Internal Audit Attributes on the Performance of Projects in Local Government Authorities in Tanzania

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ABSTRACT

This study examined the attributes of internal audit on the performance of the projects in Local Government Authorities in Tanzania, in the way projects are operated and managed, based on the prevailed internal control systems. The role of internal audit is to ensure the entity provide independent assurance towards risk management, governance and internal controls of the entity. In Tanzania the Performance of projects are inadequate regardless of massive investments done by the Government. Internal control systems are not strong enough to ensure the performance of projects is compounded at paramount. Hence internal control systems should be addressed to cater the inadequate performance of projects in Local Government. Through examination of the attributes of internal audit work and performance of projects in Local Government authorities in Tanzania, the study revealed that internal audit had positive influence on performance of projects. This implied that a unit change in internal audit will increase project performance by the rate of 0.168. Therefore, the study showed that there is a significant direct relationship of internal audit and the performance of the projects in Local Government Authorities. Quantitative data, likert scale, multiple linear regression model was used under the study. Likert scales from questionnaires were used whereby data was analyzed by using SPSS V.26 software. This software packages have features that accommodate variables under the study and they are user –friendly. The study concluded that a great use of value-added strategies (rather than consecutive strategies) in audit results to greater performance of the projects implemented into various Local Government Authorities in Tanzania.

Keywords: *Internal Audit, Internal control systems, project performance, Value added Strategies, Local Government Authorities, Tanzania*

INTRODUCTION

The origin of internal audit can be traced back to the Mesopotamian Civilization around 4000-3500 B.C (Ambatia, 2018). Record keeping systems were formally introduced by various business firms and the governments. They were concerned with incorrect accounting of receipts and payments made and taxes being collected at that time (Bravo, Brown, & Jack, 2018). Other states which developed a system of checks and counterchecks to prevent errors and fraudulent actions at that period of time include, Babylonia, Greece, the Roman Empire and the Italy.

Over a century the role of the internal auditor has been recognized as a special role within organizations that provided important support to the organization. The importance of this support has been growing over the century. In particular internal audit is considered to encompass the audit of both operational activities as well as purely financial activities. Internal auditors continued to play a role in a number of organizations even after the introduction of compulsory external auditors in the first half of the 20th century (Folkers, Vartle, & Risnen, 2018). Following the stock market collapse of 1929 in the USA the role of the external auditor was expanded. During this period, the quality of audit generally, and internal audit specifically, came under increased scrutiny.

Internal Control systems are processes designed and affected by those charged with governance, management, and other personnel to provide reasonable assurance about the achievement of an entity's objectives with regard to reliability of the financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations (Makundi, 2019) The Committee of Sponsoring Organizations of the Tread way Commission (Pagrustev, 2019). Framework looks at internal control as a process, affected by an entity's board of directors, management and other personnel, designed to provide "reasonable assurance" regarding the achievement of objectives in the following categories: Effectiveness and efficiency of operations, reliability of financial reporting, compliance with applicable laws and regulations while, proper internal control systems will always lead to improved financial performance, the reporting process and also give rise to reliable

reports which enhances the accountability function of management of an entity (Rajhan, 2017) .Therefore internal control is a mechanism that ensure safe custody of all LGAs assets and avoid misuse or misappropriation of assets and detect and safeguard public fund resources against probable frauds. Internal control systems are policies and procedures undertaken by the organization to ensure objectives of the organization are achieved. Therefore, internal audit play a great role to ensure compliance of internal control systems are adhered to achieve performance of the projects.

Project performance is measured by the value for money (Shadrack, 2020). It can be assessed using criteria of economy, efficiency and effectiveness (Wiley & Zabihollah, 2019). Economy is the acquisition of project resources in the right quantity, of the right quality, at the right time and place at the lowest possible of the project cost. Efficiency is the utilization of project human, financial and other project resources and the optimum relationship between the output of goods, services or other results and the resources used to produce them. Effectiveness is the performance in relation to achievement of the project objectives, operational goals and other intended effects of the project being implemented. Project assessment in terms of value for money provides important information to assess the management in decision making of the implementation of the projects (Edger, 2020).

Value for money has become more prominent on the project development due to recent sensitivity of the communities being driven by the project performance criteria rather than the extent the project spending, as how much is spend sometimes overshadows the more fundamental question of what the funds achieve (Dzefangh, 2019). Value for money is often used as a framework for assessing cost effectiveness across the public sector, particularly on the implementation of various projects. Furthermore, value for money may be measured through, the degree of utilization of project funds; the degree of timely completion of the projects and the degree of usage of completed projects (Akerlof, 2019). Moreover, once the projects are not completed timely, it revealed that service delivery to the intended community is also delayed, hence value for money is not obtained. Contrary to that, the projects may be completed but not put in use, as result the intended project objectives may not be met and thus the value for money may not be achieved. Under this study, criteria for project performance is based on value for money of the implemented projects as

this factor measures the efficient, effectiveness and economy of the projects being implemented.

Value added strategies are ways or audit procedures in which internal auditor applies in which will add value towards the audit works. Rules and regulations may be complied by the projects but still could not obtain value for money, value added strategies confined with value for money for the projects. Hence performance of the projects is aligned with the value for money and compliance of the implemented projects.

LGAs may be newly established (aging below ten years) or may be old established (aging more than ten years). Obviously old LGAs consist more infrastructure and effective internal audit compared to newly established LGAs. Furthermore, LGAs may be of two in nature as according to its location, LGA may be in urban or at rural area. Urban LGAs consist better infrastructure and more effective internal audit compared to rural LGAs in Tanzania context. This study considered both environment in analyzing the information obtained from the respondents.
In Europe, audit practice were found in Ancient, Rome, through hearing, verifications were made for financial records, so as to prevent fraudulent activities (Edna, 2021).The role of hearing the records being kept gave rise to the term 'audit' originated from latin ''auditus or audire'', which means ''hearing''. These hearing played an important role at that time, since most of people could not read and write. Auditors were selected by the community upon recognizing fraud and errors (Mansell, 2018). At the beginning of 13th Century, auditors started to be appointed for the sake of verification of receipts and payments upon various states/cities such as Pisa, Kazakhstan (Gomez, 2019). During the 16th to 18th Centuries, the scope of audit expanded to consist the transactions of a business-oriented society. The focus still remained on fraud prevention and detection through verification of transaction with supporting source documentation (Hills, 2019).

In United Kingdom (UK) and United States of America (USA), from 1930s, onwards, the Securities and Exchange Commission (SEC) required firms to provide the audited financial statements if they wanted to be registered at Stock Exchange Market (Bale, 2020). As businesses expanded and become more complex around the World, the management ability to monitor its operations were limited, hence the role of internal

audit increased (Blackwell & Rebitzer, 2017). Various states/firms started employing internal auditors to perform audit functions.

In Tanzania context, to understand the attributes of internal audit on the performance of projects in Local Government is to know how projects are operated and managed, to know the internal control systems of the implemented projects, to know the performance of the projects. The crucial role of internal auditors in the projects implementation is to protect the interests of the management (Ditoeng, 2020). The project internal auditors should ensure the project objectives are met through monitoring and evaluation of the project's implementation. Therefore, the project internal controls should be appropriate. In additional the internal auditor has a role of provision of consultancy service towards the project management and also to ensure project compliance are adhered. For example, the internal auditor may recommend the action to be taken to prevent frauds towards the implementation of the projects, this may be done through making the risk assessment of the projects; internal auditor may also recommend the action to be taken for an officer who found manipulating the figures of financial statements of the projects.

The government of Tanzania undergone various LGAs projects reforms since 1993 to date but still its objective not achieved as desired (Razia, 2019). Various studies have been done on internal control and its impact on projects performance but still does not provide the sufficient practical information particularly in Tanzania context. Each LGAs have internal audit unit, the same legal systems, financial guidelines and international approved accounting standards to comply with. However, with the same systems LGAs are issued different projects audit reports from Controller and Auditor General. As results there is incidence of inadequate project performance and deteriorating service delivery.

Internal audit as part of internal control systems, under this study specific investigate the best approaches which should be used by the internal auditor to improve the project performance unlike the consecutive approaches and undesired audit approaches which is currently used by the internal auditors.

Hence the objective of this study is to conclude, if there is a significant direct relationship of internal audit and the performance of the projects. The findings show that internal audit had a greater influence towards

performance of projects. Through internal audit, risk of the projects may be mitigated, frauds may be prevented and also detected and hence improves the performance of the projects.

A theory is a "set of interrelated concepts, definitions, and propositions that present a systematic view of events or situations by specifying relations among variables, in order to explain and predict the events or situations" (Zikmund, 2017). Theoretical under the study is concerned primarily with theories or hypotheses rather than practical application. There are several theoretical approaches which can be used to outline internal audit attributes on the Performance of Projects in Local Government Authorities in Tanzania, to select the predictors to the models, and to justify the functional form between these predictors. In this review, the study employed agency and stakeholder theories.

Berle and Means (1932) found the research on agency theory in the early 19th Century. Thea et al., 2017). Among earlier authors of agency theory are Ghauri and GrØnhaug (2019), Geemiz (2021), who surveyed and captured the different facets of the agency literature due to its wide popularity.

Agency theory helps in implementing the various governance mechanisms to control the agent's action in the jointly held corporation (Gilbert & Brown, 2017). This theory is very pragmatic and popular. However the theory have various limitations as criticized by many authors (Thomson, 2017). The theory assumes a contractual agreement between the principal and agent for a limited or unlimited future period, where the future is uncertain. The theory assumes that contracting can eliminate the agency problem, but practically it faces many hindrances like information asymmetry, rationality, fraud and transaction cost. Shareholders' interest in the projects is only to maximize their return, but their role is limited in the projects. The roles of owners of the projects are only limited to monitor the project managers meanwhile their further role is not clearly defined. The theory considers the managers as opportunistic and ignores the competence of the project managers. Regardless of its weaknesses but still the theory hold water as the theory has been widely used in literature to investigate the information asymmetry between principals (shareholders) and agent (management).
Agency theory is relevant to the study as it gives an idea about how LGAs operations should be managed. Managers of LGAs are trusted towards the

public resources. The role of internal audit is to provide assurance to the public who are the owners of the public resources on the management of project resources by LGAs management.

Stakeholder theory was originally detailed by Goddard and Mkasiwa (2016). ''A Stakeholder Approach''. The theory identifies and models the groups which are stakeholders of organization. It is a theory of organizational management and business ethics that addresses morals and values in managing an organization. In the traditional view of the project, the shareholder view, the shareholders or stockholders are the owners of the project, and the organization has a binding fiduciary duty to put their needs first, to increase value for them. Stakeholder theory argues that there are other parties involved, including employees, customers, suppliers, communities, political groups, trade associations, and trade unions.

Political philosopher criticized stakeholder theory for assuming that the interests of the various stakeholders can be, at best, compromised or balanced against each other (Cooper & Schindler, 2019). He argues that this is a product of its emphasis on negotiation as the chief mode of dialogue for dealing with conflicts between stakeholder interests. He recommends conversation instead and this leads him to defend what he calls a 'patriotic' conception of the corporation as an alternative to that associated with stakeholder theory.

Stakeholder theory is relevant to this study as it gives an idea about how LGAs should really work and cooperate with stake holders of the projects being implemented. It states that for any project to be successful it has to create value for customers, suppliers, employees, communities and financiers, shareholders, banks and other people who are part and parcel for the project implemented by LGAs.

RESEARCH METHODOLOGY
Research design
This study adopted survey research design in which a researcher administered a survey to a sampled population to describe the attitudes, opinions, behavior or characteristics of the population.

Study population

The population consist all employees of the selected LGAs who are responsible for projects implementation. According to the council's report (2021/22) staffs who are responsible for project implementation are about 1,002.

Sample size

The sample has been derived from a sample frame of 1002 staffs from the selected LGAs. The proportional sampling has been used due to the fact that the target population is greater than 1,000 items/ respondents. Thus, upon the five LGAs selected, a sample of 278 staff has been selected from the population of 1,002 based on simple random sample size determination formula below:

$$\mathbf{n} = \frac{\frac{z_{\alpha/2}^2 P(1-P)}{e^2}}{1+\frac{z_{\alpha/2}^2 P(1-P)}{Ne^2}} = \frac{\frac{1.96^2 \times 0.5(1-0.5)}{0.05^2}}{1+\frac{1.96^2 \times 0.5(1-0.5)}{1002 \times 0.05^2}} = 277.69 \text{ approximately to } 278$$

Thus, the level of confidence which placed 95% which provide us Z Value of 1.96 per the normal table. Where Z is the critical value that is 1.96 and e is the margin of error 5% which is 0.05, p is the probability proportional which is 0.5, N is the population and n is the sample size. Proportional sampling is used when the population is large.

Data collection methods and tools

Primary and secondary data were employed in this study. Semi structured interview, focused group discussions and surveyed questionnaire methods were used for collection of primary data.

Secondary data also were used in this study, written or printed materials was obtained particularly from the financial statements of projects from selected LGAs (Dodoma CC, Ilala MC, Iringa MC, Singida DC and Chamwino DC). Five LGAs have been selected by using a purposeful sampling method. The selection was based on the poorly and better performance of Local Government Authorities on the projects' implementation. The selection was also based on the LGAs whose financial statements were withdrawn by the CAG for several years due to irregularities and mismanagement of the projects' funds (CAG reports 2013/2014-2018/2019). The researcher mainly used financial statements and internal audit reports of projects for the consecutive five years

(2013/14-2018/19) in seeking the extent upon which, projects fund is utilized in the normal course of business.

Data analysis

Quantitative data, likert scale, multiple linear regression model used under the study. Likert scale from questionnaires were used whereby data was analyzed using SPSS V. 26 software. Moreover, in case of likert scale of 1-5 stages was used. The scale was divided into I, Strong Dissatisfied, 2 Dissatisfied 3, Neutral, 4 Satisfied and 5 Strong Satisfied. Thereafter, the interpretations of the findings of the likert scale was done. Meanwhile, for qualitative data, Narrative analysis for data from the Key informant interview were used for data analysis.

Estimation of model
Multiple linear regression model

Multiple linear regression model was employed under the study. The aim of the model is to obtain a model which best predicts the chance of an outcome variable (let say y) as a function of explanatory variables (let say x's). The main variables under the study includes the resources on monitoring and evaluation of projects, the working relationship of internal auditor and assurance providers of the projects, the independence of internal auditors on the implementation of the projects and the implementation of the internal audit recommendations on projects. The main purpose was to test a model by using inductive approach.

Attributes of internal audit on the performance of projects in LGAs.

Multiple regression analysis was done; the internal audit index was obtained by adding each item in internal audit to obtain the total index which is continuous variable as shown below:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \varepsilon$$

Where by Y= project performance score or index X_1=Nature of local government authorities this is categorical variable 1 if urban, X_2=Age of local government authorities this is dummy variable 1 if age is above 10 years and X_3= Internal audit score or index (the resources on monitoring and evaluation of projects, the working relationship of internal auditor and assurance providers of the projects, the independence of internal auditors on the implementation of the projects and the implementation of the internal audit recommendations on projects)

The findings on internal audit on the performance of projects in LGAs were analyzed on the resources on monitoring and evaluation of projects, the working relationship of internal auditor and assurance providers of the projects, the independence of internal auditors on the implementation of the projects and the implementation of the internal audit recommendations on projects.

Reliability

Cronbach's alpha was used to measure the consistence of variables under the study. (Worley, 2018) stated that Cronbach's alpha is an appropriate measure of variance attributable to the subjects and variance attributable to the interaction of subjects and items. Hence Cronbach's alpha was used as a measure of internal reliability. In terms of the specific testing of reliability, the following scores were obtained by testing of Cronbach's alpha as indicated in the **Table 1.**

Table 1: Reliability statistics

Variable	Cronbach's Alpha	Number of Items
Internal Audit Attributes	0.701	14

The values in Table 1, indicate that, Internal Audit attributes α=0.701; is sufficient confirmation of the data reliability for the independent variables as supported by Zikmund et al. (2010) that a Cronbach's alpha of 0.60 as a minimum level is acceptable.

The issue of reliability was ensured by the researcher through pre-testing of tools, parallel form reliability and using the internal reliability methods such as cronbach's alpha. The researcher also used semi-structured interview to different categories of the project staff.

Validity

Factor analysis was used by the researcher during the pilot study, in order to test the validity of the study items. Factor analysis enabled the researcher to make decisions on whether the items under the study explain the dependent variable. In this study, validity shows whether the findings clearly show the internal audit attributes on the performance of the projects in LGAs. Variables under the study and the results had a factor loading above 0.5. Cooper and Schindler (2019) stated that a loading

factor which is 0.4 and above is considered acceptable. This statement also was agued by William and Babin (2020) in their studies.

RESULTS AND DISCUSSION
Regression analysis on internal audit and project performance
The jarquebera test of normality employed to the error term of the model in order to assess whether the error term was pure random (normal distributed). Given H_0 and H_1, at 5% level of significance. The rule is to reject H_0 if the p-value is less 0.05. The outcome are shown in the **Table 2.**

Table 2: Table of normality assumption

Variable	Obs	Pr(Skewness)	Pr(Kurtosis)adj	chi2(2)	Prob>chi2
Residual	275	0.4194	0.2503	1.99	0.3701

Table 2 indicates that jarquebera testing the error term was normally distributed since the p-value was greater than 0.05 at the 5% level of significance. Therefore, this implies that the error term was pure random. Hence the assumption of regression was taken into consideration on the test of normality.

Factor analysis was done for 14 items and all 14 items were retained for further analysis as they had factor analysis of 0.5 and above.

The overall of the findings on internal audit attributes on performance of projects in LGAs indicate that 15.1% of the respondents strongly disagreed and 64.7% disagreed that internal audit is adequately towards the performance of projects in LGAs, meanwhile 9.4% of respondent agreed that internal audit is adequately towards the performance of projects in LGAs.

Regression analysis was also done, the analysis of variance showed that the model used significantly at (P < 0.001, F=12.789 and degree of freedom (DF) = 274), account for the joint variation of independent variables with the dependent variables. This implies that the age of the Council where projects are implemented and nature of the Council where projects are implemented has significant combined effect on the project performance.

Internal audit statistically significance (p-value<0.01) and had positive influence on performance of project. This implied that a unit change in internal audit will increase project performance by the rate of 0.168.

Nature of Local government authorities was statistically significance (p-value<0.01) and had positive influence on performance of project. This implies that projects implemented at urban Councils exceed projects implemented in rural Councils by the rate of 2.446 in project performance.

Age statistically significance (p-value<0.05) and had positive influence on performance of project with regression coefficient 1.697. This implied that projects implemented at Councils with more than ten years exceed with projects implemented at Councils with less than ten years in project performance by the rate of 1.697.

Partial correlation used to explore the relationship between internal Audit (as measured by the internal Audit score) and project performance (measured by the project performance score), while controlling for age of the Council where projects are implemented and nature of Councils. Preliminary analyses were performed to ensure no violation of the assumption of normality. There was a weak, positive, partial correlation between internal Audit and project performance, controlling for age of Councils where projects are implemented and nature of Councils where projects are implemented, (*r=2.446, n =274, p=0.001*). As presented in the table 41, the coefficient of determination R square is 0.123 and R is 0.350 at 0.05 significance level. The coefficient of determination indicates that 12.3 % of the variation on project performance is explained by independents variables included in the model (Age, nature of Local Government authorities and internal Audit).

Table 3: Partial correlation between internal audit and project performance

Control Variables			Internal Audit	Project Performance
Age & Nature of LGAs	Internal Audit	Correlation	1	0.214
		Significance (2-tailed)	.	0
		df	0	274
	Project Performance	Correlation	0.214	1
		Significance (2-tailed)	0	.
		df	274	0
R	.350			
R Square	0.123			
Adjusted R Square	0.113			
Std. Error of the Estimate	5.50591			

** Significant at 0.01(2- tailed)

Regression analysis on internal audit versus the performance of projects in LGAs

The analysis of variance in Table 4 show that the model used significantly at (P < 0.001, F=12.789 and degree of freedom (DF) = 274), account for the joint variation of independent variables with the dependent variables. This implies that the age of the project, nature of the project and Internal Audit has significant combined effect on the project performance.

Table 4: Analysis of variance

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	1163.09	3	387.697	12.789	.000b
Residual	8306.31	274	30.315		
Total	**9469.399**	**277**			

Multiple linear regressions were further used to assess effect of age, internal audit and Nature of LGAs on project performance. The result in Table 4 show the fitted model:

Performance $= \beta_0 + \beta_0 \, Age + \beta_1 \, \textbf{Internal Audit} + \beta_2 \, \textbf{Nature of LGAs}$

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The following independent variables were statistically significant influence project performance.

Internal audit statistically significance (p-value<0.01) and had positive influence on performance of project. This implies that a unit change in internal audit will increase project performance by the rate of 0.168.

Nature of Local Government authorities was statistically significance (p-value<0.01) and had positive influence on performance of project. This implies projects implemented into urban Councils exceed projects implemented into rural Councils by the rate of 2.446 in project performance.

Age statistically significance (p-value<0.05) had positive influence on performance of project with regression coefficient 1.697. This implies that projects implemented into Councils with more ten years exceed projects implemented into rural Councils with less than ten years in project performance by the rate of 1.697.

Even when age, Nature of Local government authorities and internal audit are non-existence, project performance is still positive at 15.408 indicating that there are other drivers of project performance as shown in Table 5.

Table 5: Regression output of internal audit and project performance

Variable	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	15.408	1.638		9.406	0.000
Age	1.697	0.773	0.142	2.195	0.029
Nature of LGAs	2.446	0.804	0.197	3.044	0.003
Internal Audit	0.168	0.045	0.212	3.733	0.000

Note -Nature was dummy variable 1 if urban and 0 if is rural also the age was dummy variable 1 if is above ten years and 0 if below ten years.

RESULTS AND DISCUSSION
Resources on monitoring and evaluation of projects

The findings on resources on monitoring and evaluation of projects sought to investigate if the internal auditors have adequate resources to monitor and evaluate risks of the projects. The results indicate that, 41.7% of the respondents strongly disagreed and 20.9% of the respondents disagreed that internal auditors have adequate resources to monitor and evaluate risks of the projects. While 0.7% of the respondents strongly agreed and 14% of the respondents agreed meanwhile, 22.7% of the respondents were neutral as shown in the **Table 6:**

Table 6: Resources on monitoring and evaluation of projects

Likert scale	Number of respondents	Percentage
Strong disagree	124	41.7
Disagree	62	20.9
Neutral	68	22.7
Strong agree	2	0.7
Agree	42	14
Total	**298**	**100**

Therefore, the results showed that the internal auditors have inadequate resources to monitor and evaluate the risks of the projects.

These findings are supported by a male interviewee found at the field:
> *''Projects are not closely monitored and evaluated by the internal auditors as they are mostly operated at remote areas where our internal auditors have no reliable transport for monitoring and evaluation of the implemented projects''*

Another female interviewee stated that:
> *''Monitoring and evaluation of the projects is a hard task, monitoring should be committed to our projects, we have inadequate audit staff on monitoring and evaluation of all the projects in time, this affects the performance of the implemented projects.''*

This finding is also supported by CAG, (2020) and Sari et al. (2017) as it was found out that, most of the projects are not audited timely by the internal audit unit due to inadequate resources which adversely affect the performance of projects.

Working relationship of internal auditor and the assurance providers of the projects

The findings on internal auditors' work sought to investigate if the internal auditors work in coordination with other assurance providers, to make sure that the audit committee receives all the assurance they need to form an opinion on how well the projects are managed. The results indicated that 34.5% of the respondents strongly disagreed and 21.2% of the respondents disagreed that the internal auditors work in coordination with other assurance providers to make sure that the audit committee receives all the assurance they need to form an opinion on how well the organization is managing the projects. While 3.2% of the respondents strongly agreed and 20.1% of the respondents agreed meanwhile, 20.9% of the respondents were neutral as shown in the Table 7:

Table 7: Working relationship of internal auditor and the assurance providers of the projects

Likert scale	Number of respondents	Percentage
Strong disagree	103	34.5
Disagree	63	21.2
Neutral	62	20.9
Strong agree	10	3.2
Agree	60	20.1
Total	**298**	**100**

Therefore, the results indicated that, the internal auditor do not work in coordination with other assurance providers to make sure that the audit committee receives all the assurance they need to form an opinion on how well projects are managed.

This statement was also supported by a female interviewee found at field who said that:

> *''There is inadequate relationship of internal auditors and assurance providers. Internal auditors of the projects are working under close environment, this hinders the performance of audit committee upon addressing the challenges of implemented projects''.*

Another female interviewee stated that:

> *''Project audit committees are not effective at all since internal auditors who are the secretariat of audit committee are far from assurance providers as result project assurance providers are not adding value on the project implementation.''*

The results were also supported by Arthuur (2018) and Moeller (2011), in their studies as they showed that external users (assurance providers) of the projects are not well cooperated with the internal audit unit.

Independence of internal auditors on the implementation of projects
The findings on the independence of internal auditors on the implementation of the projects, here sought to investigate if there is specific written provision from the Accounting Officer providing the internal auditor an unrestricted access to all records, including assets and liabilities and specific for the projects. The results indicated that, 24.5% of the respondents strongly disagreed and 25.5% of the respondents disagreed that there is specific written provision from Accounting Officer providing the internal auditor an unrestricted access to all records, assets etc. specific for the audited projects. While 3.6% of the respondents strongly agreed and 22.7% of the respondents agreed meanwhile 23.7% of the respondents were neutral as shown in the Table 8:

Table 8: Independence of internal auditors on projects

Likert scale	Number of respondents	Percentage
Strong disagree	73	24.5
Disagree	76	25.5
Neutral	71	23.7
Strong agree	11	3.6
Agree	67	22.7
Total	**298**	**100**

The findings indicate that there is inadequate specific written provision from Accounting Officer providing the internal auditor an unrestricted access to all records, including assets and liabilities specific for the projects.

This statement was also supported by a male interviewee found at field who said that:
> *''Internal auditors do not have written document from the Accounting Officer on unrestricted access to all records of the projects. Internal auditors only use experiences on obtaining the project documents for audit purpose''.*

Another male interviewee stated that:
> *''We have demanded formal written document on the unrestricted access for the implemented projects from the Accounting officer without success.*

> *We usually beg documents from the project coordinators for auditing, this enable us to be inferior on implementing our audit task.''*

These findings were also supported by Fadzil, Haron, and Jantan (2018) as showed that projects in LGAs are not audited with regard to project memorandum of understanding, project guidelines and Public Finance Act (2001) and its regulations (Revised 2005) together with Procurement Act of 2011 and its regulations of 2013.

Implementation of internal audit recommendations on projects
The findings on internal audit findings and recommendations sought to investigate if the findings and recommendations of the internal audit unit are taken seriously by the project management and the audit committee. Results indicated that, 31.3% of the respondents strongly disagreed and 25.9% of the respondents disagreed that, the findings and recommendations of the internal audit unit are taken seriously by the project management and the audit committee. While 10.8% of the respondents strongly agreed and 11.5% of the respondents agreed meanwhile 20.5% of the respondents were neutral as shown in the Table 9:

Table 9: Implementation of internal audit recommendations on projects

Likert scale	Number of respondents	Percentage
Strong disagree	93	31.3
Disagree	77	25.9
Neutral	61	20.5
Strong agree	32	10.8
Agree	35	11.5
Total	**298**	**100**

Hence, results indicate that the findings and recommendations of the internal audit unit are not taken seriously by the project management.
The above findings were also supported by one male interviewee who said that

> *''It is about fifteen years since I was employed in this project but, I have never heard that the internal auditor has reported any incidence of frauds in this project, meanwhile the external auditors yearly report the red flags of frauds and give the recommendation on how to minimize the projects' risks on fraud. We are not sure of the capacity of the project internal auditors regarding the detection and prevention of frauds ''*

Another female interviewee stated that:

''Recommendations raised by the internal auditors are not fully implemented by the project management, this mostly discourages the internal auditors as results on accumulations of unimplemented audit recommendation each year.''

These findings are also supported by Hammersley (2017), as found out that, internal audit for the project is not effective as most of recommendations raised by the internal auditors are not seriously implemented by the project management.

CONCLUSION AND RECOMMENDATIONS

The following recommendations were derived from the findings, results and conclusions of the study. The management of projects should use mixed elements of internal control systems that matches with the project performance. Project managers and coordinators should fully be involved on the establishments of internal control systems. Furthermore, internal audit should be effective upon monitoring and evaluation of projects, preventing and detection of fraud towards the projects and internal auditor should be independent in reporting the performance of the projects.

Moreover, as part of internal controls, the project implementers should ensure that expenditures are correctly made from respective budget lines and prior approval should be sought in case of additional requirements. Project implementers also should ensure that expenditure is made from allowable activities according to the project/program agreements in order to avoid ineligible expenditure as the project implementers are required to utilize funds according to prevailing project guidelines, likewise the project implementers should exert more efforts on contract management.
Project management should also ensure that their projects have strong internal controls. All project controls should be monitored and evaluated on regular basis by internal audit, so as to provide the management with assurance on the adequacy and effectiveness of mitigation controls that management has put in place which finally will enable improvement of the performance of the projects.

this study contributes to the body of knowledge both in methodology, theory and practice. In order to derive more valuable and broader conclusions, the methodology adopted in this study involved administering structured questionnaires across a wide range of projects in

LGAs, in order to increase the generalizability of the results. Lack or inadequate of internal control systems, results to poor project performance among LGAs, this study is of scholarly interest as it has further un-covered factors that lead to poor performance of the projects. This is likewise true for the testing of possible relation between internal control systems and project performance.

In the context of aspiring to bring out supplemental factors that enhance internal control systems, recent studies ignored the controlling effect of the nature of LGAs and age of LGAs on project performance. This research gap has been addressed through administering structured questionnaires at the individual level over and above quantitative analysis.

This study has made important contributions to the internal audit and project performance. This study confirms existing literature in terms of the positive influence of internal audit and project performance. Scholarly research has clearly examined the link between internal audit and project performance. In Nigeria, Munine (2019), found out that internal audit has an impact towards the performance of the projects. Sari et al. (2017) found the quality of internal control systems that has a positive effect upon the project performance. However, Kinyua (2016), found inadequate concentrating on internal control environment and internal audits in LGAs projects. Hence, the importance of internal audit is paramount in erasing project fraud and hence, improves the performance in local government projects.

The study found that the role of internal audit is paramount for the project performance. The current internal audit strategy is too limited and does not cover all dimensions of project control system in terms of scope and its mechanism. The internal auditors practically use conservative strategies in which auditing is based on the project compliance, strategies used does not adequately add value towards the project performance. Hence the study suggests that both internal audit strategies (Conservative and value-added strategies) should be used on project assessment by the internal audit. This also provides an immediate suggestion for reforms of audit regulatory frameworks in prioritizing internal audit unit in LGAs and promoting the public accountability towards project implementation.

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