



**INTERNAL AUDIT EFFICIENCY AND PUBLIC SECTOR PERFORMANCE: A
STUDY OF SELECTED MDAs IN KWARA STATE**

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Abstract

The challenges of preventing corrupt practices, the necessity for the advancement of good governance, and the need for the assurance of accountability and transparency necessitated sound internal audit practice. Thus, this study investigated the impact of internal audit on the effectiveness of public sector in Kwara State. A descriptive survey design was used for the study because of the characteristics of the population. The target population of the study was 102 senior audit staff from which a Sample size of 81 respondents were selected namely, Kwara State University, Federal Civil Service Commission, Ministry of Finance, General Hospital Ilorin, and Ministry of Housing and Urban Development. Primary data was sourced through the administration of well-structured questionnaire using five-points Likert scale to measure the question items. Simple Linear Regression was used for the data analysis with the aid of Statistical Package for Social Sciences (SPSS) version 23.0 and the results revealed that 93.9% increase in public sector management ($\beta=0.939$, $t_{0.05}>1.645$), caused a unit change in internal audit efficiency (IAE) of the selected case study. Also, a change in internal audit procedures caused about 87.2% increase in public sector assets ($\beta=0.872$, $t_{0.05}>1.645$). Further finding revealed that a unit change in internal audit support (IAS) caused about 79.4% increase in public sector management effectiveness ($\beta=0.872$, $t_{0.05}>1.645$) at 5% level of significant. The study concluded that internal audit demonstrated effectiveness in safeguarding public sector assets, enhancing service delivery, and promoting financial accountability. The study, therefore, recommended that public sector management should continue to strengthen the internal audit system departments, ensuring they have the resources and autonomy needed to carry out their duties effectively.

Keyword: Internal Audit, Effectiveness, efficiency, Public Sector management, Performance

JEL: G28; G38; H83; I18

INTRODUCTION

Internal auditors are essential in curbing fraud in the public sector because they put in a lot of effort to make sure that money is used appropriately. They ensure that good inventory management and procurement procedures are followed. Internal auditors also ensure that waste, misappropriation, and extravagant utilization of organization's resources are avoided (Hazaea, S. A., and Zhu, J.

2022). Nevertheless, incidents of fraud, inefficiency, and mismanagement of public resources continue to occur despite the best efforts and professionalism of the internal auditors in the banking industry. However, the public sectors deliver essential services in banking and other sector of the economy while operating under government funds (National Planning Commission, 2023). Internal auditing helps to ensure that resources are used efficiently as possible. The role played by internal auditors is a crucial one in enabling managers in the public sector to carry out their duties in a complicated setting, as accountability and openness have received more attention in recent years. The Nigerian constitution emphasizes the importance of auditors in public institutions by requiring the creation of audit departments at the federal and state levels, as accountability is required by law because of the multiple transactions that governments do through different agencies (Shuaib, 2022).

The prevention of corruption, the advancement of good governance, and the assurance of accountability and transparency all depend on the effectiveness of internal audit functions (Su *et al.*, 2023). In order to avoid non-compliance or the loss of financial resources, these functions assess policies and practices to guarantee seamless internal control operation. There have been reports of fraudulent operations in Nigeria, such as the destruction of documents containing sensitive information and the use of phantom workers on government payrolls draw attention to the ongoing problems with corruption (Manjo, 2023). These wrongdoings deplete the country's resources, impeding its progress and influencing political and socioeconomic initiatives. Although estimates indicate that identified frauds cause billions of naira in losses each year, the true number is probably much greater because of cases that go unreported and undiscovered.

Issues generated from internal audit practice are globally accepted as a vehicle for avoiding regulatory non-compliance, loss of financial resources, and a guarantee for a seamless internal control operation specifically in public sector organizations in Nigeria. The prevention of corruption, the advancement of good governance, and the assurance of accountability and transparency are promoted by sound internal audit practice (Singh *et al.*, 2021). The crux of this study is to, amongst other things, investigate the impact of internal audit on the performance of public sector in Kwara State; it examined the effect of internal audit practice on the efficiency of Ministries, Departments and Agencies; and assessed the support for internal audit in the public sector, in particular which checks and reports officials' efficiency in safeguarding Public Sector asset and effective public sector management in Kwara State. The study covered only public sector organizations both at federal and state levels located in Kwara State. They include, Kwara State University, Federal Civil Service Commission, Ministry of Finance, General Hospital Ilorin, and Ministry of Housing and Urban Development, Ilorin.

LITERATURE REVIEW

Internal Audit

Internal audit is a mechanism and initiative of government aimed at encouraging public officials with information on corrupt acts that negate the objectives upon which institutions are established perpetuated by persons in position of public responsibility to report to the appropriate authority or anti-corruption agencies of the state. The Transparency International (2020) noted the importance of internal audit as tool for encouraging the detection, reporting and prevention of corruption and other acts that involves the misuse of public trust. The goal of internal audit is to guarantee the

following: asset protection, regulatory compliance, fraud prevention, fraud detection, operational effectiveness and efficiency, and accuracy of financial information. According to the Institute of Internal Auditors (2023), the goal of internal audit is to promote ethics that include, the following fundamental ideas which govern the internal audit profession.

Honesty: To establish confidence and guarantee that their judgment is trusted, internal auditors need to uphold the highest standards of honesty.

Objectivity: When collecting, analyzing, and disseminating information, internal auditors ought to exhibit the greatest caliber of professional objectivity, unaffected by outside forces, and providing a fair appraisal of all pertinent facts.

Maintaining confidentiality: Unless they are required by law or their profession, internal auditors are accountable for protecting the privacy of any information they get and abstaining from sharing it without authorization.

Competency: To carry out their responsibilities with efficiency, internal auditors must apply and possess the requisite knowledge, skills, and experience. The above ethics help organizations to achieve their objectives methodically, and when observed with disciplinary approach, they ensure that such organizations enhance the efficacy of risk management, control, and governance procedures (Institute of Internal Auditors, 2023)

Independence of Internal Auditor in Public Sector

It is commonly acknowledged that internal auditor independence is essential to the audit efficacy, making internal audit independence becoming more and more important, while it has historically been stressed in relation to external auditors (Institute of Internal Auditors, 2023). This is true even though internal auditors usually work for the company they audit (Setyaningrum and Kuntadi, 2019). One of the keystones of effective internal auditing is the existence of an independent department of internal auditing (International Public Sector Accounting Standards Board, 2020). Internal auditors need to be shielded against excessive pressure or influence from management, especially from individuals who may be involved in unethical activities, to maintain their independence and capacity to generate unbiased conclusions without fear of reprisal (The Institute of Internal Auditors, 2023). According to Hazaea and Zhu (2022), the head of internal audit should be in a position with enough power (e.g., the same rank as the head of finance) to effectively fend off efforts at corruption and undue influence from management in order to reduce interference. It is also essential to have unhindered access to all types of audit evidence. According to The Institute of Internal Auditors (2023), this covers access to staff members, property records, policies, rules, internal control procedures, and any other information required for audit work. This is because internal audit is said to lose its potential to offer a novel and unbiased viewpoint when it lacks independence and effectively becomes a management extension.

Internal Audit and Public Sector Management Support

According to Singh et al., (2021), top management's dedication to and support of internal auditing is crucial to its performance, and there are various ways that this shows up, such as: highlighting the importance of budgetary autonomy as stated by the International Public Sector Accounting Standards Board (2020), that it is imperative to guarantee sufficient resources and independence from excessive financial restraints. In addition, an audit committee-direct reporting line, as specified by The Institute of Internal Auditors (2023), promotes impartiality and independence. Including applying the suggestions made by internal audit, which is an important factor in the

efficacy of the internal audit function is management's dedication to resolving concerns that are brought to their attention.

In semi-autonomous devolved systems, senior government personnel are essential in maintaining a high caliber of internal auditing, as it comprises being a dedicated internal auditing professional. It is very supportive to publicly state the value of internal audit and to provide the required resources, which also require protecting internal auditors with dignity (International Public Sector Accounting Standards Board, (2020). According to the International Public Sector Accounting Standards Board (2020), internal auditors must communicate with government management every day, and receive support for management includes several things as stated by Nerantzidis et al., (2021). This comprises the money, instruction, tools, and other resources required to support internal auditing operations. Management's dedication to effective internal audit operations is evidenced by the simplification of procedures and the elimination of needless bureaucratic obstacles, and internal audit effectiveness is greatly impacted by management support. An internal audit function performs better when there is a supportive management style that fosters trust and collaboration (Julianto et al., 2021).

Public Sector Performance

Performance measurement is a concept whose definition cannot be made precisely because it goes beyond the scope of a particular scientific field. Performance is a term that defines the purpose, i.e. the successful fulfilment of an activity carried out by the organization. This concept is generally defined as a system of designating, monitoring and unbiased indicators, which can be considered repeatedly in order to indicate the level of performance, whether we refer to public organizations, public projects or the public sector as a whole. The conception of the public sector is comprehensive and can be defined in several ways according to the point of interest. Thus, in general, Hatry (2006) defines performance measurement as a process aimed at periodically providing valid information about the performance indicators of results and outputs. Ghalayini et al. (1997) further mention the use of a multidimensional set of indicators to highlight public sector performance. More recently, Smalskys (2010) explains that the public sector is like a company system that considers public resources and therefore his performance needs to be measured. Moreover, in his paper, he mentions the five functions that public sector organizations fulfill, namely (i) regulation, (ii) distribution, (iii) redistribution, (iv) creation of institutions and (v) provision of public goods. In addition, Mihiț et al. (2019) reveal that there are difficulties in characterizing and measuring performance in the public sector, mentioning among others: the variety of the economic and social environment, information asymmetry, and unqualified staff delegated to measure the public sector performance, the political influence in government decisions and the perception of the public sector.

Anderson, *et. al.*, (1994) used the following four output variables to evaluate performance audit projects with the DEA approach. This includes, number of audit findings, number of audit recommendations, number of recommendations concurred with by the auditee, and the number of recommendations implemented by the auditee. Anderson, (1994) submitted that the number of audit findings depend on the type of audit exercise embarked upon by the internal audit department. If it was routine exercise, the findings are bound to be much because routine audit exercise entails comprehensive checks and sufficient time to carry out the exercise. The findings

are submitted in a report to the appropriate authority and specifically the Office of the Governor. The report contains the opinions of the auditors on how to improve on ways of doing things and possible sanctions for erring officers who breached the extant laws and laid down procedures. The implementation of the reported recommendations is expected to be complied with by various MDAs and the specific officers who are complicit in the findings (Julianto et al., 2021).

They have based their selection of variables on the fact that *'These variables are mentioned frequently in the audit literature as important indicators of performance'*. It is clear that none of these variables would have significant values in a well-controlled area with little or no weaknesses. They have also pointed out that an alternative formulation of a DEA model is possible should some of these variables be zero – this was not necessary in the case study described in this paper as all the variables were non-zero.

More evidence on the use of these type of variables as performance indicators can be found at the website (N.A.L.G.A., 1999) of the National Association of Local Government Auditors (N.A.L.G.A.). N.A.L.G.A. is a professional organization based in the USA which aims at improving local government auditing by disseminating information and ideas about financial and performance auditing, provides training and offers a forum to discuss auditing issues. There are more than 500 members of N.A.L.G.A. representing a wide diversity of audit organizations. N.A.L.G.A. has recently completed their fourth benchmarking and best practice survey (December 2000) covering the following three audit topics, which include, resource inputs and outputs/outcomes (Part 1), performance indicators and measures (Part 2) and practices and activities (Part 3).

Theoretical Framework

Several theories explain the role of internal audit in public organizations. This study is anchored on the institutional theory which was developed by DiMaggio and Powell in 1983. It highlights the impact of institutional influences on organizational behavior. For internal audit procedures to remain legitimate in the larger institutional context, they should be in line with standards of accountability and transparency. Institutional theory explains the process of institutionalizing a practice in a group or institution through a systematic, structured institutional change of behavior (Clemens & Cook, 1999). The process of institutionalization results in the uniformity of desirable practices (Dacin et al., 2002; Oliver, 1997), and homogeneous group member or institution behavior can be explained by institutional theory (Fernando & Lawrence, 2014; Meyer & Rowan, 1977). The institutional theory emphasizes political behavior aspect in the process of institutionalization (Lang, 2018). This political aspect manages values and norms collectively for the interests or goals of certain groups or actors (Oliver, 1997). DiMaggio and Powel (1991) refer to the political process as isomorphism. They decompose three forms of isomorphism, namely mimetic isomorphism (which is the pressure to imitate an action or practice carried out by another party), coercive isomorphism (which is coercive pressure that comes from regulations or powerful figures or parties), and normative isomorphism (which is pressure to adopt certain systems or methods in order to meet standards in order to obtain certification from professional institutions).

The institutional theory can be used to explain IA practices, particularly the coercive isomorphism and normative isomorphism. The issue of IA became a serious discussion in the USA and other

countries following the publication of the Sarbaney Oxley Acts (US Congress, 2002). Various countries issued regulations on corporate governance that require an IA function on public companies. The role of the committee includes reviewing and monitoring auditor independence, the approval of related party transactions, inter-corporate loans, valuations, etc., in the Listing Agreement to promote good corporate governance (Deloitte, 2020). Additionally, the new Companies Act 2013 (Ministry of Corporate Affair India, 2013) provides a formal structure for corporate governance by enhancing disclosures, reporting, and transparency through enhanced as well as new compliance norms (Deloitte, 2020).

Empirical Review

Hazaea et al. (2020) analyze the impact of internal audit quality on the financial performance of Yemeni commercial banks. Their study underscores the significance of adhering to internal audit standards, auditor independence, and quality governance in improving financial performance. Additionally, the use of automated internal audit processes is noted to contribute to enhanced financial performance. While Boamah (2020) examined the impact of internal audit and corporate governance practices on the performance of state-owned enterprises in Namibia. The study emphasizes the unique role of the internal audit function in governance practices, directly influencing enterprise performance and sustainability. It also advocates for internal audit to uphold values like competence, quality, transparency, and integrity while combating unethical business practices.

Izedonmi and Olateru (2021) delve into the impact of internal audit quality on public sector management in Nigeria. Their study reveals a positive and statistically significant relationship between internal audit quality and financial controls, as well as effective management controls in public entities. The study recommends active participation of both internal auditors and management teams to enhance managerial performance. At the other hand, Aminu et al. (2022) explore the determinants of internal audit effectiveness in Federal Public Sector Organizations in Nigeria. Their findings highlight the importance of factors such as internal audit work quality, competence, and management support in achieving audit objectives. However, factors like independence and information technology showed negligible influence. The study recommends improving operational standards and providing necessary resources for effective internal audit functions.

Egiyi and Victor (2022) present conflicting research on the influence of internal audit efficiency on financial performance. Their study highlights a significant relationship between internal audit and financial performance, suggesting that organizations seeking rapid improvement in financial performance should focus on strengthening their internal audit departments. Meanwhile, Ongâ and Abbey (2019) investigate the impact of internal control on quality service delivery in the public health sector, focusing on a Local Government in Uganda. Their findings indicate a positive and significant link between internal control and quality health service delivery, underscoring the importance of internal control mechanisms in enhancing service quality.

METHODOLOGY

Research Design

A descriptive survey design was used by the study and the choice was premised on the nature and

characteristics of the target respondents. Survey designed enabled the study to obtain material information direct from the respondents.

Population and Sample Size of the Study

The study employed a case study approach, focusing on five public sector organizations in Kwara State, Nigeria with a population of 102 senior internal audit staff. The selected MDAs are both federal and state operating in Ilorin metropolis, Kwara State. They include senior internal auditors from Kwara State University, Malete, Federal Civil Service MDAs at federal secretariat, Fate, Ilorin, Office of the Accountant General/Ministry of Finance, Ilorin, General Hospital Ilorin, and Ministry of Housing and Urban development, Ilorin, Kwara State.

S/N	Firms	Number of Employees	Sample Size
1	Kwara State University, Malete	16	13
2	Federal Ministries, Federal Secretariat, Fate, Ilorin	27	21
3	Ministry of Finance, Ilorin	22	17
4	General Hospital, Ilorin	11	9
5	Ministry of Housing and Urban Development	26	21

Source: Administrative Departments of the Selected MDAs, 2024

The sample size for each organization was determined proportionally. This involves dividing the total number of employees within each organization by the total population across all five organizations, and then multiplying the result by the overall estimated sample size of 81.

A total of eighty-one (81) respondents were selected from the population using the formula proposed by Guilford and Flum (1973):
$$\frac{N}{1+\alpha^2 N}$$

Where N is the size of the population

α is alpha (the level of significance) which is 0.05

$$\frac{102}{1+(0.05^2)102} = 81$$

Sampling Techniques

The study considered the use of both purposeful (non-probability) and stratified random sampling (probability) techniques for the study. The first stage involved purposeful sampling method to select members of staff in MDAs in Kwara State. The second stage adopted stratified sampling technique in the selection of State and Federal MDAs. This sampling was considered suitable since criteria for selecting the staff in this study had been established in previous studies (Oladun, 2012, Nigerian finder, 2017).

Table 1: Selected Public Sector Organizations in Kwara State

Sources and Method of Data Collection and Analysis

Primary data was collected with the aid of structured questionnaire, copies of which were administered on a subset of the workers. Likert scale of five (5) points was used to measure the question items and to enable the respondents give their opinions freely to 23 question-items in the

constructs. For the analysis and interpretation of the data, both descriptive and inferential statistics were applied. Frequencies and percentages were among the descriptive statistics used to condense the demographic variables and the research participants' characteristics. Simple Linear Regression was performed to evaluate the hypotheses, and mean values were utilized to reflect central tendencies in descriptive statistics. Statistical Package for Social Sciences (SPSS) version 23.0 were the programs utilized to analyze the data.

Model Specification for the variables of the Study

$$PSM = \beta_0 + \beta_1 IAE + \beta_2 PSS + \beta_3 C_1 + \beta_4 C_2 + \dots + \varepsilon$$

Where:

- β_0 is the intercept (constant term)
- β_1 and β_2 are the regression coefficients for IAE and PSS, respectively
- β_3, β_4, \dots are the coefficients for control variables
- ε is the error term
- PSP represents Public Sector Performance
- IAE represents Internal Audit Efficiency
- PSS represents Public Sector Support

RESULTS AND DISCUSSION

Respondents from the five public sectors under consideration—Kwara State University, Federal Civil Service Commission, Ministry of Finance, General Hospital Ilorin, and Ministry of Housing and Urban Development—were given a total of eighty-one (81) structured questionnaires. After obtaining each questionnaire, a descriptive analysis was performed to extract valuable information and conclusions from the gathered data. The goal of this procedure was to offer a thorough comprehension of the viewpoints and answers obtained from the study participants.

Table 2: Impact of Internal Audit on Public Sector Performance

S/ N	Respondents	Variables	Frequenc y	Percentag e
1	Internal audit reviews the operations and programs of the public sector to ascertain whether results are consistent with set goals and objectives	Strongly Agree Agree Undecided Disagree Strongly Disagree	38 27 4 9 3	46.9% 33.3% 4.9% 1.1% 3.7%
2	Internal audit ensures the level of accuracy and reliability of financial reports	Strongly Agree Agree Undecided Disagree Strongly Disagree	26 32 7 11 5	32.1% 39.5% 8.6% 13.6% 6.2%
3	Internal audit determines the effectiveness of the public sector internal accounting and operating system controls	Strongly Agree Agree Undecided Disagree Strongly Disagree	35 31 6 0 9	43.2% 38.3% 7.4% 0 1.1%
4	Internal audit reviews the	Strongly Agree	43	53.1%

	compliance with policies, plans, procedures and regulations	Agree	20	24.7%
		Undecided	7	8.6%
		Disagree	11	13.6%
		Strongly Disagree	0	0
5	Internal auditors review activities to ensure that the level of compliance with relevant laws and regulations are okay	Strongly Agree	39	48.2%
		Agree	29	35.8%
		Undecided	0	0
		Disagree	9	1.1%
		Strongly Disagree	4	4.9%
6	Internal audit conduct management efficiency audit and post implementation audit of Capital projects	Strongly Agree	22	27.1%
		Agree	38	46.9%
		Undecided	6	7.4%
		Disagree	6	7.4%
		Strongly Disagree	10	6.2%
7	Internal auditors review the activities of the organization to ensure that the activities are conducted in an economically efficient and effective manner.	Strongly Agree	28	34.6%
		Agree	28	34.6%
		Undecided	9	1.1%
		Disagree	11	13.6%
		Strongly Disagree	5	6.1%
	Total		81	100

The functions of internal audit on public sector performance are indicated in table 2 above. The majority (80.2%) agreed or strongly agreed that internal audits check programs and operations to make sure they are in line with set objectives. Fourteen percent disagreed with this assertion. Internal audits evaluate the dependability and accuracy of financial reporting, as agreed or strongly agreed by the majority of respondents (71.6%). For this aspect, there was less disagreement (19.8%). The majority also agreed or strongly agreed (81.5%) that internal audits assess the efficacy and sufficiency of internal control mechanisms. Here, disagreement was very low (1.1%). Most respondents, over 77.8%, agreed or strongly agreed that internal audits check for adherence to rules, guidelines, and policies. Here, there was a little bit more disagreement (13.6%). Eighty-three percent of respondents agreed or strongly agreed that internal audits evaluate managerial effectiveness, post-implementation audits for capital projects, and compliance with external rules and regulations. For both elements, there was still about 13.6% of disagreement. Compared to other jobs, a larger percentage (19.7%) voiced disagreement, even though the majority (69.2%) agreed or strongly agreed that internal audits examine activities for economic, efficient, and successful execution. According to the table, internal audit is typically regarded by respondents as having a major impact on several public sector performance factors.

Table 3: Assessment of Internal Audit Efficiency in Safeguarding Public Sector Assets

S/N	Respondents	Variables	Frequency	Percentage
1	Public sector organizations in Nigeria have standard internal audit procedures	Strongly Agree	42	51.9%
		Agree	29	35.8%
		Undecided	1	1.2%
		Disagree	9	11.1%
		Strongly Disagree	0	0

2	The internal audit procedures are effective and safeguard the assets of the public sector from pilferages and misuse	Strongly Agree Agree Undecided Disagree Strongly Disagree	54 14 2 8 3	66.7% 17.3% 2.4% 9.9% 3.7%
3	Internal audit procedures are regularly evaluated to ensure that they reflect current realities	Strongly Agree Agree Undecided Disagree Strongly Disagree	37 40 0 1 3	45.7% 49.4% 0 1.2% 3.7%
4	Staff of internal audit department is encouraged to implement the necessary procedures.	Strongly Agree Agree Undecided Disagree Strongly Disagree	23 44 5 4 5	28.4% 54.3% 6.2% 4.9% 6.2%
5	Internal audit supports the public sector through advice on how service delivery can be improved upon to achieve the objective and address the challenges that public sector faces.	Strongly Agree Agree Undecided Disagree Strongly Disagree	26 45 6 3 1	32.1% 55.6% 7.4% 3.7% 1.2%
	Total		81	100

The effectiveness of internal audit in protecting assets owned by the public sector is demonstrated in table 3 above. Most respondents (87.7%) agreed or strongly agreed that public sectors had internal auditing mechanisms in place. 11.1% disapproved. Most respondents (84%) agreed or strongly agreed that internal audit protocols are a useful tool for protecting assets from theft and misuse. For this aspect, there was less disagreement (13.6%). Internal audit methods are routinely reviewed to guarantee their efficacy, as agreed, or strongly agreed by over 95% of respondents. There was very little disagreement (4.9%). The majority (82.7%) felt that internal audit employees are driven to carry out the required processes. The majority of respondents (87.7%) agreed or strongly agreed that internal audit helps the public sector by offering assurance and recommendations for enhancing service delivery.

Table 4: Assessment of Support Received by Internal Audit

S/N	Respondents	Variables	Frequency	Percentage
1	Management's support for internal audit promotes public sector accountability	Strongly Agree Agree Undecided Disagree Strongly Disagree	43 26 7 0 5	53.1% 32.1% 8.6% 0 6.2%
2	Management provides enough	Strongly Agree	32	39.6%

	support and encouragement for training and development of the Internal Audit staff	Agree Undecided Disagree Strongly Disagree	36 7 6 0	44.4% 8.6% 7.4% 0
3	Management is not sufficiently aware of the needs of Internal Audit, based on the small budget assigned to this department	Strongly Agree Agree Undecided Disagree Strongly Disagree	6 5 7 37 26	7.4% 6.3% 8.6% 45.6% 32.1%
4	It is perceived that management rely upon the work you prepare for them by Internal Audit 100%- 60%	Strongly Agree Agree Undecided Disagree Strongly Disagree	23 52 4 2 0	28.4% 64.2% 4.9% 2.5% 0
5	Internal audit facilitates managements' compliance with established financial guidelines on approvals and expenditures in the public sector	Strongly Agree Agree Undecided Disagree Strongly Disagree	36 28 7 4 6	44.5% 34.6% 8.6% 4.9% 7.4%
6	Internal audit rarely faces interference by management while they conduct their work	Strongly Agree Agree Undecided Disagree Strongly Disagree	0 8 3 40 30	0 9.9% 3.7% 49.4% 37.0%
	Total		81	100

Table 4 displays the evaluation of the degree of assistance that internal audit received from the public sector. When it comes to the public sector's support of internal auditing and accountability, more than 85% of respondents agreed or strongly agreed. A sizable percentage (84%) agreed or strongly agreed that management promotes IA staff growth and offers sufficient assistance through training. Concerns over money distribution may be a sign of the disagreement (37.7%) regarding management's awareness of IA demands. Management's reliance on internal audit reports is acknowledged by a large majority (92.7%), who agreed or strongly agreed. Internal audit assists in ensuring management's adherence to financial norms, as agreed or strongly agreed by over 79.1% of respondents. Although a considerable minority (37%) expressed disagreement, indicating possible issues in this area, the majority (44.5%) agreed or strongly agreed that internal audit rarely experiences management intervention.

Test of Hypotheses

H₀₁: There is no significant impact of internal audit on *public sector management in Nigeria*

Table 4a: Model Summary of regression Analysis of the Impact of Internal Audit on Public Sector Management

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.939 ^a	.881	.881	.39637

Source: Author's Computation, SPSS 23.0 2024

a. Predictor: (Constant), Internal Audit Efficiency

b. Dependent Variable: Public sector management

Table 4a statistical analysis suggests a positive and significant relationship between internal audit and public sector performance. This is indicated by the positive standard beta coefficients and p-values less than 0.05. While Table 4b further supports this finding. The R-squared value of 0.881 indicates that approximately 88.1% of the variation in public sector performance can be explained by internal audit. This statistically significant result leads to the rejection of the hypothesis that there is no significant impact of internal audit on public sector performance.

Table 4b: Result of regression Analysis on Impact of Internal Audit on Public Sector Performance

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.027	.051		.534	.594
	Public Sector management	1.114	.027	.939	41.961	.000

Source: Author's Computation, SPSS 23.0 2024

a. Predictor:(Constant), Internal Audit Efficiency

b. Dependent Variable: Public sector management

The result of the regression table 4b, revealed how internal audit efficiency (IAE) regressed over public sector management (PSM). Based on this statistical significance of the variables as indicated by the p-values, in the model, internal audit efficiency passed the test of significance at 5% levels with respect to the public sector management ($p < 0.05$). Thus. About 93.9% increase in public sector management ($\beta = 0.939$, $t_{0.05} > 1.645$), for a 1-unit change in internal audit efficiency (IAE) of the selected case study. Therefore, the null hypothesis is rejected, and the alternate hypothesis accepted. This result aligned with the previous studies of Izedonmi and Olateru (2021), that a positive and statistically significant relationship between internal audit quality and effective management controls in public entities.

H₀₂: Internal Audit does not have a significant efficiency in safeguarding Public Sector asset

Table 5a: Model Summary of Internal Audit Efficiency in Safeguarding Public Sector Assets

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.872 A	.761	.760	.41185

Source: *Author's Computation, SPSS 23.0 2024*

a. Predictors: (Constant), Internal Audit Efficiency

b. Dependent Variable: Public sector asset

Table 5a findings suggest a strong positive influence of public sector performance on internal audit efficiency. Table 5b shows that 76% of the variation in "internal audit efficiency" (the dependent variable) can be explained by "public sector performance" (the independent variable). This indicates a significant positive relationship. The adjusted R-squared value of 0.76 further confirms this, indicating that 76% of the variation in internal audit efficiency is directly related to changes in public sector performance. Table 5a shows p-values less than 0.05 for the dependent variables. This statistically significant result allows us to reject the null hypothesis, meaning that internal audit plays a significant role in safeguarding public sector assets.

Table 5b: Internal Audit Efficiency in Safeguarding Public Sector Assets

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	.401	.060		6.654	.000
Internal audit procedure (safeguard of assets)	.562	.020	.872	27.444	.000

Source: *Author's Computation, SPSS 23.0 2024*

a. Predictors: (Constant), Safeguard of assets

b. Dependent Variable: Public sector asset

From the result of the regression table 5b, revealed how internal audit procedures (IAP) regressed over public sector assets (PSA). Based on this statistical significance of the variables as indicated by the p-values, in the model, internal audit procedures passed the test of significance at 5% levels with respect to the safeguard of public sector asset ($p < 0.05$). Thus, about 87.2% increase in public sector assets ($\beta = 0.872$, $t_{0.05} > 1.645$), for a 1-unit change in internal audit procedures (IAE) of the selected case study. Therefore, the null hypothesis is rejected, and the alternate hypothesis accepted. This result aligned with the previous studies of Hazaea et al. (2020) and Boamah (2020) that a positive and statistically significant relationship between internal audit quality and effective management controls in public entities.

H0₃: Internal Audit does not have any significant impact on public sector management effective.

Table 6a: Model Summary of Assessment of Support Received by Internal Audit

Model	R	R-Square	Adjusted R Square	Std. Error of the Estimate
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1	.794 ^a	.630	.629	.63855
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Source: Author's Computation, SPSS 23.0 2024

a. Predictors: (Constant), Internal Audit Support

b. Dependent Variable: Public sector Management Effectiveness

Table 6a highlights the positive impact of public sector support on internal audit effectiveness. The table shows positive values in the standard beta coefficient, indicating a positive relationship between public sector support and internal audit effectiveness. The R-squared value of 0.629 suggests that around 62.9% of the variation in internal audit effectiveness can be explained by public sector support. Furthermore, the p-value being less than 0.05 leads to the rejection of the null hypothesis, confirming that public sector support has a significant and positive impact on internal audit effectiveness. In simpler terms, the data indicates that strong public sector support is linked to more effective internal audits.

Table 6b: Regression analysis of Assessment of Support Received by Internal Audit from public sector management

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	-.025	.095		-.265	.791
1 Relationship between IA	.588	.029	.794	20.106	.000

Source: Author's Computation, SPSS 23.0 2024

a. Predictors: (Constant), Internal Audit Support

b. Dependent Variable: Public sector Management Effectiveness

From the result of the regression table 6b, revealed how internal audit (IAS) regressed over public sector assets (PSE). Based on this statistical significance of the variables as indicated by the p-values, in the model, internal audit support passed the test of significance at 5% levels with respect to the safeguard of public sector asset ($p < 0.05$). Thus, about 79.4% increase in public sector management effectiveness ($\beta = 0.872$, $t_{0.05} > 1.645$), for a 1-unit change in internal audit support (IAS) of the selected case study. Therefore, the null hypothesis is rejected, and the alternate hypothesis accepted. This result aligned with the previous studies of Hazaea et al. (2020) and Boamah (2020) that a positive and statistically significant relationship between internal audit quality and effective management controls in public entities.

Discussion of Finding

Evaluating internal audit effectiveness and its effect on public sector performance is the main goal of this research with the results showing that internal auditing is a very efficient and skillful function in the public sectors. The importance of internal audit is shown by its demonstrated effectiveness in preventing the embezzlement and misuse of assets owned by the public sector. Additionally, by offering guidance and assurance on boosting operational effectiveness and addressing a variety of issues, internal audit helps to improve service delivery. This was in line

with Mahyoro & Kasoga (2021) study, reporting a positive and significant link between internal audit and quality health service delivery. This study proves it right, as it was observed that internal audit examines activities and programs to make sure they are in line with goals and evaluates compliance with external laws and regulations, as well as the efficacy and effectiveness of internal accounting and operational controls. It also promotes financial accountability in the public sector by conducting post-implementation audits of capital projects and managerial efficiency audits.

CONCLUSION AND RECOMMENDATIONS

The findings of this study shed light on the crucial role of internal audit within the Public sector, particularly in Nigeria. The analysis revealed a dynamic and experienced workforce, proficiently handling internal auditing responsibilities. Moreover, internal audit demonstrates effectiveness in safeguarding public sector assets, enhancing service delivery, and promoting financial accountability. These results align with previous research highlighting the positive impact of internal audit on public sector performance. However, challenges persist, including the need for ongoing support from public sector management to ensure the autonomy and effectiveness of internal audit operations.

Based on the findings of this study, it recommends public sector management should continue to provide robust support to internal audit departments, ensuring they have the resources and autonomy needed to carry out their duties effectively. Including provision of training opportunities for internal audit staff to enhance their skills and competencies, keeping them abreast of best practices and emerging trends in auditing and public sector management. In addition, efforts should be made to further promote the independence of internal audit departments, minimizing interference from external stakeholders and allowing them to operate with impartiality and integrity. And collaboration between internal audit departments and other relevant stakeholders within the Public sector should be encouraged, facilitating information sharing and coordination in addressing challenges and achieving common objectives.

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Appendix I

QUESTIONNAIRE

INSTRUCTION: Please tick (√) the appropriate box or circle to indicate your choice.

SD – Strongly Disagreed D – Disagree N – Not Sure A – Agree SA – Strongly Agree

SECTION A: Demographic Information

- Gender: Male () Female()
- Age Range: Below 30 () 31 – 35 () 36 – 40 () 41 – 45 () 46 – 50 () 51 and Above ()
- Marital Status: Single () Married () Divorced () Widow ()
- Highest level of Educational Qualification: _____
- Years of service: Below 10 years () 11 – 20 years () 21 – Above ()

SECTION B Impact of Internal Audit on Effectiveness of Public Sector

S/N	QUESTION	Please tick (√) the appropriate box indicate your choice.				
		SD	D	N	A	SA
1	Internal audit reviews operations and programs to ascertain whether results are consistent with established objectives and goals					
2	Internal audit reviews the accuracy and reliability of financial reports					

3	Internal audit ensures the adequacy and effectiveness of the internal accounting and operating control system of the public sector					
4	Internal audit reviews the compliance with policies, plans, procedures and regulations					
5	Internal audit ensures that activities comply with relevant laws, and regulations					
6	Internal audit conduct management efficiency audit and post implementation audit of Capital projects					
7	Internal audit reviews the activities of the organization to determine whether they are conducted in an economic, efficient and effective manner.					

SECTION C: Assessment of Internal Audit Efficiency in Safeguarding Public Sector Assets

S/N	QUESTION	Please tick (√) the appropriate box indicate your choice.				
		SD	D	N	A	SA
1	Public sector organizations in Nigeria have necessary internal audit procedures					
2	The internal audit's procedures are effective to safeguard assets of public sector organizations toward pilferage and misuse					
3	Internal audit procedures are regularly reviewed to make them current					
4	Staff of internal audit departments is motivated to implement the necessary procedures.					
5	Internal audit supports the public sector with advice and ensures that service delivery can be improve upon to achieve the objective and address the many challenges it faces					

SECTION D: Assessment of Support Received by Internal Audit

S/N	QUESTION	Please tick (√) the appropriate box indicate your choice.				
		SD	D	N	A	SA
1	Management support of internal audit promotes public sector accountability					
2	Management provides enough support and encouragement for training and developing the Internal Audit staff					
3	Management is not sufficiently aware of the need so Internal Audit unit is based on the small budget assigned to the Audit department					
4	It is perceived that management rely upon the work you prepare for them by Internal Audit 100%- 60%					
5	Internal audit facilitates managements' compliance with approved financial guidelines on expenditures in the public sector					
6	Internal auditors rarely face interference of management while they conduct their work					