



## **AUDITING, IMPLEMENTATION AND PERFORMANCE IN NIGERIA'S PUBLIC SECTOR**

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<b>Article history:</b>	<b>Abstract:</b>
<b>Received:</b> October 6 <sup>th</sup> 2021 <b>Accepted:</b> November 7 <sup>th</sup> 2021 <b>Published:</b> December 10 <sup>th</sup> 2021	This study evaluates auditing, implementation, and performance as it pertains to the public sector. The study employed primary source data culled via questionnaire and utilized the cross-sectional research design and a sample of eight public parastatals located in Rivers State, and adopting two dimensions for audit quality which are audit rules and internal audit quality and two fundamental measures of performance which includes expenditure efficiency and public value. The study found that audit and performance in the public sector with special focus on selected public sector organization has a great level of association as shown by the statistical analysis as carried out by the study as it was discovered that auditing procedure exhibited a significant relationship to expenditure efficiency of public institutions in Port Harcourt, Rivers state and auditing procedure exhibited a significant relationship to resource acquisition of Public institutions in Port Harcourt, Rivers state. Auditing rule exhibited a significant relationship to expenditure efficiency of public institutions in Port Harcourt, Rivers state, auditing rule exhibited a significant relationship to resource acquisition in Port Harcourt, Rivers state and organizational structure did not influence the association between audit and performance, It was thus advised that auditing be made an obligatory obligation in the public sector over regular auditing, and that audit reports be made public in order to achieve high levels of openness and accountability.

**Keywords:** Auditing, Performance, Public Sector, Expenditure efficiency, Public value.

### **INTRODUCTION**

The public sector is a vital component of the economy. As a result, any improvement in its operation would have a considerable impact on economic growth while also reducing the strain on the country's budgetary policies. Many public institutions across the country have surely demonstrated their shortcomings in providing timely and accurate financial information this year. Because many users of such statements rely largely on the government's yearly financial statements to make educated financial decisions, numerous systems have been developed to ensure the accuracy and impartiality of these statements, usually in the form of auditing (Asuquo & Akpan, 2012).

Ebimobwei and Kereotu (2011) noted that it is preferable to prevent an outbreak than to cure it. It is also preferable to prevent fraud than to discover it. If fraudulent misrepresentation is permitted to occur before it is detected, the holistic influx will be nothing more than a postmortem exercise that will almost certainly not result in a total recovery of the loss. As a result, businesses have developed control mechanisms

to prevent waste, theft, and mismanagement of economic resources, as well as constrain elements, such as auditing.

The purpose of auditing is to ensure that, in the event of a dispute over the internal audit quality and rules used in the audit process, an organization can present a legitimate and verifiable audit report to state the true state of things in the company (Enofe et al, 2013). This is done to give all stakeholders and partners a true picture of the organization's operations (Fargason, 1993).

While the importance of performance and audit has been underestimated in the past, it is now becoming more widely accepted as the public sector places a greater emphasis on performance improvement and accountability. The term "audit" refers to a systematic, planned, structured, and objective assessment of government activities conducted within ministries and parastatals (Odia, 2014). It presents an assessment of the performance of these activities to parliament, together with information, observations, and recommendations aimed



at promoting government accountability and ensuring an ethical and effective public service, good governance, and long-term growth (Waring & Morgan, 2007). In certain countries, however, the constitution or legislation does not necessarily vest the jurisdiction to audit the "effectiveness" or "efficiency" of the executive branch's financial administration in the SAI, but rather in ministers who report to the legislature. Audit has been discovered to play a larger impact in performance accountability than public performance improvement (Manaf, 2010).

Today, high-ranking government officials in Nigeria perceive no need to spend public cash wisely, erroneously believing that it is their own slice of the national cake (Oladipupo, 2005). Corruption has lowered the quality of government administrations, reduced revenue, energized redirection, and misuse of public funds, and the public has been left to suffer after adding to their income by paying duties, fines, and charges, among other things. These efforts by legislators and public office holders have prompted a number of professionals to consider how these public office holders should be accountable to communities, with the objective of improving the smart, productive, and compelling use of public resources. Audit is one of these methods (Agbo & Aruomoghe, 2014) which complicates the assessment of the impact of audit quality and performance.

#### **Statement of the Problem**

Since 1999, there have been growing public outcries over the government's waste of public funds, ongoing corruption, high recurrent expenditures, administrative costs, and poor budget performance by various administrations around the country. Equally concerning is most elected officials' political and media propaganda in the delivery of democratic dividends while widespread plunder and corruption continue unabated (Odia, 2014). The key impediments to the effectiveness of these audit committees have been identified, including flaws in the enabling law and the lackluster attitude of regulatory and professional organisations in Nigeria on the subject (Owizy, 2015).

According to Chinweoke (2014), it is critical to bring to light existing difficulties related to the study's rationale, such as the overbearing persistent debt crises, various economic misfortunes, and so on. Nigeria's income has been increasing year after year since independence. Nigeria sets aside a large portion of its money for economic operations and spends it. Put differently, it another way, Nigeria is economically underdeveloped. Poor output of goods and services in response to demand are among the concerns identified in this study. Basic social and economic services are woefully inadequate, and the degree of technology is extremely low, resulting in the usage of primitive

technology in agriculture to this day. Low productivity is also prevalent, and the country has a high rate of unemployment due to the lack of functioning enterprises and basic infrastructure like as excellent roads and health facilities. Power is erratic and inconsistent, and per capita income is poor. Nigeria, like many other countries, has poor savings and investment rates.

Another critical issue in Nigeria is the high level of corruption and theft, as well as the absence of ethics, oversight, and auditing dependability, since auditors continue to find anomalies in public sector accounting. The inquiry, attempts by political forces to influence or derail their findings, the vast sums of money involved, and the sensitivity of the public sector probes are all issues that auditors encounter (JoelFont, 2009).

Aigheysi (2013) added to this by stating that in a resource-rich country like Nigeria, with about 70% of the population living in abject poverty, national infrastructure in disrepair, and a dwindling power sector, it would be expected that the share of capital expenditure to total expenditure would be higher than that of recurrent expenditure. Because the very high rates of unemployment, illiteracy, poverty (as evidenced by the number of people living in shanties with little or no access to quality education, Medicare, potable water, etc.), low human development index, and other factors do not match the ever-increasing recurrent expenditures, even though statistics show that the nation's economy has been growing at a rapid pace. This demonstrates that the country has been enduring unemployment and non-developmental growth. It also demonstrates that a big portion of Nigeria's population does not profit from the government's spending. As a result, the government's planned objectives and ambitions have been substantially defeated.

The above makes it imperative to evaluate this impact of audit quality on performance which would be evaluated via the value and goods. To evaluate this, the study was set to achieve the following specific objectives:

- To evaluate the influence of internal audit quality on expenditure efficiency of public sector in Nigeria.
- To determine the influence of auditing rules on expenditure efficiency of public sector in Nigeria.
- To estimate the influence of internal audit quality on public value of public sector in Nigeria.
- To ascertain the influence of auditing rules on public value of public sector in Nigeria.
- To estimate the influence of the administrative culture on the interrelationship between audit quality and performance.



## **LITERATURE REVIEW**

This section evaluates the theoretical and empirical underpinning of this study under the following subheadings:

### **THEORETICAL FRAMEWORK**

#### **Agency Theory**

This principle applies to those who own a business as well as those who are interested in it. According to the agency theory, the day-to-day operations of a business firm, whether public or private, are carried out by managers who have been hired as agents by the business's owners. The theory is based on the idea of two-sided transactions, which states that any financial transaction involves two people acting in their own best interests but with opposing expectations (Kaliski, 2001).

One of the theoretical frameworks that informed this investigation was Adams' (1994) Agency Theory and the Audit. The accounting literature frequently uses agency theory to describe and forecast the hiring and performance of external auditors and financial consultants. He claims that agency theory is also a relevant theoretical framework for studying the Auditing function. He further claimed that agency theory not only serves to explain and anticipate the existence of Audit, but also the role and responsibilities allocated to Auditors by the organization, as well as how the Audit function is likely to be changed by organizational change. He believes that agency theory provides a solid foundation for further research that can assist both academics and the auditing profession. This theory is undoubtedly relevant to this research since it serves to clarify the function and responsibilities of auditors, which, if used methodically, will aid in improving financial performance in Nigerian tertiary institutions.

#### **Stakeholder theory**

This is the other common theory of governance in the public sector, according to Fanta et al (2013), which evolved from the management discipline to

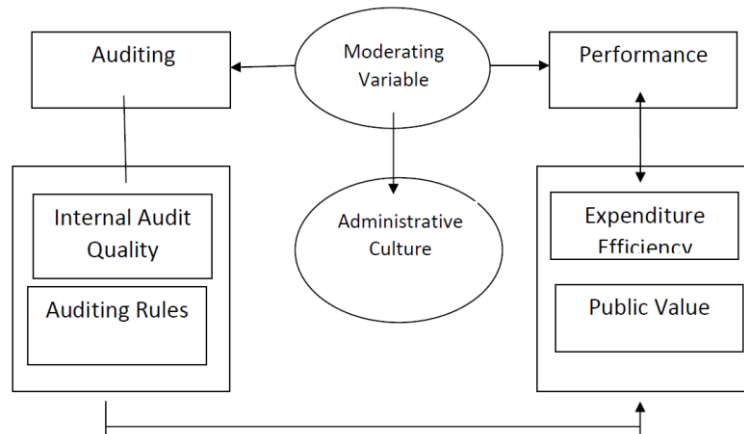
incorporate corporate accountability to a broad variety of stakeholders (Jensen and Meckling, 1976). Unlike the agency theory, which holds that managers are primarily responsible for fulfilling the interests of shareholders, stakeholder theory holds that managers in organizations are responsible for a network of relationships to serve, which includes suppliers, employees, and business partners (Jensen and Meckling, 1976). Decisions made about the company, according to stakeholder theory, influence and are affected by a variety of stakeholders other than the company's investors. As a result, on the one hand, managers should manage the company to benefit its stakeholders in order to ensure their rights and participation in decision-making, and on the other hand, managers must act as the stockholders' agent to ensure the firm's survival in order to protect each group's long-term stakes (Fontaine *et al.*, 2006).

#### **Stewardship theory**

Another important notion that emerged from sociology and psychology is this stewardship theory. The stewardship theory asserts that managers are not driven by personal goals and objectives, but rather are stewards whose causes are aligned with the goals of their principals and shareholders (Davis et al, 1997); this theory contrasts with the agency theory, which asserts that conflict of interest between managers and shareholders is unavoidable unless appropriate structures are in place (Davis et al, 1997). (Jensen and Meckling, 1976). According to the stewardship perspective, stewards (managers) are fulfilled and driven when organizational success is achieved, even if it means sacrificing personal aspirations (Abdullar & Valentine, 2009). Furthermore, while the agency theory contends that separating the board chair and CEO positions will protect shareholder interests, the stewardship theory contends that assigning the same person to both positions will maximize shareholder interests by giving the CEO more responsibility and autonomy as a steward in the organization (Bozec & Bozec, 2007).



## Conceptual Framework



Source: Conceptualized by the Researcher (2021)  
 The measures representing the dependent variables (Performance) were adapted in accordance with the work of Ebimobowei and Kereotu (2011), while the dimensions representing the independent variables (Auditing Quality) were altered in accordance with the work of Jacobs (1992).

## LITERATURE REVIEW

Internal auditors must have the right stuff to properly research issues using authorized materials, see how to apply the knowledge gathered to the conditions being tested, and be able to explain to the organization what consistency means in everyday operations, according to Arthur (1994). Auditing rules can be fulfilled by association representatives, public accountants, or independent auditors appointed by an administrative government office. Auditors routinely do Auditing Rules prior to an outside audit so that any potential issues can be identified and corrected ahead of time. This is because, once outside Auditors have assessed activities and administration has taken steps to address resistance, outside Auditors may request that evidence as proof of the organization's strong commitment to addressing opposition (Arthur, 1994).

"The individual or association requesting the audit assumes the major role in selecting the aim, extension, and day and age to be investigated, as well as who will conduct the necessary actions," according to David (1999). They can also manage the quality of the internal audit by laying out a clear approach and endorsing a strategy for grading results.

Before beginning a given Audit, the Auditors must be properly trained and experienced in order to carry out the work. In addition, the Auditor must have

a clear understanding of the laws, techniques, or norms being evaluated, as well as the ability to recognize when a deviation has occurred and assess confirmation through audit tests. This means that the Auditor must understand exactly what confirm means consistency and what prove indicates rebelliousness for each occasion to be tested.

Furthermore, it is critical for the Auditor to determine the level of deviation from gauges that the audit support considers acceptable (David, 1999). According to David (1999), auditing entails adhering to standards and methods that must be followed carefully in the execution of an audit program in an organization. It specifies how to do the audit in compliance with administrative regulations. Internal audit quality and Auditing Rules are, in his opinion, the two components of auditing.

According to Osmond (2010), an auditing procedure entails a review of business capabilities to determine whether or not a company is satisfying specific legally binding, administrative, or predetermined requirements in its audit. An organization's representatives or offices can be audited. Audits are used by organizations to conduct internal surveys to determine how well each office operates according to standard operating procedures. Legally binding and administrative audits examine how well a company adheres to written agreements or follows outsider standards. As a result, each Audit follows the procedures outlined below, which are universally recognized. According to Osmond (2010), the techniques are as follows:

Audits begin when assessors meet with the organization's administration to begin meetings, according to Osmond (2010). In most cases, outside



auditors are in charge of directing audits. Evaluators will discuss the type of audit and which business functions require auditing with administration. Another topic to discuss is the scope of the audit. The data, test size, and number of capacities to audit will be decided by the auditors and the organization's administration. This meeting also covers any proper manuals, contracts, or other printed documents that will be inspected during the audit.

Furthermore, auditors will assess each employee's performance in order to determine the level of individual consistency (Osmond, 2010). Workers, according to Osmond (2010), are responsible for completing business tasks in accordance with organizational benchmarks and authoritative or administrative requirements. Auditors might also check the availability of operational directors who supervise representatives. An absence of oversight can indicate that representatives have unrestricted authority to complete company tasks without regard for standard operating procedures or legally binding commitments.

Auditors will take notes on worker performance, especially any violations of legally enforceable administrative or organizational criteria. Singular office surveys, as described by Goodman (1994), are another tool used in audits. Every business office's operational work is typically audited by auditors. Auditors can use this information to conduct a quantitative analysis of the office's operations. During a division audit, the data test measure is usually an important consideration. Auditors examine the specific data test discussed at the administration meeting. Evaluators ensure that the information is consistent and adheres to working principles or legally binding agreements. If the division's underlying printed material sample contains an excessive number of infringements, Auditors.

According to Goodman (1994), after completing the audit, auditors will meet with the organization's management for a final meeting. Auditors will discuss the audit findings and conduct a follow-up audit on any major infringements discovered. The organization's management might challenge the findings or provide further insight into the worker or office's performance. Near the end of the meeting, the evaluators will issue a final report.

The audit findings is usually plotted in the report, as well as how well the business adheres to principles or authoritative understandings. A duplicate of the evaluator's genuine report may be required by external organizations or administrative offices. With authoritative assertions, auditor reports might convey a

positive or negative impression of the organization's consistency (Goodman, 1994).

According to Arthur (1994), Auditing Rules are fundamentally the arrangement of auditing that is carried out in accordance with well-known enactments, procedures, and principles. An auditing rule includes an evaluator's use of consistency testing to determine whether an audit is solid (Arthur 1994). The purpose of auditing is to obtain reasonable confirmation that the internal controls on which the audit is to be based are effective. The auditor must ensure that internal controls are in place and that they are functioning properly and continuously during the audit period in order to ensure that they can be relied upon.

"Auditing Rule is a method of providing reasonable assurance that internal accounting control procedures are being followed as stipulated so that the auditor is assured of the validity of underlying evidence based on laws regulating audit," according to David (1999). As a result, any deviations from the rule must be acknowledged.

Examining the accounts themselves, including the journals, ledgers, and worksheets, is part of the underlying evidence. The underlying evidence is regarded credible if the compliance tests show that controls are working appropriately. As a result, in order to conduct legitimate and reliable audits, the following three Auditing Rules are commonly used:

- 1) Inquiry into personnel's performance of their responsibilities.
- 2) Observing staff actions, and 3) reviewing documentation for evidence of performance in carrying out employee responsibilities. Examining invoices to ensure that receiving documentation and evidence of delivery are attached before they are presented for payment and events for the entire year is one example. Subjective or statistical compliance testing are both possible.

Recent auditing case studies in Belgium highlight the importance of the control environment while analyzing auditing techniques. When an organization strives for honesty and unambiguous moral traits expressed in formal implicit rules/morals, Saren & De Belde (2006) predicted that the Audit capacity will become more important. Internal control frameworks increase administrative appropriateness as well as the importance of top management's responsibilities. The relevance of an organization's integrity and ethical ideals in sustaining effective control is also emphasized in accounting literature.



**Internal control** - integrated framework published by COSO on fraudulent financial reporting made a significant contribution by focusing on integrity and ethical values. Accountancy calling all inclusive has a report called the code of Ethics produced by the International Federation of Accountants to trigger autonomy and uprightness of Auditors and Accountants (IFAC). The Institute of Chartered Accountants of Nigeria has issued a code of conduct on behalf of Nigeria (ICAN). Individuals are expected to assent to this code because it has some moral criteria (Kalu 2011). The ability to operate efficiently, benefit from, survive development, and respond to natural public doors and hazards is referred to as performance (Mawanda 2008). Performance is judged in this way by how efficiently an organization uses its resources to achieve its objectives. It is the metric by which an individual, a group, or a process has achieved success. According to Hitt, et al. (1996), many organizations' poor performance is the result of underperforming resources.

Appropriate performance measurements, on the other hand, are those that allow companies to guide their efforts toward accomplishing their strategic goals. Other budgetary measures, according to Verschor (1999), include long-term speculation estimation, monetary soundness, and company resource usage. He also considers non-monetary performance criteria, such as advancement, the ability to attract, develop, and retain skilled employees, the nature of management, the nature of products or services, and group and environmental responsibility. Hitt, et al. (1996) use three pointers to define bookkeeping-based performance: Return on Resources (ROA), Return on Equity (ROE), and Return on Sales (ROS) (ROS). Every metric was calculated separately by dividing net wage by aggregate resources, adding up to normal (traditional) value, and aggregating net transactions. Whittington and Pany (2001) discuss the comprehensiveness of internal controls in addressing the achievement of objectives in the areas of financial reporting, operations, and compliance with laws and regulations. Mawanda (2008) also proposed other financial performance measures to include. Internal control, they added, also includes a program for preparing, confirming, and conveying to various levels of administration those current reports and investigations that enable official administration to maintain control over a variety of activities and capacities performed in an organization. They described internal control devices such as financial methods, creation models, and representational planning, among

other things. Enterprise resource planning systems, according to Morris, J. J. (2011), provide a method for delivering rapid, accurate financial reporting with built-in controls to ensure the quality and reliability of the financial information being presented to owners.

## **MATERIALS AND METHODS**

This section assesses the research methodologies and procedures used in meeting the research objectives as outlined in the following subheads. The cross-sectional survey methodology was used for this study, which is a type of quasi-experimental research design that aims to analyze numerous variables over a short period of time. The study's population were drawn from the administration of public organizations/institutions in Rivers State, which covers all ministries and parastatals.

**Sample Size:** Because the study was conducted within the bounds of Rivers state, this study used the non-probability sampling technique and used a sample process that did not provide all of the elements in the population similar treatment. Rivers State Sustainable Development Agency, Greater Port Harcourt Development Authority, Rivers State Civil Service Commission, Braithwaite Memorial Specialist Hospital, Rivers State Broadcasting Corporation, and Rivers State Television Authority are among the selected public organizations in Rivers State.

### **• Sampling Technique:**

The sample size was determined using the Taro Yamanes formula at a 0.05 level of significance I.e. 95% confidence level. The Taro Yamanes Formular is shown as:

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

### **Where:**

n = the sample size to be determined

N = the population of the study

e = Limit of the error acceptable for the study = 5%

1 = constant

These companies were chosen for their accessibility and efficient performance, since they are mostly evaluated and recommended throughout the state (Rivers). There were 143 house managers in all. As a result of applying the Taro Yamene Formula, we shall find ourselves in a circumstance where:

n = ?

N = 143

1 = Constant unit

e = 0.05

$$n = \frac{143}{1 + 143(0.05)^2}$$



$$n = \frac{143}{1 + 143(0.0025)}$$

$$n = \frac{143}{1 + 0.3575}$$

$$n = \frac{143}{1.3575}$$

$$n = 105.34 \approx 105$$

Which signifies that 105 questionnaires will be distributed as deciphered above and distributed below

S/N	Public Institution	Number of Respondents
1	Rivers State Sustainable Development Agency	17
2	Rivers State Civil Service commission.	17
3	Rivers State Broadcasting Corporation.	17
4	Greater Port Harcourt Development Authority	18
5	Braithwaite Memorial Specialist Hospital	19
6	Rivers State Television Authority.	17
	TOTAL	105

Source: Public Sector Information Portal (2016).

**Data Collection Method:** The major source of data for this study was from respondents via a well-structured questionnaire. Audit quality is the independent variable in this study, and it was examined using the following dimensions: internal audit quality and auditing rules. Performance was measured using expenditure efficiency and public good as the dependent variable. Both factors were ranked in order for the researcher to establish whether a correlation exists. The response styles was based on a five-point Likert scale, with 5 indicating Strongly Agree, 4 indicating Agree, 3 indicating Neutral, 2 indicating Disagree, and 1 indicating Strongly Disagree. The Dimensions include adapted items from Akhigbe et al., (2014), although they were adjusted to a 5-point scale from a 4-point scale to bring it in line with the measures which were adapted from Odiya's work (2014).

**Validity and Reliability of Research Instruments**

**Content Validity:** In order to conduct this type of validity test, the research questionnaire was subjected to facial validity to ensure that the used instruments are capable of doing what they are expected to do in this study, and it was given to two of the researcher's superiors for validation, as well as two other experts in the field.

**Construct Validity:** This validity was obtained through pilot testing, which involved a miniature statistical analysis and was conducted with three employees from the selected public firm, with the goal of determining the sufficiency of the dimensions and measures as they relate to the underlying topic. Their responses led to the modification of some items prior to administration to the respondents.

**Table 1 Reliability Statistics**

Cronbach's Alpha	N of Items
.920	18

Source: Research data, 2021

Based on the reliability output above, the Cronbach Alpha result has a high reliability level of 0.920, which is higher than the baseline measure of 0.7, indicating that the study has a high level of reliability.

**Data Analysis Technique:** The data from the questionnaire was analyzed using Spearman's rank order correlation coefficient, allowing the researcher to assess the relationship between selected public sector organizations in Rivers State. The Statistical Package for



Social Sciences (SPSS) version 22 was used for all statistical analysis.

**DATA ANALYSIS**

This section used descriptive and inferential statistical tools empirically examines the association between Audit and Performance of selected public sector organizations in Nigeria. This section of data presentation is divided into three sub-sections, namely – the demographic, the univariate and the bivariate analysis.

**Univariate Analysis**

The next section provides an explanation of the various ways data from the questionnaire were analyzed.

**Questionnaire Statistics and Demographic data:**

The study's population included all employees of registered public enterprises in Port Harcourt's public

sector. Based on the expected sample size, 105 questionnaires were circulated; of the 105 (100%) questionnaire copies sent, 94 (94.94%) were successfully retrieved. The retrieved copies were then inspected for mistakes, missing data, blank questionnaires, and multiple entries. Only 91 (91.91 percent) of the questionnaire copies were found to be useful and valid for inclusion in the study after the cleaning process.

The frequency and percentage descriptive statistical methods are used to assess the sample characteristic in this paragraph. Variables are scaled on a nominal and ordinal scale, which allows for only exploratory analysis using descriptive methods such as charts and contingency tables. The name of the institution, gender, responder level, marital status, and age of the sample were all considered important and examined.

**Table 2 Questionnaire distribution and retrieval**

Questionnaire copies	Frequency	Percentage (%)
Administered	105	100
Retrieved	94	89.5
Bad copies	3	2.9
Usable copies	91	86.7

Source: Research data, 2021

Below are the tabular presentation of the questionnaire frequencies and their various explanation.

• **Demographic data**

In this subsection, the sample characteristic is examined using the frequency and percentage descriptive statistical tools; variables are herein scaled on the nominal and ordinal scale with distribution

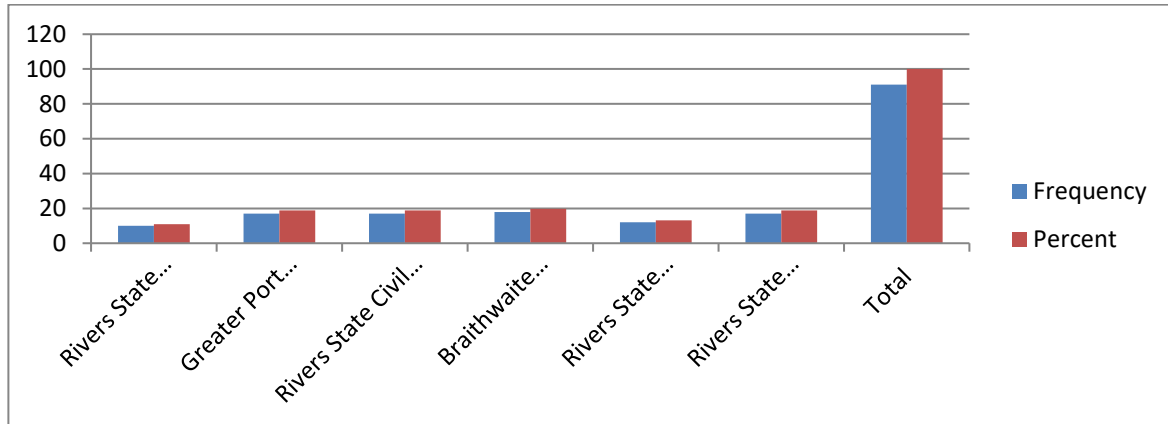
expressed through contingency tables and the use of charts. Five (5) characteristics of the sample were considered relevant and analyzed; the items included are as follows: the name of institution, gender of respondent, level of respondent, marital status and the year of institution establishment.

**Table 3: Name of Institution**

	Frequency	Percent	Valid Percent	Cumulative Percent
Rivers State Sustainable Development Agency	10	11.0	11.0	11.0
Greater Port Harcourt Development Authority	17	18.9	18.9	29.9
Rivers State Civil Service commission.	17	18.9	18.9	48.8
Braithwaite Memorial Specialist Hospital	18	19.8	19.8	68.6
Rivers State Broadcasting Corporation.	12	13.2	13.2	87.5
Rivers State Television Authority.	17	18.9	18.9	100.0
Total	91	100.0	100.0	

Source: Research data, 2021





**Figure 1** Chart showing name of institution.

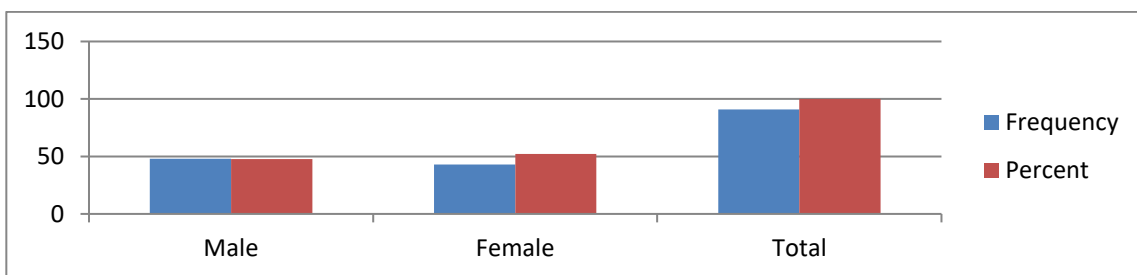
Table 3 and Figure 1 illustrates the name of the sample Public sector institution distribution of the study with 10 (11%) respondents working in Rivers State Sustainable Development Agency, the most respondent being a total of 18 (19.8%) work in Braithwaite Memorial Specialist Hospital, 17 (18.9%) respondents work in Greater Port Harcourt Development Authority,

Rivers State Civil Service commission and Rivers State Television Authority respectively while 12 (13.2%) respondents work in Rivers State Broadcasting Corporation.. The researcher tried to ensure an even distribution on questionnaire but was constrained by firm size and localization of the Public Sector industries within the state.

**Table 4:** Gender of Respondent

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	48	47.8	47.8	47.8
Valid Female	43	52.2	52.2	100.0
Total	91	100.0	100.0	

Source: Research data, 2021



**Figure 2:** Chart showing gender of respondents

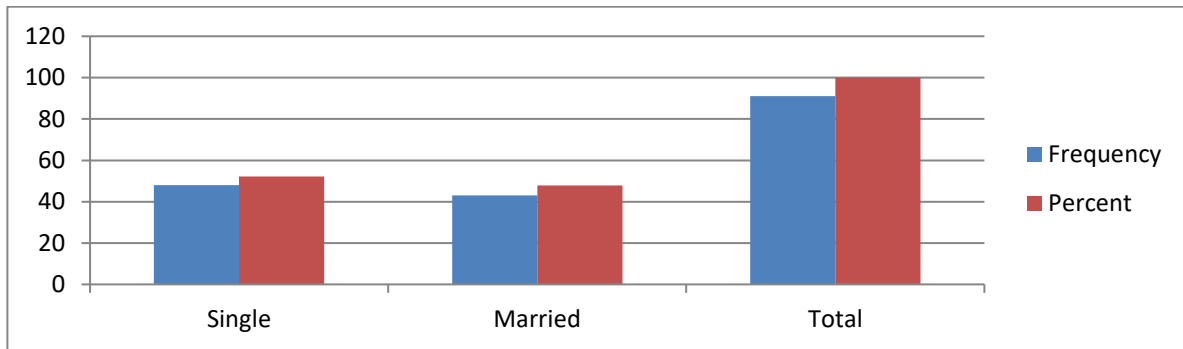
Table 4 and Figure 2; illustrates the gender classification of respondents with 96 males respondents (47.8%) and 43 females respondents representing 52.2% of total

respondents; as majority of employees were Largely Females who worked in non-masculine divisions in the sample institutions and were easier to access.

**Table 5: Respondents marital status**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Single	48	52.2	52.2	52.2
Valid Married	43	47.8	47.8	100.0
Total	91	100.0	100.0	

Source: Research data, 2021



**Figure 3:** Chart showing respondents marital status

Table 5 and Figure 3 illustrates the respondents marital status, as a big proportion of 52.2% of the respondent indicating a total of 48 employees were single, while

47.8% of the respondent representing a total of 43 respondent were married as none were divorced or widowed (0%).

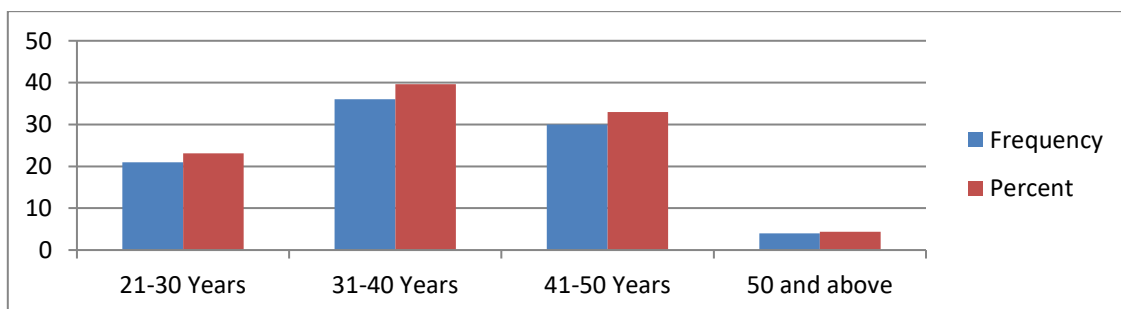
**Table 6 Age Bracket of Respondents**  
**Which of the following age bracket do you belong?**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 21-30 Years	21	23.1	23.1	23.1
Valid 31-40 Years	36	39.6	39.6	62.6
Valid 41-50 Years	30	33.0	33.0	95.6
Valid 50 and above	4	4.4	4.4	100.0
Total	91	100.0	100.0	

Source: Research data, 2021

Majority of employees feel with the 31 to 40 age bracket based on 36 (39.6%) respondents, while the second bigger group with 30 respondents were observed to be between 41 to 50, 21% of respondents are within the

age bracket of 21-30, while 4 respondents were between were 50 years and above. It can be seen that majority of employees in the Public Sector are above 30 (especially those in the managerial and senior department).



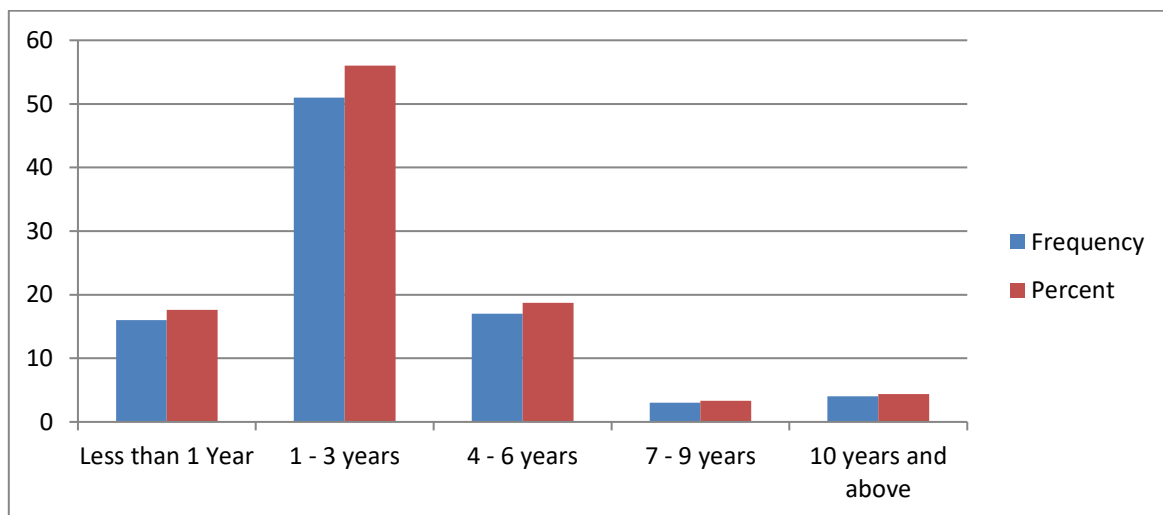
**Figure 4.** Chart showing Age Bracket of Respondents



**Table 7 Duration of Employment of Respondents**  
**How long have you been working with your company**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Less than 1 Year	16	17.6	17.6	17.6
1 - 3 years	51	56.0	56.0	73.6
4 - 6 years	17	18.7	18.7	92.3
7 - 9 years	3	3.3	3.3	95.6
10 years and above	4	4.4	4.4	100.0
Total	91	100.0	100.0	

Source: Research data, 2021



**Figure 5:** Chart showing Duration of Employment of Respondents

In Table 7 above, it can be seen that most of the respondents have stayed for more than a year to three as answered by 51 respondents, while 17 respondents were registered to have stayed for 4-6 years, 16 respondents have stayed for less than a year,

3 respondents have started for 7 to 9 years while only 4 respondents have stayed for 10 years and above.

This shows that the average survival of these firms is majorly below 6 years, as a cumulative percentage of 95.6% of respondents fast food firm are within the age bracket of 1 to 9 years

**Table 8: Respondents marital status**  
**What is your marital status**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Married	16	17.6	17.6	17.6
Single	11	12.1	12.1	29.7
Divorced	22	24.2	24.2	53.8
Widow	20	22.0	22.0	75.8
Widower	22	24.2	24.2	100.0
Total	91	100.0	100.0	

Source: Research data, 2021.

The above result shows that 17.6% of respondents are married, 12.1% of respondents are single, 24.2% consisting of the highest population respondents are divorced, while 22% are widowed and 24.2 are widowers.



**AUDITING**

Analysis within this section examines data distribution for the predictor variable – organizational justice and its dimensions (Internal audit quality and Auditing Rules). All three variables are measured on a 3-item instrument with indicators scaled on a 5-point Likert Scale ranked from strongly agree (5) to strongly disagree (1).

**Internal audit quality**

Presented below is the descriptive statistics for Internal audit quality Component of Audit with central tendency and response disparity for each indicator

**Table 9: Internal audit quality Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
There is the presence of a clearly define Auditing Procedure in my firm.	91	1	5	2.82	1.436
The Procedures are usually adhered to by the internal and external auditors.	91	1	5	3.05	1.339
Internal audit quality are done to suit the values and missions of the firm.	91	1	5	3.03	1.367
Valid N (listwise)	91				

Source: Research data, 2021

Table 9 above illustrates the descriptive statistics for the indicators of Internal audit quality component statistics which examines using multiple items (3-items for each variable) the participant’s and respondents view on the firms Auditing Procedure with an overall mean score;  $x = 2.97$ ; The coefficient implies that on the average, most of the respondents agree that there is a fair

existence of Internal audit quality as experienced by respondents in the sample public sector firms.

**Auditing Rules**

Presented below is the descriptive statistics for Auditing Rules component of Audit with central tendency and response disparity for each indicator

**Table 10 Auditing Rules Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
There are succinct Auditing Rules within the firm.	91	1	5	3.00	1.414
There are measures in place to ensure adherence to Auditing Rule in firm.	91	1	5	2.95	1.441
Auditing Rules are usually followed by auditors in firms.	91	1	5	3.19	1.488
Valid N (listwise)	91				

Source: Research data, 2021

Table 10 above illustrates the descriptive statistics for the indicators of Auditing Rules component statistics which examines using multiple items (3-items for each variable) the participant’s and respondents view on the firms Auditing Procedure with an overall mean score;  $x = 3.04$ . The coefficient implies that on the average, most of the respondents agree that there is a fair practice of Auditing Rules as experienced by respondents in the sample public sector firms.

**Performance**

Analysis within this section examines data distribution for the criterion variable – Performance and its dimensions (Expenditure efficiency and Goods). All three variables are measured on a 3-item instrument with indicators scaled on a 5-point Likert Scale ranked from strongly agree (5) to strongly disagree (1).

**Expenditure efficiency**

Presented below is the descriptive statistics for the expenditure efficiency component of performance with central tendency and response disparity for each indicator



**Table 11 Expenditure efficiency Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
Administrators present rightful reasons and give complete information regarding the decisions that concern me	91	1	5	3.00	1.423
Administrators express the decisions made that concern me in a polite and friendly manner.	91	1	5	3.07	1.377
Administrators communicate in the same way with all employees	91	1	5	3.20	1.457
Valid N (listwise)	91				

Source: Research data, 2021

Table 11 above illustrates the descriptive statistics for the indicators of expenditure efficiency component statistics which examines using multiple items (3-items for each variable) the participant's and respondents view on the firm's auditing procedure with an overall mean score;  $\bar{x} = 3.09$ . The coefficient implies that on the average, most of the respondents agree that there

is a fair practice of Expenditure efficiency as experienced by respondents in the sample Public Sector firms.

**Public Good**

Presented below is the descriptive statistics for the public good component of performance with central tendency and response disparity for each indicator

**Table 12: Public Good**

	N	Minimum	Maximum	Mean	Std. Deviation
Efficient Audit results to the creation of Public value in the nation.	91	1	5	3.16	1.421
The nations benefits greatly from Audit via an increase in the level of public value in the system.	91	1	5	3.05	1.408
Auditors aids in creating Public value and services indirectly	91	1	5	3.00	1.362
Valid N (listwise)	91				

Source: Research data, 2021

Table 12 above illustrates the descriptive statistics for the indicators of public good component statistics which examines using multiple items (3-items for each variable) the participant's and respondents view on the firm's auditing procedure with an overall mean score;  $\bar{x} = 3.07$ . The coefficient implies that on the average, most of the respondents agree that there is a fair existence of Public Good by firms as experienced by respondents in the sample Public Sector firms.

**Bivariate Analysis**

A total of four hypothesized bivariate associations were postulated in the study; all stated in the null form of no association. Data in this section is analyzed using the spearman rank order correlation coefficient at a 95% confidence interval. Analysis is based on a significant criterion of 0.05 for the acceptance ( $p > 0.05$ ) or rejection ( $p < 0.05$ ) of the null hypotheses.



**Table 13 Spearman Correlation Matrix**

		Expenditure efficiency	Public value	Structure	Auditing Rule	Auditing Procedure	
Spearman's rho	Expenditure efficiency	Correlation Coefficient	1.000	.972**	.990**	.994**	.960**
		Sig. (2-tailed)	.	.000	.000	.000	.000
		N	201	201	201	201	201
	Public value	Correlation Coefficient	.972**	1.000	.968**	.969**	.948**
		Sig. (2-tailed)	.000	.	.000	.000	.000
		N	201	201	201	201	201
	Structure	Correlation Coefficient	.990**	.968**	1.000	.991**	.964**
		Sig. (2-tailed)	.000	.000	.	.000	.000
		N	201	201	201	201	201
	Auditing Rule	Correlation Coefficient	.994**	.969**	.991**	1.000	.904**
		Sig. (2-tailed)	.	.000	.000	.000	.000
		N	201	201	201	201	201
	Auditing Procedure	Correlation Coefficient	.960**	.948**	.964**	.904**	1.000
		Sig. (2-tailed)	.	.000	.000	.000	.000
		N	201	201	201	201	201

Source: Research data, 2021

**Hypothesis One**

**H<sub>01</sub>: There exists no significant relationship between Auditing Procedure and Expenditure efficiency of the Organizations in Nigeria.**

The analysis on the relationship between auditing procedure and expenditure efficiency is shown in Table 13, with rho = .948 and p = 0.000. The findings show a very strong and significant relationship between both variables (where \*\* indicates significance at 0.01 and p < 0.05; thus, we reject the null and restate that there is a significant relationship between auditing procedure and expenditure efficiency based on the criterion for null hypothetical statement rejection of p < 0.05).

**Hypothesis Two**

**H<sub>02</sub>: There is no significant relationship between auditing procedure and public good of the organizations in Nigeria.**

The analysis on the relationship between auditing procedure and public good is shown in Table 13, with rho = .960 and p = 0.000. Because the findings show a very strong and significant relationship between both variables (where \*\* indicates significance at 0.01 and p < 0.05), we reject the null and restate that there is a

significant relationship between auditing procedure and resource acquisition based on the criterion for null hypothetical statement rejection of p < 0.05.

**Hypothesis Three**

**H<sub>03</sub>: There is no significant relationship between auditing rules and expenditure efficiency of the Organizations in Nigeria.**

The analysis on the relationship between auditing rules and expenditure efficiency is shown in Table 13, with rho = .969 and p = 0.000. The findings show a very strong and significant relationship between both variables (where \*\* indicates significance at 0.01 and p < 0.05); thus, we reject the null and restate that there is a significant relationship between procedure and Expenditure efficiency based on the criterion for null hypothetical statement rejection of p < 0.05.

**Hypothesis Four**

**H<sub>04</sub>: There is no significant relationship between auditing rules and public good of the organizations in Nigeria.**

The analysis on the relationship between Auditing Rules and Public Good is shown in Table 13, with rho = .994 and p = 0.000. The findings show a very strong and significant relationship between both variables (where



\*\* indicates significance at 0.01 and  $p < 0.05$ ); thus, we reject the null and restate that there is a significant relationship between auditing rules and public good (based on the criterion for null hypothetical statement rejection of  $p < 0.05$ ).

#### **Hypothesis Five**

**H<sub>05</sub>: There is no significant influence of organizational structure on the association between Audit and public sector organizational performance.**

Table 13 shows the results of the analysis of the relationship between organizational structure and public sector organizational performance, with  $\rho = 990$  and  $p = 0.000$ . The findings show a very strong and significant relationship between both variables (where \*\* indicates significance at 0.01 and  $p < 0.05$ ); thus, we reject the null and restate that there is a significant relationship between interactional and resource acquisition based on the criterion for null hypothetical statement rejection of  $p < 0.05$ .

#### **CONCLUSION**

It can thus be concluded that audit and performance in the public sector with special focus on selected public sector organization has a great level of association as deciphered by the statistical analysis as carried out by the study as it was discovered that auditing procedure exhibited a significant relationship to expenditure efficiency of public institutions in Port Harcourt, Rivers state and auditing procedure exhibited a significant relationship to resource acquisition of Public institutions in Port Harcourt, Rivers state. Auditing rule exhibited a significant relationship to expenditure efficiency of public institutions in Port Harcourt, Rivers state, auditing rule exhibited a significant relationship to resource acquisition in Port Harcourt, Rivers state and organizational structure did not influence the association between audit and performance, Rivers state.

#### **RECOMMENDATIONS**

From the findings of the study, it was therefore recommended that:

- i. Over and above normal auditing, auditing should be made a mandatory necessity in the public sector.
- ii. Transparency and accountability should be highly attained by publishing the audit report.
- iii. Offenders should face harsh penalties in order to serve as an obstruction and deterrent to others.
- iv. Professional bodies in Nigeria (for example, ICAN and ANAN) should organize essential audit training for their members in practice.

- v. The administrations of the State, Federal, and various Local Government Councils should assist the auditors by instituting strict internal controls and efficient auditing in their jurisdictions, as well as motivating government officials, establishing adequate rewards for detecting fraud, and providing regular staff training.

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