HUMAN RESOURCES OPERATIONAL CAPACITY AND FINANCIAL ACCOUNTABILITY IN NIGERIAN: AN EMPIRICAL ANALYSIS OF SUPREME AUDIT INSTITUTION

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Abstract

The role of Supreme Audit Institution (SAI) in ensuring public officers entrusted with position and public funds are held accountable cannot be overemphasized. The effectiveness of performance of this role will depend on human resources operational capacity available. This study investigated Supreme Audit Institution Human Resources Operational Capacity and Financial Accountability in Nigerian. The study population was seven hundred and forty (740) with a sample size of Two hundred and fifty three (253) derived using Krejcie and Morgan (1970). The study adopted the mixed method approach and Partial Least Square-Structural Equation Model was used to analyse the data obtained from the questionnaire while data from the interview were thematically analysed. The results showed that SAI lacked adequate staff and concluded that the human resources operational capacity of SAI has a positive significant impact on performance of SAI, it therefore recommended amongst others that more staff should be employed and aadequately trained.

Keywords: Human resources operational capacity, financial accountability, supreme audit institution

Introduction

1.1 Background to the Study

Public officers are said to be agents or representatives of the State and are statutorily required to act on behalf of the State in carrying out its functions. The accomplishment of this role requires high level of transparency and accountability since funds are entrusted in the hands of public officers to ensure public service delivery. The State, on behalf of the citizenry, is expected to ensure control on these officers by establishing a monitoring mechanism that will ensure effective use, transparency and accountability of the funds held on trust by the public officers (Sylvester, 2013; Oyedele, 2015; Lassou, Hopper, & Ntim, 2019). However, most states, particularly in developing world have failed to make these objectives realizable as a result of the failure on the part of their public service as agent of change and development (Ogunbodede & Lawal, 2018).

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The roles of Governmental, Non-Governmental Organizations (NGOs) both local and international and regulatory bodies like United Nations, World Bank, Commonwealth Nations, International Public Sector Accounting Standard (IPSAS), Transparency International (TI), International Organisation of Supreme Audit Institutions (INTOSAI) were all significant in the campaign for transparency and accountability, their influence became necessary based on the need for proper utilization of funds made available to less privileged countries of the world for developmental purposes. This led to agitation to strengthen the Supreme Audit Institutions (SAIs) of all countries. Saghal (1998) therefore emphasized that, strengthening audit function is directly linked to greater accountability, transparency and improved public fund management. In line with the above, International Organization of Supreme Audit Institutions (INTOSAI) (2013) asserted that SAIs should impute value to public funds by ensuring public sector financial accountability, independence and objectively supporting the reform (Bringselius, 2018).

The Supreme Audit Institution (SAIs) which is regarded as Auditor General in Nigeria is expected to serve as an authority that is saddled with the responsibility of providing unbiased and objective assessment of whether public fund is effectively managed to achieve intended outcome by carrying out regular audits of public financial statements. In achieving this feat, SAI should be provided with both human and material resources.

The issue of accountability has been of greater concern and SAI, which is primarily established to ensure accountability, had failed in this area, this may seemingly be as a result of the problems faced by SAI in its operations. These problems are associated with: administrative autonomy, late presentation of the Auditor-General's report; and provision of human and material resources to mention but few (Ijeoma & Nwofo, 2015)

According to Nwezeh (2021), there are 943 MDAs in Nigeria and the OAuGF has about one thousand seven hundred and fifty staff (1,750) with about sixty-five percent of them representing middle and top management cadre. Simple analysis of the above reveal that 1,750 staff of OAuGF to 943 MDAs translates to a ratio of about 2:1 (Staff: MDAs) notwithstanding the volume of work involved, time and other logistics. It should also be noted that not all 1,750 staff are involved in field audit. This is likely to have accounted for the late submission of the OAuGF's reports to the appropriate authority. Furthermore, the former narrow operational scope of SAI has now been expanded to accommodate other fundamental departments / areas (OAuGF, 2016) however; this expansion did not attract additional human capacity. This implies that the OAuGF lacks human resource capacity to carry out public sector audit effectively and timely as asserted by Usim and Itua (2019).

Human resource capacity building is highly important in SAI, this requires that qualifications and experience of the staff is of high importance and there is the need to continuously train and re-train the staff, however, in practice, most of the trainings organized are conferences, perhaps with the ultimate aim of financial benefits rather than 'train-the-trainers' courses that can be useful for on-the-job training for technical officers that are directly involved in the field work and improve the performance of SAI in Nigeria.

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The foregoing issues have remained as impediments to the growth, effectiveness, efficiency and performance of SAI in the discharge of its statutory roles and ultimately hinders accountability and good governance in the Nigeria, hence, the performance of public service is ridiculously low, service delivery is conspicuously poor or non-existent due to lack of transparency and accountability leading to questioning the relevance of SAI in Nigeria. The continued increase in government's expenditure over the years without much impact on the society has further necessitated the need for accountability and transparency in public service. However, this is lacking which makes public service delivery apparently poor, weak and stagnant (Oyedele, 2015).

Effective performance of SAI is very germane in the service delivery of any government as this allows the citizenry to easily access the impact of government on its populace. However, this seems only achievable when a separate institution like the SAI is empowered to ascertain that public institutions established and funded by the government are made accountable for those funds. It is on this premise that this study intends to investigate the impact of human resources operational capacity on performance of Supreme Audit Institution (SAI) in Nigerian.

2. LITERATURE REVIEW

2.1. Conceptual Review

2.1.1 Financial Accountability

This refers to tracking and reporting on allocation, disbursement, and utilization of financial resources (Brinkerhoff, 2005); the money trail helps to determine who is doing what to whom, when, and how (Okewole, et al, 2016). According to Adeyemi Akindele, Aluko, and Agesin (2012), financial accountability is the establishment of the pattern of control over the receipts and expenditures that permits a determination either by the executive or by the legislature (or both) that public monies have been used for public purposes. It is concerned with the establishment of a pattern of control over the receipt and expenditure of public funds. Thus, it is the justification of estimates, the superintendence of the use of appropriated funds, the devices for timing the rate of expenditure, and the auditing of accounts

Financial accountability implies an obligation on the part of the person(s) handling resources or holding public office or any other position of trust, to report on the intended and actual use of the resources (Rondinelli & Cheema, 2003). There is an obligation on the part of any public office that is entrusted with financial resources or any other position of trust, to report on the intended and actual use of the resources or of the designated office (Onuorah & Appah, 2012). A paper published by the World Bank (2001) claims that SAIs are useful in managing public spending, ensuring financial accountability, and strengthening public institutions.

According to Rabrenovic (2009), financial accountability requires setting internal and external financial mechanisms including adequate accounting systems, reporting, and internal and external audits to ensure the legality of public expenditure, and Osho (2014) asserted that accountability can be achieved through the application of the system of financial control and

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management strategies with an efficient and effective that includes policies, procedures for reporting and monitoring. Financial

There are three broad areas that persons in organizations shall be held to account for their conduct: compliance with the law and financial disclosure, performance and general direction, by members and stakeholders (Mulgan, 2003). Financial accountability suggests accounting through the forum of auditing by complying with recognized financial standards and regulations.

2.1.2. Human Resources Capacity

In order to properly carry out its mandate, SAI must have autonomy over how its offices are set up and run. This implies that it must be capable of managing its structure, as well as organizing and planning its actions without intervention from Executive bodies, including managing the human resource (SAI.PMF, 2016). All jobs within the SAI should be defined in relations to knowledge, abilities, and competencies, and professionals should be urged to pursue the appropriate professional certifications (Reichborn-Kjennerud, 2018).

To improve the quality of audits, harmonize standards, share best practices, and generally assist the staff in carrying out their mandates, the SAI institution should establish interactions with pertinent international bodies through international and local training, seminars, conferences, and the publication of international journals (INTOSAI, 1977).

The SAI's professionals and support personnel should have a systematic training program, and the development needs of each individual employee should be evaluated on a regular basis. Scholars contend that professionalism among those undertaking oversight activities will lead to greater results in terms of raising the auditee's performance (Isaksson & Bigsten, 2012). The personnel should receive IT training to help them perform their jobs, and there should be an IT strategy created to fulfill the operational demands of the SAI and those of its audit clients (DFID, 2005).

While the UN, the African Union, the Commonwealth Heads of Government, and other significant international for a have declared their support for SAI independence, INTOSAI - CBC, (2018) found that many SAIs still do not have all of the elements of independence outlined in the Mexico declaration on SAI independence (INTOSAI-P10, 2019).

2.2. Theoretical Framework

2.2.1.   Agency Theory (AT)

The Agency Theory (AT) was first postulated by Barry Mitnick in 1972. The theory then focused on problems compensation in a principal-agent relationship in contract. However, Jensen and Meckling (1976) applied the theory to management science. An agency relationship is defined as "a contract in which one or more persons (the principal(s)) employ another person (the agent) to perform a service on their behalf and involves delegating some decision-making authority to the agent" by Jensen and Meckling (1976). Agency theory can

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be thought of as a unique form of contract theory. However, a broader definition of the principal-agent relationship is possible. Every time one person depends on the actions of another, according to Arrow (1985), an agency connection develops. The person doing the action is referred to as the agent, and the party being impacted is referred to as the principal. A contract between the principal and the agent isn't required, although it's possible.

The theory argues that the value of a firm cannot be maximized if appropriate incentives or adequate monitoring are not effective enough to restrain firm managers (agents) from using their own discretion to maximize their own benefits. Agency theory assumes that individuals are utility maximizers but does not assume that organizations are structured in the way they are because it is the most efficient method of organizing. This is demonstrated, not only in the assumption that managers and workers act as opportunistic agents that is, not in the interest of the owners but also by the preoccupations of agency theorists with governance and methods of controlling non-owners to maximize profits (returns to shareholders) to the owners.

The agency theory, as further noted by Kulik (2005), presupposes that both the principal and the agent are driven by self-interest. Agency theory is doomed to unavoidable inherent conflicts because of this self-interest assumption. Thus, if self-interest drives both parties, agents are likely to pursue selfish goals that diverge from or even oppose the principal's purposes. However, agents are required to operate only in their principals' best interests.

The agency theory assumes that behaviours and consequences are relatively homogeneous and easily controlled, which is not true in the real world. (Davis, Schoorman, & Donaldson, 1997). Wallace (1980) asserts that the need for auditing is caused by the presence of agency issues, and that auditing would be unnecessary in the absence of agency issues. Therefore, the need for governmental auditing institutions might only arise if there are agency issues in a state's legal, political and economic structures. An additional agency is developed as a result of the hiring an auditor. The principal cannot directly witness the auditor's auditing efforts because, like any other person, the auditor has an interest in maximizing his or her own welfare as an agent.Thus, the following question refers to the fundamental problem: "If the owner hires an auditor to make sure that the manager is not cheating him, how is the owner assured that the auditor is not also cheating him by not delivering the agreed upon level of auditing services?" (Baiman, 1979, p. 29). Therefore, in order to ensure that the auditor is effective and efficient in the delivery of his role, all necessary resources both material and otherwise must be provided by the principal.

Many other authors like Wiseman and Gomez-Mejia (1998), and Pepper and Gore (2012) have also criticised the positive agency theory. In response, they proposed an alternative agency theory known as behavioural agency theory. The principal and agent conflict, agency costs, and realigning both parties' interests to minimize the agency problem, according to these behavioural agency theorists, are the sole elements that are stressed in classic agency theory. The behavioural agency model suggested some adjustments, such as adjusting agent motivation, risk aversion, time preference, and compensation equity.

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According to the argument, agents make up the majority of the principal-agent interaction, and their effectiveness is mostly dependent on their aptitude, motivation, and ideal circumstances.

The relevance of agency theory to this study is that the Federal Government of Nigeria (FGN), representing the entire Nigerian citizen has engaged some individuals referred to as civil servant to paddle the affairs of public sector institutions for our collective interest. Agency problem arises when these agents (civil servants) begin to divert and convert our collective assets to their personal property. The Federal Government of Nigeria (FGN) has a duty to estabish a control mechanism, in this case SAI and provide it with all resources that it will require to be effective and efficient in te discharge of its role.

2.3. Empirical Review

Akhidime, and Izedonmi (2012) carried out an explorative study on the effectiveness of the Office of the Auditor General of the Federation of Nigeria in the discharge of her responsibilities, particular in curbing corruption in government services, the possible challenges faced and ways of overcoming them. The study noted that The Auditor General Office is expected to serve as a corner stone for good public sector governance through the provision of unbiased objective assessments of whether public resources are responsibly and effectively managed to achieve intended results. Through in-depth literature review and analysis of secondary data, the study revealed the principal challenges of Nigeria's Auditor-General Office to include the issues of independence, capacity building, political will of the Executive and the legislature to implement the Auditor-General's report.

Charles and Oluoch (2017) noted that that in recent times, the precise role of audit seems to be shifting from mere detection-oriented procedures to prevention and advocacy-oriented performance evaluation approach, and therefore, carried out a study to explore the effects of statutory position; institutional management; resources availability; and audit processes on the effectiveness of the Auditor General's oversight role in the Kenya public financial management. Regression analysis was used to analyse the data obtained and the results indicated that statutory position of the OAG, institutional management of the OAG, resources availability and audit processes significantly influenced the effectiveness of OAG in providing oversight into public financial management in Kenya. The statutory position, resources management and audit process as used in the study are in line with the variables of this study.

In Afghanistan, Akbari (2017) evaluated the place of Supreme Audit Organisation (SAO) in government structure, policy review, audit methodologies, and internal human capacity to find-out the deficiencies and opportunities that Audit Institutions can use for combating corruption. A mixed research method (quantitative and qualitative) was used for data collection, analysis and interpretation. The primary data collected from SAO and Internal Audit Departments (IADs) through direct interviews group surveys; the secondary data was collected from books, INTOSAI website, recent audit related publications, and many other countries' General Audit websites. The study found that the Audit Institutions in

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Afghanistan lacks standard audit methodologies human capacity to improve transparency and accountability in government organizations.

The increased public outcry in Iraq on the government's wastage of public spending, corruption, high recurrent expenditures and ineffective budget performance by different government entities led Salih and Almajdob (2019) to examine the role of supreme audit institution (SAI) in reducing audit failure and promote economic development. The study targeted the auditors from the Federal Board of Supreme Audit of Iraq while Partial Least Squares Structural Equation Modeling (PLS-SEM) was used to analyse the research hypothesis. The findings of the study showed that the efforts of SAI has helped to reduce audit failure and also maintain accountability and transparency with the main aim of supporting a robust financial-management system and promote economic development. Therefore, it is crucial that SAI become the key player of the integrity of the country as they are responsible for auditing government income and expenditure, the watchdog over financial integrity and the credibility of information provided.

Jachi and Yona (2019) investigated the impact of internal audit function competence & staffing on transparency and accountability in Zimbabwe local authorities. The study adopted professional competence and staffing as the independent variable and transparency and accountability as the dependent variable. Survey data was obtained from management and internal audit personnel from local authorities in Zimbabwe using semi-structured questionnaires and focus group discussions. Regression and multivariate analysis were used to test the hypothesis. The study established that there is a significant positive relationship between internal audit function competency, dimensions of qualification, experience and training and transparency and accountability in Zimbabwe local authorities. This implies the need to improve and uphold internal audit function competency through creation of an enabling environment to support internal audit functions and guarantee their effectiveness in upholding corporate governance practices.

Raphael, Mfon, & Ofonime (2020) investigate how professional accountants might improve public sector accountability. The study was an explorative one which looked at the concept of accountability from the perspective of public sector. It first attempted to highlight the relationship between public sector governance and accountability before examining the problems that Nigerian public sector accountability is currently facing. The study revealed among other that, professional accountants would be better positioned to support Nigeria's public sector accountability if they felt their values had been reoriented and they adhered strictly to their professional code of ethics. The findings of the study are contrary to the findings of this study which reveals that the majority of the SAI staff are professionally qualified however, they may not be adequate.

The public sector in Zimbabwe has been characterised by financial irregularities and mismanagement of funds, yet the AG's office exists to enhance accountability and transparency. Some recommendations from AG's Office were not being considered, hence affecting its effectiveness in fostering accountability. Machinjike, Bonga, and Hundi (2021) therefore, examined the effectiveness of the Auditor General's Office in enhancing public sector accountability in Zimbabwe. The study adopted a qualitative research approach and

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data obtained was analysed using a thematic analysis approach which involved identifying patterned meaning across data set that provided an answer to the research questions being addressed. The study revealed the factors that hindered compliance with the AG's recommendations to include; poor accounting environment; inadequate manpower and qualified personnel; and the recruitment process is not independent, hiring comes from Public Sector Commission to mention a few.

Lateef, Rashid, Farouk and Olanipekun (2021) therefore, examined the factors hindering the independence of SAIs towards good governance in the Nigerian public sector. Data obtained from primary source was analysed using Structural Equation Modeling. The study revealed that the independence of SAIs in Nigeria was impaired by the deliberate under-funding of SAIs, the legal framework establishing SAI and the quality of external auditor hired to perform the task which are usually influenced.

3. Methodology

The study adopted convergent parallel mixed method where questionnaire and interview survey research methods were used to collect data. The population of the study for the quantitative approach was seven hundred and forty (740) senior staff of the office of the Auditor-General for the Federation (OAuGF) who are field staff while the sample size of two hundred and fifty three (253) was derived using formular of Krejcie and Morgan (1970) while the purposive sampling technique was used to select three respondents involved in audit process and practices, and accountability for the interview. This is in line with the suggestion of Stephen, Jenn and Ann (2005).

The study employs both descriptive and inferential statistics techniques to analyze the data collected from the survey using frequency, mean score and standard deviation while preliminary test of normality (skewness statistics and kurtosis statistics), linearity and multi-collinearity (correlation matrix, tolerance value, variance inflation factor) were conducted to fulfil the basic underlying assumptions of the regression analysis (Pallant, 2010; Hair, Hult, Ringle, & Sarstedt, 2014). The study adopted and used Partial Least Square-Structural Equation Model (PLS-SEM) regression analysis to establish the relationship between the variables of the study. The qualitative data collected were analyzed using descriptive and narrative analyses.

3.2 Model Specification

In order to establish the relationship between SAI human resources operational capacity and financial accountability, the model for the study is as stated below:
The functional relationship is stated thus below:

$$FAC = f(HRO) \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots (3.1)$$

$$HRC = f(TRN, QLF, ADQ, REM, AUT) \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots (3.2)$$

The above can therefore be restated in equation form thus:

$$FAC = \beta_0 + \beta_1 TRN_i + \beta_2 QLF_i + \beta_3 ADQ_i + \beta_4 REM_i + \beta_5 INDi_i + \ldots\ldots\ldots\ldots\ldots\ldots (3.3)$$

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Where:

FAC = Financial Accountability

HRC = Human Resources Operational Capacity of SAI

QLF = SAI Staff Qualification

ADQ = SAI Staff Adequacy

REM = SAI Staff Remuneration

IND = Staffing Independence

ε =   error term of the model

$\beta 0$: = The intercept of equation.

$\beta_1 \ldots \beta_6$ = Coefficients for independent variables

The a-prior expectation of the proposed model is that there will be a positive relationship between the dependent variable and the independent variables which implies that $\beta_0 > 0$; $\beta_1 > 0$; …. $B_5 > 0$

Results and Discussion

4.0 Demographic Characteristics of the Respondents

The profile of the respondents was analyzed using their demographic characteristics in terms of gender, educational qualification, professional qualification, position, and length of service in the public sector.

Table 4.1 Demographic Profile

Parameters	Items	Frequency	Percentage
Gender	Male	184	77.6
	Female	53	22.4
	Total	237	100
Educational Qualification.	Graduate	147	62
	Postgraduate	90	38
	Total	237	100
Professional Qualification	ICAN	93	39.2
	ANAN	138	58.3
	CITN	6	2.5
	Total	237	100
Position	Senior/Middle Level Officer	173	73
	Director	64	27
	Total	237	100
Duration of service/employment at the government entity	Less than 5 Years	19	8
	5 -10 Years	25	10.5
	10 – 15 Years	89	37.6
	Over 15 Years	104	43.9
	Total	237	100

Source: Author's Field Survey (2022)

Demographic characteristics of the respondents are as presented in Table 4.1, shows that there are more male (77.6%) respondents than female respondents (22.4%). All the respondents are graduates (100%), while 38% of them have additional post graduate qualifications. In terms of professional qualifications, 39.2% have ICAN qualification, 58.3% have ANAN, while 2.5% have CITN. Majority of the respondents (73%) are senior/ middle level officers, while 27% are at the Directorate levels. Majority of the respondents (43.9%)

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have spent more than 15 years in the public service, 37.6% have spent 10 – 15 years, 10.5% have 5 – 10 years and 8% have spent less than 5 Years.

4.2 Descriptive Statistics for Human Resource Capacity

As shown in Table 4.2, the means and standard deviation showed six items reflecting SAI Human Resource Operational Capacity. All items found had above average mean score levels. Item HRC4 with the description of "There are not enough staff to conveniently cover the expanded fundamental areas of the office" has the highest mean score (M = 3.63; SD = 0.900), while HRC5 has the lowest mean score (M = 3.38; SD = 1.085). This result shows that "There are not enough staff to conveniently cover the expanded fundamental areas of the office" is the main characteristics of Human Resource Capacity. This implies that the majority of the respondents agree the OAuGF does not have enough human resources to carryout public sector auditing activities.

Table 4.2 Human Resource Operational Capacity

Items	Description	Mean	Std. Dev.
HRC1	The appointment, promotion and staff matters is not done independently from the Executive control of the public service	3.53	1.006
HRC2	Staff of OAuGF are not well remunerated compared to ICPC, EFCC, and international standard	3.55	1.084
HRC3	The office has well qualified personnel to competently carry out their roles effectively	3.48	0.959
HRC4	There are not enough staff to conveniently cover the expanded fundamental areas of the office	3.63	0.900
HRC5	The staff are not adequately trained to effectively and efficiently discharge their statutory role	3.38	1.085
HRC6	There is a no statutory provision for the post of Deputy Auditor General by the constitution.	3.06	1.066

Source: Author's Field Survey (2022)

4.3   Assessment of the Measurement Model

This study assessed the measurement model to determine the validity and reliability of the measurement items. The internal composite reliability, convergent validity, and discriminant validity of each individual item were evaluated. Table 4.4 shows the item loadings, internal composite reliability, and convergent validity results. The degree to which a set of measured variables accurately reflect what they are intended to reflect in light of a grounded theoretical measure is known as construct validity (Hair et al., 2016).

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The Average Variance Extracted (AVE) computed from the SmartPLS 3.3.0 algorithm, shows that all of the constructs' AVE values are above the 0.5 minimum cut-off point as suggested by Hair et al.(2017)

Table 4.4 Summary of the Construct Loadings, Convergent Validity and Reliability

Constructs	Items	Loadings	CA	CR	AVE
Human Resource Capacity	HRC1	0.835	0.854	0.893	0.630
	HRC2	0.734			
	HRC3	0.872			
	HRC4	0.626			
	HRC5	0.872			
	HRC6	0.825			

Source: Author's Field Survey (2022)

4.4 Path Coefficients Results

The conceptual model of the study is established upon the investigation of Supreme Audit Institution's human resources operational capacity's influence on financial accountability in Nigerian public sector. These assumptions form the basis for hypothesis H_01 for the study. The results of the hypothesized relationships are presented in Table 4.4

Table 4.5 Hypothesis Testing

	β	Std Error	T-Value	P Values	Confidence Interval 5.00%	Confidence Interval 95.00%
HRC -> FAC	0.142	0.045	3.452	0.001	0.058	0.203

Note: FAC=Financial Accountability; HRC=Human Resource Capacity

Source: Author's Field Survey (2022)

As shown in Table 4.5 Human Resource Operational Capacity has significant and positive influence on accountability (β = 0.142, t = 3.452, p < 0.05)

4.5   Coefficient of Determination

The R squared values of the endogenous constructs were examined in order to estimate the coefficient of determination. The outcome of this study was evaluated based on the classification of R2 values by Hair et al. (2017); 0.75 = Substantial, 0.50 = Moderate, and 0.25 = Weak. The results are displayed in Table 4.6.

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Table 4.6 Coefficient of Determination

Endogenous Variable	R Squared Value
Financial Accountability in Nigeria (FAC)	0.570

Source: Author's Field Survey (2022)

As shown in Table 4.6, the coefficient of determination shows that the combined effects of the independent variables (human resource operational capacity) explains 57% of the total variance for accountability in the public service. Therefore, the relationship between Supreme Audit Institutions and Accountability is moderate based on this study.

4.6 Assessment of Predictive Relevance (Q^2)

The model's capability is put to the test by its predictive relevance. The Q2 estimate of the endogenous variable's coefficient value is typically used to determine it.

Table 4.7 Summary of the Predictive Relevance (Q^2)

Endogenous Construct	SSO	SSE	Q^2 (=1-SSE/SSO)
FAC	1107	611.803	0.447

Source: Author's Field Survey (2022)

Based on the result generated from the PLS-SEM algorithm as presented in Table 4.7, the Q^2 value is 0.447 (44.7%). It can be concluded that the model has predictive value as the Q^2 value of the model is greater than 0.00 (Henseler et al., 2009). Therefore, the conceptual model has a good predictive value and can be used for further studies.

4.7 Qualitative Results and Analysis

The study conducted in-depth interviews with 3 respondents involved in audit process and practices, and accountability randomly selected from the Professional Accountant in practice, Academia and a staff of Auditor general for the federation. The demographic information of respondents is represented in Table 4.8.

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Table 4.8 Respondents' Background Information

		RESPONDENT 1	RESPONDENT 2	RESPONDENT 3
1	**Place of work / Organisation**	Academia	Professional Accountant	OAuGF
2	**Designation**	Lecturer	Principal Partner	staff (Retired in 2021)
3	**Qualification**	BSc, MSc, PhD, ACA, ACTI, ACIS	BSc, FCA	BSc, CNA
4	**Experience**	Over 9 years	Over 15 years	Over 30 years
5	**Specialization**	Lecturing	Statutory & forensic Audit	Statutory Audit

Source: Author's Compilation (2022)

Data collection took place over a period of 2 months, from February to March, 2022. Data were collected using a structured interview guide developed by the study team, which focused on both the experience of the respondents in their respective role, and what they personally felt were the operational startegies of supreme audit institution and accountability in Nigerian public sector. The data from the interview were analysed using the thematic analysis approach which allows the analysis to be presented in themes.

Theme: SAI Human Resources Operational Capacity

The theme focused on ways to improve on the Human resource capacity and enhance accountability in Nigeria Public Sector. Interviewee 1 emphasized the issues of training and retraining as a necessity to ensuring sound SAI that enhances accountability.

To corroborate the above, interviewee two equally emphasized training when he said;

> *Regular training and retraining including international retraining to keep the staff abreast with international best practice*

As for interviewee three, he suggested Membership of relevant professional body should be a prerequisite for employment of staff to the OAuGf and there is urgent need to engage more hands to complement the existing ones. He further stressed that the office should be provided with all human and materials resources needed to carry out their roles effectively.

He further suggested that

> *To implement a corporate knowledge with audit and non audit functionality, and also introduce human resource policy, in particular with regard to recruitment, performance management, compensation and career development.*

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4.8. Discussion of Findings

Table 4.2, the office has well qualified personnel to competently carry out their roles effectively however, these staff are inadequate to cover their tasks, this leads to auditor's report not being published timely and as at when due, they are also not adequately remunerated considering the nature of their job neither are they protected from familiarity threats or accepting gratifications from the MDAs they audit. It also reveals that the issues relating to staff matters are not done independently by the OAuGF. This has greatly impede their ability and capability to carry out their roles effectively. The qualitative result also corroborates this in theme seven where all interviewees agreed that there is urgent need to engage more hands to complement the existing ones and there should be continuous training for the staff. Agency theory emphasizes that SAI should have competent and adequate staff in order to be efficient. It emphasized that SAI should be able to adapt to changes in its operation and environment, Information Technology (IT) is playing a major role in the systems, which requires that SAI should also adopt IT in its operation. Engage competent staff with IT training and experience and also train the existing staff, furthermore, provide all resources needed to drive the IT system.

The result from The Path Coefficient Result as shown in Table 4.5, the study concludes that Human Resource Capacity also has significant and positive influence on accountability ($\beta = 0.142$, $t = 3.452$, $p < 0.05$). The conclusion of the study is in tandem with Akhidime and Izedonmi (2012); Charles and Oluoch (2017); Akbari (2017); Ogbaisi and Asenuga (2018); Jachi and Yona (2019); Obwocha and Mereipei (2021); and Machinjike et al. (2021)

5. Conclusion And Recommendations

5.1. Conclusion

Arising from the findings, The office has qualified personnel that are not well remunerated and inadequate to carry out the onerous tasks of auditing. This may be one of the reasons why the auditor general's reports are always presented years behind scheduled (stipulated time of six months). The study hence, concludes that Human Resource Capacity also has significant and positive impact on financial accountability in Nigeria.

5.2. Recommendations

Arising from the conclusion of the study, the following recommendations are made;

The study recommends that the office of the auditor general should be independent hence, government should establish Federal Audit Service Commission (FASC) just like the Federal Judicial Service Commission (FJSC) to cater for all matters relating to staffing in the OAuGF. The government should also employ more qualified audit personnel and equipped them with necessary working materials, and continuously training them so that they can improve on their efficiency

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