

EFFECT OF INTERNAL CONTROL SYSTEM ON THE PERFORMANCE OF TERTIARY INSTITUTIONS IN SOUTH WEST NIGERIA

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ABSTRACT

The study examined the effect of internal control systems on the performance of tertiary institutions in the southwest geopolitical zone of Nigeria. The specific objective is to assess if there are controls in place to ensure adherence to established policy and to prevent fraud, and to find out if internal control systems have a significant effect on the performance of tertiary institutions. The population of the study consists of internal staff of the audit department and account unit of the four federal polytechnics in the southwest geopolitical zone of Nigeria. For the purpose of this study, a sampling technique is used to select 80 as the sample size. A well-structured survey questionnaire with five Likert-scale response options was used to gather the data and distributed to the audit and accounting units of each of the four polytechnics. Twenty copies were distributed to each school, but only 67 copies were filled and returned. The data obtained from the questionnaire were analyzed using both descriptive statistics and inferential statistics such as frequency tables, percentages, chi-square analysis, and ANOVA. From the result, it was observed that there are controls in place to ensure adherence to established policy and to prevent fraud in tertiary institutions and that internal control systems have a significant effect on the performance of tertiary institutions.

KEY WORDS: Internal controls, performance, tertiary institutions, Southwest Nigeria

INTRODUCTION

Tertiary institutions, also known as Post-Secondary schools, are meant to be a hub of intellectual growth, vocational education, and cutting-edge research. Because of factors such as old textbooks, overcrowded classrooms, depilated buildings, etc., the performance level of Nigeria's tertiary institutions appears to be declining, especially in

the south-western states. This could be linked to wasteful spending of the institution's budget (Adavbiele, 2016). If these tools are used effectively, they can help institutional administration improve its operations.

The effectiveness with which an organization uses its resources to accomplish its goals is a key indicator of its performance. The capacity to adapt successfully to environmental opportunities and threats, ensuring efficient and profitable operations (Stoner, 2003). It can be evaluated based on how effectively institutions put their resources to work. Adavbiele (2016) explains that a company's internal control system is largely responsible for its performance. Therefore, a good institution or organization runs the risk of poor performance due to waste, embezzlement, misappropriation, and financial recklessness if it lacks an effective internal control system (Anyanwu, 2001).

By establishing and enforcing a system of checks and balances, an organization's employees can remain on the same page with regards to the organization's overall objectives. To achieve its goals in the areas of reliable financial reporting, effective and efficient operations, and compliance with applicable laws and regulation, the entity must undergo a process that is implemented by its board of directors, management, and other personnel (Ray & Kurt, 2001,). In this way, readers are made aware that internal control is a policy put in place by an organization's leaders to provide some level of confidence that its goals will be met.

The internal controls system of an organization is the responsibility of the management. When internal controls are put into place correctly, tertiary institutions can improve their performance, and vice versa. Employees from different departments can be encouraged to work toward the same goals more easily if the entity engages in activities related to internal control like conducting an audit and providing adequate supervision. This demonstrates the vital importance of internal control to the success of any organization, but especially those of a scholarly nature.

Very little is known about the effectiveness of the internal control system at universities in Nigeria or elsewhere in Africa. Using data from Kampala International University's accounting system, Katusiime, Mabonga, Kirabo, and Sunday (2018) set out to determine the impact of the university's control environment on its financial performance. The influence of internal control on financial performance in Kenyan universities was studied by Ndiwa and Kwasira(2014). Adetula (2016), Akosile and Akinselure (2016), and others examine the impact of internal control on the financial management of selected universities in the south west. Nigeria, Internal audit's effect on improving transparency and responsibility in Kogi-higher State's education institutions was studied by Gehya and Ibitomi in 2016. Nigeria, Salihu (2015) analyzed how an institution's internal audit unit affected the efficiency of the institution's internal control system. In his 2015 article, Ibrahim investigates the influence of internal control at Lafia Polytechnic's bursary. In Nigeria, researchers Ejoh and Ejom (2014) examined the situation at the Cross River state college of education.

Adetula (2016) and Akosile and Akinselure (2016) are two of the few studies to look at the impact of internal control on financial management in universities in south west Nigeria. There should be cause for alarm if the apparent decline in performance at higher education institutions in this region of the country is unrelated to the effectiveness of the institutions' internal control mechanisms. It is on this note that this study is designed to examine the effect of internal control system on the performance of federal polytechnic in South-west Nigeria. Specifically, the study assessed if there are controls mechanism in place to ensure adherence to established rules and regulations, and to determine the effect of internal control system on the performance of tertiary institution.

LITERATURE REVIEW

Internal Control

Internal control is defined by the International Auditing and Assurance Standards Board (IAASB) in ISA 400 as "all policies and procedures adopted by the management of an entity to assist in achieving the primary objectives of the management." This includes ensuring that management policies are strictly adhered to, assets are safeguarded, fraud is prevented, and accurate financial records are maintained on a timely basis. Samtok (2005) defines internal control as a whole system, financial or otherwise, designed by management of an organization for the purpose of conducting the activities of the organization in an efficient and effective manner, ensuring adherence to management policies, safeguarding the asset, and securing as far as possible the completeness and accuracy of the records.

From these definitions, we can infer that an institution's internal control system is crucial to its continued existence. This system, which falls under the purview of the management, board of directors, and all other employees, has the potential to affect every facet of the business. Financial performance can be enhanced in any organization with a well-established system of internal control that ensures accurate and timely financial reporting and holds management to account (Ndiwa, & Kwasira, 2014). Prudent management of an organization's assets can be promoted by establishing and implementing effective systems of internal control (Akinsulere, 2016).

Elements of Internal Control

In 2013, the COSO framework identified five components of an effective internal control system: the Control Environment, the Risk Assessment, the Control Activities, the Information and Communication, and the Monitoring activities.

The control environment is made up of the people who are responsible for governance and management, as well as their attitudes, level of awareness, and behavior with regards to internal controls. The culture of a company determines the degree to which its employees are aware of and concerned with control issues. Discipline and order are provided, making it possible for the other parts of internal control to function properly. There should be safeguards in place to deal with anything that could put a damper on the company's ability to reach its objectives. Any potential threat to a company's ability to achieve its goals, generate profits, and stay in business is considered a business risk. Management directives can be put into action through the use of control activities, which are the aforementioned policies and procedures. They are ongoing actions taken by members of the organization to ensure the smooth running of operations, and they are tailored to ensure the processing of financial transactions is accurate, complete, and reliable. Segregation of duties, authorization, supervision, physical controls (security measures), and performance evaluations are some of the control activities used to evaluate the effectiveness of internal control. The internal control function of an organization's information and communication system is to collect relevant data and disseminate it to interested parties. This information can be shared both internally and with clients and partners. The operational, financial, and compliance-related information needed for management and control is generated in reports by the information and communication system. Initiating, recording, processing, and reporting on the organization's financial operations or transactions are all covered under the financial aspect of the information system. Internal control monitoring is an ongoing evaluation of the controls' quality or efficacy. Management, supervision, and all other actions taken by staff members in the course of their duties are included here. Budgeting and budgetary controls, performance evaluation, setting standards, internal audits, and top-level management supervision are all used to gauge the effectiveness of the monitoring system.

Internal checks, as defined by Ajayi and Olusona (2007), are the "routine day-to-day administrative controls that ensure that the work of one person is complementary to that

of another"; in other words, the work of one person is independently proven by the work of another, and each individual's contributions must be traced by another individual. The term "internal check" refers to a system in which an organization's accounting procedures are not completely independent of any one person. An internal check system ensures that no single employee has complete and unfettered access to the company's financial records, that employees' efforts complement one another, and that an internal audit of the company is conducted on a regular basis by employees themselves (special committee on terminology, American Institute of Accountants, 1949).

Employees' efforts build off one another, allowing for a constant review of the company's operations. Implementing checks on daily transactions, having checks run continuously as part of the system, and ensuring that each person's work complements that of others are all vital components of an internal check.

Performance of Tertiary Institution

A tertiary institution's performance may depend on how well it implements internal controls. Efficiency, profitability, survival, growth, and adaptability to environmental opportunities and threats are all measures of performance, as defined by Stoner (2003). It can be evaluated based on how effectively institutions put their resources to work. Measures of performance center on how well an organization makes use of its resources to accomplish its goals. The primary mission of universities and colleges that fall under the umbrella term "tertiary educational institutions" is, unsurprisingly, to educate students. Universities, colleges of education, and polytechnics all fall under the category of "tertiary institutions," and in order to fulfill their mission of providing higher education to those who seek it, they need to have their resources managed effectively. Some goals of tertiary institutions are to provide students with the knowledge and abilities they need to become self-sufficient; to conduct research; to train and develop faculty and staff; to generate and disseminate new knowledge; to offer a range of study options, including full-time, part-time, block-release, day-release, and sandwich; and to

provide students with access to training funds, such as the Industrial Training Fund and the Students' Industrial Work Experience Scheme.

The goals of polytechnics, as outlined by Addison (2002) and noted by Oduma(2018), are as follows: a. To offer full-time and part-time courses of instruction and training in technology, science, management, and other fields; b. To organize conferences, seminars, that are relevant to all fields of learning; c. To carry out functions as directed by the National Board for Technical Education; d. To promote both technical and vocational training so as to meet the needs of the economy and

There needs to be a solid internal control system in place to ensure that educational institutions are meeting their missions of providing high-quality education, a conducive learning environment, and a stimulating research atmosphere. Adejola (2009) argues that an institution's internal control system is crucial for ensuring the security of its data and conducting thorough and accurate data processing. Both incompetent fiscal management and fraud threaten to derail progress toward these goals. According to Salihu (2015), a weak internal control system can be the result of collusion between employees. A lack of proper internal controls can skew an institution's plans and lead to things like fraud, mistakes, inappropriate management overriding of internal controls, and sloppy bookkeeping. Insufficient resources, poor segregation of duties, delayed asset and capability reconciliations, and a lack of autonomy all contribute to subpar audit quality. Institutions of higher education can benefit greatly from an efficient internal control system, as reported by Ibrahim (2015).

For the internal control system to be efficient and reliable, the following controls must be in place: Physical, Numerical, Accounting, Personnel, Approval, Management, Organizational, Supervisory, and Separation of Duties controls. Protecting assets, accurately and timely recording financial transactions, and efficiently running the business are all goals of an efficient internal control system. success in implementing strategy and procedures; meeting all applicable rules and regulations; The most effective

use of available means, Successful completion of organizational tasks, prompt report writing (Hiisegin & zekeriya,2017). Lack of training and communication among employees, ineffective policies, inefficient resource utilization, and high operating costs were identified as the most significant threats to the integrity of the internal control system by Siyanbola, Oyebamiji, and Abraham (2016).

Theoretical Review

Agency theory served as the foundation for this theory. Jensen and Meckling are generally credited as the creators of agency theory (1976). When investors are unable to keep tabs on the money given to managers, a "agency problem" arises. Organizational leadership is the agents because they are the ones entrusted with the institution's resources. When ownership is divorced from management, it creates a situation where the principal and the agent have competing interests; the agent may seek to maximize their own gain at the expense of the principal, and the principal may find themselves at a disadvantage as a result of the resulting information gap. The principal lack of trust in the agent is known as the agency problem, and it is the result of information asymmetry and the self-interest of the agent. When management is persuaded to take actions that are in the best interest of the shareholders, the implementation of effective internal control can have a positive effect on performance. According to Cao, Thanh, and Cheung (2010), quality reporting creates information asymmetry and can be improved with strong internal controls. One method institutions employ to combat the agency problem is through a system of internal control. The internal control officer's job is to represent management in enforcing all of the management-established controls and maintaining an effective internal control system.

Empirical review

Research have been conducted on internal control system in tertiary institution in Nigeria and other part of Africa. Ndiwa and Kwasira(2014) investigated the effects of internal

control on financial performance in tertiary institutions in Kenya and using simple descriptive like percentages, means, median, mode and standard deviations. Further, to assess the nature and strength of relationship between the independent variables and dependent variable, the Pearson's Product Moment Correlation Coefficient (PPMC) was employed. And it was established that there is a relationship between internal control and financial management hence any institution with prudent internal control strategies will likely meet their financial obligations. Also the staffing of the internal audit department determines financial performance of the institution and they are mostly under staffed.

Gehya and Ibitomi (2016) in their research examined the role of internal audit in enhancing accountability in tertiary institutions in Kogi-State Nigeria, data collected were analyzed using the descriptive statistics and ANOVA and discovered that concluded that independence of the internal audit unit needs quick attention in order to promote accountability in tertiary institutions. Internal auditors must be seen as an independent personnel.

Salihu (2015) assessed the impact of internal audit unit on the effectiveness of internal control system of tertiary institution in Adamawa state, In order to finding out whether or not internal audit unit have positive impact on the effectiveness of internal control system of tertiary educational institutions, using Primary data which was collected with the aid of questionnaire that was administered to internal audit units, finance and administrative staff of the departments respondents in the eight (8) sampled tertiary educational institutions in the State the data was analyzed with Descriptive statistics and Chi-square technique, findings reveal that internal audit unit of tertiary educational institutions in Adamawa State are not effective because they lack; independence and are short of adequate staff, the internal control component are not properly put in place by the management of the institutions, especially in the area of authorization and approval,

supervision, segregation of duties and personnel controls and this has made the internal control system to be ineffective.

Akosile and Akinselure (2016) examine the effect of internal control on financial management of selected universities in Nigeria, one hundred and fifty (150) copies of questionnaire were sent to some selected universities in the South West of Nigeria and employed the use of chi-square analysis and the result of the analysis shows that there was significant relationship between internal control and prudent management of the resources, that properly established and implemented internal control will enable proper management of universities' resources.

Ejoh and Ejom (2014) carried out a study in tertiary institution in Cross River state in Nigeria to assess the Impact of Internal Control Activities on Financial Performance of Tertiary Institutions, the data were analyzed using correlation coefficient and z-scores. The findings show that all activities of the College are initiated by the top management. Regarding control activities, that there is clear separation of role in the institutions' finance and account department and that superior officer in the College carry out regular supervision of their subordinate, it also reveals that the institution financial statements are audited annually by external auditors, The study result further shows that there is no significant relationship between internal control activities and financial performance which is contrary to the findings of Ndiwa and Kwasira(2014), Oyoo (2014) and Akosile and Akinselure (2016) that established that there is a positive relationship between control activities and performance.

Ibrahim (2015), examine the effect of internal control system in the bursary unit tertiary educational institution in Lafia polytechnic, the findings show that internal control is not effective in the Bursary unit, the right people are not assigned to the right job in the department, budget, and management accounting were never used in the institution's

operations and checking of subordinate by their superior officers is not regular. This renders the current internal control structure of the Polytechnic as ineffective and weak.

Adetula (2016) findings is that in tertiary institutions there is adherence to internal control establish by management such as segregation of duties, performance of supervisors role, internal audit functions and the management review function which is also in line with Ejoh and Ejom (2014) research findings, however, the internal audit unit is within bursary and this makes the unit to be weak due to lack of independent. Adetula (2016) distributed questionnaire to four universities in the south west, descriptive statistic was used to analysis the data.

Katusiime, Mabonga, Kirabo and Sunday (2018) sought to establish the effect of control environment on financial performance in Kampala international university, and used both primary and secondary data which was analyzed using Regression analysis. From the findings personal integrity and ethics did not have a significant effect on financial performance of Kampala international university, Control activities have a significant effect on financial performance. Also Control activities have significant effect on financial performance because they form part of the control system and they must be performed by employees for the organization to perform well, it was concluded that Ejah and Ejom(2014) Suffer methodological weakness, because it examine the effect of internal control on performance by using correlation method which made his result inconclusive though correlation is use for estimating relationship between variables. Various research have been done in different part of tertiary institution in Nigeria like the university, not much work have been done in the polytechnic in the southwestern geopolitical zone in Nigeria, it is on this note that this work will cover tertiary institution especially federal polytechnics in southwest part of Nigeria. This study will fill in the gap by studying the effect of internal control system on the performance of tertiary institution in the southwest part of Nigeria.

METHODOLOGY

This study used a descriptive survey method to gather data, and the population included everyone who works in the audit and accounting departments at the four federal polytechnics in Nigeria's south-western geopolitical zone. Simple random sampling was used to select 80 participants for this study. Each of the four polytechnics' audit and account units was given a survey questionnaire consisting of five questions, each with a Likert scale response option. Validity and reliability testing were performed to ensure the accuracy of the questionnaire. The obtained reliability coefficient of 0.87 is high for this type of investigation. To test the hypotheses, Chi-square and ANOVA were applied to the data collected from the 67 returned of the total 20 copies given to each school. The formulae for chi-square is

$$\chi^2_{(r-1)(c-1)} = \sum_{i=1}^r \sum_{j=1}^c \frac{(O_{ij} - E_{ij})^2}{E_{ij}}$$

Where O = observed frequency

E = expected frequency

$(r-1)(c-1)$ = degree of freedom

α = level of significance.

4.0 Results and discussion

PRESENTATION OF RESULTS

Table 4.1 Control environment

S/N	Items	Agree				Strongly Agree/Undisagree
1	The management support the internal control system to work more effectively	22.4%	56.7%	11.9%	7.5%	1.5%
2	Hierarchy is implemented in the organization scheme	32.8%	44.8%	14.9%	6.0%	1.5%
3	There are control in place to ensure adherence to established policy and to prevent fraud	25.4%	55.2%	9.0%	6.0%	4.5%
4	Management determines the action and control activities to reduce the risks and ensures their implementation	28.4%	50.7%	9.0%	6.0%	6.0%
5	The management take the suggestions about internal control conducted by the internal and external supervisors into consideration	22.4%	46.3%	22.4%	4.5%	4.5%
6	There are appropriate procedures in place to monitor an on ongoing basis or to periodically evaluate the functioning of the other components of internal control	25.4%	43.3%	20.9%	9.0%	1.5%
7	Deficiencies are reported to the right people	28.4%	55.2%	4.5%	9.0%	3.0%
8	There are physical segregation and custody to limit access to records and documents to those authorized	26.9%	46.3%	6.0%	16.4%	4.5%
9	Proper authorization of transactions are clearly evident on the document	46.3%	37.3%	7.5%	7.5%	1.5%

Source: Field survey 2019

A total of 22.4% of respondents indicated they strongly agreed that management provides adequate resources for the internal control system to function effectively, as shown in the table above. There were 56.7% in favor, 11.9% ambivalent, 7.5% opposed, and 1.5% strongly opposed. From the same table, we can infer that 32.8 percent of those polled are in full agreement that a strict hierarchical structure is used for the company's internal operations (item 2). Out of those polled, 44.8% said they agreed, 14.9 percent were unsure, 6.0 percent disagreed, and 1.5% strongly disagreed. In the third column of the same table, 25.4% of respondents indicated that they agreed strongly that there are controls in place to ensure adherence to established policy and prevent fraud. There were 55.2% in favor, 9.0% unsure, 6.0% opposed, and 4.5% strongly opposed. Table 4 shows that 28.4% of respondents agreed that management decides on and oversees the risk-mitigation activities that will be undertaken. There were 50.7% who agreed, 9.0% who were unsure, and 6% who were either disagreeing or strongly disagreeing. The same table's fifth item reveals that 22.4% of respondents strongly agreed that management takes into consideration the suggestions about internal control conducted by internal and external supervisors, 46.3% agreed, 22.4% were undecided, 4.5% disagreed, and 4.5% strongly disagreed. With regard to question six, the same table reveals that 25.4% of respondents strongly agreed that appropriate procedures are in place to monitor an ongoing or to periodically evaluate the functioning of the other components of internal control, 43.3% agreed, 20.9% were unsure, 9.0% disagreed, and 1.5% strongly disagreed. Similarly, the seventh item in the same table shows that 28.4% of respondents strongly agreed that deficiencies are reported to the right people, while 55.2% agreed, 4.5% were unsure, 9.0% disagreed, and 3.0% strongly disagreed. The same table's eighth item reveals that 26.3 percent of respondents are in agreement that there is physical segregation and custody to restrict access to records and documents to those who are authorized, 46.3 percent are in agreement, 6.0 percent are unsure, 16.4 percent disagree, and 4.5 percent strongly disagree. As shown in the same table, item nine shows that 46.3%

of respondents strongly agreed that proper authorization of transactions are clearly evident on the document, 37.3% agreed, 7.5% were undecided, 7.5% disagreed, and 1.5% strongly disagreed.

Table 4. 2 Monitoring activities

S/N	Items	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
1	Cashless policy has been implemented and Student school fees are paid directly into the bank through e-transact, other payment are made through bank	61.2%	28.4%	4.5%	4.5%	1.5%
2	There is adequate authorization and approval control in place	50.7%	37.3%	6.0%	4.5%	1.5%
3	Internal control system is working effectively	32.8%	37.3%	17.9%	6.0%	6.0%
4	Internal auditor performs duties with greater degree of autonomy and dependence from management	40.3%	34.3%	9.0%	10.4%	6.0%
5	Records of fixed assets, cash and bank statement, academic records, payroll and other expenditure are properly kept and prevented from unauthorized persons	46.3%	38.8%	4.5%	4.5%	6.0%
6	Security system do identify and safeguard institutional assets	29.9%	35.8%	16.4%	13.4%	4.5%
7	Specific responsibility are assigned to competent staff	22.4%	61.2%	3.0%	7.5%	6.0%
8	The institution's financial statements are prepared and audited regularly	50.7%	37.3%	4.5%	4.5%	3.0%
9	There is check of pay-in slip against post list	46.3%	37.3%	7.5%	7.5%	1.5%

10	The internal audit and account units are well staffed	32.8%	38.8%	14.9%	11.9%	1.5%
11	Segregation of duties and rotation of staff is adequate	29.9%	49.3%	4.5%	7.5%	9.0%

Source; field survey, 2019

Table 2 shows that 61.7% of respondents are convinced that a cashless policy has been implemented and that school fees are paid electronically into a bank account by students. There are 28.4% who agree and 4.5% who disagree. Only 1.5% are vehemently opposed. Table 2 shows that 50.7% of people are in agreement that there is sufficient authorization and approval control in place (item 2). Three-and-a-third people were in favor, six percent were on the fence, four and a half percent disapproved, and one and a half percent were strongly opposed. Based on the data in Table 2, item 3 shows that

32.8% of respondents strongly agreed that Internal control system is working effectively, 37.3% agreed, 17.9% were unsure, 6.0% disagreed, and 6.0% strongly disagreed. Table 2's fourth item shows that 40.3% of respondents agreed that an internal auditor has more leeway in how much oversight they receive from upper management. Of those polled, 33.7% were in agreement, 9.0% were unsure, 10.4% were not, and 6.0% were strongly opposed. Table 2's fifth item shows that 46.3% of respondents agree that the organization keeps accurate and secure records of fixed assets, cash and bank statements, academic records, payroll, and other expenditures. Only 6.0% strongly disagreed, while the remaining 38.8% either agreed or were unsure. Table 2 shows that 29.9% of respondents strongly agreed that security systems do identify and safeguard institutional assets, 35.8% agreed, 16.4% were not sure, 16.4% disagreed, and 4.5% strongly disagreed. Table 2 shows that when asked whether or not "specific responsibility is assigned to competent staff," 22.4% of respondents strongly agreed, 61.2% agreed, 3.0% were unsure, 7.5% disagreed, and 6.0% strongly disagreed. Table 2's eighth item reveals that of those polled, 50.7% strongly agreed that the institution's financial statements are prepared and

audited regularly, while 37.3% agreed, 4.5 % were unsure, 4.5 % disagreed, and 3.0% strongly disagreed.

Table 2 shows that 37.3% of respondents agree that pay-in slips are checked against a post list, 7.5% are unsure, 7.5% disagree, and 1.5% strongly disagree. In regards to the tenth item in table 2, we find that 32.8% of respondents agree; 38.8% agree; 14.9% are unsure; 11.9% disagree; and 1.5% strongly disagree.

Table 2 shows that when asked whether they agree or disagree with the statement "Segregation of duties and rotation of staff is adequate," 29.9% said they strongly agree, 38.8% said they agreed, 49.3% said they were unsure, 7.5% said they disagreed, and 9% said they strongly disagreed.

Table 4.3 Measuring Performance in the institution

S/N	Items	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
1	Staff salary and entitlement is paid regularly and fully	22.4%	56.7%	11.9%	7.5%	1.5%
2	The management are performing well and meeting the welfare of the staff and students	31.3%	44.8%	7.5%	7.5%	9.0%
3	There is adequate innovation in the facilities, technology and lecturing methods	34.3%	37.3%	11.9%	11.9%	4.5%
4....	There is high competition for admission into the institution yearly	19.4%	38.8%	11.9%	22.4%	7.5%

5	Academic sessions are completed on time without interruption	26.9%	35.8%	23.9%	7.5%	6.0%
6	Quality well trained students are produced and most of them compete well in the labour market	38.8%	41.8%	4.5%	6.0%	9.0%

Source; field survey, 2019

The table three above revealed that 22.4% of the respondents strongly agreed Staff salary and entitlement is paid regularly and fully, 56.7% agreed, 11.9% were undecided, 7.5% disagreed while 1.5% of the respondents strongly disagreed. Item two from table three shows that 31.3% of the respondents strongly agreed that the management are performing well and meeting the welfare of the staff and students 44.8% agreed, 7.5% were undecided, 7.5% disagreed while 9% strongly disagreed.

Item three from table three shows that 34.3% of the respondents strongly agreed that there is adequate innovation in the facilities, technology and lecturing methods 37.3% agreed, 11% were undecided, 11% disagreed while 4.5% strongly disagreed.

Item four from table three shows that 19.4% of the respondents strongly agreed that there is high competition for admission into the institution yearly 38.8% agreed, 11.9% were undecided, 22.4% disagreed while 7.5% strongly disagreed.

Item five from table three shows that 26.9% of the respondents strongly agreed Academic sessions are completed on time without interruption 35.8% agreed, 23.9% were undecided, 7.5% disagreed while 6% strongly disagreed.

Item six from table three shows that 38.8% of the respondents strongly agreed Quality well trained students are produced and most of them compete well in the labour market 41.8% agreed, 4.5% were undecided, 6% disagreed while 9% strongly disagreed

Hypotheses Testing

H₀: There are no control in place to ensure adherence to established policy and to prevent fraud

H₀: Internal control system does not have significant effect on the performance of tertiary institution.

Table 4. 4

Test of hypothesis	
	there are control in place to ensure adherence to established policy and to prevent fraud
Chi-Square	61.284
Df	4
P-value	0.000

The null hypothesis is rejected in the above table, there are control in place to ensure adherence to established policy and to prevent fraud. this means that internal control has significant effect on performance of tertiary institution at 5% level of significance.

Table 4.5

ANOVA Table

	Sum of Squares	Df	Mean Square	F	Sig.

Between Groups	1386.776	33	42.024	6.422	.000
Within Groups	215.940	33	6.544		
Total	1602.716	66			

Source: Field survey 2019

The test statistic is the F -value of 6.422. using α of 0.05, we have $F_{0.05;2,66} = 3.1505$.

Since the test statistic is much larger than the critical value, we reject the H_0 and accept H_1 at 0.05% level of significance. Therefore, it is conclude that internal control system have a significant effect on the performance of tertiary institution.

DISCUSSION

There are control in place to ensure adherence to established policy and to prevent fraud and internal control system have a significant effect on the performance of tertiary. This is in line with the findings of Ndiwa and Kwasira(2014), Oyoo (2014) and Akosile and Akinselure (2016) that established that there is a positive relationship between control activities and performance institution unlike the work of Ejoh and Ejom(2014) that shows that there is no significant relationship between internal control activities and financial performance. The management support the internal control system to work more effectively. The respondents strongly agreed that hierarchy is implemented in the organization scheme. The respondents strongly agreed that management determines the action and control activities to reduce the risks and ensures their implementation, the management take the suggestions about internal control conducted by the internal and external supervisors into consideration, the respondents strongly agreed that there are appropriate procedures in place to monitor an on ongoing basis or to periodically evaluate the functioning of the other components of internal control, deficiencies are reported to the right people, the respondents strongly agreed that there are physical

segregation and custody to limit access to records and documents to those authorized, the respondents strongly agreed that proper authorization of transactions are clearly evident on the document.

CONCLUSION AND RECOMMENDATIONS

The top management should ensure that good structure of internal control exist in the organization to support good corporate governance, risk management, internal control environment and independent internal audit. This would help to build a positive culture that ensures that management do not override the internal control systems that will then translate to healthy financial performance. All managers should ensure that there are adequate

internal control activities that safeguard the assets of the company from misuse and frauds. The internal audit function should carry out regular reviews of entire system of internal controls to provide assurance to the board and management on adequacy and effectiveness of mitigation controls that are in place

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