

**THE ROLE OF ACCOUNTING IN THE CONTROL OF PUBLIC
EXPENDITURES IN NIGERIA (A STUDY OF CENTRAL BANK OF
NIGERIA ENUGU STATE).**

BY

**KANU ESTHER AMAKA
ACC /2008/490**

**DEPARTMENT OF ACCOUNTANCY
FACULTY OF MANAGEMENT AND SOCIAL SCIENCE CARITAS
UNIVERSITY, AMORJI-NIKE, ENUGU.**

AUGUST 2012

TITLE PAGE

**THE ROLE OF ACCOUNTING IN THE CONTROL OF PUBLIC
EXPENDITURE IN NIGERIA (A STUDY OF CENTRAL BANK OF
NIGERIA ENUGU STATE).**

BY

KANU ESTHER AMAKA

ACC/2008/490

**A RESEARCH PROJECT SUBMITTED TO THE DEPARTMENT OF
ACCOUNTANCY,
FACULTY OF MANAGEMENT AND SOCIAL SCIENCES,
CARITAS UNIVERSITY, AMORJI-NIKE, ENUGU STATE.
IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE
AWARD OF BACHELOR OF SCIENCE (B.Sc) DEGREE IN
ACCOUNTANCY.**

AUGUST 2012.

CERTIFICATION

This is to certify that in partial fulfillment of the course requirement for the award of Bachelor of Science in Accounting by Kanu Esther A. Reg. no ACC/2008/490, Caritas University, Amorji-Nike, Enugu. This research work title "The Role of Accounting in the control of Public Expenditure in Nigeria (a study of Central Bank of Nigeria plc)" has been accepted and approved.

Mr. James Ugwu

(Project supervisor)

Date:.....

Dr. Frank Ovute

(Head of Department)

Date:.....

External supervisor

Date:.....

DEDICATION

This research work is dedicated to God Almighty, to my beloved parents: Mr. and Mrs. N.C.E Kanu and my sibling whose physical assistance made it possible for me to complete this program.

ACKNOWLEDGEMENT

It is necessary to give honor to whom it is due. I give thanks to God Almighty who in his infinite mercies saw me through thick and thin in pursuit of this degree.

My appreciation goes to my supervisor Mr. James Ugwu for his constructive criticism, advice and contributions at every state of this project and my success too. My thanks go to my lecturers who has contributed in one way or the other to my success; Dr Frank Ovute (H.O.D), Mr. Nsoke, Mr. Chinedu Enekwe, Mr. Desmond, for their understanding and support. My profound gratitude to my parents Mr. & Mrs. N.C.E. Kanu, whose immense financial support advice and most of all prayers, brought me to the level I am today which cannot be quantified monetarily. I also appreciate my siblings; Felix, Stephen, Hope and Faith Kanu. Even though time and space constraints would not permit me to list the names of all whose efforts and contribution in one way or the other have played prominent role in the completion of this work.

I am highly indebted to my colleagues and friends; Ukamaka, Toyin, Jahid and Tosin whose sharing of ideas played a maturational role towards my academic pursuit. Big thanks to all my consummate, roommates and school friends who contributed immensely this project.

ABSTRACT

This research examines the role of accounting in the control of public expenditures in Nigeria, a case study of control bank of Nigeria, Enugu State. The researcher adopted descriptive survey design. The population of the study is the combination of internal audit department staff and accounting department staff making it a total of 41. The research used both primary and secondary source of data. In view of this, three research questions were formulated to generate expected answers. Literal works were reviewed for proper understanding and guidance. Questionnaires, personal interview and observation were used for collect of primary data. Secondary source of data were collect from text books, periodical, articles and journals. Tables and simple percentage were used for data analysis, hypothesis were tested using chi-square statistics. Based on the findings, the researcher found out that few of the staff were not following due accounting principles thereby causing inadequate and improper pursuit of the accounting records Omission of certain book-keeping records, improper audit. The staff and management of central bank of Nigeria has now adopted accounting standard, and the balance of power on NASC, financial analyst government agencies and others. Finally the researcher proffered among other use of accounting principle and standard in the company.

TABLE OF CONTENTS

Title page	i
Approval page	ii
Dedication	iii
Acknowledgement	IV
Proposal	VI
Table of content	vii

CHAPTER ONE

INTRODUCTION

1.1 Background of the study	1
1.2 Statement of problem	5
1.3 Purpose of study	5
1.4 Significance of the study	6
1.5 Research questions	7
1.6 Research hypothesis	7
1.7 Scope and limitation of the study	8
1.8 Definitions of terms	9
References	10

CHAPTER TWO

2.1	Review of related literature	11
2.2	Historical development of CBN (A public company)	14
2.2.1	Ownership and control of CBN	17
2.2.2	Organization	19
2.3	Nature of accounting principles	23
2.4	Types of accounting principles	24
2.4.1	Factors affecting accounting principles	29
2.5	Budgeting and budgetary control	30
2.6	Standard costing of a tool of control	32
2.7	Role of accounting in public expenditure	37
2.8	Summary	38
	References	39

CHAPTER THREE

3.1	Research methodology	40
3.2	Research design	40
3.3	Determination of sample size	40
3.4	Area of study	41
3.5	Population of study	41
3.6	Sample of study	41

3.7 Method of investigation	42
3.8 Method of data analysis	42
3.8.1sources of primary data	42
3.8.2 Source of secondary data	43
3.9 Development of research instrument	43

CHAPTER FOUR

4.1 Introductions	44
4.2 Presentations of data	44
4.3 Test of hypothesis and interpretation of result	54
4.3.1 Testing the first hypothesis	55

CHAPTER FIVE

5.1 Summary of findings	60
5.2 Conclusion	61
5.3 Recommendation	62
5.4 Recommendation for further	63
Appendix 1	64
Questionnaire	65
Bibliography	68

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

In most developing countries including Nigerian government participation in economic activity is usually significant. One of the ways through which government has intervened in Nigerian economy is through the establishment of public enterprises and statutory bodies operating service of an economic or social character on behalf of the government.

Since the colonial era, especially after independence 1960, Nigerian public enterprises have witnessed a steady growth unit recently. Its Olisa (1988-133) put it. Beginning as a trickle in the period between this era of the second world war and Nigeria risen to flood level since independence the establishment of public enterprise in Nigeria are many add to available rational capital for the support of development and welfare programme, making to be controlled by a few individual, it possible for important profitable enterprise to be controlled by a few individual or group organization certain critical activities national survival and economic stability and providing employment opportunities (Ademolukun 1983). However, after a long

period of growing starts intervention in the Nigeria economy through public enterprises, the 1980's onwards had witnessed a reversed which has sometimes been dramatic in public opinion therefore public policy.

This has been brought by the persistent losses which state enterprises that trivet been running over fears. Consequently, there has been a willingness to look at alternative policy strategies for the achievement of economic development. At the forefront of these strategies is the minimization privatization of public enterprises.

In Nigeria, public enterprises are engaged in a while spectrum of economic activities including agriculture, mining, construction, manufacturing, commerce and services. The classification of public enterprises in Nigeria has been made according to varieties of criteria by different authorities. The public service review commission (1975:101) classified public sector int.

Public utilities

Regulatory of service body

Financial institutions

Commercial and industrial enterprises

Being a mixed economy, individuals also own and operate private enterprises. A firm classified as private enterprises when it is founded and managed by an individual and or a group of individual. These firms

are expected to be registered in the local government within which they operate.

The rational for the establishment of private enterprises are numerous just like establishment of public enterprises. They include amongst others; provision of employment opportunities generating income for the owner of the enterprises government interest in profit growth of the enterprises which performance of the public sector through competition. Moreover, the general public is concerned with contribution which makes towards social enlistment which is exhibit to the environment in which the business is loaded and its willingness to contribute to the development of the environment.

The activities of the public enterprises have been on the increase in recent times which necessitated the introduction of the accounting practice to check and monitor the financial activities of these enterprises. In this book, titled principles of accounting, by Bimage (1985) Accounting is defined as a process by which data relating to the economic activities of an organization are measured recorded and communicated to interested parties for analysis and interpretation. The earliest methods of accounting records were kept in physical quantities. These records came from the Eastern (early) civilization

which involved in the countries around the Mediterranean Sea such as Mesopotamia, Egypt, Crete, Italy etc. Money was recorded as soon as money took the place of barter as a medium of exchange and unit of accounting practice has been closely related to the economic development of the country. If the business organizations grows in size and complexity management and outsiders groups which include owners of the firm (stock holder) creditor, government, employer and the general public.

The differentiation necessitated the need to have accounting department in the enterprises to give accurate financial of the management and to satisfy the outside demands or the general public who are already interest on whether the enterprises in growing or not. The role of accounting in public enterprises in Nigeria is primarily to ensure accurate accountability in these sectors and present the time and fair financial position of the enterprises. The role is of utmost importance in any organization. An organization can only grow or profit when the resources can only be well managed if accounting department of the organization give accurate financial information to know how much the enterprises having. It only when this is done that the firm allocate its resources and knows what is to be done. The role of accounting seems to be more pounced in the public enterprises. In

recent times, there are cases of mis appropriation of funds in the public enterprises and improper accountability. These factors have led to a lot of public enterprises go into Obiwon, if the government has reorganization the role of accounting, all these feeble should not have risen. No enterprises can more forward without having a well organized financial department to give accurate financial, information about the firm. This is because if improper accounting records are not minimized or where possible eradicated these is bound to be cases of public enterprises failure. Consequently, staff of such enterprises will force out of their job. This will result to economic and social activities in the society.

1.2 STATEMENT OF PROBLEM

Obviously, every privates and public entries in Nigeria has their accounting department and there are increase cases of financial mismanagement in virtually all the public and private organization in Nigeria. The problem of this study lies on how the manages of these enterprises are able to recognizes the role of accounting in their enterprises so that these cases of improper accountability will be minimized or if possible its total eradication in our society.

1.3 PURPOSE OF STUDY

This study aims at investigating the role of accounting in the control of public enterprises in Nigeria. The purpose of this study include among others:

- To determine the extent to which accounting records has controlled the effect of expenditures in public enterprises.
- To find out factor that affects the accounting department preventing them from carryout their function as expected.
- To determine government policies which promote accountability in public enterprises in Nigeria.

1.4 SIGNIFICANCE OF THE STUDY

In this study, the researchers have set out to examine the role of accounting in the public sector in this country. Nigeria with the aid of highlighting the inherent problem encountered in the account department of most organizations. It is expected that this work will be of interest to the owners of business enterprises, the government, students and the general public.

To shareholders, owners of enterprise, interested persons and the government, this study is expected to en kindle their interest the more and they will take note of various recommendations mentioned here and help steer the management team towards forming a study organizations to present an accurate financial information of their firm.

This study will also help to serve as literature to individual or corporate bodies into want to carry on further research on the role of accounting in the public sector in Nigeria.

1.5 RESEARCH QUESTIONS

1. What extent does accounting records has control in affecting the expenditure of public enterprise?
2. What are the factors that affect accounting department of most organization which makes them not to function effectively as expected?
3. What are these governments polices which promote accountability in Nigeria public enterprises?

1.6 RESEARCH HYPOTHESES

This research hypothesis is to know the findings or result of this research;

1. H^0 - Good accounting records budgeting has no control effect on expenditure of public enterprises.

H^1 - Good accounting records budgeting has control effect on expenditure of public enterprises.

2. H^0 - Corruption do not affects the quality of service rendered by accountants in public enterprises.

H¹- Corruption affects the quality of service rendered by accountants in public enterprises.

3. H⁰- Government accounting policies do not aid in promoting accountability in Nigeria public Enterprise

H¹- Government accounting policies aid in promoting accountability in Nigeria Public Enterprises.

1.6 SCOPE AND LIMITATION OF THE STUDY

Scope of the study shows extent of coverage done in the study.

The research topic suggests a study on the role of accounting in the public enterprises in Nigeria. The focus of the study is on Central Bank of Nigeria (CBN) Enugu State. I take this to be a fair representative of Nigerian Public Enterprise that is either avoidable or hard to come by.

There are factors as constraints that normally follow this research work, some of them are;

1. **TIME:** This which was a major problem was adequately not managed by the researcher. There is not enough time for the research to get the project time, get it approved and within a short time we will be talking about our exams assignment and quiz.
2. **LACK OF MATERIALS:** The un co-operative of most people working in the library other offices where the research needed to get materials posed great problem to the research. Some of the staff do not feel safe

letting have access to some materials while other will change you more than double the cost of Photostat before one can get what he wants.

3. **FINANCE:** Before now our project use to be a joint project of a group of four-ten people but now it has to be on individual student. So finance hinder the projects in one way or the other. Esther by transportation to where to get the materials or where to obtain the necessary information.

1.8 DEFINITION OF TERMS

MANAGEMENT: Its function, it is centered on the running and controlling of the organization, the way the directors perform their function to attain a successful operation.

ACCOUNTING: In this context, an accountants records, classify and summaries all public expenditure in the Central Bank of Nigeria in a significant manner and in terms of monetary events and transaction which are in part at least financial character and to interpreter the result thereof.

FINANCIAL STATEMENT: An accountant makes an accounting report issued by a business to describe its financial affairs and results of the operations.

REFERENCES

Ademolekun K.O. (1983), *The Nigeria financial system*, London: Macmillian Publisher.

Image E.U.(1985), *Principals of Accounting*, Enugu: Fourth Dimension Publisher.

Olisa, E.C. (1988), *Public Enterprises and Privatization in Nigeria*, Nigeria: Longman publisher.

Ostisumi K.O.(1984), *Financial Management in Nigeria Public sector*, London: Pitman Publisher.

Osumbor, O.A.(1991), *An overview of Private Enterprises in Nigeria*, Business time.

Willy N.Ugwuyi, (1997), *The Nigeria Financial System (A systematic approach)*.

CHAPTER TWO

2.1 REVIEW OF RELATED LITERATURE

Over the years, the Nigerian public sector has increased greatly in important and this necessitated to many people waiting on the role of accounting in this sector. Dule, E.1965 in his book titles Management Theory and practice, describes the roles of accounting in the public and private sector as the factor which to plan, organize direct and control their financial resources and represent the organization to the third parties.

He further stated that a reflection reveals that each of these approach contains a significant financial dimension for instance, important financially strategies can be used to measure whether resources are being effective utilized and co-ordinate in order to express organization plans and control activities to the third parties. In addition to this sheared 1974 shares, the views that accounting plays an important and inevitable role of recording and management funds in any public organization in most suitable manner, using this funds as profitably as possible. Planning future operations and controlling financial accounting, cost accounting, in different direction. In short, it can be said that sheared views is as follow up of Dule's 1965 idea on

the role of accounting in any organization Kolade, O. and Peter M. Dean 1987 in third book, Financial Management in the Nigeria Public Sector looked at the role on the number of staff employed by these sector to facilitated the work of accounting in an organization. They said that the role of accounting in the public sector have become so important that the number of people employed to carry out these accounting function in an organization are very few compared to their work perform.

However, they maintained that public sector to recruit, train and develop accounting, sector with disproportional large number of the experience and unqualified accounting staff. At the same time, the small numbers of qualified experienced accountants remaining the service have been neglected. The financial function has been concerned with the routine task of controlling, authorization, rewording and reporting the lack of total view of the role of the financial function almost exclusively with middle-level managers and the lack of good financial managers. Within top level management have predictable result in our public enterprises future.

The effects of this defect are:

- Management information system of which accounting is is a part, have been neglected: Accounting has been more convened with

the compliance and regulators than with serving management or other user needs.

- Methods of evaluating investment and performance have been inadequate with the result that management have been deprived at useful information and utilization of information has been poor.
- Policies have been evolved without proper consideration of their financial effects and implications.
- Accountability and control have been inadequate because of lack of innovation in financial sphere:

Okafor on his own view classified role of accounting in the public enterprises into four categories:

- ❖ The owners of the business are primary state holders. The financial information obtain from the accounting department determines how much the owner of the enterprises will earn.
- ❖ It is also from this information that the enterprise determines how many people the enterprises will employ and how much each person will earn.
- ❖ Creditor supply funds or service to the business. Their states to enable it meet its contractual payments obligations to the creditors. It is from this financial department that determines

how much the organization earns as their profit and finally how they will take their payment to their creditors.

- ❖ The government is interested in profit performance which determines the tax liability of the business. It is from the accounting departments that the financial positions of the firm are known and this enable the firm to know whether they are making profit or not. The government then tax the enterprises if they are making profit.

2.2 HISTORICAL DEVELOPMENT OF CBN

(A PUBLIC COMPANY)

The formation of CBN started gradually in early 1950's but gathered momentum by the middle and towards the decade. Precisely CBN was established in 1958. Among the factors that led to the formation for an apese financial institution in the early 50's were the dissatisfaction and short coming to the West African Currency Board. The WACB established in 1912 was playing the role for an apese monetary institution in the British West Africa especially in areas of the country.

The issued Of West African Currency exchanging this with the existing currencies, investment of reserve mainly in London and the repatriation of existing currencies. However, because of the anomalies and short coming of the WACB especially as if could not perform the monetary

management, Nigeria nationalists continued to amount pressure on the colonial administration for the establishment of a central bank that should have all pioneers of a central bank, and not just a glorified currency exchange house.

In 1952 at the floor of federal house of assembly (first sitting) Lagos-Chief Anthony Enaton summoned courage and moved a private member motion calling for the establishment of Central Bank for the purpose of rapid economic development in all its phases.

However, as a result of the compaction of the house then and look of awareness of the importance of Central Bank on the part of some Nigeria members the bill failed. Even through the motion was not successful, It stirred the hornet comb. It gingered the colonial office in London Administration appointed Mr. Fisher, a senior staff of Bank of England, to inquire into the desirability and practicability of establishing a Central Bank on the part of some Nigeria members the bill failed. Even though the motion was not successful, it stirred the hornet comb. It gingered the colonial office in London Administration appointed Mr. Fisher, a senior staff of Bank of England to inquire into the desirability and practicability of establishing a central Bank of Nigeria as an instrument for promoting the economic development of the country. Fishers in his report as an agent of colonialism and on orthodox bank

stated that central Bank cannot be established in a financial environment where all factors that make a central Bank perform are not existent.

In the same years, while Fisher was submitting his report to another independent term of financial experts were in Nigeria from World Bank (international bank for reconstruction and development) with a mission like that of Fisher at examining the desirability and practicability of establishment a Central Bank of Nigeria.

The World Bank mission were more objective in their report and less inclined to perpetual economic dependence they really agreed with the recommendation of Fisher on the instability of the financial environment as a result of weak money and market instruments but they were quick to add, that the continued political and economic advancement of Nigeria is bound to lead to the establishment of a Central Bank. To postpone the day when functions of currency issued and the management of foreign assets are performed in Nigeria will also postpone the day when trained Nigeria will be able to perform these functions responsible by themselves.

In 1957, even though Nigeria had not totally got her indigene, but she gained the autonomy of self internal rule. The nationalists did not wash

time in commissioning another financial expert from Bank of England J.B. Loyness to advise then as:

- The establishment of a federal institution performs appropriate central banking functions.
- The introduction of Nigerian currency and the administration of such as currency so as to presence in external value and its acceptability within the country.
- The relationship of the federal institution to the federal and regional government, to government institutions, to the commercial bank and to the public.
- The role of such an institution in the development of a local money and capital market. The report of J.B. Loyness led to establishment of the Central Bank of Nigeria (C B N) by the Central Bank of Nigeria ordinance of 17th March, 1959, the bank officially commenced business on 1st July, 1959.

2.2.1 OWNERSHIP AND CONTROL OF C B N

The 1959 Central Bank ordinance of Nigeria established the C B N with an authorized capital of 1.5 million (123m) which was fully paid up by the Federal Government of Nigeria. The Bank was 100% a public company, and there was no provision in the ordinance of 1958 establishing the bank and subsequent amendments there of required

the bank to maintain a general reserve fund from profit arising from its operation the rate of the reserve and was dictated by the prevailing economic condition at that point in time.

Furthermore, the 1958 Central Bank ordinance provided that the bank should transfer one eighth ($\frac{1}{8}$) of the net profit made every year to the fund (general reserve) until the fund is equal to the paid up capital (the proceed should be used to pay the federal government for the amount contributed) and therefore only $\frac{1}{6}$ of the profit for each year was to be transferred to the fund. Meanwhile the balance of the profit would be appropriated in the following manner;

- ❖ 50% of the balance to be applied for retirement of any outstanding obligation of the federal government to the bank in respect of cost of printing, mining shipment of the initials of the bank notes and coins.
- ❖ the remaining 50% as to be paid to the president appoints the governor of the CBN con the advice of the senate 1979 constitute and the 1995 draft constitution). Infect CBN is directly under the federal ministry of finance ie the governor who in turn report to the president. This war amended by the military in 1997.

In 1997, with the presidentialization of key ministry in Nigeria, the CBN has been sent the presidency and the governor who is solely appointed

by the military president reports directly to him (the president). The board of director of the bank under this system is equally appointed by the president.

In 1999, when democracy returned back to the state, country (Nigeria). The president appointed the Governor of the CBN, but the Governor report to the ministry of finance. The CBN Governor Mr. Soludu, economist by profession. The Ministry of Finance is Mrs Ngozi Okonjo Iwuani, doctor by profession.

2.2.2 ORGANISATION

The central bank of Nigeria took after the British pattern (the mother of all central banks) in many respects especially in organization and management. Infact, the first governor of the Bank in British Mr. Fan was seconded from bank of England.

The apex policy making body of the Bank is the Board of Directors. At the incept, the enabling law establishing the bank shall comprise seven members the governor and five part time directors. The ordinance went further to stipulated that it was the responsibly of the governor general to appoint the governor and the deputy governor of the bank while the appointment of the part-time director was responsibility of the prime minister.

To cope with defects of the economic development couple with the recommendations of the international finance expert the CBN'S Board was re-organized for more efficiency. In order to be able to face the challenge of the time, the membership of the board was enlarged to thirteen, the governor, the deputy governor, three executive directors and eight part-time directors. (The Central Bank of Nigeria Decree No 24) of 1991 went further to enlarge the Board by increasing the member to eleven made up of a governor, five deputy governors and five directors, while the decree (1991) assigns the responsibilities of policy and general administration of the affairs and business of the bank to the board, the five major departments, see figure 1.1 below. The decree also stipulate that the governor and the deputy governor should be appointed by the president in the first instance for a term of five years and each should be eligible for re-appointment for another not exceeding five years.

Some of the activities of the bank as we shall see are decentralized while others are not, while the ministry and policy formulations are done at the Bank head office in Lagos (now Abuja), the banking operations of the bank is decentralized. To facilitate the efficient execution of the bank functions over the Nigeria's vast territory, some central banking activities are decentralized and operate through four

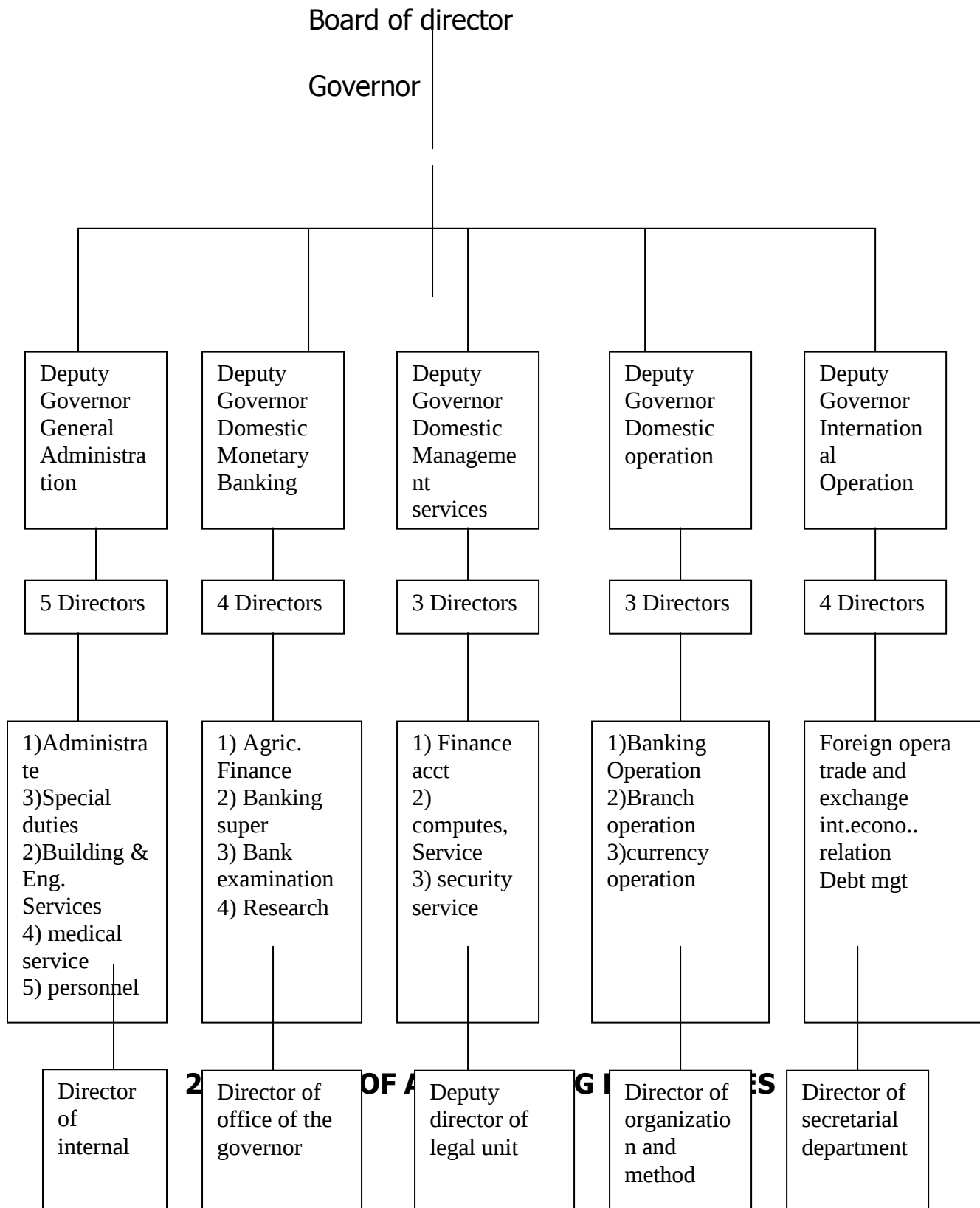
Zone; Bauchi, Enugu, Ibadan and Kano. In addition to the Zonal centers, there is a branch network whereby each state capital in the federation has a CBN branch.

However, in the newly-created states currency centers are set-up by CBN, pending the time full-fledged branch is could be established the respective heads of each zone, branch controller and the currency officer respectively. As at the end of 1992, the CBN had in operation four zonal officers, 15 branches and 6 currency centre. As at may 1993, the CBN had 19,777 members of staff companying 23, exculsive of whom 22 were departmental directory 2581 senior and 6965 junior staff.

The 1958 Central Bank ordinance placed the bank CBN under the Federal Ministry of Finance and development so that the board of directors reported to the minister who in turn reported to the head of state. However, in 1988, as part of the military re-organization in the country aimed placed under the presidency. This arrangement is still stating under this arrangement CBN is Independent of the Federal Ministry of finance and report directly to the president. This nit has been reserve again in 1997. CBN government now reported to the Federal Ministry of Financial

FIGURE 1.1

ORGANIZATION CHART OF THE CBN SOURCE CBN BRIEFS:
JUNE 1996



Accounting principle is the guidelines, law or rules accepted by the accounting profession to serve as guide to accounting practice. Accounting principle includes the accounting and reporting assumption, standards and practices that a company must use when preparing external financial statement. One objective of accounting principles is to reduce the difference and inconsistencies in accounting practices, thereby improving the comparability and credibility of financial report.

The term General Accepted Accounting Principles are procedures that guide and regulate accepted accounting practice at a certain period of time. It is the collective opinion of time. It is the collective opinion of what the professionals consider good accounting practice and procedure.

GAAP are recommended by the authoritative bodies of each country. The term does not imply a rule of law which there can be no deviations or exception. The application of accounting principles in each country requires the accounting the accounting in each country requires the professional judgment for an accountant and their principles are applied primarily to material and significant items. Items which have little or no importance on the financial statement can be dealt with on the basis of their necessity or application. The Accounting Principles Board (APB) state that " Generally accepted accounting principle". In

corporate the consensus at a particular should be recorded in them should be measured, what information should be disclosed and which financial statement should be prepared.

2.2 TYPES OF ACCOUNTING PRINCIPLES

The term generally accepted accounting principle has long been used in accounting profession and entries into the public domain. These principle were not all written down in one day, they evolved over several decades. These principles are supported and justify by institutions legal authority and acceptability it present, there exist certain accounting principles that all accountants recognizes applied in practices.

They among others;

❖ BUSINESS ENTITY PRINCIPLES

Financial accounting distinguishes the business entity from the individuals connected with or coming into contact in the business , including the owners and managers of business. Therefore, accounts maintained for employ6ers, employees, customers and other parties connected company as a separate legal entity from its members. The shareholders, debenture holders, creditor seen as merely contributing the financial resources entrusted as the directors of the company to manage the company in the over all interest of the owners of the

business. The system of financial accounting is designed to report on the stewardship of the direction.

This stewardship function would effectively isolate values belonging to the company from those belonging to the parties in order to enable it ascertain the position of the business at a given time.

❖ THE OBJECTIVITY PRINCIPLES

This brings the idea of independent judgment by the accountants is expected to prepare accounts in such a way as to make room for other accountants to verify the account. This then means that the same conclusion should be reached by different accountants working independently and following the same measurement standards. In most cases, however, audit costs provide the most objective data; capable of being independently verified. This implies that as much as possible that accounting records should be based on verified evidence.

According to the Nigeria statement of Accounting and practice standards. The principle connotes independence of judgment on the part of the accountant preparing the financial statements. An objective requires support by verifiable evidence, in contrast to subjecting. Or dependence on the various opinions of the accountants preparing the financial statement.

❖ FAIRNESS

The principle holds that in preparation of the accounts and presentation of the financial statement the accountant. Should serve all the parties interested in the report fairly and equitably. Investor, prospective, investors, creditors, management and government agencies need accounting information to help them decision regarding the allocation of their resources, and accountants should provide such information without fawning any particular group. Auditors are expected its test whether the account prepared by accountant show a true and fair view of the operation of the business and once this position is certified –by an independent accountant reliance can be placed upon the accounts.

According to SASI, the principles is a extension of the objective principle, in view of the fact that there are many users of accounting information, all having different need, the fairness principles require that accounting reports should be prepared not to favors any group or segment of society”

In describing financial statement as presenting true and fair view of business operations, such statements are taken as a whole. The idea is that though some minor mistake may exist in the financial statement over all picture of the statement present a satisfactory expression of the operation for the period covered by the accounts. It cannot be

guaranteed that every item which appear in the balance sheet and profit and loss account is accurate. It is possible, that any errors that exist in the financial statement are not sufficient to mislead those relying on the statements.

❖ MATERIALITY

According to SASI, this principle holds that only items of materials values are recorded strict accounting treatment.

The analysis of accounting data can be costly while the inclusion of a range of data in the accounting report may be confusing to the range of data in the accounting report may be confusing to the render. Hence, the significance of item in relation to other item in the account should be considered. The relatives rather than absolute value of item should be within. Items of insignificant values are usually group together and reported under one heading for example general or miscellaneous expenses.

Materiality is a relative term, so that what may be consider material in smaller firm may be in material in large firms but generally, the materiality of an item would have on ultimate user of the accounts. If the omission of an item in the financial statement would mislead those relying on them, such an items is considered material.

❖ PRUDENCE

There are many instances in the past when accounting statements were prepared on the basis of speculation or optimizing rather than reality. So that if revenues were expected in the future, they could be recognized in the current year accounts. Accountants have learnt through long and sometimes better experience to be cautious and this attitude is expressed in the principle demanding exercising great care in the recognition of profit while at all known losses are adequately provided for. This is however not a justification for the creation of secret or hidden reserves.

❖ DISCLOSURE

This principle is not stated in the SAS, but it implies it. It stipulates that the present financial statement should include all material data that informed the reader to arrive at appropriate conclusions. Accounting statements should not be misleading and should be accompanied by adequate notes to explain their contents. The fundamental accounting contents are expected to be followed in the preparation for this needs to be disclosed and reasons for it. The SAS, 8th schedule of the companies Act, section 335, subsection (ii) (iii) of the companies and

Allied Matter Decrees are concerned with the details and form of financial rewards of companies.

2.4.1 FACTORS AFFECTING ACCOUNTING PRINCIPLES

The following condition has to exist before the rules of general application for recording and reporting information about whether that is accounting principles will be needed if possible.

- A recognized medium of exchange and a developed market for goods so that values could be provided for incorporation in the account.
- Business carried on a continuing basis where period reports become necessary.
- Large scale enterprises where it difficult for any one of ultimately acquainted reports and valuations embedded in such report are more difficult to come by, hence the need for recognized accounting role is greater.
- separation of ownership and management rule for accounting are not essential when the manager is responsible only for himself.
- The existence of an undefined group of owners. The problem of separation of management and ownership are reinforced when ownership is divided up among many people and the right of

ownership is freely transferable as in the case with public companies listed in the stock exchange.

2.5 BUDGETING AND BUDGETARY CONTROL

In order to have an effective control expenditure in our organization. It is advisable to adopt and consider the effect to budget and budgetary control. In a simple term, a budgeting is a financial plan for activities an objective set out. This is based merely fore cast, past experience, expectation etc.

As defined by ICMA, A budget is a financial and or qualitative statement prepared and approved prior to a defined period of time for the purpose of attaining a give objective and employment of capital.

Budgetary control is a system of controlling lost which includes the preparation of budgets co-ordinating the department and establishing responsibilities complaining actual performance with that budgeted and letting results to achieve maximum control. The essential fractures of a budgetary control process include:

1. A financial plan to actives the objective or target
2. A monitoring process which measures the actual performance during the period.

3. Comparison of actual performance with budgeted performance in order to determine the extent to which they are in line with one another.
4. As corrective process designees to eliminate the divergence, if any between budgeted any actual performance.

Type of budgets

Generally, we have two type of budgets:

- ❖ short term budget
- ❖ long-term budget

SHORT-TERM BUDGET: This is usually referred to as current or operational budget. It relates to current or operational budget. It relates to current condition and is normally prepared for a period not exceeding one year. It is common to prepare short-term budget, for one year is broad outline only and then to phase the one year budget into quarterly, monthly, or even weekly plan in greater detail depending on the nature of the business operations and also on other environmental factors.

LONG-TERM BUDGET: This is the budget designed for long term development of the business. A period of between three and five years may be used depending on the nature of business and the environment in which the business operates; such budget are in

variably prepared in broad outline only and then expanded and detailed as the implementation period in.

USES

Budgeting helps immensely to the achievement of expenditure control in both public sector:

1. Authorization: it is used as an authority for the expenditure control for instance, if five thousand naira (₦ 5,000) is approved for the purchase of raw materials in any month, the purchasing officer do not need any formal approval of this expenditure in the budget and it expected that he must not expand beyond.

2.6 STANDARD COSTING AS A TOOL FOR CONTROL

There is no doubt that standard costing plays an important role in production cost/expenditure control.

This is clear when a survey of accounting and management literature is taken. It is not contestable that the high cost of goods and services produced in Nigeria are a sort of worry not only to the consumers but also to the producers of the goods and service i.e firms.

Therefore for some of these firms, who are both on retaining many of their customers, they are always seeking ways of minimizing their cost

of production so as to finally have product with low prices, when compared with other product of the same quality, one of such way is the use of standard costing which compares actual cost incurred with pre-determined cost of production. This has the effect of keeping cost work pre-determined limits thereby increasing efficiency in production.

ESTABLISHMENT OF STANDARD COST

The establishment of standard cost for the element of production is along and difficult task in that all the factors affecting production to be taken care of and their cost pre-determined as closely as possible.

Some of the factors are:

- A. production specification: This implies that materials to be used in the production of a particular production must be specified both as to quality and quantity. The amount of wastage which are expected to be incurred should be as certain as they yield from the materials in some cases. As to the quality of the material to be used. It must be decided whether conditions demand that it be classifieds into:
 - i Unspecified
 - ii whatever can be obtained

iii whatever the harvest

This classification must be done in such a way as to avoid exceeding the quality and dimension of material require to be used in production.

- B. Purchasing: Adequate procedures should be established such that raw materials are obtained under competitive tender at lower prices. The quantities purchased should be enough so as to avoid frequently purchasing purchased should be enough so as to avoid frequent purchasing with the result that capital is always tied up. The firm should also establish methods for maintaining adequate record at commitment and others outstanding.
- C. Receipt of Materials: This involves procedures which will sure that the material derived by suppliers meet the specification required for production, Assurance is however quarried by carrying through inspection of the goods delivered by the supplier before the material are taken into stores.
- D. Issued of Materials: The firm should also establish method procedures to take adequate account of material that is issued of the stores.
- E. Defining of Operations: The firm would have to determine the type of operations to be performed, who will perform the operation and

where they are to be performed. They would also determine the square in which the operation is to be carried out and the timing operation. This is done to guarantee efficient operation of production activities.

F. Division of Factory into functions: This is matter of policy depending on the organization concerned. This is decision has to be made on how to group the different function of the organization. Usually these groupings or divisions are termed. Cost centre each being a work centre in which district operations are performed on the product. Having taken care of all the above factors, the firm would then decide on the type of standard it want to achieve an effective control over expenditure. The following are the standards: (1) Ideals standard (2) Expected standard

(3) Basic standard (4) Normal standard

- i. Ideal standards: In this case, a target is set, which it achieved will represent the highest level of the efficiently is the standard can be attained under the most favorable condition possible. This therefore presupposes the most efficient operating conditions and that the firm's plant adaptation perfects labor performance maximum of the efficient material usage and absolute absence of operating hitches. Machine break down are not expected to occur therefore to produce

a particular product, an absolute minimum of direct material at the lowest possible price are assumed, so also the direct labors in which cases of the time and rates allow no deviation, no matter the extent from the very high standard of efficiency are also taken into accounting when settle standard for overhead cost as a result, an ideal standard is always better than the actual performance.

- ii expected standards: standards set on the basis of expected standard could be of a great advantages so far as they are set with the objective of obtaining the best result out of the available facilities. Though the variance generated under to this condition will show divergences. They are likely to reflect more accurate, measurement of superior or normal performance this fact in itself constitutes a recommendations. As a result, sub-unit managers and superior or normal performance this facts in it constitutes a recommendations. As a result, sub-unit managers and supervisors are expected to come to grips with the target set and the resulting variance represents a reduction in efficiency.
- Iii Basic standards: These are standards based on the ideal of suing existing or past performance in the case future performance will not be better than the past and are therefore established to be

used over a long period of time without an adjustment to it. A standard of the type is similar to the standard of measurement of length; volume etc. that is to say, it serves as a fixed standard of measurement for a long period of time and to this extent is extremely useful.

- Iv Normal standard: These are standard which are set taking into account the pre-determined cost of production for a business cycle rather than for a fiscal year. In other words, they represent an average figure, which hopes will smooth out fluctuations caused by seasonal and cyclical change using this standard as a base for setting standard cost will have no reacting implication since they do not contribute much to incentives to the workers to perform better and also for the fact that they are of a long range time duration.

2.7 ROLE OF ACCOUNTING IN PUBLIC EXPENDITURE

This in other words can be referred to as financial management in the public sector.

A very important development initiative (FMI) accounting. accounting to him , the public expenditure survey, ministers decision thereon, periodic policy reviews and the discipline of cash limits should suffice to

determine and control the tool of public spending and its allocation between competition services. The rote accounting system and the associated federal executive council and audit procures should guard against spending without constitution authority and misappropriation of public funds.

SUMMARY

The primary purposed standard cost is to keep unit variables as low as possible under the given condition of themselves. Standard cost can not by themselves achieve lower product cost. The aim is to achieved when the workers in a particular organization used specific amount for it s input. It is therefore necessary that special care be employed in setting standard cost.

In setting standard cost, it is essential that the factory be so organization that department are clearly designated and that lines of authority are defined, after which a detailed study of the function necessary for the manufacture of a single product would be undertaken.

The organization should see that the responsibility of setting standard is given to an individual or to a committee which might include the production controller, the cost account among others since the

success of system officiate involved in setting standard cost organization concerned.

REFERENCES

Dala, E. O. (1965), *Management Control of Business Organization*. London: Mc. Crew Hill.

Ejiofor, N. O. (1989), *Foundation of Business Administration*.

Holiness Geofry, (1982), *Interpreting Company Reports and Accounts*, 2nd Edition : Wood head and Cambridge.

Howard, W.B. (1980), *A complete Executive Encyclopedia of accounting, Financial, Investment, Banking and Economics*.

Mosiah, A. N. (1982), *Internal Accounting 5th Edition*

Nwoko Chinedum O. *Historical Difference of Accounting studies in Accounting Tests and Reading*, Enugu: New age publisher.

Okafor F.O. (1980), *Financing the Nigerian Public Sector in the Nigerians Financial Infrastructal*, London: Macmillam Publisher.

Oshisami, K.O. *Financial Management in the Nigeria Public*, Nigeria : Macmillam publisher.

Samulsum R .T. (1981), *A survey Basic Accounting 3rd edition*, Nigeria.

Sheared, P. M. (1974), *Financial control of Business*, London: Cambridge Publisher.

Stinner, R. M. (1982), *"Accounting Principles Acadian view point 3rd Edition*, Nigeria: Briden Press Ltd.

William Phillip, (1981), *Foundation Accounting Principles*
U.S.A: Mc Craw Hill line.

CHAPTER THREE

3.1 RESEARCH METHODOLOGY

This study is intended to obtain information that will enable the researcher assess the accounting principles adopted by the Nigeria Public Sector.

3.2 RESEARCH DESIGN

For the purpose of this study the researcher made use of certain methods and designs. These involve the planning and implementation of this plan in generating information, which would be used in investigating the study, the role of accounting in the control of public

enterprises in Nigeria . The plan will include methods and source of data collection and also determination of sample size.

3.3 DETERMINATION OF SAMPLE SIZE

This study by its nature did not permit the use of large sample size. It consist of few responsible officials in the accounts and internal audit departments of central bank of Nigeria Enugu branch. The internal audit department has a population of 15 staff while the account department has a population of 26 staff maki8ng a total population of 41 official. For our sample size, we would use the total number of staffs because of the small number we have, there would be no need for a formula to calculate the sample size for the project work.

Therefore, the sample size of this research work is 41. this means that the questionnaire prepared should be distributed to 41 officials base on our findings of officials.

3.3 AERA OF STUDY

The research for this study will conduct his research on the company below;

Central Bank of Nigeria (CBN) Enugu Branch Public Expenditure Enterprise.

These are the companies from which the researcher will be able to obtain adequate information for the study.

3.4 POPULATION OF STUDY

The target population for this study is the staff in the accounting department of the companies used, the staff in the accounting and internal audit department of the central Bank of Nigeria plc (C B N) Enugu Branch totally 41.

3.5 SAMPLE OF STUDY

Central Bank of Nigeria plc. Is used as the sample in the public sector.

3.6 METHOD OF INVESTIGATION

Method of investigation consisted of questionnaire and interviews held with senior officers of both accounting and internal audit department.

3.7 METHOD OF DATA ANALYSIS

The research would normally need to use various sources of data for this study the various sources of data will help to see the impact of accounting in the control of public enterprises. The researcher made use of primary and secondary sources of data for the study and chi-square formula of regression

3.8.1 SOURCES OF PRIMARY DATA

The researcher made use of primary data collection through a field survey of the staff of account and internal audit department also conducted oral interviews with senior official of account and internal department of C B N. I also went through the account books and audit procedures in the accounts and internal audit disbursement of the organization.

The oral interview, however was aimed to further obtain same details which are not ascertainable through the structured questionnaires. Also data obtained through the questionnaire. The oral interview is also aimed at getting the plan of the management.

3.8.2 SOURCE OF SECONDARY DATA

The research reacted on books and documents made available to them by the heads of account and internal audit department. The secondary data could be obtained from libraries, source nails, newspapers and material relevant to the research.

3.9 DEVELOPMENT OF RESEARCH INSTRUMENT

No questionnaire used as an instrument for data collection, rather the research made use of primary and secondary data.

CHAPTER FOUR

PRESENTATION OF DATA AND TESTING OF HYPOTHESES.

4.1 INTRODUCTION

This chapter deals with the presentation and interpretation of data obtained from responses to questionnaires administered to competent staff of account department and internal audit department.

It also contains a summary of responses from interview questions and the role of each question.

4.2 PRESENTATION OF DATA

SUMMARY OF RESULTS/FINDINGS

Question1: Good accounting I budgeting has no control effect on expenditure of public enterprises in Nigeria?

No of response

Alternatives	Internal audit	Accts dept	Total	Percentage
Yes	0	6	26	63
No	5	10	15	37

Total	15	26	41	100
-------	----	----	----	-----

In this questionnaire, the staffs disagree to the fact that good accounting I budgeting has no control effect on expenditure of public enterprises in Nigeria meaning good accounting I budgeting has control and effect on expenditure of public enterprise in Nigeria. But not all the staff agreed, 63% agreed and 37% disagreed.

Question 2: Do accounts give good interpretation of government policies on expenditure control in central Bank of Nigeria?

No of response

Alternative	Internal audit	Account dept	Total	Percentage
Yes	15	26	41	100
No	-	-	-	-
Total	15	26	41	100

In this questionnaire, all the staffs agree that the accounts being prepared give good interpretation of government policies on expenditure control.

Question 3: Do you agree that poor accounting has been attributable to poor capital expenditure as budgeted?

No of response

Alternative	Internal audit	Account dept	Total	Percentage
Yes	10	16	26	63
No	5	10	15	37
Total	15	26	41	100

In this questionnaire, 63% of the staff state that the poor accounting system has been attributed to the poor capital expenditure as budgeted.

Question 4: Are accounting reports or records taken into consideration used in making policies for the company?

No of response

Alternative	Internal audit	Account dept	Total	Percentage

Yes	15	26	41	100
No	-	-	-	-
Total	15	26	41	100

All accounting reports or records made by the internal audit department are taken into consideration in making decisions and policies in the company.

Question 5: Do the internal audit department in public enterprises carryout heir control function satisfactory?

No of response

Alternatives	Internal audit	Acct dept	Total	Percentage
Yes	15	20	35	85
No	-	6	6	15
Total	15	26	41	100

In this questionnaire, you notice all the staff of the internal audit department concord to the fact that they carry out their function in

public enterprises and 20 staff of their account department agreed to that but 6 staff of the account department disagree.

Question 6: Do accounting records generally affects the economic activities of the organization to an extent?

No of response

Alternatives	Internal audit	Acct dept	Total	Percentage
Yes	12	20	32	78
No	3	6	9	22
Total	15	26	41	100

In this questionnaire, it is cleat that every accounting records affects all the aspect of the organization in the economic activities of the organization.

Question 7: Do central Bank of Nigeria prepare and adhere to their annual budget?

No of response

Alternatives	Internal audit	Acct dept	Total	Percentage
Yes	5	6	11	27
No	10	20	30	73
Total	15	26	41	100

The objective of this question is to know whether managers prepare and adhere to their annual budget from the table; 11 staff states that the managers adhere the every plan of their budget in the bank, 30 staff states that they do not adhere to the budget plan in the Central Bank of Nigeria, Enugu branch.

Question 8: Are the accounting records of CBN transparent?

No of response

Alternatives	Internal audit	Acct dept	Total	Percentage
Yes	7	11	18	42
No	8	15	23	58
Total	15	26	41	100

From the table above, we see that the accounting department and internal audit department have different view on the accounting record of the bank.

Question 9: Is there any from of fraud/embezzlement by accounting officials?

No of response

Alternatives	Internal audit	Acct dept	Total	Percentage
Yes	15	8	23	56
No	-	18	18	43
Total	15	26	41	100

In the above table, we can see that fraud I embezzlement can also be found in Central Bank Of Nigeria, but are kept away from the mass, only faw staff that know that.

Question 10: Does the organization apply the general accounting principles in the activities of the organization

No of response

Alternative	Internal audit	Account dept	Total	Percentage
Agree	15	26	41	100

Disagree	-	-	-	-
Total	15	26	41	100

The staff of the both department states and agrees that the organization apply the general accounting in accounting principles of CAMA in the activities of the organization.

Question 11: Do government policies aid in promoting accounting in Nigeria public Enterprises?

Alternative	Internal audit	Account dept	Total	Percentage
Agree	14	20	34	83
Disagree	1	6	7	17
Total	15	26	41	100

Government policies are made to aid in the economy or economic sector, government help to control accounting in Nigeria public Enterprises, accounting to this table.83% of the staff agree to this while 17% of the staff disagrees.

Question 12: Are feed back being received in the department periodically?

No of response

Alternative	Internal audit	Account dept	Total	Percentage
Yes	10	16	26	63
No	5	10	15	37
Total	15	26	41	100

The objective of this question is to know if feedback are been received periodically to each department, from the table, you would see that not all the staff agree that there are feed back that means in so point in time department do not give feedback to the managers of the various department.

Question 13: do government policies on trial f corruption embezzlement cases do have enough determent effect to other?

No of response

Alternative	Internal audit	Account dept	Total	Percentage
Yes	7	11	18	42
No	8	15	23	58
Total	15	26	41	100

From the table, you would see that government policies on trial of corruption/embezzlement cases have enough determine effect on other to an extent.

Question 14: do threats and intimidation by some government official on the accountants affect the quality of the records kept?

No of response

Alternative	Internal audit	Account dept	Total	Percentage
Yes	7	11	18	42

No	8	15	23	58
Total	15	26	41	100

Due to the threats by personnel in the government, account find it difficult and threatening to do their perfectly well.

Question 15: do account /internal audit department encounter any problem in the discharge of their duties?

No of response

Alternative	Internal audit	Account dept	Total	Percentage
Yes	10	10	20	49
No	5	16	21	51
Total	15	26	41	100

Some problems are encounter either by the government fellow staff, other commercial banks or within the organization.

4.3 TEST OF HYPOTHESES AND INTERPRETATION OF RESULTS.

In line with the problems already stated and the objectives set to be achieved this study, three hypotheses are formulated:-

1. H^0 - Good accounting records/budgeting has no control effect on expenditure of public enterprises.

H¹- Good accounting records/budgeting has no control effect on expenditure of public enterprises.

2. H⁰-Corruption do not affect the quality of service rendered on accountants in public enterprises.

H¹- Corruption affect the quality of service rendered on accountants in public enterprises.

3. H⁰- Government accounting policies do not aid in promoting accountability in Nigeria Public Enterprises.

H¹- Government accounting policies aid in promoting accountability in Nigeria Public Enterprises.

4.3.1 TESTING THE FIRST HYPOTHESIS

Having gathered all the necessary data, the statistic adopted for the first hypothesis is the chi-square formula. Applying the formula to the study , one will have:

$$\text{Chi-square } (x^2) = \sum (\text{of } -ef)^2$$

Where :-Of = Observed frequency

ef = expected frequency

$\sum$ = summation sign

X⁰² = Calculated chi-square

$$\text{Expected frequency (ef)} = 41 \div 2 = 20.5$$

Degree of freedom= Df

(column-1) (Row -1)

(C – 1) (R - 1)

(3 -1) (2 – 1)

(2) (2)

= 2

TABLE 4.2.1

Good accounting/budgeting has no control effect on expenditure on public enterprises in Nigeria?

Table of observed frequency.

No of response

Yes	10	16	26	63
No	5	10	15	37
Total	15	26	41	100

Source: field survey 2012

Table of expected frequency using chi-square methics

Responses/ Alternates	Of	Ef	(of-ef)	(of-ef) ²	(of-ef) ²
Yes	26	20.5	5.5	30.25	1.47

No	15	20.5	-5.5-	30.25	1.47
Total	41	-	-	-	2.94

Decision rule:

Reject H_0 , if $\chi^2_{cal} \geq \chi^2_{critical}$ value.

Accept H_0 , if $\chi^2_{cal} \leq \chi^2_{critical}$ value.

If $\chi^2 = \chi^2_{square}$ value from distribution table.

$$Df = N - 1$$

$$DF = 2 - 1 = 1$$

At the level of significance of 5% or 0.05 $\chi^2_{(0.05, 1)} = 3.84$.

Since $\chi^2 = 3.84$ and $\chi^2_{cal} = 2.94$.

Decision: since χ^2_{cal} calculated 2.94 is lesser than $\chi^2_{critical}$ 3.84, we accept H_0 (null hypothesis) and reject H_1 (alternative hypothesis). We hence conclude that good accounting records/budgeting has no control effect on expenditure of public enterprises.

TABLE 4.2.8

Are the accounting records of CBN transparent?

No of response

Option/alternatives	Internal audit	Account dept	Total	Percentage

Yes	7	11	18	42
Total	15	26	41	100

Source: field survey 2012.

Table of expected frequency using chi-square method

Responses Alternatives	Of	Ef	(of-ef)	(of-ef) ²	$\frac{(of-ef)^2}{ef}$
Yes	18	20.5	-2.5	6.25	0.30
No	23	20.5	2.5	6.25	0.30
Total	41				0.6

Decision rule:

Reject H_0 , If $\chi^2_{cal} \geq \chi^2_{critical}$ value.

Accept H_0 , If $\chi^2_{cal} \leq \chi^2_{critical}$ value.

If $\chi^2_{critical}$ = chi-square value from distribution table

Df = N-1

Df = 2 - 1 = 1

At the level of significance of 5% or 0.05

$\chi^2_{critical} (0.05, 1) = 3.84$

Since $\chi^2_{cal} = 0.60$ and $\chi^2_{critical} = 3.84$

Decision: since χ^2_{cal} calculated 0.60 is lesser than

$\chi^2 = 3.84$, we accept H_0 (null hypothesis) and reject H_1 (alternative hypothesis). We hence conclude that corruption do not affect the quality of service rendered on accountants in public enterprises.

TABLE 4.2.11

Do government policies aid in promoting accounting in Nigeria Public Enterprises?

No of response

Option alternatives	Internal audit	Accts dept	Total	Percentage
Agree	14	20	34	83
Disagree	1	6	7	17
Total	15	26	41	100

Source: field survey 2012.

Table of expected frequency using chi-square method

Responses alternative	Of	Ef	(of-ef)	(of-ef) ²	$\frac{(of-ef)^2}{Ef}$
Agree	34	20.5	13.5	182.25	8.89
Disagree	7	20.5	-13.5	182.25	8.89
Total	41				17.78

Decision rule:

Reject H_0 , If $\chi^2_{cal} \geq \chi^2_{critical}$ value.

Accept H_0 , If $\chi^2_{cal} \leq \chi^2_{critical}$ value.

If $\chi^2 =$ chi-square value from distribution table

Df = N-1

Df 2 = 1 = 1

At the level of significance of 5% or 0.05

$\chi^2_{(0.05,1)} = 3.84$

Since $\chi^2 = 3.84$ and $\chi^2_{cal} = 17.78$

Decision: since χ^2_{cal} calculated 17.78 is greater than

$\chi^2_{critical}$ 3.84, we accept H_0 (null hypothesis) and reject H_1 (alternative hypothesis). We hence conclude that corruption do not affect the quality of service rendered on accountants in public enterprises.

CHAPTER FIVE

5.1 SUMMARY OF FINDINGS

The researcher made some notable findings in the central Bank of Nigeria (CBN). These findings are whether the organization applies the role of accounting in the control of public expenditure in Nigeria. And also if the manages and other staff were following statement.

However, the data that is collected for this study have been presented and analyzed in the previous chapter. The managers are adequately and efficiently apply the role of accounting in their organization which ensure accurate accountability in the recordkeeping.

The role is of utmost important in any organization in which if other company can imitate will enhance the organization and help them in achieving their goals. Based on the observation there is enough materials. Resources and funds to express organization plans and control. It is also indicates that accounting plays on important and inheritable role of recording and managing funds in the organization.

In the organization studies, several of the staff that has been interviewed are using the accounting principles and also applied it in the financial transaction of the organization. That is the reason why the organization is functioning up till today and once they are using

these principles it will enhance the standard of living both in the organizations and in the Nigerian economy.

5.2 CONCLUSION

The role of accounting principles in the control of public expenditure in Nigeria was the main aim of this project. Also student, were the effects of certain economic factors and government policies on the role of accounting principles in Nigeria is primarily to ensure observed that the role of accounting principles in Nigeria is princely to ensure accountability in this sector and present the true and fair financial position of the enterprises.

At the end of project, it was discovered that the role accounting is effective in the need for adequate application of the standard were normal. It was suggested that projects, write-ups, these include in conclusive should be carried out extensively on the point topic studied. The validity of accounting principles rest on their simplicity, classify and generality in current practices and in furnishing guidance for moral conduct of practitioner of the profession. Finally, the role of accounting by all organizations in the public sector would result in higher be enhance. Therefore the practice should be better in amongst parishioners of all levels of production.

5.3 RECOMMENDATION

The following recommendations have on the basis of findings of the study, less emphasis should be placed on the needs and expectations of management when preparing financial reports. Preparers should not be biased in the performers. Better awareness should be created amongst the public practitioners of accounting profession on the need and importance of adequate application of accounting standards. The NASB should show some list of imagination and adequate research in its standards and an attempt should be made to develop a system of accounting standards reflecting local social economic separation from the control of practitioner, rather practitioners should be guided in the practice by body of independently developed theory.

A high level working committee should be inaugurated to examine constant breaches of accounting standard and the balance of power on NASC should be tilted to favour the process of account, the auditor and the public interest equally and have detailed standard be published. All organizations in both public and private sector of the economy should be made to comply fully with the standard requirement the presentation of reports on financial transaction and strict disciplinary measure should be against those that will fail to comply. Efforts to improve existing principles will have better channels of success if they are made with full recognition of needs and special problems of

business activities, financial analyst government agencies and others, who used the accounting information in their organization.

5.4 RECOMMENDATIONS FOR FURTHER STUDIES

Even though this study has added to existing literature on the topic, the extent and coverage has been constrained by some factors, as pointed out in chapter one. The researcher hereby recommend that further studies on the role of accounting in the control of public expenditure in Nigeria should be carried out to find out the areas of weakness and how the role can be made more efficient and effective. Further, a study should be carried out on the roles of accounting standard board in the improving the level of practice amongst practitioners of the role of the accounting principles.

APPENDIX 1

Department of accountancy,

Caritas University,

Amorji-Nike,

P.M.B 01784,

Enugu State.

May 2012.

Dear respondent,

RESEARCH QUESTIONNAIRE

The researcher is a student of Caritas University Amorji-Nike, Enugu, a final year student of the above named institution. She is currently embarking on a research of "The role of accounting in the control of public expenditure In Nigeria". The research is purely for academic purpose.

Kindly give your sincere responses to the questions and please, be rest assured that your responses would be held confidential

Yours faithfully

Kanu Esther. A

QUESTIONNAIRES

Direction

Please tick (x) or mark [] as best appropriate to you against your choice of answer or a brief comment for open spaces.

PERSONAL INFORMATION

1a what is your sex?

a) Male []

b) Female []

b in what department of the company are you serving?

a) Accounts department []

b) Internal audit department []

c. What is your position in the department?

a) Top manager []

b) Middle Manager []

c) Supervisor []

2. Good accounting / budgeting has no control effect on expenditure of public enterprises in Nigeria?

Yes [] No []

3. Do accounts give good interpretation of government policies on expenditure control in central Bank of Nigeria?

Yes [] No []

4. Do you agree that poor accounting has been attributable to poor capital expenditure as budgeted?

Yes [] No []

5. Are accounting reports or records taken into consideration used in making policies for the company?

Yes [] No []

6. Do Accounts/ Internal audit department encounter any problem in the discharge of their duties?

Yes [] No []

7. Do the internal audit department in public enterprises carryout their control function satisfactory?

Yes [] No []

8. Do accounting records generally affects the economic activities of the organization to an extent?

Yes [] No []

9. Do Central Bank of Nigeria prepares and adheres to their annual budget?

Yes [] No []

10. Are the accounting records of the C B N transparent?

Yes [] No []

11. Is there form of fraud / embezzlement by accounting officials?

Yes [] No []

12. Do Government Policies aid in promoting accounting in Nigeria Public Enterprises?

Yes [] No []

13. Are feedback being received in the department periodically?

Yes [] No []

14. Do Government Policies on trail of corruption embezzlement cases do have enough determent effect to others?

Yes [] No []

15. Do threats and intimidation by some government officials on the accountants affect the quality of the records kept?

Yes [] No []

Bibliography

- Ademolekun K.O. (1983), *The Nigeria financial system*, London: Macmillian Publisher.
- Dala E.O. (1965), *Management Control of Business Organization*, London: MC Crew Hill.
- Ejiofor & Pital N.O. (1989), *Foundation of Business Administration*. African Publisher Ltd., Onitsha Nigeria.
- Holiness Geofry et al (1982), *Interpreting Company Reports and Accounts*, 2nd Edition Wood Head and Cambridge.
- Howard W.B. (1980), *A Complete Executive Encyclopedia of accounting, Financial, Investment, Banking and Economics*.
- Image E.U. (1985), *Principals of Accounting*, Enugu: Fourth Dimension Publisher.
- Johnson, H.(1965) *Financial Management and the Private Enterprises in Nigeria*, Nigeria: Longman Publishers.
- Mosiah A.N. (1982), *Internal Accounting 5th Edition*, USA: Mc Craw Hill Line.
- Nwoko Chinedum O. *Historical Difference of Accounting Studies in Accounting Tests and Reading*, by Bengamin C. Omission Osisioma. New Age publishes Enugu Nigeria.
- Okafor F.O. (1980), *Financing the Nigerian Public Sector*, London: Macmillam Publish.
- Olisa, E.C. (1988), *Public Enterprises and Privatization in Nigeria*, Nigeria: Longman Publisher.
- Oshisami, K.O. & Dean, *Financial Management in the Nigeria Public Sector*, London: Pitman Public.
- Ostisumi K.O. (1984), *Financial Management in Nigeria Public Sector*, London: Pitman Publisher.

Osumbor, O.A. (1991)' *An Overview of Private Enterprises in Nigeria*
"Business Time" September 14th.

Samulsum R.T et al (1981), *A Survey Basic Accounting*, 3rd Edition
Richard Inc.

Sheared P.M. (1974), *Financial Control of Business Organization*,
London: Mr. Craw Hill.

Stinner R.M. (1982), "*Accounting Principles Acadian View Point* 3rd
Edition the Briden Press Ltd 1972.

Willian Phle et al (1981), *Foundation Accounting Principles*, 3rd Edition,
Iwedin Dorsey Ltd: Ontaire.

Willy N. Ugwuayi, (1997), *The Nigeria Financial System (A Systematic Approach)*: John Kens & Willy Nigeria Ltd.