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Role of Accounting in the Control of Public Expenditure in Nigeria

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Abstract: *This research work is titled the role of Accounting in the control of public expenditure in Nigeria the incessant incident of budget deficit, misappropriation and embezzlement of project fund due to lack of good accounting system constitute the problems that necessitated this research. The population for the study entails all the workers in the State Board of Internal Revenue in Anambra 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 21 to examine the role of accounting control characterized by internal control (Risk assessment, Control procedures and information and communication system) and internal audit on total government expenditure in the public sector in Nigeria. The study reveals that there is insignificant positive relationship between internalcontrol on total government expenditure a significant positive relationship between internal audit and total government expenditure in Nigeria. The study therefore, recommends that; organization should pay more attention on internal audit than on internal control to ensure effective accounting 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.*

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I. Introduction

In most developing countries including Nigeria, government participation in economic activity is usually significant. One of the ways through which government has intervened in Nigeria economy is through the establishment of public enterprises and statutory bodies delivering goods and services of an economic or social character on behave of the government. The rationale behind the role of accounting in control of public enterprises in Nigeria are many, some of the reasons include: due to the high level of corruption, mismanagement, misappropriation and outright embellzement of public fund by a few individual. According to Abu-bader, (2003) it is possible for important profitable enterprises to be controlled by a few individuals or group, this organization provide certain critical activities, like economic stability and providing employment opportunities.

Public expenditure is the spending made by the government of a country on the collective needs and wants of her citizenries such as spending on; the provision of infrastructures, pension provision etc. Until the 19th century, Public expenditure was limited as Laissez faire philosophies which believed that money left in private could bring better returns. In the 20th Century John Maynard Keynes argued the role of Public Expenditure in determining levels of income and distribution in the economy (Adeniji, 2009). Since then government expenditures has shown an increasing trend. In the 17th and the 18th Century Public Expenditure was considered as wastage of money. Thinkers are of the view that Government should stay with their traditional functions of spending on defense and maintaining law and other.

According to Okwo (2011) public expenditures are incurred through budget implementation. The macro- economic goals of the state budget are administered in specific and complex systems which were developed in the managerial information unit of the general accounting department under the name of "budget implementation macro system" The role of accounting in the control of public expenditures relates mostly on setting of standards via budgeting and ensuring that the standard set are adhered to. The accounting controls also ensure the actualization of the macro-economic goals which are viz: maintaining the total framework of the planned expenses, adjustment of expenditure rate to the rate of the reception of incomes, regular follow-up of compliance with deficit goals, planning of the financing of the deficit in order to reduce the national debt-product ratio etc.

In Nigeria, public enterprises are engaged in a wide spectrum of economic activities including agriculture, mining, construction, manufacturing commerce and services. The classification of public enterprises in Nigeria has been made according to varieties of criteria by different authorities. The Public Service review commission (2015) classified public sector into: public utilities, regulatory of service body, financial Institutions and commercial and industrial enterprises.

Nigeria being mixed enterprises. Eze (2013) opined that a firm is classified as private enterprises when it is funded, owned and managed by an individual or group of individuals. These firms are expected to be registered in the state within which they operate. The activities of the public enterprises have been on the increase in recent times which necessitated the introduction of the accounting to check and monitor the financial activities of these enterprises.

According to Onyekwelu (2010) Accounting is defined as the process by which data relating to the economic activities of an organization are measured, recorded and communicated to interested parties for making informed decision. The earliest methods of accounting records were kept in physical quantities. These records came from Eastern early civilization which involved countries around the Mediterranean Sea such as Mesopotamia, Egypt, Greece Italy etc. Money was recorded as soon as it was received. Money took the place of barter as a medium of exchange and unit of account. This practice has been closely related to economic development of countries. If the operation of Public enterprise grows in size and complexity, management and other stakeholders will like to be informed on the enterprise's operation. Accounting is the only means via which such information which are financial in nature can be communicated to the stakeholders.

The role of accounting in enterprises in Nigeria is primary to ensure accurate accountability in these sectors and true and fair financial position of the enterprise. This role is of utmost importance in any organization. An organization can only grow or profit when the resources at its disposal are well managed. The role of accounting seems to be more pronounced public enterprises. In recent times, there are cases of mis-appropriation of funds in the public enterprises and improper accountability. These factors have led to a lot of public enterprises into oblivion, if the government had recognized the role of accounting all most of the problems witnessed would not have occurred. No Enterprise can move forward without having a well-organized and functional account department which will provide accurate financial information for the Enterprise and other interest group(s) (Nweze, 2014). The role of accounting in the control of public expenditure deals with the process of setting cost standards and ensuring that the standard set are maintained. However, if the already set standards appear to be in realistic such standard can be reviewed and adjusted for it to be more realistic. Control of public expenditure can be done through adequate budget implementation.

II. Statement of Problem

The amount of public expenditure to be incurred by the government in any fiscal year is contained in the annual budget. It is the goal of government to maintain balanced budget, but many countries especially the developing ones have rather witnessed budget deficit this implies excess of expenditure over revenue. The resources to finance this deficit are always unavailable and most government has failed to acknowledge the need for adequate forecasting and adjustment of forecast to ensure that a balanced budget is attained.

There are increasing cases of financial mismanagement and misappropriation in virtually all public enterprises in Nigeria, this is occasioned by non-existence of proper accounting system that will ensure accountability and transparency in the execution of public expenditures.

Furthermore, non-application of standard costing during forecasting by public administrators has made the control of public expenditures a difficult task. Standard costing, which is a good accounting technique for cost forecasting and control has not been adopted by public administrator hence, there are numerous cases or incidents of unfavorable or adverse variance between the budgeted or standard amount of public expenditure and the actual amount of public expenditure. Thus, there is need to evaluate the role of accounting in the control of public expenditure in Nigeria.

Objectives of the study

The aim of this research work in general is to vividly evaluate the role of accounting in the control of public expenditures in Nigeria. The specific objectives for this research work are:

1. To examine the relationship between internal control and total government expenditure in public sector in Nigeria.
2. To determine the relationship between internal audit and total government expenditure in public sector in Nigeria.

Research Questions

1. To what extent does adequate internal control affects public sector total expenditures in Nigeria?
2. How does internal audit affect public sector total expenditures in Nigeria?

Research Hypotheses
H_0: The Relationship between Internal Control and total expenditure in the Public Sector.
H_0: The Relationship between Internal Audit and total
expenditure in the Public Sector.

Review of Related Literature Accounting Control

Accounting control is a procedure 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 (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 accounting 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, 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.

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 statements are audited by the Auditor-General.
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 accounting 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 wrongdoings 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.

Limitations of Accounting Control

Effah (2011) disclosed that; a foundation concept underlying the definition of accounting control is that a accounting 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, 2007).

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.

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).

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.

Public Expenditures

Public expenditure refer to the expenses that government incurs for its own maintenance, for the society and the economy as a whole (Weil, 2009). Public expenditure reflects the policy choices of government. Once government has decided upon the type and quantity of goods and services to provide, public expenditure represents the cost of carrying out these policies (Weil, 2009).

The rationale behind the need for expenditure is associated with the existence of externality or market failures; there is no reason to assume that additional public sector investments would be more productive than the private sector investments (Tanzi, 2007).

Public expenditure on public services has profound effect on the citizens' standard of living and opportunities. Public expenditure on public services has the objectives of given the citizens chance to realize their fool potential (through education, training and work), building an inclusive and fair society and strengthening a competitive economy (Lin, 2004). Thus the objectives of public expenditure encompasses both equity and efficiency elements.

It is argued by some economists that efficiency improvement must be achieved at the expense of equity. However, inefficiency in the provision of public services has shown that opportunities for improved equity are lost because of wasteful use of resources (Bailey, 2002). This point is exacerbated to the point that both the provision and financing of public services crowds out the private sector and leads to reduced economic growth. Lower economic growth results too few resources being available for to pursue social programmes.

Public expenditure can be represented by two broad categories of government activity: exhaustive expenditures and transfer expenditures. (Bhatia, 2008) Exhaustive public expenditures correspond to government purchases of current goods and services (labour, consumables etc), and capital goods and services (i.e. public sector investment on roads, electricity, schools, hospital etc). These expenditures involve purchases of inputs by public sector and are estimated by multiplying the volume of inputs by input prices.

Exhaustive public expenditures are viewed as claim on the resources of the economy. Use of these resources by the public sector precludes use by other sectors. The absorption of resources by the public sector means that the opportunity cost of these public expenditures is the forgone output of the other sectors. It is the opportunity cost argument of this kind that underlies the argument for those who frown upon larger size of public sector and that also form the basis of many techniques used to measure public sector efficiency. This argument underpinned the crowding-out debate (Bhatia, 2008).

Thus, according to economists, an increase in government expenditures does not necessarily imply an increase in public output; neither does it always imply a reduction in efficiency, which makes efficiency calculation using national income data tricky (Brown and Jackson, 2006). Transfer expenditures on the other hand (which includes expenditures on pension, subsidies, debt interest disaster relief packages, etc.) do not represent a claim on the society’s resources by the public sector as in the case of exhaustive public expenditures. Transfers are seen as a redistribution of resources between individuals in society, with the resources flowing through the public sector as intermediary (Bhatia, 2008).

Public expenditure can also be seen from the perspectives of the tiers of government. Generally speaking, expenditures by the central government (Federal government in the case of Nigeria) include: expenditure on social security, defense, health, education, road, transport, trade and industry, agriculture, international relations, etc. On the other hand, major expenditures by states and local governments include expenditure on education, personal social services, local environmental health, feeder roads, leisure and recreation etc (Perkins, et al, (2001).

Public expenditure can be classified as functional (sectorial) categories of expenditure. Sectorial classification can further be decomposed into current and capital expenditures. On the other hand, functional or sectorial expenditure include general public service, defense, public order and safety, education, health, agriculture, manufacturing and construction, mining, and quarrying water supply, transport and communication electricity, environmental protection etc (Akrani, 2011; IMF, 2001; Heller and Diamond, 2000).

Barro, (2000), and Akrani, (2011) categorized government expenditure as productive and non-productive. Productive public expenditure includes resources devoted property rights reinforcement, as well as government spending activities that enter directly into the production function. On the other hand, those expenditures that could not enter into production function (such as government consumption services) are considered unproductive. Bleaney, et al, (2001) also classified general public expenditure, into: defense expenditure, educational expenditure, health expenditure, housing expenditure, and transport and communication expenditure as productive expenditure. Bleaney and his associates treated health and education spending as investments on human capital because of the additions to human capital they entailed. They classified social security and welfare expenditures, expenditure on recreation, and expenditure on economic services as unproductive expenditure.

Theoretical Framework

In an attempt to understand the role of accounting in the control of public expenditure in Nigeria, the study will anchor on two theories (Financial theory and Agency theory) were employed.

Theory of Accounting Control:

According to (John, 2014) the present and future personal functions of human beings are asserted to constitute the fundamental point of reference in a theory of accounting 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 accounting 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 accounting 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 accounting control theory is very relevant to the current study given that it assists in better understanding of the intricacies surrounding accountability in an organization.

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, 2008; Ashbaugh, 2008).

Empirical Literature

El-Nafabi (2009) when studying the role of public sector audit and accounting 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 financialcorruption in Sudan.

Alin. (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.

III. Methodology

The study adopted 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 Anambra 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: $n = \frac{n}{1+\square\ (\square)^2}$.

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: Primary sources and Secondary sources

Primary Sources of Data: These are data obtained from the SBIR, citizens, business organization, civil servants etc that are residing in Awka 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 Ananbra State Board of Internal Revenue and Federal Inland Revenue.
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 moreover, its reliability is based on the strong belief that the people whose ideas were expressed are experts in their chosen fields.

IV. 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 21 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: TEXP = F(IC, IA)… (1)
Where:
TEXP = Total Expenditure IC = Internal Control IA = Internal Audit
The above equation when expressed in explicit econometric form gives;

ROCE=β0+ β1IC+ β2IA+ μ… (2)
Where
b0>0, b1>0, b2>0 β0, β1,
β2 = coefficient parameters and μ = the error term

V. Data Presentation and Analysis

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.

Adequate internal control affects public sector total expenditure

		Frequen cy	Perce nt	Valid Perce nt	Cumulati ve 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: ***field survey, 2019***

The table above reveals that 47.2% of the respondents strongly agreed that adequate internal control affects public sector total expenditure 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 in an organization?

		Frequen cy	Perce nt	Valid Perce nt	Cumulati ve 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: ***field survey, 2019***

The table above reveals that 28.1% of the respondents strongly agreed that the excess expenditure result into loss in an organization, 25.8% of the respondents Agreed, 29.2% of the respondents were undecided, 16.9% of the respondents disagreed.

The existence of Internal audit help in reducing excess expenditure in public organizations.

		Frequen cy	Perce nt	Valid Perce nt	Cumulati ve 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: ***field survey, 2019***

The table above reveals that 31.5% of the respondents strongly agreed that the existence of Internal audit help in reducing excess expenditure in public organizations. 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 organization?

		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
Total		89	100.0	100.0	

Source: ***field survey, 2019***

The table 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.

Test of Hypotheses

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

Test of Hypothesis One

The Relationship between Internal Control and total expenditure in the Public Sector

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.863a	.744	.659	.92363

a. Predictors: (Constant), Internal Control

b. Dependent Variable: Total Expenditure

ANOVA[a]

Model		Sum of Squares	Df	Mean Square
1	Regression	7.441	1	7.441
	Residual	2.559	3	.853
	Total	10.000	4	

a. Predictors: (Constant), Internal Control

b. Dependent Variable: Total Expenditure

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	1.380
	Internal Contro	.091	.031	.863	2.953	.060	-.007	.189

Dependent Variable: Total Expenditure

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 total expenditure 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 total expenditure 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 total expenditure in public sector. The Value of R2 of 0.744 (known as the coefficient of determination) tells us that 74.4% of total expenditure 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 total expenditure of public sector in Nigeria.

Test of Hypothesis Two

The Relationship between Internal Audit and total expenditure in the Public Sector

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
.916a	.839	.785	.73314	2.469

a. Predictors: (Constant), Internal Control

b. Dependent Variable: Total Expenditure

ANOVA[a]

Model		Sum of Squares	Df	Mean Square
1	Regression	8.388	1	8.388
	Residual	1.612	3	.537
	Total	10.000	4	

a. Predictors: (Constant), Internal Control

b. Dependent Variable: Total Expenditure

Coefficients[a]

Mo del	Unstandar dized Coefficient s		Standar dized Coeffici ents	t	Si g.	95% Confidenc e interval for B	
	B	Std . err or	Beta			Lo wer bou nd	Upp er Bou nd
1 (Constant)	1.003	.603		1.664	.195	-.915	2.920
Internal Control	.112	.028	.916	3.950	.029	.022	.203

Dependent Variable: Total Expenditure

The result from the analysis table 1, 2, 3 (Model Summary, ANOVA and Coefficient) shows that internal Audit has strong positive significant impact on total expenditure in public sector. Looking at the P-value of the internal Audit on total expenditure 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 total expenditure in public sector. The Value of R2 of 0.839 (known as the coefficient of determination) tells us that 83.9% of total expenditure 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 R2 value of 0.916 meaning that the model is fit for making generalization. Therefore, internal Audit has positive significant impact on total expenditure of public sector in Nigeria.

VI. Conclusion and Recommendation

Based on the outcome of the two hypotheses which were empirically tested and the research finding stated earlier in this work, the researcher therefore, concludes that there is a significant positive relationship between accounting control and total government 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 accounting control and improve on accountability thereafter due to the insignificant relationship internal control has on total expenditure.
2. Management should establish and implement periodic review of internal audit performance to ensure that its performance and value to theInstitution 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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