

Effect of Internal Audit Techniques on Performance of Ezza-North Local Government Council

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Abstract

This study titled “Effect of Internal Audit Techniques on Performance of Ezza-North Local Government Council” was aimed to determine the effect of internal audit check technique on performance of Local Government Councils of Ebonyi State; ascertain the effect of internal audit vouching technique on performance of Ezza-North Local Government area; and examine the effect of internal audit confirmation technique on performance of Local Government Council in the study area. Survey research design was adopted to study 220 staff of the Council. Data for the study were collected from primary sources. The primary data were gathered through questionnaire. For the purpose of analyzing data collection from the field survey, frequency distribution tables and simple percentage techniques were applied. Findings revealed that internal audit check technique has significant positive effect on fraud reduction and performance of Ezza-North Local Government council; internal audit vouching technique has significant positive effect on performance of Local Government Councils in Ebonyi State; and internal audit confirmation technique has significant positive effect on performance of Local Government Councils of Ebonyi State. Based on the findings of the study, it was recommended that there is need for effective internal audit check technique, in order to improve on fraud detection and performance of Ezza-North Local Government Council; there is need for regular internal audit vouching technique in order to promote effective revenue accountability in Local Government Councils of Ebonyi State; and there is need for effectiveness and efficiency in internal audit confirmation technique so as to promote expenditure control in Local Government Councils of Ebonyi State.

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1. Introduction

Over the years, governments and businesses around have tried to establish measures to ensure effective and efficient utilization of organizational resource for achievement of defined objectives. One of such measures has been internal auditing. Internal auditing has been regarded as an independent appraisal function within an organisation for the review of activities as a service to all levels of management. According to the Institute of Internal Auditors (1991) cited in Sorunke (2016), the internal audit unit is expected to review the means of safeguarding assets and where appropriate, verify the existence of such assets with the aim of ensuring financial control.

Mohammed (2021) noted that there are basically six internal auditing techniques according to researchers. The techniques include: checking, vouching, and analysis, which are used in the examination of internal evidence in the books and records; and counting, observation, and confirmation, which are used to obtain evidence outside the books and records. By checking is meant the repetition of an act the bookkeeper has previously performed. By vouching is meant tracing an entry or a transaction to its source documents and examining the same for evidences of internal checking, for the regularity of the transaction, and for conformity of the entry to the code of accounts and to generally accepted accounting principles. One of the most effective ways to establish the reliability of certain features of the accounts is to obtain confirmation that the client's accounts agree with related records kept by other parties. Confirmations are obtained with respect to cash on deposit, undeposited receipts, notes and accounts receivable balances, surety deposits, securities held for safekeeping, inventories in the hands of outside custodians, notes payable, capital stock outstanding, etc. Ogechi, (2013) asserted that internal auditors provide high level of assurance that the financial statements follow Generally Accepted Accounting Principles (GAAP). Internal auditor is saddled with the responsibility of detecting, controlling and preventing irregularities resulting in losses to local government due to either fraudulent activities of the functionaries to their negligence or incompetence; payment through false certificate of completion; poor quality work (building, new roads, etc); shortage or losses of stores by storekeeper; assets paid for but not collected; payment of ghost workers; failure to collect local government revenues and also failure to account for local government revenues collected; and overpayment of salaries and allowances to staff, among others (Babbuli, 2021). This informed the establishment of internal audit unit in the local government system in Nigeria.

The Guideline for Local Government Reform (1976) as cited in Balogun and Fatogun (2019) defined local government as government at local level exercised through representative councils established by law to exercise specific powers within defined areas. These powers should give the council substantial control over local affairs as well as the staff and institutional and financial power to initiate and direct the provision of services and to determine and implement projects so as to complement the activities of the state and federal government in their areas, and to ensure, through devolution of functions to these councils and through the active participation of the people and their traditional institutions, that local initiative and responses to local head and conditions are maximized. To optimise the utilisation of resources entrusted to the officials, laws and regulations are enacted to control expenditures and sources of financing these expenditures. To ensure adherence to financial regulations, laid down procedures, policies and plans, internal audit units were established.

In nearly all Western industrialized countries, there are well developed mechanisms that guide the management of local government resources control. These mechanisms are embedded in the financial regulations. In Nigeria, the mechanisms are embedded in the Revised Financial memoranda for Local Government 1991. The Financial Memorandum stipulates the generation and judicious management of funds for the benefit of the entire community. As Ogundana (2017) rightly pointed out, through the evaluation of an organization's system of accounting and by inspection of documents, observation of assets, making inquiries within and outside the organization and by other auditing procedures, the auditor will gather the evidence necessary to determine whether the financial statements provide a fair and reasonably complete picture of the organization's financial position and its activities during the period being audited. Ege, (2015) contended that internal auditors as watch dogs are expected to consider and express their professional opinion on the financial statements and to report whether or not such statement presents a true and fair view of the financial position of organizations. Unfortunately, public office holders and the entirety of the agent of government at all level appear to have made audit in the public sector system a mere subject in books.

In Nigeria, research has showed that Nigerian local government councils have internal audit department with internal audit staff that carry out internal audit activities (Adeyemi, Akindele, & Agesin, 2012). This establishment according to them is consistent with the provision made by department of local government under the internal audit guidelines; which strongly recommends that all local government councils should have an internal audit function for the following reasons: (i) to supports good internal governance (ii) to ensure consistency with other levels of government (iii) to improve the effectiveness of risk management, control and governance processes (iv) helps to instill public confidence in an organisation's ability to operate effectively and efficiently.

In Ebonyi State's local government system, the menace of corruption appears to thrive over the years since its creation in 1996 in the state's local governments. The local government chairmen, treasurers, heads of personnel management, heads of departments and indeed most local governments officials appear to at one time or the other and in one way or the other been engaged in corrupt practices. For instance, Orife (2016) argued that the Ebonyi State House of Assembly had in 2015 indicted 12 of the then 13 Local Government Caretaker Committee Chairpersons for financial misappropriation. The Assembly had set up a committee to probe the financial dealings of the chairpersons between November 2014 and June 2015 when they all resigned their appointments. It noted that some of their expenditures had funny titles such as immunization costs, breastfeeding expenses, security expenses and solidarity rally for former President Goodluck Jonathan, among others. It was also reported that the caretaker chairmen, treasurers, cashiers and Heads of Department (HOD) of works connived to illegally withdraw money from the councils' accounts and siphoned them into private accounts. The caretaker chairmen withdrew funds from the council's stabilization accounts in collaboration with the Chairman and Secretary of the Joint Accounts Committee (JAC). Consequent upon this, the Assembly resolved that the former Caretaker Chairman of Izzi LGA, Godwin Nwogbaga, refunds N95 million. Mr. Nwogbaga, alongside the Head of Department (HOD), Works Department and Treasurer of the council, were also asked to jointly refund N217million. Similarly, the Chairperson of Ohaukwu LGA, Chinyere Elom, was asked to refund N53 million while the councils HOD for Works were to refund seven million. Also, the former caretaker Chairman Ezza North LGA, Jeff Ogbu, should refund N97 million while the treasurer of the council was to refund N6 million. The Chairman of Ezza-North LGA was to refund N158 million and return the 60KVA generator which she allegedly carted away while the council's HOD for works should refund N61 million. The Chairman of Ezza South LGA, Mr. Edwin Oke, was to refund N115 million being fund he could not explain how it was utilized while the council's HOD works was dismissed. All these issues raise question as to what the role of internal audit techniques have been in local government administration in Ebonyi State with reference to Ezza-North Local Government Council.

1.2 Statement of the Problem

Recently, local government councils in Nigeria have become the focus of constant debate as stakeholders express their dissatisfaction over the performance of these councils. Dwindling infrastructure, poor service delivery, corruption, mismanagement of financial resources which has resulted in debt and inability to pay worker's salaries have been reported (Achimugu, Stephen, & Agboni, 2013; Emmanuel, Ajanya, & Audu, 2013). Local governments have been struggling especially in the face of dwindling economic resources of the country. Despite the fact that internal audit exist in various local government with internal control system in place, the act of financial crime seems to continue unabated e.g. fraud irregularities and even breaches of other control and no any strong measures being taken to prevent such occurrences.

In recent times, the public sector, especially the local government system that is meant to draw attention of the government close to its citizens at the grass root level have suffered a lot of setback due to improper utilization of public funds. This practice has eaten deep into the local government system that public funds meant for development of the councils are converted into private use (Ogundana, 2017). The internal audit units at state and local government council level have relatively little independence. However, this may not be particularly important as they act as a management check on the accuracy and regularity of financial transactions rather than being an independent review on the quality of internal control (Wakil, Alifiah, and Teru, 2020).

The value of public resource lost each year in Nigeria through fraud and corruption defies precise quantification, but almost certainly runs into many billions of naira. In the view of Balogun, & Fatogun, (2019) Fraud in public institution in Nigeria, particularly at the Local government level, is ever on the increase and dates back to the

ages. This seems to be in an escalating rate as we witness it day-in-day-out through newspapers reportage that public officers and treasury managers entrusted with public treasury manage business to their own advantages. Fraud which is a major reason for setting up an internal control system has become a great pain in the neck of many internal auditors in Nigeria. It is a fact that any institution with a weak internal control system is dangerously exposed to fraud. Flaws and loopholes may still exist in an organization despite the existence of internal control system, which can easily be circumvented by individuals who are inclined towards fraudulent activities. Fraudulent practices and corruption have been described as the major causes of comatose state of local government administration in Nigeria, and a major hindrance to good government. It has also been identified by Ayobami (2018) as one of the problems confronting effective local government administration in Nigeria. In a nut-shell, the damage which this menace, called fraud has done to our national development is innumerable and needs urgent attention. Many studies in Nigeria have linked the poor development record of local governments in Nigeria to inadequate funding and limited financial autonomy. For instance Ayobami, (2018) observed that local governments in Nigeria do not have substantial degree of financial autonomy to engage in any meaningful development. An examination of the challenges of the local government audit shows that the problem of autonomy has long been the bane of the local councils in Nigeria (Basariah, Obal, and Edet, 2016). In each state there is an Auditor-General (Local Government) who is responsible for auditing the accounts of each of the local government councils in the state.

Despite the various internal control measures adopted in local government, the objective of auditing is yet to be achieved. Sometimes, execution of project to public interest is diverted for personal interest. Problems of bond development is still at peak, occasionally the inability of the chairman to exhibit high sense of financial prudence and whether to what extent does the local government accounting practices conform with the relevant financial regulations. The application of internal auditing method will lead to immune of any organization from falling into any cases of fraud or manipulation embezzlement, but however, there must be a regulator of any process; this is what a system analysts can do, but many of them lack knowledge or competence in order to carry out any fullest efficiency and effectiveness; organizations which has not any in-depth analyzing systems, they will suffer naturally from lot of fraud and manipulations, so it is difficult for any with absence of auditing system, will be hard to detect any of these cases. In the majority of local government internal audit has a systematic attitude, which constantly fails to asses and to develop the effectiveness of the risk management and controlling procedures of local government accounting practices. Hence this research carried out to empirically examine the application of internal auditing in promoting accountability, good governance and transparency in local government administration. It was against this background that the research is poised to investigate the effects of internal auditing techniques on performance of local governments in Ebonyi State with specific reference to the case of Ezza-North Local Government Council.

1.3 Objectives of the Study

The broad objective of this study is to examine the effects of internal audit technique on performance of local governments in Ebonyi State with reference to the case of Ezza-North Local Government Council. Specifically, the following objectives shall guide the study;

1. To determine the effect of internal audit check technique on performance of Local Government Councils of Ebonyi State.
2. To ascertain the effect of internal audit vouching technique on performance of Local Government Councils of Ebonyi State.
3. To examine the effect of internal audit confirmation technique on performance of Local Government Councils of Ebonyi State.

2. Review of Related Literature

Conceptual Review

Concept of Internal Auditing

Institute of Internal Audit (2009) cited in Basariah, Obal, and Edet (2016) defined internal audit “as an independent, objective assurance and consulting activities designed with the intention to add value and improve an organisation’s operations. It then helps an organization to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance process”. From the definition, it’s clear that internal audit should be designed in such a way to be independent and objective in order to evaluate and improve the effectiveness of risk management, control and governance

processes at the same time, the internal audit are expect to provide assurance and consulting service. Juruchescu, (2010) cited in Mohammed (2021) defined internal audit” as an independent and objective functional activity which provides security and management advice with the aim of ensuring effective management of public income and expenditure, ensuring proper activities within public organization, helps the public organization to achieve their objective through systematic and methodical approaches, evaluate and improves the efficiency and effectiveness of internal system, risk management and management process”. From all the above definitions, internal audit can be seen as independent appraisal established within the organization with the aim of reviewing the effectiveness and efficiency of the activities of an organization, ensuring compliance with established regulations, evaluation of risk management and internal controls system of the organization.

Concept of Local Government

The Guideline for Local Government Reform (1976:1) as cited in Balogun and Fatogun (2019) defined local government as “Government at local level exercised through representative councils established by law to exercise specific powers defined areas. These powers should give the council substantial control over local affairs as well as the staff and institutional and financial power to initiate and direct the provision of services and to determine and implement projects so as to complement the activities of the state and federal government in their areas, and to ensure, through devolution of functions to these councils and through the active participation of the people and their traditional institutions, that local initiative and responses to local head and conditions are maximized.

Balogun and Fatogun (2019) further noted that the main functions of a local government as specified in the fourth schedule of the 1999 constitution includes; the consideration and the making of recommendations to the state commission on economic planning or any similar body on: (i) The economic development of the state population in so far as the areas of authority of the council and of the state are affected; (ii) Collection of rates, television and radio licenses fees; providing and maintaining of burial grounds and cemeteries; providing license of bicycles, trucks, canoes, wheel barrows and carts; providing, maintaining and regulating of markets, motor parks as well as public conveniences; construction and maintenance of streets, street light, roads, drains and other public facilities as may be prescribed from time to time by the House of Assembly of a state; naming of roads and streets and numbering of houses; provision and maintenance of public convenience, waste disposal, registration of all births, deaths and marriages.

Scope, Objective and Classification of Internal Auditing

The scope and objective depend upon the responsibilities assigned to the internal auditor by the management, the size and structure of the entity and the skills and experience of the internal auditor. Researchers have identified the common areas covered by internal auditing which include among others; reviewing the internal control system with a view to determining its adequacy and effectiveness, reviewing compliance with government regulations and accounting rules and standards, checking compliance with policies and procedures, safeguarding the assets of the organization so as to prevent and detect errors, irregularities, frauds and theft, appraising the effectiveness and efficiency in the use of resources, ensuring that the goals and objectives of the organization are attained, making recommendations on improvement in the operation of the organization, acting as in-house consultant on control matters. The Financial Memorandum (1999), however, states that an internal audit unit shall be responsible for carrying out an independent appraisal of the accounting, financial and other processes of the local government with the objective of; assisting to protect the assets and interests of the local government through a process of continuous examination of its activities, securing a continuous operation of a sound internal control system within each department, reviewing, and where necessary, making recommendations for improvement of the system, controls and procedures in the local government with a view to ensuring that they operate effectively, monitoring the use of resources in the pursuit of defined objectives of the local government. The Memorandum also stated that; the internal auditor shall report to the Chairman at least four times each year on the progress of the internal audit work. The reports shall specifically indicate the internal auditor’s finding with respect to; the collection of revenue, the protection of physical and other assets of the local government, the current and capital expenditure, the efficiency and effectiveness of system control and procedure, the use of 5 resources of the local government in achieving its objective, any instance of fraud or misappropriation observed by the internal auditor should be revealed to the Chairman’s attention From this, it can be seen that the scope and objective of internal auditing varies from organization to organization, depending on the size, structure and management of the organization. Therefore, the audit exercise begins

within the organization. These process assists the external auditor to place reliance on the work of the internal audit department within the organization. A well-established and sound independent appraisal unit within the organization set up to examine, review, evaluate the financial and non-financial activities and report on accounting and other control; is the bedrock for corporate accountability, transparency and makes audit exercise achievable for the auditors'. Audits are typically classified into three types: Audits of financial statements, operational audits and compliance audits. Audits of financial statements examines financial statements to determine if they give a true and fair view or fairly present the financial statements in conformity with specified criteria (Adeniji, 2004; Okezie, 2008; Appah, 2011). Operational audit is a study of a specific unit of an organization for the purpose of measuring its performance. According to Hayes et al. (1999), operational audits review all or part of the organization's operating procedures to evaluate effectiveness and efficiency of the operation. Effectiveness is a measure of the extent to which an organization achieves its goals and objectives. Efficiency shows how well an organization uses its resources (Oshisami, 2004). Compliance audit is review of an organization's procedures to determine whether the organization is following specific procedures, rules or regulations set out by some higher authority. According to Oshisami (2004), compliance audit provides examination of financial statements, accounts and reports and their compliance with applicable regulations to certify that: there are effective controls over revenue, expenditure, assets and liabilities; there are proper accounting records of the resources, operations and encumbrances; the accounting and financial reports are sufficiently accurate, reliable, timely and useful and fairly represents the transactions, events and conditions reported upon and applicable laws and regulations have been complied with.

Audit of Financial Statements at the Local Government Level

There are basically six internal auditing techniques according to researchers. The techniques include: checking, vouching, and analysis, which are used in the examination of internal evidence in the books and records; and counting, observation, and confirmation, which are used to obtain evidence outside the books and records (Mohammed, 2021). They are examined as follows:

Checking

Checking is the simplest and a necessary technique employed in internal auditing. By checking is meant the repetition of an act the bookkeeper has previously performed. Checking may take the form of re-computation, as when an auditor checks footings, extensions, and other mathematical calculations. On the other hand, checking may take the form of retracing bookkeeping entries, as when an auditor checks from the supporting documents to books of original entry, traces postings to general and subsidiary ledgers, traces ledger-account balances to trial balances, and the like.

The uses of the checking technique are numerous. Checking is a necessary part of any audit. When internal control is lacking, extensive checking may be necessary to establish the reliability of the accounting records. When the internal control is thought to be excellent, limited checking is necessary to establish that the system of internal control is in fact operating effectively so as to provide reasonable assurance that the accounting records are reliable.

Checking, however, is a time-consuming technique. In many instances, it is non-productive of results, if results be expressed in terms of errors of consequence detected. To every auditor, therefore, comes the challenge to hold the time devoted to checking to the minimum consistent with good professional practice.

Balogun, & Fatogun, (2019) asserted that in this era of punched-card accounting, the auditor should consider the use of accounting machines to reduce manual checking operations. All of us use adding machines and calculators, and if we are in a position to control the input of data and the output of results, we have implicit faith in the reliability of these machines. The same principle applies to punched-card machines. If the auditor understands the machine's operation; if he is satisfied that the data punched in the cards is in agreement with the source documents (this is usually accomplished by preparing, under the auditor's control, machine listings that may be tested against the source documents) ; and if he observes and controls the machine operation to prevent manipulation by the operator, he may reasonably accept footing, sorting, collating, and multiplying operations performed by the machines in lieu of manual checking. Electronic computers, it is my personal opinion, can similarly be used to great advantage. If the auditor understands the machine's operation, if he reviews the program and controls the reading of the program into the computer, and if he makes adequate tests of the input data against the source documents, he should be able to control and observe the processing of the cards by the computer in lieu of manually checking the operations covered by the program.

Vouching

A second auditing technique is vouching. In importance and usefulness it is second to none. By vouching is meant tracing an entry or a transaction to its source documents and examining the same for evidences of internal checking, for the regularity of the transaction, and for conformity of the entry to the code of accounts and to generally accepted accounting principles (Badara, 2012).

The instances in which the vouching technique is used are numerous and varied. The auditor vouches cash-disbursements book entries by reference to the endorsed cheques returned by the bank. He vouches trade purchases or property additions by reference to invoices, receiving reports, purchase orders, and contracts. He vouches labor costs by reference to payrolls, time slips, clock cards, and personnel files. He vouches sales by reference to invoices, shipping records, cash register tapes, etc. He vouches journal entries by reference to supporting records and work sheets. In such documents he finds the evidence that gives authenticity to the entries he finds in the accounts.

As an auditing technique, vouching calls for great concentration, insight, and imagination on the part of the auditor. If not carried out in this manner, vouching degenerates into mechanical, routine checking. When done with competence and skill, vouching gives substance to the ledger entries, it reveals to the auditor's trained mind the day-to-day transactions of the local government, the policies and procedures followed in keeping its accounts, and the workmanship of the persons who perform accounting functions (Sorunke, 2016).

Vouching technique requires painstaking attention to an infinite number of details. Any document which the auditor examines may contain the evidence that there has been a violation of generally accepted accounting principles or a departure from the policies and procedures prescribed by the management. It may contain the evidence that a clerical error has been committed or that an error committed by a vendor has gone undetected. In some instances it may contain the evidence, however obscure, that the document has been fraudulently introduced or altered to support an irregular transaction (Sorunke, 2016).

Vouching technique is generally improved when the auditor so arranges his work as to bring related types of entries under examination at approximately the same time. To illustrate what is meant, consider the examination of cash vouchers. Now, the auditor could proceed through the vouchers for the audit period in chronological order, just as is done in the pre-audit of vouchers by the accounts payable section, looking for all varieties of errors that may exist. On the other hand, an advantage is gained if all vouchers relating to plant additions are examined in one operation, all vouchers relating to repair charges are examined in another, all vouchers supporting inventory prices are examined in another, etc. This technique temporarily narrows the range that the auditor's mind must span and brings into focus in his mind many entries governed by substantially the same accounting principles, policies, and procedures (Sorunke, 2016).

Analysis

Analysis is the third auditing technique in internal auditing. When a chemist makes an analysis, he breaks a given substance up into its component elements and compounds. So, in auditing, analysis is the technique of breaking an account up into its component parts and in such fashion as to enable the auditor to review and critically appraise the entries contained therein (Wakil, Alifiah and Teru, 2020).

Analysis may be directed toward the transactions that appear in an account during the audit period, or the technique may be aimed at the composition of the account balance at the end of the period. If the auditor's purpose is to review transactions he may list all entries in chronological sequence, or he may list all entries of consequential amount. Usually, however, the work sheet is more useful if the entries are classified according to some appropriate plan. Thus, the entries may be classified as to source, as to type of entry, as to expense classifications, or by departments, districts, or states. If on the other hand, the auditor's purpose is to review balances at the end of the period, he will list the subsidiary accounts balances or the items comprising the final account balance shown by the ledger.

The most important thing that can be said about analysis as an auditing technique is this: Copying the books is not auditing. The preparation of an analysis is a useful technique only to the extent that it serves as a tool enabling the auditor more efficiently to review and appraise the entries in an account or the closing balance thereof or to preserve for later use figures needed in report preparation.

To every auditor, therefore, comes the challenge to hold his use of the analysis technique to a reasonable minimum. Where possible, review entries without listing them, direct from the ledger account. Make full use of all reports and records prepared by the client, obtaining copies for the work papers when this is required.

This above all, let it never be said that our work papers contain the evidence that the auditor has used his pencil, but not his mind.

Counting

Counting, or inspection, is a technique by which the auditor obtains external evidence to corroborate evidence contained in the books and records. The general ledger discloses the amount of an imprest fund, and the reimbursement vouchers testify to its existence, but a count of the fund provides maximum assurance that the fund is intact. The accounts disclose the existence of security investments. Cash vouchers substantiate their purchase, and dividends received indicate that they are owned, but inspection of the securities is the best proof that they are on hand. The same principle holds with inventory quantities: Physical counts provide maximum assurance that book inventory quantities are correct.

Counting, or inspection, however, is a technique that provides conclusive evidence only if skillfully employed. Two basic principles must be observed:

The count must be conducted under circumstances that will permit a matching of the count with the books and records. For example, cut-off of cash book entries or inventory transactions at the time of count is absolutely necessary if the results are to be satisfactory.

The count must be made under circumstances that will prevent the substitution of assets to temporarily cover a shortage. Use the surprise count whenever possible. Control and count all funds to which the custodian has access. Count cash and securities and verify cash on deposit simultaneously unless the opportunity for substitution or "kiting" is not present.

Observation

Observation is an audit technique that is used to good advantage in certain phases of the auditor's work. Perhaps the best example of the use of this technique is the observation of physical inventories. Actual counts of inventories by the auditor are necessarily limited in number. If, however, the auditor observes the work of the client's inventory crews, ascertains that prescribed instructions are being followed, and makes selected counts as a test of the accuracy of their work, he obtains satisfaction with respect to the inventory as a whole.

The observation technique is useful in other ways. A trip through the factory to observe the manufacturing process gives the auditor a better understanding of the business and of its accounts. A visit to the site of new construction provides a better basis for understanding the vouchers to be examined in auditing property additions. Observing the activities of employees as they go about their daily work confirms the existence of many features of internal control or reveals that the system breaks down in one respect or another. In the field of internal auditing, observation may relate to all manner of items that may be of interest to management such as poor housekeeping, infraction of safety rules, personality conflicts, poor morale, etc.

Confirmation

One of the most effective ways to establish the reliability of certain features of the accounts is to obtain confirmation that the client's accounts agree with related records kept by other parties. This technique has several common uses. Confirmations are obtained with respect to cash on deposit, undeposited receipts, notes and accounts receivable balances, surety deposits, securities held for safekeeping, inventories in the hands of outside custodians, notes payable, capital stock outstanding, etc. Some accountants regularly use the technique in auditing trade accounts payable, but this practice is not common. This is so for at least two reasons, which are as follows:

The vendors' monthly statements contain external evidence (barring suppression or alteration of the statements) of the accounts payable items that should be shown by the clients' books.

The principal danger in accounts payable is that accounts may be omitted from the books and unless all vendors with whom the client ever has occasion to do business are circularized the results cannot be conclusive. Accountants generally use the confirmation technique for accounts payable of unusual nature or exceptionally large amount.

Confirmation is an effective technique only when the following conditions are met:

There must be direct communication between the auditor and the person who is to supply the confirmation. This is the reason for mailing the request for confirmation in an envelope bearing the auditor's return address and for providing a business reply envelope bearing the auditor's address.

The data shown by the confirmation request must be in agreement with the accounting records. The auditor must take appropriate steps to make certain that it does agree. As an example, it is unsafe to confirm the balances in individual customers' accounts unless the aggregate of such accounts is balanced against the control account. Confirmation, as an auditing technique, is sometimes less effective than it should be. Auditors sometimes err in failing to provide all the information that the addressee will need to check the request against his records. Addressees sometimes defeat the purpose of confirmation by failing to answer the request, by signing a request without checking its accuracy, by communicating orally with the person who keeps the accounts, or by failing to mail the reply direct to the auditor.

Confirmations, nevertheless, are an important element of present-day auditing technique. Auditors, for their part, should do everything possible to aid the addressee in checking the request and in submitting a prompt reply. All recipients of confirmation requests should extend their full cooperation to the end that business may be protected through this important auditing procedure.

Confirmation technique occasionally means reference to public records rather than correspondence with specific persons. For example, dividends may be checked against published dividend records, security prices may be checked against market reports, and foreign exchange rates or commodity prices may be checked against published reports in newspapers or trade publications.

Fraudulent Practices in Nigerian Local Government System

According to Agu (2014), it has been observed that in Nigerian local governments, huge amount of money is lost through fraud and other criminal transactions which drain the nation's meager resources through fraudulent means with its far reaching and attendant consequences on the development of the nation. Local government officials especially the revenue collectors and the treasury commit enormous falsification of figures and words in order to embezzle local government finance which is detrimental to local government efficiency and effectiveness.

However, Gbegi and Adebisi (2015) observed that fraudulent practices in the local government system include but not limited to:

1. **Embezzlement of local government funds:** This fraud in the local government according to them entails taking money which one has been entrusted with on behalf of another party and use for personal use. Most local government officials who are entrusted with local government funds tend to divert partly or wholly such money into private ends (Agu, 2014).
2. **False invoice:** Local government revenue officers have been observed to have forged false invoice for transactions not carried out (Oke, 2010). This according to him has been a bane on efficient local government financial management.
3. **Forgery of documents and signature:** In the local government system, it is common for officials to engage in the falsification of documents and signatures especially that which pertains to financial transactions. Through this fraudulent act, huge amount of money has been embezzled by certain officials in the various local governments all over the country (Oke, 2010).
4. **Payroll fraud:** In the local government system, the issue of ghost workers is a common issue. Most payroll offices especially those in the personnel departments maintain records and accounts for workers who do not exist and as such drain the local government meager resources (Nwonu, 2008). Sometimes he argued, workers' salaries are withheld arbitrarily just to make some private gains from it before paying them.
5. **Fraudulent financial statements:** This local government fraud according to Oke, (2010) is more common with the finance department of the local governments. There are cases of inflation of figures when preparing financial statements of local government. Most times, financial records are kept for activities not carried out and in other cases; financial records are not kept for certain obnoxious activities of top local government officials like the chairman. (Oke, 2010).
6. **Falsification of revenue collection receipts by revenue collectors:** Revenue offices have been observed to engage in the printing of take receipts which they issue to the people they collected revenue from while few revenue collections are recorded in the original local government revenue receipt (Nwonu, 2008). This has accounted for a substantial loss of local government revenue to unscrupulous revenue officers who defraud the local government on daily basis.

7. Non-remittances of collected revenue to the local government treasury: Often times, revenue collectors do not remit the collected revenue to the treasury, rather, they embezzle substantial amount of it before remitting just little to the local government coffers.
8. Bribes and kickbacks: In the local government system, bribery and corruption have been like octopus that has eaten up the local government revenue. In the first instance, Nwonu (2008) argued that revenue collectors collect bribes and kickbacks from the paying individuals or groups in order to prevent them from collecting the actual revenue due to the local government. On the other hand, he noted that most local government officials collect bribes to sign false transactions or to prevent the investigation of corrupt practices committed by some official(s). The second scenario is more common with the top local government officials like the chairman, Treasurer, Head of personnel management among other heads of departments of sections.
9. Inflation of contract prices: In the local government system, it has become a common practice to inflate the cost of executing projects or programmes by a number of percentages (Nwori, 2005). The local government tender boards, the chairman, treasurer and other concerned parties connive with the contractors to inflate the costs of guarding projects after which they share the proceeds.

Therefore, the fraudulent practices in the local government system are by no means exhaustive hence, the local governments serve as conduit pipes for draining national resources.

Main Causes of Fraud in Ebonyi State Local Government System

There are several factors that cause the persistence of fraudulent practices in Nigerian local government system. Some of these factors are examined according to Elekwa and Eme (2014) as follows:

1. Corruption attitude of personnel of revenue departments according to Elekwa and Eme (2014) it is no exaggeration or overstatement if it is argued that based on experience and records available, the actions and inactions of personnel of revenue departments have denied the local governments opportunity to raise reasonable amount of revenue from their different internal sources. This according to them is because; it is the revenue collectors that are directly responsible for most of the internal leakages in the local government because they collude with the members of public (rate payers) to deprive the local governments of the revenue that should accrue to them. Although corruption in the local governments is not limited to personnel unit or revenue collectors; unfortunately, their own is on one noticeable because they are directly or indirectly involved in local government funds. Furthermore, Okoro (2015) observed that available records and experience have shown that most revenue collectors in the various local governments often violate the approved rules and regulations to connive with some rate payers in order to deprive the local governments of the actual revenue that should occur to them for sheer personal gains. Some revenue collectors, apart from colluding with some property owners so that their tenements are under-assessed or they completely escape valuation and rating, also, collect revenue without issuing receipts, while other issue fake receipts to the payers and revenue to be collected is not paid onto the councils confers.
2. Lack of Adequate and well-qualified financial officers. Most of the revenue officials like market managers, valuation officers and host of others lack professional training. The finance Department of most local governments are not adequately staffed with well qualified and experienced financial managers, accountants, auditors and property valuation officers (Elekaw and Eme, 2014).
3. Lack of Adherence to financial memoranda. The most crucial figure in the financial management of the local governments is the local government chief financial officer, generally known as the treasurer. (Elekwa and Eme 2014). He is responsible for formulating plans and devising strategies for active, effective and efficient revenue generation and accounting. As the chief financial officer of the local government, he is expected to ensure that all the financial transactions of the local government are made in accordance with laws and the financial regulations which governs all financial transactions of the local government called the financial memoranda (FM) (Obi, 2009).
4. Irregular and improper Auditing: Auditing of the local governments accounts is a crucial aspect of the financial control mechanism (Elekwa and Eme, 2014). The accounts which are given in annual statements of accounts of the local government are subject to audit. In Nigeria, in the past, this was carried out by the state government Auditor General and his staff but accounts of local government Auditor general of a state and his staff. There is no longer effective auditing in the local governments and as such, it has been difficult

to defect embezzlement, irregular payments, loss of local government funds, fraud and general misappropriation of local government funds.

5. Inappropriate supervision: Most revenue collectors are not closely supervised and controlled. They are allowed to be with the council's money longer than the law permits. This causes fraudulent practices to continue unnoticed.
6. Obsolete laws dealing with perpetrators of financial Fraud Law dealing with perpetrators of financial frauds are not harsh or do not instill fear into the minds of such offenders (Elekwa and Eme, 2014). This has failed to prevent perpetration of atrocious financed frauds.
7. Attitude of Nigerians towards Health: In Nigeria, there is every tendency that everyone wants to get rich quickly. The reason is that wealth is highly regarded and worshiped in the country (Elekwa and Eme, 2014). In fact, wealth in Nigeria is the basis for recognition and respect for an individual, but also an index for measuring is handwork and success. This accounts for why most revenue collectors are not content with their job.

Challenges of Internal Auditing in Fraud control in Ebonyi State local Government system

A number of factors constrain fraud control in the local government system in Nigeria. In this regard, Elekwa and Eme (2014) identified the following problems of fraud control in the Nigerian, local government system;

1. Corruption: Corruption has been described by scholars as an octopus that has eaten deep into the fabrics of Nigerian government and administration at all levels. There has been the problem of corruption in every institutional approach to solving administrative problems in the country. Due to corruption, there has been weak auditing of local government accounts, poor financial record keeping and general financial mismanagement.
2. Poor internal Auditing of local government Accounts: The internal Auditor of the local government system is charged with the responsibility of making regular and adequate auditing of local government financial management including the prevention of irregular payments before they are made, conducting a pre-payment audit among others. However, Onwe (2004) argued that the major challenge of the internal Auditor is his attachment to the office of the chairman which does not given the opportunity of conducting an independent audit. Therefore the weak internal auditing mechanism constitutes a challenge to fraud control in the local government system.
3. Poor personnel management in the local government system: This has been a major bane on efficient local government administration in Nigeria. Recruitment of personnel, especially revenue collectors and other personnel of the finance department has been based on political patronage hence, people with questionable character, integrity and moral ethics are recruited to such positions (Onwe, 2004). The effect of the above scenario is that such unqualified staff embezzled local government revenue.
4. Lack of social security system: In Nigeria, there is no social security which accounts for the high level of fraud and corruption in administration. The pension and gratuity schemes have failed. Thus, local government officials being aware of the fact that they have no future after retirement use their working days as period to a mass wealth to safeguard their future.
5. Poor internal control mechanisms: This is one of the challenges of fraud control in Nigerian local government system. There is no adequate internal supervision and control of local government personal and their activities especially the activities of the revenue officers of the local government system.

Therefore, fraud control in the local government system has been seriously constrained by several factors like corruption, poor internal auditing, inefficient and unqualified personnel among others.

Theoretical Framework

The study adopted the agency theory. Agency is a name given to the practice by which productive resources owned by one person or a group are managed by another person or group of persons. Agency theory was developed by Jensen and Meckling (1976). A general description of an agency relationship states that it is a contract under which one or more principals engage another person or persons as their agent (s) to perform some service on their behalf. To enable this performance, delegation of some decision making authority to the agent is needed. This theory is extensively employed in the accounting literature to explain and predict the appointment and performance of auditors. Agency theory provides a useful theoretical framework for the internal auditing function. The relevance of the theory to the study cannot be overemphasized. The theory not only helps to explain and predict the existence of internal audit, but it also helps to explain the role and responsibilities assigned to internal auditors by the organisation, and that agency theory predicts how the

internal audit function is likely to be affected by organisational change. Agency theory contends that internal auditing, in common with other intervention mechanisms like financial reporting and external audit, helps to maintain cost-efficient contracting between owners and managers. Audits serve a fundamental purpose in promoting confidence and reinforcing trust in financial information. The principal-agent relationship, as depicted in agency theory, is important in understanding how the audit has developed. Principals appoint agents and delegate some decision-making authority to them. In so doing, principals place trust in their agents to act in the principals' best interests. However, as a result of information asymmetries between principals and agents and differing motives, principals may lack trust in their agents and may therefore need to put in place mechanisms, such as the audit, to reinforce this trust. Agency theory is a useful economic theory of accountability, which helps to explain the development of the audit. However, this simple model of the role of audit, depicted through agency theory, is complicated by other factors, which are highlighted in this paper. For example, auditors are also agents of principals, which can lead to further concerns about trust, threats to objectivity and independence and an ongoing need to find further mechanisms such as regulation to align the interests of shareholders, directors and auditors. Alongside this, we know that there are other stakeholders, such as regulators, who have an interest in the audit and agency theory does not provide a simple or complete explanation of their expectations. Furthermore, whilst agency theory would suggest that principals do not trust their agents, we know that there must be some trust in agents because of the volume of unaudited information that directors provide to shareholders.

3. Methodology

For the purpose of this study, survey research design was adopted. In the context of the study, data were collected from 220 staff of Ezza-North local government council in order to analyze the result and generalize it other local government councils. Data for this study were collected from primary sources. The primary data were gathered through questionnaire. For the purpose of analyzing data collection from the field survey, frequency distribution tables and simple percentage techniques were applied.

Results

Table 1: Internal audit check technique enhances detection of fraudulent acts in Local Government councils of Ebonyi State of Ebonyi State.

Responses	Frequency	Percentage (%)
Strongly Agree	102	46.4
Agree	64	29.1
Disagree	38	17.3
Strongly Disagree	16	7.3
Total	220	100

Source: Field Survey, 2024.

From table 1 above, it can be observed that 102(46.4%) of the respondents strongly agreed, 64(29.1%) of the respondents agreed, 38(17.3%) of the respondents disagreed while 16(7.3%) of the respondents strongly disagreed this means that Internal audit check technique enhances detection of fraudulent acts in Local Government councils of Ebonyi State of Ebonyi State.

Table 2: Internal audit check technique has helped in prevention of fraudulent acts from occurrence in Local Government councils of Ebonyi State

Responses	Frequency	Percentage (%)
Strongly Agree	96	43.6
Agree	50	22.7
Disagree	40	22.7
Strongly Disagree	34	18.2
Total	220	100

Source: Field Survey, 2024

Table 2 shows that 96(43.6%) of the respondents strongly agreed, 50(22.7%) agreed 40(22.7%) disagreed while 34(18.2%) of the respondents strongly disagreed. This means that Internal audit check technique has helped in prevention of fraudulent acts from occurrence in Local Government councils of Ebonyi State.

Table 3: Internal audit check technique issues audit queries to local government officials where there is suspicion of irregularities in Local Government councils of Ebonyi State

Responses	Frequency	Percentage (%)
Strongly Agree	110	56
Agree	80	36.4
Disagree	22	10
Strongly Disagree	8	3.6
Total	220	100

Source: Field Survey, 2024

From table 3 above, 110(50%) of the respondents strongly agreed, 80(36.4%) agreed, 22(10%) disagreed while 8(3.6%) strongly disagreed. This means that Internal audit check technique issues audit queries to local government officials where there is suspicion of irregularities in Local Government councils of Ebonyi State.

Table 4: Sanctions recommended by internal auditor against fraudulent officials are implemented in the Local Government councils of Ebonyi State

Responses	Frequency	Percentage (%)
Strongly Agree	160	72.7
Agree	48	21.8
Disagree	8	3.6
Strongly Disagree	4	1.8
Total	220	100

Source: Field Survey, 2024

From table 4 above, 160(72.7%) of the respondents strongly agreed, 48(21.8%) of the respondents agreed, 8(3.6%) of the respondents disagreed while 4(1.8%) strongly disagreed. This means that Sanctions recommended by internal auditor against fraudulent officials are implemented in the Local Government councils of Ebonyi State.

Table 5: Internal audit check technique has reduced bribery and embezzlement of funds in the delivery of services to the people in the local government council

Responses	Frequency	Percentage (%)
Strongly Agree	96	43.6
Agree	50	22.7
Disagree	34	15.5
Strongly Disagree	40	18.2
Total	220	100

Source: Field Survey, 2024

From table 5 above, it can be observed that 96(43.6%) of the respondents strongly agreed, 50(22.7%) agreed, 34(15.5%) disagreed while 40(18.2%) strongly disagreed. This means that Internal audit check technique has reduced bribery and embezzlement of funds in the delivery of services to the people in the local government council.

Table 6: Internal audit vouching had helped to improve revenue accountability in Local Government councils of Ebonyi State

Responses	Frequency	Percentage (%)
Strongly Agree	64	29.1
Agree	102	46.4
Disagree	38	17.3
Strongly Disagree	16	7.3
Total	220	100

Source: Field Survey, 2024

From table 6 above, it can be seen that 64(29.1%) of the respondents strongly agreed, 102(46.4%) agreed, 38(17.3%) disagreed while 16(7.3%) of the respondents strongly disagreed. This means that majority of the

respondents opined that Internal audit vouching had helped to improve revenue accountability in Ezza-North Local Government Council.

Table 7: Internal audit vouching has guaranteed compliance with the provisions of the Revised Financial Memoranda guiding local Government Finance in Nigeria.

Responses	Frequency	Percentage (%)
Strongly Agree	88	40
Agree	64	29.1
Disagree	48	21.8
Strongly Disagree	20	9.1
Total	220	100

Source: Field Survey, 2024

Table 7 above shows that 88(40%) respondents strongly agreed, 64(29.1%) agreed, 48(21.8%) disagreed while 20(9.1%) strongly disagreed. This means that internal audit vouching has guaranteed compliance with the provisions of the Revised Financial Memoranda guiding local Government Finance in Nigeria.

Table 8: Internal audit vouching has guaranteed total remittance of collected local government revenue by revenue collectors in Local Government councils of Ebonyi State.

Responses	Frequency	Percentage (%)
Strongly Agree	94	43.6
Agree	34	15.2
Disagree	50	22.7
Strongly Disagree	40	18.2
Total	220	100

Source: Field Survey, 2024

From table 8 above, it can be observed that 94(33.6%) strongly agreed, 34(15.2%) agreed, 50(22.7%) disagreed while 40 respondents (18.2%) strongly disagreed. This means that Internal audit vouching has guaranteed total remittance of collected local government revenue by revenue collectors in Local Government councils of Ebonyi State.

Table 9: Internal audit vouching by the internal audit has reduced falsification and issuance of fake receipts and invoice by revenue officials in the Ezza-North Local Government Council.

Responses	Frequency	Percentage (%)
Strongly Agree	50	22.7
Agree	96	43.6
Disagree	40	18.2
Strongly Disagree	34	15.5
Total	220	100

Source: Field Survey, 2024

Table 9 above shows that 50(22.7%) of the respondents strongly agreed, 96(43.6%) of the respondents agreed, 40(18.2%) disagreed while 34(15.5%) strongly disagreed. This means that Internal audit vouching by the internal audit has reduced falsification and issuance of fake receipts and invoice by revenue officials in the Local Government councils of Ebonyi State.

Table 10: Internal audit vouching has promoted trust and confidence of stakeholders in the revenue accounting system of Local Government councils of Ebonyi State

Responses	Frequency	Percentage (%)
Strongly Agree	102	46.4
Agree	38	17.3
Disagree	64	29.1
Strongly Disagree	16	7.3
Total	220	100

Source: Field Survey, 2024

Table 10 above shows that 102(46.4%) of the respondents strongly agreed, 38(17.3%) of the respondents agreed 64(29.1%) of the respondents disagreed while 16(7.3%) of the respondents strongly disagreed. This means internal audit vouching has promoted trust and confidence of stakeholders in the revenue accounting system of Local Government councils of Ebonyi State.

Table 11: Internal audit confirmation guards against misappropriation of funds in the local government

Responses	Frequency	Percentage (%)
Strongly Agree	88	40
Agree	64	29.1
Disagree	20	9.1
Strongly Disagree	48	21.8
Total	220	100

Source: Field Survey, 2024

From table 11 above, 88(40%) of the respondent strongly agreed, 65(29.1%) of the respondents agreed, 20(9.1%) disagreed while 48(21.8%) of the respondents strongly disagreed. This means that Internal audit confirmation guards against misappropriation of funds in the local government.

Table 12: Pre-payment auditing enable internal auditing to prevent irregular payments before they are made in the local government

Responses	Frequency	Percentage (%)
Strongly Agree	50	22.7
Agree	96	43.6
Disagree	40	18.2
Strongly Disagree	34	15.5
Total	220	100

Source: Field Survey, 2024

Table 12 above shows that 50(22.7%) of the respondents strongly agreed, 96(43.6%) of the respondents agreed, 40(18.2%) disagreed while 34(15.5%) strongly disagreed. This means that Pre-payment auditing enable internal auditing to prevent irregular payments before they are made in the local government.

Table 13: Internal audit confirmation guarantees that projects or contracts in the local government council are executed in line with specifications thereby controlling substandard projects delivery

Responses	Frequency	Percentage (%)
Strongly Agree	94	43.6
Agree	34	15.2
Disagree	50	22.7
Strongly Disagree	40	18.2
Total	220	100

Source: Field Survey, 2024

From table 13 above, it can be observed that 94(33.6%) strongly agreed, 34(15.2%) agreed, 50(22.7%) disagreed while 40 respondents (18.2%) strongly disagreed. This means that internal audit confirmation guarantees that

projects or contracts in the local government council are executed in line with specifications thereby controlling substandard projects delivery.

Table 14: Internal audit confirmation controls inflation of contract prices for projects/contracts executed in the Local Government councils of Ebonyi State

Responses	Frequency	Percentage (%)
Strongly Agree	102	46.4
Agree	38	17.3
Disagree	64	29.1
Strongly Disagree	16	7.3
Total	220	100

Source: Field Survey, 2024

Table 14 above shows that 102(46.4%) of the respondents strongly agreed, 38(17.3%) of the respondents agreed 64(29.1%) of the respondents disagreed while 16(7.3%) of the respondents strongly disagreed. This means that internal audit confirmation controls inflation of contract prices for projects/contracts executed in the Local Government councils of Ebonyi State.

Table 21: Internal audit confirmation guarantees that payments are not made for ghost contracts or projects in the Local Government councils of Ebonyi State

Responses	Frequency	Percentage (%)
Strongly Agree	64	29.1
Agree	102	46.4
Disagree	38	17.3
Strongly Disagree	16	7.3
Total	220	100

Source: Field Survey, 2024

From table 15 above, it can be seen that 64(29.1%) of the respondents strongly agreed, 102(46.4%) agreed, 38(17.3%) disagreed while 16(7.3%) of the respondents strongly disagreed. This means that Internal audit confirmation guarantees that payments are not made for ghost contracts or projects in the Ezza-North Local Government Council.

4. Discussion of Findings

The study revealed that internal audit check technique has effect on performance of Local Government Councils of Ebonyi State. Internal audit check technique has helped in prevention of fraudulent acts from occurrence in Ezza-North Local Government council. Internal audit check technique issues audit queries to local government officials where there is suspicion of irregularities in Ezza-North Local Government council. Sanctions recommended by internal auditor against fraudulent officials are implemented in the Local Government councils of Ebonyi State. Internal audit check technique has reduced bribery and embezzlement of funds in the delivery of services to the people in the local government council. By checking is meant the repetition of an act the bookkeeper has previously performed. Checking may take the form of recomputation, as when an auditor checks footings, extensions, and other mathematical calculations. On the other hand, checking may take the form of retracing bookkeeping entries, as when an auditor checks from the supporting documents to books of original entry, traces postings to general and subsidiary ledgers, traces ledger-account balances to trial balances, and the like.

Internal audit vouching technique has significant effect on performance of Local Government Councils of Ebonyi State. Majority of the respondents opined that internal audit vouching had helped to improve revenue accountability in Ezza-North Local Government Council. Internal audit vouching has guaranteed compliance with the provisions of the Revised Financial Memoranda guiding local Government Finance in Nigeria. Internal audit vouching has guaranteed total remittance of collected local government revenue by revenue collectors in Local Government councils of Ebonyi State. Internal audit vouching by the internal audit has reduced falsification and issuance of fake receipts and invoice by revenue officials in the Local Government councils of Ebonyi State. Internal audit vouching has promoted trust and confidence of stakeholders in the revenue

accounting system of Local Government councils of Ebonyi State. By vouching is meant tracing an entry or a transaction to its source documents and examining the same for evidences of internal checking, for the regularity of the transaction, and for conformity of the entry to the code of accounts and to generally accepted accounting principles (Badara, 2012).

Internal audit confirmation technique has significant effect on performance of Local Government Councils of Ebonyi State. Internal audit confirmation guards against misappropriation of funds in the local government. Pre-payment auditing enable internal auditing to prevent irregular payments before they are made in the local government. Internal audit confirmation guarantees that projects or contracts in the local government council are executed in line with specifications thereby controlling substandard projects delivery. Internal audit confirmation controls inflation of contract prices for projects/contracts executed in the Local Government councils of Ebonyi State. Internal audit confirmation guarantees that payments are not made for ghost contracts or projects in the Ezza-North Local Government Council. One of the most effective ways to establish the reliability of certain features of the accounts is to obtain confirmation that the client's accounts agree with related records kept by other parties. This technique has several common uses. Confirmations are obtained with respect to cash on deposit, undeposited receipts, notes and accounts receivable balances, surety deposits, securities held for safekeeping, inventories in the hands of outside custodians, notes payable, capital stock outstanding, etc.

Conclusion

Internal auditors in the public sector ensures that funds have been expended in accordance with the terms by which such monies were appropriated and that accounts have been properly prepared. The study observed internal audit check technique has significant effect on performance of Local Government Councils of Ebonyi State. Internal audit vouching technique has significant effect on performance of Local Government Councils of Ebonyi State. It has guaranteed total remittance of collected local government revenue by revenue collectors. The study also observed that internal audit confirmation technique has significant effect on performance of Local Government Councils of Ebonyi State.

Recommendations

Based on the findings of the study, the following recommendations were therefore made:

1. There is need for effective internal audit check technique in order to improve on fraud detection and prevention in the Ezza-North Local Government Council of Ebonyi State. This will promote audit queries to local government officials where there is suspicion of irregularities in Ezza-North Local Government council.
2. There is need for regular internal audit vouching technique in order to promote effective revenue accountability in Ezza-North Local Government Council of Ebonyi State. Internal audit vouching will guarantee compliance with the provisions of the Revised Financial Memoranda guiding local Government Finance in Nigeria. It will guarantee total remittance of collected local government revenue by revenue collectors.
3. There is need for effectiveness and efficiency in internal audit confirmation technique so as to promote expenditure control in Ezza-North Local Government Council of Ebonyi State. Internal audit confirmation will guard against misappropriation of funds in the local government. It will guarantee that projects or contracts in the local government council are executed in line with specifications thereby controlling substandard projects delivery.

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