EFFECT OF FINANCIAL CONTROL MECHANISMS ON MANAGEMENT OF FUNDS IN NATIONAL JUDICIAL COUNCIL, ABUJA.

BY

AKWE, Kennedy Anyapa John

NSU/GDM/FAA/0035/16/17

BEING A DISSERTATION SUBMITTED TO THE SCHOOL OF POSTGRADUATE STUDIES IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF MASTER OF SCIENCE (M.Sc.) DEGREE IN FORENSIC ACCOUNTING AND AUDITING

INSTITUTE OF GOVERNANCE AND DEVELOPMENT STUDIES

NASARAWA STATE UNIVERSITY KEFFI

NIGERIA

DECEMBER 2019

DECLARATION

I hereby declare that this Dissertation titled "Effect of Financial Control Mechanisms on Management of Funds in National Judicial Council" is a product of my own findings. Therefore, all sources of information used have been duly and adequately acknowledged by means of references. As such, any error either of omission or commission is not with intent, and is highly regretted.

....

Akwe, Kennedy Anyapa John

Student/Researcher

CERTIFICATION

This dissertation titled **EFFECT OF FINANCIAL CONTROL MECHANISMS ON MANAGEMENT OF FUNDS IN NATIONAL JUDICIAL COUNCIL, ABUJA** meets the requirements governing the award of Master of Science (M.Sc.) in Forensic Accounting and Audit, of the School of Postgraduate Studies of Nasarawa State University, Keffi for its contribution to knowledge and literary presentation.

Dr. M.M. Naburgi,
Chairman, Supervisory Committee

23/06/21
Date

Dr. Abdul Adamu
Coordinator

21/6/21
Date

Dr. Godwin Oyedokun
Internal Supervisor

21/6/21
Date

Prof. A. E. Zamani
Head of Department

21/6/21
Date

Prof. U. M. Ofili
External Examiner

11/06/21
Date

Prof. C. M. Ayuba
Dean, Postgraduate School

21/06/21
Date

DEDICATION

This research work is respectfully and humbly dedicated to God the Father, Son and Holy Spirit (Three persons in one God) who is the source of all knowledge, understanding and wisdom and who has made it possible for me to complete this programme successfully.

ACKNOWLEDGEMENTS

I give due glory and honour to God Almighty, the creator of Heaven and Earth for his compassion, Love, mercies and abundant blessings on mankind and I which endureth forever.

My special gratitude and appreciation goes to my supervisors, Professor Uche Uwaleke, Doctor Naburgi, M.M. and Doctor Godwin Oyedokun for their inestimable quantum of roles played in making this study a reality. When it comes to dattgling academic axe, they are epitomes of intellectual curiosity and dynamism; they symbolize humility, patience and tolerance. They took the pain of devoting their limited and busy time to offer constructive criticisms, useful suggestions and pieces of advice.

I acknowledge with appreciation, the assistance and cooperation i enjoyed from Dr. Jimoh Bolaji and all the lecturers of the Institute of Governance and Development Studies lecturing M.Sc. Forensic Accounting and Auditing together with all other staff of the Institute, I remain grateful to you all.

I am in no small measure grateful to my parents Hon. Matthew Attah Akwe and Mrs. Bernadette Opane Akwe for their love, care, affection, financial support, appreciation, prayers and relentless effort to see me through this terrain of struggle, i pray to God Almighty to reward you abundantly for all your efforts.

My profound gratitude goes to all my siblings and their wonderful families, my appreciation to you all knows no bound.

I am indebted to my M.Sc. colleagues Mr. Peter O. Agidotan, Mr. Joseph Orngu Tyavkase, Mr. Kabiru Shuru, Mr. Ibrahim Abdulrahman, Mr. Joey, Mr. Gaddas, Mr. Wasini Esinkumo Allen, Mr. Bulama Mustapha Modu and alot others whom I have not mentioned their names.

Finally, my immeasurable appreciation and thanks goes to all well wishers, friends and colleagues who labored by praying to God Almighty for the successful completion of this programme, may God reward you abundantly and make us prosper throughout our lives and grant us his abundant mercies and protection both here and hereafter, Amen.

TABLE OF CONTENTS

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

LIST OF TABLES

ABSTRACT

Fraud is a very common thing in the world of this day we live in. It takes different forms in different organizations; the most common and frequent occurrences happen in public organizations/offices. This study examines effect of financial control mechanisms on management of funds in National Judicial Council (NJC). The study adopted a survey research design with the sample population of 140 staff at account department and audit in National Judicial Council, Abuja. Data were collected and analyzed using Ordinary least squares method of regression with the aid of Statistical Package for Social Sciences (SPSS) to determine and analyze the effect of anti-fraud strategies; also frequency distribution and percentages were used amongst other models. Based on the finding the study concluded that mismanagement of funds is controlled when all assets and expenditures are authorized before payments are made. It is also concluded that independence of audit reduces financial mismanagement in the National Judicial Council. Furthermore, the use of computer technology greatly helps against financial mismanagement. However, the study concludes that separation of responsibility amongst the staff of the National Judicial Council would have enhanced financial management of the National Judicial Council Abuja, Nigeria but the National Judicial Council Abuja, Nigeria has not been separating its staff such that no one person does the work alone.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

There is general awareness all over the world for the need to pay greater attention to the improvement of public sector management. The reason is obvious, government constitutes the largest single business entity and her pattern of expenditure through its various Parastatals, Agencies and Commissions stimulate alot of economic activities. As a result of these Government's huge involvements in economic activities, initiatives are being taken all over the world towards improvement of the standards of accounting and auditing departments in government. The public sector accountant has the responsibility of developing systematic arrangements to assist management in the performance of the services of the institution while the public sector auditor has among other duties, the complementary role to examine whether management actually performs that efficiently.

The public sector auditor has to satisfy himself that the account presented has been prepared in accordance with statutory and constitutional requirements and regulation and that proper accounting practice have been observed in their compilation. With the growing size and complexity of public sector in the recent years, the importance of the internal audit has correspondingly increased so that it is today a major factor in establishing the quality of the public sector internal financial control mechanisms and its development has made a considerable contribution as well.

Transparency and accountability in the use of public funds typically engender greater trust in government (International Federation of Accountants (IFAC), 2012). Consequently, most activities of government globally are centred on improving public confidence in the management of its funds through enacted reforms and series of measures aimed at improving the efficiency of resource mobilization and allocation. However, many countries in Africa struggle with the most appropriate approach to ensure effective public financial management.

Government institutions, systems processes and reforms that deal with the various aspects of public finance are weak, and most often incapable of developing adequate budgets system, monitoring public expenditures, using public funds and investments efficiently (Babatunde, 2013). For many years the issue of financial control has dominated discussion among stakeholders, especially government on its effectiveness in contributing to ensuring proper use of public funds. One critical point of discussion has been the ability of financial control mechanisms to identify and reduce misappropriation of funds. This is because financial control system is a fundamental part of financial management which is concerned with the acquisition, financing, and management of assets.

In Nigeria, public financial control is to ensure that government spending is incurred based on budget. However, despite the existence of public financial controls the problem of misuse of public funds persist and despite all of these contributions, there is still evidence of mismanagement of public funds. Therefore based on this reality, the study seeks to examine the effect of internal financial control mechanisms on management of funds in National Judicial Council

1.2 Statement of the Problem

In each budget year in Nigeria, funds are dispensed to all levels of government based on a predetermined allocation formula through which the funds are disbursed to the various Ministries, Departments and Agencies based on the approved budget estimates (The Constitution of the Federal Republic of Nigeria, 1999). These funds which are meant for capital projects, recurrent expenditures and other developmental initiatives, when disbursed, are usually misappropriated by corrupt government officials for personal enrichment (Olurankinse, 2012). For example in the Nigerian educational sector, most of the funds appropriated for the sector ended up in the pockets of top government officials (The Premium Times, 2017).

One of the consequences of misappropriation of educational funds is reflected in the level of poor infrastructure in Nigerian secondary schools (Educate Nigeria, 2017). This includes poorly built schools, which in turn negatively affects the provision of classroom's and environment conducive for learning (Gbenu, 2012). The mismanagement of public funds is also reflected in the lack of laboratories and it's equipments. This challenge has made education in Nigeria to be more theoretical than practical. For effective teaching and learning environment, well equipped laboratories and classrooms are needed; but the reality is that majority of Nigerian secondary schools today lack these essential facilities (Ike, 2017). This current research, therefore, is an attempt to contribute empirically to the existing literature by understanding the predictors of efficient and effective management of funds in public sector.

Specifically, the study identify the four dimensions of internal financial control mechanism namely: authorization of transaction, information and communication technology, segregation of duties and independent audit are statistically significant predictors of management of funds in National Judicial Council. This is in addition to other previous studies like Nkuah, Tanyeh and Asante (2013) who sought to determine the relationship between financial control systems and public sector efficiency in Ghana while Sari, Ghozali and Achmad (2017) study the effect internal financial control system on public accountability in Indonesia state university. Al-Hawatmeh and Al-Hawatmeh (2016), Kinuthia (2012) studied the impact of financial controls on financial efficiency of free secondary education funds among secondary schools in Nairobi.

While acknowledging the contribution of previous scholars in enriching the literature on public financial management, however, majority of these studies surveyed mainly used qualitative research design through simple percentage, mean and standard deviation as evidenced from studies by Kinuthia (2012), Simiyu (2014), Ejoh and Ejom (2014) and Mrsik, Nenovski and Radenkovic (2016). Consequently, there is a methodological gap, hence there is the need for more robust research methodology in this regard. It is against this backdrop, that this current study adopted a different methodology that is more appealing in understanding the effect of internal financial control mechanisms on management of funds so as to confirm the findings of previous studies or otherwise.

In view of the foregoing, therefore, the current study employed multiple regressions to predict the effect of financial control mechanisms on management of funds in National Judicial Council. In addition, the above-mentioned studies empirically establish evidence from foreign countries at different times. However, to the best of the researcher's knowledge; there exist scanty studies on the effect of financial control mechanisms on management of funds in Abuja, Nigeria which is the motivation for this research at this time and in the study area.

1.3 Research Questions

Based on the above statement of the problem, the study asks the following research questions:

i. What is the effect of authorization of transaction on management of funds in National Judicial Council, Abuja?

ii. What is the effect of segregation of duties on management of funds in National Judicial Council, Abuja?

iii. What is the effect of independent auditon management of funds in National Judicial Council, Abuja?

iv. What is the effect of information communication technology on management of funds in National Judicial Council, Abuja?

1.4 Objectives of the Study

The general objective of the study is to determine the effect of internal financial control mechanisms on management of public funds in National Judicial Council, Abuja, Nigeria. However, the study was guided by the following specific objectives is to:

i. Establish the extent to which authorization of transaction affects management of funds in National Judicial Council Abuja.

ii. Examine the extent to which segregation of duties affects management of funds in National Judicial Council Abuja.

iii. Assess the extent to which independent audit affects management of funds in National Judicial Council Abuja.

iv. Determine the extent to which information communication technology affects management of funds in National Judicial Council Abuja.

1.5 Research Hypotheses

Following the research questions and subsequently the research objectives the following null hypotheses are therefore formulated;

H_{01}: Authorization of transaction does not have a statistically significant effect on management of funds in National Judicial Council Abuja.

H_{02}: Segregation of duties does not have a statistically significant effect on management of funds in National Judicial Council Abuja.

H_{03}: Independent audit does not have a statistically significant effect on management of funds in National Judicial Council Abuja.

H_{04}: Information and communication technology does not have a statistically significant effect on management of funds in National Judicial Council Abuja.

1.6 Scope of the Study

This study focused on evaluating the effect of financial control mechanisms on management of funds in National Judicial Council Abuja. This study was restricted to National Judicial council in Abuja. The study is in the area of public sector accounting and the literature review is restricted to financial control mechanisms and management of funds. The dimensions of financial control mechanisms that this study focuses on are authorization of transaction, segregation of duties, independent audit and information communication technology and how they affect the management of public funds. The unit of analysis that the study focuses on is the accounts and audit departments in the National Judicial Council Abuja.

1.7 Significance of the Study

This study will enable the government to gain knowledge on importance of using financial control mechanisms to ensure effective use of public funds. The findings of this study will also provide top officials in the public sector with critical information on the need for accountability in the use of public funds. The study will also give insights to the citizens on the mechanisms to ensure efficient use of public funds. The finding from this study will also benefit researchers involved in the study of financial control and public funds management and those researchers willing to explore on areas that may require further investigations in this field. The study has contributed to similar materials on the study variables.

CHAPTER TWO

LITERATURE REVIEW

2.1 Conceptual Framework

From the preliminary review of literature, the researcher adopted the following conceptual framework to identify the study variables and how these variables relate to each other. As indicated, the variables have been categorised as independent and dependent. The independent variable has been classified under four conceptual dimensions.

2.1.1 Concept of Public Financial Management Effectiveness

Financial management is the system by which the financial aspects of the public goods and services are directed, controlled and influenced, to support the delivery of the government goals and objectives (Onuorah & Appah, 2012). Public financial management concerns the effective management of the collection and expenditure of funds by governments (Brusca, Gómez-villegas & Montesinos, 2016). As societal needs will inevitably be greater than the resources available to government, all public resources must be used as efficiently as possible with a minimum of government wastage (Bandy, 2014). Efficient public financial management is central to creating a relationship of mutual trust and shared consensus between government and citizens that is at the core of the development process (Maronga, Weda & Kengere, 2013).

The effectiveness of the PFM system in any country depends on a network of interlocking processes, within a framework of institutions at global, regional, national and sub-national level (Babatunde, 2013). The quality of PFM depends on how well the individual institutions work, the quality of inputs provided to the system, the feedback and control mechanisms that ensure a focus on objectives, and on how well the system functions as a whole (Brusca, 2016). It is influenced by factors such as culture, people skills, the political economy, leadership, environmental and systems related issues.

A strong Public Financial Management (PFM) system is a catalyst for economy's growth and development (Mestry, 2013). It ensures that the government and its departments raise manage and spend public resources in an efficient and transparent way (Maronga et al., 2013). Sound systems, strong legal and regulatory frameworks as well as a competent and productive civil service are the cornerstones of an efficient PFM regime (Onuorah & Appah, 2012). Public Financial Management reforms have been identified as the key drivers to efficient public service delivery and creation of wealth and employment.

2.1.2 Concept of Financial Control Mechanisms System

The government of any country has the responsibility of establishing financial control mechanisms system so that its activities operations are in an efficient and well-ordered manner (Lagat & Okelo, 2016). This implies that, a good in financial control mechanisms system increases efficiency in public service. Al-Hawatmeh and Al-Hawatmeh (2016) defines financial control system as a "whole system of controls, financial and otherwise, established by the management in order to carry on the business of the enterprise in an orderly and efficient manner, ensure adherence to management policies, safeguard assets and secure as far as possible the completeness and accuracy of the records".

The Emiracity School (2004) defined financial control system as an integration of the activities, plans, attitudes, policies and efforts of the people of an organization working together to provide reasonable assurance that the organization will achieve its objectives and mission. The definition given by the Emaricity School further established that financial control impacts on every aspect of an organization, processes and physical structure. It is a basic element that permits an organization and also incorporates the qualities of good management. The financial control system is effective when people in the surrounding environment work together and provide a level of comfort to the organization, control do not guarantee success. In every sector, where financial control is practiced, it is the school management that decides how it is to be applied to enable the organization achieves set goals.

Correspondingly, the Institute of internal auditors (1999) define financial control as any action taken by management, board and other parties to manage risk and increase the likelihood that established objectives and goals will be achieved (Vijayakumar & Nagaraja, 2012). It is further added that management plan, organizes and directs the performance of sufficient actions to provide reasonable assurance that objectives and goals will be achieved.

From the above definitions, internal financial control is the duty of the government. It is established in order to enhance prudent management resources and transparency in the accounting process (Emmanuel, Ajanya & Audu, 2013). It also includes other administrative issues and organisation strategies in order to improve efficiency and productivity (Al-Rawashdeh, 2017). It is the duty of internal audit unit to review the soundness, adequacy and application of internal financial control mechanisms for both financial, management and the use of resources (Kostić, Žugić & Radojković, 2014). Internal auditor shall appraise the soundness and application of accounting, financial and operational control in review and report on compliance with financial and operational procedures laid down in any written law, instruction and good accounting practice as defined by the Ministry from time to time in order to ensure sound financial practices (Stefaniak, Houston & Cornell, 2012). Review of internal financial control is a useful exercise as it provides quality information to management on safeguarding assets, reliability of records, promotion of operational efficiency and monitor adherence to policies and directives (Badara & Saidin, 2013).

Omboga et al., (2016) revealed that financial control is essential for the industry's positive performance, this could be achieved through effective cash control, cash processing and budgeting but recommended the examination of the effect of human behavior on the application of financial control mechanisms. Also, Harley and Emery, (2016) and Oyebanji, (2018) concluded that the approach of organizing the system of financial control influences not only the safety of material and financial resources but all of its financial and economic activities. A properly organized system of financial control allows not only for early detection of flaws but to take timely action to address them. Prempeh, (2015) concluded that raw materials and inventory management has a significant effect on the profitability of manufacturing firms and further suggested that other control variables should be incorporated in further studies of these variables.

Simiyu et al. (2018) and Ibrahim et al. (2017) conducted on studies of risk and financial planning practices and have established that sound financial management practices and control are components that have significant yet moderating relationship with the performances of the firm. While Maiga et al., (2018) and Mutya, (2018) concluded from the study of the interaction effect of cost control system and information technology integration that manufacturing plant could obtain the utmost financial performance and rewards from investments in activity-based cost control systems in conjunction with information technology integration. Baseweti & Muturi, (2018) in the study 'effect of risk mitigation on the financial performance of manufacturing firms' discovered there was a significant strong positive relationship between changes in production, economic risk mitigation and financial performance. They recommended that companies should practice comprehensive risk mitigation planning to counter any likely event that might cause a business breakdown.

The joint initiative of free private sector firms as contained in Committee of sponsoring organization real way commission established and dedicated to provide good leadership to decision-making organisation and governance of entities on critical aspect of organization (Suyono & Hariyanto, 2012). The COSO report been formed a common platform model against which businesses and organizations may evaluate their control systems (Indriasih & Koeswayo, 2014). COSO is supported by five supporting institute including the IMA that is Institute of Management Accountant, AAA which stands for the American Accounting Association, the AICPA meaning American Institute of Certified Public Accountant and IIA that is, the Institute of Internal Auditors and Financial Executives International FEI (Adetiloye, Olokoyo & Taiwo, 2016).

The origin of financial control goes back to time scarcely less remote than that of accounting (Iyoha & Oyerinde, 2010). Whenever the advance of civilization brought about the necessity of one man being entrusted to some extent with the property of another, the advisability of some kind of check upon the fidelity of the former will become apparent (Emmanuel et al., 2013). Another main reason in the development of internal financial controls was to strengthen span of control as a principle of management faced in business engaging several number of people and piloting procedures in many positions (Stefaniak et al., 2012). The key unbiased system of internal financial controls was mostly shaped around the safety of resources.

Prior to the modern-day practices, internal financial controls and internal audit was clearly a clerical function for many organization setup and principle and also no code of conduct (Akindele, 2017). Internal auditing is the oldest concept that was made as assurance engagement and a rationale for fraud detection, which is the reason behind public accountants and the yearly audit report with several guidelines (Kostić et al., 2014). The guideline included criteria against which control systems can be assessed, as well as information on preparing management financial control mechanisms effectiveness. This system provided guidance to management and boards of directors, rather than to auditors (Badara & Saidin, 2013). That improvement in laws and regulations are required to serve as deterrent to fraudulent financial reporting and to regulate the public accounting profession to facilitate the improvement of audit quality (Al-Rawashdeh, 2017). Unfortunately, laws and regulations only show the perpetrators that crime does not pay. The perpetrators of the Enron scandal are serving prison sentences, but only after they have inflicted damage on many lives and the financial markets.

According to Marinovic, (2013) diversity of views has existed long ago regarding the internal financial control objectives and meaning. Some others understand financial control to mean business taking measure to protect misappropriation of resources and fraudulent reporting of financial statements. Bandy (2014) financial control refers to procedures and approaches accepted within the organization to safeguard the cash and other assets of the company as well as to check the clerical accuracy of the bookkeeping". financial controls may be clerical errors that can allow loss of cash and companies assets. According to Noordin (1997), definition of financial control varies differently (Indriasih & Koeswayo, 2014). However, both accounting and administrative controls are wide considered in broad sense. Methods and procedures used by management to control areas such as budgeting and financial performance are termed administrative controls (Adetiloye, Olokoyo & Taiwo, 2016). Accounting control on the other hand is concerned with the authorization of transactions, protection of properties and perfect economic accounts (Iyoha & Oyerinde, 2010).

The COSO Framework outlines the core mechanism of control as a process concerning the attainment of purposes as: reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations (Akindele, 2017). The COSO meaning of financial control highlights that financial control is a method realized by persons and not mere handbooks or procedures (Nuswantara & Maulidi, 2017). Also the inclusion of written manual provide reasonable assurance in COSO's model of control systems and signifies no absolute assurance for internal financial control auditing but only gives reasonable level of assurance that system of government aims can be completed (Suyono & Hariyanto, 2012). The definition covers approaches through which authority assign roles obligation for such purpose as trade, buying, bookkeeping and manufacture (Mohammadi & Shirzad, 2015). Other concerns incorporated in the definition include package for making, confirming and allocating to several stages of managing those existing information and investigation which are performed in large organizations.

Financial control mechanisms also incorporate the potentials of respectable organisation and is reliant upon people and would do well or fail liable to the attention given it (Akindele, 2017). Further still, the definition underscores that financial control mechanisms become real once all the persons and the nearby surroundings work organized to deliver a level of ease concerning the possibility of attaining organizational goals as well as its duty (Nuswantara & Maulidi, 2017). With reference made from Millichamp (2002), financial control mechanisms is about the entire system of controls recognized by authority to carry out the industry or enterprise in a sound manner (Indriasih & Koeswayo, 2014). It is also to certify that managers adhere to rules, maintenance of their assets and obtaining as much as likely comprehensive and accurateness of the facts.

There are various ways in which financial control mechanisms are published and defined in most groups and organisations (Kotb, Sangster & Henderson, 2014). Most explanations of financial controls are similar. In the opinion of the researcher financial control mechanisms can be defined as strategies, plans, policies, and procedures, whose implementation require the collective efforts of both management and employees in ensuring the achievement of the task and neutral performance of a business. The definition of financial control mechanisms provided by Indriasih and Koeswayo (2014) states that policies and procedures adopted by management of an organization to achieve predetermined objective, ensure orderliness and efficiency, including working according to internal policies, protection of assets, the prevention and detection of fraud practices and ensuring accuracy and completeness of accounting records and timely and reliable financial reporting.

Mohammadi and Shirzad, (2015) also defined financial control mechanisms as means by which an organization's resources are directed, monitored, and measured. Nuswantara and Maulidi (2017) also added that financial control systems are to detect fraud and protect an organization's assets such as, machinery, landed property and intangible asset e.g. reputation or intellectual property such as trademarks) (Kotb, et al., 2014). Martin, Sanders and Scalan (2014), argue that the most encompassing definition of financial control mechanisms was the one provided by the Committee of Sponsoring Organization 1992 (COSO) which outlines a process, effected by an entity's board of directors, management and other personnel, intended to achieve truthfulness declaration regarding the achieving of objectives in the following categories: a) Effectiveness and efficiency of operations; b) Reliability of financial reporting; and c) Compliance with COSO regulations (Suyono & Hariyanto, 2012).

2.1.3 Authorization of Transaction

While designing the forms and procedures of effective financial control mechanisms, provision should be made for proper authorization with a view to establish for accountability for all action taken. In general, such a system means that approved procedures and methods should be employed by the client's accounting staff (Tanui, Omare & Bitange, 2016). The system consists of the chart of accounts, procedures, manuals, computers program and system documentation manual, flow-chart of the transaction processing, and the variety of paperwork forms and approved signature provisions that characterize large-volume transaction data (Kamaruddin & Ramli, 2015). There must be a well-defined organizational structure showing how responsibility and authority are delegated. That is an entity's organizational authority and boundaries of responsibility. This makes it designated areas or to prepare frauds undetected in areas of responsibility.

2.1.4 Segregation of Duties

Millichamp (2002) defines segregation of duties as follows: No one person should be responsible for the recording and processing of a complete transaction. The involvement of several people reduces the risk of intentional manipulation or accidental error and increases the element of checking of work. Article 15 of "Procedures and Principles on financial Control and Ex-Ante Financial Control" says that duties of the authorizing officer and accounting officer cannot be given to the same person (Bedard, Hoitash, Hoitash & Westermann, 2012). Employees assigned to ensure internal financial control shall not be given the responsibility of preparation and implementation of financial decisions and transactions such as responsibility to prepare approval document and its supporting documents, specifications and draft contacts, and acceptance of goods and services.

To ensure reduction of possibility errors and abnormalities, an employee is not to be responsible for more than one of the authorization, custody, and record keeping financial transaction (Rendon & Rendon, 2015). When the work of one employee is checked by another, and when the responsibility for custody for assets is separate from the responsibility for maintaining the records relating to those assets, there is appropriate segregation of duties. This helps detect errors in a timely manner and deter improper activities; and at the same time, it should be devised to prompt operational efficiency and allow for effective communications.

Improper segregation of duties increases the possibility of fraud carelessness and unreliable record keeping, whereas with a proper division of duties, the work of one person or group. The segregation of duties is valuable not only preventing errors and fraud, but also in providing the advantages of specialization, better performance and easier employee training. Segregation of duties is one of the most important features of financial control plan (Rendon & Rendon, 2015). Its fundamental premise is that an employee or small group of employees should not be in a position to initiate, approve, undertake, and review the same action. These transaction or duties can be labelled incompatible if carried out by the same employee. Examples of incompatible duties include situations where the same employee (group of people employee) is responsible for: (i) both the operation of and record keeping for the same financial transaction (ii) Managing the custody of activities and maintenance of records for the same assets. (iii) Authorizing financial transactions and managing the custody or disposal of the related assets or records.

There are four kinds of functional responsibilities that should be performed by different departments, or at a minimum, by different persons within the same department:

i. Authority to give approval to execute transactions: This duty belongs to employees with authority and responsibility to initiate and execute financial transactions

ii. Recording transactions: This is the duty to account for or record financial transactions, which in most organizations, is accomplished by entering data into a computer system

iii. Custodian of assets involved in any financial transactions: This is the duty to be in possession of actual physical possession.

iv. Periodic examination and reconciliation of physical assets: This is the responsibility of regularly comparing the physical assets with the records and reconciling any differences.

The advantages derived from proper segregation of employees' duties are two: first, fraudulence practices are more difficult to perpetuate because it would generally require collusion of two or more employees, and most employees hesitate to seek the help of others to conduct wrongful acts. Second by handling different aspects of the transaction, innocent errors are more likely to be found and flagged for correction.

2.1.5 Independent Audit Function

The public accounting profession is built on the foundation of independence, Al-Khaddash, Al Nawas & Ramadan, (2013) See regulatory bodies requiring auditors to be independent both in fact and in appearance. Auditor independence refers to the cornerstone of the integrity of all auditing process where maintaining the independent audit function is obligatory for auditors and required by the standard of profession (Choo, 2014). The auditor's independence can be categorized into two, which is "independence in fact" and "independence in appearance". To be independent in fact means to be actually objective in all relationship between firms and their client; whereas independence in appearance means the subjective state of the relationship as perceived by client and third party (Sun, Lan & Liu, 2014). Nowadays, most people are of the opinion that the decline in the level of audit independence is an important ethical value in the accounting profession for concern (Al-Khaddash et al., 2013).

According to Sun et al. (2014), when auditors and clients are negotiating issue about the financial statement, the most important part of an auditor's role is to maintain the integrity of the independent audit function. This is because the auditors are required to follow the standards of the accounting profession. If the users of the audit report do not believe that the auditor is independent, less confidence and assurance will be put on the auditor's opinion in the audit report (Al-Khaddash, et al., 2013). Restrictions have been provided in the Sarbanes-Oxley Act 2002 to enhance auditor independence and to prevent corporate scandals such as Enron and WorldCom (Sun, Lan & Liu, 2014).

The opinion of an independent auditor adds credibility to the financial statements and enhances the quality of financial reporting (Kantudu & Samaila, 2015). The professional independence of the auditors is considered to be one of the major postulates of auditing as per Choo (2014) and it is, therefore, expected that while expressing an opinion, the auditors would act exclusively in the capacity of auditors. Sun et al (2014) observes that external audit is promoted as a trust engendering technology to persuade the public that the government officials are not corrupt and all government workers are made accountable.

2.1.6 Information and Communication Technology (ICT)

In the 21st century, 'Information and Communication Technology' (ICT) is at the forefront of modern business concerns (Abiola, 2014). There is no doubt that the manual system of accounting is cheaper than the automated accounting system which is one of the reasons why small businesses still use it (Hagmann, 2013). But as a business grows, there is a need for a shift from manual accounting of financial transactions to automated processes i.e. Information and Communication Technology especially in today's generation where most transactions are performed with the use of electronic gadgets such as Computers, Computer software and the internet.

The Accountant only needs to enter the transactions into the software which simply performs computations and presentation thereby relieving the accountant of such task. Any company with large size seeking to be efficient and effective in its financial operations would need to adopt an automated system of accounting (Riggins & Weber, 2016). For a company to attain efficiency and effectiveness, it would require capacity to process accurate and timely information, hence, the need for Information and Communication Technology.

Information and Communication Technology (ICT) which can also be referred to as information technology (IT), is a more specific term that emphasize the importance of integrated communications such as telephones lines and wireless signals, computers including enterprise software, , storage device, and audiovisual systems, which enables users to access, store, and influence information as desired (Abiola, 2014). This implies that ICT is a generic term that includes all communication device or application, encompassing like ratio, television, cellular phones, computer and network hardware and software (Riggins & Weber, 2016).

There are four (4) main ages that divide up the history of information technology. These ages include; pre-mechanical, mechanical, electromechanical and electronic only the latest age i.e. electronic and some of the electromechanical age really affects us today (Abou-El-Sood, Kotb & Allam, 2015). Before the introduction of ICT, accountants were using a friendly behavioral method that is acceptable for reporting financial records which were carried out during accounting year ends. Accounts prepared include statement of account, statement of financial position, cash book, and statement of cash flow. The role of ICT on Nigerian accounting practice in recent times has become an important concern for all business enterprise and is gradually becoming a prerequisite for local and international competitiveness (Hagmann, 2013).

Unarguably ICT have transformed all the methods used by organizations to record and analyse their financial transactions including decision making (Abiola, 2014). ICT has continued to transform the way accounting practice and their formal relationships are organized globally and the variety of innovative device available to improve and facilitate the speed and quality service delivery (Riggins & Weber, 2016). A major impact ICT has made on accounting is the ability of organizations both in private and public sector to develop and use computerized system to track and record financial transactions properly and accurately.

The recording of business transaction manually on ledgers, papers, spread sheets etc has been translated and computerized for quick and easy presentation of individual financial transaction and give report on it (Abou-El-Sood et al., 2015). Hagmann (2013) argues that the use of ICT in many organizations has assisted in reducing transactional error and cost, overcome the limitations of distance and have become global thereby improving coordination (Salome & Chukwunwendu, 2014). It is apparent that, the computerized accounting system has significantly improved the efficiency and effectiveness of accounting units by increasing the speed or timeliness of accounting reporting and preparation of statement of cash flow, market shares report and departmental profit & loss are now more accessible with computerized system.

The configuration of computerized accounting systems is such that internal check and balance are built to ensure that all financial transactions and accounts are appropriately balanced before the financial statement is reported on (Salome & Chukwunwendu, 2014). It also ensures the accuracy of journal entries during posting, ensuring that employees' transactions are properly recorded (Riggins & Weber, 2016). Since the rapid use of ICT, organizations are able to process large amount of financial information with speed and accuracy through computerized accounting system. Quicker processing time for employees have also reduced the amount of time needed to choose appropriate accounting period. Transactions that would have taken an accountant months or years to prepare are done quickly and faster and thereby cutting high cost that would have resulted in preparing the reports (Mancini, Vaassen & Dameri, 2013).

2.2 Empirical Review

2.2.1 Authorization of Transaction and Public Fund Management

Rono, Njeru and Kwasira (2017) studied the effects of internal financial control systems towards sustainable financial prudence in public universities in Kenya. The study adopted descriptive survey research design. The study was conducted across six selected chartered public universities in Kenya where a total of 289 accounts, finance, and management staff constituted the study population. A sample of 127 respondents was obtained using stratified random sampling method. The study employed semi-structured questionnaires to collect data. Data analysis was both descriptive and inferential. The study indicated that strengthening internal financial control systems in public universities was likely to result in enhanced sustainable financial prudence. Internal financial control systems were concluded to be essential in enhancing sustainable financial prudence in local public universities. It is recommended that public universities in Kenya should put in place sound internal financial control systems that advocate for ethical values and integrity. The finance managers in these universities are advised to objectively implement policies on internal financial control systems in order to ultimately ensure sustainable financial prudence.

Mrsik et al (2016) evaluate the effect of state audit in improving accountability in managing the public funds. Descriptive analysis was adopted for analyzing state audit office report for five years from 2010 to 2014. The data for the research were collected from the web sites of Macedonian state audit office of Macedonia, state audit Institution of Serbia and state audit office of the Republic of Croatia. The research compared the results from two state audits in neighboring countries. The findings of the study revealed that there were weaknesses in the management of public funds.

Ajibolade and Oboh (2017) carried out a study to examine the effect of government budgeting on public funds management and economic development in Nigeria using a simple regression estimation technique from time series data set of budgetary information over a 16-years period from 2000 to 2015.The findings of the study confirm that government's annual budgeting system is limited in achieving its fiscal objectives. The budget approach indicates a state of lack of accountability and transparency in public funds management. Findings also indicate that the level of economic development in Nigeria does not have any relationship with the size of government expenditure. Practical implications – The study recommended the government needs to restructure its approach to budgeting and adopt a more resilient approach that suits its environment and economic uniqueness in effort to ensure efficient management and accountability of public funds.

Evans (2016) research dissertation examined the effect of development expenditure on management of public funds in the Metropolitan, Municipal and District Assemblies in Ghana. The research design adopted for the study was explanatory research method and data collection methods included both primary and secondary, with primary data collected by use of 200 self-administered questionnaires. The findings of the study revealed that there is a strong relationship between development expenditure and management of public funds. The researcher recommended that, Management of the District Assembly in Ghana should ensure that laid down procedures for government budgeting are adhered to strictly.

Wang'ombe and Kibati (2016) study analyzed the effect of records management and internal monitoring and controls on effective use of public funds in the Nakuru County Government's Treasury. The study adopted explanatory research design using seventy-four (74) staff involved in the management of finances based on stratified random sampling technique. Data were collected primarily using questionnaires administered to the respondents. Descriptive and Inferential statistics were used to analyze the data. The study indicated that records management practices did not have significant influence on utilization of Government funds. However, internal monitoring and controls significantly affected the effective use of funds. The study recommended that Governments at all level should enhance internal monitoring and controls.

2.2.2 Segregation of Duties and Public Fund Management

Owechi (2012) paper examines the criticism leveled against government of Uganda due to failure to ensure good financial management. Specifically, the study assessed how good governance practices promote good planning, budgeting, resource allocation, effective resource utilization and production of reliable financial reports. Using both qualitative and quantitative data collected responses from public servants in the Ministry of Gender Labor, Social Development and the members of the Public Accounts Committee. The study revealed that good governance by public servants from a legal point of view is in terms of the principles of transparency, participation and accountability. The study also revealed that the practice of transparency is moderately low among senior and top staff; in addition, the level of accountability did not meet the set standards set by government in its rules and regulations. Participation in the planning and budgetary process was only among senior account officials. The Public Accounts Committee responsibilities were also limited to compliance checks.

Nyanyuki, Okioga, Ojera, Nyabwanga and Nyamwamu (2012) paper sought to determine the effect of accounting practices on management of funds in Kenya public secondary schools in Kisii Central District. To achieve the objectives of the study a survey design was adopted using 90 respondents of Principals and Bursars. The data collected through questionnaires were analyzed using Pearson's correlation coefficient and regression analysis. The study revealed that use of accounting practices is positively associated with the level of Management of Funds in public secondary schools. The study concluded that accounting practices have an significant influence on management of funds in public secondary schools and thus recommends the use of such accounting practices to improve the general management of funds in public secondary schools in Kenya.

Fasua and Osagie (2016) conducted an empirical study on the relationship between financial control and fraud prevention in the Nigerian public sector. The research methodology adopted in the study was a survey designed with the aid of thirty three (33) copies of questionnaire from selected Edo and Ondo State. The regression analysis findings reveal that the existing internal financial control measures by Federal Government are adequate to prevent fraud in the public sectors, in addition, the success of these effective controls depend on ethical behavior of public officers at all levels. The study therefore, recommended that, public officers with good ethical behavior like integrity and honesty as well as forensic experts should be employed to examine the relevant controls put in place.

In a research to ascertain the relationship between financial control and government budget performance in South-west Nigeria, Oladele and Olaoye (2016) used secondary data sourced from the annual budget of southwestern state for five year period from 2000 to 2004. To analyse the data, the researchers used granger causality dynamic analysis. The study found no significant dynamic relationship between finance control and government budget performance in south-western Nigeria. Thus the researchers recommended that States' Government should device budget implementation models that will foster dynamic interaction between budget realization/implementation and budget performance.

Lagat and Okelo (2016) carried out a study on the effect of internal financial control systems on financial management in Baringo County government in Kenya. A sample of 97 employees in financial and accounting positions was used for the study. The study adopted the Committee of Sponsoring Organizations (COSO) of the Tread way Commission theoretical framework for analysis of internal financial control systems using five variables namely; control environment, control activities, risk assessment, information and communication technology and monitoring. The research concluded that control activities and monitoring of information and communication technology, significantly influences financial management. Control activities and ICT monitoring significantly predict changes in financial management, while control environment and information and communication does not significantly affect changes in financial management.

2.2.3 Independence of Audit and Public Fund Management

Prempeh, Twumasi and Kyeremeh (2015) examined the financial Control systems in existence in Polytechnics in Ghana. Case study design was adopted. A sample size of 50 staff members was selected using the simple random sampling. The study found out that three main financial control systems of preventive, directive and detective control systems are in existence in the Sunyani Polytechnic. Successfully, realistic budgets were implemented and results are actively monitored. The findings revealed that there was existence of internal financial controls. It was also revealed that the level of compliance was high and this is very commendable and must be encouraged. It was also discovered there was a fair amount of compliance but sanctions are rarely given to a person who does not comply with the laws and conventions of internal financial control. It was recommended that pre-audit should be done for all transactions and seriousness need to be attached to it. It was recommended that audit units need to be strengthened in the Polytechnics. It also was recommended that review of internal financial control mechanisms need to be done from time to time, so that new standards can be embraced for performance and improvement.

Badara (2012) conducted a survey on the role of internal auditors on effective financial control in Bauchi State local government of Alkaleri. The methodology adopted for data collection is only primary source using 35 questionnaires which were administered and returned by the staff of Accounting and Internal audit department. Simple percentage was employed for data analyzed with the findings revealing that lack of proper independent exercise by the internal auditor, lean internal audit unit staff, the internal financial control system is very weak toward financial and other controls and also non adherence by the auditors on general auditing standards. The paper recommends that internal auditors should exercise the degree of independency on various levels of departments within the Organization in performing their duties, the internal financial control system should be efficient in such a way that it will prevent any act of financial crime and detection of fraud and local government council should establish a scheme for internal auditors' training from time to time because it will enhance their operational capacities and skills in administering the internal financial control system by way of attending professional seminars, workshops and symposiums.

Nkuah et al (2013) in their study sought to determine the relationship between financial control systems and public sector efficiency in Ghana. Using an exploratory research design on forty-seven (47) respondents selected through purposive sampling from fifty six (56) respondents were selected from population of District Chief Executive, Coordinating Director, Budget officer, Internal Auditor, Finance Officer, Revenue Collectors, Accountants, Assembly Members and Household. The study revealed three main sources of funds for the Assembly, from government, non-governmental organizations and internally generated funds (IGF). The Assembly has put in place effective control practices such as the issuance of official receipts when payments are made, keeping the revenue generated in a bank account which requires signatures of many officials to withdraw. It also serves as a control measure to prevent management and staff to have easy access to them illegally. The study also revealed that there was strict compliance with the procurement laws in terms of acquisition of goods, and award of contracts. It is recommended that, there should be periodic in-service training for the accounting personnel to improve their knowledge, skills and abilities.

A research on the effect of internal audit and internal financial control on public accountability in Indonesia state universities was done by Sari, Ghozali and Achmad (2017). The researchers used a survey research design to select ninety (90) respondents involved in financial management in the survey area. The research data are the primary data obtained by sending questionnaires to the respondents. The data collected were analyzed using regression analysis methods. The researchers found that internal audit does not affect and cannot improve accountability while internal financial control system does affects and improve accountability.

Ongeri (2012) study was carried out to assess the influence of the training of school administrators on financial management in public secondary schools. Specifically, the study examined the effect of learnt skills such as book-keeping, financial controls, preparation of financial statements and reporting. The population of the study included 23 public secondary schools' administrators, 7 trainers and 2 District schools' auditors. The sample size was 50% of the population. The study adopted exploratory descriptive survey design. Both stratified and simple random sampling techniques were used with questions on the questionnaires being structured and unstructured styles. The study found out that though training is quite relevant and useful to school administrators, still inadequacy in knowledge and skills necessary for effective and efficient management of school funds is evident. This was due to inadequate training time allocated for the in-service at the institute. Lack of integrity and moral dignity on the part of these Officers compromised transparency and accountability. This was made worse by the irregular cash in-flows from the Ministry of Education and the unskilled staff at the finance department empowered to manage cash in-flows and out-flows. This gave room to all sorts of malpractices cited in both print and electronic media. The study recommended for the increment of training duration, employment of qualified personnel to manage financial transactions and intensify supervision and auditing from the Ministry of Education as well as making follow-ups to schools to ensure skills acquired at in-service training are effectively implemented.

Al-Hawatmeh and Al-Hawatmeh (2016) study examined the effect of internal financial control on the effectiveness of financial control in administrative government units. The study also determines whether there are limiting factors to the assessment of internal financial controls for the effectiveness of financial control in administrative government units. Lastly, the study sought to determine the effect of audit experience and qualifications on the effectiveness of financial control in administrative government units. In order to achieve the objectives of the study and the testing of hypotheses, the researchers designed a questionnaire. This questionnaire was distributed to managers and employees in the internal financial control of the administrative government units. Out of the one hundred and twenty-five (125) questionnaires distributed, ninety-six (96) were recovered with an adoption rate of 77%. The results showed that the assessment of internal financial control units for the effectiveness of financial control in administrative government units typically became high. Also, accounting entries which is related to income and expenditure were in accordance with laws, financial regulations, and the prescribed accounting for financial controls. Hence, this is the constraints that limit the effectiveness of the auditors of the Audit Bureau when they conducted financial and managerial control and evaluation in administrative government units. Thus, the researchers attributed this result to the existence of certain obstacles, the most important routine work, lack of incentives and benefits, and others as indicated in the results of the study. Based on the results of the study, the researchers recommended the need for attention to the human element as one of the main components of internal financial control system.

Kinuthia (2012) studied the impact of financial controls on the financial efficiency of funds in Murang'a County. In order to achieve this objective, primary data was collected from thirty-two (32) random stratified selected respondents using questionnaires. For the data analysis, descriptive statistics including mean, frequency and percentages were used to describe the socio-economic characteristics of the borrowers. A regression model was used to analyze the determinants of loan repayment. From the research findings, it was established that most schools in Murang'a country have a small number of students. Murang'a County secondary schools should also remove the loopholes under purchasing since these controls were found to have a negative impact on financial efficiency. The study also recommends training for school heads together with their deputies on financial management. The study concluded that, even though all financial controls are perceived as critical, there were some controls that had a positive impact while others had a negative impact on financial efficiency.

Bello, Ayoib and Zalina (2017) examined relationship between internal audit quality and organizational performance with moderating variable of top management support in the Federal Universities in Nigeria. A total of four hundred (400) samples of senior internal auditors' level were drawn from forty (40) Nigerian Federal Universities. Data was collected via questionnaires which was distributed to internal auditors. 400 questionnaires were distributed, 342 were returned, 29 were rejected and 313 were retained. The data was analysed using both descriptive and inferential statistics for testing hypotheses. The results of the study after testing the direct relationship of the independent variables with the dependent variable reveals that there are significant positive relationships between the variables of the study, except internal audit quality with organizational performance. However, the result of moderating effect of top management support in the relationship between the independent variables and organizational performance, turns out to reveal that internal audit quality, have positive and significant relationship with organizational performance. The result shows strong correlation between the dimensions of internal audit quality and organizational performance and optimum performance in Nigerian Federal Universities is attainable when internal audit quality dimensions are functional. The study has contributed greatly in determining the effect of the moderating variable in the study which adds value to the existing literature not only in the Nigerian Federal Universities but also the internal auditing practice in the Nigerian public sector. It is therefore recommended that the dimensions of internal audit quality should always be given attention, a better service delivery and efficiency.

2.2.4 Information Technology and Public Fund Management

Munge, Kimani and Ngugi (2016) the study evaluated the factors influencing financial management in public Secondary Schools in Nakuru County. Specifically, it analyzed the influence of budget management and financial controls on financial management. The study was guided by budget, financial control, and agency theories. The study adopted a cross-sectional survey research design. The study targeted heads and bursars of public secondary schools in Kenya. The accessible population constituted all the 172 school heads and 172 bursars of public secondary schools in Nakuru County. Stratified random sampling method was adopted to draw a sample of 78 from the accessible population. A structured questionnaire was used to collect data. A pilot study was conducted before the main study in order to examine the reliability and validity of the research questionnaire. The Cronbach alpha coefficient was used to test reliability while the university supervisor was consulted to determine the content validity of the research questionnaire. Data analysis was aided by the Statistical Package for Social Sciences analytical tool. Data analysis encompassed both descriptive and inferential statistics. Study findings were presented in form of tables. The study established that budget management and financial controls positively and significantly influenced financial management. The study recommended that public Secondary Schools should have effective budget management mechanisms and strong financial controls.

Wakiriba, Ngahu and Wagoki (2014) study sought to establish the effect of control activity on financial management in Mirangine Sub County of Nyandarua County. The study adopted a descriptive design and targeted thirty (30) Accounting, Finance and Administrative Staff in the Government Departments in Mirangine Sub County. The study employed a census survey where all members of the target population constituted the study sample. A structured questionnaire was used to collect data. Both descriptive and inferential statistics were used in data analysis. The study findings were presented in the form of tables and figures that captured both descriptive and inferential results. The study concludes that the public sector in Mirangine Sub County has an effective internal financial control system characterized by clear separation of roles, supervision and commitment of management. However, there are weaknesses in the implementation of financial controls since internal audit function is not well extended to all the departments. On financial management, the study concludes that the prudential use of financial resources in Mirangine Sub County is not appropriate although there is improved asset use and classification of revenues and expenditures. The final conclusion of this study is that there is a significant positive relationship between control activities and financial management. The study recommends competence staff profiling, establishment of information system within the departments and improving the generation of more finances for the operations of the government departments.

Okon and Akpan (2011) study was focused on the relationship between financial control measures and enhancement of administrative effectiveness of Secondary School Principals in Akwa Ibom State. The population of the study was 227 principals from the 227 public Secondary Schools in the state. The sample size for the study was 192 using stratified random sampling technique for the selection. Eighteen-item structured questionnaire designed by the researchers was used for data collection. The instrument was face validated by five experts. Three (3) null hypotheses were tested. The major findings were that the principals have not adopted budget preparation, budget implementation and internal auditing for the control of school finances. It was found that there is significant relationship between the variables and principals' administrative effectiveness. The recommendations made based on the findings were that (1) State Secondary Educational Board should instruct Principals to prepare annual budget of their schools. (2) State

Secondary Education Board should properly monitor the implementation of the School budget. (3) Internal auditors should be sent by the Ministry of Education to Schools.

Onatuyeh and Aniefor (2013) examined the impact of internal audit functions on public sector management and accountability in Edo State of Nigeria. Its main objective is to ascertain the extent to which effective internal audit functions could be used as an instrument to improve public sector management and accountability in Edo State. Data were collected via a well-structured and tested questionnaire administered on 245 respondents in the audit departments of 12 government Ministries and Parastatals in Benin City, Edo State. The data collected were analyzed using Cross tabulations, descriptive statistics and Spearman rank order correlation coefficient. The findings of the study suggest that effective internal auditing ensures proper stewardship reporting, and inadequate qualified manpower does hinder proper auditing of government accounts in Edo State. Based on these, it is concluded that auditing of government accounts is fundamental to the effective and efficient stewardship reporting by accounting officials without political and administrative interference. Hence, it is recommended among others that objectivity, integrity and transparency should be observed by auditors and council officials and improvement of internal auditors' remuneration and fringe benefits should be improved for enhanced performance.

Simiyu (2014) study was to investigate the factors affecting cash management in public Secondary Schools in Mombasa County. The specific objectives of this study were to find out how the Board of Governors, Principals, Government policies and Parents' involvement affect cash management in public Secondary Schools in Mombasa County. This study adopted a descriptive research design. The target population consisted of 24 Principals, Bursars and Chairmen of Board of Governors of public Secondary Schools within Mombasa County. Simple random sampling was used when selecting a sample.

The study therefore had a sample size of sixty (60) respondents. Both primary and secondary data were collected to achieve the objectives of this study. The study concludes that competence of the Board of Governors has a direct effect on the management of cash in public Secondary Schools. Training plays an important role of making the Board of Governors more responsible and informed about the role it plays as a custodian of School assets. Schools where the Board of Governors authorizes cash transactions are more effective in the management of the cash resources. The study further concludes that many principals have put in place cash control mechanisms but they may not be adequate. Major weaknesses are failure to segregate duties related to cash and absence of internal audit unit. However, the audit unit of the Ministry of Education at District and Provincial levels is fully operational and being managed by professionals.

Ejoh and Ejom (2014) study sought to establish the relationship between internal audit function and financial performance in Tertiary Institutions in Nigeria with particular reference to Cross River State College of Education, Akamkpa. The method of analysis employed was survey design while the stratified sampling procedure was adopted in administering the questionnaires. The study revealed that all activities of the College are initiated by the top management. On the effectiveness of internal audit, the study found that the internal audit department of the College is not sufficiently staffed, does not perform their duties with greater degree of autonomy and independence from management. Also, the study found that there is a flaw of audit model in the College. The study further revealed that internal audit function has no significant effect on the financial performance of Cross River State College of Education.

2.3 Theoretical Framework

There are many disciplines that have impacted on the development of internal financial control mechanisms of government and management of public funds, consequently, the theories that underpin it are quite diverse. The main theories that may affect the development of internal financial control mechanisms are: agency theory, transaction cost economic theory, stakeholder theory, and stewardship theory.

2.3.1 Agency Theory

A significant body of work has built up in this area within the context of principal agent framework. The work of Jensen and Mecklin (1976) as pointed in their work, theory of the firm: managerial behavior, agency costs, and ownership structure pointed in particular, the importance of this theory; and of Namazi (2013) as said, in their study, agency problems and residual claims, that this theory is the most important in studying performance of MFIs. The agency theory identifies the agency relationship where one party - the principal, delegates work to another party, the agent as Mallin (2010) says in her study corporate governance. The agency relationship can have a number of disadvantages related to the opportunism or self-interest of the agent as Vimrová (2017) argues in his study on access for all: building inclusive financial system; for example the agent may not work in the interest of the principal, or the agent may act only partially in the best interest of the principal.

Furthermore the agent could misuse his power for monetary gain or agent not taking appropriate risks in accordance with the interest of principal because the agent perceive those risks as not being suitable and the principal could have different perceptions to those risks (Mallin, 2010). There could also be the challenge of information asymmetry. This occurs when the principal and the agent have access to different information. This could mean that the principal is at a disadvantage since the agent usually has more access to information (Hongxing & Yu'na, 2013). In the context of control of corporations, agency theory asserts that corporate governance systems, especially Board of Directors, as important monitoring and control mechanism to ensure that any problems that may be brought about by the principal-agent relationship are reduced (Hongxing & Yu'na, 2013).

Managers are usually the agents of the corporation's owners, but managers must be monitored and checks and balances put in place to ensure management do not act beyond their power (Abdullah, Murad and Hasan (2015). The cost of management acting beyond their power including the necessary checks and balance is called agency costs (Kim, 2010). Much of agency theory as related to corporations is set in the context of the separation of ownership and control as described in the work of Hongxing and Yu'na, (2013) in their work on the Modern Corporation and private property, and also on the work of Mallin (2010). In this context, the agents are the managers and the principal are the shareholders, and this is the commonly cited agency relationship in the corporate governance context. However, it is useful to be aware that the agency relationship can also cover various other relations including those of company and creditors, and of employer and employee. The essence of this research takes its roots from the agency theory perspective as it focuses on the supervisory aspects of corporate governance to reduce the agency costs and improve performance.

2.3.2 Transaction Cost Economics Theory

The transaction cost economics theory, as expanded by the work of Williamson in 1975 (Mallin, 2010), is often viewed as closely related to the agency theory. The transaction costs economics theory views the firms as a governance structure whereas agency theory views a firm as a nexus of contracts as demonstrated in the study of Daily and Dalton (1992) that the relationship between governance structure and corporate performance.

Essentially the later means that there is a connected group or series of contracts amongst the various players, arising because it is seemingly impossible to have a contract that perfectly aligns the interests of principal and agent in a corporate control situation (Mallin, 2010).

In the aforementioned discussion of agency theory, the issue of separation of ownership and control was emphasized. As firms have grown in size, whether caused by the desire to achieve economies of scale, or due to technological advances, or by the fact that natural monopolies have evolved, they all have increasingly required more capital, rose from the capital markets and form established wider shareholder base (Verbeke & Kano, 2013). The problems of separation of ownership and control and the resultant corporate governance issues have thus raised. Mallin (2010) examined the rationale for firms' existence in the context of a framework of the efficiencies of internal, as opposed to external, contracting.

The entrepreneur has to carry out his function at less cost, taking into account the fact that he may get factors of production at a lower price than the market transactions which he supersedes as Whittington (2012) points out in his study on the financial aspects of the corporate governance. In other words, there are certain economic benefits to the firm itself to undertake transactions internally rather than externally. In its turn, a firm becomes larger the more transactions it undertakes and will expand up to the point where it becomes cheaper or more efficient for transaction to be undertaken externally (Kumar, 2010). Coase therefore posits that firms may become less efficient the larger they become. Equally, he states that all changes, which improve managerial techniques, will tend to increase the size of the firm.

Williamson cited in Mallin (2010) stated that the costs of any misaligned actions may be reduced by judicious choice of governance structure rather than merely realigning incentives and pricing them out. Heart cited by Mallin (2010) indicated that there are number of costs to writing a contract between the principal and agent, which include the cost of thinking about and providing for all the different eventualities that may occur during the course of contract, the cost of negotiating with others, and costs of writing the contract in an appropriate way so that it is legally enforceable. These costs tend to mean that contracts are apt to be incomplete in some way and so contracts will tend to be revisited as and when any omissions or required changes come to light as pointed out by Jenkinson and Mayer (1992) in their work on the assessment: corporate governance and corporate control. In case of incomplete contracts, governance structure does have a role to play; governance structure can be seen as a mechanism for making decisions that have not been specified in the initial contract (Kumar, 2010; Mallin, 2010).

Both agency theory and the transaction cost economics theory are concerned with managerial discretion, and both assume that managers are given to opportunism for self-interests seeking and moral hazard, and that managers operate under bounded rationality and both regard the Board of Directors as an instrument of control, in this context, bounded rationality means that managers will tend to be self-interested rather than maximizing the profit; this of course, not being in the best interest of 19 shareholders (Mallin, 2010). In addition to the agency theory, this study borrows from this theory as the manager sees the board as his controller.

2.3.3 Stakeholder Theory

Juxtaposed with the agency theory is the stakeholder theory. This theory takes account of a wider group of constituents rather than focusing only on shareholders (Mallin, 2010). The consequence of focusing on shareholder is that the maintenance or enhancement of shareholder value is paramount, whereas a wider stakeholder group, such as employee, providers of credit, customers, suppliers, government, and local community, is taken into account; the overriding focus on shareholder value becomes less self-evident (Harrison & Wicks, 2013). Nonetheless, many companies do strive to maximizing shareholder value and at the same time trying to take into account the interests of a wider group of stakeholders. One rationale for effectively privileging shareholder over other stakeholders is that they are the recipient of the residual free cash flow (Mallin, 2010), being the profits remaining once other stakeholders, such as loan creditors, have been paid. This means that the shareholders have a vested interest in trying to ensure that resources are used to the maximum effect, which in turn should be to the benefit of society as a whole (Mallin, 2010).

Shareholders and stakeholders may favor different corporate governance mechanisms; the first favor the so called Anglo-American model of corporate governance values the shareholders rights, while the latter is favored by the German model of corporate governance (Hasnas, 2013). Within this model, stakeholders such as employees, have a right enshrined in law for their representatives to sit on the supervisory board alongside the directors. The shareholders and the stakeholder group have a link to this study as far as the aspect of impact is concerned in terms of the conceptual framework.

2.3.4 Stewardship Theory

The stewardship theory draws on the assumptions underlying agency theory and the transaction cost economics theory (Contrafatto, 2014). Mallin (2010) suggested against accepting the agency theory in totality and introduced an alternative approach to corporate governance, which is the stewardship theory. The agency theory is relying on the control of managerial opportunism by having a board chairman independent of the CEO and using incentives to bind the CEO's interests to those of shareholders (Htay & Salman, (2013).

The stewardship theory argues that the advantageous consequences on shareholders returns will facilitate the authority structures that unify command by having roles of CEO and Chairman held by the same person (Waldkirch & Nordqvist, 2016). The safeguarding of returns to shareholders may be along the track, not of placing management under greater control by owners, but of empowering managers to take autonomous executive action (Kumar, 2010). The stewardship theory complements the agency theory in the sense that it gives more autonomy and incentives to the management, rather than making a tight supervision to the senior management, as this may create a climate of subordinate to chief; as a consequence the company may suffer from that angle because the management holds the information for the company (Mallin, 2010).

2.4 Summary

In general, the reviews of literatures above indicate that internal financial control mechanisms are important tools in an organization. To establish that, scholarly literatures on the following areas were conducted: concept of public financial management effectiveness, concept of internal financial control system authorization of transaction, segregation of duties, independent audit function, and information and communication technology. Theoretical framework: agency theory, transaction cost economics theory, the stakeholder theory, stewardship theory and lastly empirical review of related studies were done. From these review, that can be seen that even though the concept of internal financial control mechanisms are relevant to public financial management, this relationship has not been empirically studied in National Judicial Council, Abuja, in Nigeria.

CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Research Design

Research design can be defined as a general framework for conducting research or investigation." The design the researcher used is the survey research method. Survey research focuses on people, the vital facts of people including their beliefs, opinions, actions, attitudes, motivations, and behaviour. "Survey research can be classified by the following methods of obtaining information: personal interview, mail questionnaire, panel, telephone, and controlled observation. The research design used in this study aims at evaluating the impact of internal financial control mechanisms on financial activities in National Judicial Council Abuja, in Nigeria. It is a Survey Research Study using questionnaires as the instrument of drawing information from the respondents.

3.2 Population, Sample and Sampling Techniques

The population of this study comprise of all the staff in Accounts and Audit Departments in National Judicial Council Abuja. Convenience Sampling was used for the study. The methodology used to sample from a larger population depended on the type of analysis performed. The population size of the study comprised of one hundred and forty (140) staff in Accounts and Audit Departments in National Judicial Council Abuja (National Judicial Council, 2019).

Sampling techniques is a process used in statistical analysis in which a predetermined number of observations would be taken from a larger population. The simple random sample was used in this study. A sample of one hundred and three (103) out of one hundred and forty (140) staff in Accounts and Audit Departments in National Judicial Council Abuja are selected for the study.

However, one hundred and fifteen (115) questionnaires were administered to the sampled staff to provide for missing questionnaires, but only one hundred and twelve (112) out of the one hundred and fifteen (115) administered were returned and analyzed. Thus only three (3) questionnaires were missing from the one hundred and fifteen (115) sampled staff in Accounts and Audit Departments in National Judicial Council Abuja. The sample size was calculated using 50% confidence interval.

According to Taro Yamane (1967)

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

Where:

N = Population

n = Sample size

e = $(0.05)^2$

$$n = \frac{140}{1 + 140(0.0025)}$$

Sample size = 103

3.3 Methods of Data Collection

The data for this study were collected from primary source. Primary source involved going to the field to obtain data from the respondents. The study designs a set of questionnaire that captures the various financial control strategies in terms of authorization of transactions, segregation of duties, independence of audit, and information and communication technology. The questionnaire was carefully designed in structured close ended of 5 point like format (Strongly agreed (2), Agreed (1), Undecided (0), Disagreed (-1), Strongly Disagreed (-2), and a few open ended questions to seek the opinion of the respondents on some of the key issues.

3.3.1 Reliability and Validity

The reliability was insured by testing the instruments for the reliability of values (Alpha values) as recommended by Cronbach, (1946). Cronbach recommends analysis for Alpha values for each variable under study. According to Sekaran 2001 Alpha values for each variable under study should not be less than 0.6 for the statements in the instruments to be deemed reliable. Consequently, all the statements under each variable were subjected to this test and were proven to be above 0.6. The validity of the data collection instruments was done with the help of Questionnaires.

Table 3.1 Scale Reliability of Variables

Variables	Cronbach's Alpha
Authorization of Transaction	0.91
Segregation of Duties	0.89
Independence of Audit	0.94
Information Technology	0.87
Public Fund Management	0.73

Source: Researcher's Computation (2019)

Table 3.1 revealed that all the variables have Alpha Values above 0.6 mark recommended by Sekaran. Therefore all the variables in the instrument are deemed reliable.

3.4 Techniques for Data Analysis

Ordinary Least Squares Method of Regression was used with the aid of Statistical Package for Social Sciences (SPSS) to determine and analyze the effect of anti-fraud strategies (internal financial control mechanisms) on fraud perpetration in listed National Judicial Council, Abuja. Furthermore, frequency distribution and percentages (%) were used to know the proportion of responses of the respondents in relation to the subject matter. Thus, the frequency distribution and percentages (%) guide the study on the percentage of responses with respect to a statement. The independent variables were financial control mechanisms in terms of authorization of transactions, segregation of duties, independence of audit, and information and communication technology, while public fund management was the dependent variable. In line with the fulfilment of the regression assumptions, the study runs the descriptive statistics to describe the characteristics of the data, as well as know the direction of the normality. Furthermore, correlation matrix was run to know the individual relationship between the variables, as Variance Inflation Factor (VIF) was used for the test of Multicollinearity of the explanatory variables. Test of Heteroskedasticity was run for the cross sectional dimension.

Regression Model

MPF = β0 + β1AUTOTRANS + β2SEGD + β3INDAUD + β4INFTECH + ei i

Where: MPF = Management of Public Fund, AUTOTRANS = Authorisation of Transactions, SEGD = Segregation of Duties, INDAUD = Independence of Audit, INFTECH = Information and Communication Technology, β0 =constant, β1 to β4 are the coefficients of the independent variables and Et= Error term. On apriori we expect:

β1>0, β2>0 β3>0 and β4>0

The a-priori signs indicate that, all the independent coefficients are positively related to Public Sector Financial Management.

3.5 Justification of Methods

The method of data collection that was applied in this study is secondary method. The method was applied because it is a statistical process for estimating the relationships among variables. Also, regression analysis would be adopted for modelling and analyzing several variables, when the focus is on the relationship between a dependent variable and one or more independent variables.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 Data Presentation

Table 4.1: Responses on Financial Control Mechanisms and Public Fund Management

Response	Management of Public Fund	Authorisation of Transaction	Segregation of Duties	Independence of Audit	Information & Comm. Technology	Percentage of the Responses
Strongly Disagreed	12	17	19	14	18	14.3
Disagreed	12	11	10	9	9	9.1
Undecided	7	6	8	12	9	7.5
Agreed	24	33	22	27	20	22.5
Strongly Agreed	57	45	53	50	56	46.6
Total	112	112	112	112	112	100

Source: Field Survey, 2019

Table 4.1 presents data with respect to financial control mechanisms in terms of authorization of transaction, segregation of duties, independence of audit, and information and communication technology, as well as management of public fund in National Judicial Council, Abuja, Nigeria. It is indicated that, 22.5% (about 23%) of the total respondents agreed that financial control mechanisms help in the control of public fund in the National Judicial Council, Abuja, of Nigeria, as 46.6% (about 47%) of the respondents strongly agreed. 9.1% of them disagreed and 14.3% strongly disagreed. The percentage of those that are yet to decide is 7.5% (about8%).

4.2 Data Analysis and Results

Table 4.2 **Statistics**

		Management of Public Fund	Authorisation of Transaction	Segregation of Duties	Independence of Audit	Information & Comm. Technology
N	Valid	112	112	112	112	112
	Missing	0	0	0	0	0
Mean		.9107	.6964	.7143	.5357	.7768
Median		2.0000	1.0000	1.0000	1.0000	1.5000
Std. Deviation		1.40497	1.46330	1.53886	1.61596	1.52286
Minimum		-2.00	-2.00	-2.00	-2.00	-2.00
Maximum		2.00	2.00	2.00	2.00	2.00
Sum		102.00	78.00	80.00	60.00	87.00

Source: Researcher's Computation, 2019 using SPSS Version 20

Table 4.2 presents a statistics table in relation to public fund management, authorization of transaction, segregation of duties, independence of audit, and information and communication technology. Valid observations are 112, and the number of missing questionnaire is zero. The mean scores are 0.9107, 0.6964, 0.7143, 0.5357, & 0.7768 for public fund management, authorization of transaction, segregation of duties, independence of audit, and information and communication technology respectively. The respective median scores are 2.00, 1.00, 1.00, 1.00, & 1.50. The minimum scored is -2, while the maximum scored is 2. The respective summations of the variables are 102, 78, 80, 60, & 87 for public fund management, authorization of transaction, segregation of duties, independence of audit, and information and communication technology respectively.

Table 4.3 **Management of Public Fund**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagreed	12	10.7	10.7	10.7
	Disagreed	12	10.7	10.7	21.4
	Undecided	7	6.3	6.3	27.7
	Agreed	24	21.4	21.4	49.1
	Strongly Agreed	57	50.9	50.9	100.0
	Total	112	100.0	100.0	

Source: Researcher's Computation, 2019 using SPSS Version 20

Table 4.3 presents frequency table on management of public fund in National Judicial Council, Abuja, Nigeria. 24 of the respondents representing about 21.4% agreed that financial controls affect management of public funds. 57 of them representing about 50.9% strongly agreed. However, 12 (10.7%) disagreed, as 12 (10.7%) strongly disagreed. 7 of them representing 6.3% are yet to decide.

Table 4.4 **Authorisation of Transaction**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagreed	17	15.2	15.2	15.2
	Disagreed	11	9.8	9.8	25.0
	Undecided	6	5.4	5.4	30.4
	Agreed	33	29.5	29.5	59.8
	Strongly Agreed	45	40.2	40.2	100.0
	Total	112	100.0	100.0	

Source: Researcher's Computation, 2019 using SPSS Version 20

Table 4.4 presents frequency table on authorization of transaction in National Judicial Council, Abuja, Nigeria. 33 of the respondents representing about 29.5% agreed that authorization of transaction affect management of public funds. 45 of them representing about 40.2% strongly agreed. However, 11 (9.8%) disagreed, as 17 (15.2%) strongly disagreed. 6 of them representing 5.4% are yet to decide.

Table 4.5 **Segregation of Duties**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagreed	19	17.0	17.0	17.0
	Disagreed	10	8.9	8.9	25.9
	Undecided	8	7.1	7.1	33.0
	Agreed	22	19.6	19.6	52.7
	Strongly Agreed	53	47.3	47.3	100.0
	Total	112	100.0	100.0	

Source: Researcher's Computation, 2019 using SPSS Version 20

Table 4.5 presents frequency table on segregation of duties amongst staff in National Judicial Council, Abuja, Nigeria. 22 of the respondents representing about 19.6% agreed that segregation of duties affect management of public funds. 53 of them representing about 47.3% strongly agreed. However, 10 (8.9%) disagreed, as 19 (17.0%) strongly disagreed. 8 of them representing 7.1% are yet to decide.

Table 4.6 Independence of Audit

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagreed	14	12.5	12.5	12.5
	Disagreed	9	8.0	8.0	20.5
	Undecided	12	10.7	10.7	31.2
	Agreed	27	24.2	24.2	55.4
	Strongly Agreed	50	44.6	44.6	100.0
	Total	112	100.0	100.0	

Source: Researcher's Computation, 2019 using SPSS Version 20

Table 4.6 presents frequency table on independence of audit staff in National Judicial Council, Abuja, Nigeria. 27 of the respondents representing about 24.2% agreed that independence of audit staff affect management of public funds. 50 of them representing about 44.6% strongly agreed. However, 9 (8.0%) disagreed, as 14 (12.5%) strongly disagreed. 12 of them representing 10.7% are yet to decide.

Table 4.7 Information & Communication Technology

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagreed	18	16.1	16.1	16.1
	Disagreed	9	8.0	8.0	24.1
	Undecided	9	8.0	8.0	32.1
	Agreed	20	17.9	17.9	50.0
	Strongly Agreed	56	50.0	50.0	100.0
	Total	112	100.0	100.0	

Source: Researcher's Computation, 2019 using SPSS Version 20

Table 4.7 presents frequency table on information and communication technology in National Judicial Council, Abuja, Nigeria. 20 of the respondents representing about 17.9% agreed that information and communication technology affects management of public funds. 56 of them representing about 50.0% strongly agreed. However, 9 (8.0%) disagreed, as 18 (16.1%) strongly disagreed. 9 of them representing 8.0% are yet to decide.

Table 4.8 **Correlations**

		Management of Public Fund	Authorisation of Transaction	Segregation of Duties	Independence of Audit	Information & Comm. Technology
Pearson Correlation	Management of Public Fund	1.000	.920	.891	.924	.900
	Authorisation of Transaction	.920	1.000	.918	.923	.942
	Segregation of Duties	.891	.918	1.000	.983	.972
	Independence of Audit	.924	.923	.983	1.000	.973
	Information & Comm. Technology	.900	.942	.972	.973	1.000
Sig. (1-tailed)	Management of Public Fund	.	.000	.000	.000	.000
	Authorisation of Transaction	.000	.	.000	.000	.000
	Segregation of Duties	.000	.000	.	.000	.000
	Independence of Audit	.000	.000	.000	.	.000
	Information & Comm. Technology	.000	.000	.000	.000	.

N	Management of Public Fund	300	300	300	300	300
	Authorisation of Transaction	300	300	300	300	300
	Segregation of Duties	300	300	300	300	300
	Independence of Audit	300	300	300	300	300
	Information & Comm. Technology	300	300	300	300	300

Source: Researcher's Computation, 2019 using SPSS Version 20

Table 4.8 is a correlation table on public fund management, authorization of transaction, segregation of duties, independence of audit, and information and communication technology. It indicates a strong positive correlation between all the variables. The result depicts that audit independence is higher, then followed by authorization of transactions, information and communication technology, and segregation of duties.

Table 4.9 **Model Summary[b]**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.978[a]	.957	.956	.29520	.578

a. Predictors: (Constant), Information and Communication Technology, Authorisation of Transaction, Independence of Audit, Segregation of Duties
b. Dependent Variable: Management of Public Fund
Source: Researcher's Computation, 2019 using SPSS Version 20

Table 4.9 present the overall association of the variables and the proportion of the public fund management that is explained by financial controls in National Judicial Council, Abuja, Nigeria. It is evident that about 96% of variation on public fund management in National Judicial Council, Abuja, Nigeria can be explained by financial controls in terms of authorization of transaction, segregation of duties, independence of audit, and information and communication technology.

Table 4.10 ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	209.783	4	52.446	601.818	.000[b]
1	Residual	9.325	107	.087		
	Total	219.107	111			

a. Dependent Variable: Management of Public Fund

b. Predictors: (Constant), Information and Communication Technology, Authorisation of Transactions, Independence of Audit, Segregation of Duties

Source: Researcher's Computation, 2019 using SPSS Version 20

Table 4.10 is the ANOVA table. It depicts that the model is fit given by high F-statistics of 601.818 with its corresponding P-value of 0.000.

Table 4.11 Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.222	.036		6.166	.000		
	Authorisation of Transaction	.242	.086	.252	2.811	.006	.050	2.185
	Segregation of Duties	.017	.127	.019	.134	.894	.021	4.485
	Independence of Audit	.217	.076	.018	2.855	.004	.052	1.202
	Information & Comm. Technology	.642	.105	.696	6.119	.000	.031	3.530

a. Dependent Variable: Management of Public Fund

b. Predictors: (Constant), Information and Communication Technology, Authorisation of Transactions, Independence of Audit, Segregation of Duties

Source: Researcher's Computation, 2019 using SPSS Version 20

Table 4.11 presents the positive and significant effects of financial controls in terms of authorization of transaction, segregation of duties, independence of audit, and information and communication technology on management of public fund in National Judicial Council, Abuja, Nigeria. This is given by the P-values of 0.006, 0.004, & 0.000 for authorization of transaction, independence of audit, and information and communication technology respectively. The Variance Inflation Factor (VIF) of 2.185, 4.485, 1.202 & 3.530 depict absence of autocorrelation.

4.3 Discussion of Findings

It is evident from the above results and analysis that, authorization of transactions is positively related to public fund management in the National Judicial Council, Abuja, of Nigeria with statistical significance. This implies that, mismanagement of funds in the National Judicial Council, Abuja, in Nigeria, is reduced significantly when acquisition of any item is strictly authorised by a superior officer in line with the procedures and rules in the civil service. This finding agrees with the findings in the previous works such as Mrsik et al (2016); Evans (2016); Wang'ombe and Kibati (2016); and more recently, Ajibolade and Oboh (2017), and tallies with the theory of agency.

Similarly, a significant positive effect of independence of audit on public fund management was found. This means that, mismanagement of public fund in the National Judicial Council, Abuja, in Nigeria is reduced if there is strict adherence to the rule of the game. This is to say that when audit is independent, abuse of public fund is highly minimized. This finding is consistent with the findings in the previous studies such as Owechi (2012); Nyanyuki, Okioga, Ojera, Nyabwanga and Nyamwamu (2012); Fasua and Osagie (2016); Lagat and Okelo (2016); Prempeh, Twumasi and Kyeremeh (2015).

Furthermore, a significant positive effect of information and communication technology on public fund management was found. This implies that, the use of computer technology in the administration and computation of the finances of the National Judicial Council, Abuja, in Nigeria, helps in curtailing financial misappropriations. This finding supports the earlier findings in the works of Al-Hawatmeh and Al-Hawatmeh (2016); Bello, Ayoib and Zalina (2017); Rono, Njeru and Kwasira (2017).

Conversely, insignificant positive effect of segregation of duties on public fund management was found. This means that, although separation of responsibilities of staff in the National Judicial Council, Abuja, in Nigeria would have reduced financial mismanagement, but the responsibilities amongst staff are not well segregated. This is to say some responsibilities are still left with one staff to discharge, thus making it easier for mismanagement and misappropriation of funds in the National Judicial Council, Abuja. This finding is in tandem with the findings in the works of Wakiriba, Ngahu and Wagoki (2014); Onatuyeh and Aniefor (2013); Ejoh and Ejom (2014).

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

This study examined the effect of financial control mechanisms in terms of authorization of transactions, segregation of duties, independence of audit, and information and communication technology on public fund management in National Judicial Council in Abuja, Nigeria. The study adopted survey research design. The population of this study comprise of all the staff in Accounts and Audit Departments in National Judicial Council of Abuja, Nigeria. The population size of the study comprised of one hundred and forty (140) staff in Accounts and Audit Departments in National Judicial Council, Abuja, Nigeria (National Judicial Council, Abuja 2019). Taro Yamani's sampling size determination was used to arrive at a sample size of one hundred and three (103). Simple random technique was used for the selection of the sample size of one hundred and three (103). One hundred and fifteen (115) questionnaires were administered to the sampled staff to provide for missing questionnaires, but only one hundred and twelve (112) out of the one hundred and fifteen (115) administered were returned and analyzed. Thus only three (3) questionnaires were missing from the one hundred and fifteen (115) sampled staff in Accounts and Audit Departments in National Judicial Council, Abuja, Nigeria.

The data for this study were collected from primary source. Primary source involved going to the field to obtain data from the respondents. The study designed a set of questionnaire that captured the various financial control mechanisms in terms of authorization of transactions, segregation of duties, independence of audit, and information and communication technology. The questionnaire was carefully designed in structured closed ended of 5 point like format (Strongly agreed (2), Agreed (1), Undecided (0), Disagreed (-1), Strongly Disagreed (-2)), and a few open ended questions to seek the opinion of the respondents on some of the key issues.

The reliability was insured by testing the instruments for the reliability of values (Alpha values) as recommended by Cronbach, (1946). Cronbach recommends analysis for Alpha values for each variable under study. According to Sekaran 2001 Alpha values for each variable under study should not be less than 0.6 for the statements in the instruments to be deemed reliable. Consequently, all the statements under each variable were subjected to this test and were proven to be above 0.6. The validity of the data collection instruments was done with the help of Questionnaires.

Ordinary Least Squares Method of Regression was used with the aid of Statistical Package for Social Sciences (SPSS) to determine and analyze the effect of financial control mechanisms on management of funds in National Judicial Council in Abuja, Nigeria. Furthermore, frequency distribution and percentages (%) were used to know the proportion of responses of the respondents in relation to the subject matter. Thus, the frequency distribution and percentages (%) guided the study on the percentage of responses with respect to a statement. The independent variables were financial control mechanisms in terms of authorization of transactions, segregation of duties, independence of audit, and information and communication technology, while public fund management was the dependent variable. In line with the fulfilment of the regression assumptions, the study runs the descriptive statistics to describe the characteristics of the data, as well as know the direction of the normality. Furthermore, correlation matrix was run to know the individual relationship between the variables, as Variance Inflation Factor (VIF) was used for the test of Multicollinearity of the explanatory variables. Test of Heteroskedasticity was run for the cross sectional dimension.

It is evident from the regression results that, authorization of transactions is positively related to public fund management in the National Judicial Council of Abuja, Nigeria with statistical significance. This implies that, mismanagement of funds in the National Judicial

Council in Abuja, Nigeria, is reduced significantly when acquisition of any item is strictly authorised by a superior officer in line with the procedures and rules in the civil service. Similarly, a significant positive effect of independence of audit on public fund management was found. This means that, mismanagement of public fund in the National Judicial Council in Abuja, Nigeria is reduced if there is strict adherence to the rule of the game. This is to say that when audit is independent, abuse of public fund is highly minimized. Furthermore, a significant positive effect of information and communication technology on public fund management was found. This implies that, the use of computer technology in the administration and computation of the finances of the National Judicial Council in Abuja, Nigeria, helps in curtailing financial misappropriations. Conversely, insignificant positive effect of segregation of duties on public fund management was found. This means that, although separation of responsibilities of staff in the National Judicial Council in Abuja, Nigeria would have reduced financial mismanagement, but the responsibilities amongst staff are not well segregated. This is to say some responsibilities are still left with one staff to discharge, thus making it easier for mismanagement and misappropriation of funds in the National Judicial Council, Abuja, Nigeria.

5.2 Conclusion

Based on the findings of the study, it is concluded that, mismanagement of funds in the National Judicial Council of Abuja in Nigeria, is highly controlled when all assets and expenditures are authorised before any payments are made. This is to say that, purchases of any kind must be supported by written authorization to be legal. Thus any purchase that is not supported by legal document is voidable and tantamount to litigation.

It is also concluded that, independence of audit reduces financial mismanagement in the National Judicial Council of Abuja, Nigeria. Furthermore, the study concludes that, use of computer technology greatly helps in financial mismanagement. However, the study concludes that, separation of responsibility amongst the staff of the National Judicial Council Abuja, Nigeria would have enhanced financial management of the National Judicial Council Abuja, Nigeria, but the National Judicial Council Abuja, Nigeria has not been separating its staff such that no one person does the work alone. It is therefore broadly concluded that, internal financial control mechanisms help in reducing fund mismanagement in the National Judicial Council of Abuja, in Nigeria.

5.3 Recommendations

In the light of the above findings and conclusions, the following recommendations are made:

National Judicial Council of Abuja, Nigeria should make concerted efforts to ensure that, all transactions are authorised before any payment is made. This is to say that, all expenditures in the National Judicial Council, Abuja, Nigeria must be supported with written documents for authentication.

National Judicial Council of Abuja, Nigeria should ensure that due processes are strictly adhered to. This is to say that, the audit should be independent such that adherence to the rules and procedures are complied with.

National Judicial Council Abuja, in Nigeria should insist on the use of computers. They should install accounting soft wares that can easily facilitate financial computations.

Preparation of responsibilities among the staff members of the National Judicial Council Abuja in Nigeria should be insisted. This will go a long way to reducing financial mismanagement and misappropriation, since no one person will be tasked on a job from beginning to the end.

References

Abdullah, A. B. M., Murad, M. W., & Hasan, M. M. (2015). A decision dynamics model of cost control and corporate governance. *The Journal of Developing Areas*, *49*(2), 397-405.

Abiola, J. O. (2014). The Impact of Information and Communication Technology on Internal Auditors' Independence: A PEST Analysis of Nigeria. *Journal of Scientific Research & Reports, 3(13): 1738-1752.*

Abou-El-Sood, H., Kotb, A., & Allam, A. (2015). Exploring auditors' perceptions of the usage and importance of audit information technology. *International Journal of Auditing*, *19*(3), 252-266.

Adetiloye, K. A., Olokoyo, F. O., & Taiwo, J. N. (2016). Fraud Prevention and Internal financial Control in the Nigerian Banking System. *International Journal of Economics and Financial Issues*, *6*(3).

Ajibolade, S. O., & Oboh, C. S. (2017). A critical examination of government budgeting and public funds management in Nigeria. *International Journal of Public Leadership*, *13*(4), 218-242.

Akindele, J. A. (2017). The Analysis of the Effectiveness of Accounting Internal financialControl in Nigeria Telecommunications Industry. *Journal of Social and Behavioural Sciences*, *3*(2), 4-27.

Al-Hawatmeh, O. M., & Al-Hawatmeh, Z. M. (2016). Evaluation of Internal Control Units for the Effectiveness of Financial Control in Administrative Government Units: A Field Study in Jordan. *European Scientific Journal, ESJ*, *12*(13).

Al-Khaddash, H., Al Nawas, R., & Ramadan, A. (2013). Factors affecting the quality of auditing: The case of Jordanian commercial banks. *International Journal of Business and Social Science*, *4*(11).

Al-Rawashdeh, H. A. A. (2017). The Role of Internal Control Components in the Maintenance of Public Funds: Applied Study on the Jordanian Ministry of Justice–North Province as Perceived by the Workers of Internal Control and Accounting Departments. *International Business Research*, *10*(5), 189.

Arwinge, O. (2012). *Internal control: A study of concept and themes*. Springer Science & Business Media.

Babatunde, S.A. (2013), "Stakeholders' perception on the effectiveness of internal control system on financial accountability in the Nigerian public sector", International Journal of Business and Management Invention, Vol. 2 No. 1, pp. 16-33

Badara, M. A. S. (2012). The role of internal auditors in ensuring effective financial control at local government level: the case of Alkaleri LGA, Bauchi State. *Research Journal of Finance and Accounting*, *3*(4), 57-65.

Badara, M. A. S., & Saidin, S. Z. (2013). Impact of the effective internal control system on the internal audit effectiveness at local government level. *Journal of Social and Development Sciences*, *4*(1), 16-23.

Bandy, G. (2014). *Financial management and accounting in the public sector*. Routledge.

Bedard, J. C., Hoitash, R., Hoitash, U., & Westermann, K. (2012). Material weakness remediation and earnings quality: A detailed examination by type of control deficiency. *Auditing: A Journal of Practice & Theory*, *31*(1), 57-78.

Bello, S. M., Ayoib, A. C., & Zalina, Y. M. (2017). Investigating the relationship between internal audit quality and organisational performance of public universities in Nigeria. *European Journal of Accounting, Auditing and Finance Research*, 5(6), 1-23.

Blueprint Newspaper (2013), "World bank judgment on Nigeria's power sector", June 17, available at: www.blueprintng.com (accessed September 5, 2013).

Brusca, I., Gómez-villegas, M., & Montesinos, V. (2016). Public Financial Management Reforms: The Role of Ipsas in Latin-America. *Public Administration and Development*, *36*(1), 51-64.

Choo, K. K. R. (2014). Designated non-financial businesses and professionals: A review and analysis of recent financial action task force on money laundering mutual evaluation reports. *Security Journal*, *27*(1), 1-26.

Contrafatto, M. (2014). Stewardship theory: Approaches and perspectives. In *Accountability and Social Accounting for Social and Non-Profit Organizations* (pp. 177-196). Emerald Group Publishing Limited.

Cooper, D. R and Schindler, P. S. (2014).Business *Research methods.* (12^{th} ed.) N.Y: McGraw-Hill Irwin.

Educate Nigeria (2017).5 Most Severe Challenges Facing Secondary School Students, August 1, available at: http://educatenigeria.info/5-most-severe-challenges-facing-secondary-school-students/ (accessed April, 5, 2017).

Ejoh, N. O., & Ejom, P. E. (2014). The effect of internal audit function on the financial performance of tertiary institutions in Nigeria. *International Journal of Economics, Commerce and Management*, *2*(10), 1-14.

Emmanuel, O. E., Ajanya, M. A., & Audu, F. (2013). An assessment of internal control audit on the efficency of public sector in Kogi State Nigeria. *Mediterranean Journal of Social Sciences*, *4*(11), 717.

Evans, M. B. (2016). *Disbursement and management of public funds in Mmdas:(A case study of the Offinso north district assembly)* (Doctoral dissertation).

Fasua, h. K., & Osagie, I. O. (2016). Financial control and fraud prevention in the public sector. International Journal of Advanced Academic Research, 2(8), 34-48.

Gbenu, J. P. (2012). State of Nigerian secondary education and the need for quality sustenance. *Greener journal of educational research, 2*(1), 7-12.

Hagmann, J. (2013). Information governance–beyond the buzz. *Records Management Journal, 23*(3), 228-240.

Harrison, J. S., & Wicks, A. C. (2013). Stakeholder theory, value, and firm performance. *Business ethics quarterly, 23*(1), 97-124.

Hasnas, J. (2013). Whither stakeholder theory? A guide for the perplexed revisited. *Journal of business ethics, 112*(1), 47-57.

Hongxing, F., & Yu'na, J. (2013). Corporate Governance, Internal Control and Inefficient Investment: Theoretical Analysis and Empirical Evidences [J]. *Accounting Research, 7*, 009.

Horák, R., Vincencová, E., & Hodinková, M. FINANCIAL CONTROL AND EFFECTIVENESS OF PUBLIC EXPENDITURE. *Prague, September 2015*, 51.

Htay, S. N. N., & Salman, S. A. (2013). Agency theory, stewardship theory and stakeholder theory: an Islamic perspective. *International Journal of Physical and Social Sciences, 3*(9), 319.

Ike, P. (2017). Problems and Prospects of Secondary Education in Nigeria. *International Institute of Academic Research and Development*, 3(1), 44-51.

Indriasih, D., & Koeswayo, P. S. (2014). The Effect of Government Apparatus Competence and the Effectiveness of Government Internal Control toward the Quality of Financial Reporting and its Impact on the Performance Accountability in Local Government. *Research Journal of Finance and Accounting, 5*(20), 38-47.

Iyoha, F.O. and Oyerinde, D. (2010), "Accounting infrastructure and accountability in the management of public expenditure in developing countries: a focus on Nigeria", Critical Perspectives on Accounting, Vol. 21 No. 5, pp. 361-373.

Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of financial economics, 3*(4), 305-360.

Kamaruddin, M. I. H., & Ramli, N. M. (2015). Internal control practices in Islamic Non-Profit Organization in Malaysia. In *Proceedings of The Islamic Economic System Conference 2015 (iECONS 2015)* (pp. 511-527).

Kantudu, A. S., & Samaila, I. A. (2015). Board characteristics, independent audit committee and financial reporting quality of oil marketing firms: evidence from Nigeria. *Journal of Finance, Accounting and Management, 6*(2), 34.

Kinuthia, V. W. (2012). The impact of financial controls on financial efficiency of free secondary education funds among secondary schools in Murang'a County. *Unpublished MBA Project, University of Nairobi.*

Kolomyychuk, N. M. (2016). The role of the state financial control in the state budget process. *Науковий вісник Полісся*, (4 (1)), 137-141.

Kostić, R. O., Žugić, R., & Radojković, M. (2014). Internal financial control and financial management in the public sector and their role in the defense system. *Vojno delo*, *66*(3), 238-254.

Kotb, A., Sangster, A., & Henderson, D. (2014). E-business internal audit: the elephant is still in the room!. *Journal of Applied Accounting Research*, *15*(1), 43-63.

Kothari, C. R. (2004). *Research Methodology: Methods and Techniques* 2nd ed. Washira Prakshan

Lagat, C., & Okelo, C. (2016). Effect of internal control systems on financial management in Baringo county government, Kenya. *Journal of Economics Finance and Accounting*, *3*(1).

Lagat, C., & Okelo, C. (2016). Effect of internal control systems on financial management in Baringo county government, Kenya. *Journal of Economics Finance and Accounting*, *3*(1).

Loredana, C. (2012). Ways to Increase the Effectiveness of Financial Control in Local Public Administration. *Ovidius University Annals, Economic Sciences Series*, *12*(1), 1332-1337.

Mallin. C.A. (2010). Corporate governance. 3rd edition. New York. Oxford University.

Mancini, D., Vaassen, E. H., & Dameri, R. P. (2013). Trends in accounting information systems. In *Accounting Information Systems for Decision Making* (pp. 1-11). Springer, Berlin, Heidelberg.

Marinovic, I. (2013). Internal control system, earnings quality, and the dynamics of financial reporting. *The RAND Journal of Economics*, *44*(1), 145-167.

Maronga, E.. Weda, C. W., & Kengere, D. O. (2013). An investigation on the influence of government financial management on Kenyan public secondary schools: A case of Sameta Division. *International Journal of Scientific & Technology Research*, *2*(9), 96-101.

Martin, K., Sanders, E., & Scalan, G. (2014). The potential impact of COSO internal control integrated framework revision on internal audit structured SOX work programs. *Research in Accounting Regulation*, *26*(1), 110-117.

Mestry, R. (2013). A critical analysis of legislation on the financial management of public schools: A South African perspective. *De Jure*, *46*(1), 162-177.

Millichamp, A.H. (2002), *Auditing*, Book Power, London.

Mohammadi, S., & Shirzad, A. (2015). The Effectiveness of Internal Control Reporting on Improving Financial Reporting. *International Letters of Social and Humanistic Sciences*, *64*, 52-65.

Mrsik, J., Nenovski, T., & Radenkovic, S. (2016). State audit for strengthening the accountability in public funds management: Case of Republic of Macedonia. *Timisoara Journal of Economics and Business*, *9*(2), 81-94.

Munge, M. N., Kimani, E. M., & Ngugi, D. G. (2016). Factors influencing Financial Management in Public Secondary Schools in Nakuru County, Kenya. *International Journal of Economics, Commerce and Management*,4(9),

Namazi, M. (2013). Role of the agency theory in implementing management's control. *Journal of Accounting and taxation*, *5*(2), 38.

Ndyanabo, E. (2014). *Effectiveness of financial management control In local government authorities: A case of Mvomero district council* (Doctoral dissertation, Mzumbe University).

Nkuah, J. K., Tanyeh, J. P., & Asante, J. (2013). The relationship between financial control systems and public sector efficiency in Ghana. *International Journal of Advanced Research in Management and Social Sciences*, *2*(7), 209-235.

Nuswantara, D. A., & Maulidi, A. (2017). The efficacy of control environment as fraud deterrence in local government. *Management & Marketing*, *12*(4), 591-613.

Nyanyuki, N., Okioga, C., Ojera, P., Nyabwanga, R. N., & Nyamwamu, T. O. (2012). An Assessment of the Effect of Accounting Practices on the Management of Funds in Public Secondary Schools: A study of Kisii Central District, Kenya. *Asian Journal of Business and Management Science*, *2*(8), 34-50.

Okon, F. I., & Akpan, E. O. (2011). Financial Control Measures and the Enhancement of Administrative Effectiveness of Principals in Secondary Schools in Akwa Ibom State, Nigeria. *Lwati: A Journal of Contemporary Research*, *8*(4), 70-77.

Oladele, P. O., & Olaoye, F. O. (2016). Dynamic analysis of financial control and government budget performance in Southwest Nigeria. *International Journal of Economics, Commerce and Management, 4, 625-639.*

Onatuyeh, E. A., & Aniefor, S. J. (2013). Impact of effective internal audit functions on public sector management and accountability in Edo State, Nigeria. *International Journal of Economic Development Research and Investment*, *4*(3), 91-103.

Ongeri, Z. S. (2012). *Impact of Kenya Education Staff Institute Training on financial management in public secondary schools in Ogembo Division, Gucha District-Kenya* (Doctoral dissertation).

Onuorah, A. C., & Appah, E. (2012). Accountability and public sector financial management in Nigeria. *Arabian Journal of Business and Management Review*, *1*(6), 1-17.

Owechi, J. H. (2012). Good governance practices and the management of public funds in the public sector of Uganda. *International Journal of Policy Studies*, *3*(2), 43-58.

Peterson, S. (2007). Automating Public Financial Management in Developing Countries. *World Bank and CABRO Conference on Budget Management and Public*

Financial Accountability. Pretoria, South Africa: The Social Science Research Network.

Prempeh, K. B., Twumasi, P., & Kyeremeh, K. (2015). Assessment of financial control practices in Polytechnics in Ghana. A case study of Sunyani Polytechnic. *International Journal of Economics, Commerce and Management, 3(9),* 768- 805.

Rendon, R. G., & Rendon, J. M. (2015). Auditability in public procurement: An analysis of internal controls and fraud vulnerability. *International Journal of Procurement Management*, *8*(6), 710-730.

Riggins, F., & Weber, D. (2016). Exploring the impact of information and communication technology (ICT) on intermediation market structure in the microfinance industry. *The African Journal of Information Systems*, *8*(3), 1.

Rono, E. C., Njeru, A., & Kwasira, J. (2017). Contribution of internal control systems towards sustainable financial prudence in public universities in Kenya. *International Journal of Economics, Commerce and Management*, 5(9), 252-275.

Salome, N., & Chukwunwendu, F. (2014). Integrating information and communication technology (ICT) in accounting education instruction in Ekiti State Universities. *International Journal of Business and Social Science*, *5*(6).

Sari et al (2017). The effect of internal audit and internal control system on public accountability: the empirical study in Indonesia state universities. *Technology*, *8*(9), 157-166.

Simiyu, A. (2014). Investigation of factors affecting cash management in public secondary schools: a case of Mombasa county. *MBA thesis, Retreived from: http://www. researchgate. net/public cation/263702.*

Stefaniak, C. M., Houston, R. W., & Cornell, R. M. (2012). The effects of employer and client identification on internal and external auditors' evaluations of internal control deficiencies. *Auditing: A Journal of Practice & Theory*, *31*(1), 39-56.

Sun, J., Lan, G., & Liu, G. (2014). Independent audit committee characteristics and real earnings management. *Managerial Auditing Journal*, *29*(2), 153-172.

Suyono, E., & Hariyanto, E. (2012). Relationship between internal control, internal audit, and organization commitment with good governance: Indonesian case. *China-USA Business Review*, *11*(9).

Tadei, S. (2014). *Effectiveness of Financial Control Mechanism on Effective Management of Income Generating Activities in Public Universities: A Case of The Open University of Tanzania* (Doctoral dissertation, The Open University of Tanzania).

Tanui, P. J., Omare, D., & Bitange, J. B. (2016). Internal Controls system for financial management in the church: a case of protestant churches in Eldoret municipality, Kenya. *European Journal of Accounting, Auditing, and Finance Research*, *4*(6), 29-46.

The Premium Times (2017). Why Nigeria's education sector is in a terrible state – Secondary Schools Principals, May 5, available at: https://www.premiumtimesng.com/news/headlines/ 230445-nigerias-education-sector-terrible-state-secondary-schools-principals.html (accessed April, 5, 2017).

Verbeke, A., & Kano, L. (2013). The transaction cost economics (TCE) theory of trading favors. *Asia Pacific Journal of Management*, *30*(2), 409-431.

Vijayakumar, A. N., & Nagaraja, N. (2012). Internal Control Systems: Effectiveness of Internal Audit in Risk Management at Public Sector Enterprises. *BVIMR Management Edge*, *5*(1).

Vimrová, H. (2017). Management Control Systems Through the Lens of the Agency Theory. In *New Trends in Finance and Accounting* (pp. 523-536). Springer, Cham.

Wakiriba, J. W., Ngahu, S., & Wagoki, J. (2014). Effects of financial controls on financial management in Kenya's public sector: A case of national government departments in Mirangine sub-county, Nyandarua County. *Journal of Business and Management*, *16*(10), 105-115.

Waldkirch, M., & Nordqvist, M. (2016). the Case of stewardship theory. *The Routledge Companion to Family Business*, 401.

Wang'ombe, J. M., & Kibati, P. (2016). Analysis of financial management practices on effective use of public funds in the county government of Nakuru, Kenya. International Journal of Economics, Commerce and Management, 1197-1223.

Whittington, J. (2012). When to partner for public infrastructure? Transaction cost evaluation of design-build delivery. *Journal of the American Planning Association*, *78*(3), 269-285.

APPENDIX A: QUESTIONNAIRE

Nasarawa State University,
Keffi,
Nasarawa State.

Dear Respondent,

Request for the Completion of Questionnaire

I am an M.Sc. student of the above named institution. I am carrying out a research work on the topic "effect of internal financial control mechanism on management of funds in National Judicial Council Abuja, Nigeria". To ensure the success of this research, your assistance is needed in filling out this questionnaire.

Please note that all information provided will be treated with strict confidentiality and for the research purpose only.

Thank you for your much anticipated co-operation.

Yours faithfully,

AKWE, Kennedy Anyapa John
NSU/GDM/FAA/0035/16/17

SECTION A

INSTRUCTIONS: Please indicate your response to the following questions by ticking the appropriate box.

1. Please indicate your age distribution of respondents

a) 20-30 years

b) 31-40 years

c) 41-50 years

d) 51- and above

2. Please indicate your Gender

a) Male

b) Female

3. Please indicate your educational qualification

a) OND/HND

b) B.Sc

c) M.Sc

d) Ph.D

4. Please indicate your working experience served in this organization

a) Less than 2 years

b) 2-5 years

c) 6-10 years

d) Over 10 years

Please indicate the degree to which you agree or disagree with the under-listed statements by ticking ☑ the appropriate number against each statement on the basis of the following scale:

1= Strongly Disagree 2= Disagree 3= Slightly Agree 4=Agree5= Strongly Agree.

		Level of Agreement				
		Strongly Agree	Agree	Slightly Agree	Disagree	Strongly Disagree
	Authorization of Transaction					
1	The purchase of goods and services is requested by one person and approved by another					
2	At least two signatories are required on all checks greater than a certain amount.					
3	There is proper use of budget is a form of authorization					
4	Individuals below a certain level are not allowed to handle cash					
	Segregation of duties					
5	Responsibility for execution of transactions (payment) is separated from responsibility of authorization of transactions (approval)					
6	The responsibility for receiving cash/cheques (receiving cashier) and the responsibility for making payments are carried out by different personnel					
7	The duty for loan recovery is separated from the duty for ageing of loan and classifying loans as bad debts					
8	The officer who prepares assets accounts is separate from the officer who keeps custody of assets					
9	The officer who prepares an account is separate from the officer who reconciles the account					
10	The responsibility for cheque writing is separate from the responsibility for procurement					
	Independent audit					
11	Checks and balances are put in place to ensure proper internal financial control					
12	Internal Auditors must approve all forms of payment					
13	The Internal Auditors have the power to report any unauthorized or inappropriate payment					
14	internal financial control procedures are set up to ensure that receipts and disbursement of public funds and property are justly, validly and essentially carried out					

		Level of Agreement				
		Strongly Agree	Agree	Slightly Agree	Disagree	Strongly Disagree
	Information and Communication Technology					
15	ICT tools and techniques are used to test control within payroll application					
16	ICT tools and techniques improve Quality of internal financial control					
17	I use ICT tools and techniques to carry out transaction					
18	ICT tools and techniques are used as a form of segregation of duties					
	Management of Funds					
19	Generally Auditors have been expressing an 'unqualified opinion' on the financial statements and books of accounts prepared in National Judicial Council Abuja, Nigeria, over the last three years					
20	Financial reports are effective in this public Organization (NJC) in terms of accuracy, timeliness and decision making					
21	Budget management is satisfactory in this public Organization (NJC) with a high level of satisfaction in the approval of budgets on yearly basis					
22	There is high level of satisfaction in Government's investment in National Judicial Council Abuja, Nigeria.					