay (2007) and Aguolu (2009). These researchers found out that the internal audit function in most government offices at both Federal and State levels in Nigeria has not been effective due to neglect and insincerity on the part of government.

Perhaps, the general belief that the public sector can do without the internal audit function has not helped matters. For instance, Tijjani (2003) declares that few people outside the accounting profession realize the importance of the internal auditor. Rafiu and Oyedokun (2007) noted that 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. Table 7 shows the descriptive statistics for inadequate manpower and the audit of government accounts in Edo State, Nigeria. The mean, standard deviation, maximum and minimum figures for both variables (neglect and audit) show 19.24, 3.33, 25, 14 and 19.19 3.38, 25 and 13 respectively. Therefore, the hypothesis which stipulates that ineffectiveness of the internal audit functions in operation in Edo State has nothing to do with neglect from the State government is equally not supported by the result of this study.

Table 8 shows the results of Spearman Rank Order Correlation Coefficients on the relationship between effective auditing of the accounts of government ministries/ parastatals and proper reporting of stewardship by accounting officers in Edo State. The table shows the rho for effective audit and stewardship to be 0.362 with a p-value of 0.000, implying that effective auditing of government accounts are significantly positively correlated. This result conforms to the arguments of Okezie (2008) and Nwaorgu (2003) that effective and efficient audit of accounts ensures the proper reporting of the activities of



an organization. Johnson (2004) also states that auditing ensures that funds have been expended in accordance with the terms by which such monies were appropriated and that accounts have been properly prepared. Furthermore, table 9 shows the descriptive statistics for stewardship reporting and effective audit of government accounts in Edo State of Nigeria. The mean, standard deviation, maximum and minimum figures for both variables (stewardship reporting and effective audit) show 19.04, 6.56, 13, 12 and 16.34 3.39, 25 and 10 respectively. Thus, given the foregoing analysis, the hypothesis which postulates that there is no significant relationship between effective internal auditing of accounts of government ministries/parastatals and proper reporting of stewardship by accounting officers is not accepted. It therefore follows that auditing of accounts of government ministries/parastatals ensures the proper accountability and Stewardship reporting of government officials.

**Table 1:** Lack of progressive career structure and conducive work environment of audit staff may not be a significant reason for any ineffective functioning of the internal audit.

<b>Categories</b>	<b>Responses</b>	<b>%</b>
Strongly Agree	15	6
Agree	61	25
Neutral	12	5
Disagree	97	40
Strongly Disagree	60	24
Total	245	100

**Source:** Field Survey, 2013

**Table 2:** Inadequate audit staff remunerations in the public sector and lack of accountability legislations for chief executives in government offices have impacted negatively on the effectiveness of the internal audit functions

<b>Categories</b>	<b>Responses</b>	<b>%</b>
Strongly Agree	92	38
Agree	63	26
Neutral	11	4
Disagree	50	20
Strongly Disagree	29	12
Total	245	100

**Source:** Field Survey, 2013

**Table 3:** Politicians/public office holders do not show any commitments to the office in which they are in-charge and perceive their appointments as political settlements rather than seeing to the effective functioning of the various departments within their ministries/parastatals

<b>Categories</b>	<b>Responses</b>	<b>%</b>
Strongly Agree	66	27
Agree	79	32
Neutral	16	7
Disagree	44	18
Strongly Disagree	40	16
Total	245	100

**Source:** Field Survey, 2013

**Table 4:** Spearman rank order correlation on Manpower and Auditing

	Manpower	Audit
Spearman's rho Manpower correlation coefficient	1.000	0.019**
Sig. (2 - tailed)	0.000	0.000
n	245	245
Audit	0.019**	1.000
Sig. (2 - tailed)	0.000	0.000
n	245	245

\*\* : Correlation is significant at the 0.01 (2-tailed); SPSS Output Version 15.0

**Table 5:** Descriptive Statistics

	N	Mean	Std Dev.	Max	Min
Manpower	245	18.14	3.48	24	13
Audit	245	18.27	3.43	25	12
Valid n (list wise)	245				

**Source:** Field Survey, 2013; SPSS Output Version 15.0

**Table 6:** Spearman rank order correlation on Neglect and Audit

	Neglect	Audit
Spearman's rho Neglect correlation coefficient	1.000	0.017**
Sig. (2 - tailed)	0.000	0.000
n	245	245
Audit	0.017**	1.000
Sig. (2 - tailed)	0.000	0.000
n	245	245

\*\* : Correlation is significant at the 0.01 (2-tailed); SPSS Output Version 15.0

**Table 7:** Descriptive Statistics

	N	Mean	Std Dev.	Max	Min
Neglect	245	19.24	3.33	25	14
Audit	245	19.19	3.38	25	13
Valid n (list wise)	245				

**Source:** Field Survey, 2013; SPSS Output Version 15.0

**Table 8:** Spearman rank order correlation on Stewardship and effective Audit

	Stewardship	Audit
Spearman's rho Stewardship correlation coefficient	1.000	0.362**
Sig. (2 - tailed)	0.000	0.000
n	245	245
Effective Audit	0.362**	1.000
Sig. (2 - tailed)	0.000	0.000
n	245	245

\*\* : Correlation is significant at the 0.01 (2-tailed); SPSS Output Version 15.0

**Table 9:** Descriptive Statistics

	N	Mean	Std Dev.	Max	Min
Effective Audit	245	19.04	6.56	13	12
Stewardship	245	16.34	3.39	25	10
Valid n (list wise)	245				

**Source:** Field Survey, 2013; SPSS Output Version 15.0

## CONCLUSION AND RECOMMENDATIONS

By presenting the results of a questionnaire survey addressed to respondents in the audit departments of twelve government ministries/parastatals in Benin City, Edo State, this study provided evidence of a significant relationship between effective internal auditing of accounts of government ministries/parastatals and proper reporting of stewardship by accounting officers as revealed by the descriptive statistics and spearman rank order correlation coefficient. However, the results of study did not support the postulation that inadequate qualified manpower does not hinder effective auditing of government accounts in Edo State. The present study also did not support the postulation that the ineffectiveness of the internal audit functions in operation in Edo State has nothing to do with neglect from the State government. This is because results showed that internal audit function in most government offices at both Federal and State levels in Nigeria has not been effective due to neglect and insincerity on the part of government. The study notes that the general belief that the public sector can do without the internal audit function might not have helped matters, and that the general impression among public sector management that internal auditors do not have the liberty to exercise the unbiased and independent attitude so necessary to an auditor should be corrected. Based on the findings of this study, the following recommendations are therefore suggested.

Firstly, Edo State government should improve the remuneration and fringe benefits of internal auditors as this would enhance their efficiency and honesty in the discharge of their duties. Indubitably, upholding integrity, objectivity and transparency in the conduct of their respective audit functions will make the internal auditors to be more relevant in the public sector. Secondly, the rate of inadequate qualified manpower in the audit departments in the public sector should be minimized. To make this effective, more auditors with the required professional knowledge and skill should be employed. Government should show more commitment in this area. The practice of engaging the services of auditors in the civil service on the basis of family or personal relationship, rather than on merit, should be discouraged. Thirdly, in a system where manpower or manual operations are in use, auditors are expected to operate at a tolerable level of performance for total system to run properly. Therefore, training personnel as well as provision of training infrastructures becomes an important ingredient in the successful operation of an effective system in any government office(s). The training should also focus on building/developing the IT skills of personnel.

Furthermore, the system of auditing public sector accounts in the State does not seem to enhance effective accountability. This may be attributed to the political interference experienced and non-independence of internal audit personnel and this prevents them doing their work as required by the constitution. This factor was confirmed in an interview with some respondents in the office of the State Auditor-General in Benin City. In as much as we desire government to give serious attention to the internal audit function in the state, for efficient performance and effective accountability, political interference should be minimized. Finally, policy makers in the government should see auditing as a tool for proper management of public funds and therefore the various audit reports should be reviewed to

improve Government Accounting System. This would help to reduce frauds and other malpractices within the public sector. Besides, the various anti-corruption agencies should be restructured to reduce the level of corruption in the sector.

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