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Internal Audit and Efficient Service Delivery of GBEs in Nigeria

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ABSTRACT

Despite the existence of internal audit practices, inefficient performance is fast becoming the hallmark of the Nigeria Government Business Enterprises (GBEs). This study therefore examined the effect of internal audit practices on efficient service delivery of GBEs in Ogun State, Nigeria. Anchored on Contingency Theory, the study investigated three dimensions of internal audit: auditor independence, auditor competency, and management support as determinants of cost-efficient service delivery. A survey research design was adopted, targeting a population of 2,235 personnel across fifteen GBEs in Ogun State. Using Yamane's formula, a sample of 340 respondents comprising internal auditors, finance officers, and managers was drawn through simple random sampling, achieving a 96.5% usable response rate. Data were analyzed using Partial Least Squares Structural Equation Modelling (PLS-SEM). Findings revealed that auditor independence ($\beta = 0.298$, $p < 0.05$), auditor competency ($\beta = 0.231$, $p < 0.05$), and management support ($\beta = 0.216$, $p < 0.05$) all exert positive and statistically significant effects on efficient service delivery, with auditor independence emerging as the strongest predictor. The model explained 28.6% of the variance in service delivery efficiency. The study concludes that strengthening internal audit practices through enhanced independence, continuous professional development, and robust management support is critical to improving public service outcomes in Nigerian GBEs.

Keywords: Internal audit, auditor independence, auditor competency, management support, service delivery, government business enterprises, Nigeria

INTRODUCTION

Globally, efficient service delivery in government business enterprises represents a critical cornerstone of economic development and public service delivery in any nation. In developing countries, government business organizations provide the essential services and these establishment are critical to the nation's economic wellbeing. In Nigeria, with the complex federal structure and vast land mass with abundance resources, network of government-owned enterprises spanning sectors from oil and gas to telecommunications and utilities hold the imperative status of the country economy. These GBEs are the drivers of the economy with entities such as Nigerian National Petroleum Corporation (NNPC), Power Holding Company of Nigeria (PHCN) at the federal level, and numerous state-owned enterprises, collectively manage billions of naira in public fund. These enterprises serve dual purposes: generating revenue for government coffers while delivering essential services to citizens. However, the effectiveness of their financial management systems has been a subject of ongoing debate, with internal audit practices emerging as a crucial determinant of performance outcomes (Mahmoud & Hassan, 2024).

Service delivery in Nigerian GBEs is an essential dimension, and has generated a lot of abysmal scores. GBEs directly affect citizen welfare through public service delivery in aspect includes but not limited to healthcare, infrastructure and utilities. Assessing these Nigerian government organizations services through economy, efficiency, and effectiveness in resource utilization revealed series of rots (Ibrahim et al., 2022). Misallocation of resources and procurement inefficiencies have been linked to poor infrastructure development and service disruptions. Effect of this, is felt in agricultural sector, where government keeps buying fertilizers and tractors on yearly basis, with existence of all the required resources, Nigeria still cannot afford to produce enough rice among other staple foods for consumption of her citizen alone.

Internal audit practices have been recognized globally as essential components of effective organizational governance and financial management. In the context of Nigerian government business enterprises, internal audit assumed to performs vital oversight role by evaluating and monitoring internal controls, financial processes, and governance frameworks. Internal audit functions serve as independent, objective assurance and consulting activities designed to add value and improve organizational operations with competent personnel and management support.

However, incessant and persistence reports form national dailies and anti-corruption agency reports indicates series of financial mismanagement, which leads to ineffective allocation and utilization of resources; resulting in delayed or substandard delivery of public services such as healthcare, infrastructure development, and utilities. Inefficient internal audits fail to identify operational bottlenecks and procurement malpractices, thereby sustaining wastage and reducing the quality and timeliness of services that directly affect citizen welfare (Uremadu, 2004; Tibyangye et al., 2023).

Therefore, there is need to empirically provide the answers to the following research Questions:

i. What is the effect of auditor's independence on the efficient service delivery in Nigeria GBEs?
ii. To what extent is the influence of auditor's competence on the efficient service delivery in Nigeria GBEs?
iii. How does the management support affect the efficient service delivery in Nigeria GBEs?

LITERATURE REVIEW

Efficient Service delivery in Nigerian Government Business Enterprises (GBEs)

Service delivery remains a critical yet underperforming aspect of public sector effectiveness, directly influencing citizen welfare and national development. Despite their strategic role in providing essential services such as healthcare, infrastructure, utilities, and education, GBEs in Nigeria have been plagued by inefficiencies, resource misallocation, and governance challenges that erode service quality and reliability (Ariyo-Edu, 2024).

Service delivery in the public sector broadly refers to how efficiently, effectively, and equitably public services are provided to citizens. In Nigeria, service delivery by GBEs underpins development goals by ensuring access to critical resources and infrastructure (Thomson, 2020). However, several studies and reports indicate that these enterprises frequently fail to meet acceptable service standards due to systemic governance issues, including poor financial management, lack of accountability, and inadequate performance monitoring systems (Ariyo-Edu, 2024; Thomson, 2020; Ibrahim, 2022). For example, infrastructural deficits, inconsistent electricity supply, frequent disruptions in water services, and healthcare delivery gaps are common across many Nigerian states, significantly affecting both urban and rural populations.

A significant contributing factor is funds mismanagements, misappropriations, inadequate training, low motivation, and contract fraud compromise service output (Thomson, 2020). Additionally, weak performance management and accountability mechanisms mean that poor service delivery is often tolerated without consequences. The absence of reliable data collection and customer feedback systems further limits the ability of GBEs to monitor service quality and make evidence-based improvements (SERVICOM, 2020).

Similarly, structural corruption and political interference further exacerbate service delivery challenges. Political appointments and favoritism sometimes override merit-based management practices, weakening institutional capacity (Ariyo-Edu, 2024). Such practices undermine professionalism and divert resources from intended uses, resulting in substandard services and public dissatisfaction. Studies have documented how corruption in procurement, contract management, and revenue collection adversely affects GBE performance, leading to loss of public funds and undermining trust (Ezeajughu, 2024).

Internal Auditing

Internal audit plays a pivotal role in enhancing financial management in Government Business Enterprises (Nurudeen and Abiodun, 2023; Ojo 2025), serving as a critical mechanism for risk assessment, control evaluation, and governance assurance. In an environment where public resources are vast but often mismanaged, internal audit functions are integral to promoting transparency, accountability, and efficient resource utilization, which are essential for operational success and public trust (Okee & Fred, 2021). Despite this importance, challenges persist within Nigerian GBEs that impede the effectiveness of internal audit, subsequently undermining financial management and institutional performance.

Internal audit in Nigeria's public enterprises is defined as an independent, objective assurance and consulting activity designed to add value by evaluating and improving the effectiveness of risk management, control, and governance processes (Singh et al., 2021). It provides continuous monitoring of financial operations, detecting irregularities, reducing fraud risks, and ensuring compliance with statutory regulations. Properly implemented, internal audit functions mitigate financial mismanagement through systematic checks and recommendation of corrective actions, fostering sound stewardship of public funds.

However, the Nigerian public sector continues to grapple with challenges that negate the full benefits of internal audit functions. Most acknowledged and prominent challenges are insufficient of auditor independence, competency and management support; internal auditors are often compromised by political interference and executive dominance (Okee & Fred, 2021). These three main factors were perceived as determinants to effectiveness of internal audit practice.

Internal Auditors Independence

One of the core dimensions of effective internal audit practice in Nigerian GBEs is auditor independence. Independence ensures that internal auditors operate without undue influence from management or political actors, enabling unbiased evaluations of financial practices (Oni & Adejuwon, 2025). Studies (Olatunde and Nurudeen, 2023; Ouda and Al-Htaybat, 2017) indicates that independence is the most impactful factor affecting internal audit quality and its contribution to governance outcomes. However, in Nigeria, political interference and conflicts of interest constrain auditor autonomy, often compromising the objectivity of audit findings. This limitation restricts auditors' capacity to expose malpractices and advocate for corrective measures effectively.

Internal auditor independence refers to the freedom internal auditors possess to carry out their tasks without interference or undue influence from management, political bodies, or other stakeholders (Institute of Internal Auditors [IIA], 2012). It encapsulates both structural independence such as reporting lines and autonomy in audit planning and functional independence, which includes unbiased judgment and objective execution of audit activities (Christopher et al., 2009). As Stewart and Subramaniam (2010) articulate, independence is a "state of affairs" while objectivity is a "state of mind" enabling the internal auditor to act impartially in discharging duties.

Internal Auditor's Competence

Internal auditor competence is a critical factor in determining the effectiveness of internal audit functions within Nigeria's Government Business Enterprises (GBEs). Competency encompasses the qualifications, skills, experience, and professional capability auditors possess to conduct thorough, insightful, and value adding audits. In the public sector context of Nigeria, internal auditor competence significantly affects the quality of governance, transparency, accountability, and overall financial management outcomes.

Competence in internal auditing refers to the possession of adequate knowledge, technical skills, analytical abilities, and professional judgment required to execute audit responsibilities effectively (Institute of Internal Auditors [IIA], 2017). Competent internal auditors can identify financial irregularities, evaluate internal controls critically, assess risks accurately, and provide actionable recommendations that enhance organizational processes (Singh et al., 2021). Competence is not only dependent on formal education and training but also on practical experience and continuous professional development to keep pace with evolving auditing standards and financial complexities (Nerantzidis et al., 2022).

Management Support for Audit

Management support is crucial for the effectiveness and efficiency of internal audit functions in Nigerian Government Business Enterprises (GBEs). It plays a pivotal role in empowering internal auditors to fulfill their responsibilities, facilitating robust financial and operational controls, enhancing accountability, and promoting transparency in public sector organizations (Ibrahim, 2022). Internal audit functions as a key mechanism for monitoring and evaluating the adequacy of internal controls, compliance processes, risk management, and governance within organizations (Institute of Internal Auditors [IIA], 2017). However, the scope and impact of internal audit are highly contingent upon the extent of support it receives from top management. Management support generally encompasses resource allocation (financial, human, technological), organizational backing, recognition of internal audit's value, facilitation of audit independence, and responsiveness to audit findings and recommendations (Singh, et al., 2021).

Despite its importance, management support for internal audit in Nigerian GBEs is often inadequate. Multiple studies identify resource constraints, including insufficient financial allocations and limited professional staffing, as significant impediments (Oni & Adejuwon, 2025; Ariyo-Edu et al., 2024). In some cases, internal audit units suffer neglect or marginalization within organizational hierarchies, impairing their operational autonomy and access to senior decision-makers (Egbunike & Egbunike, 2017). These conditions undermine auditors' capacity to conduct thorough reviews and diminish the perceived value of audit functions.

Theoretical Framework

Contingency Theory, pioneered by Burns and Stalker (1961) and further developed by Lawrence and Lorsch (1967), forms the theoretical foundation of this study. The theory argues that no single management approach is universally optimal; rather, organizational effectiveness depends on the alignment between internal systems and prevailing contextual factors (Nurudeen, 2022). Applied to internal auditing, this theory suggests that the structure, independence, and effectiveness of an internal audit function must be adapted to the specific organizational and environmental circumstances of an enterprise (Endaya & Hanefah, 2016).

Nigerian Government Business Enterprises (GBEs) operate within a complex institutional environment characterized by political interference, corruption risks, weak regulatory enforcement, and poor accountability mechanisms (Adegbie & Fofah, 2014). Contingency Theory provides a relevant analytical lens, asserting that internal audit functions configured to respond to these context-specific pressures through adequate independence, risk-based approaches, technical competence, and management support will generate more effective oversight outcomes (Arena & Azzone, 2009).

The framework posits a tripartite relationship: contingency variables (Auditor's Independence auditor's competence, and management support) shape internal audit effectiveness (objectivity and scope), which in turn drives efficient service delivery (accountability, resource optimization, and public value) in Nigerian GBEs. Where these contingencies are favorable, internal auditing functions as a critical governance mechanism that reduces waste, enforces compliance, and enhances operational efficiency.

Internal Audit Practices and Service Delivery

It was established in the literature that Service delivery depends on the internal audit practices to an extent, Mutua and Kabiru (2016) studied the influence of internal audit quality on service delivery in Kenyan public universities. Results showed that internal auditing positively impacts service delivery by improving financial controls and compliance, although practical impediments like inadequate training and managerial support persist. Mwazo, et al., (2017) assessed management control systems, including internal auditing, at the Taita-Taveta National Treasury in Kenya. The study concluded that effective internal control mechanisms, guided by competent audit practices, enhance service delivery by reducing risks and ensuring optimal use of resources.

In Ghana, Agyemang and Castellini (2018) analyzed the role of internal audit in improving service delivery in Ghanaian public institutions. Their quantitative survey demonstrated that well-resourced and independent audit units enhance transparency and operational efficiency, contributing to higher public satisfaction with government services. Chebet, et al., (2018) studied the effects of internal audit function on service delivery in Bomet County, Kenya. They found that auditor independence and authority positively impact service delivery. Furthermore, technical competency in risk profiling, financial analysis, and use of ICT were significant in enhancing internal audit performance, which in turn improved organizational service delivery.

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Alipour, et al., (2019) examined the linkage between audit quality and public service delivery in Iran. The study empirically confirmed that internal audit quality positively affects service delivery metrics, highlighting the need for auditor competence and structural independence. Rahman, (2019) conducted a cross-country comparative study on internal audit effectiveness in the public sector. They found that countries with established internal audit frameworks experience more transparent governance and better service delivery through reduced corruption and enhanced resource management.

Kabubo-Mariara and Mwabu (2020) explored the impacts of public sector financial audits on service delivery in Kenyan counties. The findings underscored positive effects on infrastructure quality and health service outputs, emphasizing that internal audits are central to improving government accountability and efficiency. Dreyer, et al., (2022) focused on South African municipalities and reviewed the statutory roles and challenges of internal auditors related to service delivery. The study highlighted that internal audit units assist management in addressing service delivery issues by identifying control weaknesses and recommending corrective actions. However, challenges such as limited resources and political interference hamper effectiveness.

Oni and Adejuwon (2025) examined internal audit practices and local government performance in Oyo State, Nigeria. Their findings showed that internal auditor independence, monitoring, and competency significantly influence financial management, accountability, and service delivery outcomes, with auditor independence being the most impactful factor.

METHODOLOGY

This study adopts a survey research design, using the quantitative research approach to examine the effect of internal audit practices on efficient service delivery in Government Business Enterprises (GBEs) within Ogun State, Nigeria. The descriptive and explanatory design enables the collection of primary data to evaluate the effect of internal audit dimensions. The study population comprises of the entire personnel of fifteen (15) GBE's in Ogun State. The targeted respondents are internal auditors, finance officers, and managers directly involved in financial management and audit activities. The population of the personnel in the above stated GBEs is 2,235 Two Thousand, Two Hundred and Thirty-Five as at March, 2026 presented in the official gazette.

With a population size of 2,235, the study will employ the Tyaro Yamane's formula for determination of appropriate sample size. Yamane's formula:

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

Substituting values:

$$n = \frac{2235}{1+2235(0.05)^2} = \frac{2235}{1+2235(0.0025)} = \frac{2235}{1+5.5875} = \frac{2235}{6.5875} = \approx 339$$

Rounded up, the sample size is approximately 340 respondents. The simple random sampling technique was employed to choose the respondents from the selected GBEs.

Measurement of Variables

Variable	Measurement	Sources	Scale	A-priori Expectation
Auditor Independence (IDP)	Items measuring freedom from management/political influence,	Mahmoud & Hassan	Likert (1–5)	Positive effect on all financial management

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	formal autonomy policies, independent reporting channels	(2024), Oni et al. (2025)		dimensions (TA, SD, AM)
Auditor Competency (CMP)	Assessed by qualifications, skills, experience, and training frequency	Mildawani (2023)	Likert (1–5)	Positive effect on transparency, service delivery, and asset management
Management Support (MGS)	Extent of resource allocation, responsiveness to audit recommendations, management encouragement	Ofori & Lu (2018), Oni et al. (2025)	Likert (1–5)	Positive relationship with audit effectiveness and financial performance
Cost of Service Delivery (CSD)	Efficiency and effectiveness in public service outcomes (e.g., project completion, cost-efficiency)	Charles & Bathlomew (2019) Ibrahim et al. (2022)	Likert (1–5)	Dependent variable

Model Specification

The study adopts a regression model of Mahmoud & Hassan (2024). The model was modified to capture the relationship between the internal audit practices and financial management within Nigerian Government Business Enterprises (GBEs),

The model equations are:

Cost of Service Delivery (SD) = f(IDP, CMP, MGS)

$CSD_i = \alpha + \beta_1 IDP_i + \beta_2 CMP_i + \beta_3 MGS_i + \mu_i$……………………………………………………………..1

Where:

- α is the error term or other control variables;
- IDP represents Internal Auditor Independence;
- CMP represents Auditor Competency;
- MGS represents Management Support;
- CSD represent Cost of Service Delivery

Data Presentation and Analysis

Response Rate

A total of 340 questionnaires were distributed through simple random sampling techniques, ensuring a representative and statistically reliable sample with a 5% margin of error. The response rate was impressive with total of 332 (97%) returned. 328 responses were accepted as usable for data analysis, representing 96.5% of the issued questionnaires. This high response rate not only enhances the credibility of the findings but also minimizes the risk of nonresponse bias, ensuring that the results accurately reflect the perceptions and experiences of the internal audit practices actors in the state GBEs.

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Descriptive Statistics of Study Variables.

Table 1, present the descriptive statistics of the study variables, this reveal important insights into the behaviour and distribution of the data. The mean values across the variables show a consistently high level of agreement among respondents. Specifically, Management Support (MGS) has a mean of about 0.775, and Cost of Service Delivery (CSD) stands around 0.770. In comparison, Asset Management (AM) records a mean of approximately 0.745, Auditor Competency (CMP) about 0.730, and Auditor Independence (IDP) has the lowest mean at approximately 0.695. These values indicate that respondents generally expressed agreement with all the constructs, although perceptions of auditor independence appear relatively weaker compared to other dimensions of internal audit practices.

Table 1: Descriptive Statistics of Study Variables' Output

Var	Mean	Median	Std Dev	Skewness	Kurtosis	Jarque-Bera	Prob	Sum	Sum Sq Dev	Obs
CSD	0.731	0.760	0.152	-0.142	-1.019	14.88	0.001	248.44	7.81	328
IDP	0.753	0.760	0.126	-0.394	0.618	9.87	0.007	255.96	5.39	328
CMP	0.786	0.800	0.104	-0.903	1.342	41.55	0.000	267.08	3.66	328
MGS	0.743	0.800	0.154	-0.744	-0.388	18.42	0.000	252.48	8.07	328

Author's Computation, 2026

In terms of dispersion, the standard deviation values are low across all variables, further confirming the consistency of responses. For instance, MGS show standard deviations around 0.154, while CSD and IDP exhibit slightly higher values ranging between 0.152 and 0.126. CMP with 0,104 also fall within the acceptable band. The implication of these figures is that respondents' opinions are tightly clustered around the mean, suggesting a strong level of consensus and enhancing the reliability of the data.

The skewness statistics further provide insight into the distribution of the data. All variables exhibit negative skewness values, with figures generally ranging between approximately -0.142 and -0.744 For example, this pattern indicates that the data is skewed towards the higher end of the scale, meaning that most respondents selected higher response categories such as "agree" and "strongly agree."

The kurtosis values, although not extreme, fall within acceptable bounds (approximately between -1 and -3), suggesting that the distributions are neither overly peaked nor excessively flat. This indicates a reasonable level of normality in terms of distribution shape.

However, the Jarque-Bera statistics reveal that the probability values for all variables are below 0.05, confirming that the data does not follow a perfect normal distribution. Despite this, the deviation from normality is not problematic, as the PLS-SEM technique employed in this study does not require strict normality assumptions and is robust to such violations.

Reliability Test

As presrequite test before regression analysis, relaibilty test on the data was conducted. The reliability of the measurement constructs was assessed using Cronbach's Alpha (α), which evaluates the internal consistency of the items used to measure each latent variable. The results on table 2, shows a reliability analysis show varying levels of internal consistency across the constructs. Management Support (α = 0.836), Service Delivery (α = 0.805), and Auditor's competency ((α = 0.710) all exceed the recommended threshold of 0.70, indicating strong internal consistency and high reliability of the measurement items.

Table 2: Reliability Test Output

Construct	Cronbach's Alpha	Decision
Auditor Independence	0.689	Acceptable
Auditor Competency	0.710	Acceptable
Management Support	0.836	Good
Service Delivery	0.805	Good

Author's Computation, 2026

However, Auditors Independence (α = 0.689), show slightly lower reliability values which is marginally below the 0.70 threshold but still considered acceptable in exploratory research.

Validity Test

Table 3, present the validity measures the research instrument. This revealed the instrument's ability to capture the construct value accurately and appropriately. The result indicates the entire four constructs meet the criteria for construct validity. Kaiser-Meyer-Olkin (KMO) values ranged from 0.749 to 0.878, indicating sampling adequacy across all measurement scales.

Table 3: KMO and Bartlett's Test Results

Construct	KMO Measure	Bartlett's Test Chi-Square	Df	p-value	Interpretation
Management Support	0.878	412.541	10	0.000	Valid construct
Auditor Competency	0.828	387.002	10	0.000	Valid construct
Auditor Independence	0.821	325.476	10	0.000	Valid construct
Efficient Service Delivery	0.749	298.112	6	0.000	Valid construct

Source: Author's Computation (2026) SPSS

Moreover, Bartlett's Test of Sphericity was statistically significant ($p < 0.05$) for all constructs, confirming that the data matrices are factorable.

Effect of Internal Audit Practices on the Efficient Service Delivery in Government Business Enterprises

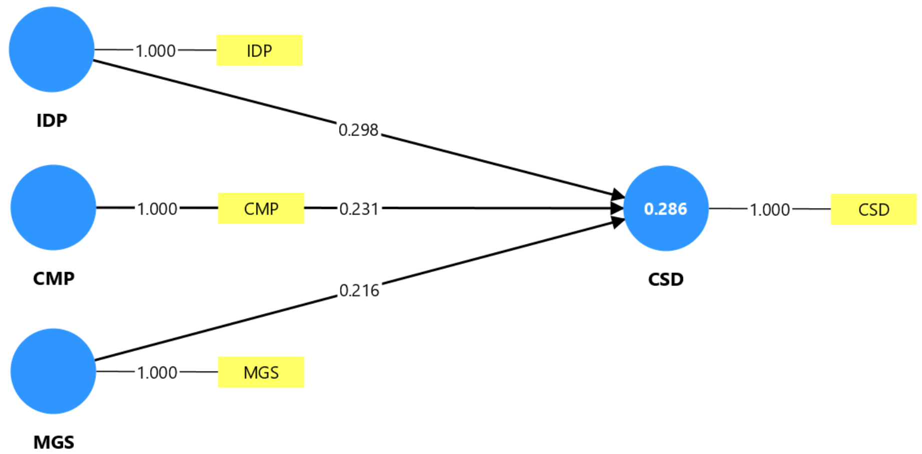

Figure 1: PLS-SEM Chart for the Effect of Internal Audit Practices on the efficient service delivery (CSD) in Government Business Enterprises

Figure 2, shows the effects of the internal audit contruct on the efficiency of service delivery. The model reveals that auditor independence ($\beta = 0.298$, $p < 0.05$), auditor competency ($\beta = 0.231$, $p < 0.05$), and management support ($\beta = 0.216$, $p < 0.05$) all have positive and significant effects on cost of service delivery. This suggests that internal audit practices collectively enhance efficiency and reduce operational costs.

Table 4: PLS-SEM Output for the Effect of Internal Audit Practices on the Cost-of-Service Delivery (Efficient Service Delivery) in Government Business Enterprises

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
CMP -> CSD	0.231	0.232	0.072	3.188	0.001
IDP -> CSD	0.298	0.298	0.060	4.943	0.000
MGS -> CSD	0.216	0.217	0.079	2.735	0.006

	R-square	R-square adjusted
CSD	0.286	0.280

Author's Computation, 2026

The results for Cost-of-Service Delivery (CSD) on table 4 reveal that all the internal audit variables exert positive and statistically significant effects on service delivery efficiency. Auditor Competency (CMP) has a coefficient of $\beta = 0.231$, with a t-value of 3.188 and a p-value of 0.001, indicating a strong and significant effect. This suggests that higher auditor expertise contributes to better cost control and improved efficiency in service delivery.

Auditor Independence (IDP) demonstrates an even stronger effect on CSD, with $\beta = 0.298$, $t = 4.943$, and $p = 0.000$. The relatively higher coefficient implies that independence plays a crucial role in ensuring objective auditing, which in turn enhances cost efficiency and reduces wastage in service provision.

Management Support (MGS) also shows a positive and statistically significant relationship with CSD, with $\beta = 0.216$, $t = 2.735$, and $p = 0.006$. Although the magnitude of its coefficient is slightly lower than those of CMP and IDP, it still indicates that managerial backing is essential for achieving efficient service delivery outcomes.

The coefficient of determination for this model is $R^2 = 0.286$, which means that 28.6% of the variation in cost-of-service delivery is explained by the internal audit variables. This represents a moderate level of explanatory power, suggesting that internal audit practices play a meaningful role in improving operational efficiency.

The findings indicate that all three components of internal audit which are competency, independence, and management support are important drivers of cost efficiency, with auditor independence emerging as the strongest predictor in this model.

Table 5: PLS-SEM Model fit Output for the Effect of Internal Audit Practices on the Cost-of-Service Delivery in Government Business Enterprises

	Saturated model	Estimated model
SRMR	0.000	0.000
d_ULS	0.000	0.000
d_G	0.000	0.000
Chi-square	-0.000	-0.000
NFI	1.000	1.000

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Author's Computation, 2026

Table 5 present the model fitness result for the Cost-of-Service Delivery (CSD) model, the assessment of global fit indices also reveals an SRMR value of 0.000. This value indicates a perfect alignment between the observed and predicted correlation matrices, suggesting that the model adequately captures the structure of the data without any observable error.

Similarly, the Normed Fit Index (NFI) is 1.000, which reflects an excellent level of model fit. This implies that the specified relationships among internal audit variables and cost of service delivery significantly improve upon the baseline model.

Therefore, the CSD model demonstrates an excellent overall fit, indicating that the model is well specified and reliable for analyzing the influence of internal audit practices on service delivery efficiency.

Hypothesis Two (H_{02})

Based on the research questions and the findings of the study, the following null hypotheses were rejected;

H_o1 posits that independence auditors do not significantly affect cost of service delivery in government business enterprises in Ogun State. The result revealed a $\beta = 0.298$, $t = 4.943$, and $p = 0.000$, therefore the **null hypothesis is rejected.**

H_o2 Competence of auditor have no significant influence on the cost-of-service delivery in government business enterprises in Ogun State. Findings from table 4 state a $\beta = 0.231$, with a t-value of 3.188 and a p-value of 0.001, subsequently **the null hypothesis is rejected**

H_o3 Management support for the auditors do not significantly affect cost of service delivery in government business enterprises in Ogun State. In reference to the finding of the study ($\beta = 0.216$, $t = 2.735$, and $p = 0.006$) the **null hypothesis is rejected**

DISCUSSION OF FINDINGS

The findings that internal audit practices significantly improve efficiency is consistent with the work of Cohen and Sayag (2010), who established that internal audit quality enhances organizational performance and operational efficiency. The significant effects of auditors independence ($\beta \approx 0.298$) competency ($\beta \approx 0.231$) and management support ($\beta \approx 0.216$) also align with findings by Mihret and Yismaw (2007); Ibraheem et al (2022); Nurudeen and Olatunde (2023) where the studies emphasized that audit effectiveness depends largely on audit staff independence, competence, and management cooperation. These results further validate the postulations of the contingency theory, indicating that the success of audit assignment is contingent on the independence, competence of the auditor and support from the management. The findings indicates the internal audit practices significantly affect the cost-of-service delivery. Auditor independence, competency and management support were identified as key drivers of efficiency, contributing to improved resource utilization and reduced operational costs. This indicates that internal audit functions play a crucial role in enhancing service delivery when supported by capable personnel and committed management.

CONCLUSION

Based on the findings of the study, it can be concluded that internal audit practices are essential for improving operational efficiency in government business enterprises, particularly in the areas of service delivery However, the effectiveness of these practices depends largely on the level of management support, independence and the competency of audit personnel.

RECOMMENDATIONS

In line with the findings and conclusions of this study, the following recommendations are proposed:

i. The management should ensure of GBEs should ensure improved independence of the internal audit unit.
ii. There is a need to improve the competency of internal auditors through continuous professional training, certification, and capacity-building programs.
iii. Management of GBEs should provide stronger institutional support to internal audit units.

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