Critical Evaluation of Accounting System in Tertiary Institutions in Osun State, Nigeria

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Abstract
The essence of this research is to evaluate the effectiveness and efficiency of accounting system in tertiary institutions with aim of establish the way in which administrator of tertiary institutions are process and manage the resources to survive, grow and achieve common goal and prestige. The sample comprises one hundred and ten (110) employees who were randomly selected from seven categories of tertiary institution in Osun State, Nigeria. Data were collected from both primary and secondary source while descriptive analysis was used to analyse the data collected with aid of (ANOVA) Analysis of Variance tool to test hypotheses. The results showed that the accounting guideline and policies have impact on preparation of financial statement and maintained effective internal control system put in operation in tertiary institution. The implications are that if institution have no effective accounting system it may give rise for fraudulent practices of which will critical damage the integrity of leadership to achieve common goal and prestige hence ability of institution to survive will difficult. It was recommended that for accounting system of Educational Institution to be effective, institutions should work with administrators who have people’s skills to deal with a variety of culture and bring diverse teams together to achieve common goals and prestige.

Keywords: Accounting system, guidelines and policies, tertiary institutions, internal control, financial statement.

INTRODUCTION
The word tertiary institutions connote institutions of higher learning which comprises the universities, polytechnics, and other allied colleges where both undergraduate and post graduates students pursue a degree or diploma and other certificates with the aim of getting a certificate at the completion of their studies. The institutions are established to contribute optimally to national development. This is done by intensifying and diversifying its programmes for the development of both middle and high level manpower within the context of the need for the nation.

To implement the various programmes of the higher institution, staffs (teaching and non-teaching) are needed from various disciplines and in most cases, in large number. Based on the largeness of the educational institution, the act of managing the system becomes relatively complex and demands high level of professional competence from the head of institutions. Being an organisation that will be run by independent management entirely, there is need to install an accounting system that will suit the purpose of the establishment. The funding system of these institutions are in form of subvention, grants from both state and federal government, including the internal generated revenue (IGR) and donation from non-governmental agencies.

Contrary of the general belief of the public, the institution is profit and or non-profit oriented organisation. This now posses more challenge to the accounting department and management staff at large. That is, as they are generating revenue from the normal activity of the establishment, the method of disbursing this income in connection with the subvention and grants received from government must be properly accounted for.

It is generally believed that once an institution is owned by the government or privately, its accounting system will not be watertight. That is, there may be likely to be a mismanagement, which always takes the channel of accounting system.

There may be good policy system accounting, but when it comes to implementation it is not really of which are some factors that are responsible for this. For the purpose of this study, accounting system that was evaluated will be includes in management of revenue and disbursement of the resources. The basic fact is that whatever the act of misappropriation or mismanagement, it will take either of these two ways. One of those focused is how the accounting system operates and it is in compliance with guiding principles of accounting profession. If so, are the principles in practices.

In order to appreciate the magnitude of services required from the accountant and management staff, there are different types of account that are maintained, such accounts are: balance sheet, income and expenditure, statement of cash flow, fixed assets accounts, income from academic operation accounts, debtors and creditors account as well.

Statement of the Problem
Tertiary institutions are faced with a lot of challenges due to its peculiar nature. Most of these challenges occur due to financial anomalies are going on in the institution as a result of dictation from the political class. The incompetent employees working in accounting department and other sensitive units may jeopardize the system
of account and its operations. They must observe the effectiveness of internal control measures installed should be working as expected to forestalling errors or forged documents and operations. Another point of which will guarantee transparent accounting system is ‘Auditing’ and after each financial year, there should be an external audit report from a qualify auditor, which authenticates the true position of the financial statement. In view of this, there is need to evaluate the system of accounting that operates in institutions so as to have an overall view of what may be operating in other establishment.

The study will be able to identify further, financial accounting guideline and policies put in place and mismanagement of resources among administrators of which people draw this conclusion from the fact that majority of top official are living above their standard which now leave so many unanswered questions in the mind of people.

**Aim and Objectives of the Study**
The main aim of this research work is to evaluate the system of accounting and operations so as to establish the way in which the institutions are the process and manage their resources to survive, grow and achieve prestige. Other specific objectives include:

(i) To examine the effectiveness of internal control measure put in place so as to know whether the system of accounting is weak to permit such evil act fraud or not.

(ii) To show how accounting information are produced and interpreted for decision making purposes.

(iii) To looked into the theoretical framework of accounting and its effect on the accounting system in practice in an institutions.

(iv) To elucidate on the accounting system, its features and operations of institution.

**Research Questions**
The following are the identified research questions to guide the researcher in the course of this research work.

(i) Does the administrators and other key officers of the institution install effective internal control system to forestalling errors, irregularities and forged documents in the operation of accounting system?

(ii) To what extent does the accounting guideline and policies have impact on the preparation of the financial statement of the institution?

(iii) Is the accounting system of educational institutions affected by the political structure of Nigeria?

(iv) Is there any major constraint that is hindering the full implementation of accounting policies of the institution?

**Research Hypotheses**
In this research work, the following hypotheses are to put forward to be tested in order to arrive at reasonable conclusion and make recommendation therefrom, the hypotheses are present in null form.

H1: The accounting guidelines and policies have no significant impact on the preparation of financial statement of the institutions.

H2: The administrator and other key officers of the institutions have not install effective internal control system to forestalling errors, irregularities and forged documents and operations of the accounting system.

**Significance of the Study**
In order to assess the viability of any educational institution, there is need to examine the books of accounts and financial statement. And to be precise, accounting has been defined as the process of collecting, recording, sorting, classifying and compiling in summarized all information about income, expenditure and resource and communicating the same to the appropriate level of management and or for the purpose of stewardship accounting and efficient control of fund and resources in line with the laid down rules and regulations. Information from accounting system is presented usually in a very technical manner such that other users who are not knowledgeable in it may find it difficult to understand. It is hoped that this work will be an eye-opener to simplify these information and educate its users on what is obtainable in the institution establishment.

Since accounting is dynamic and full of potential not yet tapped, the comments and recommendations of this work will hopefully, help educational institution and other establishment to improve on their accounting system and operations.

**Scope of the Study**
This study focused on the evaluation of accounting system and this covered the few selected tertiary institutions across the Osun State.

**LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK**
Frankwood (1993) defined Accounting as the process of identifying, measuring and communicating economic
information to permit informed judgments and decision by users of the information. Soyode (1982) describes accounting as the act of measuring, communicate and interpretation of financial activities. It serves as a business language being practically used by nearly everybody in one form or another almost on daily basis. Accounting defined as act of recording, classifying and summarizing in a significant manner and in terms of money, transaction and events which are in part, at least, of a financial character and interpreting the result thereof (AICPA 1961) American Institute of Certified Public Accounts.

Shillinlaw and Meyer (1993) defined accounting as the process of measuring and identifying economic variables in individual businesses and communicating information based on these measurement to users who need to make informed judgment. Ibrahim (2009) views the accounting in several ways, as an activity performed by accountants and their surrogates; as a system comprising several interrelated and interdependent parts; as technique of management (in a collective sense) and as discipline of study. It includes the design of accounting systems, preparation of financial statements, developments of forecasts, income tax computation, audits, computer applications of accounting information as an aid to making business decisions.

Abolarinwa (2006) opined that a system is said to be the composition of various components, while procedure is an order of doing things. For example subsidiaries book of accounts cannot be posted unless such documents such as cheques, vouchers, receipts (received and issued) statement from invoices and firstly acquired so also ledger cannot be opened without books of original entries such as revenue books, expenditure books, assets and liabilities books, etc. Awe (2002) said that a system usually comprise components parts that relate or work together in the way that differentiate the overall system from any other. These component parts are called sub-systems. An accounting system is an embodiment of the general payroll, purchasing, sales and costing and credit control system. Interconnection and interaction of subsystems are called interfaces.

System is a set of object with relationships between the objects and between their attributes connected or related to each other and to their environment in such a manner as to form an entity or whole, (Fredrick, 1984). Examples of systems include a motor vehicle engine, an organisation, a society, an economy and the universe. He illustrates further that an economic system may be composed of such components as manufacturing industries, retailing industries, processing industries, etc. The political and social environments both domestic and foreign constitute the external environment of an economic system. There may be several different types of component within a system. For instance, an accounting information system may be composed of adding machines, accounting personnel, forensic accounting expert.

The system concept of accounting as it relates to institutional organization is very crucial in this write-up since it strives to succeed in its existing environment. This depends on proper understanding of its economic, political and social systems and the proper application of accounting systems to its financial report for the interested users.

**Accounting Guideline**

There are some basic facts that accounting system should reflect, and these facts will form the basis on which the preparation of financial statement will stand on, Zolomon (2000). This research work will revolve round facts so as to establish the acceptability of the institution accounting system. Those things to look into are:

(i) Generally Accepted Accounting Principle (GAAP)

(ii) Internal Control System

Generally Accepted Accounting principles are certain principles and convention that govern the preparation of financial statements, which divided into three groups, that is, accounting concepts and conventions, accounting methods and accounting policies.

Lucas and Robert (1999) say that the accounting concepts are basic assumptions which underlie the preparation of periodic financial account, and statements of business enterprises, it may be called accounting axioms, principles, assumption theory, etc. while accounting conventions are the application of accounting concepts in the preparation and presentation of financial statement that ensures the attainment of objectivity and fairness, some basic accounting concepts tend to contradict one another. In other words, the conventions which guide the accounting methods help the users to interpret the financial transaction.

The following are examples of accounting concept and conventions: Entity, Going concern, Periodicity, Realization, Matching or Accrual, Consistency, Historical cost, Duality, Monetary measurement, Objectivity.

**Accounting Methods**

Glauter and Underdown (1976) describe accounting method as the medium through which the fundamental accounting concepts are applied to financial transaction and to the preparation of the financial statements. It is also the method adopted in recognizing, measuring and valuing an item of revenue, expenses gain, loss or any asset or liability and it divided into two groups i.e. Accrual basis and cash basis.

Accrual basis, under this basis revenue and expense are recognized in the accounting period to which they relate and in which they are earned and incurred; and not when they are received or paid. Cash basis, under
this basis only revenue actually received and expenses actually paid during an accounting period are recognized in that period. However, a modified cash basis permits the application of the accrual basis to selected transactions.

**Accounting Policies**

These are the specific accounting bases, rules, procedures, principles, judged by business enterprises as being most appropriate to their circumstances and adopted by them for the purpose of preparing and presenting their financial statements. There are many different accounting policies in use even in relation to the same subject, therefore, individual organisation should chose appropriate policies which will fit into its prevailing circumstances and best suited for the presentation of true and fair financial statements.

Hence, the following considerations should govern the selection and application by management of appropriate accounting policies; substance over form, objectivity, fairness, materiality and prudence.

The financial accounting information to achieve its objectives, it must possess some of desirable qualities. These qualities listed by APB Accounting and submitted by Hermanson et al (1980) are: Relevance, Understandability, Verifiability, Materiality, Reliability, Faithful representation, Completeness, Comparability, Timeliness and Prudence.

**Limitations of Financial Information**

(i) Financial accounting gives mainly past information in that the events are recorded as they happen or after they occurred.

(ii) Historical information can be used in predicting future events, but accounting is not concerned with the systematic collection of probable future happening.

(iii) Incomplete information which is provided by accounting especially financial accounting that is not of a financial nature. Therefore, any information that cannot be expressed in terms of money, e.g. size, quality efficiency of services etc is not reported by accounting.

(iv) Information relating to human beings in the organisation (human resources) is also not supplied by accounting despite the fact that the most important resources of an organisation is its human resources. However, there is hope for improvement in this regard because some accountants are now talking about “Human Resources Accounting” Adeniyi (2009).

(v) The cost of producing accounting records and reports can be very significant or much. This is why accounting information is usually made public annually.

(vi) There is a great danger because competitors may like to gain a greater commercial understanding of the organisation if accounting information is usually readily available anytime.

**Users of Accounting Information**

The following two categories are listed as users of financial information: internal and external.

*Internal users:* This group is made up of;

(i) The executive, such as President, Governor, as well as Governing Council member.

(ii) The supervising ministries and department, e.g Commissioners, Ministers

(iii) Top Administrators of Government Department e.g. the Permanent Secretaries and Directors.

(iv) The Chief Executives of institution e.g. Vice chancellor, Rector, Provost.

(v) The organized labour unions

(vi) Members of management staff

*External users:* This group comprises:

(i) The member of National or State assembly and established committees of the houses.

(ii) The member of the public.

(iii) Foreign interest e.g. World Bank, Agencies of United Nation.

(iv) Investors and Creditors.

(v) Researchers

**Internal Control**

Millichamp (2002) describes the internal control as the whole system of control, financial or otherwise, established by management in order to carry on the business of the enterprise in an orderly and efficient manner, ensure adherence to management policies, safeguard the assets and secure as far as possible the completeness and accuracy of records.

From the above, it can be deduced that internal control involves internal check, internal audit and other controls. The underlying feature of internal control is the separation or segregation of duties. This requires that key duties and responsibilities of approving, authorizing, effecting, recording, and reviewing of transaction should be clearly divided among individuals in organisation.

Internal control is essential, especially in strategic area like the cash office, vouchers, cheque summary
and paper money register, cash book, safe, assets and liabilities register book, etc.

Types of Account Kept
The major accounts kept by the institution are: Balance Sheet, Income and Expenditure, Cash flow statement and Notes of Accounts.
A typical specimen of institution accounting is as follows:

### Balance Sheet as at 31st December, 2013 (Acquired)

<table>
<thead>
<tr>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>`000</td>
<td>`000</td>
</tr>
<tr>
<td>`000</td>
<td>`000</td>
</tr>
</tbody>
</table>

#### CAPITAL EMPLOYED

<table>
<thead>
<tr>
<th>NOTE</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Assets</td>
<td>(1)</td>
</tr>
<tr>
<td>Loan and Investment</td>
<td>(2)</td>
</tr>
</tbody>
</table>

#### CURRENT ASSETS

| Stock | (3) | 7,400 | 6,500 |
| Debtors, Advance & Prepayment | (4) | 1,700 | 3,500 |
| Cash & Balance | (5) | 67,000 | 32,000 |

<table>
<thead>
<tr>
<th>CURRENT LIABILITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Overdraft</td>
</tr>
<tr>
<td>sundry Creditor &amp; Accrual</td>
</tr>
</tbody>
</table>

| 101,000 | 80,000 |

Net Current Asset | (24,900) | (38,000) |

| 472,100 | 463,000 |

#### FINANCED BY:

| Total Grants | (8) | 285,000 | 235,000 |
| Accumulated | (9) | 187,100 | 228,000 |

| 472,100 | 463,000 |

Table 2: Income and Expenditure for the year ended 31st December, 2013 (Acquired)

<table>
<thead>
<tr>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>`000</td>
<td>`000</td>
</tr>
<tr>
<td>`000</td>
<td>`000</td>
</tr>
</tbody>
</table>

#### INCOME

<table>
<thead>
<tr>
<th>Note</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Subvention from Govt.</td>
<td>(8)</td>
</tr>
<tr>
<td>Income from Academic opera</td>
<td>(10)</td>
</tr>
<tr>
<td>Other income</td>
<td>(11)</td>
</tr>
</tbody>
</table>

| 333,000 | 412,000 |
| 410,000 | 390,000 |
| 7,600 | 37,000 |

| 750,600 | 839,000 |

#### OPERATING EXPENSES

| Personnel Expenses | (12) |
| Academic Expenses | (13) |
| Finance & Admin. | (14) |

| 480,000 | 505,000 |
| 120,000 | 140,000 |
| 190,000 | 215,000 |

| (790,000) | (860,000) |

| (394,000) | (21,000) |

| 189,100 | 28,000 |

Therefore, the major purpose of tertiary institution accounting is to assist institution administrator in the efficient and effective management of resources – men, money, material and machines. Institution accounting has the following feature;
- Funding Accounting system and or modified accrual basis is commonly employed.
- The financial activities of institution are covered by budgeting and budgetary control procedures.
- Subsidiary and principal books of accounts are kept to facilitate the extraction of information.
- Educational Institution is required to prepare financial statement, to determine proper stewardship in fund disbursement and general resource management as follows; income and expenditure accounts, Balance sheet, cash flow statement, Note to the accounts, memorandum statement of Account of Capital fund and recurrent fund, Value Added statement and five years financial summary.

However, the divisions or sections expected to be found in bursary department of the institution are: Inspectorate, Supplies, Finance, Account, while sections includes purchasing, stores cash office, budgeting and Expenditure, Final Account, Advance, Salary and students account.

### RESEARCH METHODOLOGY

**Population of study and sample**
The population of the study consists of all the employees in seven tertiary institutions selected out of the (21) of
both public and private tertiary institutions in Osun State. One hundred and ten (110) employees including key officers across the seven (7) tertiary institutions were chosen.

The table below show the tertiary institutions, their location and number of employees selected.

<table>
<thead>
<tr>
<th>S/N</th>
<th>Name of Institutions</th>
<th>Location</th>
<th>No of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Osun State College of Technology</td>
<td>Esa-Oke</td>
<td>15</td>
</tr>
<tr>
<td>2.</td>
<td>Osun State Polytechnic</td>
<td>Iree</td>
<td>15</td>
</tr>
<tr>
<td>3.</td>
<td>Osun State College of Education</td>
<td>Ilesa</td>
<td>12</td>
</tr>
<tr>
<td>4.</td>
<td>Osun State College of Education</td>
<td>Ila</td>
<td>12</td>
</tr>
<tr>
<td>5.</td>
<td>Osun State University</td>
<td>Osogbo</td>
<td>18</td>
</tr>
<tr>
<td>6.</td>
<td>Federal Polytechnic</td>
<td>Ede</td>
<td>18</td>
</tr>
<tr>
<td>7.</td>
<td>Obafemi Awolowo University</td>
<td>Ile-Ife</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td></td>
<td><strong>110</strong></td>
</tr>
</tbody>
</table>

Method of Data Collection

This research work made use of both primary and secondary sources of data collection. The primary source of data was the questionnaire, which was carefully framed and administered to a sample of one hundred and ten (110) respondents in the institutions selected. Hence, responses of the respondents emanating from the question on 5-point likert rating scale and it is assumed that the respondents understand the content of the questionnaire.

The secondary source of information were gathered from published and unpublished academic journal, textbooks, periodicals, seminar paper presentation and other related research works conducted by other researchers.

Method of Data Analyses

The adopted method of analyses in this study is descriptive analyses with the aid of both **One and Two way-Analysis of Variance (ANOVA)** employed as a statistical tool to investigate the evaluation of accounting system put into operation in an institution. The ANOVA test is based on F-test statistic for the reject of the null hypothesis if the calculated F-statistics is greater than tabulated F-statistic i.e. $F_c > F_t$ (Reject the null hypothesis). The F-test is expressed as:

$$ F = \frac{SSC/(k - 1)}{SSE/(n-1)} \quad (1) $$

$$ F = \frac{SSR/(r-1)}{SSE/(k(n-1))} \quad (2) $$

Where

- SSC = Sum of Square Columns
- SSR = Sum of Square Rows
- SSE = Sum of Square Errors

(k -1) (r-1) k(n-1) are degree of freedom

K – is number of column and

R – is number of row

N – is total number of sample

Thus, the sum of square total identify can be represent symbolically by the equation

$$ SST = SSC + SSR + SSE \quad \text{two ways} $$

$$ SST = SSC + SSE \quad \text{one way} $$

Test of Research Hypotheses

The formulated research hypotheses of the study is tested using both one and two way – Analysis of variance (ANOVA) to evaluate whether the accounting guideline and policies has significant impact on the preparation of the financial statement and to investigate whether internal control measure put in place to forestalling, errors, irregularities and forged document and its operation of the accounting system in tertiary institutions. The ANOVA results are presented as follow.

The responses of the respondents are symbolical represented as $X_1$ – Strongly agree, $X_2$ – Agree, $X_3$ – Disagree, $X_4$ – Strongly disagree, $X_5$ – Undecided. Where numbers of tertiary institution represent as:

- $Z_1$ - Osun State College of Technology, Esa-Oke
- $Z_2$ - Osun State Polytechnic, Iree
- $Z_3$ - Osun State College of Education, Ilesa
Hypothesis One

H₀: Accounting guideline and policies have no significant impact on the preparation of financial statement of the tertiary institutions.

H₁: Accounting guideline and policies have significant impact on the preparation of financial statement of the tertiary institution.

Table 4: Summary of ANOVA for hypothesis one

<table>
<thead>
<tr>
<th>Source of Variance</th>
<th>Sum of Square</th>
<th>DF</th>
<th>Means square</th>
<th>F-cal</th>
<th>Ft</th>
</tr>
</thead>
<tbody>
<tr>
<td>SSC</td>
<td>279.15</td>
<td>4</td>
<td>69.79</td>
<td>58.65</td>
<td>2.78</td>
</tr>
<tr>
<td>SSR</td>
<td>11.49</td>
<td>6</td>
<td>1.92</td>
<td>1.6</td>
<td>2.51</td>
</tr>
<tr>
<td>SSE</td>
<td>28.65</td>
<td>24</td>
<td>1.19</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SST</td>
<td>319.29</td>
<td>34</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Authors calculated work, 2015.

ANOVA Table 4, shows that calculated F-value is 58.65 while table value of F at alpha of 5% significance level and degree of freedom of F₄, 24 is 2.78, since the calculated F-value of 58.65 is greater than F-table value of 2.78 i.e. (58.65 > 2.78). Then H₀ (Null hypothesis) is rejected. We therefore conclude that the entire employees of the tertiary institutions selected viewed that the accounting guideline and policies has significant impact on the preparation of the financial statement to the extent that the accounting system put in practice aid their operations.

It also opined further that the F-cal of 1.6 is less than F-table value of 2.51 at alpha of 5% significance level and degree of freedom of F₆, 24 is 2.51 i.e. (1.6 < 2.51) H₁ is also rejected and this implies that independent tertiary institutions selected viewed that the accounting guideline and policies has no significant impact on the preparation of the financial statement. This occurred as a result of some of the enabling statutes of tertiary institutions do not contain or provide proper guidelines on the nature of financial statements to be compiled. Apart from this, the attitudes of governing council members of these institutions circumvent the ability of the institutions to follow the guideline and policies in implement the accounting system to put in operation while preparing its financial statement. The implications are; it will give room for fraudulent practices as a result of non-compliance or existence in accounting guidelines and policies and this will critical damage the image of leadership to achieve prestige and ability of the institutions to grow and survive will difficult hence scare away both domestic and foreign donor agencies in rendering financial assistance to educational institutions.

The second ANOVA analysis tested the administrators and other key officers of the institutions have install effective internal control system put to forestalling errors, irregularities and forged documents in the operation of accounting system. These categories were identifies as:

Z₁ - Bursars and Directors
Z₂ - Senior Accountants & Auditors
Z₃ - Accounts and Store Officers
Z₄ - Cashiers & Clerks

Hypothesis Two

H₀: The administrator and other key officers of the institution have not install effective internal control system to forestalling errors, irregularities and forged document in the operation of accounting system.

H₁: The administrator and other key officers of the institution install effective internal control system to forestalling errors, irregularities and forged document in the operation of accounting system.

Table 5: Summary of ANOVA for hypothesis two

<table>
<thead>
<tr>
<th>Source of Variance</th>
<th>Sum of square</th>
<th>DF</th>
<th>Mean Square</th>
<th>F-cal</th>
<th>Ft</th>
</tr>
</thead>
<tbody>
<tr>
<td>SSC</td>
<td>563.5</td>
<td>4</td>
<td>112.7</td>
<td>15.71</td>
<td>3.06</td>
</tr>
<tr>
<td>SSE</td>
<td>106.5</td>
<td>15</td>
<td>7.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SST</td>
<td>670</td>
<td>19</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Authors calculated work 2015.

From the above ANOVA Table 5, it was discovered that F-cal value of 15.71 while the F-table value at alpha of 0.05 significance level and degree of freedom of F₄, 15 is 3.06. Since the F-cal is greater than F-table value of 3.06 i.e. (15.71>3.06) then H₀ (Null hypothesis) is rejected and accept alternative hypothesis. We therefore conclude that the administrator and other key officers of the institution install effective internal control system to forestalling errors, irregularities and forged document in the operation of accounting system. This implies that the management of the institution has maintained effective internal control system and policies and to satisfy the needs of its employees by maintain adequate compensation, and incentive and this will help the
accounting system to be in an orderly manner to the effective operation of the tertiary institution.

Conclusion:
Based on the result of the tested hypotheses, it is evident that:
- The guideline and policies have impact on the preparation of the financial statements of educational institution
- The accounting system of tertiary institution is affected by the political situation of Nigeria.
- The accounting systems operated by tertiary institution do not provide the nature of financial statement to be compiled. For instance, in the Federal Polytechnic Act of 1979, it provides only for the production of income and expenditure accounts and never mention balance sheet.
- Governing Council member attitude affected management of the institution in the area of guideline and policies implementation of accounting system.
- The management of the institution installed effective internal control system to forestalling errors and forged documents

Recommendations
Based on the finding of this study, the following recommendations are to be effected:
- They should minimize the accounting repetitive procedure that hinders the effective and efficiency of system
- Internal audit and bursary department should endeavor to streamline their procedure without circumventing existing accounting guideline and policies
- Tertiary institutions incurs a high cost in its establishment and faces a lot of problem from the shortage of finding, therefore donor agencies should come to their aid by making funds available for them.
- They should maintained effective internal control to forestalling forged document and operation are streamlined to nip in the bud any transaction that might lead to errors and irregularities.
- The institutions management should demonstrate good leadership qualities and also have institution grip on the job or staff.
- A good system of educational institution accounting must be includes the items stated as contained in the United Nations Manual on Government accounting.
- If the accounting system of tertiary institutions to be effective, they should work with top administrators who have people’s skills to deal with a variety of cultures and bring diverse teams together to achieve common goals.

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