

**INTERNAL AUDIT FUNCTION AND FINANCIAL ACCOUNTABILITY IN ENUGU
STATE CIVIL SERVICE: A STUDY OF ENUGU STATE MINISTRY OF FINANCE
AND ECONOMIC DEVELOPMENT (2020-2024)**

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ABSTRACT

The study examined internal audit function and financial accountability in Enugu state civil service, focusing on the State's Ministry of Finance and Economic Development. The study covered period of 2020-2023. The main thrust of the study was to: find out if prepayment audit has significant positive effect on financial accountability in Enugu State Ministry of Finance and Economic Development between 2020-2024; identify if post-payment audit has significantly improved financial accountability in Enugu State Ministry of Finance and Economic Development between 2020-2024; and find out if internal audit's investigation of cases of fraud, embezzlement and loss of funds has significantly enhanced financial accountability in Enugu State Ministry of Finance and Economic Development between 2020-2024. The theory applied in the study is Public Financial Management theory. The study was conducted in four phases. In the first phase was the articulation of the background to the study wherein introductory insight was provided about the topic focusing on the key variables. The actual problem examined by the study was clearly stated, and followed by research questions, broad and specific objectives of the study. The significance of the study was stated theoretically and empirically. This phase ended with articulation of the scope of the study. The second phase centered on the review of extant literature patterned into conceptual framework, theoretical review and empirical review, which enabled the identification of gap in literature, closed by the current study. Alternative hypothesis were postulated, and the key concepts in the study operationalized. Also treated in this phase was the research methods. The third phase centered on data presentation, analysis and discussion of findings. While the last phase comprises of the study summary, conclusion and recommendations. The findings of the study revealed that: prepayment audit has significant positive effect on financial accountability in Enugu State Ministry of Finance and Economic Development between 2020-2024; post payment audit has significantly improved financial accountability in Enugu State Ministry of Finance and Economic Development between 2020-2024; and internal audit's investigation of cases of fraud, embezzlement and loss of funds significantly enhanced financial accountability in Enugu State Ministry of Finance and Economic Development between 2020-2024. The internal audit function of pre-payment audit should continually be engaged with in the promotion of financial accountability in Enugu State Ministry of Finance and Economic Development. Investigation of cases of fraud, embezzlement and loss of funds should be continued with as an internal audit function in the Ministry..

Keywords: Financial Accountability, Internal Audit Function, , Enugu State, Ministry of Finance and Economic Development, Nigeria

1.0

INTRODUCTION

The civil service which is a permanent institution under the executive arm of government has the responsibility for implementing government policies and programmes. In doing this, resources and activities are involved; and for effective use of the resources involved, and execution of the activities, several departments are created in the respective organizations that make up the institution and they are charged with various responsibilities directed at the accomplishment of the general mandate. One of these departments is the internal audit department, whose responsibility it is to undertake internal control of processes in the organization; more especially financial control, in the bid to promoting financial accountability. Oluoch (2018) stated that, financial control via internal audit in organizations is disaggregated into prepayment audit, post-payment audit and investigation of cases of fraud, embezzlement and loss of funds among others. Going further, they disclosed that in the civil service, government consider prepayment audit as an internal control measure it uses to ensure that public funds to be expended are duly sanctioned. Additionally, that the role of post payment audit is to ensure that payments are made to the right persons, institutions and for the right reasons. While the role of fraud, embezzlement and loss of funds investigation is to forestall future fraud and intent in the civil service.

According to Olaoye et al (2021), the main aim of financial controls in the public sector via internal audit is to enable the provision of overall guiding framework for proper and efficient resources management and promotion of financial accountability. That is, the target is having a solid system of financial regulation in government establishments, in order to promote abilities of the organizations involved to actualize their objectives, safeguard their assets and records, access financial reliable data and encourage adherence to prescribed regulations and policies. This aligns with the assertion of Wachira et al (2014) when they eloquently stated that, internal audit practice which is a financial control practice facilitates effectiveness and efficiency in operations via the encouragement of financial accountability, the improvement of internal and external financial reporting, and assistance in the maintenance of compliance with regulations and laws in the organization. Going further, they also maintained that internal audit function principally incorporates prepayment audit, post-payment audit, and investigation of cases of fraud, embezzlement and loss of funds.

Wikiaccounting (2024) disclosed that prepayment audit and post-payment audit has serious implication for financial control in both public and private institutions' pursuit of financial accountability. It defined prepayment audit as the very first step taken during the conduct of internal audit. In prepayment audit, the financial documents of the organization involved are duly examined to make sure that all the information that is contained in the documents are correct (Wikiaccounting, 2024). Prepayment audit lays emphasis on the review of intended transaction documents before payment to determine their propriety, validity, quotations, agreements, conformity with rates, tenders or contracts. That is, prepayment internal audit function is targeted at detecting and eliminating billing errors before payment (Cornell Law School, 2024). Legal Aid Council (2024) stressed that prepayment internal audit function includes internal audit of all payment vouchers to ascertain approval, authorization, proper documentation and accuracy before passing them for payment; while post payment internal audit composes of audit of all accounting records to confirm the correctness of what was passed for payment. That is, post payment audit is directed at a review to find out if billing documents after payment met the standards of validity, propriety, and conformity of rates amongst others. It is

an oversight function. Post-payment audit, is an analysis to see if the assumptions incorporated into the original capital proposal turned out to be accurate, and to find out whether the project outcome was as expected (Legal Aid Council, 2024). That is, the target of post-payment audit and prepayment audit is improvement in the decision making processes and general enhancement of financial accountability in the organization, focusing on effectively positioning the internal control system with strict emphasis on financial control. Stressing further, it disclosed that internal audit function also lays serious emphasis on investigation of cases of fraud, embezzlement and loss of funds; wherein, there is thorough specific inquiry or search into official or material documents used by an accused person for want of contractual and pecuniary default as it has to do with transactions undertaking by such party or groups on behalf of the organization using the financial resources of the organization.

According to Amalia (2023), it is readily taken that by ensuring the effectiveness of internal control processes of any organization, the maintenance and sustenance of the organization's smooth run is in part, obtainable. More so, they averred that the operational viability of an organization is hardly sustained when there is not prudent management of the resources of the organization; especially its financial resources, thereby giving room for lack of financial accountability prevalence. Given how important financial accountability is to organizations and institutions, with finance considered the life-wire of every establishment, it becomes reasonable to ensure that an internal control measure is instituted in the organization to accomplish this (Odu, 2022). This informs the sight of internal audit functions in organizations and institutions: public and private alike taking the forms of prepayment audit, post payment audit and investigation of cases of fraud, embezzlement, and loss of funds.

Owoeye (2024), defined internal audit as a managerial control function, having the core mandate to measure and evaluate the effectiveness of internal control system. That is, internal audit has a direct responsibility to the Accounting officer for an in-depth audit of the accounts and records, and for the examination of the procedures and systems in force. Additionally, this informs that just like other departments in organizations have functions, internal audit whether as a department or section in the civil service organizations has functions. For instance, Owoeye (2024) informed that with respect to Ministries and Extra-Ministerial Departments, and in tune with chapter 17 of the Financial Regulations in the Nigerian civil service, internal audit unit is established to provide an intoto and continuous audit of the accounts and records of revenue and expenditure, assets allocated and unallocated stores where applicable, among others. This also means that all activities of internal audit in Government Ministries or in the civil service organizations in Nigeria generally, are strictly guided by the provisions of the Financial Regulation and the extant treasury and establishment circulars (Zeyn, 2024). Cardinal functions of internal audit in the Nigerian civil services (federal, state and local government) include: checking compliance with laws, instructions and directives; checking the adequacy of financial and accounting systems; ensuring that treasury fund is spent as appropriated; maintaining adequate safeguards against fraud; the regulation of payments and receipts; issues and consumption of stores among others (Owoeye, 2024).

The Nigerian Ministry of Interior in Keay (2017) informed that, internal audit functions' to assist the management in achieving general mandate; and it does this by making sure that all financial transactions are executed in line with government laid down rules and regulations. That is, internal audit functions to create an efficient and effective internal control system that has the potency to rendering satisfactory services, devoid of fraud and making sure that all preparations and payment procedures are in compliance with government rules and regulations. Odu (2022) informed that in Enugu State Ministry of Finance, internal audit's function covers areas like management auditing; financial auditing reports provision; value for money auditing; prepayment auditing of salary vouchers; prepayment auditing of overhead vouchers; post payment audit; investigation of reported cases of fraud, embezzlement and loss of funds;

auditing of store and purchase issues; and complete and progressive auditing of accounts recording of income generation and payments.

With most of the functions of internal audit pointed out in the preceding paragraphs laying emphasis on apparent factors that can foster financial accountability in an organization, for instance investigation of reported cases of fraud, embezzlement and loss of funds; and prepayment and post payment audit, it arouses curiosity to assess if there is actual connection between these internal audit functions and financial accountability in the organization.

According to Financial Accountability Guide (2024), financial accountability exists when individuals are held accountable for effectively carrying out financial activities to include an important regulation procedure within financial transactions process. This is a disclosure that financial accountability in promotion and pursuit, if well defined in structure serves as the foundation for establishing effective financial processes. Tearfund (2024) stated that financial accountability entails a demand that persons responsible for managing money need to be able to account for the money officially given to them as was expended. That is, when dealing with money on behalf of others or an organization, accountability is crucial.

Financial accountability manifests in keeping due records of financial transactions, provision of supporting documentation for financial engagements, and effective use of funds one is allocated or entrusted with (Tearfund, 2024). In the position of King (2014), financial accountability means individuals being responsible for managing budgets, tracking expenses against allocations and justifying requests for additional funds; having tightened control around invoicing, collecting and accurately recording incomes; properly tracking, maintaining and securing the organization assets under one's supervision; following clear approval processes for expenses, by adhering to spending ceilings and properly documenting transactions. This paper seeks to examine the role internal audit function plays in financial accountability in Enugu State civil service, focusing on Enugu State Ministry of Finance.

Poor state of financial accountability features among the problems bedeviling public institutions in states in the Nigerian federation. This state of affairs was made known by Olaoye et al (2021) when they informed that for time long, the Government of the states in the country have acknowledged as problem in the public sector, public funds mismanagement in the form of poor accountability, financial leakages in the budgetary process, lack of transparency in fund usage, poor cash management and resource allocation among others.

In most Ministries and Extra-Ministerial Departments in the civil and public services of states in the country, inadequate financial accountability has continually been blamed for under-performance in the implementation of public policies and programmes (Olaoye et al, 2021). Enugu State civil service is not exonerated from this worrisome situation. Edeh and Ogbodo (2020) disclosed that, while surplus funds have continually been injected into the civil service institutions in Enugu state, more especially in the state's ministry of finance and economic development, little has been positively seen as outcome with funds wastage and poor performance being the order of the day.

Enugu State Ministry of Finance and Economic Development which is one of the civil service institutions in the state, receives whopping sums of budgetary allocations year after year with less to show for it due to the lack of financial accountability by the workers in the use of public funds (Aloke & Abara, 2021). Take for instance, the Ministry received in the budget of the state for the year 2024 titled "Budget of Descriptive Economic Growth", the whopping sum of N20.633 billion on recurrent expenditure, and N22.139 billion on capital expenditure (Enugu State Ministry of Budget and Planning, 2024). That is, this amount is to be spent by the State's Ministry of Finance and Economic Development, for internal services and public good.

In the earlier year of 2021, the Ministry was allocated N10, 312,925,419 (ten billion, three hundred and twelve million, nine hundred and twenty five thousand, four hundred and nineteen naira) as expenditure on administrative classification, and in the years 2022 and 2023:

N5,76,335,673 (five billion, seventy six million, three hundred and thirty five thousand, six hundred and seventy three naira) and N10,87,236,130 (ten billion, eighty seven million, two hundred and thirty six thousand, one hundred and thirty naira) respectively (Enugu State Ministry of Budget and Planning, 2023). Additionally, it branded the Ministry, one of the largest spending Ministry. To this end, it is expected of the Ministry to utilize these funds effectively and efficiently in rendering public service, formulating and implementing adequate public policies fitting to its mandate. Instead of this, there has been the mismanagement of public funds allocated to the Ministry which tantamount to the Ministry's under-performance in areas of excellent budget preparation, defence and monitoring of the annual budget of the state, adequate implementation of fiscal management, formulation and implementation of suitable policies on taxation and tariffs (Odum & Ovie, 2021). These poor outcomes are impediments to the progress of the State and its institutions given the key role the Ministry of Finance plays.

(Olochi & Egbe, 2019) informed that poor financial accountability in Enugu State Ministry of Finance and Economic Development appears to be infectious to other ministries in the state given that as the government department in charge of finance activities of the state, the Ministry falling short of financial discipline can only in part mean that other Ministries can borrow leave from there to champion treasury misappropriation, thereby frustrating the states government efforts to bringing about development and building institutions well equipped to make life easy for the indigenes of the state and for the residents. Ekpemedede and Anokwulu (2021) reported that poor state of financial accountability in most ministries in Enugu state, including the state's ministry of finance in particular compounds the rising menace of self-enrichment, embezzlement of public funds, and other sharp practices rampant among civil servants and public servants generally in the state. They maintained that funds are scarce compared to demands on them, but the lack of accountability from workers in the Ministry have continued to mount undue pressure on the little available financial resources of the state, both those generated internally and those externally sourced.

In all these, no doubt, it is the onus of internal audit in the Ministry to ensure that these large amounts of money allocated to the organization are spent with due diligence to budgeted purpose. This is such that, every worker in the organization is supposed to be answerable or responsible for any token given to him/her from the resources allocated to the Ministry. This is mostly important as the lack of financial accountability in the state ministry of finance has been found to be resulting to increasing public expenditure with less productive yield to the detriment of the state governance and welfare of the people of the state (Okparaobi, 2019). This disturbing situation of the State's ministry of finance calls for critical assessment of the role internal audit plays in financial accountability in the Ministry. This study focuses on respectively investigating the influence of internal audit functions: prepayment audit, post payment audit, and investigation of cases of fraud, embezzlement and loss of funds, on financial accountability (responsibility for the way money is used and managed) in Enugu State Ministry of Finance and Economic Development. On this note, the following research questions were guide to the study:

1. Does prepayment audit have significant positive effect on financial accountability in Enugu State Ministry of Finance and Economic Development between 2020-2024?
2. Has post-payment audit significantly improved financial accountability in Enugu State Ministry of Finance and Economic Development between 2020-2024?
3. Has internal audit's investigation of cases of fraud, embezzlement and loss of funds significantly enhanced financial accountability in Enugu State Ministry of Finance and Economic Development between 2020-2024

The study has both broad and specific objectives. The broad objective of the study is to examine internal audit function and financial accountability in Enugu State Civil Service, focusing on Enugu State Ministry of Finance. However, the specific objective of the study is to:

1. Find out if prepayment audit has significant positive effect on financial accountability in Enugu State Ministry of Finance between 2020-2024

2. Identify if post-payment audit has significantly improved financial accountability in Enugu State Ministry of Finance between 2020-2024
3. Find out if internal audit's investigation of cases of fraud, embezzlement and loss of funds has significantly enhanced financial accountability in Enugu State Ministry of Finance between 2020-2024

The study has both theoretical and empirical significance. Theoretically, the study advances the frontiers of knowledge through the application of Public Financial Management Theory. It engages in critical review of other relevant theories related to the study; thereby further promoting and creating awareness about them in literature. More so, the study provides conceptual insight on the key concepts captured in the topic and other concepts related to them. It did this by engaging in conceptual review, looking at the concepts from the lenses of different scholars who has conducted similar studies. The study also serve as data bank for future researchers who would develop interest in carrying out a related study or embark on the replication of the current one.

Empirically, the study made findings and recommendations which are very vital for use by the management and staff of Enugu State Ministry of Finance, and the State Government also. The findings of the study can inform the change or modification of direction in the employment of internal audit functions examined in this study in the pursuit of financial accountability in Enugu State Ministry of Finance. Findings of the study can also prompt further research.

In content, the scope of the study covers investigation of the influence of internal audit function on financial accountability in Enugu State Civil Service, focusing on the State's Ministry of Finance. Internal audit functions looked into are prepayment audit, post payment audit, and investigation of cases of fraud, embezzlement and loss of fund. While financial accountability cover holding individuals accountable for performing a financial activity. That is, responsibility for the way money is used and managed.

Geographically, the scope of the study is Enugu State Ministry of Finance. The period covered by the study was 2020-2024. The choice of this period instead of others was because, it is the period with considerable budgetary financial appropriation to the Ministry; hence it becomes crucial to assess the role internal audit played in fostering accountability in the funds usage.

2.0 LITERATURE REVIEW

2.1 Conceptual Framework

2.1.1 The Concept of Internal Audit

In engaging into the review of the concept of internal audit, it is appropriate to gain a cursory insight into what the term "audit" means. Petrascu (n.d) informed that, the word "audit" came from the Latin word "auditare", which means "to listen and inform others". He further stated that audit had been taking place since the time of the Egyptians and the Assyrians, beginning from the reign of Charles the Great or Edward 1 of England.

According to Blitz and Park (2024), audit is a systematic process of objectively obtaining and evaluating information or statements to figure out their magnitude of compliance with predetermined parameter, and communicating the result to concerned parties. They further averred that the practice of audit has considerable experience and features in various terms like control, checking, supervision, auditing, revision, and inspection. With each of the terms meaning comparing the actual situation with the situation that ought to be; establishing and analyzing the deviations and risks; and proposal or recommendation of steps to contribute to the accomplishment of an entity's goal or to provide it with accurate information. Nyakundi and Oluch (2021) defined audit as an in-depth examination of each financial transaction made by an organization which encompasses the sundry year-end accounts.

In the position of Corporate Finance Institute (2024), audit implies an important concept used in the field of accounting to describe the examination and verification of an establishment's financial records. That is, it is to ensure that financial information is represented accurately and fairly; or that financial statements are prepared in tune with the accounting standards. Financial statement comprises of income statement, balance sheet and cash flow statement (Corporate Finance Institute, 2024). Additionally, it stated that audit has three main types to include internal audit, external audit and government audit. Herein, the last two are briefly explained but internal audit gets in-depth insight. External audit is a type of audit carried out by external organization and third parties targeted at providing unbiased opinion that internal auditors might overlook (Adeniyi & Mbu, 2013). Government audit in contrast, is conducted to ensure that financial statements have been accurately prepared not to misrepresent the amount of taxable income of the establishment (Ojo, 2017).

Internal audit refers to an autonomous, objective assurance and consulting activity designed to add value and enhance organizations operations (Institute of Internal Auditors, 2012). Similarly, Corporate Finance Institute (2024) posit that, internal audit is an activity performed by Internal Auditors in an organization to evaluate and provide objective assurance that the organization's internal controls, corporate governance, and accounting processes are effectively operational. It further stated that internal audit is moderated by the following standards: objectivity- unbiased and informative opinions expressed in the report's recommendations; clarity- using concise language to convey recommendations and analysis; accuracy- a cost/benefit analysis is used to ascertain the degree of accuracy required to produce an important recommendation; and timeliness- the audit report is released promptly after the analysis has been done, to ensure speedy rectification of any weaknesses identified. Internal audit processes include planning, gathering information, risk assessment, testing and analysis, findings and recommendations, reporting, follow-ups and monitoring (Corporate Finance Institute (2024).

In the position of Ashish and Dheeraj (2024), internal audit means the investigation of how well, an organization maintains operational efficiency and manages accounting processes, while maintaining compliance with its standard rules and regulations. Internal audit means a process that appraises an organization's internal systems, centering on the organizations corporate and accounting procedures (Allen Audit & Advisory, 2024). More so, that its types are operational, compliance, financial, and information technology audit.

The emergence of internal audit is closely linked to the development of economic crisis of 1929 in United States of America; an era when businesses were thrown into economic recession (Petrascu, n.d). Okwey and Anozie (2011) reported that, during this time, employers were bent on reducing fees and taxes so that all accounts containing transactions, generating fees and taxes are rigorously analyzed so as to find the possibility of reducing the taxable transactions or supply for which taxes and fees were improperly paid.

2.1.2 Functions of Internal Audit in Public Organizations

Internal audit carries out large number of functions in public sector organizations. According to Abutaber (2016), one of the cardinal functions of internal audit in a public sector organization is maintenance of public money. He explained that, by public money, what is meant is fund belonging to the State which is, in the hands of a few persons charged with the responsibility of using such funds to meet the needs of the people. What this entails is that, through internal auditing, public officials or civil servants engaged in government employment, in managing the resources of the State allocated to their various departments, are checkmated or monitored as a matter of managerial internal control responsibility. Reuter et al in Dwamena and Ofori (2021) avers that internal audit function in the public sector organizations has evolved over the years due to dynamic of duty demand and stakeholders expectation.

Dwamena and Ofori (2021) stated that, internal audit function in the public sector include serving as management watch-dog, assessing risk management policies, maintaining compliance (prepayment, post payment audit, and investigation of fraud, embezzlement and loss of funds),

and fostering financial reporting quality. Similarly, Osagioduwa and Atube (2023) pointed out that the functions of internal audit in public sector institutions include provision of independent assurance, risk management, and effective governance practices. While Awolabi (2017) averred that internal audit function in public organizations include the safeguard of the resources of the organization against waste, fraud and inefficiency; seeing to the promotion of accuracy and reliability in accounting and operating data; judging the efficiency of operation in all dimension of the business; and encouraging and ensuring compliance with the organization policy.

Allen and Yoba (2018) were of the view that in public organizations, internal audit has the responsibility to examine, evaluate, and report on the adequacy of internal control as an addition to the proper, economic, effective and efficient use of resources.

2.1.3 The Concept of Financial Accountability

Financial accountability remains one of the cardinal necessities in organizations and individuals survival. Before delving into the meaning of the concept, it is suitable to gain some insight into the meaning of accountability. According to Francis (2024), accountability is the process through which an individual or group of individuals are held answerable for their actions and deeds. Going further, he eloquently affirmed that accountability from organizational perspective serves as the measure through which performance of the organization and persons serving in them can be analyzed and judged. That is, with respect to organization, the term accountability can be stated as a phenomenon bothering on individuals at higher echelon of hierarchy or at the lower level in the organization being accountable for their works and services rendered to the organization.

According to Obey and Ellen (2012) accountability has different forms. To begin with, is the individualizing form of the term which centers on accountability contributing in making the realization of the image an individual perceives of it. That is, this form of accountability assists an individual to polish his/her senses and action thereby improving the individual's image as noticed by other people. The second view of accountability is the socializing form which anchors on persons improving their performance and efficiency by engaging in interaction with some of the experienced people in the establishment (Obey & Ellen, 2024). They further revealed that within an organization, accountability mainly works through three distinct levels of accounting: auditing, financial reporting and management accounting. In all these, it can be taken that accountability breeds responsibility, and institutionalizes the use of accounting through which it operates in the firms and organizations.

According to Fiveable (2024), financial accountability entails the establishment of obligation of all kinds to demonstrate financial management practices, and maintain responsible and transparent use of resources. Additionally, it stated that, it is a concept which plays vital role in fostering trust among stakeholders; given that, it highlights how funds are utilized, sourced and reported. It is a concept which plays a vital role in guiding decision-making processes, evaluating organizational performance and meeting ethical and legal standards (Fiveable, 2024).

In the position of Zeyn (2024), financial accountability is the combination of economic and legal rationality, and the emphasis on compliance, efficiency and probity. Gray and Jenkins (1993) averred that it comprises of the concepts of effective and efficient use of financial resources. Mohammad and Haryomo (2004) maintained instead that financial accountability refers to the maintenance or responsibility of financial integrity, compliance with laws and regulations, and disclosure. In the position of King (2014), financial accountability means individuals being responsible for managing budgets, tracking expenses against allocations and justifying requests for additional funds; having tightened control around invoicing, collecting and accurately recording incomes; properly tracking, maintaining and securing the organization assets under one's supervision; following clear approval processes for expenses, by adhering to spending ceilings and properly documenting transactions. While Buchenau (2023) conceive it as the practice of taking responsibility for financial decisions, actions, and their results. That is, financial accountability encapsulates understanding of the impact of ones choices,

acknowledgement of mistakes, and taking initiative to improve in financial management. It manifests in keeping due records of financial transactions, provision of supporting documentation for financial engagements, and effective use of funds one is allocated or entrusted with (Tearfund, 2024).

2.1.4 Origin and Scope of Financial Accountability

Uzokwe (2012) reported that financial accountability, or accountability for the use of public funds has always been at the center of attention of philosophers, politicians, economists, lawyers as well as ordinary persons. They further disclosed that in the old ages, the Greek philosophers devoted large amount of their attention to handling public money. Aristotle opined that some officials handle huge sums of public fund intended for public good, and it is for this reason therefore, that it becomes necessary to hold them accountable, which can be through the use of other officials to receive and examine the accounts of activities they engaged in (Buchenau, 2023). These inspectors must administer no funds themselves, and they go by different names in different cities to include auditors, public advocates, examiners and scrutinizes (Uzokwe (2012). They added that financial accountability began with the need to maintain accountability in stewardship for the use of financial resources.

With respect to the scope of financial accountability, Uzokwe (2012) stated that financial accountability mainly comprises of provision of supportive documentation for financial activities; and accurate financial reporting of transactions. Writing on financial reporting of transactions as a part of the scope of financial accountability, Ferdinand (2023) explained that this covers taking responsibility for entries of financial figures into books of accounts of an organization. Financial accountability in the category of provision of supportive documentation for financial undertakings centers on the individuals backing or being answerable for their conducts in financial transactions on the basis of justification of their conducts with documentary evidences thereto (Ferdinand, 2023).

2.1.5 Importance of Financial Accountability in Public Sector Organizations

Writing on the importance of financial accountability in public sector organizations, Ayo and Odeh (2015) stated that, it helps to promote effective management and use of organizational funds; fosters workers discipline and fiscal responsibility; and makes for easy accomplishment of organizational goals. Similarly, Ukonu (2019) added that with financial accountability, both members of staff and management of an organization become fiscally transparent; personally contented; and corporate goal-oriented in the use of official funds.

In the opinion of Luke and Murray (2019), financial accountability is a basic necessity in the attainment of state goals and those of its institutions. Going forward, they stated that, in governance, state institutions are appropriated heavy sums of money to provide and maintain public goods; and in doing this, if responsibility for the use of the public money is not stressed, individuals in their official capacities are most likely to divert public funds for private investments which is capable of crippling the growth and development of the state and its institutions, especially in governance involving formulation and implementation of public policy. Additionally, that financial accountability builds trust and transparency.

2.2 Theoretical Review

2.2.1 Stewardship Theory

According to Rivas & Arino (2008), Stewardship theory was espoused by Lex Donaldson in the year 1991 and advanced by Davis (1993). The theory is a concept in corporate governance suggesting that there should be an alignment of the interests of the principal, usually the citizenry represented by government, and the steward, usually the management and workforce of public organizations focusing on actual use of public funds and owning up of financial responsibility (Modjadji & Ngwakwe, 2022). Lending his voice on this theory, Keay (2017) stated that, the Theory sees internal auditing and reporting as representations of accountability and acts as central tenets towards achieving objectives of organizations; therefore

they facilitate the achievement of stewardship in financial undertakings, though not necessarily for distrust on management. In same vein, Oluoch (2018) defending the proposition of Stewardship theory, informed that the Theory sees public institution as representing principal-agent relationship in which case, the government acts as the principal and workers in the organization serves as principal's agents. Going by this, the institution concerned is bestowed with the responsibility for resources sourced from the tax payers being the citizens, therefore it is expected of the officials of the institution and the institution itself who puts the resources to use, to give account of how the financial resources are used and for this reason, internal audit functions' as both moderator and facilitator of this demand (Fadzil et al, 2005). This means that internal audit in public institutions tests whether the agency achieves its mandates and goals thus building public trust especially in use of public funds by the institution involved. This theory has been employed in studies aimed at assessing roles played by auditing generally in public sector organizations but not necessarily the civil service in particular.

While the theory is commended for its recognition of the need for transparency accountability and strong relationship between management and boards and of course that audit functions' to aid general organizations progress; it is criticized for over praising managers and officials as inherently trustworthy and willing to act in the best interest of stakeholders.

2.2.2 Credibility Theory

This theory suggests that the primary function of audit is to add credibility to financial statements, and by so doing stimulates financial accountability in the organization (Gathogoh et al, 2023). They disclosed that the proponents of this theory argued that the demand for audited financial statements has element that increase financial accountability, since the workers in the organization are compelled through auditing to maintain and comply with financial procedures and regulations in their use of official fund which in turn ensures that the audit function yields the desired or accurate financial statement.

Lending his voice to this theory, Ittonen (2010) posit that, users of financial statements are perceived to gain benefits from the increased credibility added by audit function and for the financial statement to be reliable for management decision making, it must in part be a buffer of financial accountability among other things within the organization. In tune with this, Bushman and Smith (2010) had argued that high-quality financial reporting in an organization championed by internal and external auditing, engenders credibility in the financial process and augments financial accountability. Similarly, Gathogoh et al (2023) affirmed that, the proponents of credibility theory argues that the need for credibility in financial reporting acts as a motivating factor for any organization and its workforce, positioning the latter for responsibility over funds expended.

2.2.3 The Theory of Inspired Confidence

According to Nyakundi and Oluch (2021), the theory of inspired confidence is credited to a Dutch professor, Theodore Limperg. They informed that the theory which originates in 1920 addresses both the demand for and supply of audit services; stating that the demand and supply of the service is the direct result of the participation of outside stakeholders in the organization. The emphasis here is that, the third parties demand accountability from the management of the organization in return for their investment in the establishment. The accountability demanded is realized via the issuance of periodic financial reports which is the function of auditing. According to Limperg (1932), since the information provided by the management may be biased, and the third parties have no direct means of monitoring the management, audit is required to assure the accountability of the workers and the management.

In a nutshell, the theory advocates that financial accountability in the organization is very crucial for the organization and the investors which can be citizens or the government; and for the management and workers in the organization to be financially accountable, auditing is needed to cross-examine financial information in the organization. The theory has been largely

applied in researches targeted at showcasing the influence of third party interest on organizational management.

2.2.4 Policeman Theory

This is a theory of auditing propounded by Charles Hickson in the early 20th century (Hayes, 1999). The theory was advanced by scholars like Beaver, and Wallace. The Theory proposed that the responsibility of auditing is to maintain and sustain arithmetical accuracy in an accounting system and prevent and detect fraud in financial records to foster financial accountability among workers and management (Poker, 2013). Although he stated that the shortcoming of the theory is its inability to explain the shift of auditing to verification of truth and fairness in the financial statement; he firmly maintained that the theory is most suitable in research focused on using internal accuracy of accounting system to maintain fiscal responsibility in an organization more especially as it concerns funds management and usage among workers and management. He ended by asserting that in the sight of Policeman theory, fraud prevention and detection is solely the responsibility of auditing in an organization.

In same vein, Akinadewo, Dagunduro, Osaloni and Jeremiah (2023) avers that the Theory is also known as ‘watchdog theory’ as it suggests that auditors act as vigilant overseers, detecting and deterring financial irregularities, fraud, and misstatements in financial reporting. They further noted that the Theory is mostly suited for research anchoring on the crucial role of auditing in maintaining the integrity of financial information system and aiding in detecting and prevention of financial misconduct in organizations.

2.2.5 Public Financial Management Theory

This theory has its route in the works of scholars like Vincent Ostrom, Richard Musgrave, and James Buchanan (Shoup, 1959). The attention of these scholars is on how government or public institutions can manage their resources. Public Financial Management theory argues that financial resources availability and accountability about their use in public organizations are not by chance, but are product of deliberate government budgetary provisions on one hand and maintenance of functional audit processes (Kioko et al, 2015). Lending his voice to this Theory, Hildreth and Khan (2004) opined that in tune with public financial management theory, managing financial transactions efficiently in the public sector comes with demand for accountability, which can be maintained through effective financial reporting engineered by audit function in the establishment.

Other stress areas by the theory in the management of public financial resources is budgetary control, transparency and accessibility of public information in the promotion and maintenance of public sector accountability. According to Kioko et al (2015), public financial accountability theory provides a specific insightful context to investigate accountability in public sector organization through research into the development and implementation of financial reporting standards and the creation and use of financial statements. That is, research into financial reporting may be helpful in better comprehension of the accountability mechanisms adopted and diffused in public organizations.

2.3 Empirical Review

Fonseca *et al* (2020) conducted a study aimed at discussing the connection between accountability and internal auditing; precisely the analysis of the magnitude to which internal audit contributes to the improvement of accountability in higher education institutions. Results of the study showed that information provided in the scope of internal audit contributes to improvement of management effectiveness and helps in decision making. More so, that higher educational institutions seeking to create an internal auditing office or to enhance the role of one which already exists should develop this office’s activities so that it becomes a tool to aid accountability and good governance of the entity.

Another study was conducted by Fili and Opeyemi (2016) centered on critically examining the role of internal audit in fostering financial accountability in tertiary institutions

in Kogi state with the view to identifying the extent to which effective internal audit role is of significant benefit to public sector management or could be employed as an instrument to enhance public sector management. The result showed among others, that internal audit play significant roles in fostering management financial accountability in the course of discharge of their duties.

Ahmeti et al (2020) investigated impact of internal audit quality on the financial performance of insurance companies: Evidence from Kosovo. The study which aimed at determining the effect of internal audit on financial performance in insurance companies in Kosovo stated that, increasing financial performance seek the application of proper internal audit practices. The study found that professional competence had significant impact on financial performance in contrast to the efficiency of internal audit which instead had a negative impact on financial performance of insurance companies in Kosovo.

Tumwebaze et al (2018) anchored their study on the establishment of the contribution of corporate governance and internal audit function on accountability in statutory corporations. Findings of the study were that there is a positive association between corporate governance and accountability as well as internal audit function and accountability. More so, the study disclosed that internal audit function and corporate governance predicts 36.2% of the variance in accountability of statutory corporations.

Onwukadike (2024) investigated internal audit and fiscal responsibility in Nsukka local government area council of Enugu state. The study aimed to find out how internal audit manifest in internal evaluation of accuracy of accounting records, promote fiscal transparency. The study found among others that how internal evaluation of accuracy of accounting records promoted fiscal transparency in the council was by reduction in unethical recording practices.

The attention of Dsouza and Jain (2021) was on impact of internal audit quality on financial stability. The specific objective of their study was to find out the effect of internal audit quality as an essential tool, for effective and efficient financial management and stability, which fulfills the financial goals of the firm. It was stated in the study that due to the rising significance of internal audit quality and the dearth evidence of its impact on financial stability, organizational research in contemporary financial reporting should skew to firms benefit. The study found among others that high audit quality directly impacts company level of financial stability.

In another study, Eshitemi and Omwenga (2017) inquired into the impact of financial performance on internal audit function with respect to Lamu county, in Kenya. The study targeted the workers of the financial department in the County. It revealed that internal audit system has been influential in detecting frauds and false practices in the County. This finding was as a result of checking of the activities of the internal audit system frequently and assessing the adequacy of mitigation controls in various organizations.

Lastly, Shamki and Alhajri (2017) investigated factors that influence internal audit effectiveness in public organizations. The result from the analysis showed that factors that influence internal audit effectiveness include internal audit scope, experience of the internal auditor and the response of senior management.

2.4 Theoretical Framework

The theoretical orientation adopted for this study is Public Financial Management theory. This Theory has its route in the works of scholars like Vincent Ostrom, Richard Musgrave, and James Buchanan (Shoup, 1959). The attention of these scholars is on how government or public institutions can manage their resources. Public Financial Management theory argues that financial resources availability and accountability about their use in public organizations are not by chance, but are product of deliberate government budgetary provisions on one hand and maintenance of functional audit processes (Kioko et al, 2015). Lending his voice to this Theory, Hildreth and Khan (2004) opined that in tune with public financial management theory, managing financial transactions efficiently in the public sector comes with demand for

accountability, which can be maintained through effective financial reporting engineered by audit function in the establishment.

Other stress areas by the theory in the management of public financial resources is budgetary control, transparency and accessibility of public information in the promotion and maintenance of public sector accountability. According to Kioko et al (2015), public financial accountability theory provides a specific insightful context to investigate accountability in public sector organization through research into the development and implementation of financial reporting standards and the creation and use of financial statements. That is, research into financial reporting may be helpful in better comprehension of the accountability mechanisms adopted and diffused in public organizations.

2.4.1 Tenets of Public Financial Management Theory

According to Kioko et al, (2015), the propositions of this theory are:

1. Public financial resources should be adequately managed if public needs must be met
2. Public organizations has to maintain transparency and accountability in their use of tax payers money
3. Tax payers (citizens) are stakeholders in the management of public institutions, and their investment via compliance with taxation must be dully sustained through promotion of public trust via financial accountability
4. Auditing is a tool for maintaining adequate internal control process and engendering adequate financial reporting
5. Adequate management of public funds calls for deep consideration and maintenance of financial accountability
6. The maintenance of adequate internal control process can foster financial accountability in resource use in public sector organizations

2.4.2 Application of Public Financial Management Theory to the Study

The theory duly provides explanative insight into why financial accountability is paramount in public organizations. It lends credence to the application of internal audit in public institutions for appropriate financial reporting and accountability. This puts the current study into perspective, since it examined the role of internal audit function in financial accountability in the civil service. That is, the theory provides a specific insightful context to investigate accountability in public sector organizations which the civil service in this case Enugu State Ministry of Finance is a part of; emphasizing the need for implementation of financial reporting standards, and the creation and use of financial statements.

More so, the theory justifies the indices of internal audit function investigated in this study by proposing that, public organizations should maintain transparency and accountability in the use of public fund. This substantiates the audit function of prepayment audit, post-payment audit, and investigation of cases of fraud, embezzlement and loss of funds in the civil service institutions pursuant to financial accountability. The theory provides foundation for the hypothesis stated in this study: possessing in content, both variables under examination. It serves as basis for the interpretation of the findings of the study and also the kind of data to be used and method of data analysis employed. It is also, the framework of the theory that provide moderation to the findings made which in turn formed he basis of the study recommendations.

2.5 Hypotheses

Alternative hypotheses were stated to guide this study. They are as presented below:

1. Prepayment audit has significant positive effect on financial accountability in Enugu State Ministry of Finance and Economic Development between 2020-2024
2. Post payment audit has significantly improved financial accountability in Enugu State Ministry of Finance and Economic Development between 2020-2024

3. Internal audit's investigation of cases of fraud, embezzlement and loss of funds has significantly enhanced financial accountability in Enugu State Ministry of Finance and Economic Development between 2020-2024

2.6 Operationalization of Key Concepts

The following major concepts in the study means:

- i. **Internal Audit Function:** A managerial control function, having the core mandate to measure and evaluate the effectiveness of internal control system and financial reporting. This incorporates the following:
 - a. Prepayment audit - Centers on the review of intended transaction documents before payment, to determine their propriety, validity, quotations, agreements, conformity with rates, tenders or contracts.
 - b. Post-payment audit - Audit function directed at a review to finding out if billing documents after payment met the standards of validity, propriety, and conformity of rates.
 - c. Investigation of cases of fraud, embezzlement and loss of funds - All thorough specific inquiries or search into official or material documents used by an accused person for want of contractual and pecuniary default as it has to do with transactions undertaking by such person or persons on behalf of the organization using official funds.
- ii. **Financial Accountability:** Financial accountability refers to keeping due records of financial transactions, provision of supporting documentation for financial engagements, and effective use of funds one is allocated or entrusted with. The crux of which is responsibility for the way money is used and managed.

3.0

METHODOLOGY

3.1 Research Design

The study is an analytical cross-sectional survey. An analytical cross-sectional survey is a research design which involve the collection of vital information on the presence or level of one or more variables of interest; and assesses the relationship between the presence of an exposure and that of an outcome (Aggarwal & Ranganathan, 2019). It is adopted in this study, as the study sets to obtain information about the variables of interest from the population at one time.

3.2 Population of the Study

The population of this study comprises of all the 978 (nine hundred and seventy-eight) male and female workers in Enugu State Ministry of Finance and Economic Development (Personnel Department Enugu State Ministry of Finance and Economic Development, 2024).

3.3 Sample Size and Sampling Technique

The sample size of this study is 283. This was determined using Taro Yamani formula. The formula was applied thus:

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

Where;

n = Sample Size

N= Finite population

e = Allowable error.

For this study therefore, N = 978 and e = 0.05.

$$n = \frac{978}{1 + 978 (0.05)^2}$$

$$n = \frac{978}{1 + 978 (0.0025)}$$

$$n = \frac{978}{1 + 2.445}$$

$$n = \frac{978}{3.445}$$

$$n = 283.$$

3.4 Sampling Technique

The sampling technique employed in the study was simple random sampling technique. Simple random sampling technique is a probability sampling technique which gives equal chances to every member of the population to be selected into the sample.

3.4 Sources and Methods of Data Collection

The sources of data collection for the study comprised both primary and secondary methods of data collection. The primary sources of data collection which consists of data directly generated by the researcher from the field was through questionnaire instrument. The secondary sources of data collection which are from previous works of other scholars and researchers, comprised of documentary information from books, articles, journal publications, and official government publications.

3.5 Method of Data Collection

The method of data collection for this study was questionnaire. A structured questionnaire was drafted to elicit guided responses from the research respondents; and each question asked was useful to the attainment of the specific objectives of the study. This questionnaire was modeled on five points Likert scale of Strongly (SA), Agree (A), Undecided (U), Disagree (D) and Strongly Disagree (SD); with the respective values of the measurement scale coded as 5,4,3,2,1.

3.6 Validity of Instrument of Study

For the validity of the instrument of data collection, the instrument (questionnaire) was submitted to three experts to validate its content. First, the questionnaire was submitted to an expert in the Department of Measurement and Evaluation, Faculty of Education, University of Nigeria Nsukka, to review the items in the instrument in terms of their clarity, suitability and appropriateness of language. Later, the questionnaire was submitted to two independent researchers in the Department of Public Administration, Faculty of the Social Sciences, University of Nigeria, Nsukka for verification and approval of appropriateness. Of these last two independent researchers, one was the project supervisor, whose final vetting was adopted as guide in preparing the final copy distributed.

3.7 Reliability of Instrument of Study

Pilot test method was adopted to foster the reliability of the data gathering instrument. The questionnaire was first administered to 30 employees of Enugu State Ministry of Information. Data collected was subjected to the test of internal consistency using Crombach Alpha, and the outcome of the test of the responses to the entire items on the questionnaire was 0.769.

3.8 Method of Data Presentation and Analysis

Data were presented in tables that display their descriptive statistics for easy understanding. Pearson Chi-square was adopted for test of hypotheses. The level of significance adopted is 5% (0.05). The analysis were done on the Statistical Packages for the Social Sciences (SPSS) version 20.

3.9 Decision Rule for Consideration of Test Result

For descriptive statistics of responses to item statements, any item statement with mean of response above 2.50 is accepted; while those with mean of response below 2.50 are rejected. With regards to hypotheses testing, if **p value** is greater than or equal to 0.05, the null hypothesis

is accepted; but if the **p value** is less than 0.05, the null hypothesis is rejected and the alternative hypothesis accepted.

4.0 RESULT PRESENTATION, ANALYSES AND DISCUSSION

Data for the study were presented, analyzed and discussed hypothesis-by-hypothesis. However, the immediate presentations below are on the respondents' bio-data and on the dependent variable respectively.

Table 1A : Gender of Respondents

Category	Frequency	Percent	Valid Percent	Cumulative Percent
Female	117	41.3	41.3	41.3
Valid Male	166	58.7	58.7	100.0
Total	283	100.0	100.0	

Table 1A above disclosed that 117(41.3%) of the respondents were female, while 166(58.7%) of them were males.

Table 1B: Duration in Active Service

Category	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1-10yrs	79	27.9	27.9	27.9
11-20yrs	73	25.8	25.8	53.7
21-30yrs	131	46.3	46.3	100.0
Total	283	100.0	100.0	

Source: SPSS Version 20.

Data in table 1C above revealed that 79(27.9%) of the respondents have worked at the Commission for 1-10years; 73(25.8%) of them have worked for 11-20years; and 131(46.3%) of them have worked for 21-30years.

Table 1C: Staff Category

Description	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Junior	83	29.3	29.3	29.3
Senior	129	45.6	45.6	74.9
Management	71	25.1	25.1	100.0

Total	283	100.0	100.0	
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Data in Table 1C above revealed that 83(29.3%) of the respondents were junior members of the staff, 129(45.6%) were senior staff members; and 71(25.1%) were management staff.

Table 2: Mean, Standard Deviation (SD) and Decision on the responses given by the respondents regarding financial accountability in Enugu State Ministry of Finance and Economic Development between 2020-2024

Item Statements	Mean	SD	Decision
Workers spent funds of the Ministry only as duly approved.	4.22	0.80	Accepted
Workers in the ministry being highly cautious about the use of the Ministry's financial papers in contract engagements.	4.58	0.69	Accepted
Workers in the organization distancing themselves from fraud and funds embezzlement.	4.06	0.92	Accepted
It became a common practice for workers to provide support documents for payments they officially made.	4.16	0.40	Accepted
Within the period workers committed to accurateness and exactness of figures on payments officially made.	4.36	0.62	Accepted

Source: SPSS Version 20

Result on table 2 above shows mean values not less than 2.50 for each of the item statements. In view of the benchmark of 2.50 decision rule for item statements acceptance, all the item statements were dully accepted.

3.1 Hypothesis One: Prepayment audit has significant positive effect on financial accountability in Enugu State Ministry of Finance and Economic Development between 2020-2024

In line with the first hypothesis postulated to guide the study, the data obtained from the respondents matchable to the hypothesis testing were presented hereunder and linked to relationship between questions 6, 7, 8, 9, 10; and question 1, 2 ,3, 4, and 5 of the questionnaire.

Table 3.1: Mean, Standard Deviation (SD) and Decision on the responses given by the respondents on the practice of prepayment audit in Enugu State Ministry of Finance and Economic Development between 2020-2024

Item Statements	Mean	SD	Decision
The practice of checking for non-compliance with payment rules on documents before approval.	4.36	0.97	Accepted
Internal audit involving the identification of areas of risk before contractual payments are officially made .	4.07	0.65	Accepted
Internal audit in the Ministry involving the review of payment vouchers before actual payments to ensure the beneficiaries are those officially intended.	4.77	0.59	Accepted
Internal audit in the ministry involving the review of expressed agreements and validity of official financial papers before their implementation with outside parties by the officials.	4.30	0.76	Accepted
Internal audit reviewing bills and payment vouchers for approval before actual payment is made.	4.30	0.76	Accepted

Source: SPSS Version 20

Result on table 3.1 above shows mean values not less than 2.50 for each of the item statements. In view of the benchmark of 2.50 decision rule for item statements acceptance, all the item statements were dully accepted.

Test of Hypothesis One

Tablee 3.1.1: Case Processing Summary of the Test of Hypothsis One

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Prepayment_Audit * Financial_Accountabili ty	283	100.0%	0	0.0%	283	100.0%

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1368.713 ^a	90	.000
Likelihood Ratio	418.541	90	.000
Linear-by-Linear Association	157.123	1	.000
N of Valid Cases	283		

a. 99 cells (90.0%) have expected count less than 5. The minimum expected count is .00.

Source: SPSS, Version 20.

Table 3.1.1 above is a chi-square test of association between financial accountability and prepayment audit in Enugu state Ministry of Finance and Economic Development between 2020-2024. The case summary disclosed that there were no missing values in the test between both the independent and dependent variable. The chi-square test revealed a linear-by-linear association between financial accountability and prepayment audit, with a very high likelihood ratio of prepayment audit association with financial accountability. The Pearson chi-square value is **1368.713a**, with 0.000 level of significance which is less than 0.05.

Findings: In line with the decision rule that if p value is greater than or equal to 0.05, the null hypothesis should be accepted; but if the p value is less than 0.05, the null hypothesis should be rejected and the alternative hypothesis accepted. The study accepts the alternative hypothesis. It is therefore, concluded that prepayment audit has significant positive effect on financial accountability in Enugu State Ministry of Finance and Economic Development between 2020-2024.

4.2 Discussion of Findings

The study result from the test of hypothesis one which is that prepayment audit has significant positive effect on financial accountability in Enugu State Ministry of Finance and Economic Development between 2020-2024, was due to the disclosure by the research respondents about the critical and practical roles internal audit in the form of prepayment audit played within the period in fostering financial accountability in the Ministry. According to the respondents there was internal audit review of bills and payment vouchers for approval before actual payments were made which accounts for why the workers spent the funds of the Organization as duly sanctioned. More so, that internal audit involved the checking for non-compliance with payments rules on documents before payment approval resulting to workers ensuring that they wrote accurate and exact figures for transactions.

Furthermore was the identification of areas of risk before contractual payment were made, which made workers in the Ministry become cautious about the use of the Ministry's financial papers in contract engagements. And internal audit review of payment vouchers before actual payments were made to ensure the beneficiaries were those officially intended, informed why workers in the Ministry always made payments to duly authorized beneficiaries only. Additionally, the review activities by the internal audit about the expressed agreements and

validity of official financial papers before they were implemented with outside parties made workers uphold financial discipline in the use of official funds.

3.2 Hypothesis Two: Post-payment audit has significantly improved financial accountability in Enugu State Ministry of Finance and Economic Development between 2020-2024

In line with the second hypothesis postulated to guide the study, the data obtained from the respondents matchable to the hypothesis testing were presented hereunder and linked to relationship between questions 11, 12, 13, 14, 15; and question 1, 2 ,3, 4, and 5 of the questionnaire.

Table 3.2: Mean, Standard Deviation (SD) and Decision on the responses given by the respondents on the practice of prepayment audit in Enugu State Ministry of Finance and Economic Development between 2020-2024

Item Statements	Mean	SD	Decision
Internal audit in the organization committing to identification of the differences between actual and budgeted expenses.	4.30	0.76	Accepted
Internal audit in the ministry involving the monitoring of payment of purchase orders to ensure workers made such payments in favour of the ministry.	4.35	0.72	Accepted
Internal audit in the organization engaging in the examination of payments made to ensure compliance with the Ministry's payment rule.	4.00	0.53	Accepted
Internal audit in the Ministry insisting on the workers provision of receipts for all payments made.	3.88	0.39	Accepted
Internal audit ensures that after every payment were made, they were correctly recorded and were made to persons who duly should receive them.	4.12	0.57	Accepted

Source: SPSS Version 20

Result on table 3.2 above shows mean values not less than 2.50 for each of the item statements. In view of the benchmark of 2.50 decision rule for item statements acceptance, all the item statements were dully accepted.

Test of Hypothesis Two

Table 3.2.1: Case Processing Summary of Test of Hypothesis Two

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Postpayment_Audit * Financial_Accountability	283	100.0%	0	0.0%	283	100.0%

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	745.402 ^a	54	.000
Likelihood Ratio	371.338	54	.000
Linear-by-Linear Association	137.910	1	.000
N of Valid Cases	283		

a. 58 cells (82.9%) have expected count less than 5. The minimum expected count is .01.

Source: SPSS Version 2.0

Table 3.2.1 above is a chi-square test of association between financial accountability and post-payment audit in Enugu state Ministry of Finance and Economic Development between 2020-2024. The case summary disclosed that there were no missing values in the test between both independent and dependent variable. The chi-square test revealed a linear-by-linear association between financial accountability and post-payment audit, with a very high likelihood ratio of post-payment audit association with financial accountability. The Pearson chi-square value is **745.402**, with 0.000 level of significance which is less than 0.05.

Findings: In line with the decision rule that if p value is greater than or equal to 0.05, the null hypothesis should be accepted; but if the p value is less than 0.05, the null hypothesis should be rejected and the alternative hypothesis accepted. The study accepts the alternative hypothesis. It is therefore, concluded that post payment audit has significantly improved financial accountability in Enugu State Ministry of Finance and Economic Development between 2020-2024.

3.2.2 Discussion of Findings

Post payment audit found in the study as having significantly improved financial accountability in Enugu State Ministry of Finance and Economic Development between 2020-2024 was on the basis of the disclosure by the research respondents that internal audit commits to identifying the differences between actual and budgeted expenses accounting for why the

workers duly restricted themselves to spending solely approved funds in the Ministry. More so, that internal audit in the Ministry ensured that payments were recorded correctly and made to persons who duly should receive them which informs why the workers correctly made payments to persons they were due to.

Additionally, internal audit's insistence on supported documentations receipt for all payments, made workers in the Ministry become use to providing supported documentation for payments made. In like manner, internal audit by monitoring the payment of purchase orders made workers duly pay for purchase orders in favour of the Ministry; and workers made sure that payments they made on behalf of the Ministry complied with receipts collected, as a result that internal audit requested that such documents must be compliant with payment rules.

3.3 Hypothesis Three: Internal audit's investigation of cases of fraud, embezzlement and loss of funds has significantly enhanced financial accountability in Enugu State Ministry of Finance and Economic Development between 2020-2024

In line with the third hypothesis postulated to guide the study, the data obtained from the respondents matchable to the hypothesis testing were presented hereunder and linked to relationship between questions 16, 17, 18, 19, 20; and question 1, 2 ,3, 4, and 5 of the questionnaire.

Table 3.3: Mean, Standard Deviation (SD) and Decision on internal audit's investigation of cases of fraud, embezzlement and loss of funds in Enugu State Ministry of Finance and Economic Development between 2020-2024

Item Statements	Mean	SD	Decision
Internal audit in the organization engaging in gathering evidence, analyzing data and verifying the accuracy of financial records.	4.30	0.76	Accepted
Existence of internal audit analysis of the Ministry's internal control system and identification of its weaknesses to prevent workers taking advantage of this to misappropriate funds.	4.35	0.72	Accepted
Internal audit collaboration with law enforcement agencies and external auditors on cases of fraud in the Ministry.	4.00	0.53	Accepted
Internal audit in the organization involving the provision of regular reports to management about status of investigation and actions taken to prevent fraud occurrences.	3.88	0.39	Accepted

In the organization, internal audit commits to the

recommendation of measures to forestall future fraud 4.21 0.57 Accepted

Source: SPSS Version 20

Result on table 3.3 above shows mean values not less than 2.50 for each of the item statements. In view of the benchmark of 2.50 decision rule for item statements acceptance, all the item statements were dully accepted.

Test of Hypothesis Three

Table 3.3.1: Case Processing Summary of the Test of Hypothesis Three

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Investigation_of_cases_of_fraud_embezzlement_and_loss_of_funds* Financial_Accountability	283	100.0%	0	0.0%	283	100.0%

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	745.402 ^a	54	.000
Likelihood Ratio	371.338	54	.000
Linear-by-Linear Association	137.910	1	.000
N of Valid Cases	283		

a. 58 cells (82.9%) have expected count less than 5. The minimum expected count is .01.

Source: SPSS Version 20

Table 3.3.1 above is a chi-square test of association between financial accountability and investigation of cases of fraud, embezzlement and loss of funds in Enugu state Ministry of Finance and Economic Development between 2020-2024. The case summary disclosed that there were no missing values in the test between both independent and dependent variable. The chi-square test revealed a linear-by-linear association between financial accountability and investigation of cases of fraud, embezzlement and loss of funds, with a very high likelihood ratio of investigation of cases of fraud, embezzlement and loss of funds, association with financial accountability. The Pearson chi-square value is **745.402^a**, with 0.000 level of significance which is less than 0.05.

Findings: In line with the decision rule that if p value is greater than or equal to 0.05, the null hypothesis should be accepted; but if the p value is less than 0.05, the null hypothesis should be rejected and the alternative hypothesis accepted. The study accepts the alternative hypothesis. It is therefore, concluded that internal audit's investigation of cases of fraud, embezzlement and

loss of funds significantly enhanced financial accountability in Enugu State Ministry of Finance and Economic Development between 2020-2024.

3.3.2 Discussion of Findings

Result emerging from the test of hypothesis three revealed that internal audit's investigation of cases of fraud, embezzlement and loss of funds significantly enhanced financial accountability in Enugu State Ministry of Finance and Economic Development between 2020-2024. What informed this was as a result that internal audit engagement in gathering of evidence, analysis of data and verification of the accuracy of financial records made the workers in the Ministry fiscally responsible. More so, was that internal audit analysis of the Ministry's internal control system and identification of weaknesses in it, conscientize workers to distance themselves from taking for personal use, funds belonging to the Ministry.

Furthermore, due to the internal audit recommended measures to forestall future fraud in the Ministry, workers avoided funds embezzlement, and distance themselves from related activities in the course of their official transactions. More so, was internal audit collaboration with law enforcement agencies and the external auditors on cases of fraud which inherently informed the reason workers avoided fraudulent practices in the Ministry. And internal audit provision of regular reports to management about status of investigations and actions taken to prevent fraud occurrences made workers in the Ministry readily accountable of their transactions.

5.0 CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

In tune with the findings of the study, internal audit function remains key to internal control system in the civil service. It stands out as a management control tool used to foster efficient and effective use of scarce organizational financial resources. And so long as financial resources remains crucial and scarce, calling for deliberate and dutiful measures to ensuring their adequate use in organizations and in the civil service to be precised, internal audit is duly positioned to serve as an efficient and effective watch-dog over routine financial engagements. Hence, in the promotion and sustenance of financial accountability in the civil service, using internal audit as a dependable instrument, is materially objective, and managerial rewarding. More so, financial accountability among members of the staff and management in the civil service should be considered a serious business in the use of states funds or appropriations to the civil service institutions, to ensure public funds are adequately put to use in the implementation of public policies and programmes for the greatest good of the citizenry.

5.2 Recommendations

The following recommendations were correspondingly made in the light of the study findings:

1. The internal audit function of pre-payment audit should continually be engaged with in the promotion of financial accountability in Enugu State Ministry of Finance and Economic Development. However, for prepayment audit to effectively continue to promote financial accountability in the Ministry, it should consistently center on the review of bill of payment and vouchers for approval before actual payment is made. It should also concentrate on scrutinizing non-compliance with payment rules on documents before the internal auditor grants payment approval.
2. Post-payment audit as an internal audit function should be maintained in the Ministry in the pursuit of financial accountability as it has to do with making sure the workers give account for

projects executed; payments made; provision of support documentation for payments and receipts received. This can effectively be attained by making serious commitment to monitoring the payments of purchase orders; request for documents compliance with payment rules and request for workers supported documentation for every payments made.

3. Investigation of cases of fraud, embezzlement and loss of funds should be continued with as an internal audit function in the Ministry. In the use investigation of cases of fraud, embezzlement and loss of funds to fostering financial accountability, the internal auditor should maintain engagement in gathering evidence, analyzing data, and verifying the accuracy of financial records. Other areas attention should be drastically given include: identification of the weaknesses of the Ministry's internal control system and taking measures to addressing it; steady collaboration with law enforcement agencies and the external auditors on cases of fraud; and regular provision of reports to management about status of investigation and action taken to prevent fraud occurrences in the Ministry must be sustained.

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