IOSR Journal of Economics and Finance (IOSR-JEF)
e-ISSN: 2321-5933, p-ISSN: 2321-5925.Volume 9, Issue 6 Ver. III (Nov. – Dec.2018), PP 37-56
www.iosrjournals.org

The Impact of Financial Control on Accountability inthe Public Sector in Nigeria

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Abstract: *This research was aimed at finding out the impact of financial control on accountability in the public sector in Nigeria. The population for the study entails all the workers in the State Board of Internal Revenue in Bayelsa State. Nigeria. Out of which the sample size was selected using the Taro Yamani"s sampling techniques. Data for this study were primarily and secondarily sourced. linear regression analysis was used to analyse the data collected with the aid of SPSS version 16 to examine the impact of financial control characterized by internal control (Risk assessment, Control procedures and information and communication system) and internal audit on accountability in the public sector in Nigeria. The study reveals that there is insignificant positive relationship between internal control on accountability and a significant positive relationship between internal audit and accountability in Nigeria. The study therefore, recommends that; organization should pay more attention on internal audit than on internal control to ensure effective financial control and improve on accountability, Management should establish and implement periodic review of internal audit performance to ensure that its performance and value to the Institution is maximized and to ensure compliance with appropriate standards and guidance and Internal control activities, procedures and policies should be regularly revised to ensure that they are effective.*

Keywords: *Internal control, Accountability, Risk Assessment, Control Procedures, information and Communication System, Public Sector*

Date of Submission: 08-12-2018 Date of acceptance: 23-12-2018

I. Introduction

The Nigerian society is filled with stories of wrong practices such as stories of ghost workers on the pay roll of Ministries, Extra-ministerial Departments and Parastatals, frauds, embezzlements and setting ablaze of offices housing sensitive documents and corruption are found everywhere in the country (Okwoli, 2004; cited in Onuorah, 2012).

Huge amount of Naira is lost through one financial malpractice or the other in Nigeria, which to say the least, drains the nation's meager resources through fraudulent means with far-reaching and attendant consequences on the development or even socio-economic or political programmes of the nation (Bello, 2001). Billions of Naira is lost in the public sector every year through fraudulent means. This represents only the amount that is ferreted out and made public. Indeed much more substantial or huge sums are lost in undetected frauds or those that are for one reason or the other hushed up. Appah and Appiah (2010) argues that cases of fraud is prevalent in the Nigerian public sector and that every segment of the public service, could seem to be involved in one way or the other in some of these nasty acts.

The bane of public sector financial mismanagement in Nigeria since the oil boom years a period under which there existed structurally weak control mechanism, which create a variety of loopholes that have tended to facilitate and sustain, corrupt practices. This is coupled with the fact that there is a near total absence of the notion and ethics of accountability in the conduct of public affairs in the country (Bello, 2001).

According to Block & Geoffrey (2008) cited in John,*et al,* (2014), financial control is defined as the procedures designed to protect assets and ensure that all financial transactions are recorded to prevent and reduce errors and fraud.

Public sector organizations deal with large amounts of public funds and operate in a largely political environment, thereby necessitating a need for a high degree of confidence in the way in which their financial affairs are being conducted (Prowle, 2010). The goal of having a strong system of financial control is to promote the institution's ability to reach its objectives, providing reliable financial data, safeguarding assets and records,

evaluating operational efficiency through budget, organizational control and encouraging adherence to prescribed policies and regulations.

An institutions system of effective financial control has a key role in the achievement of public sector objectives. A sound system of financial control contributes towards safeguarding the stakeholders' investment and the institution's assets. Financial controls facilitate effectiveness and efficiency of operations, thus helping to ensure the reliability of internal and external financial reporting and assist in compliance with laws and regulations (Hayles, 2005).

Hayles (2005) opined that effective financial controls including the maintenance of proper accounting records help ensure that the institution is not unnecessarily exposed to financial risks and that the financial information is used only within the business. This also contributes to the safeguarding of assets, including the prevention and detection of fraud (ACCA, 2010). Walters and Dunn (2001) have stated that obtaining sufficient knowledge of the internal financial controls, both information technology controls and application controls, are needed to facilitate the determination of the audit strategy and to carrying out subsequent steps.

Financial control activities are the policies and procedures that help ensure that management directives are carried out (Walters & Dunn, 2001). Control of the financial decisions covering the organization, method, process and internal audit established by the administration in order to ensure that the activities are carried out in compliance with the purpose of the administration and determined policies and the legislation, the assets and resources are protected, accounting records are kept in an accurate and complete manner and financial and management information is produced in line and in a reliable manner (Khoove, 2010). Hence controls of the financial decisions and transactions of the public institutions related to the revenue, expenditure, assets and liabilities concerning their compliance with the budget, budget item, available applicable amount, expenditure programme, financing programme of the administration, to central government budget law and other financial legislation provisions.

Okoh & Ohwoyibo (2009), accountability reflects the need for government and its agencies to serve the public effectively in accordance with the laws of the land. This increase in activities has brought with it an increased demand for accountability of public officers who manage these activities of the public. Achua (2009) says "serious consideration is being given to the need to be more accountable for the often vast amounts of investment in resources at the command of governments, which exercise administrative and political authority over the actions and affairs of political units of people. Government spending is a very big business and the public demands to know whether the huge outlays of money are being spent wisely for public interests".

Kaufman (2005) argues that an emphasis on accountability by citizens is one aspect of the growing emphasis on eliminating corruption and promoting transparency in government. However, the issue of accountability in Nigeria is a fundamental problem because of the high level corruption in all levels of government in the country. Amongst the countries surveyed by the Transparency International global Corruption Perception Index in October 2010, Nigeria was placed 134 from its 130 position in 2009 an 2008 in 121.

Also**,** Failures to understand the impact of internal control system in public sector has drastically eaten the fibre of the public sector as a result of lack of financial controls (John, 2014). The absence of adequate financial control measures exposes the accountability of the public sector to certain threats such as incorrect financial statements, loss of government assets, fraud, mismanagement of government vital documents, incorrect and unreliable financial records which may lead to loss of government integrity, and implementation of accounting policies inconsistent with the applicable legislation.

However, there is a general perception that institution and enforcement of effective financial controls may lead to improved accountability in the public sector. It is also a general belief that properly instituted systems of financial controls improve the reporting process and also give rise to reliable reports which enhances the accountability function of management of an entity.

Nevertheless, available literature although scanty indicates that in spite of elaborate system of controls in organizations, accountability has been elusive in most of these organizations (OAG, 2010). This necessitated this study which sought to establish the impact of effective financial controls on accountability in the public sector.Therefore, this study will specifically examine: the extent to which internal control impacts on accountability in the public sector and the extent to which internal audit impacts on accountability in the public sector.

II. Review Of Related Literature

Financial control is defined as the procedures designed to protect assets and ensure that all financial transactions are recorded to prevent and reduce errors and fraud (Block & Geoffrey, 2008).

It is the process which assures that financial resources are obtained economically and utilized efficiently and effectively in the attainment of the desired goals (B.N. Okezie, 2004). It varies from organization to organization and is part of both the financial management as well as internal controls, put in place by management, encompassing planning, budgeting and budgetary control, accounting, reporting and review.

The aim of financial controls is to provide an overall guiding framework for a sound and efficient management of resources in all institutions. The goal of having a strong system of financial control is to promote the institution's ability to reach its objectives, providing reliable financial data, safeguarding assets and records, evaluating operational efficiency through budget, organizational control and encouraging adherence to prescribed policies and regulations (John et al, 2014).

Subomi (2010) opined that financial controls in an organization focus on the key transaction areas, with emphasis being on the safeguarding of assets and the maintenance of proper accounting records and reliable financial information.

Financial controls facilitate effectiveness and efficiency of operations, thus helping to ensure the reliability of internal and external financial reporting and assist in compliance with laws and regulations (Hayles, 2005).

Effective financial controls including the maintenance of proper accounting records help ensure that the institution is not unnecessarily exposed to financial risks and that the financial information is used only within the business (Hayles, 2005). This also contributes to the safeguarding of assets, including the prevention and detection of fraud (ACCA, 2010). Walters and Dunn (2001) have stated that obtaining sufficient knowledge of the internal financial controls, both information technology controls and application controls, are needed to facilitate the determination of the audit strategy and to carrying out subsequent steps.

Financial Control Framework in the Executive Arm of Government over Public Funds

The British colonial administration installed a financial control framework that is still being practiced today in the Nigerian public sector. The legal framework for the control of public funds is still based on the laws that were bequeathed to Nigeria by the colonial masters at independence (Sebastian, 2005). Most of these laws have been scantily amended.

The literatures on the legal framework of financial control review the provisions of these legal documents without addressing the adequacy of these laws in terms of their ability to cope with the ever increasing complexities in the Nigerian environment. The two most important legal documents that predate independence and which are still used today are the Finance (Control and Management) Act No. 33, 1958 and the Audit Act No. 38, 1956 (Anyafo, 2002:1). Other legal documents that influence financial practice include the Constitution of the Federal Republic of Nigeria; the Appropriation Acts; Financial Regulations and Finance and Treasury Circulars (Daniel 2002:20).

The principal legal documents that govern financial practice in the public sector in Nigeria include:

1. Constitution of the Federal Republic of Nigeria
2. Finance (Control and Management) Act No. 33 1958 (As Amended)
3. The Audit Act 1956
4. The Appropriation Act
5. Financial Regulation/Instruction
6. Treasury and Finance Circulars

Institutions of Financial Control in the Public Sector

There are formal and informal institutions of financial control over public revenue and expenditure. The formal institutions of financial control include the Executive arm of government, Legislature and Office of the Auditor-General or Supreme Audit Institution. The informal institutions of financial control include; the media, the organised civil society and donor agencies (Sebastian, 2005).

With respect to the formal institutions of financial control, the Constitution of the Federal Republic of Nigeria, 1999, establishes a cycle of financial accountability for public funds. The cycle provides that:

1. Legislature authorizes expenditure
2. The Executive controls the collection and issue of funds. In addition, it prepares the accounts.
3. The prepared accounts are audited by the Auditor-General and
4. The Auditor-General submits the results of his audit to the Legislature through its Public Accounts Committee (PAC). Thereafter, PAC acts on the report by inviting accounting officers to appear before it where need be.

The financial accountability cycle provides that the Executive arm of government collects, disburses and prepares the accounts of government. The other formal institutions of financial control are excluded from these very vital stages. Their involvement in public sector financial control is only visible when funds have been expended.

Informal institutions of financial control may promote financial accountability over public finance and these include; the mass media, the organised civil society, the World Bank and other international donors (Sahgal, 2001).

A vibrant media may promote financial accountability by reporting the findings of the Auditor-General. By exposing wrong doings the media may influence the behaviour of public officials who may not want to be publicly exposed. The organised civil society too, may play a significant role in promoting financial accountability in the public sector.

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Powers and Responsibilities of Government Financial and Accounting Officers

Chapter 1 - part II of the Financial Regulations (2000) and chapter 2 of the financial instructions (1968) spell out the powers and responsibilities of government officers having monetary responsibilities. The powers and duties are as stated below, but not limited to the following:

- Ensure proper prescription of system of accounts by or under the authority of the Ministry of Finance is established and maintained.
- See that all books are correctly posted and kept up to date.
- Exercise supervision over the receipt of public revenue, ensure its punctual collection, and report any apparent defect or difficulty in the procedure for the collection of revenue which comes to his notice.
- Promptly charge in his accounts under the proper Heads and Sub-Heads of the Estimates or other approved classifications all disbursements of the Government.
- Ensure proper provision for the safe keeping of public money, securities, stamps, counter foil receipts, licenses, etc.
- Ensure that the authorized maximum cash balance that may be held at any time is not exceeded without the approval of the Accountant-General.
- Regularly and not less frequently than weekly, check all cash and stamps in his charge and verify the amounts with the balances shown in the Cash Book or Stamp Register.
- Exercise strict supervision over all officers under his authority entrusted with financial and accounting duties and bring to notice any incompetence or repeated carelessness on their part, take precautions by surprise inspections and the maintenance of efficient checks, against the occurrence of fraud, embezzlement or carelessness.
- Produce when required by the Accountant-General or his staff or by the Auditor-General or his staff, all cash, stamps securities and account books, records or vouchers in his charge.
- Promptly reply to any queries or other observations addressed to him by the
- Accountant-General or Auditor-General, giving fully the particulars or information required.
- Promptly prepare such financial returns and statements as are required by any Act or Law or Directions or subsidiary legislation there under or the Financial Regulations/Instructions.
- Bring to notice any apparent deficiency in accounting instructions or any means by which it appears that the financial and accounting procedures might be improved.

Limitations of Financial Control

Effah (2011) disclosed that; a foundation concept underlying the definition of financial control is that a financial control structure provides only reasonable assurance that agency objectives will be achieved. Limitations are inherent in all financial control systems. These results from poor judgement in decision-making, human error, management's ability to override controls, collusion to circumvent control, and consideration of costs and benefits relative to financial control. No matter how financial control operates, some events and conditions are beyond management‘s control (Lannoye 1999).

No system of controls can be an absolute guarantee against the risk of wrongdoing or honest error. Any system that attempted to reach that goal, especially in a complex organization, would impose costs far out of proportion to the risks and create rigidities for the organization. Thus the proper goal of the control system should be to provide reasonable assurance that improprieties will not occur or that if they occur, they will be revealed and will be reported to the appropriate authorities (Pridgen et al, 2007).

Concept of Accountability

Lack of accountability in the management of the public sector in Nigeria has remained a critical issue especially since 1999 when democratic rule was especially when democratic rule was established in the country after a long period of military rule. Due to poor culture of accountability, corruption has become endemic in the country. Owing hugely to the wide spread public demands for transparency in governance and the global outcry against corruption, accountability is now of serious concern in many countries including Nigeria.

Michael (2009) defined accountability as “the duty to provide on account (by no means necessarily financial) or reckoning those action for which one is held responsible as a consequence accountability involves a promise to perform and a normal or legal responsibility to provide an account for it .

According to (Odunayo, 2014), it is the obligation to render an account for a responsibility conferred. It presumes the existence of at least two parties: one who allocates responsibilities and one who accepts it with the

undertaking to report upon the manner in which it has been discharged. It is the liability assumed by all there who exercise authority to account for the manner in which they have fulfilled responsibilities entrusted to them".

According to Laxmikanth (2006), the concept of accountability connotes the obligation of the administrators to give a satisfactory account of their performance and the manner in which they exercised power on them.

Cornwall (2000) stated that accountability has both an external and internal dimensions. The internal accountability refers to rendering of account to higher echelons of the organisation by lower levels in the light of delegated authority and planned targets while the external accountability refers to the accountability of department or agency to some external body like legislature.

Accountability is synonym for responsibility. It is a type of relationship that comes to existence when and obligation is taken on by an individual (or corporate entity) such as the responsibility to assume a role or discharge a task (Odunayo, 2014). Accountability is a relationship based on the obligation to demonstrate and take responsibility for performance in the light of agreed expectations. In brief, accountability requires a relationship of conferring responsibility and reporting back on the expected and agreed performance and on the manner in which the responsibility was fulfilled.

According to (Appah, 2012), accountability is all about being answerable to those who have invested their trust, faith, and resources to you. Adegite (2010) defined accountability as the obligation to demonstrate that work has been conducted in accordance with agreed rules and standards and the officer reports fairly and accurately on performance results vis-à-vis mandated roles and or/plans. It means doing things transparently in line with due process and the provision of feedback.

Johnson (2004) says that public accountability is an essential component for the functioning of our political system, as accountability means that those who are charged with drafting and/or carrying out policy should be obliged to give an explanation of their actions to their electorate.

Premchand (1999) observed that the capacity to achieve full accountability has been and continues to be inadequate, partly because of the design of accountability itself and partly because of the widening range of objectives and associated expectations attached to accountability. He further argues that if accountability is to be achieved in full, including its constructive aspects, then it must be designed with care. The objective of accountability should go beyond the naming and shaming of officials, or the pursuit of sleaze, to a search for durable improvements in economics management to reduce the incidence of institutional recidivism.

Okoh and Ohwoyibo (2009) opine that accountability reflects the need for government and its agencies to serve the public effectively in accordance with the laws of the land. Appah (2010) points out that with the number and monetary value of public sector activities has increased substantially. This increase in activities has brought with it an increased demand for accountability of public officers who manage these activities of the public.

Approaches to Accountability

According to Coker (2010), the various approaches to accountability based on the language of account can be grouped into:

i. **Process Based Accountability:**This approach measures compliance with pre set standard and formally defined outcomes. This includes fiscal and managerial accountability with reliance on the use of accounting methodologies.
ii. **Performance Based Accountability:**This approach measures performance against broad objectives. This measure may be qualitative and the criteria against which performance is measured less precisely defined.

Pillars /Types of Accountability

Adegite (2010) noted three pillars of accountability, which the UNDP tagged ATI (Accountability, Transparency and Integrity). Accountability which is segmented into:

i. **Financial Accountability:**It is the obligation of any one handling resources, public office or any other positions of trust, to report on the intended and actual use of the resources or of the designated office.
ii. **Administrative Accountability:** This type of accountability involves a sound system of internal control, which complements and ensures proper checks and balances supplied by constitutional government and an engaged citizenry. These include ethical codes, criminal penalties and administrative reviews.
iii. **Political Accountability:** This type of accountability fundamentally begins with free, fair and transparent elections. Through periodic elections and control structure, elected and appointed officials are held accountable for their actions while holding public office.
iv. **SocialAccountability**: This is a demand driven approach that relies on civic engagement and involves ordinary citizens and groups exacting greater accountability for public actions and outcomes.

Achieving Accountability in the Public Sector

Appah (2012) identified several ways in which accountability in the public sector can be achieved. These include:

i. Legislatures should champion the cause of accountability:

The legislators in Nigeria and other developing countries have the constitutional responsibility to ensure that the executive are accountable to the people for the management of public funds. But the revise is the case in Nigeria, where the legislators are part and parcel of the collapse of the system. However, for accountability to be achieved in Nigeria, legislators at all level of government must ensure that appropriate laws and over-sight functions are properly performed by them.

ii. Re-orientation of Value System:

One fundamental problem in Nigeria is the failure of the value system. This failure has resulted to the high level of corruption and lack of accountability by public officers. According to Adegite (2010) sited in (Appah, 2012), corrupt tendencies pervade the strata of the Nigerian society so much so that the youths, who are supposed to be the leaders of tomorrow, are neck deep in examination malpractice, 419 and internet fraud. She recommends that for Nigeria to be among the most developed economies in 2020, and then the nation’s value system should be strengthened through the reintroduction of civics and ethics into the curricula of our educational system while a national orientation for the rebirth of our value system should be urgently initiated.

iii. Management accountability framework:

A proper accountability framework would require that the government should put in place guidelines for preparing and approving work plan, method of monitoring plans, reporting performance, accumulation of portfolio of evidence on performance reporting, system of validation and oversight of performance reports, establishing and resourcing public accountability institutions, training public managers and guidelines for dealing with political institutions by public managers.

iv. Protection of Whistleblowers:

One fundamental means of achieving optimum accountability in Nigeria is the protection of the whistle blowers. An effective framework of accountability requires that those who blow the whistle should be protected against any reprisal. The government in Nigeria should establish appropriate laws to protect the whistleblowers.

v. Creating an environment of accountability:

An effective framework of accountability rests, besides, formal structures, on a proper environment. It requires such things as existence of a proper code of conduct, training in ethics, appearance of equal treatment by senior managers toward all employees, and unforgiving accountability of senior officers. It also means that the oversight bodies should adopt a reasonable attitude toward public managers.

vi. Adoption of International Public Sector Accounting Standards:

The success of accountability in the public sector in Nigeria lies on the proper implementation of the International Public Sector Accounting Standards. Public sector organizations in Nigeria use the cash basis of accounting. It is very necessary that Ministries, Departments and Agencies should begin to use the accrual basis of accounting. A complete accrual basis of accounting would make public managers accountable for recording and safeguarding of public assets, managing public cash flows, and disclosing and discharging public liabilities.

vii. Public performance reporting:

Public managers are in a business that affects virtually every aspect of a person’s life. People, therefore, have a right to know, how the public managers are doing their business. The legislators need to take a lead in this regard and enact necessary laws making it obligatory for all public entities to report on their performance. Public reporting on performance of departments or programs should be made mandatory.

viii. The establishment of the benchmark of efficiency:

A very important problem facing public sector managers in Nigeria is the clear absence of performance benchmark. Public performance reporting requires that benchmarks of efficiency be devised for all ministries, departments and agencies. This should be done in consultation with the MDA’s themselves and should remain open for periodic review and revisions.

ix. Strengthening the Public Accounts Committee:

Public accounts committees play a very significant role in accountability of public officers in Nigeria. Public accounts committees should be strengthened with a system of familiarizing the members with the audit

scope, approach and methods through workshops and powers to take action if their recommendations are not implemented.

x. Change in the Structure of Government Accounting and Auditing:

Governmental accounting system in Nigeria is grossly deficient. Financial reports are outdated and unreliable at all levels of government. Little attention is paid to financial accountability in the public service. Achua (2009) posit that there is an urgent need to protect the commonwealth from poor performance and fraud, and to protect individuals from lawless, arbitrary and capricious actions by the state's surrogate administrators. Therefore, the is an urgent need to restructure the public sector accounting system taking into consideration the frailties and flaws of governmental accounting in Nigeria. Adegite (2010) also says the rapid development and changes that have taken place in the nation's public sector since 1958. It is urgently necessary a comprehensive revision of the entire audit laws of the country with a view to aligning them with current realities and demands of globalization.

Internal Control

The British Auditing Guideline defined internal control 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, ensuring adherence to management policies, safeguard the assets and secure as far as possible the completeness and accuracy of the records".

Horngren and Foster (1990) defined internal control as the set of accounting and administrative controls and practice that help to ensure that approved and appropriate decisions are made in an organization. They further stated that internal controls include both accounting control and administrative controls. To them, accounting control comprises the methods and procedure that are mainly concerned with the authorization of transactions, safeguarding of assets and the accuracy of the accounting records while the administrative controls comprises the plan of the organization and all methods and procedures that help management planning and control of operations.

Okezie (2004), internal control is an integral part of Accountancy and Auditing Profession. To him, it is a system within an organisation consisting of the plan of the organization; the assignment of duties; the design of accounts and reports and all measures and methods employed to; protect its assets, encourage the accuracy and reliability of accounting records, promote and judge the operational performance of organisation's activities and communicate managerial policies and measure compliance there from. He likened it to the "heart" which operates the business "blood". He added that, no business can succeed without effective internal control system.

Components of Internal Control

There are several components that must be present and functioning effectively for any internal control system to achieve organizational objectives (Zabedah and Saidin, 2013). These components include:

i. Control environment:

Is the major aspect of managing an organization this is because it is a reflection of the attitude and the policies of management in regard with the importance of internal audit in the economic unit (Theofanis, et al, 2011). It has influence over organization goals achievement (Aldridge & Colbert, 1994). However, it is the foundation for the other components of internal control and providing structure (Sudsomboon & Ussahawanitchakit, 2009). Control environment assist toward reducing the level of fraudulent activities within organizational operation and also the quality of an entity's internal controls system depend on the function and quality of their control environment (Amudo & Inanga, 2009). Therefore, providing a proper control environment for the public sector is very essential to the effectiveness of their operation.

ii. Risk assessment:

This is the identification and analysis of relevant risks associated with the achievement of the management objectives (Theofanis, et al, 2011). Similary, Sudsomboon & Ussahawanitchakit, (2009) viewed risk assessment as the process of identifying and analyzing management relevant risks to the preparation of financial statements that would be presented fairly in conformity with general accepted accounting principle. In this situation, management must determine the level of risk carefully to be accepted, and should try to maintain such risk within determined levels. It is therefore necessary to frequently assess the level of risk their experiencing in order to take necessary actions.

iii. Control activities:

These are policies, procedures and mechanisms that ensure management's directives are properly carry out (Aikins, 2011; Rezaee, Elam & Sharbatoghlie, 2001). Proper documentation of policies and procedural

guidelines in these aspects help to determine not only how the control activities are to be executed but also provide adequate information for auditors examination of the overall adequacy of control design over financial management practices (Aikins, 2011). Jajo (2005) asserts that control activities can be categorized as authorization, segregation of duties, record keeping safeguarding and reconciliations and these controls depend greatly on the activity under consideration. This control activities ensure that all necessary actions should be taken with the aim to address risks so that organizational objectives are achieves. Example of control activities include; segregation of duties, daily deposit of cash receipts, bank reconciliations, supervision and limiting access to check stock.

iv. Information and communication:

This refers to the process of identifying, capturing, and communicating of relevant information in an appropriate manner and within timeframe in order to accomplish the financial reporting objectives (Aldridre & Colbert, 1994). However, effective communications should occur in a wider sense with information within the various sections of the organization (Theofanis et al, 2011). Most of the recent literature on internal control system frameworks gave concerned on information and communication as one of the internal control system components, because of their importance in influencing the working relationship within the organization at all levels (Amudo & Inanga, 2009). Hence, such information must be communicated throughout the entire organization in order to permit personnel to carry out their responsibilities with regard to objective achievement.

v. Monitoring:

It is usually accepted that internal control systems need to be adequate monitored in order to assess the quality and the effectiveness of the system's performance over time. Monitoring provides assurance that the findings of audits and other reviews are promptly determined (Theofanis et al, 2011). Also, monitoring of operations ensures effective functioning of internal controls system (Amudo & Inanga, 2009). Hence, monitoring determines whether or not policies and procedures designed and implemented by management are being carried out effectively by employees.

Internal Audit

According to Gupta (1999), internal audit is an independent appraisal function established within an organization to examine and evaluate its activities as a service of the organization. Similarly, B.N. Okezie (2004) sees internal audit as an independent appraisal function within an organization for the review of system of control and quality of performance, as a service to the organization.

According to Azubike (2007), internal audit is the process of continuous review of the financial transaction in order to ensure that they are working as the management intends. All regulations, instruction, and accounting systems or procedures and rules set should be controlled to ensure that they are working as prescribed. He added that it assures management of adequacy and appropriateness of the system of internal controls by testing their operations. To him the Auditor of the government accounts should ensure that the internal controls are functioning properly and attention should be paid on: Internal Checks (segregation of duties), procedures and rules, internal audit.

Internal audit measures, analyses and evaluates the efficiency and effectiveness of other controls established by management in order to ensure smooth administration, control cost minimization, and ensure capacity utilization and maximum benefit derivation (Unegbu & Obi, 2007).

Elements of Internal Audit

Okezie (2004) identified several elements of the internal audit. Amongst the elements includes the following:

1. **Independence:** The internal auditor should have the independence which permits the performance of his duties objectively.
2. **Staffing:** Internal auditors should have access to the necessary skill and knowledge to fulfill its responsibilities. He should employ staffs with varying type and levels of skill, qualification and experience in order to satisfy the requirement of each audit task.
3. **Training:** The organization should ensure that the internal auditor receives the training necessary for the full range of duties.
4. **Planning, Controlling and Recording:** The internal auditor should plan, record and control his works, according to the approved auditing guidelines.
5. **Due Care:** The internal auditor should exercise due care, skill and diligence in fulfilling his responsibilities.
6. **Evidence:** The internal auditor should obtain sufficient, relevant and reliable evidence on which to base reasonable conclusion and recommendation.

Duties of the Internal Auditor

The duty of the internal auditor who should be responsible to the accounting officer will be to audit accounts and records and for the examination of the system and procedures in force (Azubike, 2007). His report should be submitted to the accounting officer copying Auditor-General of the State who should have an audit programme which should be submitted to the accounting officer and the acceptance of the Accountant-General and Auditor-General. These audit programme should ensure that the programme of audit would extend to cover all the records of the ministry, departments or units in order to satisfy himself that there are adequate means for the verification of all cash, stores and plants held; the system for control of expenditure and collection of revenue is adequate, also that the accounting records are accurate.

Internal Audit in Government Offices

The nature and position of the internal audit department in government differs from one country to another (Mizrahi and Ness-Weisman, 2007). The law requires that an internal audit department or unit be established in each government office in Nigeria, and shall be headed by an experienced or/and a qualified accountant in order to provide a complete and continuous audit of the accounts, and records of all received and expenses (Aruwa,2003). Additionally, internal auditors of every office should be accountable to the accounting officer and Auditor General of the state on the real situation in terms of conformity with the standards of the audit work and also the internal auditor shall issue special reports, where necessary, if he is of the views that the Auditor General (State) concerned is needed (Barkan, Gboyega and Stevens, 2001). By its structure, the internal audit is a service department and as such, it is essential that it should not be connected to finance and account unit and ideally the head of internal audit should belong to top management (Aguolu, 2009; Belay, 2007). However, governments' ministries and departments should periodically measure their internal audit function to ensure that it is operating in accordance with best practice and principles (Glance, 2006). Thus, the motives behind the establishment of internal audit unit, as already noted,

was to promote accuracy and reliability in accounting and operating data; safeguarding government resources in order to prevent resources embezzlement and fraud, also to determine the extent of compliance with relevant government laws, policies and procedure established within the various department as well as ensuring proper and judicious resources utilization (Sani, 2009; Mainoma, 2007; Glance, 2006). Furthermore, when it come to the issues of legality of auditing in Nigeria, the legal instruments that sets the overall framework for the financial management, auditing procedures, government accounting and financial reporting for either the Federal, State or Local government are: The Constitution of the Federal Republic of Nigeria 1999, the Finance Control and Management Act 1958, the Audit Ordinance No. 28 of 1956, the Annual Appropriation Act and the financial memoranda of 1999. While in the aspect of professionalism, is usually handled by the professional bodies such as ICAN and ANAN through Nigerian Standard on Auditing (NSA) (Aruwa, 2003). However, with the adoption of IFRSs in Nigeria, NSAs are gradually being phased out. The scope and objective of internal audit unit in government offices in Nigeria are almost the same with the provision of Institute of Internal Audit to some extent. The Nigerian Standard on Auditing (NSA) concerned with the professional pronouncement on the auditor's responsibilities relating to accounting issues and related to disclosures in an auditof financial statements as well as the review of organizational operation by an auditor. Internal auditors are uniquely placed in organizations with the view to examine and evaluate the systems used in different parts of organization and to make recommendations for improvement (Page and Spira, 2004). Therefore, the status of internal audit in the public sector should be improving from the current situation to meet international standard so as to improve the performance of government activities and to ensure the achievement of set objectives (Payne, 2005). Unfortunately, the internal audit functions in most government offices have not been effective due to neglect on the part of the government at both Federal and State levels (Belay, 2007). All past policies by government geared towards repositioning the internal audit profession had not been matched with appropriate actions (Aguolu, 2009).

III. Theoretical Framework

In an attempt to understand the effects of financial controls in the public sector, the study will anchor on three theories (Financial theory, Agency theory and Reliability theory) were employed.

i. Theory of Financial Control:

According to (John et al, 2014) the present and future personal functions of human beings are asserted to constitute the fundamental point of reference in a theory of financial controls. This theory stipulates that existing and possible functions of financial tools for organizations are most essential. In the same light, it is stated that, payments, financial instruments, accounting, control models, economic calculations, and related considerations, both within and outside of the organization, ought to be discussed in regard to inner characteristics but also possible effects. It is noted that establishing the relationships between various activities and financial processes, from a financial control point of view, is a general and basic issue (Ostman, 2009). The

theory of financial controls for organizations places a natural focus on the organisation such that they are viewed from several latitudinal areas. The first regards the human beings' functions of what is accomplished through organizations, their activities and output. The second is about the structure of the organization and activities, and of transactions that various parties have with each other. The third area covers the control systems in the sense of recurring procedures and methods that are employed to relate present and future functions to resources both externally and internally. The aforementioned financial control tools are argued to be crucial from an individual organization's perspective and also for larger economic systems. The fourth and last area illustrates the specific processes of individual organizations for certain issues. The theory further states that structure and financial control system works together (Ostman, 2009). The financial control theory is very relevant to the current study given that it assists in better understanding of the intricacies surrounding accountability in an organization.

ii. The Agency Theory:

The theory recognizes the incomplete information about the relationship, interests or work performance of the agent described as adverse selection and moral hazard. Moral hazard and adverse selection affects the output of the agent in two ways; not doing exactly what the agent is appointed to do, and not possessing the requisite knowledge about what should be done. According to Anderson, Francis & Stokes (1993), Agency theory describes firms as necessary structures to maintain contracts, and through firms, it is possible to exercise control which minimizes opportunistic behaviour of agents. In order to harmonize the interest of the agent and the principal, a comprehensive contract is written to address the interest of both the agent and the principal; they further explain that the relationship is further strengthened by the principal employing an expert to monitor the agent. This affects the overall performance of the relationship as well as the benefits of the principal in the form of cash residual.

Financial control is one of many mechanisms used in business to address the agency problem. Others include financial reporting, budgeting, audit committees, and external audits (Chan et al., 2008; Ashbaugh et al., 2008).

iii. Reliability Theory:

Reliability theory simply describes the probability of a system completing its expected function during an interval of time (Gavrilov and Gavrilova, 2001). It was originally a tool used to help nineteenth century maritime insurance and life insurance companies in computing profitable rates to charge their customers. According to the reliability theory, an internal control system comprises of components that are interrelated and each for component, there needs to be a de-fined measure of success. As such, the state of a component is determined by whether the component is "successful" or "not successful". The reliability of a component is defined as the probability of the component being found in the "success" state. In addition, the reliability of the entire internal control system is a binary combination with two possible values, "success" and "failure".

The tractability of reliability theory to the evaluation and design of internal control systems have appeared in the professional literature but no applications have been reported that draw upon the substantial power of the theory of reliability (Kinney, 2000). The two potential users of the reliability theory are the external auditor and organization management. Kinney (2000) in Ndungu (2013) states that; during the external audit, evidence is gathered to support a professional opinion. Internal control systems have a primary purpose of assessment and control of risks; that a material error was not be prevented or detected on a timely basis by the system leaving to losses. Weak internal control systems result in more substantive work and hence greater cost.

Gavrilov and Gavrilova (2001), the determination of the "weakness" of any internal control system is primarily judgmental. Upon the formulation of the process and system reliability estimates, comparison with data from the organization's past performances or other firms may provide a more solid basis for judgment of the impact of an internal control system on the firm's income risk and hence provide for more rational allocation of the auditor's time and effort.

Messier Jr. and Austen (2000) state that one of the primary advantages of the reliability theory is its close relationship to the auditor's needs regarding understanding the internal control system and control risk assessment. According to Stratton (2007), recent developments have increased the value to management of objective methodologies for the evaluation of internal control systems. Firm managers are therefore required to assure the accuracy of these systems. Stratton (2007) also adds that the process of evaluation of the internal control system by both management and external auditors is judgmental in nature. However, the few attempts at modeling internal control systems have not been implemented by firms due to the lack of realism, difficulty of modeling behavioral systems, lack of cost effectiveness, and lack of understanding by practitioners.

IV. Empirical Literature

El-Nafabi (2009) when studying the role of public sector audit and financial control systems in Sudan, found that audit and control system is paramount in ensuring accountability for the use of public funds, and safeguarding the limited public resources against corruption and other misappropriation and unlawful practices. The study found out that weak and ineffective financial control systems and deficiencies in accounting systems are some of facilitating factors of financial corruption in Sudan.

Alin et al. (2006) argued that financial control is achieved by designing systems and procedures to suit the specific needs of an organization. Just like in public sector's organizations, for there to be financial control and accountability of NGOs, it is crucial that an overall financial policy be put in place. In order to have effective financial control, a firm's staff and other stakeholders are supposed to be privy with and participate in the budgeting process that affects the line items for which they are held responsible (Vincent & Emil, 2000).

Case studies on internal controls in Belgium illustrate the importance of the control environment when studying internal auditing practices. Sarens and De Beelde (2006) found that certain control environment characteristics like tone-at-the-top, level of risk and control awareness, extent to which responsibilities related to risk management and internal controls are clearly defined and communicated are significantly related to the role of the internal audit function and fraud detection within an organization.

Gwilliam and El-Nafabi (2002) in their findings discovered that ineffective government financial control systems in most developing countries is responsible for facilitating the misappropriation of public resources and financial corruption in these countries. The lack of adequate auditing and accounting systems in most African countries is exemplified by ineffective internal control and internal check, unqualified auditing and accounting staff, and unreliable and untimely accounting information systems. This has led to inadequate safeguards against corruption, fraud and other related malpractices. In Nigeria's public sector, policies are not adequately followed.

Owizy (2011) assessed the effectiveness of internal control in government ministries taking a case of Benue State ministry of finance. According to the study findings, it was established that Benue State ministry of finance prepare annual budget promptly and also have adequate expenditure tracking to prevent financial recklessness. Consequently, it was recommended that, the ministry of finance should strictly abide by the principles and procedures in order to ensure that slack are built into the budget.

Amudo and Inanga (2009) carried out an evaluation of Internal Control Systems on the Regional Member Countries (RMCs) of the African Development Bank Group (AfDB) focusing on Uganda in East Africa. The study established that some control components of effective internal control systems are lacking in these projects which renders the current control structures ineffective. The study recommended an improvement of the existing internal control systems in the projects.

Wanyama (2001) studied the sustainability of CBOs in Western Kenya and found that many CBOs do not have qualified personnel, lack sufficient resources, have inefficient systems in place, and have egocentric and corrupt officials. To aggravate the situation, they are financially incapacitated to outsource auditors. Factors influencing financial control practices in community based organizations (CB0s) in Baringo County, Kenya have also been analyzed (Koitaba, 2013). The findings indicated that majority of the CBOs in the County were audited annually. However, the study suggested that there was need to ensure compliance among those to be subjected to audit at least once a year. It was further recommended that standardized accounting and reporting should be provided by the government so as to enable tractability of CBOs' financial activities through information sharing on a common and acceptable platform.

Summary of Literature Review

Most of the highlighted studies in the literature review do not explicitly address the effect of financial control and accountability in the public sector. A scarcity of literature in the area of study exists. The few that have been conducted have eluded criticism in the criteria, title, scope; methodology used hence the research gaps in terms of literature.

V. Research Methodology

Introduction

Due to the complex nature of this research, the researcher took time to spell out the sources of data used (upon which the justification of the outcome of the study will be based) the pattern of the responses, sample design and method of data analysis. Based on the foregoing, the under listed design and methodology were used in this study.

Research Design

Research design provides the glue that holds the research project together. A research design is used to structure the research to show how all major parts of the research project work together and also tries to address

the central research questions that were used. Udeagha, (2003) defined research design as the framework that indicates the type of information that is needed for the research, the source of such information and method of its collection. Definitely, this is a survey research. Survey research is the method of gathering data from respondents thought to be the representatives of some population using an instrument composed of closed structure or open ended items (questionnaires).

This survey research design was adopted through the use of questionnaire, oral interview and personal observation. The survey design was used so as to ensure originality and reliability. That is, to ensure that all information gotten were from primary source and not secondary data hence their reliability.

Area of the Study

The area of the study is the State Board of Internal Revenue Service in Bayelsa State.

Population of the Study

The population of workers in the state board of internal revenue is 115 comprising of managers and head of units in the SBIR and the general public comprising other experts in the field.

Determination of Sample Size

In deciding the sample size to be used, the researcher believed that the sample size will be a good representation of the whole population. To determine the sample size for this research, the Taro Yamani method was employed. This is designated by the formulae:
The formula is stated thus:

$$n = \frac{N}{1+N(E)2}$$

Where: n = the desired sample size
N = Total population = 115
e = Tolerable error = 0.05
1 = constant
The researcher assumed 5% level of tolerable error would be used for this research work. Hence, the sample size is computed thus;
n = 89

Sources of Data Collection

Basically there are two sources of data:
1. Primary sources
2. Secondary sources

i. The Primary Sources of Data

These are data obtained from the SBIR, citizens, business organization, civil servants etc that are residing in Yenagoa with the aid of some prepared questionnaires which are differently answered by them. In addition, oral interview were conducted with some accounting clerks of the Bayelsa State Board of Internal Revenue and Federal Inland Revenue.

ii. The Secondary Source of Data

The secondary data consists of data from several sources, they include; textbooks on business and investment analysis, accounting and finance, taxation, business management, journals, newspapers and periodicals.

The secondary data is very important in this resource study as it provided the direction and preview of the work, and more over, its reliability is based on the strong belief that the people whose ideas were expressed are experts in their chosen fields.

Method of Data Analysis

The result of the questionnaires was analyzed by the use of tables. Simple percentages were computed and findings were presented, discussed and interpreted, deductive reasoning relevant to the research objective and hypothesis were also used. The Simple Regression was used in testing the hypothesis.

Model Specification

The linear regression model is used to ascertain the significant interaction between financial control and accountability. The ordinary least square method of regression was used with aid of SPSS version 16 software packages to analyze the data to assess the impact of the independent variables on the dependent variable.
The functional relation of the model is given as:

AC= F(IC, IA)………………………………(1)
Where:
AC=Accountability
IC=Internal Control
IA=Internal Audit
The above equation when expressed in explicit econometric form gives;
ROCE=β_0+ β_1IC+ β_2IA+ μ……………….(2)
Where $b_0>0$, $b_1>0$, $b_2>0$
β_0, β_1, β_2 = coefficient parameters and μ = the error term

VI. Data Presentation, Analysis And Discussion Of Findings

Introduction

The presentation of data collected means the way of presenting and arranging the different forms of data obtained through various data collecting techniques to enable the researcher perform analysis and exact new meanings from it. The data collected will be presented in simple table. The data analysis was based on the answers to the key questions received from the various departments. The key questions in the questionnaires will be analyzed by the use of simple percentage. A total of 89 questionnaires were distributed and all were returned. So the analysis of data will be based on the returned questionnaires.

Data Presentation
Respondents Characteristics

This sub-section deals with the frequency and percentage analyses of the socio-economic characteristics of the surveyed respondents.

Sex

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	60	67.4	67.4	67.4
	Female	27	30.3	30.3	97.8
	3	2	2.2	2.2	100.0
	Total	89	100.0	100.0	

Source: Primary Data (2015)

The table above shows that, 60 respondents were male while 27 where female representing 67.4% and 30.3% respectively.

Age Group

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-30	19	21.3	21.3	21.3
	31-40	36	40.4	40.4	61.8
	41 and above	34	38.2	38.2	100.0
	Total	89	100.0	100.0	

Source: Primary Data 2015

Table above shows that 21.3% of the respondents are within the ages of 20-30 while 40.4% of them are within the age of 31-40 and remaining 38.2% are within the age of 40 and above

What Is Your Education Qualification

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	OND/NCE	19	21.3	21.3	21.3
	HND/BSC	48	53.9	53.9	75.3
	OTHER	22	24.7	24.7	100.0
	Total	89	100.0	100.0	

Source: Primary Data 2015

The analysis above shows that 21.3% of the respondents hold NCE, and 53.9% are working with B.sc, while the remaining 24.7% are working with MSC and other qualifications.

Year Of Service With The Institution

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-5	10	11.2	11.2	11.2
	6-10	16	18.0	18.0	29.2
	11 above	63	70.8	70.8	100.0
	Total	89	100.0	100.0	

Source: Primary Data 2015

The table shows that 11.2% of the respondents have been in the organisation for 1-5 years, 18.0% have worked for 6-10yeas while the other 70.8% of then have been in the industry for 11 years and above.

What Is Your Level And Position In The Organization

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Junior	34	38.2	38.2	38.2
	Middle	47	52.8	52.8	91.0
	Senior	8	9.0	9.0	100.0
	Total	89	100.0	100.0	

Source: Primary Data 2015

The above table shows that 38.2% of the respondents are in senior staff category, and that 52.8% of the respondents are in management staff, while 9.0% of the respondents are in junior staff category.

Does Excess Expenditure Affect Performance?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agreed	42	47.2	47.2	47.2
	Agreed	25	28.1	28.1	75.3
	Undecided	20	22.5	22.5	97.8
	Disagreed	2	2.2	2.2	100.0
	Total	89	100.0	100.0	

Source: Primary Data 2015

Thetableabove reveals that 47.2% of the respondents strongly agreed that excess expenditure affect performance of the organisation which exists almost in every organization. 28.1% Agreed, 22.5% were undecided, 2.2% of the respondents disagreed.

Do excess expenditure result into loss?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agreed	25	28.1	28.1	28.1
	Agreed	23	25.8	25.8	53.9
	Undecided	26	29.2	29.2	83.1
	Disagreed	15	16.9	16.9	100.0
	Total	89	100.0	100.0	

Source: Primary Data 2015

Thetableabove reveals that 28.1% of the respondents strongly agreed that the excess expenditure result into loss, 25.8% of the respondents Agreed, 29.2% of the respondents were undecided, 16.9% of the respondents disagreed.

Do excess expenditure assist in actualizing organizational goals?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agreed	19	21.3	21.3	21.3
	Agreed	4	4.5	4.5	25.8
	Undecided	38	42.7	42.7	68.5
	Disagreed	9	10.1	10.1	78.7
	strongly disagreed	19	21.3	21.3	100.0
	Total	89	100.0	100.0	

Source: Primary Data 2015

Thetableabove shows that 18.2% of the respondent strongly agreed that excess expenditure assist in actualizing organizational goals. 4.4% of the respondent agreed, 42.7% of the respondent were undecided, 10.1% disagreed while21.3% strongly disagreed.

Do existence of Internal audit help in achieving organizational goals?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agreed	28	31.5	31.5	31.5
	Agreed	37	41.6	41.6	73.0
	Undecided	17	19.1	19.1	92.1
	Disagreed	7	7.9	7.9	100.0
	Total	89	100.0	100.0	

Source: Primary Data 2015

Thetableabove reveals that 31.5% of the respondents strongly agreed that the existence of Internal audit help in achieving organizational goals. 41.6% of the respondents agreed, 19.1% of the respondents were undecided 7.9% disagreed while 0% strongly disagreed.

Is there any internal audit in your organisation?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agreed	41	46.1	46.1	46.1
	Agreed	37	41.6	41.6	87.6
	Undecided	5	5.6	5.6	93.3
	Disagreed	2	2.2	2.2	95.5
	strongly disagreed	4	4.5	4.5	100.0
	Total	89	100.0	100.0	

Source: Primary Data 2015

Thetable above reveals that 46.1% of the respondents strongly agreed that there is internal audit within the organisation. 41.6% of the respondents agreed, 5.6% of the respondents were undecided, 2.2% of the respondents disagreed. 4.5% of the respondents strongly disagreed.

Do the non-existence of audit affect accountability?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agreed	31	34.8	34.8	34.8
	Agreed	35	39.3	39.3	74.2
	Undecided	10	11.2	11.2	85.4
	Disagreed	8	9.0	9.0	94.4
	strongly disagreed	5	5.6	5.6	100.0
	Total	89	100.0	100.0	

Source: Primary Data 2015

Thetableabove reveals that 34.8% of the respondents strongly agreed that non existence of internal audit affect accountability. 39.3% of the respondents agreed, 11.2% of the respondents were undecided, 9.0% of the respondents disagreed. 5.6% of the respondents strongly disagreed.

Do the absence of internal audit decrease performance?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agreed	19	21.3	21.3	21.3
	Agreed	44	49.4	49.4	70.8
	Undecided	19	21.3	21.3	92.1
	Disagreed	4	4.5	4.5	96.6
	strongly dosagreeed	3	3.4	3.4	100.0
	Total	89	100.0	100.0	

Source: Primary Data 2015

Thetableabove reveals that 21.3% of the respondents strongly agreed that non existence of internal audit decrease performance. 49.4% of the respondents agreed, 21.3% of the respondents were undecided, 4.5% of the respondents disagreed. 3.4% of the respondents strongly disagreed.

Do the non-existence of internal audit increase fraudulent practices?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agreeed	27	30.3	30.3	30.3
	Agreed	16	18.0	18.0	48.3
	Undecided	26	29.2	29.2	77.5
	Disagreed	9	10.1	10.1	87.6
	strongly disagreed	11	12.4	12.4	100.0
	Total	89	100.0	100.0	

Source: Primary Data 2015

Thetableabove reveals that 30.3% of the respondents strongly agreed that non existence of internal audit increase fraudulent practices. 18.0% of the respondents agreed, 29.2% of the respondents were undecided, 10.1% of the respondents disagreed. 12.4% of the respondents strongly disagreed.

Is there any internal control in your organization that can check the operation of employees?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agreed	36	40.4	40.4	40.4
	Agreed	29	32.6	32.6	73.0
	Undecided	18	20.2	20.2	93.3
	Disagreed	6	6.7	6.7	100.0
	Total	89	100.0	100.0	

Source: Primary Data 2015

Thetableabove reveals that 40.4% of the respondents strongly agreed that there is internal control in the organization can helps to check the operation of employees. 32.6% of the respondents agreed, 20.2% of the respondents were undecided, 6.7% of the respondents disagreed. 0% of the respondents strongly disagreed.

Does the existence of control procedure contribute to the improvement of accountability in the organization?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agreed	27	30.3	30.3	30.3
	Agreed	44	49.4	49.4	79.8
	Undecided	7	7.9	7.9	87.6
	Disagreed	9	10.1	10.1	97.8
	strongly disagreed	2	2.2	2.2	100.0
	Total	89	100.0	100.0	

Source: Primary Data 2015

Thetableabove reveals that 30.3% of the respondents strongly agreed that the existence of control procedures contribute to the improvement of accountability in the organization. 49.4% of the respondents agreed, 7.9% of the respondents were undecided, 10.1% of the respondents disagreed. 0% of the respondents strongly disagreed.

To what extend does risk assessment within the organisation enhance accountability?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agreed	11	12.4	12.4	12.4
	Agreed	47	52.8	52.8	65.2
	Undecided	7	7.9	7.9	73.0
	Disagreed	18	20.2	20.2	93.3
	strongly disagreed	6	6.7	6.7	100.0
	Total	89	100.0	100.0	

Source: Primary Data 2015

Thetableabove reveals that 12.4% of the respondents strongly agreed that risk assessment within the organization enhance accountability in the organization. 54.8% of the respondents agreed, 7.9% of the respondents were undecided, 20.2% of the respondents disagreed. 6.7% of the respondents strongly disagreed.

Does efficient communication and information system that link all components within the organisation ensure accountability in the organisation?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agreed	40	44.9	44.9	44.9
	Agreed	33	37.1	37.1	82.0
	Undecided	12	13.5	13.5	95.5
	Disagreed	3	3.4	3.4	98.9
	strongly disagreed	1	1.1	1.1	100.0
	Total	89	100.0	100.0	

Source: Primary Data 2015

Thetableabove reveals that 44.9% of the respondents strongly agreed that communication and information system that link all component within the organization ensure accountability in the organization. 37.1% of the respondents agreed, 13.5% of the respondents were undecided, 3.4% of the respondents disagreed. 1.1% of the respondents strongly disagreed.

Test of Hypothesis

This section involves the test of the research hypotheses using the regression analysis. The test is based on the data collected from the field survey on the study. The data is drawn question one (1) for hypothesis 1: and question three (3) for hypothesis 2 all in appendix 2;

4.2.1 Test of Hypothesis One

The Relationship between Internal Control and Accountability in the Public Sector

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.863[a]	.744	.659	.92363	2.568

a. Predictors: (Constant), INTERNAL_CONTROL

b. Dependent Variable: ACCOOUNTABILITY

ANOVA[b]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	7.441	1	7.441	8.722	.060[a]
	Residual	2.559	3	.853		
	Total	10.000	4			

a. Predictors: (Constant), INTERNAL_CONTROL

b. Dependent Variable: ACCOOUNTABILITY

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	1.380	.687		2.009	.138	-.806	3.565
	INTERNAL_CONTROL	.091	.031	.863	2.953	.060	-.007	.189

a. Dependent Variable: ACCOOUNTABILITY

The result from the analysis table 1, 2, 3(Model Summary, ANOVA and Coefficient) shows that internal control (as measure by risk assessment, control procedures and effective communication and information system) has strong positive but insignificant impact on accountability in public sector. Looking at the P-value of the internal control (as measure by risk assessment, control procedures and effective communication and information system) on accountability in the public sector P-value is 0.06>0.05.

The value of R=0.863(Model Summary) tells us that there is a high positive relationship between internal control (as measure by risk assessment, control procedures and effective communication and information system) and accountability in public sector. The Value of R^2 of 0.744(known as the coefficient of determination) tells us that 74.4% of accountability in the public sector could be explained by the institution of effective internal control (as measure by risk assessment, control procedures and effective communication and information system) while the remaining 25.6% could be not be accounted for. The Adjusted R2 of 0.913 is close to the R2 value of 0.935 meaning that the model is fit for making generalization. Therefore, internal control (as measure by risk assessment, control procedures and effective communication and information system) has positive insignificant impact on accountability.

Test of Hypothesis Two

The Relationship between Internal Audit and Accountability in the Public Sector

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.916[a]	.839	.785	.73314	2.469

a. Predictors: (Constant), INTERNAL_AUDIT

b. Dependent Variable: ACCOOUNTABILITY

ANOVA[b]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	8.388	1	8.388	15.605	.029[a]
	Residual	1.612	3	.537		
	Total	10.000	4			

a. Predictors: (Constant), INTERNAL_AUDIT

ANOVA[b]

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	8.388	1	8.388	15.605	.029[a]
Residual	1.612	3	.537		
Total	10.000	4			

b. Dependent Variable: ACCOOUNTABILITY

Coefficients[a]

	Unstandardized Coefficients		Standardized Coefficients			95% Confidence Interval for B	
Model	B	Std. Error	Beta	t	Sig.	Lower Bound	Upper Bound
1 (Constant)	1.003	.603		1.664	.195	-.915	2.920
INTERNAL_AUDIT	.112	.028	.916	3.950	.029	.022	.203

a. Dependent Variable: ACCOOUNTABILITY

The result from the analysis table 1, 2, 3(Model Summary, ANOVA and Coefficient) shows that internal Audit has strong positive significant impact on accountability in public sector. Looking at the P-value of the internal Audit on accountability in the public sector P-value is 0.029<0.05.

The value of R=0.916(Model Summary) tells us that there is a high positive relationship between internal Audit and accountability in public sector. The Value of R^2 of 0.839(known as the coefficient of determination) tells us that 83.9% of accountability in the public sector could be explained by the institution of effective internal Audit while the remaining 16.1% could be not be accounted for. The Adjusted R2 of 0.785 is close to the R^2 value of 0.916 meaning that the model is fit for making generalization. Therefore, internal Audit has positive significant impact on accountability.

VII. Discussion of Findings

From the above analysis in Hypothesis one and two, the result reveals that there is positive insignificant impact of internal control on accountability in the public sector but positive significant impact of internal audit and accountability in the public sector. This result contradicts with result of (John Wachira et al, 2014), the study adopted a descriptive design and target 30 accounting, finance and administrative staff in the government department in Mirangine Sub-county of Nyandarua County. The result is consistent with Johnny (2013), who also adopted a descriptive design with a sample size of 56 administrative staffs in public offices in Pakistan, found a positive significant relationship between internal audit and accountability.

VIII. Conclusionand Recommendation

Based on the outcome of the two hypotheses which were empirically tested and the research finding stated earlier in this chapter, the researcher therefore, concludes that there is a significant positive relationship between financial control and accountability in the public sector.

Based on the findings of this study the researcher recommends that:

1. The organization should pay more attention on internal audit than on internal control to ensure effective financial control and improve on accountability thereafter due to the insignificant relationship internal control has on accountability.
2. Management should establish and implement periodic review of internal audit performance to ensure that its performance and value to the Institution is maximized and to ensure compliance with appropriate standards and guidance.
3. Internal control activities, procedures and policies should be regularly revised to ensure that they are effective.

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Obah Daddy Obah. "The Impact of Financial Control on Accountability in the Public Sector in Nigeria." IOSR Journal of Economics and Finance (IOSR-JEF) , vol. 9, no. 6, 2018, pp. 37-56.