

The Effect of Performance Audit on the Implementation of Fadama II Project in Federal Capital Territory Abuja

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Abstract

The purpose in this study was to analyse the effect of performance auditing on the implementation of *Fadama II* project based on the perception of key stakeholders on the Project. The study used an exploratory design and sampled 60 participants in the *Fadama II* Project in the Federal Capital Territory, Abuja. Using Kruskal-Wallis H test the study found that (1) performance audit has measurable benefit to the *Fadama II* project; (2) performance audit contribute to the attainment of *Fadama II* Project goal. Based on the finding the study recommended that performance audit should be instituted in all government ministries, departments and agencies to track funds to project. This will forestall fraud and misuse of public funds. Furthermore, the study recommends that all donor agencies should demand performance audit of projects they sponsor to determine the extent to which target goals are being met.

Keywords: Performance Audit, Fadama, Economy, Efficiency Effectiveness

1. Introduction

The major goal of auditing government agencies and parastatals is to certify that the accounts of the agencies or parastatals have been prepared fairly, and that the money was spent according to the purpose it is meant. That is whether the goal set to be attained by the agency has been achieved effectively. This makes a case for audit in the public sector to provide additional information on the value of outputs. Output value is the degree of attainment of a set of measures of the level and quality of service provided. Studies like Power (1999) asserted that public financial audit amounts to little more than a 'negative assurance' label which is unhelpful and which often provides only a 'bland regurgitation of financial data'. To collaborate this, Otor and Eiya (2013) posit that financial audit has failed to meet the need for greater information to the taxpayer.

What strikes the mind is the fact that not many public administrators, and citizens have adequate knowledge of the difference between traditional and performance audit; nor the significant way that performance audit contribute to organisational improvement. In view of these, there is need for a study to examine the effect of performance audit, in not only meeting the information need of all stakeholders, but constructively provide recommendations that enhance organizational performance.

The main objective of this study is to empirically analyse the effect of performance auditing on the implementation of *Fadama* Project based on the perception of key stakeholders in the Project. In order to achieve this goal, the study has the following ensuing sections. Conceptual, theoretical framework and review of related literature are discussed in section 2. Methodology adopted in the paper was stated in section 3. Results and discussions of the study findings was done in section 4. Finally, conclusion and recommendations emanating from the analysis was presented in section 5.

2. Conceptual Clarifications

The two concepts that are tangential to this study are performance audit and *FADAMA II* project. These concepts are vividly clarified under this section.

2.1 The concept of performance audit

Performance audit has been variously defined. It is concerned with the audit of economy, efficiency and effectiveness. According to Asian Organization of Supreme Audit Institution (ASOSAI, 2003), performance audit may be means examining, whether government ministries are doing "the right thing" and doing this in "the right and least expensive way". Performance auditing is therefore an assessment of the activities of an organization to see if the resources are being managed with due regard for economy, efficiency and effectiveness and accountability requirements are being met reasonably (Khan, 2006).

According to International Organization of Supreme Audit Institution (INTOSAI, 2004), performance auditing provide the channel for taxpayers, financiers, legislatures, executives, the general public and the media

to “execute control” and to obtain insight into the running and outcome of different government activities. It is an essential element for the accountability process in all public-jurisdiction. The main reason for carrying out performance audits according to African Organization of English-Speaking Supreme Audit Institutions (AFROSAI-E, 2013) is that the audits can lead to better use of resources by public bodies and provide support to democratic government. Performance audits help ministries, departments and agencies to improve their operations. It can be seen as investments that should lead to better functioning public entities. Performance audits identify important problems, analyse the causes and effects and present recommendations for using resources better. Performance audits are not restricted by departmental boundaries. By using experiences gained from studies of other organisations performance audits can bring new insights into problems faced by audited entities.

2.2 The concept of Fadama II

“*Fadama*” is a local Hausa word for low-lying flood plains usually with easily accessible shallow groundwater (NFCO, 2009). The use of *Fadama* resource was to ensure all year round farming of some staple food and vegetables especially where *Fadama* resources are more pronounced (Okonjo, 2005). *Fadama* areas are considered to be of high potential for economic development through appropriate investment in infrastructure, household assets and technical assistance (WorldBank, 2003). The desire to realise its potential in Nigeria led to the design of the National Fadama Development Project (NFDP) in 1993. The NFDP is one of the projects that were put in place to help better the lots of Nigerian rural dwellers, specifically those involved in *Fadama* farming. The first national *Fadama* development project (*Fadama 1*) was designed in the early 1990s to promote simple and low-cost improved irrigation technology under Worldbank financing. The widespread adoption of the technologies enabled farmers to increase production. However, the *Fadama I* project was faulted for ignoring the storage, processing and preservation of the output which resulted to post harvest losses by the *Fadama* users. The second national *Fadama* development project (*Fadama II*) was designed with the objective of addressing the shortcomings associated with *Fadama I* project.

2.3 Input-process-output model

Our study is anchored on the input-process-output model or theory. Performance auditing is linked to performance management concepts used by program managers and their principals to plan, monitor, and evaluate how public resources are used to achieve public policy objectives. The concepts of inputs, process, outputs, outcomes impact as well as correlate with the goal of economy, efficiency and effectiveness - the common tools for public managers and performance auditors (Warren & Morgan, 2007).

Efficiency is an indication of how well an organization uses its resources to produce goods and services. Thus, it focuses on resource (inputs), goods and services (outputs), and the rate (productivity) at which inputs is used to produce or deliver the outputs. Output dimensions include quantity and quality. Outputs are delivered to external or internal clients within parameters relating to level of service. Quantity refers to the amount, volume, or number of outputs produced. Quality refers to various attributes and characteristics of outputs such as reliability, accuracy, timelines, service courtesy, safety, and comfort (Office of Auditor-General, Canada, 1995).

In relation to performance auditing and public performance management, it uses an additional set of concepts that describe the processes and outputs component of the model. Dye and Staphenhurst (1998) explain this to mean that performance audit seeks to determine whether the society and the users get value for the money the government spends. Figure 1 below is Input Output chain used by Warren and Morgan (2007) to explain programme dimension.

Programme dimension

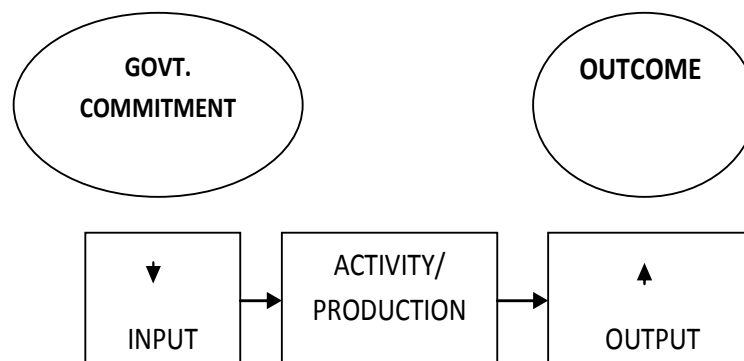


Figure 1: Input-Output Chain

Source: *Performance Audit Handbook (AFROSAI-E, 2013)*.

The government commitment in the model in Figure 1 above is the objective of the programme. Input connotes human and material resources assigned to achieve the objective. Activity/production means all activities undertaken in the entity to achieve the objective. The output is the goods and services provided by the entity. The outcome determines whether the stated objectives are met (Warren & Morgan, 2007).

Pollit (1999) envisages performance audit as a process in which certain inputs (organizational authority, auditor's skill, etc) are deliberately combined, using a defined process with the aim of producing a specific 'product' or "output" (e.g. a public report). In his view, performance management focused on the three Es which are themselves constituted from an input-output discourse in which targets have to be set, efficiency and effectiveness have to be measured and public organisations are supposed to shift from input-based systems of control towards result steering (OECD, 1977)

Pollit and Summa (1996) agree with the model on Figure 1 above, he modified it to bring to fore the fact that organisations exist to meet external needs. These external needs reflect the societal problem that government set up an entity to address. When an entity is set up, government deploys resources (human and material). The law establishing an entity normally states the objective, its mandates and administrative apparatus to pursue its goal. It is the actual performance of the objective by the entity that performance audit seeks to compare with expected performance. If the final outcome (impact) solves the social-economic problem, it is said that the entity is performing well. Conversely, if the social-economic problem remains, then there is need to evaluate the relevance of the project. The modified input-output model according to them is presented in figure 2 below.

The input-output model can be seen in the context of a system theory where a system has one or several goals or a purpose; interacting with its elements or parts; resources and information flow among the different elements that compose the system; a system is situated within an environment; resources and information flow from and to the surrounding environment via boundaries; Elements or parts of a system can also be defined as systems and are composed of other parts, just as the system itself is generally a part of a larger system.(AFROSAI-E, 2010)

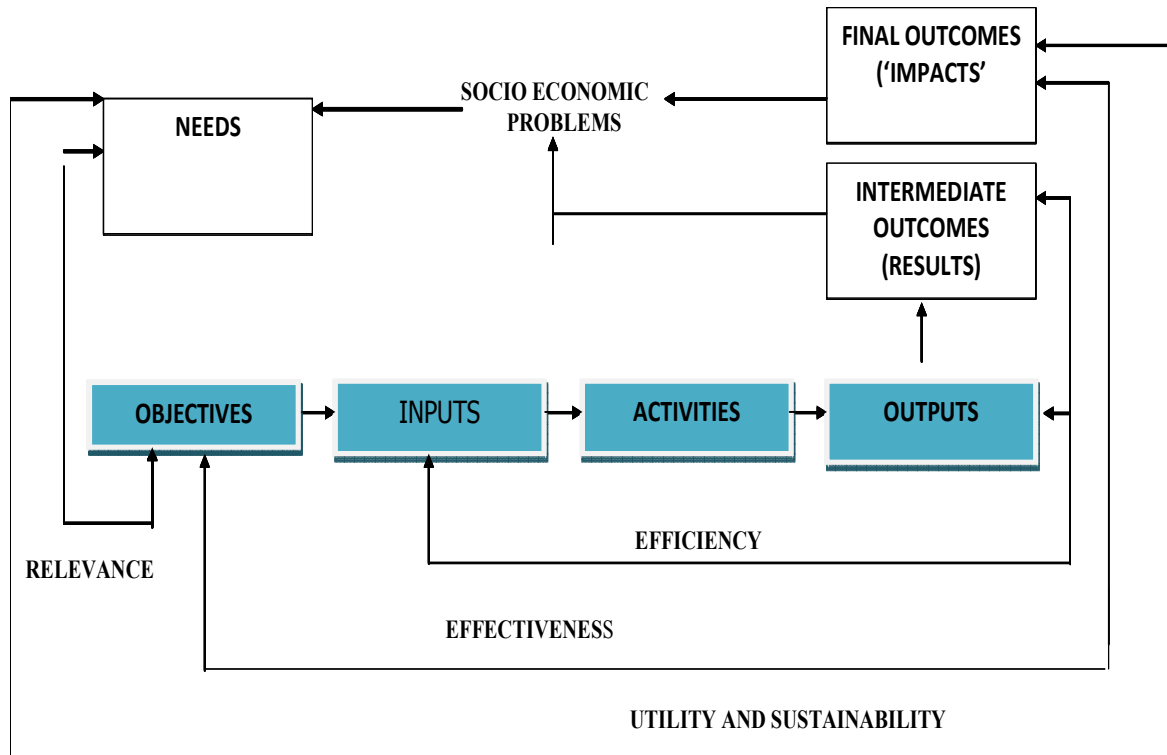


Figure 2: Input-Output model

Source: *Performance Audit and Public Management Reform*, Pollit C, and Summa H. (1999)

Socio economic problem like food shortage, post harvest losses, and rising cost of food stuff usually triggers the need for a project. Government then deploys resources to an entity (*Fadama II*) to pursue the goal of ameliorating the problem. The activity (process, methods) of the entity results in an output, which meets the needs of the society. The Performance auditor serves to evaluate the output to see if it satisfies the societal needs. The concepts of the 3Es are further illustrated through the input-output model in *AFROSAI-E Performance Audit Handbook* (2013).



Figure 3: The input-output model and the three Es

Source: *Performance Audit Manual Template, AFROSAI-E, 2013*

Figure 3 above explains the activity box as black box where activities that are necessary to transform the input to products or services (output) take place. Economy is evaluated from the use of the input, while efficiency is analysed from the way the entity carried out its activities. The entity's output and results are compared with the objectives, to test the effectiveness of the programme/entity.

2.4 Review of related empirical studies

Gomes (2001) provided an argumentation in favour of adoption of performance audit by supreme audit institutions. The study affirms that performance audit reflects the doctrine that a public organisation of external control of the bureaucracy should balance and integrate the pursuit of two types of accountability, namely, compliance accountability and performance accountability. By providing such argumentation, the study aims to fulfil certain outcomes. A first outcome is to provide a clear and reliable argumentative framework about

performance audit. It is argued that performance audit can be characterised as a strand of public management policy. Public management policy is a strand of the New Public Management (NPM). The analytical frameworks within NPM might be serviceable tools to approach performance audit. Secondly, it tries to build an analytical framework about how to study performance audit phenomenon. It is argued that an approach to the study of performance audit as a recent phenomenon in many national public administrations should hold three streams, namely, political, organisational, and managerial. The political and organisational streams should be analysed with the use of methodological tools within political science and comparative public administration. The latter stream should be approached by policy arguments backed by public management literature, general management doctrines and empirical knowledge about a government processes and operations.

Etverk (2002) measures the effectiveness of performance audit using Estonia as case study. The study focus on the performance audit effectiveness measurement. The alternative ways of measuring performance audit effectiveness are then introduced and the possible criteria influencing their effectiveness are highlighted. The study examined, whether these criteria (success factors) have positively influenced the performance audits conducted in Estonia. The found that performance audit effectiveness depends on factors linked to the audit process- the auditee's characteristics and the existence of certain environmental conditions. Although the chosen performance audits added little value to the audited topic, it turned out that the auditees' attitude towards the performance auditors was positive and the performance audit was considered to be a necessary and useful audit type. According to the auditees' perception, they regained added value from the audit as it gave a systematic and thorough analysis problems. In addition, the audit results provided help to the audited body in discussions about the audited topic with other institutions and in justifying their future choices to overcome the problems.

Nath (2007) explores public sector performance auditing in Fiji, using hermeneutical methodology. The study provides an understanding of the process which led to the emergence of public sector performance auditing in Fiji. Drawing on the hermeneutical exposition textual evidence gathered from archival documents and participant interviews was analysed with the focus to reveal how the text was used by actors such as the Auditor-General, the media, the public accounts committee, and others to create the perception 'of the need for performance auditing'. The study concludes that the socially and politically influential actors such as the Auditor-General and the Public Accounts Committee used 'the concept of 'accountability' to craft a niche for performance auditing in the Fijian public sector.

Tudor (2007) used comparative method (cross-national comparison) to analyze the impact of implementing the new performance audit in some east European countries. He found that performance measurement provides an objective basis for evaluating how efficiently public resources are being used and how effectively public service outcomes are being achieved. He concluded that performance audit support government self-analysis and provides a basis for more informed and publicly defensible decision-making. Performance audit analyses the quality of financial administration from the point of view of the three elements of performance: economy, efficiency and effectiveness.

Sawadogo (2008) used logical model to illustrate that performance audit is 'managing for results to value for resources'. According to him, Performance audit mark a paradigm shift in public financial management. Early forms of performance reviews (Assessments, Evaluations and Audits) have put the spotlights on "Spending" vs. "Results", leading to 'Managing for Results'. In turn, 'Managing for Results' is now driving the rising wave of 'Performance Audits. He concludes that Performance Audit is "... a systematic, purposeful, organized and objective examination of government activities; ... designed to promote accountable government; ... includes the examination of economy, efficiency, cost effectiveness and environmental effects of government activities ...". The conclusion and recommendation of this study is that: Performance Audit is the wave of the future in Public Financial Management. 'Managing for Results' is the road to 'Value for Resources' (VFR) in Public Service. Performance review functions (M&E) have been promoting MFR; Financial functions need to catch up with MFR for a greater MFR. Audit professionals' acumen and leadership, especially with 'Performance Audit', is crucial in keeping Public Financial Management's focus on getting 'Results' with public 'Resources'.

Manaf (2010) investigated the impact of performance audit in Newzealand. He compared performance audit to the traditional financial and compliance audits, agreeing that it is a relatively new innovation that emerged amidst accountability concerns in the public sector. In his view, economic crises, ministerial scandal and inefficiencies were among the impetus that led the public to demand better performance and greater accountability in the public sector, and performance audit was among the many responses to such demand. In New Zealand Performance audit is carried out by the Controller and Auditor General (the AG) under the mandate granted by the Public Audit Act 2001. Manaf (2010) adapted grounded theory for his study, looked at the impact of performance audit on seven entities audited in 2006 by the AG. The study found that the entities were impacted through the manifestation of implemented audit recommendations and the attainment of performance audit goals. In particular, there is a high acceptance and implementation rate to the audit recommendations made in the seven audits. The implementation of accepted recommendations consequently led

to the changes within the entities in terms of managerial practices, as well as internal systems and processes. In some entities, these changes were translated into performance improvement, where the entities experienced changes in the way that they carried out their operations. The auditees viewed performance audit as having a more important role as an assurance tool in terms of their accountability to the public.

Macerinskiene and Daujotaite (2011) studied the development of performance audit in the public sector. They stressed that it is an area that is new in the history of auditing, saying that its growth parallels the evolution of politics and public administration from one-dimensional focus on control of inputs (resource) towards broader attention to accountability for outputs and outcomes. They examined the causal relation between management's reforms and the developments in performance auditing which theoretically go in two directions: Reform causes new audit practices or new audit practices cause the reform. Empirically, the relationship is mainly one directional: management reforms trigger an adoption of audit practices. On the audit side, new public management has influenced development of the audit. This evolution in auditing, they believe, represents both a means by which audit can continue to be relevant and a move towards fulfilling accountability role in governance. They used of logic models to identify and set out the relationship between the socio-economic needs, to be addressed by the intervention and its objectives, inputs, processes, outputs and out-comes, which include results and impacts.

Dereje (2012) examined the role of performance audit or Value for Money (VFM) audit in combating and fighting public sectors corruption in both Ethiopian Federal Government and Oromia. The study focused on assessing the factors affecting auditors and performance audit development, on identifying pitfalls faced while performance audit is being conducted and used as a tool against corruption, and also on strategic relationship of OFAG and ONRSOAG with their respective EACC and PAASC in each state. The study used surveys of performance auditors, EACC officials and turn out auditors, documentary analysis using audit report, budget, and other documents, and interviews with head of performance audit division and PAASC. The results reveal that the practice of performance audit in Ethiopia aged more than two decades and only about 50 audit reports produced by OFAG. Even though each report is full of finding with probable corruption clue areas EACC not used it as an inputs in fighting corruption. In UK an average of 50 audit reports produced per year and OFAG meet this after 22 years journey. Additionally, the results show that problems faced auditors and corruption suspicion findings valued in millions of amount. The study suggests EACC, OAG, PAASC and higher education institutions to improve capacity and auditor's retention policy and relationship of OAG and EACC, and calling higher education institutes to launch audit program in the country.

Minu (2012) studied the impact of Performance audit on Government Social Programme in Bangladesh. The study is designed to ascertain the impact of performance audit as a tool to enhance accountability and transparency of the government program by linking resource allocation to performance of the program and feeding the results back into strategic planning and budgeting. The study looked at the current practices of managing government program, and gave an insight into the achievement of the wider program objectives, better value for money (economy, efficiency, effectiveness), and delivery of services based on policies and rules declared. There is an interaction between planning of using resources and implementation of the program by using those resources. Subsequent monitoring of the performance of the program by the higher authority enhances this interaction. The key department for measuring the performance of the program independently is the office of the Comptroller and Auditor General (C&AG) of Bangladesh which aims to conduct effective audit.

In order to assess the impact of performance audit on Government Social Forestry (SF) program, the recorded the quantity of impacts as far as possible which has improved the management of the SF and assess the gap between SF rules and implementation of the program. The study concludes that the management authorities are now more concerned to maintain records, accountability of the program authorities has been achieved to verify the records with actual results and all of these have been reflected on getting more feedback of audit observation from field to audit department. The above findings do not ensure that the present condition of SF is the sole impact of Performance Audit. There are other external factors that are closely associated with the impact. But the findings obviously give assurance that Performance Audit has a good scope to improve the management of SF program.

Odia (2014) studied the role of performance audit and accountability in Nigeria. The study recommends performance auditing which comprises audit of economy, efficiency and effectiveness or value for money audit, independence of the supreme audit institutions based on Lima and Mexico declarations to foster public sector accountability in Nigeria.

3. Methodology

The study area is the participants in the performance audit of the *Fadama* II Project in the Federal Capital Territory, Abuja. The participants are the personnel in the Accounts and Audit and knowledgeable representative of the *Fadama* users Association with whom the performance auditors interacted with in the course of performance audit in 2012. The design of this study is exploratory in nature. The study relies on review of

literature to gain some familiarity with the problem. Secondly, the researcher conducted personal interview with Audit/Accounts personnel of *Fadama* Coordinating Office and Chairmen/secretaries of *Fadama* User Association/Group.

The study obtained data for analysis from 60 respondents broadly categorized into two: Namely administration and user group. The Administration group is made up of Audit/Accounts groups while the User group is made up of six Desk Officers, Chairmen/Secretaries of *Fadama* User Association (FUA). The researcher was among the team of performance auditors that carried out the performance audit of *Fadama* II project at FCT Abuja in 2012.

Table I: **Summary of respondents used by the study**

Administration/Management (Audit/Accounts)	18
<i>User Group</i>	
Desk Officers	6
Chairmen/Secretaries of FUA	<u>18</u>
Sub- Total	<u>42</u>
Total respondents (sample size)	<u>60</u>

Data gathered in this study are presented in tables, and analysed using percentage. The use of tables brings out a lot of information and helps the researcher to gain an overall impression of the variable of interest. Specifically, table which categorized the respondents into two major categories, (administration and user groups), was used to determine if there exists a pattern or relationship between the nominal variables. Through this method, each question in the questionnaire is separately analysed based on the respondents' answers. This is done to foster easy and clear understanding of the research work. Finally, Kruskal-Wallis H test which comparing two or more samples that are independent and that may have different sample size, was employed to test the hypotheses.

4. Results and Discussion

Eighteen (18) copies of questionnaire were administered to personnel in Audit/Accounts and twenty four (24) copies administered to respondents *Fadama* User Association (FUA), making a total of forty two (42) copies. All the copies were duly completed and returned. The following analysis is based on the number of questionnaires returned and in order of research question.

4.1 *Effect of performance audit*

The respondents were asked to indicate their view of effect of performance audit conducted on the *Fadama* II project. The objective was to provide answer to research question one which sought to ascertain the respondents' overall perception of the conduct of the performance audit. In their response, seventeen (17) respondents which represent 40% strongly agreed that the effect of performance audit was that it traced funds released to project. Twenty (20) respondents, representing 48% simply agreed while 12% of the respondents are undecided.

According to the respondents, another effect of the performance audit was that it compares actual result with intended goal of the project. Twenty six percent (26%) agreed with this preposition, while fifty-seven percent (57%) strongly agreed. Twelve percent (12%) are undecided while five percent (5%) disagreed. Fifty-seven percent (57%) of the respondents strongly agreed that one effect of performance audit is that it serves as deterrence against fraud. Twenty-six (26%) agreed while nineteen percent (19%) of the respondents are undecided. Twelve percent (12%) disagreed with the view and two percent (2%) strongly disagreed.

Another effect of the performance audit was that it emphasizes economy, efficiency and effectiveness. Forty-eight percent (48%) of the respondents agreed with the position, while five percent (5%) strongly agreed. Twenty-four percent (24%) of the respondents are undecided while seventeen percent (17%) of the respondents disagreed. Six percent (6%) strongly disagreed. The result is presented on Table II below.

Table II: Respondents’ response on effect of performance audit

_S/N	Effect of Performance Audit	Response Type					TOTAL NO/%
		Strongly agree	Agree	Undecided	Disagree	Strongly Disgreed	
1	Performance audit tracks funds released to projects	17	20	5	0	0	42
		40%	48%	12%	0	0	100
2	Performance audit compares actual results with intended goal	11	24	5	2	0	42
		26%	57%	12%	5%	0	100
3	Performance audit serves as deterrence against fraud	4	24	8	5	1	42
		10%	57%	19%	12%	2%	100
4	Performance audit emphasizes economy, efficiency and effectiveness	2	20	10	7	3	42
		5%	48%	24%	17%	6%	100

Source: Field Data, (2014)

4.2 Benefit of performance audit

The respondents were asked to indicate their view of the benefit of performance audit conducted on the *Fadama* project. The objective was to provide answer to research question two which sought to ascertain the respondents’ perception of benefit accruable from the conduct of the performance audit. In their response, fifteen (15) respondents which represent 36% strongly agreed that one of the benefits of performance audit was that it serves as useful tool for legislative oversight function. Seventeen (17) respondents, representing 40% simply agreed while 12% of the respondents are undecided. Seven percent (7%) disagreed with this argument while five percent of the respondents strongly disagreed. See Table III below.

According to the respondents, another benefit of the performance audit was that it provides feed-back to the Donors through its interface with end users of the project. Forty percent (40%) strongly agreed with this position, while forty-eight percent (48%) agreed. Twelve percent (12%) are undecided. Forty three percent (43%) of the respondents strongly agreed that one further benefit of performance audit is that it highlight areas of weakness in the process. Ten percent (10%) of the respondents strongly agreed while fifty two percent (52%) simply agreed. Twenty eight percent (28%) of the respondents are undecided while ten percent (10%) disagreed with the view.

Another benefit of the performance audit was that it recommends remedial action to management. Seventeen percent (17%) of the respondents strongly agreed with the position, while forty percent (40%) agreed. Forty-three percent (43%) of the respondents are undecided.

Table III: Respondents’ perception on benefit of performance audit

S/N	Benefits of Performance audit	Response Type					TOTAL NO /%
		Strongly agree	Agree	Undecided	Disagree	Strongly Disagree	
1	Serves as useful tool for legislative oversight function	15	17	5	3	2	42
		36%	40%	12%	7%	5%	100%
2	Performance auditors-interfaced with end-users of project which provide feed-back to the Donors	17	20	5	0	0	42
		40%	48%	12%	0%	0%	100%
3	The performance audit report highlights areas of weakness	4	22	12	4	0	42
		10%	52%	28%	10%	0%	100%
4	The performance audit recommends remedial action.	7	17	18	0	0	42
		17%	40%	43%	0%	0%	100%

Source: Field Data Collected (2014)

4.3 Contribution of performance audit to attainment of project goal

The respondents were asked to indicate their perception of the contribution of performance audit to the stakeholders. The objective was to provide answer to research question three which sought to ascertain the respondents’ perception of the contribution of the performance audit to the Project. In their response, twenty-four percent (24%) of the respondents strongly agreed that one of the contributions of performance audit was that it stimulated extensive discussion among management. Thirty six percent (36%) of the respondents simply agreed

while 40% of the respondents are undecided. See Table III below.

According to the respondents, another contribution of the performance audit was that the recommendations of the auditors reinforced management focus on project goal. Twenty nine percent (29%) of the respondents strongly agreed with this position, while forty-five percent (45%) agreed. Twenty six percent (26%) of the respondents are undecided. Forty -three percent (43%) of the respondents strongly agreed that one further contribution of performance audit was that there have been remarkable changes in the project after the performance audit exercise. Fifty-two percent (52%) of the respondents agreed while five percent (5%) are undecided.

The view of respondents was sought on what management did with recommendations of the performance auditors. Five percent (5%) of the respondents strongly agreed that management did nothing with the recommendations of the performance auditors. Twenty eight percent (28%) of the respondents are undecided but thirty-eight (38%) disagreed. Twenty nine percent (29%) of the respondents strongly disagreed that management did nothing with the recommendations of the performance auditors.

A further contribution of the performance audit was that it recommends remedial action to management. Seventeen percent (17%) of the respondents strongly agreed with the position, while forty percent (40%) agreed. Forty-three percent (43%) of the respondents are undecided.

Table IV: Respondents' perception on contribution of performance audit

S/N	Contribution of performance audit	Response Type					TOTAL N0/%
		Strongly agree	Agree	Undecided	Disagree	Strongly Disagree	
1	Serves as useful tool for legislative oversight function	10	15	17	0	0	42
		24%	36%	40%	0%	0%	100%
2	Performance auditors- interfaced with end-users of project which provide feed-back to the Donors	12	19	11	0	0	42
		29%	45%	26%	0%	0%	100%
3	The performance audit report highlights areas of weakness	18	22	2	0	0	42
		43%	52%	5%	0%	0%	100%
4	The performance audit recommends remedial action.	2	0	12	16	12	42
		5%	0%	28%	38%	29%	100%

Source: Field Data Collected (2014)

4.4 Test of hypotheses

The Kruskal-Wallis H test was performed to test our three formulated hypotheses and the chi-square and the asymptotic significance levels were shown in Table V below.

	χ^2	p-value
Hypothesis one	1.400	0.000
Hypothesis two	0.714	0.700
Hypothesis three	0.000	0.000

H01: Performance audit has no significant effect on Fadama project.

The result of the Kruskal-Wallis H test below shows that performance audit has a significant effect on the implementation of the *Fadama* project. The asymptotic significant is greater than the critical value at 0.05. This result align with Pollit and Summa (1996) which states that performance measurement provides an objective basis for evaluating how efficiently public service outcomes are being achieved.

H02: Performance audit has no measurable benefit to the *Fadama* project.

The result of the Kruskal-Wallis H test below shows that performance audit has significant benefit to the project. The Asymptotic significant is greater than the critical value. This finding conquers with Zibaie (2009) which states that performance audit have a dual role. They provide clients with information and assurance about the quality of management of public resources and they also assist public sector managers by identifying and promoting better management practices. It serves as useful tool for legislative oversight function, provides feedback to Donors through its interface with users of project, highlight areas of weaknesses and recommends remedial action.

H03: Performance audit does not contribute to the attainment of *Fadama* Project goal.

The result of the Kruskal-Wallis H test below shows that performance audit made significant contribution to the attainment of the project goal. The Asymptotic significant is greater than the critical value. This finding indicates that performance audit contributes in three key areas to the attainment of the *Fadama* Project. These include: The report of performance auditors stimulated extensive discussion among management, recommendations of the

performance auditors reinforced the focus of management on the project goal, and resulted to remarkable changes in the project after the performance audit exercise.

5. Conclusion and Recommendations

This study sought to ascertain the effect of performance audit on the implementation of *Fadama* II Project in the Federal Capital Territory, Abuja as perceived by the stakeholders involved. The study concluded from the evidence gathered that performance auditing have positive effect on the implementation of *Fadama* project. Based on the conclusion the study recommended that performance audit should be instituted in all government ministries, departments and agencies to track funds to project. This will forestall fraud and misuse of public funds. Furthermore, the study recommends that all donor agencies should demand performance audit of projects they sponsor to determine the extent to which target goals are being met.

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