Performance Audit and Accountability of Public Sector in Nigeria

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ABSTRACT
The aim of this study is to evaluate empirically, the relationship between performance audit and accountability of the public sector entities in Nigeria. The population of the study is the Nigeria public sector. Information for the examination were gathered from the auxiliary wellspring of a multi-year financing and yield information of the Nigeria control area. The information were investigated utilizing different relapse with the utilization of E-View bundle. The outcome and discoveries of the investigation demonstrated that there is a huge connection between execution review and responsibility of the open segment in Nigeria. Reality remains that the execution of the open parts in Nigeria has been appraised as terribly low. Based on the result of the study, we recommend that there should be legal mandate in the public to carry out regular performance audit of their activities and programs to ensure proper accountability of resources given to them. There is need to establish proper accountability culture. The absence of accountability culture and strong government agencies to enforce laws and rules has significantly influenced poor public sector performance

Keywords: Performance Audit, Accountability and Public Sector.

INTRODUCTION
Accountability in public sector all through the world is being giving genuine consideration in perspective on the way that administration is the most astounding high-roller of open store. The general public is increasingly requiring public office holders to be more accountable by a demonstration of effective use of public assets and funds in the delivery of administrations and quest for government targets (Obazee, 2006).
Due to an increasing public demands for transparency in governance and the global outcry against corruption in recent times, accountability has now become of serious worry in numerous nations including Nigeria.
The Nigerian culture is beset with accounts of wrong practices, for example, accounts of ministerial and extra- ministerial departments frauds, embezzlements and burning of offices where sensitive papers and material are kept and corruption is found all over the place in the country (Okwoli, 2004). Laxmikanth (2006:201) opined that accountability relates to the obligations of the managers to give adequate report or information about their performance and the manner in which they have used powers or resources given to them. Nowadays, accountability is more complex and has stretched further than the basic definition of "being called to account for one's actions", (Mulga, 2000).
Accountability deals largely with resources input and with expectation of the output: be it human or capital input. One of the major resources of the public sector is the funds made available to them through the taxes and other means. This study will focus on fund as the major means of measuring accountability of the public sector. Open officers ought to be considered responsible for the assets given to them. According to Stanley (2000), public officers should be held accountable for three things: funds and effective management systems, compliance with the laws and government policies and initiatives, and the delivery of an acceptable level of services to the citizens. The primary stakeholders in an accounting system are the people. They hold the public office holders accountable for the collection of revenue, management of public debt and expenditure on public program. The evidence of funds released to the public sector should be felt on the environment and on the people of...
such state. Accountability for the spending of public money is at the hearth of public sector management (Samuel, 2016).

Before now, Performance auditing is mainly used to evaluate the economy, efficiency and effectiveness of an entity’s operations in order to assure that strategic the board targets are done and whether they can be enhanced. The scope of performance audit has expanded beyond verifying financial controls or compliance with policies to more complex areas. It focuses on the existence of management measures such as leadership, employee empowerment, teamwork, risk assessment, management information, communication, resource allocation, productivity measurement. Performance auditing indeed demands for flexibility, mind’s eye and investigative skills to provide organizations with innovative solutions and new ideas (kpmg.co.za)

Recent methods for execution estimation in the open part regularly present a few challenges and confinements since they are generally founded just on productivity, viability and economy markers, which are primarily budgetary that neglect to take comprehension of the satisfaction of natural and social goals of the open associations. The solution for this limitation is to move from the era method of the "3 E's" (effectiveness, efficiency, economy) to an era of the"5 E's, which include: Economy, Efficiency, Effectiveness, Environmental and Equity (Nan Chai, 2009). With this, equity and environment has become part of the components of performance audit. Effectiveness measures the relationship between the output and outcome in terms of the output level, quantity, timeless, quality, price cost, customer satisfaction, mission and objective accomplishment, money related practicality, money saving advantage, cost adequacy (Waring, C.; Morgan, S.,2007).

According the office of the Accountant General of Canada, the concept of environment measures the extent to which the policies and program of the public sector has affected the society (www.oag.bvg.gc.ca). Equity on the other hand, measures how the policies and programs of the public sector are being distributed among the geographical areas or the target population. This alludes to reasonableness and fairness in the utilization of open assets for example is the determination method for recipients of assets reasonable and bereft of impact (www.kpmg.co.za)

Extent of execution review capacities and jobs has changed and created step by step. Pretty much conceivable cases can be made for the execution review - like exercises back to the 1960s or ever significantly prior (OECD 2, 1996). Execution review, as a substantial scale ofself–deliberately unmistakable practice, dates for the most part since the late 1970s (Pollitt, C.H, Summa H, 1997).

Nigerians suffer in the midst of plenty, due mainly to bad governance despite Nigeria being the sixth crude oil exporter in the world, Nigeria is a net importer of refined petroleum products; and her government expects her citizens to pay international price for petroleum products. Generally, top governments officials ride rough shod over the people and care little about their welfare. They indulge in sheer conspicuous public consumption at the expense of their poverty stricken people. It is therefore high time to enlighten our people on the essentials for public sector entities to really give account of their stewardship of the resources at their disposal and through effective performance audit of all levels of the public sector and to exterminate situations of speculative performance and embrace sustainable performance.

Aim of the study
The aim of this study is to evaluate empirically, the relationship between performance audit and accountability of the public sector entities in Nigeria.

2. LITERATURE REVIEW
Theoretical Framework
This study is hinged on the following theories:
Theory of Good Governance
The great administration hypothesis is related with administering strategies and structures in creating nations and it is especially pertinent to administration in Nigeria since Nigeria is a creating nation. Great administration hypothesis creates from a lot of standards or strategies initially presented by the World Bank in relating with and in helping creating or third world countries. The World Bank usually requires good governance practice, among others, as a condition from the developing countries. Great administration is about how the open area in underdeveloped nations can be created. It has been understood that a cutting edge type of government isn’t only just about productivity, that administering is likewise about responsibility between the state and its natives (Bjork and Johansson,
2001) Good administration is about how individuals are dealt with not only as clients or purchasers (as in the new open administration approach) yet as citizens, who have the right to hold their governments to account for the actions they take or fail to take. The demand for efficiency in the public sector should not be allowed to lead to bad service. When there is bad service, citizens have the right to protest and hold politicians accountable. Great administration hypothesis, hence, is an administration hypothesis that sets some essential standards as indicated by which a decent government, whatever its structure, must be run. Such standards incorporate responsibility, control, responsiveness, straightforwardness, open cooperation, economy, effectiveness and so forth. In total, the hypothesis of good administration is made to mirror every one of the standards articulated above and some more (Minogue, Polidano and Hulme, 1998). In perspective on the previous and in accordance with the World Bank standards and approach intercessions in underdeveloped nations, great administration includes a productive open administration, an autonomous legal framework and legitimate structure to authorize contracts and capable organization of open assets. Different prerequisites for good administration incorporate a free open inspector capable to a delegate lawmakers body, regard for the law and human rights at all dimensions of government and a pluralistic institutional structure. Aside from the abovementioned, great administration is predicated on three portions of the general public which have direct impact on administration as featured. The sort of political routine, the procedure by which specialist is practiced in the administration of the monetary and social assets with a view to advancement, and the limit of governments to detail strategies and have them successfully actualized (http://www.un.org/en/globalissues/gov).

Empirical Review
There are not kidding open responsibility issues in Nigeria. The Nigerian open division is incapable and wasteful in the release its jobs for some reasons. Right off the bat, the managerial estimates which supposed to be effective for improving public accountability are rather bothered with degenerate practices which prevent the presentation of offenses of open officers and passing on liable gatherings to account (Ijeoma, 2013:283). Nigeria has been engaging with the issue of untouchable and non-straightforward authority since after autonomy, because of abnormal state of defilement in the nation and among the pioneers.

The nonattendance of responsibility culture and solid government organizations to implement laws and standards has essentially affected poor open division execution (Omotoye, 2011:17). This makes an open door for regular misappropriation of open assets by open authorities without dread or laments of repercussion or discipline that may tail it. In Nigeria, anybody that is politically supported can essentially pull off most wrongdoing the individual perpetrated, and a portion of these violations include tax evasion, wild robbery of government cash and other illicit wrongdoings. In 2006, the Inspector General of the Police was sentenced on eight charges of robbery including more than $100 million of open cash while in office. When he was indicted, he went through just a half year in jail (Okekeocha, 2013:62 ; Omotoye, 2011:15).

In Nigeria, the common administration workers see open administration as an open door for self-advancement; henceforth elevated amounts of ineptitude and wastefulness among the local officials have been given as one of the reasons for debasement. Inescapable and incessant neediness, very abnormal amounts of material hardship; serious hardship and extreme imbalances in the dissemination of assets have been progressed as significant determinants of defilement in Nigeria (Osoba, 2000:473; Arowolo, 2004:64). There is by all accounts wastefulness in open spending in Nigeria either as misallocation, fumble, or misappropriation.

From year to year, trillions of Naira are planned for consumptions by Nigerian governments. Despite these tremendous spending plans and consumptions, there are still issues of joblessness, infrastructural rot, breakdown of social framework and poor administrations conveyance by parts/organizations like instruction and wellbeing, among others. The aftereffect of this is low yield of the economy and low quality administration conveyance (Ademun, 2012:150). It demonstrates in this way that defilement is the real worst thing about open responsibility and execution in Nigeria. Despite the fact that defilement is an issue under hindrances to open responsibility and execution, it merits a different treatment on account of Nigeria.
RESEARCH METHODS

Research Design
The research design adopted for this study is the cross-sectional survey design. The choice depends on the nature of the study and is a better representation of possible multiple observations of items.

Population of Study
The population of the study is the public sector entities in Nigeria. However, due to difficulty in conducting a successful research on the entire public sector entities in Nigeria, the researcher tends to limit the study on assessable population. The assessable population of the public sector selected is the Nigeria power sector.

Nature/ Source of Data
This study adopted secondary data in this research. The study will use an assessable population of a 16 year project and funding data, and available service records of selected public sector in Nigeria, such as the Nigeria power sector.

Data Analysis Techniques
This work utilized the customary least square, numerous relapse examination on E-see 10to decide the connection between the autonomous variable and the needy variable. The factual devices utilized in investigating the measurable unwavering quality of our parameter gauges are: The Coefficient of Determination $R^2$, The T-Test, Durbin Watson, Unit Root Test, Co-integration Test:

Model Specification
Based on the perceived relationship between funding, effectiveness, equity, environment, a link is forged between the variable. Thus the functional relationship and the resultant model using multiple regression method is as follows:

$FUDG = F(EFF, EQTY, ENVT)$ …………………(1).

Converting to linear or stochastic model, we have

$FUDG = \beta_0 + \beta_1EFF + \beta_2EQTY + \beta_3ENVT$ …………………(2)

Where $\beta_0 \beta_1 \beta_2$ and $\beta_3$ are constants.

Model 3: $FUDG = \beta_0 + \beta_1EFF + \beta_2EQTY + \beta_3ENVT + \epsilon$ ………………… (3)

Where: FUDN= Funding, EFF = EFFECTIVENESS, EQTY = Equit, ENVT = Environment, Error term: apriori expectation: $\beta_0 \beta_1 \beta_2\beta_3 > 0$

Decision Model
Accept the null hypotheses, if the observed probability is greater than preferred level of significance (0.05) we accept hull hypothesis, but if otherwise, we reject null hypothesis.

RESULTS AND DISCUSSION
In this study, the time series data are used to find out the data that are not stationary through the use of Augmented Dickey-Fuller (ADF), the result presented below:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>EFF</td>
<td>0.438575</td>
<td>50.17422</td>
<td>7.082484</td>
<td>0.0355</td>
</tr>
<tr>
<td>EQTY</td>
<td>0.356593</td>
<td>55.03388</td>
<td>4.246501</td>
<td>0.0091</td>
</tr>
<tr>
<td>ENVT</td>
<td>0.168578</td>
<td>58.38974</td>
<td>2.001342</td>
<td>0.0667</td>
</tr>
</tbody>
</table>

R-squared 0.332400 Mean dependent var 15736.13
Adjusted R-squared 0.229693 S.D. dependent var 26443.77
S.E. of regression 23208.95 Akaike info criterion 23.10982
Sum squared resid 7.00E+09 Schwarz criterion 23.25468
Log likelihood 181.8786 Hannan-Quinn criter. 23.11724
Durbin-Watson stat 1.932085

Source: Extracts from E-view print out Version 10 and author’s compilation
Descriptive Statistics
Table 2. The table below is the descriptive statistics results gotten from the analysis carried out with the data gotten from the, 1999-2014.

<table>
<thead>
<tr>
<th></th>
<th>FUDG</th>
<th>EFF</th>
<th>EQTY</th>
<th>ENVT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>3885.363</td>
<td>449.1538</td>
<td>263.1538</td>
<td>137.6154</td>
</tr>
<tr>
<td>Median</td>
<td>70.00000</td>
<td>434.0000</td>
<td>267.0000</td>
<td>110.0000</td>
</tr>
<tr>
<td>Maximum</td>
<td>49785.00</td>
<td>980.0000</td>
<td>559.0000</td>
<td>523.0000</td>
</tr>
<tr>
<td>Minimum</td>
<td>5.207000</td>
<td>150.0000</td>
<td>0.000000</td>
<td>0.000000</td>
</tr>
<tr>
<td>Std. Dev.</td>
<td>13791.16</td>
<td>205.6420</td>
<td>146.8456</td>
<td>138.9955</td>
</tr>
<tr>
<td>Skewness</td>
<td>3.175397</td>
<td>1.251503</td>
<td>0.085483</td>
<td>1.634896</td>
</tr>
<tr>
<td>Kurtosis</td>
<td>11.08322</td>
<td>4.630086</td>
<td>2.906993</td>
<td>5.633698</td>
</tr>
<tr>
<td>Jarque-Bera</td>
<td>57.23849</td>
<td>4.832871</td>
<td>0.020518</td>
<td>9.548445</td>
</tr>
<tr>
<td>Probability</td>
<td>0.000000</td>
<td>0.089239</td>
<td>0.989793</td>
<td>0.008445</td>
</tr>
<tr>
<td>Sum</td>
<td>50509.72</td>
<td>5839.0000</td>
<td>3421.0000</td>
<td>1789.0000</td>
</tr>
<tr>
<td>Sum Sq. Dev.</td>
<td>2.28E+09</td>
<td>507463.7</td>
<td>258763.7</td>
<td>231837.1</td>
</tr>
<tr>
<td>Observations</td>
<td>16</td>
<td>16</td>
<td>16</td>
<td>16</td>
</tr>
</tbody>
</table>

Source: Extracts from E-view print out Version 10 and author’s compilation

Co-integration Test
Johansen co-integration test was employed to determine whether variables are co-integrated and will not produce a spurious regression. The result is presented and summarized in the tables below for Trace and Maximum Eigen value co-integration rank test respectively.

Table 3. Summary of the Result of Johansen Multivariate Co-integration Test
Unrestricted Co-integration Rank Test (Trace)
Date: 03/26/19 Time: 20:35
Sample (adjusted): 2001 2014
Included observations: 14 after adjustments
Trend assumption: Linear deterministic trend
Series: FUDG EFF EQTY ENVT
Lags interval (in first differences): 1 to 1

<table>
<thead>
<tr>
<th>Hypothesized No. of CE(s)</th>
<th>Trace Eigenvalue</th>
<th>Trace Statistic</th>
<th>0.05 Critical Value</th>
<th>Prob.**</th>
</tr>
</thead>
<tbody>
<tr>
<td>None *</td>
<td>0.949806</td>
<td>72.79685</td>
<td>47.85613</td>
<td>0.0001</td>
</tr>
<tr>
<td>At most 1 *</td>
<td>0.621021</td>
<td>30.91094</td>
<td>29.79707</td>
<td>0.0371</td>
</tr>
<tr>
<td>At most 2 *</td>
<td>0.528932</td>
<td>17.32709</td>
<td>15.49471</td>
<td>0.0262</td>
</tr>
<tr>
<td>At most 3 *</td>
<td>0.384240</td>
<td>6.788568</td>
<td>3.841466</td>
<td>0.0092</td>
</tr>
</tbody>
</table>

Trace test indicates 4 cointegrating eqn(s) at the 0.05 level
* denotes rejection of the hypothesis at the 0.05 level
**MacKinnon-Haug-Michelis (1999) p-values
Table 4. Summary of the Result of Johansen Multivariate Co-integration Test

<table>
<thead>
<tr>
<th>Hypothesized Cointegration Rank Test (Maximum Eigenvalue)</th>
<th>Max-Eigen Statistic</th>
<th>0.05 Critical Value</th>
<th>Prob.**</th>
</tr>
</thead>
<tbody>
<tr>
<td>None *</td>
<td>0.949806</td>
<td>27.58434</td>
<td>0.0004</td>
</tr>
<tr>
<td>At most 1</td>
<td>0.621021</td>
<td>21.13162</td>
<td>0.4001</td>
</tr>
<tr>
<td>At most 2</td>
<td>0.528932</td>
<td>14.26460</td>
<td>0.1789</td>
</tr>
<tr>
<td>At most 3 *</td>
<td>0.384240</td>
<td>3.841466</td>
<td>0.0092</td>
</tr>
</tbody>
</table>

Max-eigenvalue test indicates 1 co integrating eqn(s) at the 0.05 level
* denotes rejection of the hypothesis at the 0.05 level
**MacKinnon-Haug-Michelis (1999) p-values

Source: Extracts from E-view print out Version 10 and author’s compilation

It can be seen from Table 4.4.1 and 4.4.2 that both the trace statistic and the maximum- Eigen value statistic indicate the presence of co-integration among the variables. This confirms the existence of a stable long-run relationship amongst the variables and assures that the variables will not produce a spurious regression.

All causal relationships are established at 5% level of significance (probability equal to or less than 0.05). The result of the granger causality test conducted at 5% level of significance reveals that causality runs through the variables and the relationship is unidirectional. This is because the probabilities of all the variables are above 0.05, this makes the null hypotheses acceptable meaning, there is no causal relationship between the variables.

Regression Test

FUDG = β0 + β1EFF + β2EQTY + β3ENVT + ε……………………(1)

Test of Hypothesis

In order to discuss our findings after the data analysis, we proceed to test the hypothesis formulated in chapter one above to enable us discuss our findings.

Hypothesis 1: There is no significant relationship between effectiveness and funding of the public sector in Nigeria.

From the consequence of the co-incorporation test above, we see a positive connection between effectiveness and funding of the public sector in Nigeria. The probability of the relationship between effectiveness and funding is 0.0371. This figure is less than 0.05 preferred level of significance and the decision is if the observed probability is greater than preferred level of significance (0.05) we accept null hypothesis, but if otherwise, we reject null hypothesis. Hence, we dismiss invalid speculation of no essentialness relationship and infer that there is a noteworthy connection among adequacy and subsidizing of the open segment in Nigeria from 1999 to 2014.

Hypothesis 2: There is no significant relationship between equity and funding of the public sector in Nigeria.

From the result of the ordinary least square above, the co-efficient determination R² showed a positive relationship between equity and funding of the public sector in Nigeria. The probability is 0.0355.the result is under 0.05 favored dimension of criticalness; we accordingly dismiss invalid theory and presume that there is a noteworthy connection among value and funding of the public sector in Nigeria.

Hypothesis 3: There is no significant relationship between environment and funding of the public sector in Nigeria.

From the result of the co-integration test above, we observed a positive relationship between environment and funding of the public sector in Nigeria. The result showed a positive relationship of 0.0092, the result is less the 0.05 preferred level of significance. We in this way dismiss the invalid speculation and presume that there is a critical connection among condition and financing of the open division in Nigeria.
DISCUSSION OF FINDINGS
The study examined the performance audit and accountability of public sector in Nigeria from 1999 to 2014, using the power sector as a case study. Performance audit which served as the independent variable was measured by effectiveness, equitability and environment. And accountability of public sector was measured by funding of the selected public sector. From the result of ordinary least square, various direct relapse we found that there is a positive and critical connection between Performance review and responsibility of open division in Nigeria. It was obvious in all the free factors having a positive and huge association with that of the ward variables. The co-reconciliation test and the causality all comply with this verification. There is a positive relationship between effectiveness and funding of the public sector in Nigeria from 1999 to 2014. The probability of the relationship between effectiveness and funding is 0.0371. The effective of the project in terms of out and outcome is quite low and below expectations. The actual capacity installed of 3941 MW is quite below the expected capacity of 10000 MW (Thisday Newspaper, 2011) There exist a positive relationship between equity and funding of the public sector in Nigeria. The relationship is not quite encouraging as the output is not evenly distributed. This is in line with the opinion of John Campbell (2018), Electricity distribution is dragging Nigeria backward. Shortages of electricity supply extensively hinder Nigeria’s economic growth. Several parts of the country have little or no access to the power supply, while in other areas electricity supply is only available for short and shifting periods of the day.

CONCLUSION
This study focused on the performance audit and accountability of public sector in Nigeria between 1999 and 2014. From the result and discussions, we concluded that there is a positive significant relationship between funding, effectiveness, equity and environment. The study observed a low level of relationship. This is in accordance with the supposition of Abubakar, (2011) .proof close by demonstrates that the execution of the open administration in all levels of government in Nigeria has stayed cloudy, consequently the current situation with underdevelopment. The truth is that the performance of the public sectors in Nigeria has been rated as terribly low. The various governments of Nigeria have adopted several measures, to bring back the Public sectors to life but with no major success, hence the current trends of privatization in Nigeria. The supports of the privatization practice and the purpose behind the low execution of the Nigeria Public Enterprises have prompted the investigation of the comprehension of the performance of the Nigeria Public Enterprises within the framework of modern organisation theory. The legitimization additionally clarified completely and diversely the purposes behind the horrifying execution of the Nigerian Public Enterprises. We therefore conclude that regular and effective performance audit of the public sector will enhance the ability to render timely and adequate accountability, making them to live up to the peoples expectations.

RECOMMENDATIONS
Based on the findings of this research work, the following recommendations are made:
There should be legal mandate in the public to carry out regular performance audit of their activities and programs to ensure proper accountability of resources given to them. Constituent authenticity gives the premise to majority rule responsibility; decisions in Nigeria are generally a depravity of vote based system as votes don't frequently tally. Races held in the nation are typically not believable, free and reasonable. This clarifies why race results are frequently fiery challenged in the law courts. Ikpe (2000) takes note of that viciousness, fixing and different types of discretionary acts of neglect rule amid decisions in Nigeria. Constructive and objective Fight against Corruption in the public sector should be given more attention as this will help in check mating the corrupt practices of our public office holders from time to time
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