

Effect of Audit Independence on Public Sector Performance in Nigeria

NJOKU, Ikenna Obinna

Department of Accounting
Bingham University
Karu, Nasarawa State

E – Mail: ikenna.obinna@yahoo.com, Phone No: +234 9073463294

Abstract

Audit independence has been acknowledged as an important mechanism in mitigating information asymmetry. This is because it ensures that the auditor presents objective views, which are reliable and truthful about the financial reports prepared by managers. The study adopted a descriptive survey design. Purposeful sampling method was adopted and primary sources of data were used through a well-structured questionnaire distributed to 120 respondents in Federal Ministry of Finance in Abuja in which 100 respondents submitted. The data collected were analyzed using spearman rank correlation method. The result revealed that there is a moderate statically significant relationship between internal audit independence and public sector performance in Nigeria. The study recommends that internal auditor's independence should be encouraged to achieve better performance in the public sector of the economy.

Keywords: Internal Audit, Public Sector Performance, Presidential Initiative on Continuous Audit

INTRODUCTION

Globally, and especially in Nigeria, there are calls for governments to be accountable for the huge resources they hold on trust and manage for the people who gave them the political and administrative authority. The public sector represents a principal-agent relationship, where the public sector officials act as the agents while the citizens are the principals. Achua (2009) says government spending is a very big business and the public demands to know whether the huge outlays of money are being spent wisely for public interest. The features of public sectors accounting are different from the private sector in various ways (Samelson, Lowensohn & Johnson., 2006). Specifically, the usual audit procedure in the private sectors has to be altered to address government unique features such as fund accounting, compliance to law and regulations, encumbrances, budget-to-actual comparison statements, specific audit reports, basis of accounting and assessment of internal reports. Also, the nature and objectives of public sectors lead to different accounting concepts and principles in the public sectors accounting practices. Government departments are established to serve the public. Many of these services, such as health, education and utilities, are more of social obligations and not profit seeking. As accounting in public sectors has different sets of account to cater for different users of financial statements, the accountants and auditors in the government sectors abide to more rules and regulations.

Furthermore, those in authorities assume fiduciary status with the attendant responsibilities requiring them to render accounts of their stewardship to the citizens for whom the authority is held in trust. Thus, the agents are expected to periodically render accounts of their stewardship to the principals for the use of resources and the extent to which the public's objectives have been accomplished. The citizens (the principals) have contributed resources through taxes and other duties to national budget for economic and social development. They need an independent third party to lend credibility to the stewardship accounts rendered by the agents, that is, the government. They rely upon the auditors to provide an independent, objective evaluation of the accuracy of the agent's accounting and to report on whether the agents have used the resources in accordance with the principal's wishes (Al-Matarneh, 2011 & Al-Shammari, 2010). In the light of these, this study is being carried out to investigate the effect of internal auditor's independent on Public Sector performance in Nigeria using Federal Ministry of Finance as a case study. To the best knowledge of the researcher, we discovered that much work has not been carried out in this context especially in Nigeria, major work has been on the private sector of the economy and some have

related auditor's independent to other variables like audit quality among others (Roland & Frank, 2009; Egbunike & Egbunike, 2017 and Mburunga, Walubuka & Gichana, 2019). This research has been carried out to fill this gap and to contribute to what others have done so far, to add to knowledge. The main objective of this study is to investigate the effect of internal auditor's independence on Public Sector performance in Nigeria. The hypothesis stated in null form guides this study:

H₀: There is no significant relationship between internal auditor's independence and the public sector performance in Nigeria

LITERATURE REVIEW

Conceptual Framework

For a long time, internal audit was considered as an administrative unit aimed at checking documents, counting assets, and reporting on past events for management purpose. However, these days, many factors have led to an improvement in internal audit practices in private and public entities. Democracy requires government and its entities to be accountable in the use of public funds and in providing effective, efficient, and economic service delivery to its citizens (Arena, & Azzone, 2009). To achieve its objectives, government develops strategies that could help in effective management of public funds, and the audit independence is one of those strategies (a governance tool) which help it to effectively manage and achieve its objectives (Cohen & Sayag, 2010). The tasks, functions and roles of internal auditing have expanded, changed and shifted more to management oriented matters than accounting matters; reporting lines have also been transformed and in many countries the structure has been transformed but are they really independent in doing their job (Feizizadeh, 2012 & Hellman, 2001).

Arens, loebbecke, Iskandar, Susela, Isa and Boh (1999), listed three types of audits, namely; financial statement audit, where the overall financial condition of a company is determined; operational audit that evaluates efficiency and effectiveness of a company's operating procedure; and compliance audit which determines whether relevant laws and regulations are complied. Government auditors are concerned with accordance with laws and regulations (Arens et al., 1999). Suleiman, Fatimah & Mohamed, (2018), highlighted at least three objectives in conducting audit in the government sectors, namely: (1) to ensure compliance with law and regulations; (2) to expose factors that contribute to inefficiency, ineffectiveness, diseconomy and embezzlement of resources; and (3) to form an opinion on the financial statements. Hence government auditors conduct different audit tasks and are governed by more laws to achieve these objectives.

Auditors' Independence

The integrity of auditors is the cornerstone of the auditing profession (Ahamad, 2009). The independence of the auditor is also, according to the Independent Standard Board (2000), the freedom from certain limitations that affects an auditor's ability to make fair audit decisions or compromise quality. According to (Ndubuisi & Ezechukwu 2017) prompt opinions of an auditor increase the trust of stakeholders' in the financial statements. These further improve confidence and efficiency of operation in capital markets.

Generally, auditors' independence has been acknowledged as an important mechanism in mitigating information asymmetry. This is because it ensures that the auditor presents objective views, which are reliable and truthful about the financial reports prepared by managers. Ndubuisi and Ezechukwu (2017) suggest that auditors' independence reflects an objective, rational approach when presenting a financial statement. While other researchers say that independence is the unique characteristic of the auditors (Albeksh, 2017). Empirical evidence on this subject is much more concern about threats to the credibility of audit report (Ahamad 2009). These include: auditor tenure, non-audit services, client importance and auditors' client's relationship. Furthermore, the independence of the auditor, in fact as well as in appearance, warrants independence. The objectivity and exhibition of professional skepticism without undue influence is suggesting absolute independent in both fact and appearance and interpreted by many

as integrity and good practice (Tepalagul and Lin 2015). Hence, it can be concluded that quality reporting is crucial as it influence the performance and decision making (Albaqali & Kukreja, 2017).

According to Baharud-din, Shokiyah and Ibrahim (2014) a factor that may contribute to effective government audit is the need for independence and objectivity which can allow the auditor to carry out work without interference by any party. The independence and objectivity of internal audit is with respect to both assurance services and consulting for the organization. In certain extent there is a confusion of the role of internal auditors, as internal auditors are part of the management team and at the same time to independently evaluate management's effectiveness and efficiency (Baharud-din, Shokiyah & Ibrahim, 2014). This could affect the effectiveness of internal auditing as even though internal auditors are charged with upholding the best interests of their employer, they may be reluctant to counter management, regardless of consequences (Sarens & De Beelde 2006). Separation of duties is the concept of having more than one person required to complete a task. In business the separation by sharing of more than one individual in one single task is an internal control intended to prevent fraud and error. They are those controls, which ensure that separate individuals or groups of individuals carry out the main functions of an organization of authorization, executive, custody and recording (National Open University of Nigeria [NOUN]). Separation of duty involves breaking down tasks that might reasonably be completed by a single individual into multiple tasks so that no one person is solely in control (Botha & Eloff,2001, and Dittenhofer 2001].

Also Independence is a primary requirement for auditing. According to Bakar, Rahim and Rashid (2005) the trust that the public and other stakeholders develop toward a company's financial report can be a reflection of the perception of autonomy in the firm. The concept of auditor independence implies that practitioners execute their functions objectively without the fear of compromise or intimidation.

Maintaining independence remains a challenge for many practitioners. Despite the many controls that have been developed to ensure autonomy, regulatory agencies have expressed their concern on the risks of the auditor being compromised (Church, Davis & Mccracken, 2008; Fitzgerald, Thomas &Thompson, 2017). One problem that has been highlighted involves the familiarity that may exist between auditors and the management. Some firms have kept the same auditor for long periods. The closeness that may develop between the auditor and the company presents a significant threat to autonomy (Lennox, Wu & Zhang, 2014; Jenkins & Vermeer, 2013). Another issue is the increase in the number of advisory services among accounting firms (Zhang, Hay & Holm., 2016). Furthermore, some factors also affect independence of internal auditors in the public sector among others are management determines the scope of internal auditor work, internal auditors performing functions other than auditing nature of distribution of task, domineering presence of the executives and so on. If all these factors are properly handled, automatically public sector performance will be efficient, effective and economical. Although, Nigerian government put a body called Presidential Initiative on Continuous Audit (PICA) in place in 2016 to improve the independence of the auditors and aid performance in the public sector.

Presidential Initiative on Continuous Audit (PICA)

Presidential Initiative on Continuous Audit is a new body/office created by the Federal Government of Nigeria in the year 2016 and under the control of the Hon. Minister of Finance, the office is being supervised by an Executive Secretary with the mandate to review and cut down on the Recurrent Expenditure of the Federal Government of Nigeria. PICA adopted an internal audit technique of continuous auditing and validation of controls for early detection of errors and frauds, focusing on risk, advice to management, trigger alarm and recommend way forward to ensure transparency and accountability as well as to ensure compliance with public financial management reforms. Consequently, the achievement and savings made by the PICA since inception are enumerated below

National Nominal Roll as at 15th May 2016

S/N	MDA	Pre-Audit (Staff)	Post-Audit (Staff)	Variance (Staff)
1.	Non IPPIS MDAs	312,427	288,581	23,846
2.	Police Pensioners (PTAD)	220,568	220,016	522
3.	Military Pensions	107,250	88,920	18,330
4.	IPPIS MDAs	4,399	4,022	396
	Total	644,644	601,539	43,122

Source: Presidential Continuous Audit Team

Summary of Savings Recorded by PICA

Payroll as at 15th May, 2016

S/N	MDA	Pre-Audit (N)	Post-Audit (N)	Variance/Savings (N)
1.	Non IPPIS MDAs	24,089,951,070.00	20,485,226,030.46	3,604,725,039.54
2.	Police Pensioners (PTAD)	632,122,000.00	614,761,717.42	17,360,282.58
3.	Military Pension	5,558,609,098.83	4,983,602,396.92	575,006,708.92
4.	IPPIS MDAs	Nil	Nil	21,380,000.00
	Total	30,280,682,168.83	26,083,590,144.80	4,218,472,024.03

Source: PICA Team Report

Note; Additional monthly savings recorded from non IPPIS MDAs as at June 30th, 2016 = **N1, 476,226,061.41**

In summary, the achievements and savings made by PICA on MDAs were as a result of their independent auditing being carried out, together with proper funding and experienced and motivated staff.

Public Sector Performance

Measuring the public's sector performance has lately become an increasingly important topic. In moments of increasing the pressure over the public expenditure, which arise from demographic trends and globalization, improving efficiency, effectiveness and performance should be a priority for any political agenda. Intensive orientation to improve performance in the public sector aims to reduce the tax burden, increase public confidence in the government and increasing the overall productivity. Most studies regarding the public sector performance address the problem of defining and measuring it by external stakeholders. Defining performance in the public sector is however a difficult task which derives from the complex role of the public sector. One way to define performance in the public sector requires the

existence of a relationship between objectives, means and results, so performance is the result of the simultaneous exertion of efficiency, effectiveness and of a proper budgeting (Profiroiu, Tapardel & Mihaescu, (2013). Performance in the public sector describes the results of an activity in a specific area or aggregate results from several or all activity fields of a public body, being measured either in absolute terms (as an index) or in relation to the results achieved in the previous periods (Handler, Koebel, Reiss, & Schratzenstaller, 2006). From a theoretical point of view, they mentioned the possible methods for measuring the performance of a public organizations, namely: a) measuring the economy of resources; b) measuring the costs (input); c) measuring outputs; d) measuring the effects (outcomes); e) measuring efficiency; f) measuring effectiveness; g) measuring the quality of services. Although measuring the performance in the public sector hits some obstacles when put in practice: the multidimensional nature of the objectives whose fulfillment level must be measured; the necessary information (Reichelt & Wang, 2010).The performance measurement system is defined as a system that allows making some decisions and implementing some fundamental actions because it is based on quantifying the efficiency and effectiveness of past actions using appropriate information infrastructure (Neely, Adams & Kennerley, 2002).

Current systems for measuring performance in the public sector present some limitations because they are based only on efficiency, effectiveness and economy indicators, which are mainly financial that fail to measure the fulfillment of environmental and social objectives of the public organizations. A solution for this is the transition from the system of the "3 E's" (effectiveness, efficiency and economy) to a system of the "5 E's": Economy, Efficiency, Effectiveness, Environmental and Equity (Chai-Ah & Karlsson, 2010). The construction of some performance indicators in the public sector is a difficult task because not all goals are measurable, so it is often resorted to benchmarking analyzes. Establishing the performance of a public organization can be a difficult task, caused by the difficulties that exist in defining performance: the first difficulty arises from the meaning of the concept of performance; the second from the method of obtaining the performances and the third from the performance evaluation. The difficulty of objectively measuring performance in the public sector is driven by the complexity and multidimensional nature of the concept (Meier, O'Toole, Boyne & Walker, 2007). Ndubusi & Ezechukwu (2017) presented some problems which may represent obstacles in implementing a system of performance measurement in the public sector, namely: communication difficulties, the lack of a necessary analytical skill of the people involved, the lack of skills designed to operate with methods the influence of the political factor. Also, to access the performance of an economy, so many things can be considered among others are promotion of equality among all groups in the society, reaching the target beneficiaries, especially the poor, delivering adequate citizen and community satisfaction, achieving the economic development goals, reduction in corruption level, and reduction in poverty level and so on.

Internal Audit Independence and Performance

Internal audit independence is one of the most critical factors for achieving internal audit quality which invariably determine its effect on the performance, (Alzeban and Gwilliams, 2014). Internal audit independence, a practice advisory board is an instrument that allows internal audit department to function and conduct its responsibilities without interference. Internal Audit (IA) departments required organizational structure that will allow them to operate effectively on strategic organizational operations. That is, if internal audit is strategically positioned and has necessary managerial support, can deal with issues that can improve the organizational performance. However, against this arrangement can raise serious concern about the overall independence of internal audit functions for organizational effectiveness. This is supported by Ahmad and Tylor, (2009), they stated that the fundamental positioning of internal auditor's role results to a challenges in their effort to function independently. Internal auditor's responsibilities were seen as oversight activities which involved monitoring and evaluation of organizational operations. It is considered to be instrumental in guiding and evaluating the performance of an organization (Christopher, 2015). The internal auditor's ability to exercise their responsibilities with a certain degree of independence was very critical to the profession and this challenge is typically the

requirement by the corporate governance codes which indicated that internal audit should channel their report functionally to the Audit Committee (AC) of the board or council and administratively to the Chief Executive Officer (CEO) (Ahmad and Tylor, 2009).

However, Cohen and Sayag, (2010) stated that internal audit independence reduces misunderstanding and conflict of interest in the managerial operations. Even though internal auditors are part of the management and equally expected to evaluate the activities of entire management, the required organizational independence allow them to function efficiently to the overall performance of the organization. Chie and Karlsson, (2010) on the other hand opine that threats to auditor's independence undermine the auditors' effectiveness in executing their responsibilities. In an empirical examination conducted by Mihret, James and Joseph (2010) on "the antecedent and organizational performance implication of internal audit effectiveness: some proposition and research agenda" found that internal auditor's independence and organizational performance has significant relationship. Abu-Azza, (2012) equally indicated a positive relationship between internal audit independence and organizational performance in the study conducted on perceived effectiveness of internal audit in Liberian public institutions. Qualitative approach through the use of institutional and matrix theories were employed. Faruk & Hassan, (2014) study on impact of Internal audit quality and financial performance of quoted cement companies by Nigerian Stock Exchange, shows a significant relationship between internal audit independence and financial performance after applying multiple regression analysis. Studies on internal audit independence and organization performance are more glaring in private sectors and which the results of their findings are generally positive and significant, however, public sector are not receiving much attention from researches in which this research has being carried out to fill this lacuna.

Theoretical Framework

Agency Theory

The research work builds on the agency theory by Jenkins and Vermeer (2013) and surveys the most important empirical literature. Agency theory holds a central role in the corporate governance literature. It describes the fundamental conflict between self-interested managers and owners, when the former have the control of the firm but the latter bear most of the wealth effects. Jenkins and Vermeer (2013) original model illustrates this by describing how lower managerial stakes lead to increases in non-pecuniary spending by the managers as they do not fully internalize the costs. Agency theory is a principle that is used to explain and resolve issues in the relationship between business principals and their agents. Most commonly, that relationship is the one between shareholders, as principals, and company executives, as agents. Based on agency theory, in a democracy country, parliament as a representative of the community can be considered as a principal, whereas government is an agent. Both are different institutions and each function is interrelated to the survival of a country. The function of the government itself is providing services to the public in accordance with regulations, while the function of Parliament is to oversee government performance. This will probably lead to asymmetry of information that creates agency problems. The information presented authorities may require verification of the other party. Therefore, an independent party is needed to overcome asymmetry information. In the context of local government, one of the independent parties is regional inspectorate. In this such condition, the regional inspectorate auditors should be able to act independently in carrying out their functions. In order to carry out an audit, auditors of regional inspectorate should have a greater degree of auditor independence. Yusri (2013) reveal that auditor independence might improve the performance of the auditor of regional inspectorate and generally improve the overall performance of the government. Similarly, Augustine (2019) finds that the auditor independence affects the effectiveness of the internal audit and invariably performance of the government.

Empirical Literatures

As earlier mentioned much work has not been carried out in public sector as related to audit independent and performance, and few that are available are more of theoretical in nature, notwithstanding we were able to get those that has been carried out in related areas. Roland and Frank (2009) investigated the use of performance measurement systems in the public sector. They used survey research design through questionnaires to collect data from 101 public sector organizations. Their findings showed that contractibility of performance moderates the relationship between the use of the performance measurement system and performance. Using the performance measurement system for incentive purposes negatively influences organizational performance, but this effect is less severe when contractibility is high. It is also find that an exploratory use of the performance measurement system tends to enhance performance. This positive effect is independent of the level of contractibility. Finally, they found that stakeholders' demands for information on goal achievement lead to a more intense use of performance measurement systems for exploratory purposes.

Egbunike and Egbunike (2017) examined the challenges faced by internal auditors in public sector audit in South-Eastern, Nigeria. The study specifically examines whether independence of internal auditors, compliance with set out rules and regulations of public fund management and, improper segregation of duties poses a challenge to internal auditors of public sector entities. The study adopted the survey research design. The population of the study was drawn from accountants and auditors in the offices of the Accountant-General and Auditor-General of Anambra State. The study employed Independent-Samples Mann-Whitney U Test technique in testing the formulated hypotheses. The study found out that while independence and the compliance with set out rules and regulations of public fund management pose a challenge to internal auditors of public sector entities, however, that improper segregation of duties does not pose a challenge to internal auditors of public sector entities. The study recommended that the independence of internal auditors in public institutions should be enthroned. And, secondly, to ensure compliance with rules and regulations of public fund management ensured.

Mburunga, Walubuka and Gichana (2019) assessed the influence of internal auditors' independence on financial performance of listed banks at the Nairobi Securities Exchange (NSE). The study used descriptive survey research design with population of 76 Audit Managers and Internal auditors. A sample size of 76 final sampled subjects was used and respondents selected using Census sampling technique. They used questionnaire for data collection from the target final sampled subjects. Descriptive statistics was employed in the analysis of quantitative data while narratives guided by themes under research were employed in the reporting of qualitative data. Chi Square was employed to test hypothesis. The research established that limited or minimal internal auditors' independence negatively influenced financial performance of listed banks at the NSE. They found out that internal auditors' independence has a significant influence on the financial performance of listed banks. The research recommends that as a measure of enhancing internal auditor independence, commercial dependable banks listed at the Nairobi Securities Exchange (NSE) should invest financial resources in the form of a budget to their internal audit department. Ubaidillah and Widagdo (2018) examined the effect of auditor independence, group cohesiveness, and individual factors on internal audit effectiveness of regional inspectorates. Population of this study is regional inspectorates located in some regencies/municipalities in Central Java Province and East Java Province, Indonesia. They used structural equation modeling by using Smart PLS for their data analysis. The results indicated that auditor independence has a positive and significant relationship with internal audit effectiveness. Interestingly, this study proves that group cohesiveness partially mediates relationship between auditor independence and internal audit effectiveness. Unfortunately, individual factors do not have significant relation with audit effectiveness.

Nyaga, David and Kamau (2018) explored the relationship between internal audit independence and internal audit effectiveness in the Kirinyaga County Government. A descriptive research design was adopted. The target population of the study consisted of all the forty-six (46) staff members from the Directorate of Internal Audit of Kirinyaga County Government. Primary data was collected through a self-administered questionnaire composed of closed ended questions. Descriptive and regression analysis

were used for the analysis of the data with the help of SPSS. The findings indicated that the audit function was less than independent in evidence analyzed. Regression analysis revealed that internal audit independence had positive and significant effect on internal audit effectiveness at $p \text{ value} \leq 0.05$. The study concluded that internal audit independence was an important predictor of the effectiveness of the audit function in the county government. The study recommended that the county government ensure that the county directorate of internal audit is autonomous and freely accesses audit evidence necessary in the course of their audit work. The function should not perform non audit work, freely determine their scope of audit, and always functionally report to county audit committee. Nurand Fitri (2015) examined the effect of the independence and competence of auditors on the performance of auditors. The study population was all auditors in Maros District Inspectorate Office. The sampling method is purposive sampling, so that the overall sample used in this study were 25 auditors. The analytical tool used is regression. The data used is primary data, while data collection technique using interviews and questionnaires. Result of research showed that the independence and competence of auditor affect the performance, the value of independence have significance of $0.001 > 0.05$ and the value of competence have significance $0.005 > 0.05$. This proves that the auditor's performance depends heavily on the level of independence and competence of the Internal Auditor in the Inspectorate of Maros.

METHODOLOGY

The study adopts a descriptive survey design. The population of this study is the 120 staff in the account department of Federal Ministry of Finance, Abuja. We employed purposeful sampling method and used the total population as the sample size which include 100 accountants and 20 auditors. Primary method of data collection was used through the aid of a well-structured questionnaire distributed to the respondents. 120 questionnaires were distributed out of which 100 were returned.

The model is thus specified as:

$$\text{PERF} = \beta_0 + \beta_1 \text{AI}$$

Where: PERF = Performance

AI = Auditor independence

μ = Error term.

$\beta_0 \dots \beta_1$ = Regression coefficients of the model.

A priori expectation: $\beta_1 > 0$

The demographic data collected from respondents were summarized into tables and analysis using descriptive statistic (Mean). In testing the validity and the reliability of the instrument Cronbach's Alpha method was used to check the internal consistency of the variables and spearman rank correlation was used in testing the hypothesis of the study. The regression analysis would have been appropriate but because of the nature of the data (ordinal scale) we were unable to use it because it doesn't meet up with some of the assumptions of running a regression analysis (normality) hence, spearman rank correlation was adopted. It is a non-parametric test that is used to measure the degree of association between two variables. The Spearman rank correlation test does not carry any assumptions about the distribution of the data and is the appropriate correlation analysis when the variables are measured on a scale that is at least ordinal.

The following formula is used to calculate the Spearman rank correlation:

$$\rho = 1 - \frac{6 \sum d_i^2}{n(n^2 - 1)}$$

ρ = Spearman rank correlation
 d_i = the difference between the ranks of corresponding variables
 n = number of observations

4. RESULTS AND DISCUSSION OF FINDINGS

Table 1:

GENDER

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	MALE	53	53.0	53.0	53.0
	FEMALE	47	47.0	47.0	100.0
	Total	100	100.0	100.0	

Source: Researcher computation

Table 1 above, which is the descriptive table of value showing the gender of respondents, from the result, it can be ascertain that 53% of the respondent are male while 47% are female.

Table 2

AGE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	BELOW 30YEARS	28	28.0	28.0	28.0
	30-40YEARS	46	46.0	46.0	74.0
	41-50YEARS	20	20.0	25.0	99.0
	ABOVE 50YEARS	6	6.0	1.0	100.0
	Total	100	100.0	100.0	

Source: Researcher computation

Table 2 above, which is the descriptive table of value showing the age of respondents, from the result, it can be ascertain that 28% of the respondent are below 30years of age, 46% are between the age of 30 to 40years, 20% are between the age of 41 to 50years and 6% are above 50years, hence we concluded that respondents between the age of 30 to 40years are highest

Table 3

EDUCATIONAL QUALIFICATION

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	HND/BSc/BA	62	62.0	62.0	62.0
	MSc. /MBA	37	37.0	37.0	99.0
	Ph.D	1	1.0	1.0	100.0
	Total	100	100.0	100.0	

Source: Researcher computation

Table 3 above, which is the descriptive table of value showing the qualifications of respondents, from the result, it can be ascertain that 62% of the respondent are HND/BSc. / BA graduates, 37% are having MSc. /MBA, 1% are having Ph.D. hence we concluded that respondents having HND, BSc. /BA were highest.

Table 4

PROFFESIONAL AFFILIATION

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	ICAN	23	23.0	23.0	43.0
	ANAN	50	50.0	50.0	73.0
	NON	27	27.0	27.0	100.0
	Total	100	100.0	100.0	

Source: Researcher computation

Table 4 above, which is the descriptive table of value showing the professional affiliation of respondents, from the result, it can be ascertain that 23% of the respondent are ICAN members, 50% are ANAN members while 27% does not belong to neither ANAN nor ICAN yet. Hence we concluded that respondents that are ANAN member were highest.

Table 5

LENGTH OF SERVICE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-5YEARS	28	28.0	28.0	28.0
	6-10YEARS	41	41.0	41.0	69.0
	11-15YEARS	16	16.0	16.0	85.0
	16-YEARS AND ABOVE	15	15.0	15.0	100.0
	Total	100	100.0	100.0	

Source: Researcher computation

Table 5 above, which is the descriptive table of value showing the work experience of respondents, from the result, it can be ascertain that 28% of the respondent has 1 to 5years experience, 41% has 6 to 10years experience, 16% has 11 to 15years experience and 15% has 16years and above experience, hence we concluded that respondent that has 6-10years were the highest.

Table 6

MARITAL STATUS

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SINGLE	41	41.0	41.0	41.0
	MARRIED	59	59.0	59.0	100.0
	Total	100	100.0	100.0	

Source: Researcher computation

Table 6 above, which is the descriptive table of value showing the marital status of respondents, from the result, it can be ascertain that 41% were single, 59% were married, hence we concluded that the single was the highest.

Table 7

DEPARTMENT

		Frequency	Percent	Valid Percent	Cumulative Percent

Valid	INTERNAL AUDIT	16	16.0	16.0	16.0
	ACCOUNTS	84	84.0	84.0	100.0
	Total	100	100.0	100.0	

Source: Researcher computation

Table 7 above, which is the descriptive table of value showing the department of respondents, from the result, it can be ascertain that 16% of the respondent were in internal audit department and 84% were in accounts department, hence we concluded that accounts department were the highest.

Table 8
Reliability Statistics for Audit independence and Performance

	Variable	Cronbach's Alpha
AI	Auditor's Independence	0.988
PER	Performance	0.998

Source: Researcher computation

Using the rule of Frank and Hassan (2014), the table 4.8 above which shows the reliability test of the variables auditor's independence and performance. The result for the variable shows an excellent result of 0.988 for auditor's independence and 0.998 for performance. Based on this we assumed that the degree to which an instrument yields is consistent.

Test of hypotheses

Decision rule: we accept the null hypothesis if the probability value for the coefficient alpha rho is >0.05 significant level and otherwise we reject the null and accept the alternate hypothesis

Hypothesis I

Internal Auditor independence does not have any significant relationship on the performance of public sector in Nigeria.

Table 9
Correlations

			AI M	PER M
Spearman's rho	AI_M	Correlation Coefficient	1.000	.634**
		Sig. (2-tailed)	.	.000
		N	100	100
	PER_M	Correlation Coefficient	.634**	1.000
		Sig. (2-tailed)	.000	.
		N	100	100

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Researcher computation

From the table 9 above, focusing on the performance of the correlation coefficient above, we observed that the value for the correlation coefficient is 0.634 which shows a moderate positive relationship and the p- value shows 0.000 which means the relationship is statically significant. It is significant both at 0.05 and 0.01 alpha values. This implies that there is a moderate positive and statically significant relationship between auditor's independence and performance in public sector in Nigeria. Based on this premises we reject our null hypothesis 1 that says, there is no relationship between auditor's independence and public sector performance in Nigeria and accept our alternate hypothesis that says there is relationship between auditor's independence and public sector performance in Nigeria.

Discussion of Findings

The empirical analysis show that there is a moderate positive and statically significant relationship between auditor's independence and public sector performance in Nigeria, which also supported the research of Mburunga, Walubuka and Gichana (2019) and Roland and Frank (2009). Although no work was found that contradict our result because much work has not been carried out in this area.

CONCLUSION AND RECOMMENDATIONS

The importance of audit independence cannot be overemphasized both in private and public sectors of any economy because of the greater role that it can play in the performance of the organization. From the review of this paper, it has been shown that auditor's independence has a positive and significant relationship on the public sector performance in Nigeria. Therefore, the results strongly support and encourage auditor's independence so as to achieve better performance. The following recommendations were proffered from the conclusions of this study:

- i. The Public sector (ministries, parastatals and agencies) should encourage and put better procedure for auditor's independence so as to improve their performance.
- ii. Also, policies that can improve Internal Auditor's independence should also be put in place to help in reduction of corruption in the public sector.

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