**AUDIT STANDARD AND PUBLIC AUDIT PRACTICES: A CASE STUDY OF OSUN AND OGUN STATES OF NIGERIA**

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**A THESIS SUBMITTED TO THE DEPARTMENT OF ACCOUNTING, FACULTY OF SOCIAL AND MANAGEMENT SCIENCES, BOWEN UNIVERSITY, IWO, OSUN STATE, NIGERIA IN PARTIAL FULFILMENT OF THE REQUIREMENTS**

**FOR THE AWARD OF MASTER OF SCIENCE (M.Sc.) DEGREE**

**IN ACCOUNTING**

**2016**

**CERTIFICATION**

This is to certify that the thesis titled “ Audit Standards and Public Audit Practices: Case studies of Osun and Ogun states of Nigeria” was carried out by ADEWUMI, Romoke Margaret in partial fulfilment for the requirement of the award of Master of Science (M.Sc.) Degree in Accounting from Bowen University, Iwo, Osun state, Nigeria.

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All the materials consulted in the course of this research work are duly acknowledged in the References.

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**AUTHORISATION**

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**DEDICATION**

This work is dedicated to JESUS CHRIST, the lover of my soul. I long to see His face by and by in glory!

**ACKNOWLEDGEMENTS**

I appreciate the Almighty God who was with me throughout my journey to Iwo during the course of my programme.

My supervisors - Dr Adeleke E.O. and Dr Olasupo S.F., are wonderful! Your labours over us will not be in vain in Jesus name. Chris, my love, your constant encouragement and financial support cannot be quantified, you are a true husband! I enjoyed the support and prayers of Ope, Tosin, Daniel and Timileyin.

I enjoyed the family relationship of all the staff of Accounting Department of Bowen University under the leadership of Dr. (Mrs) O. O. Adenikinju, and my lecturers. Mr

S.O. Feyisetan, Professor. J.A. Fabayo, Prof. D. O. Elumilade, Prof. R.O. Salawu, Prof. I. R. Akintoye and Dr. O.O.Adeosun. Dr. Kola Junaid made the course very interesting to me; all your efforts will be duly rewarded by the Lord.

I cannot but acknowledge and appreciate the following people- Dr. D.G. Adebisi, Mr.E. A. Adegun, Dr T.G. Oyewole, Mr. S. O. Omojola, Mr. O. Wright, Mr. A.B.U. Imohiosen, Mr. R.O.Z. Akomolafe, Mrs.O.D. Aregbesola, Miss P.E. Kolawole, Mr. L. Olawuyi, Mrs O.O. Olaniyi, Mr. F. Oladele. Also those that supplied me information regarding the thesis from the offices of the Auditor General and Accountant General in Osun and Ogun states, Professional ICAN checkers under the leadership of Mr Alo, late Ogundipe S. and all others too numerous to mention but have contributed in one way or the other to the success of this thesis, I say a big thank you!

I have benefitted from other peoples work, so why will my own be different?

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**ABSTRACT**

The study examined various government audit practices using Osun and Ogun states of Nigeria as case studies. It also examined audit practices, extent of compliance with standards and identified the factors influencing compliance of the states audit practices.

Data for the study was collected through primary source. A sample size of 150 questionnaires were purposively administered to professional Accountants who are in the public audit services of both private and government of Osun and Ogun states. Both descriptive and inferential statistics such as tables, graph, percentages, ANOVA and Regression were used to analyse the data. The regression and correlations analysis were used to assess the extent of compliance of states audit practices with standard and extent of influence, while ANOVA was used to determine joint impact of the independent variables on dependent variable.

The study revealed that standard and practice are positive and highly correlated in all the groups, while influence was positive and higher in groups 1 and 2 than group 3. Findings from hypotheses tested shows regression and p value as Group 1= (R = .719, p = .000) Group 2 (R = .699, p = .000), and Group 3 (R = .526, p = .001). ANOVA

Group 1 (f = 25.166, p= .000) Group 2 (f = 22.453, p = .000) and Group3 (f = 8.969, p

= .001).

The study, therefore concluded that state audit practices complied with standards, but are highly influenced by politics, with far reaching implication on the financial reporting of the states.

# CHAPTER ONE INTRODUCTION

* 1. **Background to the Study**

Global events regarding management of organisational finance and fiscal resources in the last ten years have shown that there is a need for quality and standard procedures in the field of Government Auditing of the public sector so as to enhance the efficacy, reliability and validity of its practices.

According to the president of International Institute of Internal Auditors (IIA), Chambers (2012), “The conventional wisdom is that government cannot be effective in the absence of public trust. Government auditors play a central role in fostering such trust, and have been referred to as the guardians of public trust. Without them, citizens would lack credible insight into the soundness of the many inner workings of government”.

Auditors are verifiers of the truthfulness of financial statements presented to them by the management and give opinions on the wealth of shareholders by their report. The therefore are how logical and reasonable is the opinion of auditors on the financial statement presented to them? Is the opinion properly reported and based on verifiable standards? Who sets the standards? Who authenticates the regular monitoring to ensure conformity to the standards?

Schilder (2014) opined that global economic downturn calls for global auditing standards that can be used for high quality audit in both private and public sectors. Nigeria is blessed with enough resources that should be able to make the citizenry enjoy the dividend of democracy, but the wealth has not been properly managed and reported by its agents. This is reflected through massive unemployment of youths, non-

payment of salaries of working class,non-payment of pension thus leading to high level of poverty in the country.

To improve audit practices in Nigeria, Federal audit office have requested in Audit bill of 2014 independence of their office, practising withacceptable standards, be a member of Supreme Audit Institution, establish Audit Commission and to ensure that members are professionally qualified to address ignorance and build confidence in practice.

Osipitan (2014) opined that “it is futile to clean up one sector of a society without doing same to the other sector, the unclean one will corrupt the cleaned sector, and hence filthiness could be contagious. He referred to the accounts of the executive arm of the Nigerian Government and that of the National Assembly which have not been audited since the inception, to the end of the Obasanjo Administration in 2007 and 1st term of the YarAdua/Goodluck Administration in 2010 and that few states managed to publish a one or two-page summary of their Audited Account periodically. Similarly, Nigeria constitution placing Auditor General Independence above all executives but placing them in the executive arm of government hamstrings the implementation of programmes that would have ensured that good auditing practices are adhered to thoroughly.

Salawu and Oyedokun (2007) researched on Auditing and Accountability mechanism in the public sector of Osun state with a view to ascertain whether the method, procedures and guidelines employed in the audit of public sector account are in accordance with statutory, professional and ethical standards. They used cross tabulation and chi square test to analyse the data collected. The findings revealed that the system of audit procedures are not effective to enhance effective accountability due

to political interferences, poor level of technology, lack of professional standards and poor internal control. They suggested a remedy by the professional bodies and government.

The issue is that Audit profession is unique, definite and essential social service, Flint (1998) argued that audit exists because interested individuals or group are unable for one or more reason to obtain for themselves the information or reassurance they required. A broad range of autonomy for both the individual practitioners and government auditors is necessary to carry out audit assignment.

In Nigeria, members of two private audit regulatory professional bodies are allowed to practice as internal auditor, external auditors or Accountant. These are Institutes of Chartered Accountants of Nigeria (ICAN) and Association of National Accountants of Nigerian (ANAN) while government audit practices can be carried out by government audit workers in Offices of Auditors and Accountants General.

Schandl (1978) expressed standards of auditing as having two meanings. It can be interpreted as the total of rules and guidelines laid down by an authoritative body to be followed in performance of an audit; or it can be described as the actual quality of performance in case of an individual audit. He posited that standards connect the theory with practice and that without theory we are unable to have opinion about the standards. Auditing standards help to establish a framework of prescriptive, persuasive and other guidance to support and assist auditors in the exercise of their professional judgement. It promotes ethical culture, builds confidence, and bridges expectation gap. It is a benchmark on which behaviour can be judged.

For public accounting profession, the standards are laid down in statutes and pronouncements by regulatory bodies while internal auditor‟s standards could be laid

down in instructions from the management or informal programs, while an operational auditor or management consultants may adhere to his own personal standards, depending on his experience.

In continuation with the work of Salawu and Oyedokun(2007) on public sector audit, experience shows that most state audit offices have a lot of problems confronting them, these include little difference between Auditor and Accountant, internal auditors being junior to the accountants, internal auditors responsibility to accounting officers who may not have accounting knowledge, professional auditors are not many, conflicting office instruction to an auditors view, no Audit Act, no functional audit committee, salaries are delayed and some members of houses of Assembly are composed of a single political party.

Leunge (2004) opined that a spate of radical reforms was undertaken by various countries, accounting bodies, governments, stocks exchange commissions and academics in order to strengthen the audit practice. Some of the key reforms include auditor independence, auditor to audit the adequacy of internal controls over financial reporting, rotation of audit partners, audit committee and enforcement of accounting standards by Accounting Oversight Boards.

The role of auditing in Nigeria public sector governance is crucial, considering the huge amount of fund being contributed by the citizenry. Dwiputrianti (2011) highlighted an urgent need for auditing research to pose and test theories that are well suited to the changing environment and task demands faced by auditors because since the first 25 years that accounting organisation and society journals were published, there is less of response from the academic than professionals in responding to changes and development of public sector auditing.

This research become necessary in that the findings would bring a brighter understanding of Nigeria state audit practices so that a system of values and norms can be created for the Nigerian society in determining their judgements about the phenomenon of state government audit practices.

# Statement of the Problem

Despite the introduction of 1999 Constitution and frequent professional pronouncements on audit by regulatory bodies, the issue of corruption in the Nigeria public sector has not been significantly reduced. Porter(2005) opined that the present day auditing has expanded beyond the basic financial statement: it has developed into new processes that build on a business risk perspective of their client. Nigeria auditors are yet to discover the area of risk perspective of their client.

Each Regulatory professional body has a print of their role and functions as regards public audit practices. These include International Organisation of Supreme Audit Institution, (INTOSAI) Institute of Internal Auditors (IIA) Global, Institute of Chartered Accountants of Nigeria (ICAN), Association of National Accountants of Nigeria (ANAN), and Institutes of chartered public Auditors (ICPA), these roles and functions have been established in theory; however, their involvement in Government audit practices has not been established. Nigeria adopted IPSAS (International Public Sector Accounting Standards) Accrual Accounting with effect from January 2016, considerations should be given to differences between private and government audit system.

# Research Questions

To guide the focus of this research and in line with the objective of the study, the following questions are answered:

1. What are the various audit practices carried out by Osun and Ogun states of Nigeria?
2. To what extent does audit practices of Osun and Ogun states of Nigeria comply with the standard?
3. What are the factors influencing compliance of state audit practices to standards?

# Objectives of the Study

The general objective of this study is to examine government audit practices using Osunand Ogun states of Nigeria as case study, specific objectives are to;

* + 1. examine various audit practices carried out by Osun and Ogun states of Nigeria.

ii assess the extent of compliance of audit practices in Osun and Ogun States of Nigeria with audit standard.

iii. Identify the factors influencing compliance of states audit practicesto standards.

# Hypotheses of the Study

For a proper direction of enquiry, the hypotheses tested in this study are:

1. Ho: Audit practices in Osun and Ogun states of Nigeria do not significantly conform to standard.
2. Ho: No factor can significantly influence compliance of state audit practices to standards.
3. Ho: Standards and Influence cannot significantly have joint impact on states audit practices.

# Justification for the Study

This empirical study complimented researches on public sector audit by Salawu and Oyedokun (2007) and other researchers both within and outside Nigeria. Nigeria being a developing country with unique economic environment notwithstanding IPSAS adoption needs a new set of theory on government audit practices. The study used Generally Accepted Auditing Principle (GAAP)as acceptable standard for audit practice in Nigeria and anew conceptual and theoretical framework was suggested to help management processes in their decision on audit training.

The study also contributed to the call by the Nigeria Federal Audit Office for joint effort in their plea to practice in the most professional and transparent way, ensuring value for money in government financial activities for the benefit of Nigerian people, thereby gaining public confidence when audit practices are performed by skilled, ethical, and highly motivated staff.

# Scope of the Study

This study covers Osun and Ogun states of south western Nigeria. The choice of the study location was due to the fact that information for the study was easily made

available at reduced cost, more so, the states are in the same zone, contiguous and ruled by the same political party in the last six years, hence, within the same social political and economic terrain.

# Definition of Terms

**Government Audit Practice**: Government audit practice is carried out by the staff of Offices of the Accountants General as Accountants or Internal Auditors and Offices of Auditors General as External Auditors to all Ministries, Departments, Agencies (MDA) and Offices of the Government.

**Private Audit Practice**: Private audit practices are carried out by professionals in the field of Auditing and Accounting. Acceptable professional bodies in Nigeria include Institute of Chartered Accountants of Nigeria (ICAN), and Association of National Accountants of Nigeria (ANAN).

**Public Audit Practice**: Public audit practice is the combination of government audit practice and private audit practice.

# CHAPTER TWO LITERATURE REVIEW

The review of literature on Auditing Standards and Public Audit Practices: A Case study of Osun and Ogun States of Nigeria were divided into conceptual review, theoretical review empirical studies and theoretical framework accordingly.

# Conceptual Review

* + 1. **Development and General Concept of Auditing**

Gradual development of Accounting and its complexity in interpretation made auditing function more acceptable. Managers were fond of hiding the success of their companies from shareholders, this action led to creative accounting and fraudulent practices resulting into scandals witnessed all over the world. To address this ugly situation and reduce the risk inherent in a principal agent relationship, government made provision for the account of companies to be audited and reported on by an external person other than the directors.

Institute of Chartered Accountants of Nigeria (ICAN) defines auditing in the members hand book as “an independent examination and expression of opinion on the financial statement of an enterprise by an appointed auditor in pursuance of that appointment and in compliance with any relevant law and regulation”. The institute members handbook has no specific definition of Accountant, Internal or External auditor; a member includes a person, or firm either in practice or not and such member could be an Accountant, Internal or External auditor whether employed or not, as long as he has the qualification as a member.

Mautz and Sharaf (1961) opined that accounting and auditing are so close yet their natures are very different. Accounting includes collection, classification, summarisation and communication of financial data, while Auditing is an independent examination of those records with a view to forming an opinion on their truth and fairness. Matters to be addressed in the audit report are dictated by the terms of the auditor‟s appointment and any relevant statutory and professional laws.

# Internal Control

Internal Control is defined in the International Standards on Auditing (ISA) 400 on Risk Assessments and Internal Control, as “all the policies and procedures adopted by the management of an entity to assist in achieving management objective by ensuring; as far as practicable, the orderly and efficient conduct of its function including adherence to management policies, safeguarding of assets, the prevention and detection of fraud and error, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information”.

Internal control is also defined as the whole system of controls, financial and otherwise, established by the management in order to carry on the business of the enterprise, in an orderly and efficient manner, ensure adherence to management policies, safeguard assets and secure as far as possible the completeness and accuracy of the records.

# Types of Audit

There are seven identified types of Audit practices that can be explained as follows:

# Internal Audit

The Institute of Internal Auditors (IIA) (2012) Global, defines internal auditing as an independent objective assurance and consulting activity designed to add value and improve an organisation‟s operations. It helps an organisation to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Okezie(2008) defines internal auditing as an independent appraisal function within an organization for the review of system of controls and quality of performance, as a service to the organization. It objectively examines evaluates and report on the adequacy of internal controls as a contribution to the proper economic, efficient and effective use of resources.

Overtime the profession‟s role and responsibilities have been expanding due mainly to changing stakeholder‟s expectation. The “tick box” approach has fast become old fashion in favour of value for money, improvement and governance assurance internal auditing.

# External Audit

Institute of Chartered Accountants of Nigeria (ICAN) in member‟s handbook defines auditing as “an independent examination and expression of opinion on the financial statement of an enterprise by an appointed auditor in pursuance of that appointment and in compliance with any relevant law and regulation”.

Adebisi (1999) defined Auditing in the public sector as an intelligent and critical examination of books of accounts of an organisation with the help of vouchers, documents, information and explanation received by an independent person with the

main purpose of expressing an opinion on the truth and fairness of the financial statements so examined.

# Private Audit

Private Audit is an arrangement with an auditor to carry out an audit assignment on books of nongovernmental organisations like Liability companies, clubs, churches mosques etc. The report of such auditor must agree with the rules and regulations that set up the body.

# Operational Audit

Operational Audit is referred to as a scope of auditing which examines and evaluates the operating, managerial, or administrative performance of an activities or organisation beyond that required for an audit of accounts and financial statements (Ellsworth, 1972).

# Management Audit

Management Audit is a performance appraisal audit of directors and other management use to check their efficiency as regards the stated objectives in the memo and articles of association. International Organisation of Supreme Audit Institution (INTOSAI) referred to performance audit as independent examination of a program, function operation or the management system and procedures of a governmental or non-profit entity to assess whether the entity is achieving economy efficiency and effectiveness in the employment of available resources. The objective is systematic and it uses structured and professionally adopted methodology. Performance audit contain a statement of assurance on those items tested for compliance, as the auditors conclusions as opposed to opinion.

# Financial or Statutory Audit

Statutory Audit is a compulsory requirement by the law that every year ending there must be an independent auditor who must report on the financial statement of companies in accordance with the company regulation and other statutory laws. INTOSAI called this regular or financial audit of the financial reporting or budget reporting of the audited entity. In a regularity audit the audit report contains the auditor‟s opinion.

This is the examination of books of account to determine the completeness, accuracy and validity of transaction. Also, assets and liability of an entity is checked to authenticate the existence, ownership and valuation.

In government operation, it is believed that the public is the provider of funds to pay for government activities; therefore government is interested in how the fund is being used for good and needed purpose, not wasted by inefficient use of operations, or by spending for unnecessary purposes or job. These activities can be performed through financial and performance audit of administrators and legislators.

# Procedural or System Based Audit

Management duties include establishment of sound internal control which should be financial or otherwise, these are reflected through procedures used in carrying out activities. The method used by auditor to confirm compliance to procedure is called procedural auditing.

# Government Sector Context

Government sector is portrayed as entities or organisations owned by the citizenry, whether such individuals contribute or not to the capital of the business or the property. Therefore the major objective is to render welfare services.

Nigerian government sector is divided into three levels of governance. These are Federal, State and Local levels. Each of these three levels has three arms of government for control purposes, the legislative, judicial and executive. The need for financial accountability, transparency and integrity on the huge amount involved in government expenditure on welfare, housing, education, health, agriculture, manpower training, security and environmental protection, made Nigeria government constitution empower the Accountants General to collect public funds, record it, and keep the accounts while Auditors General audit the account. Therefore, the Accountants General is the Government Accountant while the Auditors General is the one that sees to the justification of spending or not spending. Internal auditors carry out pre-audit exercise on accounts while the Auditor General‟s offices do the post-auditing as external auditors.

The Federal Office of the Auditor - General provides goals in making improvements in auditing policies, procedures, and practices in all audit organisations concerned with the audit of governmental activities as external auditors.

Internal and External audit are the combination of processes and structures implemented by the board to inform, direct, manage and monitor the organisation‟s activities toward the achievement of its objective (IIA, 2012).The government audit has moved from financial audit to value for money audit to know whether the

organisation is achieving the intended purpose. Auditor General UK (1980) categorised government audit to financial, regulatory, economy, efficiency and effectiveness audit.

The public sector auditor‟s role supports the governance responsibilities of oversight, Insight, and foresight (IIA, 2012). The tools used to achieve the organisation objectives are financial audit, performance audit, advisory services and investigation. INTOSA distinguish basically two types of audit that a government auditor may perform as Regular or Financial audit and Performance audit.

1999Constitution–on State Auditors General Sec.125.-

1. Stated that there shall be an Auditor-General for each state who shall be appointed in accordance with the provisions of section 126 of this constitution.
2. The public account of a state and of all offices and courts of the state shall be audited by the Auditor-General for the state who shall submit his reports to the house of Assembly of the State concerned, and for that purpose the Auditor-General or any person authorised by him in that behalf shall have access to all the books, records, returns and other documents relating to those accounts.
3. Nothing in subsection (2) of this section shall be construed as authorising the Auditor- General to audit the accounts of or appoint auditors for government statutory corporations, commissions, authorities, agencies, including all persons and bodies established by law but the Auditor-General shall –
	1. Provide such bodies with –
4. a list of auditors qualified to be appointed by them as external auditors and from which the bodies shall appoint their external auditors, and
5. a guideline on the level of fees to be paid to external auditors; and
	1. Comment on their annual accounts and auditor‟s report thereon.
6. The Auditor-General for the State shall have power to conduct periodic checks of all government statutory corporations, commissions, authorities, agencies, including all persons and bodies established by a law of the House of Assembly of the State.
7. The Auditor-General for a State shall, within ninety days of receipt of the Accountant- General‟s financial statement and annual accounts of the State, submit his report to the House of Assembly of the State and the House shall cause the report to be considered by a committee of the House responsible for public accounts.
8. In the exercise of his functions under this Constitution, the Auditor-General for a State shall not be subject to the direction or control of any other authority or person.

In section 126.-

1. It is stated that The Auditor-General for a State shall be appointed by the Governor of the State on the recommendation of the State Civil Service Commission subject to confirmation by the House of Assembly of the State.
2. The power to appoint persons to act in the office of the Auditor-General for a state shall vest in the Governor.
3. Except with the sanction of a resolution of the House of Assembly of State, no person shall act in the office of the Auditor-General for a State for a period exceeding six months.

Also it is stated in 127.-

1. that a person holding the office of Auditor-General under section 126 (1) of this Constitution shall be removed from office by the Governor of the State acting on an address supported by two-thirds majority of the House of Assembly praying that he be

so removed for inability to discharge the functions of his office (whether arising from infirmity of mind or body or any other cause) or for misconduct.

1. An Auditor-General shall not be removed from office before such retiring age as may be prescribed by law, save in accordance with the provisions of this section.

# Audit Professional Pronouncement

This is a public formal statement on auditing. It is an expression of opinion, a judgement and authoritative statement by professional bodies e.g. International Federation of Accountants (IFAC), Institute of Chartered Accountants of Nigeria (ICAN), Association of National Accountants of Nigeria (ANAN), International Auditing and Assurance Standard Board. (IAASB), Institute of Certified Public Accountants (ICPA).

Audit pronouncement aimed at maintaining high standards of auditing, ensuring public confidence in the audit process and establishing a framework of prescriptive, persuasive and other guidance to support and assist auditors in the exercise of their professional judgement.

Auditing pronouncement could be in form of Statement of Auditing Standards, Practice notes and auditing bulletin.

# Auditing Standards

Auditing standards are basic principles and practice which members are expected to follow when carrying out an audit. There are international and national standards. They are statements of auditing standards which have been approved for issue by the regulatory body.

Audit standards help to raise an awareness of the key element of audit quality and thereby facilitate dialogue on the topic by stakeholders to improve audit quality and thereby build confidence on auditor‟s report.

Standards narrow down differences in Policy, protect members, and bring notice of current issues and techniques. Schandl (1978) posited that audit standards has two meanings, It can be interpreted as the total of the rules or guidelines laid down by an authoritative body to be followed in performance of an audit; or it can be described as the actual quality of performance in case of an individual audit. He was of the opinion that standards connect the theory with the practice, and that without theory we are unable to have an opinion about the standards. It is a benchmark on which behaviour can be judged.

For public auditing profession, audit standards are laid down in statutes and professional pronouncement by regulatory bodies, while internal audit standards could be laid down in instructions from management or in formal program, while an operational or government auditor may adhere to his own personal standard, depending on his experience. Comptroller General US (1972) stated that auditing standards in the public sector provides that the full scope of an audit of government program, function, activity, or organisation should encompass these three areas:

1. An examination of financial transactions, accounts, and reports, including an evaluation of compliance with applicable laws and regulation.
2. A review of efficiency and economy in the use of resources.
3. A review to determine whether desired results are effectively achieved.

# International Standards on Auditing (ISA)

International Standards on Auditing (ISA) are professional standards for the performance of financial audit of financial information. ISA is of the International Auditing and Assurance Standards Board. ISA sets the direction and priorities for its activities to focus on development, adoption and implementation of international standards addressing audit, quality control, review, other assurance, and related services engagements.

# Nigeria Standards on Auditing (NSA)

ICAN was established by the Act of Parliament No.15 of 1965 and is statutorily empowered to set standards and regulate the practice of Accountancy in Nigeria.

NSA is based on International Standards on Auditing (ISA) of the International Auditing and Assurance Board Published by the International Federation of Accountants (IFAC) in July 2012.

# General Standards- GAAP (Generally Accepted Auditing standards)

Effective for audit of financial statements for the periods beginning on or after December 15, 2001, unless otherwise indicated. Allowance was made for inclusion of what operate within the territory termed influence.

1. Attribute Standards/ Ethical Standard Statements

An independent auditor should possess personal qualities of skills, education, professional competence and care in performance.

ICAN Acts 1965 stipulates inter alia concepts and responsibility that determine what standard of knowledge and skill are to be attained by persons seeking to become members of the accounting profession and raising those standard from time to time as circumstances may permit sec1 (1)

There is Code of ethics, which are moral principles that control or influence a person‟s behaviour. Ethical standards are reflected through Integrity, Objectivity, and Independence. ICAN institute has oversight committees and tribunals to ensure conformity.

1. Standard of field work

An auditor is expected to plan his work, supervise assistants and obtain sufficient understanding of the entity and its environment, including its internal control to assess risk of material statement of the financial statement whether due to error or fraud, and to design the nature, timing and extent of further audit procedure.

He should also obtain sufficient and appropriate audit evidence by performing audit procedures to afford a reasonable basis for an opinion regarding the financial statement under audit.

1. Reporting standards

The reporting standard depends on the agency and its requirement but whatever the format used, the report must contain the following facts as regards the work; that the financial statements follow acceptable accounting principle or not. The report must also state clearly the management‟s responsibility, the auditor‟s responsibility, the auditor‟s opinion, Signature, date and Auditor‟s address.

# Professional Practice Monitoring

Practice monitoring is a requirement of members of International Federation of Accountants (IFAC). The aim is to assist practitioners raise the quality of service rendered to the public. The review team ensures that the audit procedure, reports and related working files of practising firms comply with the relevant standards in quality control. According to Parmeasar (2010), “Practise monitoring is a review to ensure that audit reports and procedures are in compliance with International standards on Auditing (ISA)”.Ojukwu (2014) opined that practice monitoring can benefit the public, practitioners, regulators and accountancy profession.

# Oversight Audit Regulatory Bodies.

The International Auditing and Assurance Standards Board (IAASB) is an International setting body that serves the public interest and enhances confidence in the global auditing and assurance by setting high quality International Standards and enhances the quality and consistence of its practice throughout the world. They also facilitate the convergence of International and National Auditing and Assurance Standards.

# International Organisation of Supreme Audit Institution (INTOSAI)

INTOSAI is International Government Organisation formed in 1953 in Cuba.It is a strong advocate for the establishment of independence internal audit in public entities. Its members are the Chief Financial Controllers, Controller General, Auditor General, and Office of the Nation. The objectives are to; Provide guidelines for internal control standards for public sector, Provide guideline on best practice for the audit in public sector, Provide guideline for planning an audit of internal control for public debt,

Advocate for the establishment of independence of internal auditor in public entities and the professional practice framework of the Institute of Internal Auditors.

They also assist in Auditing standards; give more detailed guidance and, practical assistance in implementing standards in individual constituents and provide guidelines on issues as to: Performance audit, Compliance audit, environmental audit Privatization, I T audit, Audit of disasters, etc.

In Nigeria, the Institute of Chartered Accountant of Nigeria (ICAN) and Association of Nigerian Accountants (ANAN) are the recognised standard setting bodies for the practise of auditing.

# Institute of Chartered Accountants of Nigeria (ICAN)

Institutes of Chartered Accountants of Nigeria(ICAN) was established by the Act of parliament No.15 of 1965.It was charged with the general responsibility of determining what standards of knowledge and skill are to be attained by persons seeking to become members of the accounting profession and raising those standards from time to time as circumstances may permit.

The mission statement is established to produce world- class chartered accountants, regulate and continually enhance their ethical standards and technical competence in the public interest. As a professional body, ICAN has an auditing standard committee which prepares standards and guidelines on auditing as is been done by the Nigerian Accounting Standard committee in respect of accounting. The standard or guidelines issued by the Institute will normally conform to the international Standards. However, where there is a conflict with International Standards, the Institute‟s standard or guideline will prevail.

# Association of National Accountants of Nigeria (ANAN)

Association of National Accountants of Nigeria (ANAN) was established in 1979, registered in 1983 under land perpetual succession Act and Chartered by Act No 76 of 1993. (Now cap A26,LFN. 2004). The duties of the body include:

* Advancing the science of accountancy in Nigeria.
* Determining the standards of knowledge and skill to be attained by persons seeking to become registered members of the profession.
* Reviewing those standards from time to time as circumstances may require.

They also promote the highest standards of competence, practice and conduct among members of the profession, securing the establishment and maintenance of register of members of the profession and the publication, from time to time of lists of those persons and doing such thing as may advance and promote the advancement of the profession of accountancy in both the public and private sector of the economy.

# Audit Expectation Gap

The concept of expectation gap in auditing means differences in auditor‟s opinion and the views. Many people believe that auditing is about discovery of corruption, fraud and errors which should be automatically removed when an auditor is employed. However there are statutes, ethics, and standards which state the appointment, power, duties and responsibility of an auditor. Daud (2007) recommended that audit gap can be reduced by professional and regulatory bodies working together to have a standard for an audit performance and to also educate the public that not all transactions are

checked by the external auditor and that it is the responsibility of the management to establish a sound internal control that can prevent and detect fraud.

# Theoretical Review

Three theories are discussed. These are Agency Theory, Stakeholder‟s Theory and Corporate Governance Theory. These are discussed after the theory of capital circulation.

# Theory of Capital Circulation

Adam Smith (1776), on Theory of Capital Circulation in his book entitled “ An Enquiry into the Nature and Causes of the Wealth of Nations” said “Private economy will tilt toward zero if there is no input from government and it can be worse if the input is not properly reported”. He opined “national economy is the input of private and public funds”. Government gives assistance in such fields as welfare, highway construction, housing, education, health, agriculture, security and environmental protection. If government agents that are in possession of revenue fail to give proper accounts, then one day the revenue will not be there again, thereby bringing poverty and untold hardship on its citizenry. The gradual decline in Nigeria government responsibility to the citizenry reflected through unemployment, unpaid salaries and pension are indication of responsibility tilting towards zero.

# Agency Theory

Agency theory holds that agents do not, necessarily, take decision in the best interest of the principal. It states that “the objectives or goals of principals and agents mostly

conflict and where they do, agents will, naturally, make the choice which benefits them the most”. A model reflecting the principal, the agent and the auditor was framed and it was explained that as a result of information asymmetries and self interest, principals lack reasons to trust their agents and will seek to resolve these concerns by putting in place mechanisms to align the interest of agents with the principal IIA(2012).

An effective audit activity reduces the risks inherent in a principal agent relationship and helps to discover whether the agent uses the resources in accordance with the principal wishes.

The public sector represents a principal agent relationship, the officials e.g. Presidents, Governors and directors act as the agents of the public (citizens) they must periodically render the account of their stewardship of the use of resources to the principal. The citizens may not have the technical knowledge to oversee the activities and operations of the public, therefore the principal relies on the auditor to provide an independent objective evaluation of the accuracy of the agents accounting and to report on whether the agent uses the resources in accordance with the principal‟s wishes.

# Corporate Governance Theory

Agency theory is the framework upon which corporate governance was based. It is been described as the holistic system of control by which companies are directed in the drive towards the achievement of their set corporate goal. Abel (2015) opined that corporate governance include the existence of institutional and legal structure and the observance of the rule of law and best practices such that business relationship and economic activities can easily be consummated transparently and honestly for the benefit of the larger society.

Globally, governments at all levels have created internal and external audit to discharge their duties to the society by providing for accountability and protecting the core values of the public sector entity ensuring that managers and officials conduct the public business transparently, fairly, and honesty, as well as with equity and integrity. To achieve the objective of good governance in the public sector, it has therefore become imperative to enact legislation to protect the interest of the non active shareholders from the possible extravagance, inefficiency, ineptitude and deceit of the active directors (Abel, 2015).

# Stakeholders theory

This theory states that the success of any organization depends on the good relationship it has with its stakeholders. The argument of the theory is that people who come to work in an organisation create value for such organization therefore; everybody within the system must cooperate to achieve the organizational goal of maximum dividend. Kenneth (2012) commented on Fiscal Accountability Dilemma in Nigeria public sector and suggested that all stakeholders of government, professional bodies, academics and citizens should work together to achieve a better performance in the public sector. Government Public auditors as stake holders must also arise for the needed core value to the official conduct of public business in a transparently, fairly, and honest manner.

# Empirical Review

Muhammadu (2006) wrote on “Role of audit in fighting corruption in the United Nations in Sudan”. He identified and defined corruption in the public sector as bribery, kickback, commission or other benefit without leaving any trace in the official records

and fraud as undue benefit by passing some controls or bending some rules. He concluded that ethics, integrity and accountability are needed in the public sector.

Abdulfattah (2013) wrote on audit practice in global perspective: Present and future challenges. He traced the history of audit and its development to Enron and WorldCom scandal. Descriptive analysis was used on secondary data, he said as business environment gets more globalised and complex, audit risk increases. He suggested that professionals are needed to maintain audit quality.

Salawu and Oyedokun (2007) researched on Auditing and accountability mechanism in the public sector of Osun state with a view to ascertain whether the method, procedures and guidelines employed in the audit of public sector account are in accordance with statutory, professional and ethical standards. Cross tabulation and Chi square test was performed on the data, the findings revealed that the system of audit procedures are not effective to enhance effective accountability due to political interferences, poor level of technology, lack of professional standards and poor internal control. They suggested that there should be a revised audit practice to assess their adequacy, reliability, efficiency and effectiveness in promoting their end.

Ojukwu (2014) wrote on Practice monitoring and Audit Quality, he defined practice monitoring and its objective of assisting audit practitioners. He identified benefits to the public, firms and Institute. He did not use any primary data nor test any hypotheses. He concluded that practice monitoring raises the quality of services rendered to the public.

Okezie (2015) carried out a study on the impact of emotional Intelligence on the roles of Internal Auditors; He used Z- score technique on a sample size of 40 respondents. The findings revealed that Emotional intelligence has significant impact on

organisational role of internal Auditors. He recommended that internal Auditors should make use of emotional intelligence competencies.

Akpomi and Amesi(2009) researched into the Behavioural constraints on practices of auditing in Nigeria, 37 administrators were drawn from some public limited companies, private companies and Tertiary Institutions. Data were analysed using percentages and chi-square. Result of the finding shows that administrator‟s feel that Auditors are meant to expose their deeds, hence the need for bribery to conceal information. The study recommended that those found guilty should be sanctioned; external auditor should not over stay, and administrators should have positive behaviour towards Auditors.

Otalor and Ofiafor(2013) researched into the reasons why cases of abuse of political power on corruption are levelled against political office holders, companies and so on, and how Auditors General is unable to fight corruption. The findings revealed that only government audit office cannot effectively control corruption in the public, control can be done by all the stakeholders.

Abel (2015) studied Sarbanes- Oxley Act: evolving a corporate conscience, he analysed the act and was of the opinion that broader macroeconomic system should be viewed as the system of checks and balances. The system include the existence of institutional and legal structure, observance of the rule of law and best practices, such that business relationship and economic activities can easily be consummated transparently and honestly for the benefit of the larger society. He recommended corporate code of conduct, practice monitoring initiative, renaissance of values among other factors.

Achua and Ogunjuboun (2014) wrote on Imperatives of value for money in Internal Auditing in a Nigerian University with the intention to provoke discussion on generation of Internal Auditors with creative thinking and communication skills, career development and progression, recognition and rewards as a way of optimising value for money internal auditing in the system. They observed that the „tick-box approach has fast become old-fashioned. They concluded that problem in identification of frame work and strategies to rising stakeholders expectation has been a challenge to the internal audit section of the university. They therefore recommended that the system should focus not only on waste and inefficiency but on operational improvement.

Onatuyen (2013) wrote on Impact of effective Internal Audit functions on Public Sector management and accountability in Edo State Nigeria. He used primary data of questionnaire. The findings showed that inadequate manpower hindered proper auditing of government account in Edo State. He recommended improved remuneration and fringe benefit for Auditors so as to encourage them in to service and enhance the performance of current ones.

Adetunji (2014) researched into Auditing and corruption in Nigeria: A review of the legal weight of the Audit Act of 1956. He was of the opinion that the 1956 Act is weightless both in arresting corruption and in prevention of waste in the use of public financial resources. A remedial provision inserted into the act was suggested.

# Gap in literature

Some other studies have been carried out on public audit sectors in developed countries like Cumming (2014), Daud (2007), Reed (2010) and Dwiputrianti (2011)

which focused on improvement in the public sector through acceptable international professional standards in their countries which do not reflect Nigeria‟s social value, norms, and economic, cultural and political environments. Majority used interview, snowballing, and questionnaire to collect their primary data while some used secondary data like Auditors‟ general report. Data analyses used by them included Documentary, Descriptive, ANOVA, Chi-Square, and Longitudinal, while some did not do any data analysis. Their findings revealed that public sectors are lacking in the area of standards, professional skill and oversight body and that there are political interferences.

Studies by Achuaand Ogunjuboun (2014), Akhalumen, (2013), and Maimako (2005), on the Nigerian public audit sector also revealed lack of internal control, political interference, non compliance with professional standards and weak control by the houses of National and State Assembly. Some of them did not use theories to support their findings, and where theories were used Agency theory is common. It was noted that none mentioned theory of Capital Circulation as related to public auditing. Hypotheses testing were not common in audit professional journals and none use practice as a function of standard and influence. Also as a result of experience the researcher provided features of government audit and private audit as fundamental issue in public audit practice.

Schandl (1978) opined that the areas of human knowledge are increasing every day. Auditing as a field of activities is centred on professional auditors and accountants who seem to be in a state of confusion and frustration due to the fundamental threat of corruption to the construction of good governance and the rule of law in the Nigerian public sector.

The researcher undertook the challenge of time gap in literature for a need of acceptable audit standards in the public sector due to recent adoption of IPSAS in 2016 and considered the fundamental issue of standards and influence as a function of audit practice.

Audit practices were observed to be different from state to state based on auditor‟s experience, professionalism, training, leadership style and political influence and economic status of public servants.

# Conceptual Framework

Figure 2.1 shows the conceptual framework of public audit practice combining private and government audit practice.

Fig. 2.1.- Public Audit Practice Concepts Private Audit practice Government Audit Practice

Public Audit

Practice

Source: Researchers view, 2016

**Government Audit Practice**: Government audit practice is carried out by the staff of Offices of the Accountants General as Accountants or Internal Auditors and Offices of Auditors General as External Auditors to all Ministries, Departments, Agencies (MDA) and Offices of the Government.

**Private Audit Practice**: Private audit practices are carried out by professionals in the field of Auditing and Accounting. Acceptable professional bodies in Nigeria include

Institute of Chartered Accountants of Nigeria (ICAN), and Association of National Accountants of Nigeria (ANAN). An Accountant or Auditor is a certified member of recognised professional body.

**Public Audit Practice**: Public audit practice is the combination of government audit practice and private audit practice.

Figure 2.2 shows the conceptual framework of audit standard comprising of personal, field work and reporting standards.

# AUDIT STANDARD

Fig. 2.2.- Audit Standards

field work

Personal

Reporting

Audit

standards

Source: Researcher‟s View, 2016.

Personal standards are quality of characters and education that an independent auditor should possess, like skill, professional competence and care in performance. Field work standards include plan of work, supervisions, and timing. Reporting standards are requirements needed in the reporting of the entity, it includes address, date, individual responsibility, auditor‟s opinion, signature and seal. These requirements form audit standards.

Figure 2.3 is a Schematic Diagram Showing: -Government Audit Practiceas an addition of Audit standards and influence. Influence can come from; Professional side meaning from professional body, political means party influence, sociology means influence from the citizenry, technology means the influence of improved method through electronics and technocrats means influence of operations within the office e.g. office instructions.

GOVERNMENT AUDIT PRACTICE

Figure 2.3 – Government Audit Practice

Audit standard

Audit practice

Source : Researcher‟s view 2016

influence eg Professional,

political,Technocrat,Technolog

y ,sosiology,

Audit standards with the environmental factors termed influence represented by politics, technocrats (office rules and regulations), sociology and available technology are the components of audit practice.

Table 2.1 Differences between private and government audit system

|  |  |  |  |
| --- | --- | --- | --- |
| **S/N** |  | **Private** | **Public** |
| . 1. | Appointment | Letter of engagement | Letter of appointment |
| 2. | Termination | Yearly | Until retirement |
| 3. | Client objective | Profit maximisation | Welfare satisfaction |
| 4. | Accounts | Accrual, Double entry, | Cash basis, single entry. |
| 5 | Reporting | Every year end (AGM). Made public | When available. Confidential |
| 6 | Audit Approach | Financial audit, Financial statementitem audit, compliance audit | Financial and compliance audit |
| 7. | OwnershipAssets valuation | I Identified share holdersPossible | Not easy to identify |
| 8. | Legal | Can be sued | May be difficult to sue |
| 9. | Regulation | CAMA, SAS,IAS | Constitution ,Financial ,regulation,circulars. |
| 10. | Services | Accounting, Investigation, Auditing,Advisory, Ad hoc | Accounting, Auditing |
| 11. | Remuneration | Fees, Reimbursable. | Salary, running cost. |
| 12. | Relationship | External, Independent | Internal, Government Staff |
| 13. | Capital | I Issued share capital | Fund, Tax, fine |
| 14 | Dividend | To share holders: bonus, cash, shares | Not easy to identify and value. |
| 15. | Responsibility | Audit committee | Public account committee, Houses |
| 16. | Size of organization | Manageable | Large |
| 17 | Meetings | Regular | Not regular |
| 18. | Training | Continuous | Occasional |
| 19. | Political | Low internal politics | Highly political |

Source : Researcher‟s view 2016

# Theoretical Framework

This research is anchored on Agency and capital circulation theories.

In government operations, Accountants General and Auditors General are public agents in charge of funds contributed by the citizenry. These funds are being recorded and kept by the offices of Accountant General and audited by offices of Auditor General. If these funds are not properly recorded and reported, they may be mismanaged, not used for the intended purpose or wasted on inefficient operations. The onus therefore rests on the government to make sure that the report is based on verifiable standards and provision made for an audit regulatory body to authenticate the regular monitoring to ensure conformity with the standards so set.

The choice of the offices was based on the fact that no financial decision or development can be made without passing through these offices. They record and report on government resources.

# CHAPTER THREE METHODOLOGY

In any research endeavour, the use of data helps to provide a framework to analyse the purpose, questions, hypotheses and objectives of the study. Under this section, the study was facilitated by an exposition on research design, area of study, sampling procedure and technique, study population, sources of data, method of data collection and analysis. The study was exploratory in nature.

# Research Design

Survey research design was appropriate in this study because the study seeks to build a profile about the phenomenon of audit practices in government audit sector. Respondents were Professional Accountants from ICAN private sectors and government audit workers from Osun and Ogun states of Nigeria.

# Area of study

The study areas are Osun and Ogun States. Osun state came into existence on August 27, 1991 as a result of creating another state out of the former Oyo state by the Federal Government. The state has 30 local governments + 1 state district office and the capital is Osogbo.

Ogun state was created on 3 February 1976 with capital city in Abeokuta. The state has

20 local governments. The choice of the states was due to easy availability of information for the study since they are in the same zone, contiguous, homogeneous and under the same political party in the last 6 years.

# Study Population

The population for the study consisted of recognised Professional Accountants who are in the public audit services and those employed by the state government of Nigeria to act as Accountant or Auditor.

# Sample Technique and Sample Size

150 questionnaires were purposively administered to Professional Accountants who are in the public services of both private and government of Osun and Ogun states of Nigeria at 50 per group. They are grouped into ICAN audit professionals as group 1, Osun government audit workers as group 2, and Ogun government audit workers as group 3. The other recognised professional group ANAN are well represented in state audit services.

# Research Instruments and Measurements

A questionnaire comprising 30 items were used to carry out an in-depth-interview on concepts of auditing. They were used to measure different variables associated with the study. Practice was used as dependent variable, while Standards and Influence were the independent variables. Instruments used for Practice include: Initiative, Training, Record keeping, Motivation, Leadership style and so on. Standards include: Relevant education, Audit planning, supervision, Access to information, IPSAS adoption, Audit threat and Ethics, while Influence include: Political, Technocrats, Sociology, Professionals and Executive.

The scale used was Ordinal with indicants ranging from strongly agree (5) to strongly disagree (1) The scoring procedure indicated high scores with high level of audit

standard, practice or influence, while low scores represented low level of audit standards, practice or influence.

The questionnaire was divided into:-

Section A: Social- Demographic information

The social- demographic section sourced information that could have direct or indirect impact on practice like age, gender, marital status, educational background, level and length of service. Data collected was analysed to produce frequencies, percentages and mean of practice.

Section B: General information on Standards, mode of practice and influence.

The section on general information on standards, mode of practice and influence was posed to establish information on state standards of work, practice and influence.

# Validity of data

The use of multiple sources of data observations, documentation, and personal interview gathered information on the right concept of auditing in the public sector. To ensure the validity of research instrument, the contents of the questionnaire were sufficient enough to measure the concepts of Auditing in the public sector.

# ModelSpecification

Regression is the study of the nature of association in which one variable depends on the other variable(s). Regression analysis investigates the nature of relationship while correlation analysis which often serves as a supporting technique in regression analysis measures the strength of relationships among variables (Fabayo, 2005).

The research being relational in nature discovered the association between practice as dependent variable and independent variables of standards and influence, therefore a linear Regression model used was:

Yi = a +β1X1 + β2X2 +µi

Audit practice = f (standards+ influence)

Standards = (personal standards + field work standards+ Reporting standards) Influence = (Political +Technology+ Sociology +Technocrats+ Professional). Where;

Yi = Audit practice X1 = Audit Standard X2 = influence

a = intercept coefficients of variables

β1,β2 = coefficients of independent variables µi = stochastic error term

The model was used to test the hypotheses; the error term in the model depicted that the relationship between the dependent and independent variables were not perfect, that a precise and an exact value of independent variables may not totally predict dependent variable since exact relationship between variables seldom occur in social sciences.

# Data Analytical Techniques

Both descriptive and inferential statistics such as tables, graph, mean, percentages, ANOVA and Regression analysis were used to analyse the data at 0.05 significant levels. The hypotheses were tested on group basis.

# Apriori Expectation

The expectation of this study was to complement existing research on public Auditing. Issues of standards and influence have been raised as paramount in state public sector, but the study went further to address the extent to which they affected audit practice, the pattern of practice and the composition of factors that had influence on state audit practice.

# CHAPTER FOUR

**DATA PRESENTATION, ANALYSISAND INTERPRETATION**

This chapter deals with how data collected were presented, analysed and interpreted with a view to reveal how Osun and Ogun states have been influenced by state audit practices and standards.

# Data Presentation and Analysis

Table 4.1 presents the background information of the group respondents on frequencies and percentages. As observed under gender, male respondents in group 1 are (92%), group2 (70%) and group3 (68%). Female respondents in group 1 (8%), group 2 (30%) and group 3(32%). This means that women are not many in audit employment of Osun and Ogun states. In respect of age classification, between 31-40 years, group 1 (4%),group 2 (32%) and group3 (48%). 41years and above: group1 (96%), group 2 (68%) and group 3 (52%). The implication of this is that old people are many in audit profession of Osun and Ogun and in few years time experienced hand may reduced drastically thus affecting state audit practices, while for marital status classification, singles in group 1 are (2%), group 2 (8%) and group 3 (6%), while married in group 1are (98%), group 2 (92%), and group 3 (94%).This means that majority of audit practitioners are married and financial temptation may be high considering family responsibility and this can have a negative influence on state audit practices. SSCE as Highest educational level revealed that group 1 has (2%) group 2 has (2%) and group3 (6%), HND/BSc in group 1are (70%), group 2 (90%) and group 3 (72%), MSc.

group1(26%), group 2 (8%) and group 3 (20%), PhD group 1( 2%), none in group 2, and group 3 ( 2%) .This is a confirmation of other researchers call on urgent need of

Academics in accounting profession. On Professional Qualification: ANAN, none in group1, group 2 has (68%) and group 3 (22%). ICAN: group 1 has (100%), group 2

(16%) and group 3 (48%). Other certificates, group 2 (16%), and group 3 (30%).It should be observed that both professionals and academics were more in Ogun than Osun state, this could be a reason for influence reduction in the state. For the Position in office classification, senior levels in group 1 are (20%), group 2 (80%), and group 3

(58%). Management levels in group 1 are (80%) group 2(20%) and group3 (42%). This means few experienced audit officers are in Osun state. Length of service 1-10 years revealed group1as (14%), group 2 (22%), and group 3 (32%), 11- 20 years: group 1

(60%), group 2 (34%) and group 3 (40%).21- 35 years in group 1 (26%), group 2

(44%) and group 3 (28%). 1-3 times training enjoyed by group 1 was (24%), group 2

(44%)and group 3 (26%). 4-7 times, group 1(16%), group 2 (28%) and group 3 (46%).

Local training, group 1 (88%), group 2 (100%) and group 3 (94%). Overseas training:

group 1 (12%) none in group 2 and group 3(6%). Government sponsorship: group 1 (20%), group 2(84 %), and group3(70%). Self sponsorship: group 1(20%), group2 (10%) and group 3 (24%). Private Organisation: group 1(60%), group2 (6%) and group 3 (6%).There was a low level of private sponsorship and outside training in all the groups. This could be as a result of family financial responsibility. Recognised Audit professional Body, ICAN: group 1(46%), group 2, (6%), and group 3 (18%). ANAN: none in groups 1 & 3, and group 2(8%). Both ICAN and ANAN, group 1(54%), group

2 (86%) and group 3(82%).This shows that most respondents agreed that both professional bodies are recognised.

Table 4.1 Background Information of Participants Frequencies Percentages

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Classifications | Group1 | Group2 | Group3 | Group1 | Group2 | Group3 |
| GenderMale Female | 464 | 3515 | 3416 | 928 | 7030 | 6832 |
| Age 31-4041 and above | 248 | 1634 | 2426 | 496 | 3268 | 4852 |
| Marital statusSingle Married | 149 | 446 | 347 | 298 | 892 | 694 |
| Highest EducationSSCE BSc/HNDMScPHD | 135131 | 1454- | 336101 | 270262 | 2908- | 672202 |
| Professional QualificationANAN ICANOthers | - 50- | 3488 | 112415 | - 100- | 681616 | 224830 |
| Position in officeSenior | 10 | 40 | 29 | 20 | 80 | 58 |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Management | 40 | 10 | 21 | 80 | 20 | 42 |
| Length of service1-1011-2021- 35 | 73013 | 111722 | 162014 | 146026 | 223444 | 324028 |
| Number of training attended1-34-78 and above | 12830 | 221414 | 131423 | 241660 | 442828 | 262846 |
| Place of TrainingLocal Overseas | 446 | 50- | 473 | 8812 | 100- | 946 |
| Sponsorship GovernmentSelfPrivate Organisation. | 101030 | 4253 | 35123 | 202060 | 84106 | 70246 |
| Recognised professionalbody ICAN ANANBoth | 23- 27 | 3443 | 9- 41 | 46- 54 | 6886 | 18- 82 |

Source: survey data (2016)

Table 4.2 presents the descriptive statistics of the state practices in each group as mean and percentages. As observed, group 1 has a mean value of practice as 3.56,group 2 of 3.73, and group3 of3.68 representing 71%, 75% and 74%respectively.

Table 4.2 - Mean and Percentages of State Audit Practices.

|  |  |  |  |
| --- | --- | --- | --- |
|  | Respondents | Mean | Percentage |
| Group 1 | 50 | 3.5647 | 71.29 |
| Group 2 | 50 | 3.7259 | 74.52 |
| Group 3 | 50 | 3.6803 | 73.61 |

Source, field survey data (2016)

Table 4.3 presented a matrix Pearson correlation test result of respondents of 50 in each of the groups and correlations of predictors with practice as significant at the 0.01 level (2 tailed). Correlation of practice with practice as 1inall the groups, practice with standards as group1(r = .666, p = .000), group2 (r = .673, p = .000), and group 3 (r =

.523, p = .000), practice with influence as group 1 (r = .611, p = .000), group 2 (r =

.524, p = .000) and group 3 (r = .229, p = .110).

“Table 4.3 - Correlations within the Groups”

Dependent Variable = Practice, Predictors =(constant) Standard, Influence.

|  |  |  |  |
| --- | --- | --- | --- |
| Group 1 |  |  |  |
|  | Practice | Standard | Influence |
| Practice Pearson |  |  |  |
| correlation | 1 | .666 | .611 |
| Sig (2 tailed ) |  | .000 | .000 |
| N | 50 | 50 | .50 |
| Group 2 |  |  |  |
|  | Practice | Standard | Influence |
| Practice Pearson |  |  |  |
| correlation | 1 | . 673 | .524 |
| Sig (2 tailed ) |  | .000 | .000 |
| N | 50 | 50 | 50 |
| Group 3 |  |  |  |
|  | Practice | Standard | Influence |
| Practice Pearson |  |  |  |
| correlation | 1 | .523 | .229 |
| Sig (2 tailed ) |  | .000 | .110 |
| N | 50 | 50 | 50 |

Group 1 Correlation is significant at the 0.01 level (2 tailed ) Group 2 Correlation is significant at the 0.01 level (2 tailed ) Group 3 Correlation is significant at the 0.01 level (2 tailed ) Source, field survey data (2016)

Table 4.4 describes the result of multiple Regression analysis for the combined contribution of standards and influence to audit practices in each of the groups.

The result shown under standardised coefficient in groups indicated that there is a significant relationship between the variables. Practice with standards in group 1 (Beta

= .469, t = 3.74, p = .000), group 2 (Beta = .551, t = 4.431, p = .000), and group 3 (Beta

= .505, t = 3.812, p = .000). Practice with influence shown in group1 (Beta = .335, t =

2.671, p = .010), group 2 (Beta = .225, t = 1. 809, p = .077) and group 3 (Beta = .053, t

= .404, p = .688).

Model summary for the combined contribution of standards and influence to audit practice was group 1 (R = .719; R square = .517; Adjusted R square = .497), group 2 (R = .699; R square = .489; Adjusted R square = .467), and group 3(R = .526; R square

= .276; Adjusted R square = .245)

R= Association percentages, Adjusted R square = Percentages of explanatory independent variables to dependent variable.

Table 4.4 - Model summary of the multiple regression analysis for the combined contribution of standard and influence to audit practice in each of the group.

Group 1

Model

Unstandardised

Standardised coefficients

|  |
| --- |
| Coefficients T SigB Std. Error Beta |
| Constant | -.389 | .570 |  | -.683 | .498 |
| Standards | .646 | .172 | .469 | 3.747 | .000 |
| Influence | .399 | .149 | .335 | 2.671 | . 010 |
| Group2 |  |  |  |  |  |
| Model |  |  | Standardised |  |  |
| Unstandardised coefficientsCoefficients T Sig |
| Constant | B | .025 | Std. Error.533 | Beta | .047 | .963 |
| Influence |  | .224 | .124 | .225 | 1.809 | .077 |
| Standard |  | .667 | .151 | .551 | 4.431 | .000 |
| Group3 |  |  |  |  |  |  |
| Model |  |  |  | Standardised |  |  |
| Unstandardised coefficientsCoefficients T Sig |
| Constant | B | 1.322 | Std. Error.615 | Beta | 2.149 | .037 |
| Standard |  | .511 | .134 | .505 | 3.812 | .000 |
| Influence |  | .063 | .156 | .053 | .404 | .688 |

Dependent variable: Group 1, Practice. Dependent variable: Group 2, Practice. Dependent variable: Group 3, Practice. Source survey data (2016)

The result of graph plotted shows a normal distribution curve with an unbiased estimation of mean practices zero.

Graph showing: Pattern of States audit practices:



Figure 4.1 Graphs of Audit Practices

|  |  |
| --- | --- |
| Ordinal Regression Result |  |
| Model fitting Information: | Chi-square | df | sig. |
| Group 1 | 142.252 | 34 | .000 |
| Group 2 | 276.488 | 40 | .000 |
| Group 3 | 106.003 | 34 | .000 |
| Goodness of fit: significance Pearson | Deviance |  |  |
| Group1 1.000 | 1.000 |  |  |
| Group 2 .000 | 1.000 |  |  |
| Group 3 .000 | 1.000 |  |  |

# Data Interpretation

Objective 1

Graph plotted have shown the pattern of audit practices in the states of Osun and Ogun, and third graph is a confirmation from ICAN audit professionals that there was a relationship between the dependent and independent variables. The result of graph shows a normal distribution curve with practice zero mean, which is a good approximation of reality. There is a positive non linear correlation (association) meaning dependent and independent variables are not perfectly related as common in social sciences. Normal distribution closely approximates many business phenomenon; it can be used in decision analysis. The objective of the study to examine various audit practices was achieved.

Test of Hypotheses

Decision rule for test of Hypotheses:

1. Reject Null Hypotheses if percentages of state practice compliance with standards are greater than 50% and significance levels less than 0.05 for inferential statistics.
2. Accept if otherwise.

Objective 2 and Test of Hypothesis

Table 4.2 shows a descriptive data analysis reflecting group audit practices compliance with standards as group1 (71%), group 2 (75%) and group 3 (74%), all> 50%.

However, descriptive analysis percentage is not good for business prediction, hence Table 4.3 of Pearson correlations showing strength of relationship of state audit

practices with standards being positive and significant at 0.01level (2 tailed) in all the groups.

Group 1 (r = 0.666, p = .000 < 0.01), interpreted as (67% > 50%, p< 0.05),

Group 2 (r = 0.673, p = .000 < 0.01) as (67% > 50%, p < 0.05) and

Group 3 (r = 0.523, p = .000 < 0.01) as(52% > 50%, p < 0.05)

Accordingly, Table 4.4 shows that standardised coefficient in groups indicated that the relationship between standards as one of the independent variables and practice as the dependent variable are positive and significant in all the groups.

Group 1 (Beta = .469, t = 3.747, p = 0.000),

Group 2 (Beta = .551, t = 4.431, p = 0.000), and

Group 3 (Beta = .505, t = 3.812, p = 0.000).

Conclusion: Null hypothesis that Osun and Ogun audit practice did not significantly conform to standards was rejected based on the decision rule and the assessment of state audit compliance with standards was accepted as group 1 (67%), group 2 (67%), and group 3 (52%).

Objective 3 and Test of Hypothesis

Table 4.3 of Pearson correlation of state practices with influence reflected it as being positive and significant at 0.01 level (2 tailed) in all the groups.

Group 1 (r = 0.611, p = .000),

Group 2 (r = 0.524, p = .000) and

Group 3 (r = 0.229, p = .110).

Similarly, Table 4.4 shows that standardised coefficient in groups indicated that influence as an independent variable of practice was positive and significant.

Group 1 (Beta = .335, t = 2.671, p = .010),

Group 2 (Beta = .225, t = 1.809, p = .077), and

Group 3 (Beta = .053, t = .404, p = .688)

Data evidence shows that identified factors influencing state audit practices was positive and significant in group 1, less significant in group 2 and group 3. This shows that data evidence against Null hypothesis indicated that there was a little evidence in group 3, some evidence in group 2 and strong evidence in group 3.

Conclusion: Null hypothesis that no factor can significantly influence compliance of state audit practices to standards was rejected.

Test of Hypothesis 3

The ANOVA tablein appendix was used to determine the joint impact of the variables of standards and influence on states audit practices and the result shows that standards and influence has a significant joint impact on state audit practices in all the states.

Group 1 (*f* = 25.166 > 0.05, 2, n-3, p = .000),

Group 2 (*f* = 22.453 > 0.05, 2, n-3, p = .000) and

Group 3 (*f* = 8.969 > 0.05, 2, n-3, p = .001).

Conclusion: Null hypothesis that Standards and Influence cannot significantly have joint impact on states audit practices was rejected.

Ordinal regression result shows a significant result for all the groups.

# CHAPTER FIVE

**SUMMARY, CONCLUSION AND RECOMMENDATIONS**

# Summary

The study examined Audit Standards and Public Audit Practises, A case study of Osun and Ogun states of Nigeria. The study examined various audit practices carried out, assessed the extents of compliance of Osun and Ogun states audit practices with standard, and identified factors that has significant influence on states audit practices.

The study was explorative, primary data of 150 questionnaires was administered to 50 respondents per group of ICAN members as private audit practitioners and government audit workers in Osun andOgun states.30 items were used to capture the concepts of audit standards, influence and practice. Practice was the dependent variable while standard and influence were the independent variables of the study. The variables were measured using ordinal scale rating method of 5 for strongly agree and 1 for strongly disagree, two hypotheses were developed and tested empirically. Data were analysed on Descriptive statistics, ANOVA and Regression and correlations. The result of the study indicated that standard as one of the independent variables has a high positive significant relationship with practice in all the groups, while influence as the second independent variable has a high degree in groups 1, moderately high in group 2 but less in group 3.

# Conclusion

Based on the data collected, analysed, and hypotheses tested, the study concluded that State audit practices complied with standards, but are highly influenced.

This result is a confirmation of the work of Salawu and Oyedokun (2007) on state being politically influenced and Myron (1956) that on paper; the Russian worker is as free as the American worker. But in reality, the Russian workers are considerably less free, because they lack the organizations necessary to implement the freedoms supposedly guaranteed by Russian law. In similar vein, placing Nigeria Auditors General as autonomous in the constitution, but are highly influenced by other factors hamstrings the implementation of programmes that would have ensured that auditing practices are adhered to thoroughly.

# Recommendations

Since private and government sectors belong to the same integral society, the attitude, habit or practice of one sector will definitely affect the other sector. Osipitan (2014) opined that it is futile to clean one sector and leave the other sector, because the unclean sector will corrupt the cleaned sector hence filthiness becomes contagious.

Nigeria government need a new Audit Act that is in line with the recent adoption of IPSAS to strengthened audit practice and make it recognised in the global world. Also there is a need of best state audit practice which will reduce corruption and audit gap.

Research grants, Regular Training courses, research and seminars are to be extended to state audit staff, accounting officers must be accounting literates and Internal Auditors should not be junior to accountants in government audit practice.

Audit committees should be appointed in all government establishments to address and monitor audit reports taken to house of Assemblies. These will go a long way in promoting a high level of standard of practice which includes ethical standards, field work standards and reporting standards with minimum influence.

State Auditors will perform as expected by the citizenry and laid down in the constitution, if the Office of the Auditors General is independent of executive arm of government, which will help reduce political influence and strengthen internal control. Accordingly, qualified and well educated professionals are needed in the state audit sector to help build confidence and technical skill needed to address the financial problem confronting Nigeria and other developing countries.

Auditors General should be allowed to rend their yearly report on government fund to the public and comments from the citizens should be welcomed to show accountability and transparency preached by the profession and any erring auditor should be penalised.

Federal Auditor General in collaboration with Audit Professional bodies should be involved in the setting of standards, regular monitoring and other oversight functions in the government sectors so as to gain public confidence when government audit practice are carried out by skilled, ethical and highly motivated staff.

Government should also endeavour to bring into higher institutions, professionals in the field of Accounting and Auditing so as to strengthen Accounting education profession.

# Contribution to Knowledge

Apart from contributing to knowledge of public sector auditing, the study added to literature on the field, discovered needed areas of oversight functions of audit Regulatory bodies on state audit practices, contributed to the call of the president on corruption reduction in state audit sector and assisted government in the area of policy

formulation and solving audit problems. It assured state auditors that academics are concerned with their struggle for best audit practices.

This will go a long way to help resolve the concern for a better practice by putting in place mechanisms to align the interests of agents (auditor) with the principal (public) so that input can be properly recorded, reported and national wealth properly shared.

# Suggestion for further Studies

Further research works are needed in the area of private audit practice so as to bring a better understanding of the phenomenon of public sector auditing in Nigeria. Thus incessant financial problems are reducing when agents who can prepare national wealth in a transparent way and interpreted the result to common men are employed, so that the dividend of democracy may be properly shared among citizenry. Other researches may outline ways of reducing influence level in government audit practices and reasons why audit professionals are not many in academics so that their wealth of experience can be impacted on students (future auditors).

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# APPENDIX

Questionnaire

Faculty of Social and Management Sciences, Department of Accounting,

Bowen University, Iwo, Osun State.

Dear Sir/ Madam,

This survey questionnaire forms part of a research on Audit Standards and public Audit practice: A comparative analysis of Osun and Ogun States of South Western Nigeria. It is designed to collect data for an ongoing program of Bowen University Iwo, Nigeria.

The information requested is mainly for academic purpose and would be treated as strictly confidential one. Thanks in anticipation of your response in order to establish the state of the art of Auditing practices, relation and influence in these states.

Yours faithfully,

Adewumi, Romoke Margaret (Mrs)

This questionnaire shall be filled by Internal Auditor, External Auditor and Accountants since they play much role in public auditors work.

Section A : This section is for administrative identification of respondents and analysis of who the respondents are.

INSTRUCTION : Please tick ( ) the appropriate answer.

1. Sex: Male ( ) Female ( )

2. Age: 21-30 ( ) 31-40 ( ) 41 years and above ( )

1. Marital Status: Single ( ) Married ( ) Divorced ( ) widowed ( ) separated ( )
2. Highest level of Education: SSCE ( ) BSc/ HND ( ) MSc ( ) PHD ( )
3. Professional Qualification: ANAN ( ) ICAN ( ) CPA ( ) None ( ) Others ( )
4. Position in office: Intermediate level ( ) senior level ( ) Management level ( )

7. Length of service: 1-10years ( ) 11-20 ( ) 21-35 ( )

1. Number of training (s) attended: None ( ) 1-3 times ( ) 4- 7times ( ) 8- 10 times ( ) More than 10 times ( )
2. Where: Local ( ) Overseas ( )
3. Who sponsored your training? Government ( ) Self ( ) private organisation ( )
4. The recognised control body for audit practice in our state is ICAN ( ) ANAN ( ) Both ( )

Section B: General Information on Audit Practice within the State civil service.

Choose among the alternative responses that best describe your opinion on the job. Strongly Agree (SA), Agree (A), Undecided (U), Disagree (D), and Strongly Disagree (SD).

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| S/N | Statement | SA | A | U | D | SD |
| 1. | Personal qualities of relevant education are consideredbefore auditors are employed in the State. |  |  |  |  |  |
| 2. | There is accountability and transparency in the conductof audit work within the state |  |  |  |  |  |
| 3 | The State executives closely monitor the work ofAuditors. |  |  |  |  |  |
| 4 | Sufficient clear knowledge of Auditing practices and theenvironment are considered before commencement of audit exercise. |  |  |  |  |  |
| 5 | Auditors developed independently of state demands inthe past eight years based on professional standards |  |  |  |  |  |
| 6 | Political influence is minimal in the conduct of auditor’sexercise in my State. |  |  |  |  |  |
| 7 | The Audit Department has a written down rules andregulation for the conduct of audit exercise. |  |  |  |  |  |
| 8 | Auditors have been trained on IPSAS adoption in my |  |  |  |  |  |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | state. |  |  |  |  |  |
| 9 | The State auditors rely on their professional calling toperform their audit function |  |  |  |  |  |
| 10 | Audit assistants are well supervised to assist in thequality of work |  |  |  |  |  |
| 11 | The public are satisfied with the level of development ofauditing practices in my state. |  |  |  |  |  |
| 12 | The Audit findings have not been strong enough toinfluence the activities of the state executive. |  |  |  |  |  |
| 13 | Each auditor is accountable for his activity. |  |  |  |  |  |
| 14 | Auditors are free to use their initiative in the course ofaudit activities in my state |  |  |  |  |  |
| 15 | An accountant should not act as an auditor at any time. |  |  |  |  |  |
| 16 | In my state, Auditors work independently as prescribedby the profession. |  |  |  |  |  |
| 17 | There is regular training for the State Auditors in mystate. |  |  |  |  |  |
| 18 | Audit queries are promptly attended to by the House ofAssembly. |  |  |  |  |  |
| 19 | Audit work is planned before the exercise is carried out. |  |  |  |  |  |
| 20 | My state has adopted IPSAS (International Public SectorAccounting System) which took effect from January 2016. |  |  |  |  |  |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| 21 | No threat should be strong enough to influence anauditor in the course of his activity. |  |  |  |  |  |
| 22 | Auditors keep proper record of their activities. |  |  |  |  |  |
| 23 | Professionally trained Auditors are not enough in theState Service. |  |  |  |  |  |
| 24 | Recognised professional bodies (ICAN, ANAN) have no influence in the conduct of audit exercise within thestate. |  |  |  |  |  |
| 25 | Internal Auditor ought to be responsible to theAccounting officer. |  |  |  |  |  |
| 26 | State Auditors are well motivated by the Government tocarry out audit activities |  |  |  |  |  |
| 27 | The composition of the house of Assembly has notinfluence audit performance in my State. |  |  |  |  |  |
| 28 | Some offices in the state have not been audited sinceinception. |  |  |  |  |  |
| 29 | Auditors have access to necessary information for theconduct of audit exercise in my state. |  |  |  |  |  |
| 30 | Auditors work on ethical principles and values in mystate. |  |  |  |  |  |

ANALYSIS OF RESPONDENTS ACCORDING TO THE OBJECTIVES.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Audit Standards Rating | SA | A | U | D | SD | OBS |
| Question 1 | 70 | 67 | 5 | 7 | 1 | 150 |
| Question 2 | 45 | 70 | 18 | 12 | 5 | 150 |
| Question 4 | 46 | 82 | 14 | 8 | - | 150 |
| Question 7 | 80 | 61 | 5 | 3 | 1 | 150 |
| Question 10 | 42 | 90 | 12 | 5 | 1 | 150 |
| Question 13 | 63 | 70 | 11 | 5 | 1 | 150 |
| Question 15 | 41 | 38 | 10 | 32 | 29 | 150 |
| Question 19 | 54 | 82 | 12 | 1 | 1 | 150 |
| Question 20 | 30 | 59 | 41 | 16 | 4 | 150 |
| Question 21 | 70 | 60 | 8 | 10 | 2 | 150 |
| Question 25 | 40 | 51 | 12 | 23 | 24 | 150 |
| Question 29 | 36 | 70 | 18 | 21 | 5 | 150 |
| Question 30 | 43 | 72 | 24 | 10 | 1 | 150 |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Influence Rating | SA | A | U | D | SD | OBS |
| Question 3 | 18 | 61 | 36 | 28 | 7 | 150 |
| Question 6 | 23 | 70 | 23 | 26 | 8 | 150 |
| Question 9 | 50 | 78 | 10 | 10 | 2 | 150 |
| Question 11 | 15 | 60 | 50 | 20 | 5 | 150 |
| Question 12 | 20 | 56 | 20 | 42 | 12 | 150 |
| Question 18 | 21 | 50 | 40 | 28 | 11 | 150 |
| Question 24 | 16 | 35 | 23 | 43 | 33 | 150 |
| Question 27 | 10 | 60 | 50 | 20 | 10 | 150 |
|  |  |  |  |  |  |  |
| Practice Rating | SA | A | U | D | SD | OBS |
| Question 5 | 17 | 80 | 36 | 15 | 2 | 150 |
| Question 8 | 30 | 65 | 41 | 8 | 6 | 150 |
| Question 14 | 17 | 92 | 20 | 16 | 5 | 150 |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Question 16 | 40 | 81 | 14 | 9 | 6 | 150 |
| Question 17 | 12 | 60 | 50 | 25 | 3 | 150 |
| Question 22 | 67 | 78 | 4 | 1 | - | 150 |
| Question 23 | 60 | 47 | 21 | 20 | 2 | 150 |
| Question 26 | 10 | 40 | 41 | 39 | 20 | 150 |
| Question 28 | 14 | 27 | 41 | 40 | 28 | 150 |

**Regression – Group 1**

**Variables Entered/Removeda**

|  |  |  |  |
| --- | --- | --- | --- |
| Model | Variables Entered | Variables Removed | Method |
| 1 | influnce, standardsb |  | Enter |

1. Dependent Variable: practice
2. All requested variables entered.

**Model Summary**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .719a | .517 | .497 | .46187 |

a. Predictors: (Constant), influnce, standards

**ANOVAa**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Model | Sum of Squares | df | Mean Square | F | Sig. |
|  | Regression | 10.737 | 2 | 5.368 | 25.166 | .000b |
| 1 | Residual | 10.026 | 47 | .213 |
|  | Total | 20.763 | 49 |  |

1. Dependent Variable: practice
2. Predictors: (Constant), influnce, standards

**Coefficientsa**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Model | Unstandardized Coefficients | Standardized Coefficients | t | Sig. |
| B | Std. Error | Beta |
|  | (Constant) | -.389 | .570 |  | -.683 | .498 |
| 1 | standards | .646 | .172 | .469 | 3.747 | .000 |
|  | influnce | .399 | .149 | .335 | 2.671 | .010 |

a. Dependent Variable: practice

**Correlations**

|  |  |  |
| --- | --- | --- |
|  | practice | standards |
|  | Pearson Correlation | 1 | .666\* |
| practice | Sig. (2-tailed) |  | .000 |
|  | N | 50 | 50 |
|  | Pearson Correlation | .666\* | 1 |
| standards | Sig. (2-tailed) | .000 |  |
|  | N | 50 | 50 |

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

**Correlations**

|  |  |  |
| --- | --- | --- |
|  | practice | influnce |
|  | Pearson Correlation | 1 | .611\* |
| practice | Sig. (2-tailed) |  | .000 |
|  | N | 50 | 50 |
|  | Pearson Correlation | .611\* | 1 |
| influnce | Sig. (2-tailed) | .000 |  |
|  | N | 50 | 50 |

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

**Regression – Group 2**

**Variables Entered/Removeda**

|  |  |  |  |
| --- | --- | --- | --- |
| Model | Variables Entered | Variables Removed | Method |
| 1 | standard2, influence2b |  | Enter |

1. Dependent Variable: practice2
2. All requested variables entered.

**Model Summary**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .699a | .489 | .467 | .35863 |

a. Predictors: (Constant), standard2, influence2

**ANOVAa**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Model | Sum of Squares | df | Mean Square | F | Sig. |
|  | Regression | 5.776 | 2 | 2.888 | 22.453 | .000b |
| 1 | Residual | 6.045 | 47 | .129 |
|  | Total | 11.821 | 49 |  |

1. Dependent Variable: practice2
2. Predictors: (Constant), standard2, influence2

**Coefficientsa**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Model | Unstandardized Coefficients | Standardized Coefficients | t | Sig. |
| B | Std. Error | Beta |
|  | (Constant) | .025 | .533 |  | .047 | .963 |
| 1 | influence2 | .224 | .124 | .225 | 1.809 | .077 |
|  | standard2 | .667 | .151 | .551 | 4.431 | .000 |

a. Dependent Variable: practice2

**Correlations**

|  |  |  |
| --- | --- | --- |
|  | practice2 | influence2 |
|  | Pearson Correlation | 1 | .524\* |
| practice2 | Sig. (2-tailed) |  | .000 |
|  | N | 50 | 50 |
|  | Pearson Correlation | .524\* | 1 |
| influence2 | Sig. (2-tailed) | .000 |  |
|  | N | 50 | 50 |

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

**Correlations**

|  |  |  |
| --- | --- | --- |
|  | practice2 | standard2 |
|  | Pearson Correlation | 1 | .673\* |
| practice2 | Sig. (2-tailed) |  | .000 |
|  | N | 50 | 50 |
|  | Pearson Correlation | .673\* | 1 |
| standard2 | Sig. (2-tailed) | .000 |  |
|  | N | 50 | 50 |

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

**Regression – Group 3**

**Variables Entered/Removeda**

|  |  |  |  |
| --- | --- | --- | --- |
| Model | Variables Entered | Variables Removed | Method |
| 1 | influence3, standard3b |  | Enter |

1. Dependent Variable: practice3
2. All requested variables entered.

**Model Summary**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .526a | .276 | .245 | .33711 |

a. Predictors: (Constant), influence3, standard3

**ANOVAa**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Model | Sum of Squares | df | Mean Square | F | Sig. |
|  | Regression | 2.039 | 2 | 1.019 | 8.969 | .001b |
| 1 | Residual | 5.341 | 47 | .114 |
|  | Total | 7.380 | 49 |  |

1. Dependent Variable: practice3
2. Predictors: (Constant), influence3, standard3

|  |
| --- |
| **Correlations** |
|  | practice3 | standard3 |
|  | Pearson Correlation | 1 | .523\* |
| practice3 | Sig. (2-tailed) |  | .000 |
|  | N | 50 | 50 |
|  | Pearson Correlation | .523\* | 1 |
| standard3 | Sig. (2-tailed) | .000 |  |
|  | N | 50 | 50 |

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

|  |
| --- |
| **Correlations** |
|  | practice3 | influence3 |
|  | Pearson Correlation | 1 | .229 |
| practice3 | Sig. (2-tailed) |  | .110 |
|  | N | 50 | 50 |
|  | Pearson Correlation | .229 | 1 |
| influence3 | Sig. (2-tailed) | .110 |  |
|  | N | 50 | 50 |





