

CHAPTER ONE

1.0 INTRODUCTION

The word Audit“is derived from a Latin word Audire or audire-vitum means he hears because in ancient Britain the accounts of an estate, domain or minor, were checked by having them called out by those who compiled them to those in authority. At that time a particular date in a year was set aside by each landlord when he will audit his accounts as auditing was a private arrangement between each landlord and his book keeper. Auditing was not legalized in Britain until the enactment of the joint stock Act of 1844.

1.1 BACKGROUND OF THE STUDY

The development of public auditing in Nigeria is like that of United Kingdom (Britain). Before the independence, audit department in Nigeria was under the direction of the director general of overseas audit, United Kingdom. The position changed on our attainment of independence in 1960 when the auditor general becomes responsible to the Nigerian legislature. The post of auditor general for the federal and the work load of that office has

been appraised on the provision of the following laws of the federation.

- i. Audit Act 1958 (Cap. 17) section 7-12
- ii. Finance (Control and management) Act 1958
- iii. 1963 Revised financial regulations

From the above instrument the statutory functions of the auditor general office can be summarized as followed.

1. Examines and audit an account (revenue and expenditure) of federal government officials, courts, armed forces, ministries and extra-ministerial departments, including branches offices located in all states capital and Abuja.
2. Undertaking audit of pensions and gratuities
3. Submits reports of audited account of the federation annually to the provisional ruling council (PRC)
4. Vets and provide comment on the annual audited accounts of federal government parastatals, corporations, companies, and ministries.
5. Attends all sessions of public accounting committee and service as a technical adviser the public accounting committee.
6. Attends losses and investigations committee meetings in conjunction with the federal civil service commission and

treasury department, to review cases of losses of government cash properties etc.

1.2 STATEMENT OF PROBLEM

In this 21st century where there is growth and development in the world economy, there is need to ensure that those growth in the economy bring about changes in an ordinary man in Nigeria. This can only be done through the provision of social infrastructure to the citizenry but the problem is these.

- i. Have the government not been planning for all those things?
- ii. Year in year out government has been allocating, huge amount of it budget to provision of infrastructure, schools, water supply, and so on, why up to today there is no good road no books and chairs in our schools, no portable waster for ordinary citizen?
- iii. Is government responsible for not releasing the fund is those in authority that has fair to execute that project?
- iv. Why do we have abandoned project all over, due to lack of fund, are the auditors not doing their work, to ensure that

- public fund are channel to the purpose which are made for it, or is the system of the auditing that has problems?
- v. Can proper auditing help in ensuring accountability and transparency in our public sector?
 - vi. What are the problem associated with auditing public sector, and their possible solution? So that there will be proper accountability and transparency, so that an ordinary citizen can see real hand of government in the provision of basic amenities and social infrastructure.

1.3 AIMS AND OBJECTIVE

The aims and objectives of the project are:

1. By the end of the project auditors and general public should be able to know that, auditors play a very vital role in ensuring that public finance are spend and channel to the purpose which they are made for.
2. Another aim of this project is to highlighting the reader on how long can auditor contribute in ensuring accountability and transparency in public sector of Nigeria.
3. By the end of the project we should be able to know the problems the auditor face as a cause of their legitimate any

financial statement that does not present the fair view of the organizational financial transactions.

4. By the end of the research work solution should be provided on the problems associated with auditing public sector organization so that there will be accountability and transparency.
5. By the end of the research project, people should be able to appreciate the work of the auditor in the public organization and see them as the watch dog of corruption in public sector in Nigeria.

1.4 SIGNIFICANCE OF THE STUDY

Auditing played a very crucial role in project execution as such, through investigation on problems challenges and prospect of the office of the auditor general of the federation is very significant.

This may include the following:

- i. It help the public and the reader to appropriate the fact that auditing help in accountability and transparency in public sector in Nigeria.
- ii. Moreover this research will help both the auditors and those who handle public finance to focus on the achievement of

- the public sector objective i.e. provision of infrastructure, good and service to the citizenry.
- iii. The result of investigation will go a long way in addressing the problem devilling auditing transparency to the public for proper accountability and transparency to the public.
 - iv. It will also help student who may also go on research, to know the role of auditing in dealing with financial fraud and deviation from accounting standard.
 - v. It will help the researcher on how to make investigation and enquiries when there are problems that need to be solved.

1.5 RESEARCH QUESTIONS

1. What is auditing and who is an auditor?
2. What is public sector?
3. What does public finance means
4. What does accountability and transparency in public sector means?
5. Who appoint the auditor?
6. What independence does the audit department have?
7. If the management of organization have the right find and fined an auditor, will he be free to explain or report his opinion to the user of the financial information without fear or been fined.
8. What qualities does an auditor need to make him equal to the task?

9. What is the way forward for auditors to ensure accountability and transparency in public sector?

1.6 SCOPE AND LIMITATION

The scope that the researcher cover include the office of the auditor general of the federation, Yobe State office, the police audit department, the federal pay office and the Nigerian postal office (NIPOST office) Damaturu and many of the public organization to obtain more information that will lead to the successful accomplishment of this research work.

Notwithstanding, the research work has been limited because of lack of enough information as the researcher wishes. Time has also contributed, the time is short, relevant information which the researcher has decided to inquired, which will have help immensely, in the preventative of this research work, has been limited because of time factor.

Finally finance or money, this also has contributed to limiting the scope of obtaining information. The researcher has decided to approach every mean of obtaining reliable and accurate information but this has been shorted with lack of fund.

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

According to Damagum (2005), “If there were to be a guarantee that the management of all public sector will work strictly in accordance with laid down guidelines and procedures i.e. without deviation no malpractice etc, then there would have been no place for auditing in public sector”. Unfortunately this is not the case, in fact as its, even with the present of auditors and auditing, many doing managers and staff do commit malpractice in an organization. On the other hand even where malpractice are not engaged open its possible for the management of public sector organization to divert from acceptable accounting standard.

Financial control system constituted a very sensitive and highly important area in operation of public sector. The reason is government in most constitute the largest single business entity. It

way of expenditure and resource allocation determine the extent to which accountability for economic efficiency and effectiveness can be achieved.

These objectives cannot be achieved without putting sound financial control mechanisms in place. This depends on the accounting system in general and the auditing of the accounting system and its financial statements in particular. Auditing is one of the most important financial control functions within the overall financial control system in the public sector. In terms of the area of the audit or function of the audit department now transcend those of checking, examining, instruction, and directives relating to the use of public monies. Section 79 (2) of the 1979 constitution has broadened the responsibility and authority of the audit department.

2.2 DEFINITION OF AUDITING

According to Damagum (2005), Auditing is an independent act of verifying already prepared accounting records together with the policies and procedures that governed the preparation of such records.

Okolo (2011). Also defined auditing as examination by an auditor of the evidence from which final revenue account and balance sheet of an organization have been prepared, in order to ascertain that they present a true and fair view of a summaries transacting for the period review and of the financial state of the organization. It's an independent appraisal process often govern of statute. For examining, investigating and verifying financial statement of any organization by a qualified person appointed to do the job who accuracy, validity, reliability and fairness of the statement.

2.3 OBJECTIVE OF AUDITING

According to Millchamp (1993). The primary aim of an audit is to enable the auditor expressed his opinion on whether the financial statement represent the truth and fairness of the financial transaction of the organization. The conduct of auditing is of significant to organization which is one of the objective of auditing to the users of the financial information.

The benefit may include the following.

- i. Adds to the level of confidence the users have in the financial report of an organization.
- ii. Audited financial report are relied open by government in planning and economic decision.
- iii. Audited report help in promoting general activities of operation of organization.

2.4 AUDITORS QUALIFICATION

The company and allied matters Act of (1990) and its subsequent amendments are clear on the qualification of external auditors. Section 358 (1-5) states that:

- i. A person shall not be qualified for appointment as an auditor, unless he is a member of a body of accountant in Nigeria.
- ii. None of the following shall be appointed as an auditor of an organization.
 - a. An officer or servant of an organization
 - b. A person or company who offers to the organization professional advice in a consultancy capacity in respect of secretarial, taxation or financial management.

- iii. For a person to be qualified for an appointment as an auditor must have a valid practicing license which is usually issued by the relevant accounting body to their members.
- iv. For a person to be qualified as an auditor must possess the following qualities.
 - a. High integrity
 - b. Being reliable
 - c. Being objective
 - d. Op to the tax.

2.5 EXTERNAL AND INTERNAL AUDIT

Because most organizations are very large not easy for external audit alone to meet needs and the wider requirements. As a result of that, audit has been divided between external and internal audit. The purpose of internal audit is to carry out a detailed appraisal of the accounting, financial and other processes, leaving external auditing to review the controls and reports to the management on their adequacy and compliance, the external auditor critically examines the financial statements and records of accounts, from which they have been prepared and gathers as much information as he considers necessary to enable him to express his opinion on the truth and fairness of the statements to the interested users.

2.6 INTERNAL AUDIT

According to Robenson (1996) internal audit is an independent appraisal function within an organization for the review of activities as a service to a level of management it is a control which measure, evaluates and report on the effectiveness of internal control, financial and otherwise, as a contribution to the efficient use of resources within the organization. According to Okoli (2001), internal auditing is the independent review or appraisal within an organization of the accounting, financial and other operations as a basis for protective and constructive service to the management.

The responsibility of internal audit is to review appraise and report on the following.

- i. The soundness, adequacy and application of internal control in the organization.
- ii. The extent to which the organizational assets and interests are accounted for and safeguarding from losses of any kinds arising from Fraud and other offense
 - Waste, extravagance and inefficiency in administration
 - poor value for money and other causes

2.7 EXTERNAL AUDIT

According to Okoli (2004). These is a statutory requirement commission not by management of the organization, but by an outside entity to which audit reports go to. The external auditor has the constitutional power to report directly to the national assembly in a case of public organization or to the board of directors in a case of private organization. Those type of audit which are compulsory required by law, their duty are clearly laid down by relevant statute and cannot be by any way limited by the organization. During auditing the external auditor may choose to rely on information provided by the internal auditor, thereby reducing the scope, and by so doing he got a lot of information that will lead to the success of his work. Through the external auditor, he will assess the internal auditing taking in consideration the following areas.

- i. The degree of independence of the internal auditor from those who's responsibility he is reviewing.
- ii. The number of suitably qualified and experience staff employed in the internal audit function.
- iii. The scope extend, direction and timing of tests made ny the internal auditor.
- iv. The evidence available of the work done by the internal audit and of the review of that work.

- v. The extent to which management takes action based upon the reports of the internal function.

2.8 DUTIES OF AUDITOR

According to Damagum (2005). The duties and right of an auditor are specified under the relevant section of company and allied matters Act of 1990. Section 369 (1) states that: it shall be the duty of an auditor in preparing their report to carry out such investigation as may enable them to form an opinion as to the following matters.

- i. Whether proper accounting record have been kept by the company and proper returns adequately for their audit have been received from branches not visited by them.
- ii. Whether the company's balance sheet and profit and loss account are in agreement with the accounting records and returns.
- iii. Similarly, under sub section (5) it stated that it shall be the auditors duty to consider whether the information given in

the directors report for the year for which the account are prepared, is consistence with those account.

2.9 RIGHTS OF AUDITOR

Company and Allied matters Act (1990). Section 360 (3) state clearly that every companies auditor shall have right of access at all time to the company's books, accounts and vouchers and entitled to required from the company officers such information and explanation as he think necessary for the performance of the audit duties.

Auditor shall be entitled to attend any general meeting of the company and received all notice of the communication relating to any general meeting which a member of the company is entitled to receive and to be heard at any general meeting.

2.10 PUBLIC FINANCE

According to Shuaibu (2004). Unpublished lecture note, public finance referred to government revenue and expenditure over a considerable period of a time. Its therefore incorporates how the government in all level raises funds, where and how those fund are

used, and for which purpose. The service of public finance cut across the postulate to two doctrines, the classical and the Keynesian school of thought.

The classical maintain that government should spend its resources or fund on only three main areas.

- i. **Defense:** Here they are of the view that fund should only be spend on provision of adequate defenses of the territory of a state or country, to protect it from external attack.
- ii. **Internal Security:** They also believed that the public fund should also be channeled toward provision of internal security to the citizenry that is to provide security of life and property is within the country.
- iii. **Civil Administration:** This means the government is responsible for the civil administration as such public fund should be use to maintain that

The Keynesian are of different view, that the public fund should be used beyond that the operation of the government at any given time should beyond defense, civil administration income and wealth distribution, economic stability, to provision of basic amenities, and social infrastructure to its citizenry, and this lead

us to control mechanism to ensure that resources allocated to the public organization are judiciously utilized so that those function of the government can be achieved.

2.11 INTERNAL CONTROL SYSTEM

Chandan (1984). Defined control as essentially a management function that deals with the measurement and correction of the performance of subordinates with the view to achieving organizational goals with maximum efficiency and at minimum cost. The definition of financial audit explicitly includes examination of system of internal control; the auditor is deeply concerned with the existence and quality control of all financial transaction in an organization.

According to Damagum (2005). Internal control in an organization can be developed around the following basic component.

- i. Internal Audit:** This type of exercise that internal audit staff carry out in order to guarantee smoothness of operation, control prevent fraudulent activities and ensure compliance with organizational policies. The internal

auditors are required to offer advice and make suggestion and recommendations. Where errors of principles or practice are discovered the auditors are the people to ensure that such errors are corrected.

ii. Internal Checks: As part of internal control, organization are required to put in place, internal checks and balance by this it means that it's a way of organizing operation in all section of an organization in such a way that no single individual is allowed to initiate a transaction and conclude it alone. It should be noted that check and balances is very important in public sector organization, through those check and balances another person in the normal course if his duties automatically check the work of another person this arrangement help in discovering errors and fraud some times.

iii. Physical Control: These are all the various physical measures that organization takes in order to safeguard their resources. Among the various measures in this categories are as follows:

a. Acquisition of adequate insurance policies against fire burglary, money in transit etc.

- b.** Use of safes for custody of valuables such as cash, cheques, certificate and many other valuable document.
- c.** Keeping of adequate number of security personnel to ensure vigilance, such as regular checking in the entrances.
- d.** Regular relation and transfer of staff
- e.** Ensuring the keeping of annual leave schedule where all staffs due for leave are made to proceed on such leave at the appropriate time

2.12 PUBLIC SECTOR FINANCIAL CONTROL SYSTEM

According to Okoli (2001). The organs involved control of public fund are as follows:

1. The Executive Control: The president or Head of State of Nigeria is in charge with the responsibility of administering the country, politically, socially and economically. His duties of financial control is by presenting each year estimates of revenue and expenditure for the nation i.e. the budget, although he does that through budget department and national planning committee.
2. The legislature Control: They are the supreme authority in matters of national finance and control they represent the

people and give final approval or disapproval to any financial bill or proposal. They control public funds by debating and approving government estimate for expenditure.

3. Treasury Departmental Control: This department has been in existence over the years. Civil service Decree no. 43 of 1988 section 31, further strengthened the powers of the department. To ensure compliance with the accounting code and procedure issued by the accountant general of the federation. It therefore perform the following function.

- Collect government revenue
- Account for government revenue generated
- Arranged for disbursement of revenue
- Prevent individual misappropriation through the use of receipt and vouchers.

4. Departmental Control: This is an aspect of management control and it's the practical demonstration of internal control objective, in order to ensure control over finance or carry on government in efficient and orderly manner, safeguard it asset, ensure compliance with government policy guidelines. Under the departmental control of it expenditure as approved in the budget. All necessary book

of account are usually kept in order to record all financial

transaction as a means of the departmental control include:

- i. Maintaining departmental vote book
- ii. Maintaining treasury cashbook
- iii. Authority to ensure expenditure
- iv. Tender board procedure
- v. Monthly transcript and bank reconciliation
- vi. Cash survey and stock taking
- vii. Internal check etc

5. Auditing: The internal audit department is an important control organ of the government as the personnel check to see the correctness or otherwise of receipts and disbursement. The report of the audit department as prepared in the form of annual report by the auditor general, is then pass on to the next organ of control called the public account committee.

6. The Public Account Committee: This committee is empowered to scrutinize the annual financial report submitted by the auditor general. This committee is established by statute to enforce control on financial management and accountability in the public sector. The public account committee has the following roles.

- a. To examine the auditor general's report on the audited account of the federation and provide a forum for the

- accounting officer to explain to the public matters that accounting wrong in their ministry or department.
- b. To inform the national assembly administration together with the explanation of the accounting officers on such matters Okoli (2004).

2.13 ACCOUNTABILITY

According to Oxford Dictionary accountability in its simplest term means the obligation to answer for a responsibility that has been conferred this involves at least two parties, one who allocates responsibility and one who accepts it with the undertaking to report upon the manner in which responsibility has been discharged.

Public accountability and transparency is an essential component for the functioning of our political system in Nigeria, as accountability means that those whom we select, that is those who are charged with drafting or carrying out policies should be obliged to give an explanation of their action and stewardship, so also those who are instructed with public funds.

Within the framework of accountability there is a division of function, here the auditor general for the federation is given the

access to information, the right to demand the explanation necessary for his audit and the opportunity to report his findings.

2.14 STATUTORY BASIS OF AUDITING PUBLIC SECTOR

The audit Act 1956 provides that the auditor general for the federation shall on be haft of the national assembly inquire into and audit the accounts of all accounting officers of all and of all persons entrusted with the collection, receipt, custody, issue or payment of federal public moneys, or with the receipt, custody, issue, sale transfer or delivery of any stamps, securities, or any other property of the government of the federation.

The auditor general for the federation shall satisfy himself that all reasonable precautions have been taken to safeguard the collection of public funds and the law relating has been duly observed.

2.15 FUNCTIONS OF THE AUDITOR GENERAL OF TH FEDERATION

The function of the auditor general for the federation cover the broad categorization found in the green paper on the role of the auditor general. The function are as followed:

- a. A financial audit to ensure that the reason of accounting and financial control are efficient and operating property and that financial transactions have been correctly authorized and accounted for:
- b. A regulatory audit which verified that expenditure has been incurred on approved services and in accordance with statutory and other regulations and authority(s) governing them.
- c. Economy and efficiency audit, an examination of economy and efficiency to bring to light examples of wasteful extravagant, or unrewarding expenditure, failure to maximize receipts or financial arrangement detrimental to the treasury and weaknesses leading to them
- d. Effectiveness audit this has to do with the examination, to assess whether programmes or project undertaken to meet established policy goals for objectives.

2.16 INDEPENDENCE OF AUDITOR GENERALS OF THE FEDERATION

The independence of the auditor general of the federation and that of all his staff is secured by his appointment by the president on the recommendation of the federation civil service commission, subject to confirmation by the national house of assembly. The payment of his salary is a direct charge on the consolidated revenue fund and his tenure in office is assured except supported by two third of the house that he should be removed from the office.

2.17 RESPONSIBILITY OF THE AUDITOR GENERAL OF THE FEDERATION

In audit act of (1958). The auditor general has duties and responsibility laid on him by statutes principally concern with his annual examination of account and in addition he has discretionary power to carry out other account examination necessary for his findings and report the result.

His duties and responsibility may include the following

- i. Audit and certify the appropriation account of all government department.

- ii. Audit and certify other account laid down by the financial (control management) act
- iii. Report as necessary to the national assembly on the result of these audit.
- iv. Examine and audit all account (revenue and expenditure) of federal government officials, court, armed forces, ministries and extra ministerial department
- v. Vets and provides comment on the annual auditor account of federal government parastatals, corporatins and companies.

The role of the auditor general for the federation should be the provision of basic financial and ,regulatory audit of departmental accounts. The undertaking of examination of the economy and efficiency with which public fund are spend, are in appropriate. To investigate the effectiveness of programs and project is meeting established policy goals. Audit Act (1958)

2.18 AUDITING PROGRAM

According to Adams (2002), In drawing or discharging his statutory function an auditor draw out audit programme that consist of working procedures in order to facilities the process of

auditing. The programme record the exact details of the work to be performed by the audit staff auditors carried out continuous examination of all accounting books and records maintain in all decision of all federal ministries and parastatals.

2.19 AUDITING OF DEPARTMENTAL ACCOUNT

According to Okoli (2004). The departmental account are the account of all self-accounting ministries and department sections and the records maintain by them are call for and examined in each financial years.

- a. General pay Office: This is the section in charge of revenue and payment, safe, cheque books, and license book, impress account and cash book. The work of auditor in this section are:
 - i. Cash Survey: This is a surprise audit, check on officer in-charge of account and the cahier this is to ensure that financial policies and rules are guided in this department.
 - ii. Examination of Payment Vouchers: payment are vouched to establish the authority for each payment in examining payment vouchers, the auditor look for the date, detailed description of service, the amount both in word and in figure, stamp, internal control stamped signature and

designation of officer controlling expenditure of that organization to make sure payment are made to the right people.

CHAPTER THREE

3.0 INTRODUCTION

This chapter is mainly concerned with the method adopted in gathering the necessary required data to make the research work a successful one. The chapter has been divided into the following.

3.1 INSTRUMENT OF DATA COLLECTION

Data collected in this research work were from three different government organizations, which include the office of the auditor general of the federation, the federal pay office and the Nigerian postal office Damaturu. The data collected help the researcher to know whether the hypothesis is true or not. In views of this two instrument of data hypothesis were used.

- i. Primary method: This method is used in collecting data know as first hand information. The researcher adopt the questionnaire method and personal interview with the head

- of the organization. The questions in the questionnaire were designed in a structural way that give room for option while the interview questions were open-ended questions.
- ii. Secondary Method: This is a method through which data that have been gathered, analyzed and presented in text book or other publication, were obtained.

3.2 POPULATION OF THE STUDY

Osuala (2001). Sees population as an entire group of people objective, and events that are at least of the same characteristics in common with the subject of study in a particular survey in view of time constrain the researcher was limited to fifty staff of junior senior calibers in the three organizations.

3.3 SAMPLING PROCEDURE

The sampling design chosen for this study was the random sampling. The random method is a procedure of giving every subject in a population an equal chance of being selected.

3.4 DATA ANALYSIS

Leady (1980). Observed that the method of data analysis is an operational finance work in which facts are placed so that their

meaning may be clearly seen. Data gathered from this research work will be presented in a tabular and simple percentage method.

3.5 THE INTERVIEW QUESTIONS

- 1) In your own view is audit necessary for accountability and transparency in public sector? Yes or No. State the reason for the choice of your answer.
- 2) What are the mandate of the office of the auditor general for the federation?
- 3) In your own view what are the challenges, constrains or limiting factors associated with auditing the public sector organization in Nigeria?
- 4) What are the ways forward or the solutions to those problem associated with auditing in public sectors of Nigeria.

CHAPTER FOUR: DATA PRESENTATION AND ANALYSIS

4.1 Introduction

This interview is conducted for the purpose of research work to view auditing in public sector of Nigeria, how it contributed in accountability and transparency, the prospect and challenges and the way forward. Therefore any information given will be dealt with high degree of confidence, in recommending solution to the problems associated with auditing public sector of nigeriafor better stewardship in part of those entrusted with public funds.

The researcher interviewed head of department, head of internal audit department and senior staff from the office of the auditor general of the federation, and other ministries and parastatals to obtain first hand information, that will help in providing recommendation, that will provide solution to various problems associated with auditing public sector.

1. In your opinion is auditing a necessary tool for accountability and transparency in public sector, yes or no. give reason for your answer.

First Respondent: of course auditing is necessary for accountability and transparency in public sector of Nigeria and world at large, this is because of the following reasons.

- Auditing ensure that there is check and balance in handling financial transaction of government business.
- You see auditing ensures that statement of accounting standard are followed accordingly.
- More over you see the office of the auditor general ensure that all account of ministries and extra ministerial department keep proper record of account of their income and expenditure, this is to mention few of reasons why audit is very necessary in government to public sector.

Second Respondent. Yes auditing is necessary for accountability and transparency especially in these democratic regime because

It ensure that set standard are comply with by the accounting officer of public and private organization

Auditing ensures internal control in an organization, when there is on auditing there will be misappropriation of public fund loss of public properties

- Auditing help in evaluating performance of management and guide them in achieving set standard. This is because it guide the management in financial transaction of an organization.

Third Respondent. Auditing is very necessary, because of the

Following reasons.

- It advise government on ministry that does not keep proper account of It ministries financial transactions, it may at times stop government from giving the ministry it fraud until it account, for financial transactions of the previous grand.
- It's the auditor that ensure the maintenance of departmental vote book, maintenance of treasury cash book, authority to ensure expenditure and so on, these is to ensure that these is check and balances for effective control and accountability.

Forth Respondent. No auditing on accountability nor transparency because it's the duties of the office of the auditor general office to:

- Examine and audit all account of federal government officials armed forces, ministries and extra ministerial department.
- Undertakes pre audit and post audit of financial report of public organization.
- Vets and provides comment on the annual audited account of Federal Government Ministries and it parastatals.
- Submits report of audited account of the Federation to the National Assembly which in turn refers it to the public account committee. All this is to ensure accountability.

2. What are the mandate of the office of the auditor general of the federation?

First Respondent. you see the mandate of our office can be seen in our identity card, P/financial act and other federal government publications which include the following.

- To audit and report on the public account of the federation including all persons and bodies establish by law entrusted with the collections receipt, custody, issues

- sale, transfer or delivery of the government of the federation and for certification of the annual account of the government as its written in the audit act (1958).
- Its also the mandate of the office to ensure that the account have been properly kept.
 - All public money have been properly accounted for.
 - Money have been expended for the purpose for which they were appropriated and the expenditure have been made as authorized. The office have a lot of mandate which lead to accountability and transparency in the public sector.

Second Respondent. the office for the audit general of th federation have many mandate which I believe you will see in the revise financial regulation I have given to you, but to mention few among others are:

- They audit federal government account and the state auditor general, audit that of the state ministries and parastatals.
- They offer financial advice to the internal auditor, which help the internal auditor in internal control and many others.

Third Respondent. the mandate of the auditor general office are as followed.

- To oversee the financial transaction of public sectors financial report so that it will be an conformal with the roles guiding them.
- To give their opinion on the financial position of public organization, if the respondent the true and fair view of financial transaction of the organization.

Fourth Respondent: Let me give you this paper presentation you will see some of the mandate of the office of the auditor general for the federation.

3. In your own view what are the challenges, constrains or limiting factory associated with auditing public sector organization?

First Respondent: The problems associated or challenging faced by building are too much to mention but let me give you few.

- Misuse of personal, what I mean is government don't use the correct personnel due to either influence or social difference, this is because there are person that read

sociology or agricultural science heading an audit department then how can their be effectiveness in this department?

- Personalizing report. This means whenever audit or write their report and its not favorable to the officer in charge, he personalized it and refuse to act on the recommendation of the auditor which something bring about unhealthy relationship between the two officers.
- Lack of enough staff also is a limiting factor this is because of you go to ministries or department like finance or account you see many staff and subsection but go to audit department you see only few staff.

Second Respondent: I believe the audit department sufficient fund to carry out their job especially the office of the auditor general you can imagine the ear they are using they need fund to be able to work successfully. Another constrains or limiting factor is the executive doesn't like to follow due process. Whenever they need money, they just give directive. The normal process will not be followed and when internal auditor demand for explanation, the officer will challenge him and it becomes problem associated with internal and even external audit.

- Reluctant by the auditors because of lack of attention to audit queries by the public account committee and to some extent the executive and the account officers responsible.

Third Respondent: Really the auditors have constrain that limit their effectiveness and efficiency in carrying out their constitutional responsibilities which I believe if those problem canbe rectified, auditing will go a long way in improving accountability and these include the following.

- Government reject advice from the auditor for audit work to be effective government must be ready to act on auditors report irrespective of who is responsible for any financial misconduct.
- The public account committee should be ready to do their job, because their inability to do their job effect the work of the auditors.
- Nigerian administrators also contributed because they personalize public fund that are meant for public use.
- Poor contro environment such as corrupt leadership and corrupt followrs try to enrich themselves with public funds.

- Too much bureaucratic in handling auditing report which often fostered the whole system.

Fourth Respondent: The problem that auditors faced when carrying out their duties may include the following.

- Non upholding to the entire principles of internal control adopted in government offices by the management and the accounting officials.
- Non willing of accounting officers to give due attention to audit queries and reluctant to appear before public account committee to defend their ministries or department.
- Unnecessary long route in reporting audit findings right from field staff, to sectional head to assistant director and so on up to the auditor general himself.

4. In your own opinion what are the ways forward or the ways out of those problems associated with auditing the public sector?

First Respondent: The following ways will help in solving the problems I have mentioned earlier.

The staff of audit department or office of the auditor general should be staff with minimum of diploma in accountancy those

who study sociology should not work in audit department nor head the department.

- Officer entrusted with fund should not be personalizing auditors report, this means when an auditor qualified his report, the officer should not think that the auditor is challenging him.
- The officer of internal or external auditor should be adequately staff with the required qualification I think that will go a long way in solving some of the problems.

Second Respondent: As mentioned before, the following are some of the solution of this problems.

- The office of the auditors should be adequately funded that will go a long way in solving the problems.
- The executive should follow due process in financial transaction, there should be check and balances between the responsible officer, thereby reducing the risk of misappropriation and directing public fund for personal reasons.

Third Respondent: The administrator should stop personalizing public fund as to their private project.

- There should be good and sound accounting system that is sound fund by the management and greedy employees who want to enrich themselves.
- The audit legislation should be reviewed and empower the office of the auditor general to arrest and prosecute offenders.
- Government should accept and act on the advice produced by the auditors without misuse public fund.

Fourth Respondent: In my own view the following will help in reducing the problems auditors encounter during their duties.

- Making internal audit absolutely independent strict enforcement of rules and regulation in all financial transaction by the accountant and the auditors.
- By value for money audit, that is audit of economic efficiency and effectiveness of every money spend.
- By reviewing audit laws and grading prosecuting power to the office of the auditor general for the federation.

4.2 THE QUESTIONNAIRE DATA DISPLAY AND INTERPRETATION

This questionnaire is designed to view auditing in public sector of Nigeria, how it contribute in accountability and transparency the

prospect and the challenges. Therefore the following assumptions will be used for the purpose of this work.

- That the respondent are independent of each other
- That the responses are true and accurate to the best knowledge of the respondent. fifty questionnaire is used for data analysis and interpretation.

Questions and Responses

Table 1: Does audit exist in public sector of Nigeria or its only in white paper?

| Responses | respondents | Percentage (%) |
|-----------|-------------|----------------|
| Yes | 50 | 100% |
| No | Nil | Nil |
| Total | 50 | 100% |

From the data presented in the table above 50 (100%) of the respondent are of the view that audit exist in public sector of Nigeria, it not only in white paper.

Table 2. Does your organization observe the principle of internal control?

| Responses | respondents | Percentage (%) |
|-----------|-------------|----------------|
| Yes | 50 | 100% |
| No | Nil | Nil |
| Total | 50 | 100% |

From the data presented in the table above, 50 (100%) of the respondent believed that internal control principle is practiced in their organization to safeguard the asset of the organization.

Table 3. Does your organization have an internal audit department.

| Responses | respondents | Percentage (%) |
|-----------|-------------|----------------|
| Yes | 50 | 100% |
| No | Nil | Nil |
| Total | 50 | 100% |

Based on the data collected analyzed and presented in the above table, 50(100%) of the respondent response to have internal audit department in their various organizations which internally

audit the activities of the management and give recommendation where necessary.

Table 4. Does the audit department have enough and qualified staff to do the work?

| Responses | respondents | Percentage (%) |
|-----------|-------------|----------------|
| Yes | 45 | 90% |
| No | 5 | 10% |
| Total | 50 | 100% |

Based on the data collected and analysed in the table above 95 (90%) of the respondent believed that the audit department of their ministry or organization are adequately staff with qualified staff, while 5 (10%) disagree with the, they believed that the staff are not enough and some are not qualified to work in the audit department.

Table 5. Does the existing auditors visit your organization every year.

| Responses | respondents | Percentage (%) |
|-----------|-------------|----------------|
| Yes | 35 | 70% |
| No | 15 | 30% |
| Total | 50 | 100% |

Based on the data collected, analyzed and presented in the table above 35 (70%) of the respondent show that external auditors audit

their organizational financial transaction every year. While 15 (30%) did not every year that external auditors audit their financial transaction.

Table 6. Are the auditors influence by the management of the organization their work?

| Responses | respondents | Percentage (%) |
|-----------|-------------|----------------|
| Yes | 5 | 10% |
| No | 45 | 90% |
| Total | 50 | 100% |

From the data presented in the table above 5 (10%) of the responded are of the view that the auditors are not allowed to express their opinion on the true and fairness of the statement of account of their organization they influenced on one way or the other, while 45 (90%) are of the view that the auditor are not influence in any way during their work.

Table 7. Do you think independence of the auditors or otherwise effect the effectiveness of their report?

| Responses | respondents | Percentage (%) |
|-----------|-------------|----------------|
| Yes | 35 | 70% |

| | | |
|-------|----|------|
| No | 15 | 30% |
| Total | 50 | 100% |

From the data presented in the table above , 35 (70%) of the respondent are of the view that independence of the auditors, or otherwise really affect the report of auditors while 15 (30%) of the respondent believe their auditors independence or otherwise does not effective the report of the auditor.

Table 8. Does their report represent the true and fair view of your organizational financial position?

| Responses | respondents | Percentage (%) |
|-----------|-------------|----------------|
| Yes | 30 | 60% |
| No | 20 | 40% |
| Total | 50 | 100% |

From the data presented in the table above, 30 (60%) of the respondents believes that the auditors report usually represent the true and fair view of their organizational financial statement, while 20 (40%) disagreed that the auditors report shows the true picture of the financial transaction in their organization.

Table 9. Does the management respond to audit queries?

| Responses | respondents | Percentage (%) |
|-----------|-------------|----------------|
| Yes | 50 | 100% |
| No | Nil | Nil |
| Total | 50 | 100% |

The data collected analyzed and presented in the table above shows that 50 (100%) of the respondent believed that the management respond to audit queries, if there is at all.

Table 10. Is there significance in auditing public sector in Nigeria?

| Responses | respondents | Percentage (%) |
|-----------|-------------|----------------|
| Yes | 45 | 90% |
| No | 5 | 10% |
| Total | 50 | 100% |

Based on the data analysed and presented in the table above 45 (90%) of the respondent are of the view that auditing is very significant in public sector of Nigeria for accountability and transparency to prevailed while 5 (10%) disagreed that auditing is very significant in public sector of Nigeria.

Table 11. Do you think economic and financial crime commission (EFCC) doing the work of the auditor?

| Responses | respondents | Percentage (%) |
|-----------|-------------|----------------|
| Yes | 25 | 50% |
| No | 25 | 50% |
| Total | 50 | 100% |

From the data collected analyzed and presented in the table above, 25 (50%) of the respondent are of the view that EFCC are doing the work of the auditors while 25 (50%) disagreed that economic and financial crime commission are doing the work of the auditors.

Table 12. Are you of the view that audit legislation should be reviewed?

| Responses | respondents | Percentage (%) |
|-----------|-------------|----------------|
| Yes | 42 | 84% |
| No | 8 | 16% |
| Total | 50 | 100% |

From the data presented in the table above, 42 (84) of the respondent are of the view that audit legislation should be review while 8 (16%) are of the view that the legislation should not be reviewed.

CHAPTER FIVE: SUMMARY, RECOMMENDATION AND CONCLUSION

5.1 SUMMARY

Chapter four analyzed and interprets the data collected, the responses revealed that misused of public fund where causes by the following.

- Lack of enough staff in the audit department and the office of the auditor general for the federation.
- Lack of enough fund to carry out their duties respectively by the audit and the audit department and the office of the auditor general of the federation.
- Inadequate control measure, that means the principle of internal control are not practiced, the way it should be.
- Refusal by the executive or those who are concerned to respond to audit queries.
- Personalizing auditors report by the executive or accounting officers, whom see auditor report as challenges to them.
- Misuse of public fund by the administrators whom divert public fund into their personal project.
- Government don't want to see any auditor's report that is not on their favor nor act on those reports.
- Audit laws or legislation restrict the auditors to the only examining financial report and give their view on other accuracy of the report whether they present the true and fair view of the financial transaction.

5.2 RECOMMENDATION

Specifically based on the result of this study the researcher make the following recommendations.

- i. Government should provide office of the auditor general of the federation and other audit department with enough qualified staff.
- ii. The audit department and the office of the auditor general of the federation should be adequately funded.
- iii. Adequate control measures should put in place, accounting officers and top management should create a healthy control environment.
- iv. The office of the auditor general should be empowered to prevent any organization that does not give proper account of it previous financial transaction, the ability to collect any money or in insurance expenditure.
- v. The office of the auditor should be given more power to arrest and present financial offenders and should be absolutely independent.
- vi. Government wxecutive must be compel to respond to auditors report, no matter who is involved.

- vii. Audit law should be reviewed and empowered the office of the auditor general to investigate the executive without the fear of intimidation from the executive.
- viii. There should be strict enforcement of rules and regulations by both the auditors and the executive and those who the auditors report to.
- ix. The audit of value for money, that is the audit of economy, efficiency and effectiveness of every money spend should be intensified.

5.3 CONCLUSION

The conclusion is based on the analysis of the objective which is to identify the constraints encountered by auditor in controlling public fund examine then and offer solution.

The effectiveness of audit in Nigeria today is grossly affected, the power conferred on the auditors are not taken seriously by the executive.

The researcher therefore conclusion that if nothing concrete is done on the recommendation provided we may one day discover that our economy has been ruined beyond repairs.

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P.M.B 1006 Damaturu,
Yobe State.

Dear Respondent,

I am a final year student of the above named institution. In Partial Fulfillment for the Award of Diploma in accountancy. I am Conducting a research project on “ Auditing and accountability in the Local Government Level, a case study of Damaturu Local Government, Yobe State.

I humbly request you to fill the questionnaire at your convenience, and I assure that you have response will be treated with a strict confidential and used only for academic purpose.

Thanks for your anticipated cooperation’s.

Yours Faithfully,

Abba Mohammed

Researcher

Questionnaire

1. Does audit exist in public organization of Nigeria of its only in white paper.
Yes or No
2. Does your organization observe the principle of internal control? Yes or No
3. Does your organization have internal audit department? Yes or No
4. Does the audit department have enough and qualified staff to do the work? Yes or No

5. Does the external auditor visit your organization every year? Yes or No
6. Are the auditors not influenced by the management of the organization during their work?
7. Do you think independence of our auditor or otherwise effect the effectiveness of their report? Yes or No
8. Does their reports represent the true and fair view of your organizational financial position? Yes or No
9. Does the management respond to audit queries? Yes or No
10. Is there any significance in auditing public organization in Nigeria? Yes or No
11. Do you think economic and financial crime commission doing the work of the auditor? Yes or No
12. Are you in the view that audit legislation should be reviewed? Yes or No