

EVALUATION OF EFFECTIVENESS OF INTERNAL AUDIT IN THE NIGERIAN PUBLIC SECTOR

Udeh, Sergius Nwannebuike, Ph.D, CNA, ACMA, HCIB
Department of Accounting and Finance
Godfrey Okoye University
Enugu, Enugu State, NIGERIA

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Prof. Eugene, O. Nwadiakor, Ph.D, FCIT, FCPIN
General Studies Unit
Godfrey Okoye University
Enugu, Enugu State, NIGERIA

ABSTRACT

This paper was generally designed to evaluate the effectiveness of internal audit in the Nigerian Public Sector. It had 3 specific objectives, 3 research questions and 3 hypotheses. Simple random sampling technique was used to select 4 of the Federal Government Parastatals located in Enugu State of Nigeria. A study population of 182 made up of 127 accountants and 55 internal auditors in the Parastatals was utilized. A self – structured questionnaire, using a four-point modified Likert a scale was the instrument for data collection. 168 respondents that correctly completed and returned their questionnaire formed the sample size for the study. While mean was employed in data analysis chi-square was used to test the postulated hypothesis. The study found, among other things, that in spite of availability of adequate punishments, they were not effectively applied across boards for violations of internal audit procedures. It concluded that efforts should be geared towards updating the knowledge of internal auditors rather than engaging in interminable search for error-proof internal audit procedures. The paper recommended a thorough and transparent recruitment process for internal audits.

INTRODUCTION

In developing economics, like Nigeria, public sector represents one of the most dominant economic forces; perhaps due to the fact that government constitutes the largest single business entity and her pattern of expenditure through its various ministers, agencies and departments stimulate a lot economic activities.

Public sector, therefore, sets the economic agenda for the nation. This implies that a robust system of internal checks needs to be put in place to provide assurances that government funds are used for purposes they were meant. One major way of achieving this is the institution of internal audit. In the absence of effective internal audit, individuals with questionable character may exploit inherent loopholes to their advantage. It is argued that the historically centralized and hierarchical structure of the public sector with its complex bureaucratic procedures tend to provide some level of comfort to those entrusted with the disbursement of public funds. Consequent upon some layers of control embedded in the public sector, those responsible do not often see the need for another institutional layer (internal audit) to strengthen public assurance of accountability.

Before 1980s, internal audit existed in a rudimentary form in both private and public sectors. Vani (2010) states that even in the private sector, internal audit was largely confined to checking compliance with organizational policies and procedures and verifying the existence of assets. In the public sector, the responsibility was essentially carried out by different strata

of the bureaucracy, and thus the need for additional check through internal audit was never acutely felt.

Vani (2010) argues that modern internal audit really evolved after the land mark 1987 report of the Committee of Sponsoring Organizations (COSO) on fraudulent financial reporting. He further states that the implementation of the 2002 Sarbanes – Oxley act has further increased the breadth and depth of the professional work carried out by the Internal Audit (IA) community. He opines that the main objective of the modern Internal Audit function is to assist management in making decisions “by bringing a systematic, disciplined approach to evaluate and improve the effect of risk management, control, and governance process”.

In view of the concept of modern internal audit, pundits wonder how effective it is in the public sector domain in Nigeria. Is the sector well positioned to embrace the modern concept? The above issues shall be the concern of this study.

STATEMENT OF PROBLEM

In spite of various pronouncements on internal audit in the Nigerian Public Sector, the general opinion according to literature is that most of the public enterprises have failed to deliver on the purposes for which they were established. Many people accuse managers of public enterprises in Nigeria of ineffectiveness and inefficiency in terms of resource control. They argue that poor application of internal audit principles and procedures leads to blatant diversion of scarce resources with its attendant consequences on the traditional accountability of government to the public. In fact, Lee, Johnson and Joyce (2004) observe that internal control is desired to provide some assurance to stakeholders that scarce resources are not diverted away from basic considerations inherent in financial management system design.

Determined to stem the tide of high profile corporate failures across the globe over the last 10 years, International Federation of Accountants (IFAC) (2006), developed new legislations, standards, codes and guidelines. However, mention must be made that the ineffective implementation of internal audit procedures in the Nigerian public sector is not only attributable to unavailability of adequate legislations. It also hinges on whether there are adequate punishments for violations of internal audit procedures and whether the punishments are justly and effectively applied whenever need be.

OBJECTIVES OF THE STUDY

On a general basis, the study is set out to evaluate the effectiveness of internal audit in the Nigerian public sector. However, the specific objectives are:

1. To determine if internal audit procedures are effective to safeguard assets of public sector organizations.
2. To ascertain if punishments for violations of internal audit procedures are adequate.
3. To determine if the available punishments are effectively applied when necessary.

RESEARCH QUESTIONS

This study is anchored on the following research questions in order to achieve the set objectives:

- i. To what extent are internal audit procedures effective to safeguard assets of public sector organizations in Nigeria?

- ii. To what extent are punishments for violations of internal audit procedures adequate in Nigeria?
- iii. To what extent are the available punishments for violations of internal audit procedures effectively applied in Nigeria?

RESEARCH HYPOTHESES

Three research hypotheses which were stated in the null form were formulated based on the objectives of the study and the research questions. Hypothesis One:

Ho: Internal audit procedures are not significantly effective to safeguard assets of organizations.

Hypothesis Two:

Ho: Punishments for violations of internal audit procedures are not significantly adequate.

Hypothesis Three:

Ho: Application of available punishments for violations of internal audit procedures is not significantly effective across board.

SCOPE OF THE STUDY

This study is delimited to the evaluation of effectiveness of internal audit in the Nigerian public sector in its entire ramification through four of the federal parastatals located in Enugu State of Nigeria. Enugu State is basically a civil servant state and the capital city of the defunct Eastern Nigeria. As such, many federal ministries in Nigeria have well equipped and functional parastatals in the State.

REVIEW OF RELATED LITERATURE

Related literature on the subject matter is reviewed under the following sub-headings:

- i. Historical perspective
- ii. Conceptual framework and
- iii. Theoretical framework

Historical Perspective

One of the inheritances of Nigeria from her colonial masters is an extensive public sector. Esu and Inyang (2009) state that from the late 19th Century, the system of state enterprises begun in 1898 when the British colonial administration undertook the railway transport project from Dido in the capital city of Lagos to the hinterland. They reported that Fitzgerald Commission into the Colliery trouble laid the foundation for the establishment of public corporation in Nigeria. Some of the early public corporations instituted by the colonial administration included Electricity Corporation, Nigerian Coal Corporation, Railway Corporation, Nigeria Ports Authority, etc. Babatunde (2013) believes that all these Enterprises were established primarily as administrative organs for facilitating trade and commercial activities of the colonial government. Following the successful and transparent way the Corporations were managed by their boards, many other ones were established even by state governments. The Corporations provided essential services that met government aspirations at different levels. They also applied internal checks on the utilization of funds in

such a way that public assurances were maintained through the instrumentality of the constitution, the Finance (Control and Management) Act 1958 and the Audit Act 1956.

However, as years rolled by, the effectiveness of the Corporations dwindled in terms of services rendered. Many people then saw them as mere conduit pipes for siphoning scarce public funds and consequently clamoured for their privatization. While some were privatized, others collapsed and fizzled away. In view of the above, public sector in Nigeria now consists essentially of Government Ministries, Departments and Agencies (MDAs).

CONCEPTUAL FRAMEWORK

Deepak (2010) sees internal audit as an independent and objective assurance and consulting function designed to help an organization to achieve its objectives. He identifies the objectives to include: Effectiveness and efficiency of operations (programmes and projects), reliability of financial and operational information, safeguarding of assets, compliance with rules and regulations and prevention and detection of fraud.

The objectives of internal audit are unarguably broad but governments differ in their commitment to them. This is why it is generally asserted that the effectiveness of internal audit can only be as good as the commitment of government to pursue these objectives. According to Unegbu and Obi (2012), internal audit is 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. They believe that internal audit measures, analyses and evaluates the efficiency and effectiveness of other controls established by management in order to ensure smooth administration, control cost minimization, capacity utilization and maximum benefit derivation. This implies that internal audit is an integral part of a complex system designed by the management of any organization to ensure orderly conduct of its business and prevent abuse of assets.

Vos (1997) states the internal auditor's main objective is to evaluate effectiveness of financial and operating control, confirm compliance with company policies, procedure, protect assets, verify the accuracy and consistency of organization's external and internal reports. While Stoner (1994) believes that the objective of internal audit is to evaluate several of the organization's reports for accuracy and usefulness and also recommending improvement of the control system, Owler and Brown (1999) argue that the objective of internal auditor is to protect management against errors of principle and neglect of duty.

Adeniji (2011) states that internal audit is part of the internal control system put in place by management of an organization. He believes it is an aid to management which ensures that the financial operations are correctly carried out according to the law and also in accordance with the wishes of the board or council. Barker (1999) while corroborating the views of Owler and Brown (1999) extends the objective of internal audit to include review of the operations and record of the undertaking and in course of these checks, much of the detailed work of the organization in respect of financial and other statements are effectively audited.

The Institute of Internal Auditors (1999) defines internal auditing as an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It assists an organization to achieve its objectives by bringing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Enofe, Mgbame, Osa-Erhabor and Ehiorobo (2013) contend that the aim of internal auditing is to improve organizational efficiency and effectiveness through constructive criticism. This means that identification of areas of weakness and suggestions for improvement are the main thrust of internal auditing. Little wonder Sawyer (1995) state that internal auditor's job is not done until defects are corrected and remain corrected.

Effective Internal Audit

How to make internal audit effective has been an area of common interest to many. This has been responsible for the divergent views of authors on this concept. To that effect, the Institute of Internal Audit (2010) sees internal audit effectiveness 'as the degree (including quality) to which established objectives are achieved.' Vijayakumar and Nagaraja (2012) appear to be concerned more with the outcome of effective internal audit system which they argue helps in achieving performance, profitability and prevents loss of revenues particularly in public sectors.

While Shoommuangpak and Ussahawanitchakit (2009) view audit effectiveness as achieving audit's objective by gathering of sufficient and appropriate audit evidence in order to express reasonable opinion regarding the financial statements compliance with generally acceptable accounting principles, Mizrahi and Ness-Weisman (2007) express audit effectiveness as the number and scope of deficiencies corrected following the audited process.

Alberta (2005) as cited in Mu'azu and Siti (2013) states that effective internal auditor professionals should possess the following characteristics:

Ability to align the structure of internal audit with the dynamics of the organizational operation; There should be strong relationship between management skills for maintaining appropriate visibility and audit committee needs and expectations; There should be strong service delivery capabilities (consistency in approach, standards, and delivery, including the abilities to maintain audit focus and alignment of resources to the plan; There should be also be strong management skills which will ensure that internal audit teams have appropriate skills and motivation. Besides the above, the level of training, education, experiences as well as professional qualifications of the internal auditors influenced the effectiveness of internal audit. The above characteristics are essential and we see them as building blocks to effective internal audit system.

Belay (2007) and De Smet and Mention (2011) are of the opinion that attributes of effective internal control include "organizational independence, a formal mandate (existence of approved audit charter, unrestricted access, sufficient staff, existence of audit committee, stakeholder support, professional audit standards and unlimited scope. In a related development, the Chartered Institute of Public Finance and Accountancy (2006) as cited in Mu'azu and Siti (2013) believes that effective internal audit service should aspire to understand the whole organization, its needs and objectives, understand its position with respect to the organization's other sources of assurance and plan its work accordingly; be seen as a catalyst for change at the heart of the organization; and value and assist the organization in achieving its objectives; help to shape the ethics and standards of the organization, ensure the right resources are available and seek opportunities for joint working with other organizations". A cursory look at the above reveals the holistic nature of the expectations of effective internal audit system from a professional stand point. It is more or less like setting the universal standard against which effectiveness of internal control would be assessed.

Empirical Review

Some empirical studies have been done on this subject matter in some countries of the world. Mihret and Yismaw (2007) did a study entitled *Internal Audit Effectiveness: An Ethiopian Public Sector Case Study*. The study which used structured questionnaire, interview and observations as instruments of data collection discovered that certain factors such as internal audit quality, support from management, etc. strongly affect effectiveness of internal audit while organizational structure and internal auditor's attributes have less impact on the same variable.

In a study carried out by Ahmad, Othman & Jusoff (2009) on effectiveness of internal audit in Malaysian public sector in which simple percentage was used as the tool for data analysis, they found that lack of audit staff was a major impediment to effective internal auditing. One of the major limitations of the study was a narrow scope. Arena and Azzone (2009) in their study entitled 'identifying organizational drivers of internal audit effectiveness in Italy' with the use of 153 Italian companies and survey method, found that characteristics of the internal audit team, the audit processes and activities as well as organizational links influenced effectiveness of internal audit.

Furthermore, Cohen and Sayag (2010) studied 'effectiveness of internal auditing: An Empirical Examination of its Determinants in Israeli organization'. With the use of questionnaire and mail survey of 292 organizations, the study identified management support, especially in relation to provision of proficient internal audit staff, career development and independence of internal auditors as vital to the effectiveness of internal audit. In another study conducted by Theofanis, Drogalas and Giovanis (2011) on the 'relationship between elements of internal control system and internal audit effectiveness' with the use of 52 Hotels in Greek through mail survey, the results reveal positive relationship between the variables. However, they suggested that with larger samples the outcome of the study might differ significantly from their own.

Since many of these studies were done in countries other than Nigeria, with obvious cultural and environmental differences as well as contrasting findings, it becomes necessary for a similar study to be carried out in Nigeria. Furthermore, with reference to the poor rating of Nigeria by the Transparency International in terms of corruption indices, a study on effectiveness of internal audit becomes not just necessary but imperative. As we know, sound internal audit practice is the bedrock for corporate transparency.

METHODOLOGY

The study adopted survey research design. In order to ensure that the responses obtained were reliable and representative, the population was restricted to workers who had access to the machinery of internal audit in four of the Federal Government Agencies and Parastatals in Enugu State with a wide base for internally generated revenue. The population of the study was 182 accountants and internal auditors made up as shown below:

Institution	No of Accountants	No of internal Auditors	Total
University of Nigeria, Nsukka.	48	20	68
National Orthopedic	25	12	37

Hospital, Enugu.			
University of Nigeria Teaching Hospital, Enugu	42	17	59
Radio Nigeria, Enugu	12	6	18
Total	127	55	182

Source: September, 2015 Nominal roll of the various institutions.

The entire population was used as the sample size because it was small and manageable. A structured questionnaire was the instrument for data collection. The questionnaire was a modified 4 – point Likert scale with response options of Strongly Agree (SA), Agree (A), Disagree (D) and Strongly Disagree (SD) weighted 4,3,2 and 1 respectively.

Copies of the questionnaire were distributed to and collected from respondents by hand. A total of 168 copies were finally retrieved from the respondents, representing 92% return rate. Mean was the tool for data analysis while chi-square was used to test the stated hypotheses. For purposes of analysis of the research questions, strongly agree and agree were coded 2 while disagree and strongly disagree were coded 1. Consequent upon that, any mean value of 1.5 and above meant effective/adequate while any mean value of less than 1.5 meant ineffective/inadequate.

RESULTS AND DISCUSSION

The results for the study are presented in tables.

Table 1: Gender of Respondents

Male	Female	Total
103	65	168

Table 2: Work place of Respondents

UNN	N.O.H. Enugu	UNTH Enugu	Radio Nigeria Enugu	Total
62	35	53	18	168

Table 3: Status of Respondents

Accountants	Internal Auditors	Total
117	51	168

Table 4: Working Experience of Respondents

0-5 years	6 – 10 years	11 – 15 years	16 years and above	Total
13	37	62	56	168

Tables 1 – 4 above show the bio-data of the respondents. Specifically, table 1 shows that of the 168 respondents, 103 were males while 65 were females.

Table 2 shows that 62 of the respondents came from the University of Nigeria, Nsukka, 35 from National Orthopaedic Hospital, Enugu, 53 from University of Nigeria Teaching Hospital, Enugu and 18 from Radio Nigeria, Enugu.

Table 3 reveals that 117 of the respondents were accountants while 51 were internal auditors. Furthermore, table 4 shows that 13 of the respondents have worked between 0 and 5 years, 37

between 6 and 10 years, 62 between 11 and 15 years and 56 from 16 years and above. An interesting revelation from table 4 was that 70% of the respondents had worked for 11 years and above and therefore had reasonable experience in the subject matter.

Research Question 1: To what extent are internal audit procedures effective to safeguard assets of public sector organizations?

Table 5: Respondents opinion on effectiveness of internal audit procedures to safeguard assets of public sector organizations

Question No.	Factors	N	Mean	Std Dev.
	To what extent do you agree that:			
5	Public sector organizations in Nigeria have necessary internal audit procedures?	168	1.72	.45
6	The internal audit procedures are effective to safeguard assets of public sector organizations from pilferage and misuse?	168	1.60	.49
7	Internal audit procedures are regularly reviewed to make them current?	168	1.47	.50
8	Staff of internal audit departments are motivated to implement the necessary procedures?	168	1.47	.50
	Grand mean		1.57	

(See appendix 2 for details).

Hypothesis one: Internal audit procedures are not significantly effective to safeguard assets of public sector organizations in Nigeria.

Table 6: A contingency table on chi-square test on effectiveness of internal audit procedures to safeguard assets of public sector organizations in Nigeria

Question No	X ² cal	X ² critical	Dec.
6	6.881	3.841	Reject Ho ₁

Table 5 shows a grand mean of 1.57 which indicates that the respondents agreed that internal audit procedures are effective to safeguard assets of public sector organizations in Nigeria. With a mean of 1.72, the table shows that respondents agreed that public sector organizations in Nigeria have necessary internal audit procedures. However, a mean score of 1.47 each for questions 7 and 8 shows that respondents disagreed that internal audit procedures are effectively and regularly reviewed; and that staff of internal audit departments are effectively motivated to implement the necessary procedures.

Since table 6 shows calculated x^2 value of 6.881 which is greater than critical x^2 of 3.841 at 0.05 level of significance and 1 degree of freedom, the null hypothesis as stated is rejected. This implies that internal audit procedures are significantly effective to safeguard assets of public sector organizations in Nigeria.

The above findings are in line with the results of the study done by Arena and Azzone (2009) which agreed that audit processes and activities, among others influence effectiveness of internal audit. Without prejudice to the opinion of respondents, we believe that regular review of the provisions are imperative as changes in technology constantly give rise to gaps in existing methodologies especially in developing countries.

Research Question 2: To what extent are punishments for violations of internal audit procedures adequate in Nigeria?

Table 7: Respondents opinion on adequacy of punishments for violations of internal audit procedures in Nigeria

Question No	Factors	N	Mean	Std Dev.
	To what extent do you agree that:			
9	There are punishments for violations of internal audit procedures in public sector organizations in Nigeria?	168	1.68	.47
10	The punishments for violations of internal audit procedures at different levels are adequate?	168	1.77	.42
11	The available punishments should be strengthened to serve as deterrent to people?	168	1.34	.47
	Grand Mean		1.60	

Hypothesis Two: Punishments for violations of internal audit procedures are not significantly adequate in Nigeria.

Table 8: A contingency table on chi-square test for adequacy of punishments for violations of internal audit procedures in Nigeria

Question No	X ² cal	X ² critical	Dec.
10	50.381	3.841	Reject H ₀₂

In table 7, a grand mean of 1.60 was shown on the adequacy of punishments for violations of internal audit procedures in Nigeria. A cursory examination of the table reveals that respondents agreed on the availability and adequacy of punishments for violation of internal audit procedures at different levels as shown by mean values of 1.68 and 1.77 respectively but disagreed on the need to strengthen them as revealed by a mean of 1.34. This indicates that the punishments are effectively available and adequate. Table 8 shows X² calculated and critical values of 50.381 and 3.841 respectively. Since X² calculated of 50.381 was greater than X² critical (3.841), the null hypothesis was rejected. This conveys the conviction of respondents that available punishments for violations of internal audit procedures are adequate.

These findings are in agreement with the views of Mihret and Yismaw (2007) and Ahmad et al (2009) in which they identified lack of audit staff and support from management as factors that strongly affect effectiveness of internal audit as against organizational structures. It presupposes that basic internal audit procedures are adequate to guarantee safety of assets of public sector organizations with quality audit internal staff and reasonable management support. Public sector organizations should therefore, pay more attention to recruitment and

up-to-date training of internal audit staff than unbridled search for unavailable innovations in internal audit procedures.

Research Questions 3: To what extent are the available punishments for violations of internal audit procedures effectively applied in Nigeria?

Table 9: Respondents opinion on effective application of available punishments for violations of internal audit procedures in Nigeria

Question No.	Factors	N	Mean	Std dev.
	To what extent do you agree that:			
12	Punishments are applied when violations are noticed.	168	1.20	.40
13	Necessary punishments are effectively applied across board always	168	1.20	.40
14	Compliance with internal audit procedures leads to prudent financial management.	168	1.71	.45
	Grand Mean		1.37	

Hypothesis Three: Application of available punishments for violations of internal audit procedures is not significantly effective across board.

Table 10: A contingency table on chi-square test for effective application of available punishments for violations of internal audit procedures

Question No	X^2 cal	X^2 critical	Dec.
13	61.929	3.841	Reject H_0

Grand mean of 1.37 shown in table 9 indicates that respondents disagreed that available punishments for violations of internal audit procedures are effectively applied across board. A closer examination of the table revealed that respondents disagreed that punishments were neither applied when ever violations were noticed nor meted across board always as shown by mean scores of 1.20 each. However, mean score of 1.71 indicates that respondents agreed in response to question number 14 that compliance with internal audit procedure promotes prudent financial management.

Table 10 shows that while X^2 calculated was 61.929, X^2 critical was 3.841 at 0.05 level of significance and 1 degree of freedom. Due to the fact that X^2 calculated of 61.929 was greater than X^2 critical (3.841), the stated null hypothesis was rejected. This indicates that non effective application of the punishments across board is significant. These results show a clear gap between availability and adherence to necessary internal audit procedures. What is at the centre of ineffective internal audit is lack of strong will to mete out punishments for non adherence to internal control guidelines.

These results are in consonance with the findings of Cohen and Sayag (2010); and Arena and Azzone (2009) that provision of proficient internal audit staff is vital to effectiveness of internal audit. It is important to note that fair application of punishments for violations of internal audit procedures requires combined firmness from internal audit staff and management. Any slack in expected commitment from any of these groups might endanger the effectiveness of internal audit.

CONCLUSION

This paper which evaluated effectiveness of internal audit in public sector organizations in Nigeria observed the implicit existence of effective internal audit procedures to safeguard assets of organizations. It noted that adequate punishments existed for violations of internal audit procedure. However, the application of the available punishments for violations of internal audit procedures left much to be desired. The paper believes that more effort should be directed at recruiting quality internal audit staff and updating their knowledge than engaging in interminable search for error – proof internal audit procedures.

RECOMMENDATIONS

The following recommendations were proffered by the study:

- a) The recruitment process for internal audit staff should be thorough and transparent to ensure the enlistment of only qualified personnel.
- b) Management of Organizations should motivate staff of internal audit departments to painstakingly implement internal audit procedures.
- c) Management of Organization should co-operate with internal audit staff to promote effectiveness of the various control measures put in place.
- d) Regular training of the staff of internal audit departments is necessary to sharpen their skills of implementation of necessary procedures.

SUGGESTIONS FOR FURTHER STUDIES

The following suggestions are made for further studies:

- a) A similar study with a wider scope is advocated.
- b) A study to identify the drivers of effectiveness of internal audit in public sector institutions is recommended.

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APPENDIX 1 INSTRUMENT OF DATA COLLECTION

Department of Accounting/Finance
Godfrey Okoye University
Enugu
Enugu State
November 5, 2015

Dear Respondent,

Request to complete a questionnaire

I am a staff of the above university carrying out a research entitled “Evaluation of Effectiveness of internal audit in the Nigerian Public Sector.” Please complete the questionnaire as objectively as possible as this is aimed at improving effectiveness of internal audit in the Nigerian Public Sector. Please be assured that any information volunteered will be highly appreciated and used solely for the purpose of the study while maintaining absolute confidentiality.

I remain indebted for your co-operation.

Yours sincerely,

Dr. Sergius N. Udeh
Researcher

QUESTIONNAIRE

SECTION A: Personal Data of Respondents

Instruction: Please tick ✓(good) in the box with the answer you consider most appropriate.

1. What is your gender? (a) Male (b) Female
2. Where do you work? (a) U.N.N (b) N.O.H Enugu
(c) UNTH Enugu (d) Radio Nigeria Enugu
3. What is your status?
(a) Accountant (b) Internal auditor

4. How long have you worked?

- (a) 0 – 5 years (b) 6 – 10 years (c) 11 – 15 years
(d) 16 years and above

SECTION B: Questions on the subject matter.

To what extent do you agree that:

5. Public sector organizations in Nigeria have necessary internal audit procedures?

- (a) Strongly agree (b) Agree (c) Disagree
(d) Strongly disagree

6. Internal audit procedures are effective to safeguard assets of public sector organizations from pilferage and misuse?

- (a) Strongly agree (b) Agree (c) Disagree
(d) Strongly disagree

7. Internal audit procedures are regularly reviewed to make them current?

- (a) Strongly agree (b) Agree (c) Disagree
(d) Strongly disagree

8. Staff of internal audit department are motivated to implement the necessary procedures?

- (a) Strongly agree (b) Agree (c) Disagree
(d) Strongly disagree

9. There are punishments for violations of internal audit procedures in public sector organizations in Nigeria?

- (a) Strongly agree (b) Agree (c) Disagree
(d) Strongly disagree

10. Punishments for violations of internal audit procedures at different levels are adequate?

- (a) Strongly agree (b) Agree (c) Disagree
(d) Strongly disagree

11. The available punishments should be strengthened to serve as deterrent to the people?

- (a) Strongly agree (b) Agree (c) Disagree
(d) Strongly disagree

12. Punishments are applied when violations are noticed?

- (a) Strongly agree (b) Agree (c) Disagree
(d) Strongly disagree

13. Necessary punishments are effectively applied across board always?

- (a) Strongly agree (b) Agree (c) Disagree
 (d) Strongly disagree

14. Compliance with internal audit procedures leads to prudent financial management?

- (a) Strongly agree (b) Agree (c) Disagree
 (d) Strongly disagree

APPENDIX 2

Chi Square Test of Significance

Descriptive Statistics

	N	Mean	Std. Deviation	Minimum	Maximum
Question5	168	1.7202	.45022	1.00	2.00
Question6	168	1.6012	.49112	1.00	2.00
Question7	168	1.4702	.50061	1.00	2.00
Question8	168	1.4702	.50061	1.00	2.00
Question9	168	1.6845	.46609	1.00	2.00
Question10	168	1.7738	.41961	1.00	2.00
Question11	168	1.3393	.47488	1.00	2.00
Question12	168	1.1964	.39848	1.00	2.00
Question13	168	1.1964	.39848	1.00	2.00
Question14	168	1.7143	.45310	1.00	2.00

Test Statistics

	Question 5	Question 6	Question 7	Question 8	Question 9	Question 10	Question 11	Question 12	Question 13	Question 14
Chi-Square	32.595 ^a	6.881 ^a	.595 ^a	.595 ^a	22.881 ^a	50.381 ^a	17.357 ^a	61.929 ^a	61.929 ^a	30.857 ^a
df	1	1	1	1	1	1	1	1	1	1
Asymp. Sig.	.000	.009	.440	.440	.000	.000	.000	.000	.000	.000

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 84.0.