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EFFECT OF INTERNAL CONTROL ON FINANCIAL MANAGEMENT OF UNIVERSITIES IN NIGERIA

A STUDY OF SOME SELECTED UNIVERSITIES IN SOUTH WEST, NIGERIA

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Abstract

The study examines the effect of internal control on financial management of selected universities in Nigeria. The methodology of this is study is based on the survey research approach. It involves the distribution of one hundred and fifty (150) copies of questionnaire to some selected universities in the South West of Nigeria. These universities were selected using purposive sampling technique. The data obtained from the questionnaire were analysed using both descriptive statistic and inferential statistic such as frequency tables, percentages and chi-square analysis. The result of the analysis shows that there was significant relationship between internal control and prudent management of the resources, this is because the chi-square value calculated (i.e. 128.000) was greater than the chi-square value tabulated (i.e. 9.488). Therefore, based on this result the study recommends that management should develop stronger policies that will encourage a strong and reliable internal control system so as to encourage the prudent management resources of the selected universities

Keywords: Financial management, Internal audit, Internal control, Organisation, Universities, Nigeria

INTRODUCTION

Universities are required to use funds for improving the living standards of their employees and their immediate environment, But, more –often-than-not the reverse is the case, as some employees in various universities are often found guilty of diverting fund for their personal use, (Lent, 2004), this often makes the management of most universities conduct surprise audits, which serves as a form of control to check mismanagement of funds (Anthony and Young, 2003). Good financial management practices demand that key management concepts and principles such as sustainability, accountability and transparency among others, are put in place to ensure administrative efficiency. Some universities also ensure this administrative efficiency is achieved, by installing well organised internal control procedures. According to David,(2008)internal Controls can be defined as a procedure designed by those charged with governance, (i.e. management) to ensure 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. Management of most Universities adopts the internal control in a flexible way, such that the system checks itself and any irregularities within the system, are being detected and corrected without much effort. To ensure that the system checks itself, management could adopt controls such as: segregations of duty, supervision of work and acknowledgement of performance. The effective arrangement and implementation of this control system would ensure proper management. Financial management is focused on financial aspects of running the University and can be described as the application of planning and control to the finance function of a university. It helps in profit planning, measuring costs, and controlling inventories and accounts receivables. It also helps in monitoring the effective deployment of funds in non current asset and in working capital. It aims at ensuring that adequate cash is on hand, to meet the required current and capital expenditure. It facilitates ensuring that significant capital is procured at the minimum cost to maintain adequate cash on hand, and to meet any needs that may arise in the course of business. Financial management helps in ascertaining and managing not only current requirements but also future needs of a university (ACCA, 2014). Most Universities manage their finance by behaving in an economic way, and trying to realize their goals in the most efficiently way possible.

Statement of the Problem

The responsibility for the establishment of internal control is basically that of the management. For any organisation to achieve the targeted goals and objectives, the internal control must be strong and reliable. To get this done, all the basic characteristic that guarantee effective functioning of the internal control must be readily available. These characteristics include: authorization, segregation of duties, physical control and others to mention a few. However, recent developments have shown that where due approval or authorisation has not been granted by appropriate authorities (i.e. the university's governing council) this often leads to wastages and mismanagement of resources. Furthermore, challenges associated with segregation of duties, which is also a major characteristic of internal control, has led to problem of collusion, fraud and misstatement of financial records in most of the organisation.

Research Objectives

The main objective of this study is to examine the impact of internal control on financial management (specifically, in terms of prudent management of resources) in selected private and public universities.

Research Hypotheses

For the purpose of this research work, the following formulated null hypothesis shall be tested

Ho_1 : There is no relationship internal control and prudent management of resources in the selected universities.

Limitation of the Study

Most–often-than-not, government policy serves as a major limitation in realising good financial management in the University system(i.e. for Instance, the recent adoption of Treasury Single Account (TSA) by the federal government of Nigeria has greatly affected the internal control in relation to financial management; this is not unconnected with the policy that all internally generated revenue, generated by the universities must now be paid into CBN account as against the former practice that allowed each universities to retain its internal generated account. Furthermore, in the private universities, the major limitation affecting internal control and financial management can be seen in the aspect of awarding contract, this is because, most time, this is done through personal relationship and familiarity and not through Tender Board as it is the practise in the Public Universities. Hence, the effect of this, is weakness of internal control in ensuring sound financial management.

CONCEPTUAL REVIEWS

Definition of Internal Control

Internal control can be defined as a set of Mechanism designed to motivate an individual or a group towards achievement of a desired objectives (Kirsch, 2002). Ouchi (1979) was of the view that internal control must be able to achieve the objective of bringing about cooperation among people with divergent objectives in the organisation.

Furthermore, Cahill (2006) defines internal control as a system of internal administrative efficiency which often leads to design of a system that will enhance financial check and balance which will support corrective actions intended by the management of the organisation and will ensure the primary goal of the organisation is achieved.

Similarly Transparency International (2006) reported that internal control is control developed by organisation to generate transparency and avoid corruption. Transparency International (2006) further stated that corruption usually arise as a result of abuse of public office for private gains e.g.: bribery: kickbacks and embezzlement of public funds.

International Standard on Auditing (ISA 400) defines internal control as all policies and procedure adopted by the management of an entity to assist in achieving the primary objectives of the management by ensuring that the business is conducted in the most efficient way possible and also ensuring strict adherence to management policies, safeguarding of asset, prevention and detection of fraud and timely preparation of reliable account records.

Amudo and Inanga (2009) studies reveal that internal control can be defined as the process involving the use of integrated activities often suggested by management of the organisation and which are embedded in all organisation direct and indirect activities so as to achieve the primary goal of the organisation.

Puttick and Van Asch (1998) cited in Motubatse (2005) reported that internal control are those methods and procedure adopted by the management of an entity to support the management in achieving its objectives and ensures the business of the entity is conducted in an orderly and efficient manner.

Samtok (2005) define internal control as a whole system, financial or otherwise designed by management of the organisation for the purpose of conducting the activities of the organisation in an efficient and effective manner, ensure adherence to management policies, safeguard the asset and secure as far as possible the completeness and accuracy of the records. This definition is very popular in most accounting text book, infact, The Consulatative Committee of Accounting Bodies also supported this definition except that ''CCAB'' added some key element of internal control not present in the definition, as planning and organising of records, custody procedure and management supervision.

Concept of Financial Management

Financial management means planning, organising, directing and controlling the financial activities such as procurement and utilization of funds of the Institution. In other words, financial

management is the management of the finances of a business/organization in order to achieve financial objectives. In general terms, it means applying general management principles to catalysing and sustaining the financial resources of the Institution.
Financial management includes .Todowede (2013)

Objectives of Financial management

The primary purpose of financial management is to do with procurement, allocation and control of financial resources of a concern. The objectives of financial management specifically encompass the following (Ishola, 2008};

• To ensure regular and adequate supply of funds to the concern,
• To ensure optimum funds utilization. Once the funds are received they should be utilised in maximum possible way,
• To ensure safety on investment. This implied that funds should be invested in safe ventures so that adequate rate of return can be achieved,
• Overall control of the Institution's resources;
• Guidance to all departments in all financial matters, particularly as regards the preparation and monitoring of their budgets;
• The Institution's accounting, reporting and internal control procedures;
• Maintaining the financial information system;
• Administering the pay-roll, loan and pension schemes;
• Arranging adequate insurance cover for the University's assets;
• Ensuring that surplus funds are invested and managed prudently.

Definition of Internal Audit

Millichamp (2000) defines internal auditing as an independent appraisal of the function within an organisation with the aim of reviewing the system of control and enhancing the quality of service performance in the organisation.

Similarly, Unegbu and Obi(2012) defined internal auditing as the procedure put in place by management of an organisation to ensure strict adherence to stipulated work instructions and assist the management in effective running of the organisation's administration, control cost, and ensure maximum utilisation of capacity and benefit available for the organisation.

Adeniyi (2011) also defined internal auditing as the review of various operation of the company by staff specifically appointed for these purpose. Cai, (1997); Schneider and Wilner, (1990) were of the opinion that internal auditing is the process of measuring and evaluating the effectiveness of organisation control. They further emphasised that it could be seen as a strong control practise that encompasses every level of management in an organisation and also serve a rule that guides the organisation operations.

THEORETICAL REVIEW

Agency Theory

Agency theory is concerned with the conflicting interest that often arises between principal and agent. According to Jensen and Meckling (1976), the agency problem is usually caused as a result of the problem of separation of power in some organisations. They further emphasised that agency problem often occurs as a result of relationship between owners and managers, which is very similar to relationship between principals and agents. According to them this relationship is such that the owners contract the managers to perform the controlling task of the firm and then both of them seek to maximise their own utility and self interest. This is because the managers knowing that he has effective control of the firm's resources often develop various way to ensure that he can consume a lot of benefit from the firm at the expense of the owner, while the owners, often develop various means of supervising and monitoring the agent to reduce all his ulterior motive about the business. Jensen and Meckling (1976), have defined this cost caused as a result of the divergence between owner and managers as agency cost, which consist of ; monitoring expenditure by the principal, Bonding expenditure by the agents and the residual loss.

A more elaborate view of agency theory was put forward by Jensen and Meckling (1976). According to them, the cost of agency problem and who bears this cost can be traced to the problem cause by separation of ownership and controllability. They further reported that in bid to reduce this problem, one party (usually the principal) enter into contract with another party usually the agent and gives the agent the right to act on his behalf, but within an agreed limit, to avoid possible abuse of power. Jensen and Meckling, further argued that in situation where the agent does not give high attention to the management interest, often suggest, that management is involved, in value decreasing activities which may lead to conflict between the agent and the principal, causing the agent to hide valuable information from the management or the principal and make secret effort to enrich himself as seen in the case of Enron and Worldcom where most of the agents enrich themselves in other to benefit quickly from the performance review initiative.

Stakeholder's Theory

According to Fredman (2004) stakeholder theory emphasises that some individual or group are very important for the survival of the organisation. This explanation is seen as organisation oriented explanation, but in an earlier research freeman reported that stakeholder theory refers to any group or individual who can affect or who is likely to be affected by the achievement of the organisation objective. Friedman (2009) supported these explanation of Freeman (1984) because according to him, his definition of the stakeholders theory was more balance and covers a wider area than those of Stanford Research Institute (SRI) (1963) who defined the theory as simply as those people who, without their support and ideas the organisation would not exist. He further stated that freeman definition was wider because it included individuals outside the firm and other groups that may consider themselves to be stakeholders of the organisation without the firm acknowledging them to be so. The stakeholder in most organisations usually includes shareholders, employees, customers, lenders, suppliers, local charities, various interest group and government.

Craig (2010) reported that stakeholders theory emphasises that all stakeholders have right to be provided with relevant information about how the organisation and this information could involve information about influence of pollution from the organisation to the environment, information about community sponsorship, information on provision of employment, information on safety initiative provided by the organisation etc. He also emphasised that this information should be provided to the stakeholders even though they do not affect the survival of the organisation.

Stewardship Theory

The explanation of stewardship theory was put forward by Donaldson and Davis (1989) according to them most managers have the tendency to act in the best interest of their firm, by emphasizing the collective goal of the organisation instead of their self serving option. Their finding further suggests that most stewards are motivated only by making the right decision which are usually in the best interest of the organisation, because of the strong assumption that stewards will also benefit from the right decision taken in the long run. Similarly, Davis, Schoorman and Donaldson (1997) define stewardship theory as the process where stewards protect and maximize shareholders wealth through improved firm's performance, because by doing so, the stewards recorgnise, that his utility function is maximized. This, stewardship theory refers more to the manager and chief executive as the main individual responsible for the stewardship function in the organisation. In another, definition, Block (1996) reported that the stewardship role is depicted with service to the firm over self interest, he further established that organisation and individual role can be easily achieved by honouring the stewardship relationship and treating followers like owners and partners. In extension of this theory, Caldwell and Karri(1990) was of the opinion that there is a covenant like duties owed to all stakeholders that have likelihood of understanding the importance of stewardship and the conditions of the environment. Stewardship, can best be described as the behaviour that consider that considers the long term interest of the organisation as well as that of the shareholders rather than the individual self interest.

Donaldson and Davis (1989) also argued that stewardship role ignores individualism, but place more attention to the manager and executive because, they are the major once responsible for playing the role of stewards by ensuring their interest is in agreement with that of the organisation.

Argyis (1990) noted that sometimes problem might arise as a result of excessive monitoring and supervision of stewards who have been given responsibility to control the activities of the organisation, this problem could lead to demotivation, or discouragement and could result in unproductive outcome for the organisation as well as the principal. This theory establishes that the steward will always act in the best interest of the organisation at all times, therefore, any attempt of the principal to control or monitor the stewards often demotivate them and which may lead to negative impact on the decision made.

Contingency Theory

Contingency theory is an approach to the study of organizational behavior in which explanations are given as to how contingent factors such as technology, culture and the external environment influence the design and function of organizations. The assumption underlying contingency theory is that no single type of organizational structure is equally applicable to all organizations. Rather, organizational effectiveness is dependent on a fit or match between the type of technology, environmental volatility, the size of the organization, the features of the organizational structure and its information system. Contingency theories were developed from the sociological functionalist theories of organization structure such as the structural approaches to organizational studies by (Woods, 2009). Contingency theory is used to describe the relationships between the context and structure of internal control effectiveness and organizational performance, especially reliability of financial reporting.

EMPIRICAL REVIEW

Relevance of Audit Compensation and Audit Quality

Divergent views in literature depict that audit compensation/fees has a relationship with the financial reporting quality to some extent; in that, financial reporting quality usually affected fees paid to external auditors. For instance, quality may be decreased with fees if marginal forces associated with managerial influence overwhelm those associated with the scope of activities or reputational incentives. If these forces‟ relative ultimately reverse, then „financial reporting‟ quality can also share a positive relationship with compensation dependence over domains where this dependency is more considerable. For instance, Francis and Ke, (2003); Reynolds, and Francis, (2004) found that audit fee does have a negative relationship with earnings quality, and thus improve the quality of financial reporting. On the other hand, Gul et al., (2003) examines the relationship between audit fees and discretionary accruals in a sample of Australian and firms, their results show a positive association between financial reporting quality (discretionary accruals) and audit fees. They dispute the belief that audit fees erode independence. Audit fees are also used as a measure of audit quality; the perceptions of some researchers behind these studies is that audit fees reflect additional audit effort which leads to a higher level of audit quality (Carcello, Hermanson, Neal & Riley 2002; Abbott, Parker, Peters & Raghunandan, 2003). Early studies like Ashbaugh et al., (2002) and Francis et al., (2003) examined the association between audit fees and non-audit services fees in order to find evidence of "knowledge spillovers" which are transfers of knowledge from non-audit to audit services and vice versa. Geiger, Lennox, and North (2008) found a positive association between audit fees and qualified audit opinions, which implies that additional audit effort results in more accurate audit opinions. Thus it can be inferred that the results of the studies imply that audit firms receiving higher fees also provide higher actual and perceived audit quality, which translates into greater financial reporting quality of a firm. The debate in the academic literature on the effects of the various components of auditor's compensation on auditor independence has produced mixed results. Some arguments like Simunic (1984) and Francis et al., (2003) in the literature support the notion of a positive association between auditor independence and compensation. On the other hand, financial dependence of the audit firm on a client may also increase the likelihood that the auditor will acquiesce to management's requests leading to lower quality financial statements (Leland and Pyle, 1977; Campbell & Kracaw 1980).

Relationship between Financial Management and Funding of Nigerian Universities

Financial management means planning, organising, directing and controlling the financial activities such as procurement and utilization of funds of the Institution. In other words, financial management is the management of the finances of a business/organization in order to achieve financial objectives. In general terms, it means applying general management principles to catalysing and sustaining the financial resources of the Institution. As per Todowede (2013), Financial management includes-

• Financial planning and budgeting,

• Financial accounting,

• Financial analysis,
• Financial decision-making and
• Action.

Financial planning is about
• Making sure that the organization can survive,
• Making sure the money is being spent in the most efficient way,
• Making sure that the money is being spent to fulfil the objectives of the organization,
• Being able to plan for the future of the organization in a realistic way.

Financial Accountability: In non-profit organizations, whatever money is available for expenditure only is meant to be held in trust – on behalf of the affected community that is being served. The money is not the personal possession of any organisation or person. Financial managers, therefore, have to account for the ways and means by which such money may be used as well as particularly justify such usage with interest of public good. However, financial accountability can be broken down into two components.
(a) Financial Accountability in terms of being able to account for the way the money is spent to:
• Donors,
• Boards and committees,
• Members, and
• The people whom the money is meant to benefit.
(b) Financial Responsibility, on the other hand, involves the following:
• Not taking on obligations the organization cannot meet,
• Paying staff and accounts on time,
• Keeping proper records of the money that comes into the organization and goes out of the organization.

Importance of Financial Management in Nigeria Education System.

The existing circumstances in the country and the attendant financial constraints have made education to suffer. Government is not capable of ideally funding higher education effectively and efficiently due to lack of accurate baseline statistics, asymmetrical planning and prevalent economic crises. To sustain higher education in the country, all stakeholders must become involved in the financing, parents and guardian, the society in general, the private sector and nongovernmental agencies. The education sector can only approach the optimal in provision and production when every stakeholder strives to do its part on the financing of higher education in Nigeria.

This paper, therefore, also isolates six critical factors that tend to influence new trends in the Financing of Universities in Nigeria. These are (Erinosho, 2004):

• Massive expansion in University Education;

• Inability of the Country to finance this massive expansion, leading to the emergence of the private sector;

• The rationale for cost-sharing with parents and students;

• The public call for accountability and value for money;

• The emergence of foreign providers through the General Agreement on Trade in services (GATS);

• And, finally, the need for adjustment in Country funding to reduce widening disparity.

METHODOLOGY

This study is a survey research based on primary data obtained from distribution of one hundred and fifty (150) questionnaires distributed to some selected universities in the south west Nigeria, these universities include Federal University of Technology, Akure and Obafemi Awolowo University, Ile – Ife, Joseph Ayo Babalola University, ikeji – Arakeji and Achiever's University, Owo. .This universities were selected using purposive sampling method. The questionnaire used for the research work were self designed. The data obtained from the questionnaire distributed were analysed using Frequency table, percentages and Chi-square statistical tool in SPSS (Statistical Package for social sciences).

ANALYSIS AND FINDINGS

Response rate

Table 1. Rate of Respondents

		Frequency	Valid Percent	Cumulative Percent
Valid	Returned	110	73.3	73.3
	Unreturned	40	26.7	100.0
	Total	150	100	
	Missing	40		

The above table shows that One hundred and fifty (150) copies of the questionnaire were printed and distributed, but only One hundred and ten (110) were returned, while the remaining ones were either incorrectly filled (including missing values) or unreturned.

Demographic profile of Respondents

Table 2. Age

		Frequency	Valid Percent	Cumulative Percent
Valid	18-24yrs	7	6.4	6.4
	25 - 34yrs	36	32.7	39.1
	35 -44yrs	8	7.3	46.4
	45-54yrs	46	41.8	88.2
	55-64yrs	13	11.8	100.0
	Total	110	100.0	

The above table shows that 6.4% of the respondents were between the age of 18-24yrs, 32.7% were in the range of 25-34yrs, 7.3% were between 35-44yrs, 41.8% were 45-54yrs,while the remaining 11.8% were 55- 64yrs.This show that large number of the workforce in the selected private universities were between 45-54yrs.

Table 3. Educational Qualification

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	OND/NCE	25	22.7	22.7	22.7
	B.sc/Hnd	35	31.8	31.8	54.5
	Professional qualification	20	18.2	18.2	72.7
	M.sc/Phd	30	27.3	27.3	100.0
	Total	110	100.0	100.0	

The above table indicates that only 0.9% of the respondents had OND/NCE, 31.8% of the respondents had B.sc/Hnd , 18.2% had Professional qualification, while the remaining 27.3% had M.sc/Ph.d. This implies that majority of respondents in the selected universities had B.sc/Hnd certificates.

Table 4. Gender

		Frequency	Valid Percent	Cumulative Percent
Valid	Male	92	83.6	83.6
	Female	18	16.4	100.0
	Total	110	100.0	

The above table shows that 88.6% of the respondents were males, while the remaining 16.4% were females. This implies that they are more males in the internal audit department of the selected universities than females.

Table 5. Marital Status

		Frequency	Valid Percent	Cumulative Percent
Valid	Single	13	11.8	11.8
	Married	64	58.2	70.0
	Divorced	8	7.3	77.3
	Separated	25	22.7	100.0
	Total	110	100.0	

The above table shows that 11.8% of the respondents were Single, 58.2% were Married, 7.3% were Divorced while the remaining 22.7% were Separated. This implies that most of the respondents were married people.

Table 6. Working Experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-5yrs	10	9.1	9.1	9.1
	6-10yrs	20	18.2	18.2	27.3
	11-15yrs	30	27.3	27.3	54.5
	16-20yrs	35	31.8	31.8	86.4
	21 and above	15	13.6	13.6	100.0
	Total	110	100.0	100.0	

The above table shows that 9.1% of the respondents had 1-.5yrs working experience, 18.2% had 6-10yrs experience, 27.3% had 11yrs – 15yrs work experiences, 31.8% had 16-20yrs experiences while the remaining 13.6% had work experiences of 21 years and above,. Which implies that most of the respondents have more about 18yrs working experiences in their various universities.

Table 7. Position

		Frequency	Valid Percent	Cumulative Percent
Valid	Auditing staffs	12	10.9	10.9
	Staffs in Payroll unit	38	34.5	45.5
	Accountants	6	5.5	50.9
	Staffs in compliance unit	54	49.1	100.0
	Total	110	100.0	

The study above shows that 10.9% of the respondents were auditing staffs of the selected university, 34.5% were members of staffs in the Payroll unit, 5.5% were Accountants, and the remaining 49.1% were members of staffs in the compliance unit. This shows that most of the selected universities have more staff members in the compliance department than other departments.

DESCRIPTIVE STATISTICS

Table 8. Properly established and implemented internal control contributes to prudent management of resources

		Frequency	Valid Percent	Cumulative Percent
Valid	Strongly agreed	67	60.9	60.9
	Agreed	11	10.0	70.9
	Undecided	1	.9	71.8
	Disagreed	24	21.8	93.6
	Strongly Disagreed	7	6.4	100.0
	Total	110	100.0	

The above table indicates that 60.9% of the respondents choose strongly agreed, 10% selected agreed, 0.9% choose Undecided,21.8% selected disagreed, while the remaining 6.4% choose strongly disagreed, this implies that properly established and implemented internal control will contribute significantly enhance prudent management of resources.

Table 9. Strict compliance with authorisation, approval and segregation of duties promotes financial discipline which is the hallmark of financial management

		Frequency	Valid Percent	Cumulative Percent
Valid	Strongly agreed	45	40.9	40.9
	Agreed	10	9.1	50.0
	Undecided	6	5.5	55.5
	Disagreed	39	35.5	90.9
	Strongly Disagreed	10	9.1	100.0
	Total	110	100.0	

The above table shows that 40.9% of the respondents selected strongly agreed, 9.1% choose agreed, 5.5% selected undecided, 35.5% chose disagreed while the remaining 9.1% choose strongly agreed. This implies that strict compliance with the relevant mechanism of internal control will ensure that resources are not wasted.

Table 10. Adhering to financial manual and control by members of staff as specified by relevant laws ensure prudent management of resources

		Frequency	Valid Percent	Cumulative Percent
Valid	Strongly agreed	57	51.8	51.8
	Agreed	13	11.8	63.6
	Undecided	1	.9	64.5
	Disagreed	17	15.5	80.0
	Strongly Disagreed	22	20.0	100.0
	Total	110	100.0	

The above table clearly shows that 51.8% of the respondents choose strongly agreed, 11.8% agreed, 0.9% were of the view that the best option was Undecided, 15.5% ticked disagreed, while the remaining 20% choose the strongly disagreed option. This shows adhering to laid down rules governing the operation of the selected universities will enhance prudent management of resources.

Table 11. Weak internal control gradually or systematically collapse a university

		Frequency	Valid Percent	Cumulative Percent
Valid	Strongly agreed	45	40.9	40.9
	Disagreed	5	4.5	45.5
	Undecided	3	2.7	48.2
	Agreed	56	50.9	99.1
	Strongly Disagreed	1	.9	100.0
	Total	110	100.0	

The above table shows 40.9% of the respondents choose strongly agreed, 4.5% choose chose disagreed, 2.7% choose undecided, 50.9% choose Agreed, while the remaining 0.9% was strongly disagreed. This shows that weakness in the internal control must be regularly checked to prevent gradual collapse of the organisation.

Table 12. Regular training of staff has no relationship with the attainment of university goals and objectives

		Frequency	Valid Percent	Cumulative Percent
Valid	Strongly agreed	69	62.7	62.7
	Agreed	7	6.4	69.1
	Undecided	1	.9	70.0
	Disagreed	19	17.3	87.3
	Strongly Disagreed	14	12.7	100.0
	Total	110	100.0	

The above table show that 62.7% of the respondents choose strongly agreed, 6.4% ticked agreed, 0.9% were undecided, 17.3% choose disagreed, while the remaining 12.7% choose strongly disagreed. This shows that regular training of staff members has relationship with efficient attainment of universities goals and objectives.

Table 13. Acknowledgement of work done by subordinates and effective supervision facilitates attainment of university goals and objectives

		Frequency	Valid Percent	Cumulative Percent
Valid	Strongly agreed	46	41.8	41.8
	Agreed	24	21.8	63.6
	Undecided	9	8.2	71.8
	Disagreed	23	20.9	92.7
	Strongly Disagreed	8	7.3	100.0
	Total	110	100.0	

The above table shows that 41.8% of the respondents close strongly agreed, 21.8% selected agreed, 8.2% selected undecided, 20.9% choose disagreed, while the remaining 7.3% choose strongly disagreed. This implies acknowledgement of work done by subordinates and effective supervision contributes to achievement of university goals.

Table 14. Internal control assist in reviewing the activities of the management

		Frequency	Valid Percent	Cumulative Percent
Valid	Strongly agreed	64	58.2	58.2
	Agreed	5	4.5	62.7
	Undecided	8	7.3	70.0
	Disagreed	8	7.3	77.3
	Strongly Disagreed	25	22.7	100.0
	Total	110	100.0	

The above table shows that 58.2% of the respondents selected the strongly agreed option, 4.5% choose agreed, 7.3%choose undecided, the other 7.3% selected disagreed, while the remaining 22.7% selected strongly disagreed. This implies that presence of internal control will help to strengthen the activities of the management.

Hypotheses Testing

Decision Rule: Accept the Null hypothesis if Chi-square value calculated is lesser that Chi-square value tabulated, but, in a situation where the Chi-square value calculated is greater than the Chi-square value tabulated then the Alternate hypothesis will be accepted while the Null hypothesis will be rejected.

Ho_1 : There is no relationship between internal control and prudent management of resources in the selected universities.

Table 15. Properly established and implemented internal control contributes to prudent management of resources

		Frequency	Valid Percent	Cumulative Percent
Valid	Strongly agreed	67	60.9	60.9
	Agreed	11	10.0	70.9
	Undecided	1	.9	71.8
	Disagreed	24	21.8	93.6
	Strongly Disagreed	7	6.4	100.0
	Total	110	100.0	

	Observed N	Expected N	Residual
Strongly agreed	69	22.0	47.0
Agreed	7	22.0	-15.0
Undecided	1	22.0	-21.0
Disagreed	19	22.0	-3.0
Strongly Disagreed	14	22.0	-8.0
Total	110		

Test Statistics

	Ho_1
Chi-Square	128.000
Df	4
Asymp. Sig.	.000

Calculated Chi-square (X^2 C)= 128.000

Tabulated Chi-square (X^2 T)= 9.488

Level of Significance=5%

Degree of freedom(df)= 4

From the above analyses, it can be observed that the calculated chi-square value (X^2C) of 128.000 for each of the variables under this hypothesis is greater than the tabulated chi-square (X^2T) of 9.488 at 0.05 level of significance, at a degree of freedom of 4 respectively. Hence, the Null hypothesis will be rejected. while the Alternate Hypothesis will be accepted, which implies that properly established and implemented internal control will enhance management of universities resources.

SUMMARY OF FINDINGS AND CONCLUSION

This study is basically about the impact of internal control on financial management in some selected universities in Nigeria. It emphasises that internal control helps in attainment of the organisation goals and objectives. The findings of this study shows that properly established and implemented internal control has significant relationship with the prudent management of organisation resources in the universities in Nigeria. This is because the chi- square value calculated (i.e.128.000) was greater than the chi-square value tabulated (i.e. 9.488).

Based on the above findings, following conclusion were advanced:

- A properly established and implemented internal control will significantly enhance prudent management of organisation resources. This is because the chi- square value calculated (i.e.128.000) was greater than the chi-square value tabulated (i.e. 9.488).
- Ensuring subordinates work down are acknowledge and effective supervision contributes significantly to the attainment of university goals and objectives this is because more than 41.8% of the respondents supported the question related to this statement in the questionnaire distributed
- Weakness in the internal control can cause gradual and systematic collapse of the university, this is because 50.9% of the respondents, were in agreement with this statement in the questionnaire distributed.

RECOMMENDATIONS

Based on the above Conclusions and findings of this study the following recommendations will be highlighted:

- The management of the university should have a well develop strategies that will ensure the submission of the internal control department are always implemented since this contributes to the prudent management of the universities resources.
- Attainment of university goal and objectives can be made easy if the staff of the universities are regularly trained. Therefore management should include some selected

internal control staffs in the planning process and of the universities, so that the goal of the organisation can be easily achieved with the available resources.

- Internal audit department of the selected universities should be regularly monitored to reduce bias judgement and prevent gradual or systematic collapse of the universities.

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