VALUE FOR MONEY (VFM) AUDIT AND PUBLIC SECTOR PERFORMANCE IN AFIKPO NORTH LOCAL GOVERNMENT AREA OF EBONYI STATE, NIGERIA

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Audit
Efficiency
Effectiveness
Economy
Accountability
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Good governance.

ABSTRACT
The study aims to determine the impact of value for money auditing in Ebonyi State with regards to ensuring efficient and effective accountability of public fund, as well as to ascertain how the application of value for money audit helps in enhancing the transparency of accounting system. Two hypotheses were put together in line with the objectives of the study. Survey method was adopted as the research design and data was collected through the use of questionnaire. Data generated was examined using percentages and the formulated hypotheses were tested with the help of chi-square statistical formula at 5% level of significance. It found that value for money audit has a significant impact in ensuring that the public fund is effectively and efficiently accounted for; it also reveal that value for money audit is capable of enhancing the transparency of accounting system. The implication of this finding is that the absence of audit department or adequate qualified value for money audit staff in any sector will result to ineffective and inefficient transparency of accounting system and unaccountability of public fund. This study concludes that the impact of value for money audit in the performance of public sector cannot be overemphasized where there is no political and administrative interference of the controlled council officials. Therefore, the study recommends among others, that the government should improve the remuneration and fringe benefits of auditors as this would enhance their efficiency and sincerity in carrying out their duties.

Contribution/Originality: This paper contributes in the existing literature as to ascertaining the impact of VFM audit as regard to the effectiveness, efficiency and economy of an organizations use of resources in the case of Afikpo North Local Government Area of Ebonyi State of Nigeria.

1. INTRODUCTION
In recent years the amount of cash usually allocated to the public sector has significantly risen which has resulted to an increase in government programs and operations and has as well resulted in enhanced demand for accountability from government officials managing execution. Igwe (2004) sees the public sector as part of the economy created and operated by the government; its agencies that can be distinguished from the private sector and organized on behalf of the entire citizen. Government monies should be used to the greatest potential and that those who carry out government activity should be responsible for the economic, efficient and effective management of the funds entrusted to them, this brings about value for money audit (VFM) in public sector organisations. Value
for Money (VFM) quest has become the sacred grail of global public sector management (Nwamgbebu et al., 2019). Value for money (VFM) audit involves the assessment of the efficiency, effectiveness and economy of an organizational use of resources and it is increasingly relevant to sectors which do not have profit as their main objective such as the public sector and charities (Kalubanga and Kakwezi, 2013; Nwosu, 2015). It is also anticipated that public service providers will prove to their communities that they deliver better value for cash that addresses not just efficiency but delivery effectiveness.

VFM auditing is relevant in public sectors, because the public sector has taken the lead due to the extraordinary need for government organizations to demonstrate their answerability and thoughtfulness for the economy, efficiency and effectiveness of using public funds and other resources. VFM audit is the most up-to-date instrument for assessing the effective performance of both private and public service projects, used to assess how organizations fulfill their goals and are using their resources in an economical, efficient and effective way with due regards with on the road to recovery or giving the positive and desired expected impacts to the societies of Nigerians in specific (Chezue, 2013). Project administrators have the primary responsibility of protecting the project assets against fraud, which means that VFM audit team to detect and prevent fraud by reviewing all of their operations during the building of a specific project to determine whether the principles of VFM (3Es, i.e. Efficiency, Effectiveness and Economy) were implemented during the performance of their responsibilities in order to ensure that the cash of the taxpayers are correctly employed in accordance with their wants. This has led to a widespread use of both internal and external audit mechanisms and it is presumed that their presence will safeguard project fraud since most Nigerian projects have records of fraud, misuse of assets, activities that have had adverse or zero effect on society. It has become a discussion as to why there are such frauds while internal and external audit schemes are in place?

VFM auditing is needed to safeguard and mitigate fraud in projects involving public services. The problem which is facing the control of public funds and properties in Government projects is that the Government concentrates more on Regularity audit and not taking into thoughtfulness VFM audit in performance appraisal of the projects. VFM audit is more than regularity audit as it goes deeper to the 3 E’s (efficiency, economy and effectiveness) of the public services projects. VFM audit performed in a few projects only and as the results raise a lot of questions like; does the Government consider VFM audit and their reports as the best way to prevent and detect fraudulent? Do Management, staff and society at large know VFM audit and how efficient it is in controls frauds and misuse? The VFM audit of all public sector departments, institutions, ministries, etc. is without doubt entrusted on the auditors of the federation, the state and the local government. Nwamgbebu et al. (2019) opined that VFM audit came into existence as a result of meagre accountability by public office holders in the expenditure of fund and poor ability to rightfully channel the funds to useful projects or services to the citizens. It is as a result of deplorable monitoring of this public fund that has led to corruption in form of fraud, embezzlement of public funds. Hence, VFM audit in public sector accounting was initiated to reduce all the short falls of public office holders in the use of fund given to them (Nwosu and Mshelia, 2015).

The study sought to:
1. Determine the impact of VFM auditing in ensuring efficient and effective accountability of public fund.
2. Ascertain how the application of VFM audit helps in enhancing the transparency of accounting system.

1.1. Research Questions

The following questions were raised as to:
1. What is the impact of VFM auditing in ensuring efficient and effective accountability of public fund?
2. How has the application of VFM audit helped in enhancing the transparency of accounting system?
1.2. Statement of Hypotheses

The following hypotheses were formulated to guide the study:

1. VFM audit does not play any significant impact in ensuring effective and efficient accountability of public funds.
2. The application of VFM audit has not help in enhancing the transparency of accounting system.

2. REVIEW OF RELATED LITERATURE

Nwosu (2015) argued strongly that some elements may be subjective, difficult to measure, intangible and misunderstood and Judgment is required when considering whether VFM has been satisfactorily achieved or not. In the same view, Asenova and Beck (2010); Grosso and Van Ryzin (2012); Kalubanga and Kakwezi (2013) recorded that the idea of the concept of VFM audit was borrowed from the conceptual framework of administration practice in the private sector and it grip the appraisal of the efficiency, effectiveness and economy of an organizational use of resources and it is gradually more relevant to sectors which do not have profit as their key objective such as the public sector and charities. VFM audit are usually performed as part of the internal audit or public sector audit. Glynn (1985) states that the audits of public sector companies are becoming increasingly as regard with the efficiency, effectiveness and economy of resources employed in state organization wherefore given way for the augment of value for money audits.

Public sector audit as stated in, Yousef and Abdelhafid (2014) involves the inspection of the financial affairs of the state owned enterprises to judge whether the best interest of the public and whether criterion procedures have been followed to act in accordance with the requirements in place to uphold transparency and good governance. Bowerman (1996) opined that VFM audit can also be called management auditing which examines the capacity of public organisations to fulfil their duties and regulate their expenses by ensuring that resources are managed at the lowest price and that operations are structured effectively. A value for money audit is a self-sufficient and objective examination of whether public accomplishments, structures, operations, programs, activities or operations are functioning in accordance with the values of economy, efficiency and effectiveness and whether there is space for enhancement.

2.1. Economy, Efficiency and Effectiveness

Economy has to do with less expenditure since it have to do with reducing resource costs. The funds used should be available in a timely manner, in suitable amount and valued and at the friendly cost. That is, it has to do with at least cost acquiring resources in suitable quality and quantity. Nwosu and Mshelia (2015) established that this concept seek to know if resources were acquired at the lowest cost while maintaining quality; since in some occasions, the lowest price is not the best if the quality is different. On the other hand, Efficiency denotes spending well. It has to do with getting the most out of accessible funds. It concerns the connection between resources employed and outputs supplied in terms of amount, quality and timing. It's also worried with enhancing productivity. It's the connection between outputs and inputs used to generate them. It is a measure of production, in other words, how much you get out of what you put in. Efficiency is measured as;

\[
\text{Efficiency} = \frac{\text{Resources actually used} \times 100\%}{\text{Resources planned to be used}}
\]

Whereas, effectiveness means spending wisely. It is the extent to which the goals set have been accomplished and the expected outcomes accomplished. It includes qualitative and quantitative interventions to boost or reduce results that demonstrate that a program is efficient in attaining its planned goals. This examines the connection between inputs and outputs. The method is provided thus:

\[
\text{Effectiveness} = \frac{\text{Actual output} \times 100\%}{\text{Expected output}}
\]
2.2. Theoretical Framework

2.2.1. Agency Theory

In 1976, Jensen and Mackling developed the agency theory. He posits that agency relationship exists between a company’s owners and its managers, in that the owners appoint an agent to oversee the company on their behalf. As a part of this agreement, the owners must entrust decision-making authority to the management. The theory postulates that an organization consists of a nexus of contract between the shareholders; which in this scenario is the general public, and the management connoting the public office holders, who are entrusted with the responsibility of managing and controlling the resources of the shareholders.

Akinbili (2012) raised a case of conflicting interests of shareholders and management of organizations, suggesting that the less informed party will have to demand for information that keeps an eye on the behaviours and activities of better informed manager. In other words, it is at the course of demanding for information by the shareholders that constituted the basis of establishing an internal audit department in an organization; which agency theory within this framework of study tries to ascertain or reveal the relevance of internal auditing in providing information to the shareholder; bearing in mind that the management (manager) have more information than shareholders. Agency theory therefore is based on the premise that there is shareholders-management relationship and this relationship solemnly rely on how it is regulated through internal auditing may have an impact on the decision making of the organization which in turn affects the organizational objective.

2.2.2. Empirical Framework

<table>
<thead>
<tr>
<th>Author</th>
<th>Objective</th>
<th>Methodology</th>
<th>Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nwamgbuebu et al. (2019)</td>
<td>Examined the effect of value for money auditing on cost of governance in local government councils in Nigeria</td>
<td>Adopted cross-sectional survey anchored on Multiple Regression</td>
<td>Revealed that economy principle in procurement and effectiveness principle in budget implementation have significant effect on cost of governance, while efficiency principle in utilization of resources has no significant effect on cost of governance</td>
</tr>
<tr>
<td>Onyima (2015)</td>
<td>Examined the traditional social control mechanisms in Afikpo North LGA of Ebonyi state, south eastern Nigeria</td>
<td>Descriptive statistics to analyze the questionnaires, the frequency tables and simple percentage was used in presenting and interpreting the quantitative data</td>
<td>The study found two groups of effective traditional social control methods (human and non-human traditional social control methods) used to ensure social cohesiveness, order and peaceful inter-human relations</td>
</tr>
<tr>
<td>Nwosu (2015)</td>
<td>Value for money audit: An accountability tool in the Nigeria public sector</td>
<td>Desktop approach the analysis</td>
<td>Disclosed that lack of the processes affects the promotion of accountability in the Nigeria Public Sector</td>
</tr>
<tr>
<td>Nwosu and Mshelia (2015)</td>
<td>Value for money audit: A veritable tool for expenditure management</td>
<td>Desktop analytical approach</td>
<td>Revealed that lack of value for money audit processes affects the smooth running and growth of an organization</td>
</tr>
<tr>
<td>Shah (2015)</td>
<td>Investigated the role internal audit in organization goals achievements</td>
<td>Field survey via questionnaire submitted to the Pakistan Exchange Commission Internal Audit Department</td>
<td>Internal audit not only has it plays a beneficial role in the execution of organizational objectives, but also increases the effectiveness of the organization</td>
</tr>
<tr>
<td>Akpoke (2014)</td>
<td>Investigate the extent to which the internal auditor has helped or assisted organization in achieving its goals and success</td>
<td>cross sectional survey design whereas chi-square statistical tool were used in testing the hypotheses</td>
<td>Revealed that internal audit provides management with the accurate and necessary information it needs to perform its duties, vis-à-vis sound internal audits in organizations enhances organizational success</td>
</tr>
<tr>
<td>Chezue (2013)</td>
<td>Investigated the benefits of value for money in public service projects.</td>
<td>Qualitative study method was introduced to elaborate quantitative uses</td>
<td>significant projects such as water projects as well as the accountability of all the project involved vis-à-vis VFM auditing is not a popular approach to public official auditing</td>
</tr>
</tbody>
</table>
3. METHODOLOGY

Survey method was adopted as the research design and data was collected through primary source with a structure questionnaire by employing chi-square statistical formula at 5% level of significance. In that note, the population of this study covers all the staff of Afikpo North L.G.A, Ebonyi State, who are knowledgeable enough with regard to the area of study; the top, middles and junior management staff of Account section, Audit section, Personnel section, Social welfare, Education, Health, Works and administrative section was of special interest to the study. As captured from the personnel section of the L.G.A, the top management staff, the middle management staff and the junior staff consists of 61 staff, 83 staff and 28 staff respectively. In that the sum the population is 172 (61+83+28), while the sample size of the study was derived using the Taro Yamani formula as;

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

Where;
- \( n \) = Sample size to be used.
- \( N \) = Population size.
- \( E \) = Error estimated level of significance.
- \( 1 \) = Constant.

Substituting in the above formula, given that \( n =? \), \( N = 172 \), \( e = 0.05 \)

\[ n = \frac{172}{1 + 172 (0.05)^2} = \frac{172}{1 + 172 (0.0025)} = \frac{172}{1 + 0.43} = \frac{172}{1.43} = 120 \]

Employing Bowley (1926) sample proportion model, the department proportion of the sample was calculated thus:

\[ nh = \frac{Nh}{N} \times \frac{S}{1} \]

Where;
- \( nh \) = Department share of sample size.
- \( Nh \) = Department part of population size.
- \( N \) = population.
- \( S \) = Sample.
- \( 1 \) = Constant.

Top Mgt

\[ = \frac{61}{172} \times \frac{120}{1} = \frac{7320}{172} = 43 \]

Middle Mgt

\[ = \frac{83}{172} \times \frac{120}{1} = \frac{9960}{172} = 58 \]
It can be observed from Table 2 that out of the 120 questionnaires distributed, 107 of them which represent 89.2% (107 × 100 ÷ 120) were actually filled and returned correctly while 13 of the questionnaire which represent 10.8% (13 × 100 ÷ 120) were wrongly filled and some unreturned. The analysis of the study is based on the number of questionnaires that were actually filled and returned, which is 107.

Question 1: VFM audit ensures efficient and effective accountability of public fund?

From the Table 3, majority of the respondents (84 (55+29) or 78.5% (51.4+27.1) agreed that VFM ensures efficient and effective accountability of public fund, while the minority of them which is 23 (8+15) or 21.5% (7.5+14) disagreed.

Question 2: VFM auditors ensure and enhance transparency of accounting system?

In Table 4 the majority of the respondents which is 75 (43+32) or 70.2% (40.2+30) agreed that VFM auditors ensure and enhance transparency of accounting system, while the minority of them which is 32 (18+14) or 29.8% (16.8+13) disagreed.

4.1. Test of Hypotheses

The hypotheses were tested with chi- square statistical formula at 5% level of significance.
\[ x^2c = \sum \frac{(of - ef)^2}{ef} \]

Where :
- \( x^2 \) = Chi-square.
- \( \sum \) = Sigma or summation.
- of = Observed frequency.
- ef = Expected frequency.

Degree of freedom (df) = \((R-1)(C-1)\)
\[ \frac{(3-1)(4-1)}{2 \times 3} = 6 \]

Table value of \( x^2 \) at df 8 under 0.05 = 12.592

\( HO_1 \): VFM audit does not play any significant impact in ensuring effective and efficient accountability of public fund.

The above hypotheses were tested using question 1 in Table 2.

**Table 5.** Contingency table for hypothesis one.

<table>
<thead>
<tr>
<th>Staff cadre</th>
<th>SA</th>
<th>A</th>
<th>SD</th>
<th>D</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Mgt</td>
<td>31</td>
<td>11</td>
<td>0</td>
<td>0</td>
<td>42</td>
</tr>
<tr>
<td>Middle Mgt</td>
<td>24</td>
<td>15</td>
<td>6</td>
<td>5</td>
<td>50</td>
</tr>
<tr>
<td>Junior Mgt</td>
<td>0</td>
<td>3</td>
<td>2</td>
<td>10</td>
<td>15</td>
</tr>
<tr>
<td>Total</td>
<td>55</td>
<td>29</td>
<td>8</td>
<td>15</td>
<td>107</td>
</tr>
</tbody>
</table>

**Table 6.** Calculation of \( x^2 \) for testing hypotheses one.

<table>
<thead>
<tr>
<th>Staff cadre</th>
<th>Of</th>
<th>Ef</th>
<th>of-ef</th>
<th>((of-ef)^2)</th>
<th>(\frac{(of-ef)^2}{ef})</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Mgt: SA</td>
<td>31</td>
<td>21.6</td>
<td>9.4</td>
<td>88.36</td>
<td>4.090</td>
</tr>
<tr>
<td>A</td>
<td>11</td>
<td>11.4</td>
<td>-0.4</td>
<td>0.16</td>
<td>0.014</td>
</tr>
<tr>
<td>SD</td>
<td>0</td>
<td>3.1</td>
<td>-3.1</td>
<td>9.61</td>
<td>3.1</td>
</tr>
<tr>
<td>D</td>
<td>0</td>
<td>5.9</td>
<td>-5.9</td>
<td>34.81</td>
<td>5.9</td>
</tr>
<tr>
<td>Middle Mgt: SA</td>
<td>24</td>
<td>25.7</td>
<td>-1.7</td>
<td>2.89</td>
<td>0.112</td>
</tr>
<tr>
<td>A</td>
<td>15</td>
<td>13.6</td>
<td>1.4</td>
<td>1.96</td>
<td>0.144</td>
</tr>
<tr>
<td>SD</td>
<td>6</td>
<td>3.7</td>
<td>2.3</td>
<td>5.29</td>
<td>1.429</td>
</tr>
<tr>
<td>D</td>
<td>5</td>
<td>7</td>
<td>-2</td>
<td>4</td>
<td>0.571</td>
</tr>
<tr>
<td>Junior Mgt: SA</td>
<td>0</td>
<td>7.7</td>
<td>-7.7</td>
<td>59.29</td>
<td>7.7</td>
</tr>
<tr>
<td>A</td>
<td>3</td>
<td>4.1</td>
<td>-1.1</td>
<td>1.21</td>
<td>0.295</td>
</tr>
<tr>
<td>SD</td>
<td>2</td>
<td>1.1</td>
<td>0.9</td>
<td>0.81</td>
<td>0.736</td>
</tr>
<tr>
<td>D</td>
<td>10</td>
<td>2.1</td>
<td>7.9</td>
<td>62.41</td>
<td>29.719</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>53.81</td>
</tr>
</tbody>
</table>

Chi square calculated \((X^2) = 53.81\).
Chi square tabulated \((X^2) = 12.592\).

A close look at the above calculation reveals that the value of \( X^2c \) is greater than the value of \( X^2t \) (i.e. 53.81 > 12.592) and in line with our decision rule we accepted the alternative hypotheses and therefore conclude that value for money audit plays significant impact in ensuring effective and efficient accountability of public fund.

\( HO_2 \): The application of VFM audit has not help in enhancing the transparency of accounting system.

The above hypotheses will be tested using question 2 in Table 3.

**Table 7.** Contingency table for hypothesis one.

<table>
<thead>
<tr>
<th>Staff cadre</th>
<th>SA</th>
<th>A</th>
<th>SD</th>
<th>D</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Mgt</td>
<td>16</td>
<td>13</td>
<td>12</td>
<td>1</td>
<td>42</td>
</tr>
<tr>
<td>Middle Mgt</td>
<td>22</td>
<td>19</td>
<td>0</td>
<td>9</td>
<td>50</td>
</tr>
<tr>
<td>Junior Mgt</td>
<td>5</td>
<td>0</td>
<td>6</td>
<td>4</td>
<td>15</td>
</tr>
<tr>
<td>Total</td>
<td>43</td>
<td>32</td>
<td>18</td>
<td>14</td>
<td>107</td>
</tr>
</tbody>
</table>
Table 8. Calculation of \( \chi^2 \) for testing hypotheses two.

<table>
<thead>
<tr>
<th>Staff cadre</th>
<th>Of</th>
<th>Ef</th>
<th>of-ef</th>
<th>(of-ef)(^2)</th>
<th>(of-ef)(^2) ef</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Mgt: SA</td>
<td>16</td>
<td>16.9</td>
<td>-0.9</td>
<td>0.81</td>
<td>0.047</td>
</tr>
<tr>
<td>A</td>
<td>13</td>
<td>12.6</td>
<td>0.4</td>
<td>0.16</td>
<td>0.012</td>
</tr>
<tr>
<td>SD</td>
<td>12</td>
<td>7</td>
<td>5</td>
<td>25</td>
<td>3.571</td>
</tr>
<tr>
<td>D</td>
<td>1</td>
<td>5.5</td>
<td>-4.5</td>
<td>20.25</td>
<td>3.681</td>
</tr>
<tr>
<td>Middle Mgt: SA</td>
<td>22</td>
<td>20</td>
<td>2</td>
<td>4</td>
<td>0.2</td>
</tr>
<tr>
<td>A</td>
<td>19</td>
<td>15</td>
<td>4</td>
<td>16</td>
<td>1.066</td>
</tr>
<tr>
<td>SD</td>
<td>0</td>
<td>8</td>
<td>-8</td>
<td>64</td>
<td>8</td>
</tr>
<tr>
<td>D</td>
<td>9</td>
<td>7</td>
<td>2</td>
<td>4</td>
<td>0.571</td>
</tr>
<tr>
<td>Junior Mgt: SA</td>
<td>5</td>
<td>6</td>
<td>-1</td>
<td>1</td>
<td>0.168</td>
</tr>
<tr>
<td>A</td>
<td>0</td>
<td>4.5</td>
<td>-4.5</td>
<td>20.25</td>
<td>4.5</td>
</tr>
<tr>
<td>SD</td>
<td>6</td>
<td>2.5</td>
<td>3.5</td>
<td>12.25</td>
<td>4.9</td>
</tr>
<tr>
<td>D</td>
<td>4</td>
<td>2</td>
<td>2</td>
<td>4</td>
<td>2</td>
</tr>
</tbody>
</table>

Chi square calculated (\( \chi^2 \)) = 28.714
Chi square tabulated (\( \chi^2 \)) = 12.592

The value of \( \chi^2c \) is greater than the value of \( \chi^2t \) (i.e \( 28.714 > 12.592 \)). In adherence to our decision rule we accepted the alternative hypotheses and thereby conclude that the application of value for money audit helps in enhancing the transparency of accounting system.

5. DISCUSSION CONCLUSION AND RECOMMENDATIONS

5.1. Discussion of Findings

In line with the objectives, questionnaire were formulated and disseminated to the respondents and afterward the data were collected and presented in tabular form and analyzed using percentages and the hypotheses were tested using chi square statistical formula at 5% level of significance for onward acceptance or rejection of the previously stated hypotheses. The major findings of the study are consequently discussed below: The first hypotheses of the study was set to ascertain the impact of value for money auditing in ensuring efficient and effective accountability of public fund. The response of the respondents exposed that 55 respondent which represent 51.4% strongly agreed with the question, 29 persons which represents 27.1% agreed, while 8 and 15 respondents which respectively represent 7.5% and 14% are of the opinion of strongly disagreed and agreed respectively. This implies that the majority of the respondents which is 84 (55+29) which represent 78.5% of them which is 23 (8+15) which represent 21.5% disagreed.

The responses were further subjected to analysis using the non-parametric tool of chi-square at 5% level of significant. Subsequent to the analysis the calculated chi-square (53.81) was found to be greater than the tabulated chi-square (12.592) and based on the decision rule stated in chapter three of this research work, the null (\( H_0 \)) hypotheses was rejected and that led to the onward acceptance of alternative (\( H_1 \)) hypotheses and thereby conclude that value for money audit plays significant impact in ensuring effective and efficient accountability of public fund.

The second hypothesis was also precise to make certain whether value for money audit will be of assistance in enhancing the transparency of accounting system. The collected data revealed that 43 respondents which represent 40.2% strongly agreed with the question, 32 respondents which represent 30% agreed, while 18 and 14 respondents which represent 16.8% 13% respectively choose the opinion of strongly disagreed and agreed. Summarily, these indicate that majority of the respondents which is 75 (43+32) or 70.2% (40.2+30) agreed that VFM auditors ensure and enhance transparency of accounting system, while the minority of them which is 32 (18+14) or 29.8% (16.8+13) disagreed. To aid the validity of the respondent chi-square statistical formula was equally employed in testing the hypotheses at 5% level of significance.
At the end of the test it was discovered that the value of chi-square calculated (X²c) is greater than the value of chi-square tabulated (X²t) (i.e. 28.714 > 12.592) as can be seen in Table 8 of this study. In adherence to our decision rule we accepted the alternative hypotheses and thereby conclude that the application of value for money audit helps in enhancing the transparency of accounting system.

5.2. Conclusion

Having determined the Impact of Value for Money Audit on the Performance of Public Sector Organisation in Ebonyi State, this study from the findings concludes that the impact of value for money audit in the performance of public sector cannot be overemphasized, because management and administrators use the value-for-money audit team to detect fraud and prevent it from occurring by checking all of their operations during the building of a specific project; to determine whether VFM principles were implemented during the performance of their responsibilities so as to guarantee the taxpayers that their money are appropriately utilized according to the need. This means that the lack of an audit department or appropriate skilled value for money audit employees in any industry will result in ineffective and inefficient accountability of the accounting system and public fund accountability.

In other words, it will lead to mismanagement and misuse of government funds by holders of government offices. Nevertheless, Value for Money (VFM) audit has become a corner stone for supervising public sector facilities and more emphasis is placed on accountability which support the works of Yousef and Abdelhafid (2014) as observed that more powers should be given to auditors to efficiently enforce and implement VFM audit, which in turn will have an impact on the management styles used by public sector organisations. Observably, it should be inevitable to carry out the value for money audit in the public sector since:

- Value for money audit plays a major role in ensuring effective and efficient public fund accountability.
- Applying value for money audit helps improve and enhance accounting system transparency.

Nevertheless, the above-mentioned impact of VFM audit on the performance of public sector organizations can only be significant if there is no political and administrative interference of controlled council officials with the performance of auditors’ duties.

5.3. Recommendations

The following recommendations will aid improvement in the practice of value for money audit in the Nigerian public sector:

- Government should improve auditors’ remuneration and fringe benefits as this would increase their effectiveness, honesty, integrity, objectivity, and transparency in fulfilling their duties.
- For the completeness, precision and validity of the information acquired through the scheme, a formal accounting system and related controls should be in place.
- The government should always provide funds directly to local government auditors, as it will allow them to fulfil their statutory responsibilities independently of local government councils.

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