International Journal of Business and Management Invention (IJBMI)
ISSN (Online): 2319-8028, ISSN (Print):2319-801X
www.ijbmi.org || Volume 11 Issue 4 Ser. I || April 2022 || PP 13-23

Internal Auditors and Corporate Governace In Nigerian Universities

Samuel N.Nwosu
Department of Accounting, Evangel University Akaeze, Ebonyi State,Nigeria.
Sunday M.Aguwamba
Banking and Finance Department, Igbinedion University Okada, Edo State, Nigeria.
Uduimoh Anthony Akwawa
Department of Accountancy and Finance, Faculty of Social & Management Sciences, Ritman University,Ikot Ekpene, Akwa Ibom State, Nigeria.

Abstract
The primary purpose of this study is to examine the significant role of internal auditors in effecting and promoting corporate governance in Nigeria universities. The study examined three universities namely University of Benin, Igbinedion University Okada and Delta state University. Primary data was obtained through the administration of structured questionnaire to purposively selected respondents comprising accountants and internal auditors from the three universities. A total of 150 respondent participated in the study. Data obtained was analyzed using the mean frequency while the hypothesis was tested using the chi-square parametric tool. The responses from the mean analyses supports that the internal audit function (IAF) is most effective when there is an existence of an audit committee and is supported by top management, regular internal audit activities indicated that internal audit departments of the universities carry out regular audit activities, Analysis also reveals that effectiveness and accountability on the part of internal auditors and management will enhance good governance in the institutions and facilitates fraud investigation process and improves internal processes. According to the result from the output, it was revealed that there is a significant relationship between internal audit and accountability and also a significant relationship between internal audit and performance in Nigeria universities. However, there is a weak relationship between internal audit and external audit effectiveness. The paper therefore concludes that assurance of complete independence in the work of internal auditors is essential for an excellent audit work to be performed as well as effective accountability and improvement can also be made on the performance of financial, operational and compliance audits in order to achieve good corporate governance in Nigeria universities.

Keywords*: university; internal audit; corporate governance; role of internal audit.*

Date of Submission: 02-04-2022 Date of Acceptance: 16-04-2022

I. Introduction:-

The role of internal auditor in promoting good corporate governance within public sectors is well noted by concerned governmental bodies and known scholars (Barasa, 2015). In this business world, the presence of an internal auditor and internal audit is necessary tools to improve the performance of organization (Gupta, 2015). It provides the board of directors, the audit committee, the chief executive officer, senior executives and stakeholders with an independent view on whether the organization has an appropriate risk and control environment, whilst also acting as a catalyst for a strong risk and compliance culture within an organization (Abdullah, 2014).

The function of an internal auditor is important in any organization that has a positive effect on the quality of financial reporting and good corporate governance, and also quality financial reporting has a positive effect on good corporate governance (Rahmatika, 2014). Hence the presence of internal auditors will reduce any weakens in the accounting system and implementation of their recommendation will improve control and reduce the risk of fraud and errors (Guruswamy, 2012).

The credibility of the audit activity strengthens public confidence by providing for accountability and protecting the core values of government, which it does by assessing whether managers and officials conduct the public's business transparently, fairly, honestly, and in accordance with laws and regulations (Goodson, et al. 2012). An internal audit that performs well is one of the strongest means to monitor and promote good governance system in an organization.

The public sector has become a true profession as to be able to influence the management of public finance. In view of this, it is appropriate for any organization to have an effective control system of accounting by having internal audit for good monitoring and check against the financial statements, ensures compliance with statutory requirements and safeguards the asset of the company. Presently, due to the increasing demand for change, good governance, transparency and accountability in public sector, it is important to revise auditing practice to assess adequacy, reliability efficiency and effectiveness of other controls which entails procedures, standard and budgeting system. Thus, the under-development of better public and private universities in Nigeria as compared to other tertiary institutions around the world and the frequent conflicts between the regulatory bodies and management of tertiary institutions could be due to inadequate accountability which could be as a result of poor internal control system and internal audit. In our public tertiary institutions today, there are lots of abandoned projects, poor facilities coupled with white elephant projects which are of no benefits and diversion of funds from one sub-heads to another.

Statement of Problem

In spite of various pronouncements on internal audit in the Nigerian universities, the general opinion according to literature is that most of the institutions have failed to deliver on the purposes for which they were established. Many people accuse managers of public institutions in Nigeria of ineffectiveness and inefficiency in terms of resource control. They argue that poor application of internal audit principles and procedures leads to blatant diversion of scarce resources with its attendant consequences on good corporate governance and the traditional accountability of government to the public. In fact, Lee, Johnson and Joyce (2004) observe that internal control is desired to provide some assurance to stakeholders that scarce resources are not diverted away from basic considerations inherent in financial management system design.

Determined to stem the tide of high profile corporate failures across the globe over the last 10 years, International Federation of Accountants (IFAC) (2006), developed new legislations, standards, codes and guidelines. However, mention must be made that the ineffective implementation of internal audit procedures in the Nigerian universities is not only attributable to unavailability of adequate legislations. It also hinges on whether there are adequate punishments for violations of internal audit procedures and whether the punishments are justly and effectively applied whenever need be. It is upon this ground that the study intends to showcase the importance of internal auditing in good corporate governance.

Objective of the Study

The main objective of the study is to examine the role of internal auditor in promoting good corporate governance in Nigeria universities. However, the specific objectives are:

To evaluate the extent to which the internal audit unit has been supported within the Nigeria universities
1. To examine the role of internal auditor in promoting accountability within the Nigeria universities.
2. To examine effect internal auditor function on the performance of universities in Nigeria

Hypotheses:

1. Ho: There is no significant relationship between internal audit and accountability in Nigeria universities.

Ha: There is a significant relationship between internal audit and accountability in Nigeria universities.

2. Ho: Internal audit function has no significant impact on performance of universities in Nigeria.

Ha: There is a significant relationship between internal audit and accountability in Nigeria universities.

Scope of the Study

The study focused on internal audit, internal control and accountability in the university. The study would be of significance by emphasizing the need for the independence of internal auditors as a means of enhancing accountability in Nigeria universities

II. Literature Review

Theoretical Framework

The agency theory, stewardship theory and stakeholder theory are relevant to this study. They are discussed below.

Agency Theory

Jensen & Meckling (1976) developed the agency theory and in explaining the theory viewed the firm as a nexus of contracts between different stakeholders of the organization. They pointed out that the owners and executives of an organization may have differences in opinion with regard to the best interests of the organization. The objective of agency theory is to determine optimal contract between the principal and the agent. The agent tries to maximize personal gains by satisfying principal's economic objectives and as such the agent's commitment level is a function of perceived reward value for satisfying principal's objectives.

The agency theory is based on the agency relationship. Jensen & Meckling (1976) pointed out that an agency relationship is one in which one or more persons (the principal) engage another person (the agent) to perform some service on their behalf which involves delegating some decision making authority to the agent. Perhaps, the most recognizable form of agency relationship is that of an employer and employee. Other examples include state (principal) and ambassador (agent); constituents (principal) and elected representative (agent); organization (principal) and lobbyist (agent); or shareholders (principal) and board of directors (agent).
Thus, the relationship between the principal and the agent based on the contract is a focal point of agency theory. Principal wants to maximize his/her benefits while minimizing reward to the agent at the same time. On the other hand, the agent wants to maximize his/her benefits. The basic assumption of agency theory is that the principal's wealth, per se, would not be maximized because of the following reasons:
(1) The agent and the principal have different goals;
(2) The agent and the principal have different access to information; thus, the principal cannot effectively monitor what the agent does and know which information the agent has; and
(3) The agent and principal have different propensity towards risk.

Stewardship Theory

Another important theory that is considered relevant to the internal audit – corporate governance effectiveness relationship is stewardship theory. Stewardship theory was developed by Lex Donaldson and James Davies. Stewardship theory is a new perspective to understanding the existing relationship between ownership and management of a company and assumes that the manager is a steward of the business with behaviours and objectives consistent with those of the owners (Donaldson & Davies, 2011). Stewardship theory holds that there is no conflict of interest between managers and owners, and that the goal of governance is, precisely, to find the mechanisms and structure that facilitate the most effective coordination between the two parties (Donaldson, 2010). This theory also suggest that there is no inherent problem of executive control, meaning that organizational managers tend to be benign in their actions (Donaldson, 2008).

Unlike agency theory which assumes conflict of interest between the agent and principal(s), stewardship theory is based on the assumption that the behaviours of the manager are aligned with the interests of the principals and places greater value on goal convergence among the parties involved in corporate governance than on the agent’s self-interest (Van-Slyke, 2016).

Stakeholder Theory

Edward Freeman advanced the Stakeholder Theory in 1984. Stakeholder theory has attracted widespread support because of its simplicity and logical application even though it is not a fully developed theory (Emerson, Alves & Raposo, 2011). No organization exists in isolation, rather, every organization (whether profit making or not-for-profit) exists for various categories of persons (stakeholders) who have interest in the organization. Stakeholder theory is, therefore, based on the assumption that the responsibility of the business is to take into consideration the interests of other stakeholders, in addition to the shareholders, who impact the firm. Stakeholders are those groups who have a stake in or claim on the firm. Stakeholders of an organization include management, employees, customers, suppliers, debt providers, government and the local community (the environment). The idea behind the stakeholder theory is that these group of persons influence the operations of the organization and as such, their influence should be considered in the decision making process and the conduct of the operations of the organization (Tse, 2011).

Freeman & Reed (1983) identified two sets of stakeholders in an organization – those groups who are vital to the success and survival of the organization and those groups who affect or are affected by the organization. Emerson, Alves & Raposo (2011) supported this view when they pointed out that stakeholders could be primary or secondary; primary stakeholders are those that are contractually involved with the organization such as employees, customers, and suppliers while secondary stakeholders are those that have no formal contracts with the organization such as governments and the local community.

III. Conceptual Review

Concept of Internal Auditing

A variety of meanings have been attributed to the term ‘internal auditing’. The concept of internal auditing is a popular concept in accountancy literature and as such many authors and professional bodies have provided definitions of the concept. In its simplest term, internal audit is an audit conducted in respect of the affairs of an organization by its employees or by an external service provider (Eke, 2015). This definition recognizes that internal auditing is performed by the employees of an organization and focuses on the operations of the enterprise; it also indicates that the internal audit function can be outsourced to a vendor who perform same tasks as in-house internal auditors and report to management.

Washerbrook (1978), cited in Kumar & Sharma (2015), defined internal auditing as an audit that is carried out by the specialist staff of the organization being audited, and concern itself mainly with the routine checking of accounting transactions on a daily basis, with the object of quickly locating irregularities, thus making it more difficult for fraud to be perpetrated, because of the constant nature of the checking. This definition, which is one of the traditional definitions of internal auditing is quite comprehensive and brings out clearly the various features and objects of internal auditing. It emphasizes the fact that internal auditing focuses on accounting transactions and as such narrowly reflects the basic role of internal auditors.

The Institute of Internal Auditors (IIA), USA, cited in Kumar & Sharma (2015), Eke (2015), initially defined internal auditing as an independent appraisal activity

within an organization for the review of accounting, financial and other operations as a basis for service to management; it is a managerial control, which functions by measuring and evaluating the effectiveness of other controls. This definition indicates that internal auditing is not mainly concerned with routine checking of accounting records but goes beyond the accounting records and includes reviewing and reporting on the operational performance of an organization.

From the perspective of Aguolu (2012), internal auditing is the independent appraisal of the functions and quality of performance of an organization by a specially assigned staff as part of the internal control system. He pointed out that many organizations, especially very large ones, engage the services of internal auditors in order to enhance the efficiency of their operations; and that the internal auditor is an employee of the organization and hence works full time within the organization. This definition is similar to the one originally given by the IIA because of its focus on the independence of the internal auditor.

All the definitions given above tend to emphasize the fact that internal auditing involves reviewing the accounting and financial operations of an organization and is undertaken by the employees of the organization. However, modern internal auditing now extends beyond reviewing transactions to evaluating operational and strategic risks and is undertaken as an assurance and consulting activity that improves the operations of an entity. It is on the basis of the strategic role of internal auditing that the Institute of Internal Auditors (IIA) via its Professional Practices Framework (PPF) issued in 2002 modified its original definition of internal auditing. The new definition of internal auditing is designed to accommodate the profession’s expanding role and responsibilities. Thus, the IIA (2014) defined internal auditing as an independent, objective assurance and consulting activity designed to add value and improve an organization’s operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Internal Audit Assignments

Internal auditors carry out various tasks in the performance of their functions. Since internal auditors work on behalf of and report to management, the tasks they perform are dictated by management. Thus, the peculiar nature of an organization and demand of management determine the scope and nature of internal audit work. The assignments internal auditors execute are designed to identify, analyze, evaluate and record sufficient information to assist management in performing its duties and making decisions. The typical tasks or assignments performed by internal auditors as pointed out by Emile Wolf International (2010), Okezie (2015), Eke (2015), Aguolu (2012), Millichamp & Taylor (2008), BPP Learning Media (2010) and the Institute of Internal Auditors (2002) are:

(1) **Financial Audit:** Financial audit is the traditional task of the internal auditor. Financial audit involves reviewing evidence to substantiate information contained in the accounting records and financial statements made available to management for decision making. Financial audit focuses on transactions and events related to revenue or sales, cash, acquisition of assets, expenditure, financial capital receipts and payments, personnel and payroll, as well as external financial reporting.

(2) **Operational Audit:** Operational internal audit is an audit of specific processes and operations performed by an organization. It involves the auditor looking into particular aspects of the entity’s operations and is designed to ensure that policies are adequate and that they are working effectively, i.e. as intended. Operational audit serves as a management performance monitoring tool and often cover areas such as production, treasury, service delivery, procurement, marketing, human resources and inventory management.

(3) **Information Technology Audit:** Information technology audit is the evaluation of the controls within an organization’s information system infrastructure. This audit entails a consideration of the internal controls within an organization’s information technology (i.e. computer) environment to determine whether they are adequate and operating effectively so as to guarantee the reliability of information processed using the computer.

(4) **Value for Money Audit**: Value for money audit is an examination of the economy, efficiency and effectiveness of resource utilization in achieving objectives. Value for money is typically judged by comparison, that is, comparing current levels of an operation with previous levels of the same operation or with alternatives, thereby enabling the value for money auditor identify areas of waste in an organization's operations.
(5) **Regulatory Compliance Monitoring:** Compliance with both internal and external rules, laws and regulations affecting an organization is a panacea for the achievement of objectives. As part of its duties, the internal audit function monitors and ensures compliance with regulations affecting the organization. To achieve this, a constant awareness of the operating environment of the organization is required. Instances of deviations can then be identified and adjustments made accordingly.
(6) **Internal Control Review and Monitoring:** Internal auditors play a primary role in ensuring that financial and operational controls are adequate and operating effectively. Internal auditors are required to carry out a continuous evaluation of the system of internal control to determine whether it is operating effectively, identify weaknesses in the system and suggest improvement strategies to be implemented by management.
(7) **Risk Assessment/Management**: This is a continuing process to identify, analyze, evaluate, and treat loss exposures and monitor risk control and financial resources to mitigate the adverse effects of loss. Internal auditors assist management in identifying factors that may pose threat to an organisation's ability to achieve its objectives.
(8) **Fraud/Other Investigations**: Unlike the external auditor, the internal auditor is responsible for fraud prevention and detection. Whenever there are suspected or actual cases of fraud in an organization, it is the duty of the internal audit function to carry out investigations to ascertain whether fraud had actually occurred, identify those involved and quantify the loss occasioned by the fraud as well as make recommendations to management on the controls required to forestall future occurrence of the identified fraud.

Concept of Corporate Governance

As pointed out earlier in this study, corporate governance became a prominent business management concept and practice following the collapse of a number of large companies in the UK (such as Maxwell Communications, Polly Peck, the Mirror Group Newspapers and BCCI) in the 1980s, and in the US (such as Enron Energy Corporation, WorldCom, Adelphia, Peregrine Systems and Tyco International) in the 1990s. The term corporate governance appears to have a unified meaning. Some of the definitions attributed to corporate governance are considered below.

Corporate governance as defined in the Cadbury Report (1992) is the system by which companies are directed and controlled. This definition has become the most universally accepted definition of corporate governance and the basis of modern theory and practice of corporate governance. Two managerial concepts underpin the principle of corporate governance; they are directing and controlling. Directing implies the use of communication, leadership and motivation to guide organizational members towards the attainment of organizational objectives (Nwachukwu, 2018); it is the process of achieving organizational objectives by motivating and guiding subordinates (Baridam, 2015). Controlling on the other hand is the measurement and correction of performance in order to make sure that enterprise objectives and plans devised to attain them are being accomplished (Weirich, Cannice & Koontz, 2010). Control involves three steps which are: establishment of standards, which are simply criteria for performance; measurement of performance, which involves comparing performance against established standards; and correction of deviations, which involves taking actions to rectify variations from standards and plans. In specific terms, the managerial function of control involves ensuring that the actual activities of employees correspond to the planned activities (Nwokoye & Ahiauzu, 2014). The important elements in the control function are setting standards, which involves establishing objectives and predetermined levels of performance against which actual results or performances are compared; obtaining information on employees' activities and performances, which involves monitoring the activities of employees by observing them, this can also be done through establishing a system of audit or review of subordinates' activities; and adopting appropriate corrective action, which involves introducing measures to ensure that actual performances conform with set standards.

From the foregoing, we can deduce that corporate governance is the process of leading, communicating and motivating organizational members towards the attainment of organizational objectives and also involves establishing objectives, measuring performance and taking corrective actions to ensure that actual performance conform to the set objectives.

Role of Internal Audit in Corporate Governance

Earlier in this study, the assignments undertaken by internal auditors were examined. This section specifically highlights the role of internal auditor to establish how the internal audit function fits into the corporate governance framework and its contribution to corporate governance. According to the Institute of Internal Auditors, cited in Hermanson & Rittenberg (2013), internal audit plays two fundamental roles in corporate governance vis: monitoring risks and providing assurance regarding controls. Risk is the probability that an event or action, or inaction, may adversely affect the organization or activity under review (IIA, 2014). Thus, risk is the chance or probability of something bad happening and includes the opportunity cost associated with not taking action. Hermanson & Rittenberg (2013) argued that, in the governance context, the key activity with respect to risk is to monitor it, including all the subsidiary steps of identifying risk, assessing the potential effect of the risk on the organization, determining a strategy to address the risks, and then monitoring the environment for new risks as well as monitoring the existing risk strategy and attendant controls. Risk is inextricably

linked to strategy. Assessing the risks inherent in new strategies and developing proper controls to mitigate risks associated with a strategy are essential management activities. In essence, internal audit's role in respect of risk is to monitor an organization's operating environment for possible risk exposures, taking cognizance of the effect of identified risks and making recommendations to management on risk mitigation strategies and actions to be taken to reduce or eliminate the risks identified. The IIA (2014) summarized the role of the internal audit function in relation to risk as follows:

(1) Assess existing risk of audited area and report that assessment to management, the audit committee, or both.
(2) Develop a plan to systematically assess risk across the organization.
(3) Lead the risk management activities when a void has occurred within the organization.
(4) Facilitate risk assessment through risk self-assessment techniques.
(5) Evaluate risks associated with new computing developments and stop the project if risks are not controlled at predetermined acceptable levels.
(6) Assist management in implementing a risk model across the organization.

In addition to monitoring risks, the internal audit function provides assurance on internal controls. Controls exist to address risks. Control is any action taken by management to enhance the likelihood that established objectives and goals will be achieved (IIA, 2014). Management plans, organizes, and directs the performance of sufficient actions to provide reasonable assurance that objectives and goals will be achieved. Thus, control is the result of proper planning, organizing, and directing by management. In the context of governance, the internal auditor's role is to monitor the system of internal control to determine whether it is adequate and operating effectively; and hence make recommendations to management for improvement.

The IIA (2014) summarized the role of the internal audit function in relation to internal control as follows:

(1) Assisting management in designing a comprehensive assessment, including testing of controls across the organization.
(2) Testing compliance with controls in functional areas, report findings to management, and if important, to the audit committee.
(3) Assisting management in preparing a report on the effectiveness of internal controls.
(4) Identifying significant control deficiencies, including elements of the tone at the top, and communicate to the audit committee (for areas examined).
(5) Implementing computerized testing techniques, e.g., continuous control monitoring techniques, to monitor effectiveness of controls.
(6) Facilitating the understanding and development of controls within functional areas through control self-assessment techniques.

Emile Wolf International (2010) identified the following as the important roles of internal audit in an organization, all of which are designed to assist an organization in achieving effective corporate governance.

(1) Internal audit helps management to monitor the controls within an entity. The managerial task of monitoring controls may become difficult as an entity increases in size and complexity; hence, internal audit can be a useful management tool for monitoring controls.
(2) An internal audit function can be used to monitor the efficiency of operations. This is to ensure the efficiency and effectiveness of resource utilization, especially in a competitive market.
(3) In countries where there are large numbers of statutory and accounting regulations, internal auditors can be used by management to ensure compliance with laws and regulations.
(4) For organizations that use complex information technology systems, the internal audit function can help management review the effectiveness of controls within such systems.

In their contribution to the debate on the role of internal audit in corporate governance, Karagiorgos, Drogalas, Gotzamanis & Tampakoudis (2010) approached the issue by examining the relationship between internal audit and the key elements of corporate governance. They pointed out that, in terms of the relationship between the internal auditor and the directors, the internal auditor's contribution to corporate governance is to provide information to the directors which they (the directors) require to discharge their responsibility of managing the enterprise. Furthermore, internal audit assist the board of directors in its governance self-assessment. Based on the internal audit's relationship with the audit committee, Karagiorgos, Drogalas, Gotzamanis & Tampakoudis (2010) stated that internal audit contributes to corporate governance by: bringing best practice ideas about internal controls and risk management processes to the attention of the audit committee; providing information about any fraudulent activities or irregularities; conducting annual audits and reporting the results to the audit committee; and encouraging the audit committee to conduct periodic reviews of its activities and practices. Finally, in terms of the relationship between the internal auditor and the external auditor, they pointed out that the internal auditor supports and cooperates with the external auditor to enhance the overall quality of the external audit.

Empirical Review

Series of studies have been carried out on internal audit (as independent variable) and corporate governance (as dependent variable). Some of the empirical studies carried out on these two variables are examined below.

Asaolu, Adedokun & Monday (2016) examined the effect of internal audit function (IAF) on good governance in the public sector in Nigeria. The main objective of the study was to determine the role of the internal audit function in ensuring good governance in the public sector in Nigeria. Primary data for the study were obtained using structured questionnaire and data analysis was done using correlation analysis and multiple regression technique. The study found that internal audit moderately contributes to the effectiveness of corporate governance in the public sector in Nigeria and concluded that the internal audit function is a veritable tool for promoting good governance in the Nigerian public sector. The study recommended that there should be legal mandate in public sector organizations that allows government information to be publicly published and that special funds should be made available to internal auditors as it would enhance the effectiveness of the internal audit function and boost good governance in public organizations.

Abdullah (2014) carried out an investigation on ‘redefining internal audit performance: impact on corporate governance’. The specific purpose of the study was to explore the ways internal auditing is practiced in Malaysian public listed companies and as such establish internal audit’s contribution to corporate governance of such companies. The study adopted the survey research design and data were collected using mail questionnaire and interviews. Analysis of data was done using the Rasch model. The findings of the study reveal that internal audit has a significant impact on corporate governance and that collaboration particularly in risk management, information technology audits and quality audits, are increasingly being used as a strategy in internal audit to provide value-added services. It concluded that internal audit significantly influence corporate governance of Malaysian public listed companies and recommended that the practice of internal audit in future should be more collaborative to harness the expertise and experience of other departmental personnel in producing effective internal audit, ultimately creating a greater impact on corporate governance.

In another study, Changwony & Rotich (2015) examined the role of internal audit function in promoting effective corporate governance of commercial banks in Kenya. The purpose of the study was to determine the role of the internal audit function in promoting effective corporate governance of commercial banks in Kenya. Survey design was adopted for the study and stratified sampling technique used in selecting the sample elements. The findings of the study revealed that internal audit has a positive and significant influence on effective corporate governance. The study concluded that internal audit function plays a positive and significant role in promoting effective corporate governance of commercial banks in Kenya. The study recommended that the audit committee should take responsibility for approving the appointment, remuneration and disengagement of the Chief Audit Executive to enhance the effectiveness of the internal audit function.

Njunwa (2013) conducted a study on internal audit and corporate governance in local governments in Tanzania, using Mwanza city council as a case study. The primary objective of the study was to determine the factors that contribute to ineffectiveness of the internal audit function in promoting good corporate governance in the public sector in Tanzania. Data were obtained primarily using structured questionnaire. The study which adopted the multiple regression approach to data analysis found that factors such as lack of independence, lack of proficiency of internal auditors as well as lack of integrity on the part of internal auditors contributed to the ineffectiveness of the internal audit function in Mwanza city council and hence the public sector in Tanzania. The study concluded that the internal audit function in Mwanza city council does not promote good corporate governance. Consequently, it was recommended that internal auditors should ensure they improve their skills to enable them perform better and assist the council in promoting good corporate governance.

Odoyo & Omwono (2014) investigated the role of internal audit in enhancing corporate governance for companies listed at the Nairobi stock exchange. The objectives of the study were: to assess the auditor’s role in corporate governance, to assess the internal audit’s capacity to achieve its objectives, and to suggest how internal auditors’ independence can be achieved. The descriptive research design was used and the data collection instrument was the questionnaire. The study employed both stratified and systematic sampling procedures. The sample size was thirty (30) companies quoted in the Nairobi stock exchange. The study found that eighty four (84) percent of the respondents were of the opinion that internal audit influence corporate governance of companies listed in the Nairobi stock exchange, hence it was concluded that the internal audit function contributes to corporate governance. One of the recommendations made in the study was that internal auditor should report functionally to the audit committee and administratively to the chief executive officer of the organization.

In another study, Mohammed, Unuigbokhai, & Ihimekpen (2014) investigated the role of internal audit in strengthening corporate governance in Nigeria. The main purpose of the study was to examine in a theoretical level the contribution of internal auditing to corporate governance. The study also examined the interaction between various corporate governance factors such as the board of directors, the audit committee and the external auditor, and the internal audit process. To achieve the objectives of the study, the researchers conducted an extended literature review. The study found that a positive relationship exist between internal

audit and corporate governance and concluded that internal audit plays a vital role in strengthening corporate governance in Nigeria. The study recommended that case study researches be carried out by scholars to determine the impact of internal auditing on corporate governance in particular organizations.

IV. Methodology

The study adopted survey research design. In order to ensure that the responses obtained were reliable and representative, the population was restricted to workers who had access to the machinery of internal audit in the universities with a wide base for internally generated revenue. The population of the study was 150 accountants and internal auditors. The entire population was used as the sample size because it was small and manageable.

A structured questionnaire was the instrument for data collection. The questionnaire was a modified 4 – point Likert scale with response options of Strongly Agree (SA), Agree (A), Disagree (D) and Strongly Disagree (SD) weighted 4,3,2 and 1 respectively. Copies of the questionnaire were distributed to and collected from respondents by hand. A total of 150 copies were finally retrieved from the respondents, representing 100% return rate. Mean was the tool for data analysis while chi-square was used to test the stated hypotheses. For purposes of analysis of the research questions, strongly agree and agree were coded 2 while disagree and strongly disagree were coded 1. Consequent upon that, any mean value of 1.5 and above meant effective/adequate while any mean value of less than 1.5 meant ineffective/inadequate.

V. Results and Discussion

The results for the study are presented in tables.

Table 1: Gender of Respondents

Male	Female	Total
95	55	150

Table 2: Work place of Respondents

UNIVERSITY OF BENIN	IGBINEDION UNIVERSITY	DELTA STATE UNIVERSITY	Total
62	35	53	150

Table 3: Status of Respondents

Accountants	Internal Auditors	Total
100	50	150

Table 4: Working Experience of Respondents

0-5 years	6 – 10 years	11 – 15 years	16 years and above	Total
13	30	52	55	150

Tables 1 – 4 above show the bio-data of the respondents. Specifically, table 1 shows that of the 150 respondents, 95 were males while 55 were females.

Table 2 shows that 62 of the respondents came from the University of Benin, 35 from Igbinedion University, and 53 from Delta State University, Abraka

Table 3 reveals that 100 of the respondents were accountants while 50 were internal auditors. Furthermore, table 4 shows that 13 of the respondents have worked between 0 and 5 years, 30 between 6 and 10 years, 52 between 11 and 15 years and 55 from 16 years and above. An interesting revelation from table 4 was that 70% of the respondents had worked for 11 years and above and therefore had reasonable experience in the subject matter.

Table 5: Respondents opinion on extent to which internal audit unit has been supported

Q	Factors	N	Mean	Std Dev.
1	The IAF is most effective when there is an existence of an audit committee and is supported by top management.	150	1.72	.45
2	Had received adequate support from management and the audit committee.	150	1.60	.49
3	Access to all relevant information, people and records.	150	1.57	.50
4	Staff of internal audit departments is motivated to implement the necessary	150	1.47	.50

	procedures?			
	Grand mean		1.57	

Table 5 shows a grand mean of 1.57 which indicates that the respondents agreed that internal audit unit has been supported. With a mean of 1.72, the table shows that respondents agreed that IAF is most effective when there is an existence of an audit committee and is supported by top management. Also with a mean 1.60, the respondent agreed they had received adequate support from management and the audit committee. However, the respondent agreed that they have access to all relevant information, people and records and they are duly motivated to implement the necessary procedures

Table 6: Summary of the Responses on Internal Audit and Accountability in universities in Nigeria

Q	Factors	N	Mean	Std Dev.
5	Effective internal audit enhances accountability	150	1.66	.75915
6	Regular internal audit activities by audit staff in the institution	150	1.65	.48936
7	Effective internal control system enhance good and efficient internal audit	150	1.55	.47016
8	Internal audit department ensures reporting after work?	150	1.66	.60481
9	Effectiveness and accountability enhances good governance in the institution.	150	1.65	.58714

Table 6 presents the computation of descriptive statistic of mean and standard deviations of the respective respondents' view as regard the statements made in the questionnaires administered. Analysis was given based on the calculated mean to see how internal audit work enhance accountability in the universities in Nigeria

The survey reveals that respondents were of the opinion that effective internal audit work enhances proper accountability as evidenced from the descriptive mean of 1.66 which is on the high side. Similarly, the mean of 1.65on regular internal audit activities indicated that internal audit departments of the universities carry out regular audit activities. This is in line with Iwebueke (2009) that internal audit is all about carrying out a continuous examination of all Accounting books and records in any ministry, departments, parastatal and institution of government.

Furthermore, the mean of 1.55 corresponding to the issue of effective internal control system enhances good internal audit, respondents were of the view that internal audit work is carried out effectively which is line with CIPFA (2010) that system of internal control is all about test and modifies control in specific system to provide assurance to management that the organization is operating efficiently and effectively. The mean of 1.66indicated that the internal audit report addresses any weakness in the system to management for corrective action to be taken where necessary. Analysis also reveals that effectiveness and accountability on the part of internal auditors and management will enhance good governance in the institutions, that if everyone is held accountable for whatsoever is entrusted to him, there would be transparency in the financial system of the universities in Nigeria.

Table 7: Summary of the Responses on Internal Audit and performance in universities in Nigeria

Q	**Factors**	**N**	**Mean**	**Std Dev.**
10	Internal auditing is enhancing a legacy of solvency	150	1.57	.75915
11	Internal Auditors perform their duties with a greater degree of autonomy and independence from Management.	150	1.66	.38976
12	IAF "facilitates fraud investigation process and improves internal processes	150	1.65	.48936
13	Proper supervision of internal audit work improve financial performance	150	1.55	.47016
14	Internal auditor makes appropriate recommendation for management to improve.	150	1.66	.60481
15	Internal audit report addresses weakness in the controls system.	150	1.65	.587

Table 7 shows a mean of 1.57 which indicates that the respondents agreed internal auditing is enhancing a legacy of solvency. With a mean of 1.66, the table shows that respondents agreed that Internal Auditors perform their duties with a greater degree of autonomy and independence from Management. Also with a mean 1.65, the respondent agreed IAF "facilitates fraud investigation process and improves internal processes. However, the respondent agreed that Proper supervision of internal audit work improve financial performance and internal auditor makes appropriate recommendation for management to improve. Again, with the mean score of 1.65, the respondent agreed that internal audit report addresses weakness in the controls system.

Test of hypotheses
Hypothesis 1

Ho: There is no significant relationship between internal audit and accountability in Nigeria universities

Table 8: A contingency table on chi-square test for the relationship between internal audit and accountability in Nigeria universities

Q	X2 cal	X2 critical	Dec.
5,6,7,8	61.929	3.841	Reject Ho

Decision

Table 8 shows that while X2 calculated was 61.929, X2 critical was 3.841 at 0.05 level of significance and 1 degree of freedom. Due to the fact that X2 calculated of 61.929 was greater than X2 critical (3.841), the stated null hypothesis was rejected. This indicates that there is a significant relationship between internal audit and accountability is accepted, that is to say there is a relationship between internal audit and accountability in universities in Nigeria.

Hypothesis 2

Ho: Internal audit function has no significant impact on performance of universities in Nigeria

Table 9: A contingency table on chi-square test for the relationship between internal audit and performance of Nigeria universities

Q	X2 cal	X2 critical	Dec.
5,6,7,8,9	71.929	3.841	Reject Ho

A table 9 show that while X2 calculated was 71.929, X2 critical was 3.841 at 0.05 level of significance and 1 degree of freedom. Due to the fact that X2 calculated of 71.929 was greater than X2 critical (3.841), the stated null hypothesis was rejected. This indicates that there is a significant relationship between internal audit and accountability is accepted, that is to say there is a relationship between internal audit and performance in universities in Nigeria.

These results are in consonance with the findings of Cohen and Sayag (2010); and Arena and Azzone (2009) they support that the internal audit unit is vital to effectiveness of internal audit. It is important to note that internal auditor bring about accountability and effective performance of universities in Nigeria.

VI. Conclusion

The paper concludes that independence of the internal audit unit is an issue that needs quick attention in order to enhance accountability in tertiary institutions. Internal auditors must be seen as an independent personnel. The assurance of complete independence in the work of internal auditors is essential for an excellent audit work to be performed as well as effective accountability.

VII. Recommendations

The following recommendations are advanced based on the findings and conclusion of this study:

(1) The internal audit unit of each of the universities should improve its performance of financial, operational and compliance audits in order to contribute more to corporate governance in such universities. This can be done through the development of year-round work programmes that cover all aspects of the university's operations.

(2) Management and those charged with governance of universities in Nigeria should make effort to inject more qualified, competent and experienced personnel into the internal audit unit. This can be done through the engagement of professional accountants (or auditors) or career internal auditors and by training and retraining their internal auditors to bring them up-to-speed with recent developments in internal auditing and corporate governance.

(3) The weak relationship identified in this study between internal audit and external audit effectiveness can be attributed to the inability of the internal audit unit of the universities surveyed to effectively review accounting records maintained and financial reports prepared by the bursary unit. There is therefore need for the internal audit unit of each of the universities in Nigeria to reactivate its accounting and financial reporting review engine and maintain sufficient and appropriate documentation of work done to provide a basis for the external auditor's reliance on internal audit work.

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Samuel N. Nwosu. "Internal Auditors and Corporate Governace In Nigerian Universities." *International Journal of Business and Management Invention (IJBMI)*, vol. 11(04), 2022, pp. 13-23. Journal DOI- 10.35629/8028