

Effect of Ownership Types on the Internal Control System of Universities in Southwest Nigeria

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Abstract

To close the gap between supply of and demand for university education, the private sector was licensed to participate with the Federal and State governments in Nigeria. Since owners of universities are generally different from the management, a stewardship-cum-agency relationship arises. This calls for sound internal controls to ensure that the interests of stakeholders are safeguarded. This study examined the differences in types of internal controls in universities in Southwest Nigeria and determined the role of ownership in the observed differences. Two states (Ondo & Ekiti) were initially selected out of six in Southwest Nigeria and three universities were selected from each sampled state: State, Federal, and Private. Primary data was sourced through questionnaires to senior staff of Bursary and Audit units of the sampled universities. ANOVA, Principal Component Analysis (PCA), and F statistics were adopted for data analysis. Significant differences were observed in five internal control features of the universities tested at 0.05 level of significance. Ownership type has a significant effect on: IT adoption (F-value 8.387, $p < 0.05$); segregation of duties, custody and accounting for fixed assets, smooth flow of operation, and quality of output (F-value 5.334, $p < 0.05$). It was concluded that ownership types affect how well the universities' internal controls achieve set objectives. It was recommended that the management in the universities should be aware of the stewardship and agency roles they have to play to their principals, and their commitment to other stakeholders.

Keywords: Internal Control, Internal Check, Ownership Types, Tertiary Institution

Introduction

Background of the Study

Tertiary institutions of learning are an important part of society and play a significant role. In Nigeria, the

inadequacy of the supply side of university education was evident. When the Federal Government of Nigeria could no longer meet demands for university education, the state governments became involved in this service, and when they failed to match the demands, licensing and operations of private universities were considered (NUC, 2017), thus bringing ownership types of universities in Nigeria to three.

Ownership types of universities in Southwest Nigeria was depicted in Arogundade (2012), where state and federal institutions were examined as distinct from each other, and were totally different from private institutions. The article was on the effects of ownership on the work environment, but it described each ownership type. The issue was further examined in Flagship Universities in Africa, a compilation on university education in Africa. The book examined ownership types of universities in Nigeria and identified three types, namely Federal, State, and Private (Udegbe & Ekhaguere, 2017), whereas in a country like United Kingdom only eight universities are privately funded (https://www.quora.com/Are-British-universities-public-or-private/Colin_Riegels@MarkChappell,May,2020; https://en.wikipedia.org/wiki/Category:Private_universities_in_the_United_Kingdom).

The main purpose of educational institutions, irrespective of whether they were publicly or privately owned, is to render meaningful education and guidance to the public in a timely manner (Salihu, 2015). Tertiary educational institutions (private or public) are concerned about offering efficient and transparent services in such a way as to fulfill expected results in operations and finances (Ibrahim, 2015). The management of any tertiary institution must establish and monitor its internal control with necessary analysis, appraisals, and recommendations for decision

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making. Internal control effectiveness determines institutional quality, performance, and efficiency (Ibrahim 2015; Ojong, 2013). In the same vein, internal check has been described as “an accounting procedure whereby routine entries for transactions are handled by more than one employee and such entry is automatically checked against the work of another for detection of errors and irregularities” (<https://www.merriam-webster.com/dictionary/internal%20check>).

According to Ironkwe and Promise (2015), internal check is that part of internal control concerned with the detection of fraud or errors and inferior quality of work, while internal control is the process established by the management as a mechanism to attain desired objectives. Olowolaju and Ibukun-Falayi (2016) described internal control as a management information system which is designed to help the organization in accomplishing specific goals or objectives. It has to do with all measures established by an organization to fulfill the organization's objectives (Adagye, 2015). Internal control is a set of policies and procedures adopted by an entity in ensuring that an organization's transactions are processed in an appropriate and efficient manner to avoid waste, theft, and misuse of the firm's resources.

Ndifon and Patrick (2014) assert that in order to achieve effective internal control systems in tertiary institutions, there has to be accountability—a well-designed internal check must be put in place. Poor or ineffective internal control place the resources of universities (private and public) at risk, where there are inefficiencies or theft, abuse, or fraud. Furthermore, to realize the objective of an educational system, management policy should secure, as far as possible, complete and accurate records (Flesher, 1996). The peculiarity of educational institutions was highlighted by Kwadwo, Patrick and Kwadwo (2015) as including challenges in the supervision of its funds, and hence, effective internal control systems are required to provide some level of assurance of efficiency and effectiveness in the use of its financial assets. With the increasing number of private universities in Nigeria, there should be proper internal control systems to determine the efficiency of internal checks in federal, state and private universities.

Existing studies on internal controls and tertiary institutions include: Walker (1999), who worked on standards for internal control in federal government institutions; Arogundade (2012), who examined the influence of ownership and type of university on work environment in Southwest Nigerian universities; Akosile

and Fasesin (2013), who compared internal control systems in public and private universities in Nigeria; Ndifon and Patrick (2014), who assessed the impact of internal controls on the financial performance of tertiary institutions in Nigeria; Ejoh and Ejom (2014), who assessed the impact of internal control activities on the financial performance of tertiary institutions in Nigeria; and Adetula, Balogun, Uwajeh and Owolabi (2016), who studied the internal control system in the Nigerian tertiary institutions. Most of the existing studies did not consider the effects of ownership types on the internal controls installed and the effectiveness of the same. These gaps in available literature provide the impetus to carry out this work. The focus of this study is to examine if there is any difference in type of internal control system, factors responsible for the differences (if any), and effectiveness of internal controls in federal and state-owned universities, as well as private universities, in Nigeria. In order to achieve the study objectives, the following null hypotheses were developed and tested (in null form).

- There is no difference between internal control procedures of private, state, and federal owned universities.
- There is no difference in the factors responsible for internal control procedures in private, state, and federal owned universities.
- Ownership type has no impact on the effectiveness of internal controls of universities in Southwest Nigeria.

Literature Review

Conceptual Literature

Internal Control

Internal control as defined by United Kingdom Auditing Practices (1979) is the totality of controls, financial and otherwise, installed by the management for orderly and effective operation of the enterprise, ensuring compliance with management policies, protect corporate assets, and facilitate the completeness and accuracy of the records, while preventing and detecting errors and fraud, and the timely preparation of financial information (Ibrahim, 2015). The International Standard on Auditing (ISA 400) also described internal control as including all policies and procedures put in place by an organization's management to aid attainment of its objectives as well as the completeness and accuracy of the records.

Internal Control System has to do with the effort of the management of organizations to install and operate the system of control in order to improve the efficiency and quality of the organization's performance. The Nigerian Statement of Accounting Standard (SAS) classified internal control into two: Accounting Control and Administrative Control. Accounting control is about the aim of the organization and all coordinated methods and procedures which are implemented with the sole aim of safeguarding assets and enhancing reliability of financial records. Administrative control, on the other hand, refers to the organization's plan and all coordinated methods and procedures that are aimed at efficiency in operations and compliance with policies of the organization and management (Ironkwe & Promise, 2015).

These definitions point to some salient issues, which are as follows.

- Internal controls are established by the management.
- They are meant to cover all aspects of the business of the enterprise.
- Internal controls are meant to safeguard assets, prevent fraud, and ensure accuracy of records.
- They can be financial or otherwise.
- They are aimed at ensuring the smooth running of the enterprise.

Internal Check

Internal check is that part of internal control primarily focused on preventing and prompt detection of errors and fraud, and it has to do with arranging book keeping and other financial activities in a manner that no single task is carried out from its inception to its end by any one person, and the work carried out by every staff is independently checked by another in the course of his duties (Woolf, 1994). Ironkwe and Promise (2015) affirmed that the principles of internal checks form part of the system of internal control which covers the detection of fraud, errors, and inferior quality of work.

Components of Effective Internal Control

Salihu (2015) conceived of internal control as preventive and detective by nature. Preventive control deals with early discouragement and prevention of errors and irregularities through the segregation of duties, arithmetic control, proper authorization and approval control,

physical control, and adequate documentation. On the other hand, detective control focuses on detecting existing errors or irregularities through reviews, variance analysis, reconciliations, and audit. Woolf (1994), Millichamp (2002), Dandago and Suleman (2005), Dinapolu (2007), Haruna, and Makama and Ripiye (2015) identified the following components of internal control systems as a sound internal system: physical control; arithmetic and accounting; personnel; authorizations and approval; organizational control; the management control; separation control; and segregation of duties.

Tertiary Institutions

Olurankinse (2013) refers to tertiary institutions as institutions offering education to students at undergraduate and postgraduate levels. The primary objective of tertiary institutions is to provide educational services to members of the public. For any tertiary institution (private or public) to achieve its desired objectives, an Internal Audit unit should be established. Internal auditing by imposing a systematic, disciplined approach aids the organization's fulfillment of its objectives by evaluating and improving the effectiveness of controls (Nelius & Ambrose, 2017).

Ownership of Universities in Nigeria

The proprietary interest in Nigerian universities is a vital consideration with respect to internal control because internal control is a management function designed to achieve organizational goals and ensure that the interest of the stakeholders are adequately catered for. The management of the institutions acts as either the agent or steward, hence the need to recognize the difference in internal controls as a result of ownership. Udegbe and Ekhaguere (2017) analyzed ownership types of Nigerian universities and compared it with other climes such as the United Kingdom and the United States.

Theoretical Literature

Agency Theory

Agency theory was propounded by Jensen and Mecking in 1976. They explained that an agency relationship is one in which one or more persons known as principal(s) engage another to undertake specified transactions on their behalf, thus requiring delegation. The theory is

explicit on the manner of relationships that arises between principals and agents in pursuing the contract of agency. It is important to determine if the agent acts to achieve the expectations of the principal, because there is always a conflicting objective, since both parties are concerned about making the most of their circumstances. In this study, the management acts as the agent, and is given the responsibility of delivering sound and timely education and counselling to the scholars on behalf of the principal (state, and federal government, or proprietor). The agent needs to put in place a sound internal control system that will assist in achieving the objective of the principal.

Stewardship Theory

Donaldson (1997) in his stewardship theory explains that the steward is expected to protect and maximize the wealth of the owners of the enterprise by ensuring that the performance of the firm is enhanced. Thus, the steward's relevance is magnified. Here, structures are established to enhance harmonization of the steward's interest and that of the principal. This study adopts the stewardship theory since the management (Agent/Steward) is charged with the responsibility of establishing internal controls. It is believed that their actions are toward the achievement of owners' interests and so they are given a reasonable level of autonomy to manage the institutions.

Empirical Literature

The article of Prasad and Reddy (2012) examined performance evaluation of banks in public and private sectors. Profitability and efficiency of the banks were examined for the five selected banks and the result brings out the comparative efficiency of the banks using Tukey's Honest Significant Difference (HSD) Test. The study failed to assess the relative effects of performance evaluation on private and public sector banks as the topic suggested, leaving a gap in consideration of the ownership types as a pointer to the performance of the banks.

Ibrahim (2015) examined the effectiveness of internal control systems in Nasarawa State Tertiary Educational Institutions. The primary source of data was used, and simple percentage and chi-square were the statistical tools employed. The findings revealed that inappropriate personnel were assigned to the departments and there was no adherence to budget and management accounting controls. Review of subordinates by their superiors is

seldom carried out, and this has made internal controls ineffective.

Ironkwe and Promise (2015) examined the impact of internal controls on financial management of production companies in Nigeria where the survey method and correlation method of analysis were adopted. The findings revealed that the internal controls enhanced financial management of organizations and that the management should ensure adequate organizational controls so that each staff knows their duties to ensure effective segregation of duties and reduce interference in terms of funds and assets management, and control.

Salihu (2015), in this study, used the primary source of data. Descriptive statistics and the chi-square were the analytical tools adopted. The study discovered that the components of internal control systems are not properly put in place by the management of the institutions, especially in the areas of authorization and approval, supervision, segregation of duties, and personnel controls. These lapses had contributed to ineffectiveness of the internal control system in the institutions.

Fakhfakh (2015) examined timeliness of audit reports of Tunisian institutions in terms of perception of owners and partners. Issues surrounding timely preparation, and signing and issuing of audit reports were well examined, but the significance of these to these categories of stakeholders, namely shareholders and partners, was not adequately addressed. One expects that in examining the timeliness of audit reports, the effect on shareholders and other stakeholders should have been the emphasis, not merely the stakeholders, including creditors, employees, the government, and so on.

Adetula, Balogun, Uwajeh and Owolabi (2016) assessed internal control systems in the Nigerian Tertiary Institutions, where data was collected through primary source and was analyzed through descriptive statistics. It was found that many components of internal control systems were properly situated, but the internal audit units of those institutions were not independent.

Consideration of ownership of universities in Nigeria was brought to light by the publication of *Flagship Universities in Africa*, a compilation of scholars on university education in Africa and the roles of the "flagship" institutions. In one of the sections, the book examined ownership types of universities in Nigeria and identified three types, namely federal, state, and

private (Udegbe & Ekhaguere, 2017). Ownership is a significant consideration when it is noted that in a country like the United Kingdom only eight universities are privately funded (https://www.quora.com/Are-British-universities-public-or-private/Colin_Riegels@MarkChappell,May,2020; https://en.wikipedia.org/wiki/Category:Private_universities_in_the_United_Kingdom).

Methodology

This study adopted descriptive type of research design wherein answers were sought for research questions and hypotheses were resolved. The survey method was used for data collection because the elements of the population have common attributes which are chosen with a view to representing the entire population of the study.

Population: The population of this research is limited to only the senior staff of Internal Audit units and Bursary/

Finance departments of all the universities (public and private) in Southwest Nigeria, which comprises six states, namely Ekiti, Lagos, Ogun, Ondo, Osun, and Oyo. The targeted units of the universities for the study were the Bursary and Internal Audit units because they are involved in the design, review, and implementation of internal checks and other control procedures. Ofoku (2013) asserted that junior staff may not adequately interpret the concept of internal control and so their responses could be misleading.

Sampling: A multistage sampling procedure was adopted. Out of the six states in Southwest Nigeria, two states were purposively selected, i.e. Ekiti and Ondo. The sampling frame consisted of private and public universities in the two states. Three universities were selected in each of the two states as follows: one federal university, one state-owned university, and one privately owned university. Table 1 shows the selection.

Table 1: Sampling Frame

States	Number of Universities Available	Number of Universities Selected	%
Ekiti	Ekiti State University, Ado-Ekiti (EKSU) Federal University, Oye-Ekiti (FUOYE) Afe Babalola University, Ado-Ekiti (ABUAD)	Three (EKSU, FUOYE, ABUAD)	100
Ondo	Adekunle Ajasin University, Akungba Akoko (AAUA) Achievers University, Owo (ACHIEVERS) Federal University of Technology, Akure (FUTA) Elizade University, Ilara Mokin (ELIZADE) Wesley University of Science and Technology, Ondo (WUSTO) Ondo State Medical University (MEDICAL)	Three (AAUA, FUTA, ACHIEVERS)	50
Total	9	6	67

Source: Authors' Compilation, 2019

Proportional sampling method was adopted with respect to state and federal owned universities, while total

sampling was used in private universities, as shown in Table 2.

Table 2: Sample Size

Sr. No.	University	No. of Staff in Audit and Bursary Departments	No. of Staff Selected in Audit and Bursary Departments	Percentage Sampled
1	Ekiti State University, Ado-Ekiti	186	93	50
2	Federal University, Oye-Ekiti	68	34	50
3	Afe Babalola University, Ado-Ekiti	20	20	100
4	Adekunle Ajasin University, Akungba Akoko	70	35	50
5	Federal University of Technology, Akure	70	35	50
6	Achievers University, Owo	7	7	100
	Total	421	224	53.21

Source: Field Survey, 2019

Method of Analysis: Data was presented using descriptive tools and the hypotheses were analyzed using inferential tools, as shown in Table 3.

Table 3: Summary of Method of Analysis

<i>Hypothesis</i>	<i>Variables of Study</i>	<i>Method of Analysis</i>
There is no difference between internal control procedures of private, state and federal owned universities.	<i>Types of Internal Control Systems</i> • Internal check • Control on: • Accounting entries • Financial transactions, etc. • Segregation of duties • Physical control • Information Technology (IT) driven transaction capturing, processing, and reporting • Extent of adoption of IT in internal controls • Extent of IT in Accounting systems	ANOVA
Factors responsible for differences in internal control procedures in private, state, and federal owned universities cannot be determined.	<i>Socioeconomic Characteristics</i> <i>Types of Internal Control Systems</i>	Factor Analysis Principal Component Analysis F Statistics
Ownership type has no effect on internal controls of universities in Southwest Nigeria.	• Errors and omission tracking • Electronic processing effectiveness • Accounting system effectiveness • Internal check effectiveness • Internal control effectiveness	ANOVA

Source: Field Survey, 2019

Results and Discussion

Data Presentation

The core issues of internal control and internal check were examined by this study in the context of ownership, viz. private, state, and federal owned. Table 4 shows the universities sampled by ownership types to situate the study in its context in each state.

Table 4: Universities Sampled by Ownership Types

<i>Sr. No.</i>	<i>State Sampled</i>	<i>Universities Selected</i>	<i>Ownership Type</i>
1	Ekiti	Afe Babalola University, Ado-Ekiti (ABUAD)	Private
		Ekiti State University, Ado-Ekiti (EKSU)	State
		Federal University, Oye Ekiti (FOU)	Federal
2	Ondo	Achievers University, Owo (AUO)	Private
		Adekunle Ajasin University, Akungba Akoko (AAUA)	State
		Federal University of Technology, Akure (FUTA)	Federal

Source: Researchers' Compilation, 2019

Hypothesis I

The differences in internal control features found in universities privately owned or owned by the federal and state governments were examined. These features were subjected to ANOVA and the F-test revealed that significant differences exist (as shown in Table 5) in the internal control features of these universities in terms of:

Table 5: Differences in Internal Controls of State, Federal and Private Universities

<i>Variables</i>	<i>F Stat</i>	<i>p-value</i>
Internal check on all financial transactions.	0.823	0.535
Internal Control procedure applied over: (a) Accounting entries. (b) Financial transactions, etc.	4.837	0.000
Segregation of duties is applied to all areas of accounting .	5.865	0.000
Physical control is exercised over all assets.	1.709	0.134
Information Technology (IT) is involved in transaction capturing, entry processing and reporting in my institution.	12.139	0.000
The adoption of IT in my school internal control covers the entries: (a) 100%. (b) Between 75%-99%. (c) Between 51%-75%. (d) Less than 50%.	6.787	0.000
Accounting and Audit functions are performed electronically on the entries: (a) 100%. (b) Between 75%-99%. (c) Between 51%-75%. (c) < 50%.	11.318	0.000
Accounting system in my Institution captures all transactions.	1.153	0.334

Source: Research Survey, 2019

- Internal control procedure applied on all financial transactions with F-Stat 4.837 and p-value $0.00 < 0.05$ level of significance.
- Segregation of duties is applied to all areas of accounting with F-Stat 5.865 and p-value $0.000 < 0.05$ level of significance.
- Information Technology (IT) adoption in transaction capturing, entry processing, and reporting with F-Stat 12.139 and p-value $0.000 < 0.05$ level of significance.
- Extent of adoption of electronically performing Accounting and Audit functions with F-Stat 11.318 and p-value $0.000 < 0.05$ level of significance.
- Extent of adoption of IT in the internal control with F-Stat 6.787 and p-value $0.000 < 0.05$ level of significance.

Other observed internal controls did not show any significant difference according to ownership types of universities, with respect to:

- Internal check on all financial transactions with F-Stat 0.893, p-value $0.535 > 0.05$ level of significance.
- Physical control is exercised over all assets with F-Stat 1.709, p-value $0.134 > 0.05$ level of significance.

- Accounting system captures all transactions with F-Stat 1.153, p-value $0.334 > 0.05$ level of significance.

These features are common to all universities irrespective of their ownership types in approximately equal dimensions.

Hypothesis II

Factors responsible for differences in internal control procedures in private, state, and federal owned universities were explored. The socioeconomic characteristics of respondents alongside the features of internal controls were subjected to both ANOVA and Factor Analysis (Principal Component Analysis). Results showed that six factors were significant for consideration as shown in Table 6 and Fig. 1 (Scree plot showing all components above 1.00 Eigenvalue).

Although the PCA did not capture the significance of Education levels of staff, ANOVA sees it as a considerable subject with F-Stat 3.648 and p-value $0.004 < 0.05$ level of significance. However, both ANOVA and the PCA recognize the significance of:

Table 6: Factors Responsible for Differences in ICS of Universities

Variables	F Stat	Significance	Factor Analysis	
			Eigenvalues/ Factor Loadings	Component and Value
Education	3.648	0.004		
Job Experience	7.704	0.000	1.775	0.508
Department of respondents	15.033	0.000	1.331	0.699
Age of Respondents	1.574	0.169	1.459	0.763
Gender	1.067	0.380	1.078	0.612
Extent and Use of ICT in Accounting and Audit Operations	6.787	0.000	2.478	0.739

Source: Research Survey, 2019

- Job experience with F-value 7.704, p-value $0.000 < 0.05$ level of significance and Eigenvalue of 1.775, component coefficient of 0.508 shows that job experience is a factor influencing effectiveness of internal controls under various ownership types.
- Department of respondents with F-value 15.033, p-value $0.000 < 0.05$ level of significance and Eigenvalue of 1.331, component coefficient of 0.699 shows that department of respondents is a factor influencing effectiveness of internal controls under various ownership types.
- Age of respondents with F-value 1.574, p-value $0.169 > 0.05$ level of significance was not regarded as significant to ANOVA, but the Eigenvalue of

1.459, and component coefficient of 0.763 show that age of respondents is a factor that could influence effectiveness of internal controls under various ownership types.

- Gender with F-value 1.067, p-value $0.380 > 0.05$ level of significance was not considered significant using ANOVA, while the Eigenvalue of 1.078, and component coefficient of 0.612 show that gender is a factor influencing effectiveness of internal controls under various ownership types.
- Extent and use of ICT in accounting and audit operations with F value 6.787, p-value $0.000 < 0.05$ level of significance and Eigenvalue of 2.478, component coefficient of 0.739 shows that extent and use of

ICT in accounting and audit operations is a factor influencing effectiveness of internal controls under various ownership types.

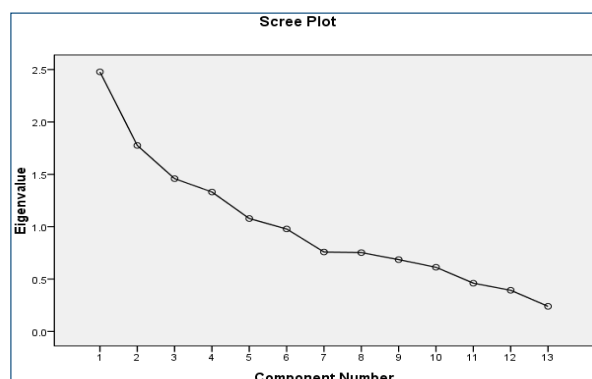


Fig. 1: Principal Component Analysis

Table 7: Differences in ICS Effectiveness in State, Federal and Private Owned Universities

Variables	F Stat	p-Value
Errors and omission issues are exposed through internal check.	2.225	0.053
Use of electronic processes for financial and other transactions has enhanced: (a) Accuracy of data. (b) Reliability of entries and processes. (c) Speed of processing the reporting. (d) Easy retrieval of needed information. (e) Tracking of transactions.	8.387	0.000
Accounting system in my Institution captures all transactions within my institution.	1.153	0.334
Internal check procedures set by my University a. Reduced error in accounting posting. b. Minimizes defalcation. c. Ensures accuracies. d. Eliminates fraud.	1.067	0.380
Internal control system install in my University is effective. It (a) involves segregation of duties. (b) Improves custody and accounting for fixed assets. (c) Ensures smooth flow of operation. (d) Increases the quality of output for the University.	5.334	0.000

Source: Research Survey, 2019

Discussion of Findings

The differences in internal controls of universities in Southwest Nigeria when assessed along ownership lines show that there are differences in the extent of application of internal control procedures to transactions. This is a clear departure from the stewardship role of the management, where the main duty is to set up a sound system. The stewardship theory expects that the management will take the best steps to safeguard the interests of owners. Donaldson (1997) affirms that the roles of a steward include the protection and enhancement of shareholders' wealth, achieved by the adoption of improved performance of the firm, and by so doing, maximizing the steward's utility.

The extent of segregation of duties is another area of difference among the institutions. This can easily be understood from the staff strength and the distribution of staff along functional lines (Ibrahim, 2015). Salihu (2015) also emphasized that components of internal control system are not properly put in place by the management of the institutions especially in the areas of authorization and

Hypothesis III

The hypothesis that ownership type has no effect on internal controls of universities in Southwest Nigeria was assessed using ANOVA. Significant differences were observed with respect to:

- Adoption of IT for financial and other transactions with F-value 8.387 and p-value 0.000 showing remarkable difference in the outcome achieved in comparison among ownership types studied.
- Internal control effectiveness over segregation of duties, custody and accounting for fixed assets, smooth flow of operation, and quality of output with F-value of 5.334 and p-value 0.000 (Table 7).

approval, supervision, segregation of duties and personnel controls. These lapses had contributed to ineffectiveness of internal control system in the institutions. Similarly, Njoka (2017) also discovered that lack of segregation of duties through staff rotations led to weak internal control system. Conversely, the work of Haruna, Makama and Rapiye (2015) revealed that segregation of duties had been the key factor that helped in the prevention and control of fraud in the bursary department of tertiary institutions.

Adoption of IT for routine and functional accounting processes and commensurate IT deployment or assistance for audit purposes was another area of significant difference among institutions by ownership types. Indeed, not only is IT a feature of difference among institutions, it is also a major factor in the differentiation and the basis for the difference in results achieved by the various institutions. IT needs to be a driver of today's internal controls. The role of management as an agency requires that the agent (management) acts in the best interests of the principal (owners of institutions). In light of this, the management is expected to give its best to internal control through IT.

Age and gender are other key factors found responsible for the differences in internal controls of the universities. The scree plot of the Principal Component Analysis (PCA) shows five components with scores above 1.00 Eigenvalues, and both age and gender are among the five components, as they have the highest factor loadings under the various components.

Conclusion and Recommendations

It was concluded that ownership types have an impact on the internal control systems operated in the universities, especially as it affects its effectiveness, segregation of duties, choice of personnel, assigning departments to personnel, and adoption of IT in accounting and audit functions.

It was recommended that the management in the universities, irrespective of their owners, should be aware of the agency roles they have to play to their principals, and realize their commitment to a wider society by ensuring that the institutions survive and grow. The stewardship commitment should also be kept in mind, as the ability to render good stewardship can only be derived from a sound internal control system.

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