



WORKPLACE SPIRITUALITY AND AUDIT QUALITY: MEDIATING EFFECT OF AUDITOR'S DYSFUNCTIONAL BEHAVIOR AMONG OFFICES OF AUDITOR GENERALS IN NORTH EASTERN, NIGERIA

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ABSTRACT

This study aims to analyze the mediating effect of auditor dysfunctional behavior on the relationship between workplace spirituality and audit quality at The Office of Auditor General within the north Eastern Nigeria. The research approach used is quantitative and casual design. The number of research samples was 292 auditors taken through proportionate sampling. The data analysis used descriptive and inferential statistical analysis by employing regression analysis. The results show that there is a significant negative effect of workplace spirituality on dysfunctional auditor behavior, there is a significant

Introduction

Fraud is the International distortion of financial statements or other records by a person (internal or external) to the organizational which is carried out to conceal the misappropriation of assets or otherwise for gain "(Adeniji 2004). However, auditors have a significant role to play in the detection and prevention of fraud because they are not only agents of shareholders but their access to internal and external information makes them efficient monitor (Dyck, Morse & Zingales, 2008). The existence and in fact, the high incidence of fraud in corporate organization brings to mind the question of competence, skills, due care, honesty, and integrity of auditors in an organization or business enterprise, qualities are expected to be displayed by an auditor in every time in every circumstances (Olofin, 2005 & Agbaje, 2007). When fraud occurs in work place, the question asked is "where were accountants and auditors? That an auditor has the responsibility for the prevention, detection, and reporting of fraud, and illegal acts and errors is one of the most controversial issues in auditing, and has been one of the most frequently debated areas amongst auditors, politicians, media, regulators and the public (Gay & Roger, 2002).

Organizational code of ethics and code of conduct are also critical elements of fraud prevention, particularly in light of anti-corruption legislation such as the ICPC and EFCC and to mention but few. Not only does a code of conduct instruct employees, but it also helps protect the organization and management. Fraud can take many forms, including embezzlement, forgery, computer crime and theft of inventory and other assets, and can continue unchecked for years and its impact can be devastating.

Fraud in general, refers to a wrongful or criminal deception practiced which is intended to result in financial or personal gain to oneself and a



positive effect of workplace spirituality on audit quality, and there is a significant negative mediating effect of dysfunctional auditor behavior on the relationship between workplace spirituality and audit quality. The conclusions of the study state that there is a significant effect of workplace spirituality on dysfunctional auditor behavior. Implication to audit quality is that the audit quality can be improved through workplace spirituality and dysfunctional auditor behavior enhancing regular check on records and book of accounts of government agencies and Ministries.

Keywords: Workplace spirituality; Auditor; Dysfunctional behavior; Audit quality

financial or personal loss to the other. 'Fraud' is commonly understood as dishonesty calculated for advantage. A person who is dishonest may be called a fraudster. In almost all the legal systems, fraud is a specific offence with certain unique features. This called for auditing within an organization to certain the level of distortion.

Audit, in general, refers to the examination or inspection of various books of accounts by an auditor followed by physical checking of inventory to make sure that all departments are following documented system of recording transactions. It is done to ascertain the accuracy of financial statements provided by the organization. The process has to be carryout by a professional person called the auditor. The auditor is a professional that provides services to the public, especially users of financial statements, among others: investors, creditors, candidates, and creditor government or institutions (Boynton & Kell, 2006).

In most organizations, reporting mechanisms are within the organizations. In those situations, an overwhelming number of employees are reluctant to report a fellow employee they suspect of fraud. They're even more reluctant to report managers. Among their greatest fears are termination and retaliation. Employees are also concerned about suffering retribution or being ostracized by co-workers. Few employees trust internal reporting mechanisms. Studies show that people rarely perceive internal reporting mechanisms as being truly anonymous. Yet employees must have anonymity to feel safe enough to report fraud even when not reporting could lead to great company loss.

Most people will talk the talk, but few will walk the walk; it is encourage for people to be amongst those few. Walk that walk and go forward all the time is prime to an individual within an organization. Don't just talk that talk, walk it by moving towards achieving it. It is evidence that most of people talk one way and live another. There are a few people who truly talk the talk and truly walk the talk due to one's beliefs in spirituality to creator (Yusuf, et ta, 2020).

Spirituality is the development of our inner well being for achieving happiness, peace and fulfillment. Spirituality in management is an upcoming academic field started in this century. Interest in workplace spirituality has increased steadily over the last decade and into the new millennium Increasing interest in spirituality in the workplace is due to an overall evolution in consciousness, which we are experiencing as human beings." In the modern business world, there are several enterprises and organizations refer their success to their spiritual attitude and practices. This new paradigm which is emerging in organizations has also been called as "the spirituality movement.

Statement of the Problem

To solve fraud issues, positive economic approach is still applied. The use of normative economic approach such as ethics and religious values are still few. There are many studies, one of which is a study



by Mitroff, Elizabeth and Denton (1999) that has found that spirituality is one of the most significant factors in organizational performance. Nearly 60% of respondents believe in the positive benefits of spirituality at the workplace. Further studies of Barrett (1998) found that employees with low, medium or high complexity are more highly motivated. Their productivity is at 52%, 85%, and 127% higher than employees who have average motivation. Therefore, it is not surprising that today many companies put their concern in spirituality as an effort to resolve the issue of productivity, performance and job satisfaction. Spirituality in the workplace has been widely adopted by major companies in Indonesia such as PT Telkom that harmonizes the spirit and strategy, Garuda Food Company is not only based on business interests but also touches humanity aspects such as peace, harmony, love, and non-violate religious prohibitions. Mondial Lux Indonesia also has performed morning prayer ritual before starting their activity (Baskoro, 2014). This study gives an overview that spirituality in the workplace can reduce the tendency of auditors to commit fraud in the workplace. An auditor's understanding about the significance of their job for him or her and, their deep involvement in their workplace will inspire them to love their job and stop them from actions that will harm themselves and the companies they work for. (Baskoro, 2014).

Government at all levels in Nigeria is arguably the biggest employer of labour. However, this huge workforce is riddled with a lot of challenges amongst which are the problem of ghost workers. According to Oguzierem, Sofiri and Okodudu (2006), ghost workers and payroll fraud refers to all processes of employee impersonations that have salary cost implication on the concerned government. It includes all illegal, unauthorized, unqualified, fictitious and non-existing staff that makes salary claims from the government coffers. This implies that underage, overage, backdated employments, inherited employments, unqualified staff and unauthorized staffs even though they report for work daily; are categorized as part of ghost workers and payroll fraud in the public service. In most instances, these fraudulent public officeholders forge the necessary documents and authorizations to add an employee on the payroll.

McCallum and Tyler (2010), in Oguzierem, Sofiri and Okodudu (2006) asserted that Apart from traditional ghost workers which are fictitious and non-existing employees added to the payroll by payroll managers, there are also the non-apparent ghost workers. These categories of ghost workers" fraud are real staff in the public sector who receives fictitious pay through payroll irregularities. They include staff who receive unearned salaries through false means; for instance, staff who have multiple jobs in the civil service, receives dual or many salaries using pseudo names, employees who earn levels of pay or allowances greater than their rank, employees on temporary absence or leave of absence but who continued to earn full salary, and employees on transfer or retirement but whose names are in the payroll. The ghost workers syndrome is not limited to the salary payroll but also to pension payroll as many of the ghost workers enumerated above naturally graduate to the pension scheme while others are added by managers of the pension payroll. The problem was so severe that the pension schemes of many of the parastatals of the government spend huge resources in trying to fish out the culprits and in some cases collapsed under the weight.

The problem has become quite pronounced and noticeable considering the present economic realities in the country. With falling prices in crude oil the major source of income of the country, the government has been known to borrow to pay salaries of workers many of whom are ghosts. Whatever the causes of the problem, the point remains that it cannot be allowed to continue. In order to find a lasting solution to the problem, the federal and state governments have over the years instituted several policies many of which have failed the yield the desired result. For example, the governments at all levels



over the years have embarked on employee verification processes including bio-data capturing, head counts at work desks bank/worker ID verifications all of which have yielded varying degrees of success but has failed to bring about a lasting solution.

In search of that elusive solution, the government in 2006 introduced the Integrated Payroll and Personnel Information System (IPPIS) to provide a reliable and comprehensive database for the public service to facilitate manpower planning, eliminate record and payroll fraud, facilitate easy storage, update and retrieve personnel records for administrative and pension processes, and facilitate convenient staff remuneration payment with minimal waste and leakage. The project which began a phased and gradual implementation in 2007 has recorded a lot of success and is seemingly promising to achieve more in the nearest future. For example, since its inception the magnitude of ghost workers discovered in the federal government payroll have never been recorded in the history of Nigeria.

Audit failure occurs when the auditor provides an audit opinion, not in line with the fact that it does not meet the auditing standards specified (Arens et al., 2012). Previous studies have generally shown a threat to degradation of audit quality due to dysfunctional behavior that auditors sometimes perform in auditing tasks (Pierce & Sweeney, 2004; Sweeney & Pierce, 2010). Emerson and McKinney (2010) express the importance of returning to religious beliefs in behavior after in practical ethics is not capable of being a moral keeper in the business world. Religious values will make the work more useful and meaningful. In this perspective, working not only to meet the needs of material merely but as a form of sacrifice for the benefit of society. A faithful public accountant and putting forward spiritual values that are partially reflected in professional, ethical codes and inspection standards will be able to give opinions more meaningful so that they can be trusted in important decision-making processes.

The above description shows the urgency of spiritual Auditing in order to suppress the dysfunctional auditor behavior and to detect and prevent fraud among MDA's in Nigeria. It is very crucial, considering that there are still so many corruption cases involving government officials. An example of the phenomenon that occurred in most recent time like the case of EFCC Boss, Acting MD NDDC, NNPC forensic audit scandal etc was proven there the house committee for inquiring, in 2020. Also, the Panel of Corruption Court judges to investigate the EFCC boss by Justice Salami in 2020 in the bribery cases. Based on this urgency, researchers are interested in examining examine the role of Spiritual Auditing in combating Fraud in Ministries, Department and Agencies (MDA) among North eastern states in Nigeria

Objectives of the Study

- (i) To ascertain the contribution of Spiritual auditing in fraud prevention in Ministries, Department and Agencies (MDA).
- (ii) To evaluate the contribution of Spiritual auditing in fraud detection in Ministries, Department and Agencies (MDA).
- (iii) To evaluate the contribution of Spiritual auditing Combating fraud among Ministries, Department and Agencies (MDA).

LITERATURE REVIEW

According to Sudarmo et al, (2008), Webster's New World Dictionary defines fraud as a common terminology, which includes various meanings such as cunning, guile human trickery used by a person in order to take an advantage over others in a negative way. There is not a standard and certain rule that can be used to explain the meaning of fraud, except tricky, unnatural, and clever ways to deceive others. The only restriction meaning of fraud is that fraud is committed by dishonest or cunning person.



Thus, in general, fraud contains three essential elements, namely: (1) dishonest act, (2) intention or deliberate and (3) fraud that is a detriment others. Fraud includes all sorts of things that a human can think and do to take benefits from others in the wrong way, hide the truth, full of cunning plans and every unnatural way that deceive others or cause the victims to suffer from loss.

How to make internal audit effective has been an area of common interest to many. This has been responsible for the divergent views of authors on this concept. To that effect, the Institute of Internal Audit (2010) sees internal audit effectiveness 'as the degree (including quality) to which established objectives are achieved.' Vijayakumar and Nagaraja (2012) appear to be concerned more with the outcome of effective internal audit system which they argue helps in achieving performance, profitability and prevents loss of revenues particularly in public sectors. While Shoommuangpak and Ussahawanitchakit (2009) view audit effectiveness as achieving audit's objective by gathering of sufficient and appropriate audit evidence in order to express reasonable opinion regarding the financial statements compliance with generally acceptable accounting principles, Mizrahi and Ness-Weisman (2007) express audit effectiveness as the number and scope of deficiencies corrected following the audited process.

Alberta (2005) as cited in Mu'azu and Siti (2013) states that effective internal auditor professionals should possess the following characteristics: Ability to align the structure of internal audit with the dynamics of the organizational operation; There should be strong relationship between management skills for maintaining appropriate visibility and audit committee needs and expectations; There should be strong service delivery capabilities (consistency in approach, standards, and delivery, including the abilities to maintain audit focus and alignment of resources to the plan; There should be also be strong management skills which will ensure that internal audit teams have appropriate skills and motivation. Besides the above, the level of training, education, experiences as well as professional qualifications of the internal auditors influenced the effectiveness of internal audit. The above characteristics are essential and we see them as building blocks to effective internal audit system.

Belay (2007) and De Smet and Mention (2011) are of the opinion that attributes of effective internal control include "organizational independence, a formal mandate (existence of approved audit charter, unrestricted access, sufficient staff, existence of audit committee, stakeholder support, professional audit standards and unlimited scope. In a related development, the Chartered Institute of Public Finance and Accountancy (2006) as cited in Mu'azu and Siti (2013) believes that effective internal audit service should aspire to understand the whole organization, its needs and objectives, understand its position with respect to the organization's other sources of assurance and plan its work accordingly; be seen as a catalyst for change at the heart of the organization; and value and assist the organization in achieving its objectives; help to shape the ethics and standards of the organization, ensure the right resources are available and seek opportunities for joint working with other organizations". A cursory look at the above reveals the holistic nature of the expectations of effective internal audit system from a professional stand point. It is more or less like setting the universal standard against which effectiveness of internal control would be assessed.

Some empirical studies have been done on this subject matter in some countries of the world. Mihret and Yismaw (2007) did a study entitled Internal Audit Effectiveness: An Ethiopian Public Sector Case Study. The study which used structured questionnaire, interview and observations as instruments of data collection discovered that certain factors such as internal audit quality, support from management, etc. strongly affect effectiveness of internal audit while organizational structure and internal auditor's attributes have less impact on the same variable. In a study carried out by Ahmad, Othman & Jusoff



(2009) on effectiveness of internal audit in Malaysian public sector in which simple percentage was used as the tool for data analysis, they found that lack of audit staff was a major impediment to effective internal auditing. One of the major limitations of the study was a narrow scope. Arena and Azzone (2009) in their study entitled 'identifying organizational drivers of internal audit effectiveness in Italy' with the use of 153 Italian companies and survey method, found that characteristics of the internal audit team, the audit processes and activities as well as organizational links influenced effectiveness of internal audit.

Furthermore, Cohen and Sayag (2010) studied 'effectiveness of internal auditing: An Empirical Examination of its Determinants in Israeli organization'. With the use of questionnaire and mail survey of 292 organizations, the study identified management support, especially in relation to provision of proficient internal audit staff, career development and independence of internal auditors as vital to the effectiveness of internal audit. In another study conducted by Theofanis, Drogalas and Giovanis (2011) on the 'relationship between elements of internal control system and internal audit effectiveness' with the use of 52 Hotels in Greek through mail survey, the results reveal positive relationship between the variables. However, they suggested that with larger samples the outcome of the study might differ significantly from their own.

Since many of these studies were done in countries other than Nigeria, with obvious cultural and environmental differences as well as contrasting findings, it becomes necessary for a similar study to be carried out in Nigeria. Furthermore, with reference to the poor rating of Nigeria by the Transparency International in terms of corruption indices, a study on effectiveness of internal audit becomes not just necessary but imperative. As we know, sound internal audit practice is the bedrock for corporate transparency.

Theoretical framework

White-Collar Crime: Foundations of Fraud Theory Dorminey et al. (2012) revealed that White-Collar Crime was instigated by Edwin H. Sutherland in 1940. White-collar crime was called a crime committed by professionals in a subtle and vague manner whose main driving force was no longer due to poverty. White-collar crime is committed by the recipient of a delegation of authority and trust. Fraud as an example of a white-collar crime which is an act of fraud or crime is intended to produce personal financial gain or things intended to deceive others (Abayomi, 2017). A more detailed definition of fraud according to Matthew et al. (2013) is an act or deception, a deliberate concealment, neglect or deviation from the truth with a purpose. In Merriam

Webster Dictionary of Law (1996), as quoted in Manurung dan Hadian (2013), deception can be defined as any expression of action, neglect or concealment to deceive. Fraud is a general term among accountants, auditors, investors and the public engaged in the field of accounting economics. The term fraud is defined as fraud in the financial sector. In general, fraud will always occur if there is no prevention and detection. Weaknesses in internal control have been identified to cause fraud (Hamdani dan Albar, 2017). In general, fraud is interpreted as a fraud committed intentionally by the culprit and is done in violation of applicable regulations to take advantage for his own interests. This is what distinguishes between cheating and error. Fraud that occurs in Indonesia mostly arises from the desire to manipulate, mark up, and embezzle budget in an organization (Hamdani dan Albar, 2017).

Fraud Triangle Theory

Kassem and Higson (2012) explained that research on fraud was first conducted by a criminologist named Donald Cressey in 1950, who examined the motivations that drive people to violate the trust given to them. In 5 months, he interviewed 250 criminals whose behavior met two criteria: the first person had accepted a position of trust with good intentions, and the second person had broken the



trust. Based on this research, finally Cressey in 1953 gave birth to the theory of The Fraud Triangle. Fraud Triangle is usually used to identify and assess the risk of fraud. In 1950, Cressey concluded that individuals commit fraud when there are three factors:

- (1) Financial need that cannot be shared (pressure).
- (2) Opportunity that can be used to take illicit profits or gain improper access to funds (opportunity),
- (3) Personal justification for acting for themselves (rationalization).

Fraud Diamond Theory

In 2004, Wolfe and Hermanson added another variable in the Fraud Triangle Theory, namely capability, so that it changed its name to Fraud Diamond Theory. Diamond Diamond is a new perspective on the phenomenon of fraud. According to Wolfe and Hermanson (2004), a lot of fraud will not occur without the right person with the right ability to carry out fraud in detail. In other words, fraudsters must have the skills and ability to commit fraud. However, ability allows people to recognize open doors as opportunities and take advantage of them by trying to repeatedly attempt fraud. The Fraud Diamond concept as shown in the picture below, where they present four sides that develop a triangle of fraud, namely the ability (capability) of the perpetrators of fraud. Wolfe dan Hermanson believe that a lot of cheating won't happen without the right person with the right ability to carry out the details of the fraud.

1 Pressure

Pressure according to Wolf and Hermanson (2004) is when someone wants or has to commit fraud. Pressure is a condition where there is motivation to commit fraud that will be done. Problems that should be revealed are closed because there are threats or pressures aimed at the perpetrators. Pressure becomes an indicator in measuring a person's tendency to commit fraud (Gbegi dan Adebisi, 2013).

2 Opportunity

According to Albrecht et al. (2011), opportunity is a situation where a person feels that he has a combination of situations and conditions that make it possible to commit fraud and will not be detected. Opportunities in this study are opportunities that intentionally or unintentionally arise in situations that force a person to commit fraud in the form of misuse of assets for personal gain.

In this case, a good and strong internal control is needed. Weak control can provide opportunities for cheating. The lack of good control causes the offender to believe that his actions are not supervised so that doing things that trigger fraud (Hamdani dan Albar, 2017).

3 Rationalization

Rationalization, according to Chaplin (2011), is a process of justifying one's own behavior by presenting a plausible or socially acceptable reason to replace the real reason. Rationalization is an attitude to maintain thinking and justify cheating committed. Fraudsters always look for rational justifications to maintain trust and maintain dignity (Chaplin, 2011).

4 Capability

According to Wolfe and Hermanson (2004), ability is a necessary situation or skill and the ability for people to commit fraud. This condition occurs when the fraudster acknowledges the existence of certain fraud opportunities and the ability to turn them into reality. Position, intelligence, ego, coercion, deception, and stress are supporting elements of ability (Wolfe and Hermanson, 2004). Ability is one of the properties possessed to tend to commit fraud by looking at one's abilities. So that the smarter the fraud strategy, the more difficult it is to detect fraud.



Empirical Review

Based on the discussion from Yurmaini's research (2017) that religion can be a solution to minimize fraud, this research uses religiosity as a moderating variable between the effects of five things that cause fraud. Understanding one's religiosity is expected to reduce the tendency for fraud when the person has pressure, opportunity, rationalization, ability and personal ethics that cause fraud to occur. In religious studies, the term religion is distinguished from the term religiosity. *Religion* is belief but religiosity is more about the appreciation of the quality and life attitude of an individual; based on religious values that become their beliefs. Mokhlis (2006) defines religiosity as the level of individual's commitment to his or her religion. Asraf (2014) explained that religiosity is an individual's attitude in general, not only aspects of religion but also an individual's intent to practice their religion. Specifically, Ahyadi (1995) explained that religiosity is how an individual understands, internalizes and integrates religious norms into themselves and becomes their personality. Therefore, religiosity covers a condition which encourages them in thinking, behaving and acting in accordance with their belief.

Glock and Stark (1965) analysed religiosity in five dimensions, namely: ideological /belief dimension, ritualistic /practical dimension, experiential dimension, intellectual /knowledge dimension and consequences dimension.

1. **Ideological** dimension is a dimension that deals with the level of an individual's confidence about their religion values, especially fundamental or dogmatic teachings/values.
2. **Ritualistic** dimension is a dimension which deals with the level of an individual's compliance in doing ritual activities as ordered or recommended by their religion.
3. **Experiential dimension** is related to the level of individual's religious feelings and experiences.
4. **Intellectual/knowledge** dimension is related to the level of individual's knowledge and understanding about their religion values, especially about the basic teaching or value that can be found in the scriptures.
5. **Practice / consequences** dimension is related to the level of individual behaviour that is motivated by their religion. Behaviour in this case is the worldly behaviour, which is how the individual relates to their world.

Spirituality in the workplace

Dehler and Welsh (2003) have defined spirituality in the workplace as a process of searching the meaning of life, and deepening of knowledge to achieve a higher level. Ashmos and Duchon (2002) addressed spirituality in the workplace associated to two aspects: individual experience and organizational environment. They define spirituality in the workplace emerges because individuals can express themselves personally by performing the meaning of work in their community. Spirituality in the workplace is about feeling connected with and having compassion toward others, experiencing a meaningful inner consciousness in pursuit of meaningful work and that enables transcendence. In this case, Ashmos and Duchon (2002) developed the dimension of spirituality in the workplace into three dimensions, namely: the meaning of work, the feeling of being part of a community and value alignment. These dimensions can explain five work behaviours namely; effective organizational commitment, intention to leave, intrinsic work satisfaction, job involvement and organizational-based self-esteem.

1. Dimension of Work Meaning indicates the degree of deep feeling felt by an individual concerning the meaning and purpose of work
2. Dimension of the feeling of being part of a community is a deep feeling felt by an individual that they have become part of someone else and part of a workplace community.



3. Value alignment is a strong feeling that is felt by an individual about how personal values become one with the mission and goals of the organization.

Relationship between Religiosity and Spirituality in the workplace and Its Implications on Fraud prevention

King (2007) stated that religiosity is different from spirituality. However, many studies that have proved that both religiosity and spirituality have a positive influence on the attitudes and behavior of an individual. Weaver and Angle (2002), Amaliah & Westi Riani (2011) and Amaliah (2014) found that the internalization of religious values can influence ethical behaviour or values of an individual and personal attitudes and behaviour (Mitroff and Denton (1999) and reflected in personal and social life (Ntalianis and Darr, 2005).

Meanwhile, Liu (2010) has found a correlation between religiosity and emotional intelligence, prayer and motivation (Adams, 2008), productivity and turnover (Mc Carty, 2007). Spirituality gives influence on employee and organizational performance (Neck & Milliman, 1994), professional commitment (Khanifaret.al. 2010), ethical behaviour in the workplace (Mc Ghee & Grant, 2008), big meaning of work (Harrington et al, 2001), the need for achievement, need for power and the need for affiliation (Sulistiyo, 2011).

Octaria et al. (2010) has applied spirituality in the workplace variable as a mediator between the religiosity on the quality of work life of schoolteachers of Malang Raya Islamic School. Moreover, Ajala (2013) found three dimensions of spirituality in the workplace (meaning of work, work purposes and the feeling of being part of a community) have a significant relationship with employee wellbeing. Osman, et.al (2010) found that religiosity, spirituality, values and personal commitment give contributions to employee's performance. Triana (2010) found spiritual intelligence is not a moderating variable for client's pressure, but a moderating variable for role pressure.

The influence of religiosity on fraud prevention

A good understanding of Religiosity of an individual will be implemented in their attitudes and behavior in performing various activities including in their working life. Attitudes and behaviour will be stained by religious values that they understood. The belief that God exists and attitude that always brings God in their life will put the brakes on behaviours that are inconsistent with human's rules and God's rules. Therefore, a high understanding about religiosity will be correlated with attitudes and behavior and work outcomes.

The influence of religiosity and spirituality in the workplace on fraud prevention

Religiosity and spirituality are two different things but both have relevance. An individual who has a good understanding about religiosity will have a high spirituality in performing their job. The understanding that working is the call of religion and also a kind of worship, the individuals will seek the meaning of it. To obtain the meaning, they will try to understand the vision, mission and goals of organization where they work. They will try to be part of work community and be empathetic to other employees' problems.

Workplace Spirituality and Auditor Dysfunctional Behavior

Sulisty's research (2014) entitled found that there is a relationship between spiritual influence on dysfunctional auditor behavior. Auditor dysfunctional behavior arises due to the low ethical orientation



of the auditor, requiring an unsteady ethical value that can prevent dysfunctional auditor behavior. This unsteady ethical value can be found in a religion that comes from God. Religion proved to play a role in reducing acts that are far from the truth; this happens because someone with high religiosity has self monitoring, self-control, and self-regulation thanks to the knowledge of the Supreme Power that always pays attention (God).

The results of Purnamasari and Amaliah research (2015) under the title "Fraud prevention: relevance to religiosity and spirituality in the workplace" with a sample of BPKP auditors of West Java Province also show that workplace spirituality has a significant effect on fraud prevention. The results of the research by McGhee & Grant (2008) with the title "Spirituality and Ethical Behavior in the Workplace: Wishful Thinking or Authentic Reality," also show that workplace spirituality leads to increased ethical behavior (personal & organizational), thus avoiding the dysfunctional behavior.

Spirituality and the Audit Quality

Earnest research, Farhana and Saat (2015) "Assessing the Relationship Between Human Capital and Spiritual Capital on Firm's Performance Audit," the results show that both human capital and spiritual capital provides a significant positive correlation to the performance of the audit in the company. Research Mappanyuki (2016) entitled "Effects of Spiritual Influence of Auditors, Complexity Task, Ethics Auditor and Auditor Expertise on The Performance Auditor with Accounting Information Systems with moderating variables, the results also showed a significant association between the influence of the auditor's spiritual on the auditor's performance. Then, the Ahmadi study et al. (2014) entitled "The Relationship Between Spirituality in The Workplace and Organizational Citizenship Behavior" also shows that workplace spirituality affects organizational citizenship behavior, including auditor's auditing behavior.

Dysfunctional Behavior and Audit Quality

Research Kustinah (2013) entitled "The Influence of Dysfunctional Behavior and Individual Culture on Audit Quality." The study used a survey method conducted by distributing questionnaires to respondents who were determined purposively. Data analysis used correlation and regression. The results show that dysfunctional behavior affects audit quality. Separately, dysfunctional behavior has a negative and significant effect on audit quality. Utary's study (2014) entitled "Effect of Time Budget Pressure on Dysfunctional Audit and Audit Quality, Information Technology as Moderate," also shows that dysfunctional behavior affects the audit quality

Personal Ethics

According to research conducted by Abayomi (2017) fraud is caused by five elements, namely pressure, opportunity, rationalization, ability, and personal ethics. Besides those stated by Abayomi (2017), there is a theory of development from Fraud Diamond Theory (FDT) which belongs to Wolfe and Hermanson (2004), a theory that was coined by Gbegi and Adebisi (2013)

known as the New Fraud Diamond. But in the New Fraud Diamond there are corporate governance factors, which of course are less appropriate when applied in fraudulent misuse of assets. So it is more appropriate when using fraud as stated by Abayomi (2017).

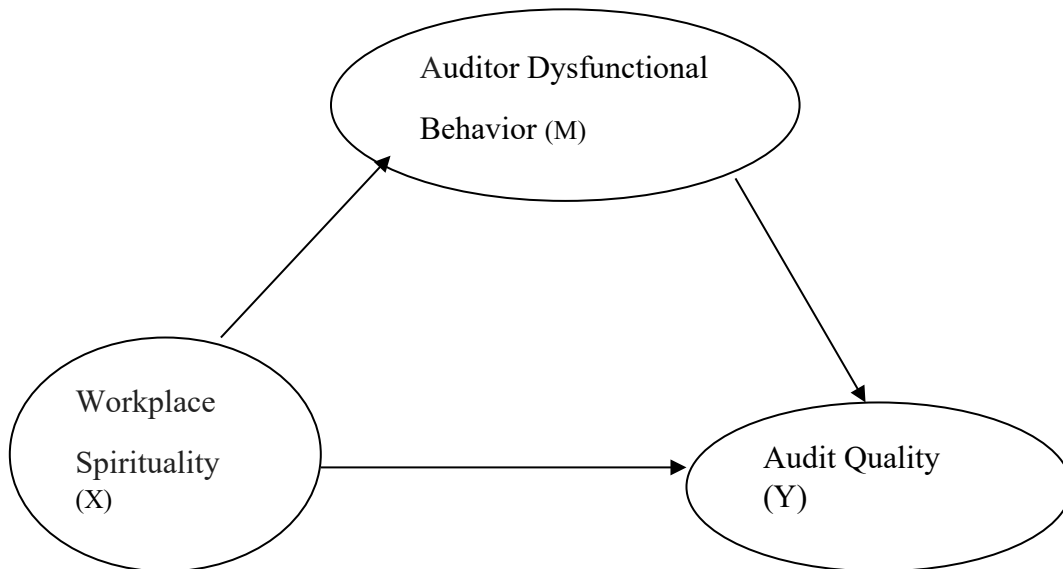
A person's personality also has a relationship of an act of fraud (Suryana and Sadeli, 2015). Honest people, wherever placed, will act honestly; otherwise, people who have a cheating character also have a tendency to cheat in their daily lives. Generally, a good personality is based on a strong faith. The



definition of individual behavior, according to Gibson Cs. (1996) in Suryana and Sadeli (2015), is everything that someone does, such as: talking, walking, thinking or acting on an attitude. Taken from Greek, ethos/ethics refers to the assembly of norms that govern the moral behavior of individuals in society, norms that must be observed through the strength of habits that exist in society (Abayomi, 2017).

Personal ethics, as a special form of ethics, refers to moral principles and rules governing individual actions. It can also be said to be an ethical system or doctrine that has been chosen as a moral guide in a person's particular life (Abayomi, 2017). Cheater is someone who is selfish, intelligent, experienced and knowledgeable about control but has low personal ethics. To get what he wants, someone who has a selfish character does everything, is selfish, confident, and narcissistic to achieve his goals (Duffield, Grabosky, dan Graycar, 1979).

The Research Framework



Source: Developed by the researcher, 2023

METHODOLOGY

Research Design

The study adopted casual design research design. This method was useful when a phenomenon is to be studied over a period of time. In order to have adequate knowledge on the mediating effect of auditor's dysfunctional behavior on the relationship between workplace spirituality and audit quality at the Office of Auditor General of the Federation in Nigeria. It is imperative for this study to cover a number of year, hence the need for adoption of Casual research design (Gujarati, 2003; Ramachandran, 2011).

Population of the Study Sample Size

This study was on the mediating effect of auditor's dysfunctional behavior on the relationship between workplace spirituality and audit quality at the Office of Auditor General within the North Eastern Nigeria. Study population was the entire Staff of Office of Auditor General of the Federation. The office was chosen as targeted population because of their peculiarity in checkmating the activities of government.



The study only focused on 292 Auditors from the Office of Auditor General within North Eastern Nigeria Nigeria during the period 2023 on the mediating effect of auditor’s dysfunctional behavior on the relationship between workplace spirituality and audit quality. The sample size was limited to 292 Staffs based on the computed sample as well as their peculiarity in audit examination.

According to Yamani, $n = N / [1 + (Ne^2)]$,
 Where: n is the sample size,
 N is the population,
 e is the error limit (0.05 on the basis of 95% confidence level)
 Therefore, $n = 120 / [1 + 120 (0.05^2)]$
 $n = 92$

Method of Data collection and analysis

The primary data for the study were collected from the staff within the office of auditor general inn North Eastern States of Nigeria. The method of data analysis that was used in this study includes inferential and the non inferential statistical tools. The non inferential in form of descriptive statistics such as mean, median and standard deviation was used to summarize the data collected on various variables of this study. The descriptive statistics enable the researcher to know the pattern of distribution of the data. The inferential techniques are used to determine the relationship (correlation) as well as the effect (regression) between the dependent and the independent of the study. The software programme that was used in analyzing this study was SPSS.

DISCUSSION OF RESULT

Test of reliability

Reliability test among variable should be conducted in order to test the dependent of variables used in a data. Based on reliability test performed, all variable ranked above 0.7 the threshold (Pallant, 2007). The Cronbach's alpha for workplace spirituality (26 items) is 0.949, dysfunctional auditor behavior is 0.926 (10 items), and audit quality (22 items) is 0.957. Value of 0.9 above shown they have very good internal consistency reliability for the scale with this sample. As mentioned by Pallant (2007), values above 0.7 are considered acceptable; however, values above 0.9 are preferable.

Descriptive Analysis

Table 1 shows descriptive results on workplace spirituality. The highest percentage achieved is 75.22 on the statement of ‘Enjoyment at work.’ It is followed by ‘Team’s sense of community” with a percentage of 74.86. Overall, the percentage of all the items indicate that the workplace spirituality respondents only reached 72.71% of the 100%, so it still needs to be improved.

Table 1. Findings Workplace Spirituality

No	Item	Score	Percentage
1	Team’s sense of community	2.066	74,86
2	Alignment with organizational values	1.688	73,39
3	Sense of contribution to society	1.594	69,30
4	Enjoyment at work	1.038	75,22
5	Opportunities for inner life	1.641	71,35



Average

72,71

While Table 2 shows the results of dysfunctional auditor behavior. The highest percentage achieved is 74.35 on the statement of ‘Under-Reporting of Time (URT)’. Overall, the percentage of all the items indicate that the dysfunctional auditor behavior of the respondents reached 74.18% of the 100%, so it still needs to be reduced.

Table 2. Findings Auditor Dysfunctional Behavior

No	Dysfunctional	Score	Percentage
1	Audit Quality Reduction	2.387	74.13
2	Under Reporting of Time (URT)	684	74.35
Average			74.18

Table 3 shows descriptive results on audit quality. The highest percentage achieved is 74.42 on the statement of “Reliability of methods used.” This is followed by ‘The effectiveness of the tools used’ with a percentage of 73.04. Overall, the percentage of all the items indicate that the audit quality only reached 68.20% of 100%, so it still needs to be improved.

Table 3. Findings Audit Quality

No	Item	Score	Percentage
1	Knowledge	1.573	68.39
2	Experience	624	67.83
3	Ethical Values	1.511	65.70
4	Mindset	899	65.14
5	Reliability of methods used	1.027	74.42
6	The effectiveness of the tools used	672	73.04
7	Availability of technical support	282	61.30
Average			68.20

Path Diagram

The correlation between workplace spirituality, dysfunctional auditor behavior, and audit quality were significant at the $\alpha = 0.05$ level (1-tailed). Importantly, it has shown that there exists a positive and a negative relationship between the tested variables. Specifically, workplace spirituality ($\rho = -0.59^{**}$) shows the most substantial negative relationship between dysfunctional auditor behavior, followed by dysfunctional auditor behavior on audit quality ($\rho = -0.51^{**}$). Additionally, between workplace spirituality to audit quality, there is a significant positive relationship ($\rho = 0.27^{**}$).

Table 4: Correlation Analysis

	Workplace Spirituality	Auditor Dysfunctional Behavior	Audit Quality
Workplace Spirituality	1.000		
Auditor Dysfunctional Behavior	-0.59	1.000	
Audit Quality	0.27	-0.51	1.000

Source: Extracted from SPSS (version 20.0) Output, 2023



Discussion

This study aimed to examine whether there exists a relationship between workplace spirituality and dysfunctional auditor behavior on audit quality. Besides that, to examine whether there exists a relationship between workplace spirituality on dysfunctional auditor behavior. Statistical analysis performed revealed that both workplace spirituality audit quality has a coefficient of 2.92 and auditor dysfunctional behavior of -6.88. Workplace spirituality has significant positive relationship with dysfunctional auditor behavior and a significant negative relationship with audit quality. Then, that dysfunctional auditor behavior has negative relationship with audit quality at a coefficient of -5.57. Furthermore, the mediation effect of dysfunctional auditor behavior on the relationship between workplace spirituality and audit quality is also negative at a p-value of -6.71. The percentage of mediation can be accounted for at 71.31%.

Result of Regression Analysis

Model	Model 1			Model 2		% Mediated
1	X on Y	M on Y	X on Y	Mediated from X to Y (d)=	(d)/(d+c) x100%	
X on M	(a)	(b)	Allowing M (c)	(axb)		
	-6.88	2.99	-5.57	-6.71	16.65	71.31

Source: Extracted from SPSS (version 20) Output, 2023

The results of this study indicate that workplace spirituality has a negative effect on dysfunctional auditor behavior. Workplace spirituality is the recognition that employees have a core of life that motivates them and is motivated by meaningful work in society (Asmos & Duchon, 2000). When the auditor owns the condition of such spirituality, it can reduce the dysfunctional auditor behavior. These findings are aligned with and under previous relevant research results by Sulisty (2014), Purnamasari and Amaliah (2015), and McGhee and Grant (2008) that workplace spirituality can degrade potential auditor dysfunctional behavior. Thus, the results of this study support and confirm previous research on the effect of workplace spirituality on dysfunctional auditor behavior. This study also shows that workplace spirituality has a positive effect on audit quality. Workplace spirituality is an acknowledgment that employees have a core of life that motivates them and is motivated by meaningful work in society (Asmos & Duchon, 2000). When such a condition of spirituality is possessed the auditor may encourage the improvement of the audit quality as the ability of the auditor to detect and report material misstatement in the audit of the quotation test during the inspection process (Vanstraelen, 2000).

These findings are consistent with and in accordance with previous research conducted by Earnest, Farhana & Saat (2015), Mappanyuki (2016), Notoprasetyo (2012), Setiawan and Latrini (2016) and Ahmadi, et al (2014), supporting and confirming previous research on the influence of workplace spirituality on the audit quality. Also, the results of this study prove that dysfunctional auditor behavior has negative effect on audit quality. Auditor dysfunctional behavior is any action performed by the auditor during the conduct of inspection procedures that may reduce the audit quality, either directly or indirectly (Kelley & Margheim, 1990; Otley & Pierce, 1996a). When the dysfunctional auditor behavior does not occur or at least under minimal conditions, the audit quality is maintained better, since the audit quality is usually related to the ability of the auditor to detect and report material misstatement in the audit of the quotation test during the inspection process (Vanstraelen 2000). Strictly speaking, is the absence of dysfunctional behavior will ensure better audit quality.



This finding is consistent with previous relevant research results conducted by Kustinah (2013) and Utary (2014) that dysfunctional behavior affects the audit quality. Thus, the results of this study support and confirm previous research on the effect of dysfunctional behavior affect audit quality. Finally, the level of mediation is negatively high, this could be that there are other exogenous factors that mediate the relationship between dysfunctional auditor behavior and audit quality.

Conclusions

From the results of the analysis and discussion that have been described previously, then the conclusions of the findings of this study are as follows:

- 1) Workplace spirituality negatively affects the dysfunctional auditor behavior. These findings suggest that improvements in the form of increased workplace spirituality can distract dysfunctional auditor behavior.
- 2) Workplace spirituality positively affects audit quality. These findings suggest that improvements in the form of increased workplace spirituality can improve audit quality.
- 3) Auditor dysfunctional behavior has a negative effect on audit quality. These findings suggest that dysfunctional auditor behavior may degrade the audit quality.

RECOMMENDATIONS

Having conducted this research and analyzed the field data, the researcher recommends the following points, which if adhered to will positively bridge the gender gap.

1. Since services of a qualified internal auditor has statistical association on Audit quality in Public sectors, Government should always adopt the embrace the introduction of spirituality in work place among MDA's so as to ensure no financial leakages and accountability in the sectors.
2. Also, having discovered that work place spirituality has negative impact on auditors dysfunctional behavior the management should put in their best resources to ensure that experts in the field of auditing are employed to avoid biased result.
3. More so, the finding in the last hypothesis tested, shows that auditors dysfunctional behavior has no statistical association on Audit quality, government and relevant financial auditor should be diplomatic when dealing with fraud remediation, knowing fully well that the services of internal auditors has no statistical association on fraud remediation.
4. Curriculum should be developed by tertiary institutions in Nigeria offering accountancy and accounting education to ensure that Spiritual Auditing and investigation are offered from the undergraduate level in their institutions not just the post graduate level to ensure that adequate attention is paid to this special area of accounting.
5. Training and retraining programme on the area of spiritual auditing should be organized for the accountants in public parastatals. This is to equip them with the basic knowledge of handling Spirituality and religiosity in work place Finally a professional standards code of conducts and guidelines for the practice of Spiritual auditing and investigation should be established to check the incessant cases of corruption in the public sector.

Suggestions for further Studies

In the process of this research, some certain areas that could be investigated have surfaced. For instance, the impact of Spiritual auditing on financial reporting quality in other sectors of the Nigerian economy requires research effort, especially as they are not covered in this study. There is the need for



similar studies that will assess the mediating effect of auditor dysfunctional behavior on the relationship between workplace spirituality and audit quality in private sector of the economy using different tool of analysis like survey of stakeholders opinion about workplace spirituality, so as to see how audit report can be used to achieve quality of financial report and maximize shareholders wealth in other sectors of the Nigerian economy. There is also the need to conduct similar research using a different source of data, employing different financial reporting quality and using different scales of measurement of variables and techniques for data analysis. Further research in these areas would not only complement this study, but would also help in bringing about improvement in financial reporting practices the Nigerian corporate landscape.

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Conflict of interest

There was no case of misunderstanding, misconception and conflict of interest among the various parties to the research work

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