Effect of Internal Audit Quality on Corruption in Nigeria
Public Sector

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Abstract
Corruption is a phenomenon that has become prevalent in societal settings especially in government owned organizations in Africa. Government of most countries put in place some mechanism to ensure that public organizations are run in line with acceptable procedures and practices. One of such tools is the internal audit. The study investigates the effect of internal audit quality on corruption in Nigerian public sector. This research uses 160 respondents of the internal auditors in public sector organization in Lagos State. Data for the research was obtained through the administration of questionnaire. Multiple Regression Analysis was used to analyze the data. The findings of the study shows that the independent variable; internal audit quality (which is proxy by the Internal Auditors’ independence, competency and integrity) has a significant effect on corruption and can help in checkmating corruption in the public sector. Internal audit quality must be pursued by ensuring that the internal auditor carries out his responsibility independently through the enactment of laws that protect the job of the internal auditor. Also, academic and professional qualifications should be a major factor to be considered before engaging someone to be staff of the internal audit department of government organizations.

Keywords: Internal Audit, Internal Audit Quality, Corruption, Internal Auditor Independence, Internal Auditor Competency

JEL Classification: M420

Paper Classification: Research Paper

Introduction
Corruption is an epidemic that is fast spreading across all countries of the world. It is prevalent in all countries, sectors and industries of the world. World Bank (2004) stated that corruption is the wrong use of public office for personal gains. The Transparency International (TI) Corrupt Perception Index (CPI) established the presence of corruption in 180 countries of the world at different magnitude. This is an indication that corruption is a worldly phenomenon that is not limited to a particular continent. Those in charge of managing the affairs of most countries misuse public power for personal benefits. Corruption is an illegal and immoral behavior against the society that bestows undue benefits on someone and that disregards the authorities’ mandate to ensure welfare and well-being of the citizenry (Olukowade & Ogodor, 2015).
In a 2018 survey for best countries ranking carried out by U.S. news and World report of 80 countries, Nigeria is ranked as one of the most corrupt among 80 nations. Corrupt practice is a cancer that has spread widely into the hub of the Nigeria system. Fighting it has become the cardinal focus of successive administrations in Nigeria since the commencement of this democratic dispensation in May 1999. Moves to combat corruption made the government to establish two anti-corruption agencies which are the Economics and Financial Crime Commission (EFCC) and the Independent Corrupt Practices Commission (ICPC). Despite the presence and measures taken by these anti-graft agencies in Nigeria, the tides of corruption keep increasing. Even the current administration’s strong stance against corruption did not change the situation. For instance, in 2014 CPI, Nigeria was ranked to be the 136 most corrupt in a total of 176 countries by the Transparency International (TI) while in its 2018 CPI, the position of the country dipped further to 144 out of 175 countries. Various reported cases such as the Police pension fund, the NHIS fund misappropriation, Dasukigate, among others, lend credence to the fact that corruption is a serious menace in Nigeria that needs to be tackled. Due to the effect of corruption, Nigeria has become one of the poorest countries of the world. Cable Network News (CNN, 2018) stated that a report of a projection of world poverty clock compiled by the Brookings Institute showed that about 87 millions of Nigerians are extremely poor. Despite its rich oil earnings, Nigeria is growing in poverty rate of six persons per minute (Homi, Kristofer, & Martin, 2018). Corruption is a deadly disease that has seriously infected every structures of the Nigeria system (Asaolu, 2013).

The fight against corruption must be taken seriously and to achieve this, more focus must be on the public sector. Aside the established anti-graft agencies, internal mechanism to combat corruption must be put in place in all public sector establishments. The public sector in Nigeria is widely acclaimed as the source of inefficiency, wastefulness and corrupt practices. Establishment and strengthening of an internal audit department in all government organizations will militate against the misuse and abuse of public offices in the MDAs and will also serve as a complement to the anti-graft agencies. Internal audit, as part of management mechanism, has the potentials to enforce accountability and check corruption in the public sector if properly utilized. Audit quality will boost financial transparency and accountability (Havens, 1990).

Various literatures have studied Internal Audit in public sector with more emphasis on how it can help revenue generation, safeguard assets and control fraud. Very few literatures considered Internal Audit in relation to its usefulness in fighting corruption. Based on available information and researches, empirical study on how internal audit can curb corruption in Nigerian Public sector is scarce. Also, with the poor rating of Nigeria by the Transparency International in terms of corruption indices and the Brookings Institute rating of Nigeria despite its huge oil revenue, a study on internal audit quality and its role in combating corruption especially in the public sector becomes necessary. Hence, the study aims to examine the effect of internal audit quality on corruption in Nigerian public sector.

**Objectives of the Study**

The main objective of the study is to examine the effect of internal audit quality on corruption in Nigeria public sector. The study will also aim to achieve the following objectives:

i. The impact of Internal Auditors independence on corruption in the Nigeria public sector.

ii. The role of Internal Auditors competency in checkmating corruption in the Nigerian public sector.

iii. The effect of Internal Auditors Integrity on corruption in the Nigerian public sector.
Research Hypothesis

H1: Internal Auditors independence has no impact on corruption in Nigerian Public Sector

H2: Internal Auditors competency cannot checkmate corruption in Nigerian public sector

H3: Internal Auditors Integrity has no significant effect on corruption in Nigerian public sector

Literature Review

Theoretical Framework

There are various theories on auditing, such as the agency theory, institutional theory, lending credibility theory, policeman theory, contingency theory and stewardship theory. The study adopted the agency theory.

Agency relationship exists between a principal owner(s) and its agent (Management) (Jensen & Meckling, 1976). The agent manages the organization to carry out some responsibilities and also makes decisions on behalf of the owners based on the authority given by the principal owners. The agent could use the authority for his own interest rather than the owners’ interest. To protect the interest of the principal, a check is needed. The check in this context is the auditors. Adams (1994) stated that the existence of the internal and external auditors will improve the performance of an organization and ensure that laid down procedures are adhered to by the management. Peursem and Pumphrey (2005) see internal auditors as agent for monitoring both the owners and management.

Conceptual Framework

Corruption

Corruption is a concept that various researchers defined differently over time. It is a concept that has no settled meaning (Philips & Akpokighe, 2014). John (2013) stated that corruption is a phenomenon that has diminished and even eliminated peoples’ desire for integrity and good behavior. He asserted that people became corrupted as a result of happenings in the social and political life. Dong (2014) opined that corruption is not adversely affected by development and modernization level of countries. Development and modernization level rather makes corruption to be exhibited in new ways (Dong, 2014). Doig (as cited in Shuaib, 2015) described corruption as using official capacity to acquire personal benefits, and failure to create a dichotomy between public position and private benefit. According to Nkom (1982), corruption is using public position for personal gain. Corruption can be viewed as the act of immorally influencing people in position of authority either to behave in a manner that brings personal gains to all parties involved (Nkom, 1982). Agbese (1992) described corruption as using our social position to get undue advantages.

A situation where officials received, begged or demand bribe before social service can be rendered as an abuse of public office. It also amounts to an abuse when an individual gives bribes in order to influence the laws and procedures for personal gains and benefits (Adedeji, Soyinka, & Sunday, 2018). Ali (2008) asserted that the prevalence of corruption is the root cause of the extreme poverty and hunger in the country. Shuaib (2015) opined that corruption has become a way of life in Nigeria and the cause of unfulfilled promises and dashed hopes that Nigerians are now used to. Philips and Akpokighe (2014) asserted that the major cause for Nigeria’s dwindling fortunes is the fact that those entrusted with the responsibility of governance are stealing public money. They defined corruption as the involvement in immoral acts that are inimical to the well-being
of the society. Corruption is a situation where those charged with the responsibility of managing a country’s wealth acted in a manner that deviated from the expectations of the people and also wrongly and illegally handled the public assets (Oladipupo, 2015).

From the foregoing, corruption can be summarized as an act of dishonesty exhibited by someone at the top level of management amassing wealth to him through bribery, embezzlement, fraud, collusion, extortion and nepotism. Corruption is a major issue that has been identified as a clog in the wheel of progress of any economy. Corruption has been identified as the reason behind system and institutional failures as well as the cause of poor development and extreme poverty in Africa (Hamilton & Hudson, 2014; Pring, 2015). International Organization of Supreme Audit Institutions (INTOSAI, 2013) defines corruption in the public sector as the misuse of public power or trust for personal gain.

According to the World Bank, corruption is seen as an enemy of development because it forced governments to channel efforts into areas where they need not so at the expense of enacting and implementing policies that can bring development. Nigeria, as a country, is seriously enmeshed in the mire of corruption as confirmed by the rating of the Transparency International in which out of 175 countries Nigeria was ranked 144 least corrupt country (TI ranking index for 2018).

Internal Audit Quality

Internal auditing is a composite of independent, consulting and objective assurance activities aimed at creating value and improvement in firms operations (The Institute of Internal Auditors, 2016). It employs a systematic and disciplined process of appraising the soundness of internal control, governance and risk management. Asiedu and Deffor (2017) opined that because corruption is a fall outs of weak systems, effective institutions and reforms are needed to combat it. Effective institutions involve making existing systems and structures more vibrant. This includes strengthening the capacity of personnel in these organizations. Goodwin and Teck (2001) opined that Internal Audit is an independent organ in a company created to make certain that the establishment’s activities become more valuable of good quality.

Otalor and Eiya (2013) stated that audit is one of the machineries needed to battle against corruption. Jeppesen (2018) stated that Auditors are in an advantageous position to actively lead the war to curb corruption. Caratas, Spatariu and Trandafir (2018) stated that organizations conduct audits as most effective method to monitor corruption and bribery. They opined that Audit failure directly influences organizational performance and the role of internal audit consists in assuring that management has a known intolerable attitude towards corruption. Asiedu and Deffor (2017) stated that quality internal auditing would reduce corruption. Khoury (2011) opined that to make the reformation of Internal Auditing from just being a mere department to ensure compliance with rules and regulations to governance mechanism that brings added value there is a need for a greater shift in culture. He asserted that Internal Audit effectiveness depends on some factors among which are their true independence, Professional qualification/competency of the Internal Auditors, legislative backbone and government support. Oladipupo (2015) opined that ineffective and sub-standard auditing and accounting practices encourage corrupt practices. Quality auditing will assist public organizations to carry out their responsibility in line with the requirements of accountability and integrity, and also help them to deliver quality service thereby boosting the people’s trust in them (Assakaf, Samsudin, & Othman, 2018).

Gherai, Tara, and Matica (2016) opined that people in public offices would be deterred and discouraged from involving in fraudulent practices or corrupt behavior if findings of their illicit
acts are disclosed through audit reports. The major aim of embarking on financial audits is not for the purpose of detecting corrupt practices rather it is to ensure that account statements presented by the organization represented the true and fair picture of their transactions and position. This means that false and incomplete accounts signify the presence of corruption.

When organizations seek and maintain a higher and better accounting and auditing standards, top management and all other persons in the organization will be bound to become more plain and straight-forward on how they use the entity’s resources, thereby making it impracticable for management and other members of staff to indulge in any act of corruption. (Adedeji, Soyinka, & Sunday, 2018).

According to Khoury (2011), internal Audit importance in the public sector is as follows:

- Unbiased and objective assessments in ascertaining if public funds are effectively utilized in addition to ensuring that the right ethics and value are maintained in the organization, auditing is the bedrock of effective and efficient governance.
- It assists government in performing effectively, its oversight and monitoring functions.
- It is an effective tool that gives assurance on financial control and can be used to monitor and assess management activities.
- Internal audit helps to ensure fairness, transparency, reduction in corrupt practices and ensure value for money in public procurement.
- It works in conjunction with management to ensure quality service delivery.
- It is an important aspect of public financial management that aid improved management performance.

**INTERNAL AUDIT QUALITY**

![Diagram showing Internal Auditor Independence, Competency, and Integrity leading to Reduction in Corruption]

Source (Author 2019): Internal audit quality and reduction in corruption

**Internal Auditors Competency**

Quality internal auditing is capable of assisting an establishment to actualize its objectives (Macrae & Van Gils, 2014). The financial regulations mandated all public establishments to have an internal audit department. Macrae and Van Gils (2014) stated that with internal audit existence, risks and systems weaknesses are easily evaluated; measures for remedy and sustained improvements are initiated. A factor that determines the quality of internal audit work includes their competency. Asiedu and Deffor (2017) opined that the education and skill of the internal auditors in addition to adherence to the provision of the law determined the competency of
the internal audit department. The Institute of Internal Auditors (2010) stated that auditor’s competency involves knowledge, technical and behavioral skills.

**Internal Auditors Independence**

Independence is a total and complete freedom from external influence. The Public Sector Internal Audit Standard (PSIAS) stated that Independence is the capability of the internal auditor to conduct his/her duties in a manner that is free from biasness. According to Alzeban and Gwilliam (2014), there is greater responsibility on the internal auditors to be objective and independent in their job notwithstanding the fact that they are employees in the organization.

They opined that lack of independence is a major factor affecting the quality internal audit work in most developing countries (Alzeban & Gwilliam, 2014).

The International Organization of Supreme Audit Institutions (INTOSAI, 2013) stated that internal auditors’ independence is the freedom from situations that prevent him to carry out his responsibilities in a manner free from interferences. INTOSAI opined that independence allows internal auditors to perform his duties impartially and be unbiased in his judgments.

The Public Sector Internal Audit Standards stated that to attain the level of independence required to effectively perform his/her roles, the internal auditor must have direct and unrestricted access to the Chairman of the audit committee and the board.

**Internal Auditor Integrity**

Integrity is the ability of the auditors to be fair and honest in carrying out his duties. The auditor must carry out his professional duty in line with the law with its application, not to perform illegal activities and must support the ethics of the audited entity. By doing this, the auditors work will be credible and also attract trust of the people.

According to the Institute of Internal Auditor’s code of ethics, integrity of internal auditors creates trust and hence offers the foundation for dependence on their judgment. The Institute highlighted the following as basis to measure the auditor’s integrity:

- The Auditor shall carry out his duty with honesty, diligence, and responsibility.
- In the course of performing his duty, the Auditor shall comply with the law and also make disclosures as required by the law and the profession.
- The Auditor must not willfully be a partner to any unlawful actions, or involve in actions that are disreputable to the profession of internal auditing or to the establishment.
- The Auditor shall act in ways that esteem and add to the real and ethical aims of the organization.

**Empirical Review**

Various studies concentrated mostly on establishing the effects of internal audit department on organizations performance. There are however other studies on the role or effects of internal audit on corruption particularly in the public sector. Asiedu and Deffor (2017) in a study concluded that effective internal audit function would reduce corruption. They further opined that to reduce corruption, the internal audit department must be allowed to carry out their work independently. Ability to work without any external interference would make the internal audit work to be of
quality and impactful. Rafiu and Oyedokun (2007) stated that quality audit work would lead to effective accountability and can only be achieved if the internal auditor is completely independent.

Caratas, Spatariu and Trandafir (2018) concluded that internal audit is a needed force to win the fight against corruption. In similar vein, Otalor and Eiya (2013) stated that internal audit is a mechanism required in the fight against corruption. Also Rosma (2014) opined that organizational performance will improve through internal audit effectiveness. Udeh and Eugene (2016) concluded that sound internal audit practice is significant to effectively safeguard assets of the public sector organizations.

Adedeji, Soyinka and Sunday (2018) in a research paper on corruption control in the public sector revealed that Nigerian accountants executing accounting principles in the public sector have enough scope and competency to prevent corruption in government organizations. They further asserted in the study that the effectiveness of the established principles is a function of the sincerity and genuineness of members of the organization. They, therefore, recommend that accounting code of ethics, sound internal control and adherence to government laws must be enforced in public sector organization in order to curb corruption.

Nurdiono and Gamayuni (2018) opined that internal audit effectiveness positively and significantly influences accountability. They concluded that internal audit quality is influenced by their competency. The quality of the internal audit work is a role of the competency of the internal auditors. Competency and audit quality are positively related, the more competent the auditors are; the more quality their work will be. Competency can be measured by educational and professional qualifications as well as years of experience.

Khaled and Mustafa (2013) in a study carried on the effectiveness of Internal Audit concluded that the attributes of the internal auditors, quality of work of the internal audit department and the support of members of the organization would contribute immensely to the effectiveness of the internal audit. Thaer (2016) in a study to examine the role of internal audit function in the public sector concluded that the Internal Auditor has a significant role to play to ensure that public resources are well managed and utilized. The study stated that the Internal Auditors are knowledgeable and insightful on how government funds can be managed.

There are, however, a few studies with different views. Sorunke (2016) in study of Local Government Council in Osun state found out that existence of Internal Audit unit did not prevent occurrence of fraud. He further stated that detection and prevention of fraud is not dependent on the Internal Audit independence. In a similar vein, Novita, Imam and Tarmizi (2017) confirmed that there is no significant role played by Internal Audit in improving the quality of accountability of financial statement but Internal Control can affect accountability. Assakaf, Samsudin, and Othman (2018) in their study confirmed that quality auditing can help to curb the menace of corruption. Avis, Ferraz and Finan (2018) carried out an evaluation on the anti-corruption audit programmes of the government specifically to check the misappropriation of public assets at the local level in Brazil and concluded that audit would be a tool that can be used to significantly reduce corruption. They asserted that people elected into public offices would be wary of involving in corrupt practices if they are aware that audit presents a higher chance of exposing their fraudulent acts to the electorates thereby negatively affecting their chances of getting re-elected. They further posit that audit would increase their chances of getting charge for wrongdoings.
Research Methods

The study used survey design and the population of the study covers all government owned establishments that have an internal audit department. However, the study used a sample size of 160 Accountants and Auditors to be drawn from Federal government institutions were in Lagos State. The respondents selected using the simple random techniques. The study makes use of a structured questionnaire as the instrument for collection of data. The questionnaire used in a study carried out by Asiedu and Deffor (2017) was adapted with some modification for this study and was measured on a modified 4 – point Likert scale of Strongly Agree (SA) - 4, Agree (A) - 3, Disagree (D) - 2 and Strongly Disagree (SD) - 1. Multiple regressions using SPSS was used to analyze the data collected.

Regression Model Specification

The regression equation model for this study is as follow:

\[ CP = f(IQA) \]
\[ QIA = f(IND, COM, INT) \]
\[ CP = a + b_1IND + b_2COM + b_3INT \]
\[ CP = \text{Corrupt Practices} \]
\[ IAQ = \text{Internal Audit Quality} \]
\[ IND = \text{Auditors Independence} \]
\[ COM = \text{Auditors Competency} \]
\[ INT = \text{Auditors Integrity} \]

Independent Variables

The Independent variable is the “Internal Audit quality”. The study will measure Internal Audit quality using the following variables:

- Internal Auditors Independence (IND)
- Internal Auditors Competence (COM)
- Internal Auditors Integrity (INT)

Dependent Variable: The dependent variable of this study is “corruption”

Empirical Analysis and Results

The data for the study is generated from staff of organizations belonging to the Federal Government of Nigeria in Lagos State. The sample was selected firstly through purposive selection of organizations that have a functioning Internal Audit department after which respondents were selected from the internal audit department of sampled organization using the simple random sampling technique.

The sample size for this study is 160 respondents who were drawn as stated above. The structured questionnaires were self-administered to the respondents. The returned questionnaires
were subjected to data cleaning. Through this process, questionnaires that were not well filled were removed from the final dataset. Based on this, the number of questionnaires that were well filled and considered for the data analyses was 154 questionnaires representing a response rate of 96 per cent of the entire sample.

**Descriptive Result of Respondents**

**Table 1: Descriptive Analysis of Respondents**

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender: Male</td>
<td>92</td>
<td>59.7</td>
</tr>
<tr>
<td>Female</td>
<td>62</td>
<td>40.3</td>
</tr>
<tr>
<td>Marital Status: Married</td>
<td>97</td>
<td>63</td>
</tr>
<tr>
<td>Single</td>
<td>57</td>
<td>37</td>
</tr>
<tr>
<td>Age: 20 – 30 years</td>
<td>52</td>
<td>33.8</td>
</tr>
<tr>
<td>31 – 40 years</td>
<td>48</td>
<td>31.2</td>
</tr>
<tr>
<td>41 – 50 years</td>
<td>44</td>
<td>28.6</td>
</tr>
<tr>
<td>51 – 60 years</td>
<td>10</td>
<td>6.4</td>
</tr>
<tr>
<td>Education: OND</td>
<td>31</td>
<td>20.1</td>
</tr>
<tr>
<td>HND/BSc</td>
<td>100</td>
<td>64.9</td>
</tr>
<tr>
<td>Postgraduate</td>
<td>23</td>
<td>15</td>
</tr>
<tr>
<td>Work Experience: 1 – 10 years</td>
<td>37</td>
<td>24</td>
</tr>
<tr>
<td>11 – 20 years</td>
<td>74</td>
<td>48.1</td>
</tr>
<tr>
<td>21 – 35 years</td>
<td>43</td>
<td>27.9</td>
</tr>
</tbody>
</table>

*Source: Author research data (2019) SPSS result*

It can be seen from Table 1 that majority of the respondents are male and married, 59.7 per cent and 63 per cent respectively of the respondents are in these groups. Considering the fact that the working age in Nigeria public service is between 18 years to 60 years. 33.8 per cent of the respondents are in the early part of their working years, while a total of 59 per cent are mid-way and 6.4 per cent are almost at the retirement age. The Table further revealed that majority of the respondents have at least a first degree; a total of 79.9 per cent have at least a first degree. Majority of the respondents are experienced on the subject matter having spent some good number of years in the service. 48.1 per cent and 27.9 percent have spent 11-20 years and 21-35 years respectively in the service.

**Regression Analysis and Discussion**

**Table 2: Model Summary**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R2</th>
<th>Adj R2</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.860</td>
<td>.740</td>
<td>.735</td>
<td>.25185</td>
</tr>
</tbody>
</table>

*Source: Author research data (2019) SPSS result*

Table 2 is the summary of the model, the adjusted R2 value is 0.735. This means that 73.5 per cent of changes that occurred in the dependent variable are explained by the independent variable
Table 3: ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression Residual</td>
<td>27.106</td>
<td>3</td>
<td>9.035</td>
<td>142.454</td>
<td>.000b</td>
</tr>
<tr>
<td></td>
<td>9.514</td>
<td>150</td>
<td>0.063</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>36.621</td>
<td>153</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Author research data (2019) SPSS result

Table 3 is the ANOVA statistics; the probability value of 0.000 shows the fitness of the model. Probability value of the F-statistics implies that the result is significant. It means that internal audit quality has a significant effect on corruption. This means that internal audit quality will significantly reduce corruption in Nigerian public sector.

Table 4: Coefficient of Determination

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>0.441</td>
<td>0.172</td>
<td></td>
<td>2.563</td>
</tr>
<tr>
<td>Auditor Independence</td>
<td>0.242</td>
<td>0.060</td>
<td>0.199</td>
<td>4.048</td>
</tr>
<tr>
<td>Auditor Competency</td>
<td>-0.134</td>
<td>0.039</td>
<td>-0.177</td>
<td>-3.418</td>
</tr>
<tr>
<td>Auditor Integrity</td>
<td>0.746</td>
<td>0.039</td>
<td>0.860</td>
<td>18.982</td>
</tr>
</tbody>
</table>

Source: Author research data (2019) SPSS result

The priori expectation is that all proxies for internal audit quality would have a negative relationship with corruption. Table 4 presents the result of the individual statistics. Internal Auditor independence is significant but with a positive coefficient value of 0.242; this means that Internal Auditor independence though significant but positively influences corruption. This suggests that the internal audit independence encourages corruption practice rather than curb it. The statistics result shows that Internal Auditor competency is significant and has a negative coefficient value of -0.134. This implies that the competency of the internal auditors of the public establishment reduces corrupt practice. This is in line with our a priori expectation that that Internal Auditor with professional knowledge will help curb the corruption in public sectors. Lastly, the result shows that Internal Auditor integrity is significant but also with a positive coefficient value of 0.746. This result means that Internal Auditor integrity is significant but positively influences corruption. This is contrary to a priori expectation of the study. This further suggests that the internal auditors in public sectors do not mostly comply with law and regulation. The mindset of government funds being a national cake would make them join the crowd and conduct their duties in a way that could increase corruption in the public sector in Nigeria.

Table 5: Multicollinearity Statistics

<table>
<thead>
<tr>
<th>Model</th>
<th>Tolerance</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auditor Independence</td>
<td>0.714</td>
<td>1.400</td>
</tr>
<tr>
<td>Auditor Competency</td>
<td>0.645</td>
<td>1.551</td>
</tr>
<tr>
<td>Auditor Integrity</td>
<td>0.843</td>
<td>1.186</td>
</tr>
</tbody>
</table>

Source: Author research data (2019) SPSS result
Table 5 is the result for check of relationship among the independent variables. The tolerance and VIF result shows that the model is free from multicollinearity problem. This is evidenced by the value of VIF being less than 10 as suggested by Gujarati (2004).

**Findings**

Based on the result of above, the hypothesis of this study are as follows:

H₁: Internal Auditors independence has no impact on corruption.

The first null hypothesis was rejected implying that Internal Auditors independence has a positive significant impact on corruption.

H₂: Internal Auditors competency cannot checkmate corruption.

The null hypothesis was rejected because the result of analysis was significant. This means that Internal Auditors competency can checkmate corruption.

H₃: Internal Auditors integrity has no significant effect on corruption.

The regression result was significant and the null hypothesis was thus rejected. This implies that Internal Auditor integrity has a significant effect on corruption.

**Conclusion**

This paper examined the effect of internal audit quality on corruption in Nigerian public sector. The study found out and concluded that Internal Auditors independence has a positive significant impact on corruption. This means that the level of independence of the internal audit rather than mitigating corrupt practice increases it. The study concludes that Internal Auditors of the samples institutions are not independent in the discharge of their responsibility thus influencing corruption. Internal Auditor competency has a negative significant relationship to corruption. The study concludes that competency of the Internal Auditor reduces corruption practices in the public sector. The study further found that Internal Auditor integrity has a significant positive relationship with corruption thus concludes that the integrity of the internal auditors encourages corruption in the Nigerian public sectors.

**Recommendations**

- Auditor independence should be made more effective to checkmate any increase in corruption. The government is advised to create legal backing to the Internal Auditor that will compel them to report any findings of corruption directly to the board, Auditor-General of the Federation and anti-graft agencies.
- Rules should be put in place by the government that will state the procedures of deploying or terminating the appointment of an Internal Audit department staff.
- Personnel with the right academics and professional qualifications should be employed into the internal audit departments
- Internal audit department staff should be well trained and their knowledge updated to a level beyond error-proof works.
- Person of whose integrity is in doubts should not be allowed as staff of the Internal Audit department.
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Author’s Profile

Ezekiel Olukayode Ibironke is currently working as a Chief Accountant with National Postgraduate Medical College of Nigeria, a government owned Agency that oversee the certification of Medical and Dental Doctors as Specialist in a specified field of medicine. He attended Lagos State University, located at Lagos-Badagry Expressway, Ojo, Lagos, possessed a first degree (B.Sc) in Accounting, second degree (M.Sc) in Business Administration and Management. He also holds an additional qualification of M.Phil. in Accounting. All higher certificates are obtained from Lagos State University, Ojo, Lagos. He is also a Professional Accountant, an Associate Member of the Institute of Chartered Accountants of Nigeria (ICAN) and also possessed an Accounting Technician Certificate of ICAN. He has a diploma certificate in desktop publishing and information technology. He is affiliated with Lagos State University, Ojo, Lagos as a student. He is currently studying towards the acquirement of a doctorate degree in the field of Accounting. His research interest is in all areas of accounting, however, few studies have been carried out in the area of auditing, taxation and corporate governance. He also has a working experience of over 15 years in the field of accounting. He has attended several workshops and conferences relating to accounting.