
MAXIMIZING THE VIRTUES OF AUDITING AND INVESTIGATION IN EDUCATIONAL MANAGEMENT AND PLANNING IN NIGERIA

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Abstract

Auditing and investigation play vital roles in educational sector. Auditing and investigation is all about independent examination and expression of the financial statement of any institution by an appointed auditor in compliance with any relevant statutory obligation. While management is all about planning, controlling, coordinating, directing and organizing through the best use of human and material in the best way possible to achieve the objectives. Planning is the systematic development of action and programs aimed at reaching agreed business objectives by the process of analyzing, evaluating, and selecting among the opportunities which are foreseen both within and outside the business environment. In view of the above, this paper discusses the virtues of auditing and investigation in educational management and planning. Recommendations such as investigation and checking of the financial records of educational institutions are made to conclude the paper.

Auditing is an independent investigation on a financial statement of any institution irrespective of size or complexity of the organization. Such investigation is been carry out for the purpose of forming an opinion. Babatunde (2002) defined auditing as an independent examination of an expression on the financial statement of an enterprise by an appointed auditor incompliance with any relevant statutory obligation.(p1). Management is the back bone of any organization. The existence of any organization is dependent largely on the quality of management or administrative services rendered to that organization. Adesina (2002) perceived managements as the organization and mobilization of all human and material resources in a particular system for the achievement of identified objective in the system.(p2) .The two key words are

human and material resources within a system which should be organized and mobilized so that the objectives of the system can be achieved to the fullest.

The management influences the results to be achieved, the direction to be followed and priorities to be recognized, but all these will not be sustained and maintained unless with the intervention of auditing and investigation that will make the organization maintain its goodwill and financial capabilities. Aquaisua (2004) defined auditing as an independent checking and investigation of the books of account and vouchers of a business with a view or enabling the auditor to report whether the profit and loss account and balance sheet are properly drawn up. Aquaisua stated further that auditing shows a true and fair view of the state of the affairs and the profit (or loss) of the business according to the information and explanations obtained by the auditor in compliance with the rules and regulation laid down by SSP (statement of standard accounting practice) and other statutory regulations.(p.1). In view of the above expositions, this paper discusses the importance of auditing in educational management and way forward to have best internal control in the financial aspect so as to have good output education in Nigeria.

Evolution of Auditing and Investigation

Auditing evolved from the ancients' days when the land owners allowed tenants to work on their land whilst the landowners themselves were not involved in the business of farming. Since then, the evolution has continued until the modern day. In the modern days business world, the provider of capital (known as owner or shareholders) may neither have the technical know how about the business nor the time to effectively manage and control the day to day activities of the business.(Babatunde, 2002: 2).As a result, these owners usually appoint people with required technical knowledge as managers or directors to the running of the business. As is usually the case, when somebody appoints another person to look after his property, the problem of trust arises between the owner and the directors or managers. The owners are thus wary of the directors such that when directors report to them, they (the owners) may find the report difficult to believe. The suspicion of owners are usually based on the fact that the report either contain errors, is misleading, failed to disclosed fraud and error or relevant information .The need therefore arises for somebody who is independent of the owner and the directors /managers to carry out an investigation on the authenticity of the report submitted to the owner by the directors. This person is the auditor. He is appointed by the owners in order to carry out an examination of the accounts, document and records of the business and make a report there after.

Objectives of Auditing

The objective of auditing is both primary and secondary. The primary objective of an audit is for the auditor to form and express an opinion on the truth and fairness of the financial statement reported upon by him. This is done so that any person reading and or using the financial statement can have faith in them. Thus, the auditor's opinion helps to establish the credibility of the financial statement. The secondary objectives of an audit are:

1. To detect error and fraud. It should be noted that because auditing is frequently conducted on a test basis, it may be difficult or even impossible for the auditor to discover error or fraud carefully perpetrated. The detection of errors or fraud is the secondary objective of a well-planned and properly conducted audit. The primary duty of the auditor is not to look for error and frauds but to check if account is being prepared according to the statutory laid down rule. The auditor is however, expected to exercise reasonable skills in the discharge of his duties.
2. To prevent error and fraud. The fact that an audit is conducted regularly has a deterrent and moral effect on the commission of fraud or error by the staff of the entity.
3. To provide spin –off effects: The auditor will, in the course of conducting the audit, be able to assist his client in other areas such as accounting design and installation taxation. (Babatunde, 2002:4).The mission and vision of this investigation is not to suspecting the workers of the organization but to check whether the account has been prepared according to the laid down accounting principle or statement of accounting standard(SAS)

The Auditor

In those days when auditing initially started, anybody can become an auditor once that person possesses integrity and independence of mind .This mean that the basic qualification required for the position of an auditor is reputation. However, Dupe (1999) noted that with the passage of time, there came increase and growth of business transactions as a number of investors or owners of these businesses multiplied, the art of recoding, classifying, summarizing and reporting business transactions became complex. The job of auditing became technical and those that were appointed based on their reputation became increasingly dependent on accountants for their job. Dupe noted further that eventually, auditing job was taken over by accountants. Today an auditor is an experience accountant. He could be an independent person (i.e. independent of the management and owner of entity he audits) as in the case of external auditing or he could be employee of the company as is the case of the internal auditor. Supporting this assertion, Babatunde,(2002:2) opined that the auditor is appointed to investigate or verify the organization, the records and the financial statements prepared from them, there by forming an opinion on the accuracy and correctness of the financial statement. In other to perform his duties effectively, an auditor should possess a thorough

knowledge of the principle of book-keeping and accountancy and he should be in a position to apply his knowledge to verifying fact and understanding business and economic circumstances. According to Babatunde (2002) an auditor should also bring his experience to bear in understanding the transaction and entries in the account of the organization he audits. This is known as technical competence. Similarly, Dupe (1999:3) reflected that modern day auditor is not just an experienced accountant, but also an accomplished administrator, a financial and investment expert, a tax practitioner, an adviser on economic matters as well as an expert and consultant in the ever changing world of information technology. Thus, to be successful, the auditor should of necessity possess the following qualities.

- i. An above average intelligence.
- ii. A searching, analytical and vigilant frame of mind
- iii. An ability to understand practical business problems
- iv. An excellent team player with conscientious, cautious and honest character.
- v. Ability to listing and understand, make inquiries ask the right person the right question at the right time.(Babatunde, 2002: 3)

In this line of thought, Dupe (1999) opined that an auditor most possesses the following qualities:

- i. Independence, the auditor must not only be independence but in both his actions and attitude of mind. He should not undertake any assignment where his independence could be undermined.
- ii. Excellent communication, evaluation and assessment skills.
- iii. Flexibility, adaptability and firm approach.
- iv. Intellectual, honest: the auditor should be an individual with transparent integrity which he should strive to protect at all times. His motto should be honest and integrity.
- v. Confidentially: The auditor is not expected to discuss his client's affairs or pass any information relating to his client to a third party without express permission from his client.

Concept of Education

The meaning of education cannot be definite as it means different things to people depending on their perception of what it is. Education in general terms, is

the process of transmitting societal lore's, values and desirable Attitudes from one generation to another. Education seeks to socialize individual so as to equip them with the desired mode of behavior that is in conformity with the way of life of the society in which they live.

Education is the process of teaching, training and learning in schools and colleges for development of knowledge and skills so as to prepare individuals to live happily with themselves and other in the society where they live.(NTI Module, PDE103:1).

According to Mill (1993), education can be define as whatever we do for ourselves and whatever is done for us by others for the express purpose of bringing us nearer to the perfection of our nature. To Chanchan (1976), education is the process of shaping individuals behavior for adequate adjustment in the society. Similarly, Fafunwa (1974) sees education as “the aggregate of all the process through which a child develops abilities, attitudes and other forms of behavior which are of positive value to society. Adiele (1975), define education as a desirable change in human behavior Ukeje (1973) says Process of education occurs whenever any influence produces a change in the physical and mental behavior. It is deduced from the above definitions that the focus of education is to imbue the individuals with the knowledge, abilities, skills and desirable behavior to enable them function effectively in their immediate environment and the society at large.

Aims of Education

There are general aims as well as specific aims of education at its various levels in the educational system. However, only general aims of education will be discussed here. Ukeje (1979) in National Teachers’ Institute (NTI Module, 2000) listed the following aims of education:

- (i) To develop the full potentialities of every child, while at the same time taking into consideration the need and welfare of the country.
- (ii) To develop social and individual efficiency so that the individual can become more effective in the society.
- (iii) For the preparation and training of young people for the problems and the task of the future as they exist today and can be foreseen tomorrow.
- (iv) To develop discipline of the body.
- (v) For self-fulfillment or self-realization.(p5)

Similarly, O’lenor (1957) suggested five aims of education to be:

1. to provide man and woman with minimum of skills necessary for them to take their place in society and to seek further knowledge;
2. to provide man and woman with vocational training that will enable them to be self-supporting;
3. to awaken an interest in and a taste for knowledge;
4. to make people critical; and
5. to put people in touch with and train them to appreciate the cultural and moral achievement of mankind. (p6)

It is probably in line with the above that the National Curriculum workshop on teacher education (1972) suggested the following aims and objectives for education in Nigeria:

- i. Meeting the emotional, social-political, cultural and religious needs of the individual for the development of an integrated personality.
- ii. For the development of moral character personal and social ideals.
- iii. For the development of critical thinking and awakening of intellectual curiosity (p6).

These aims are very important to the survival of the individual and his ability to contribute meaningfully to the growth and development his country.

Management and Planning

Management is a comprehensive activity involving the combination and coordination of human, physical and financial resources in a way which a commodity or a service which is wanted can be offered at a price which will be paid. According to Yalokwu (2002:4), management can be defined as the process of planning, organizing, leading and controlling the efforts of organizational members and using all other organizational resources to achieve set goals. Further still, management involves the achievement of goals set for the organization. This means that the manager of any organization such as commercial bank, a university, or the Nigeria stock exchange should try to achieve specific ends. These ends are unique to each organization. The set goals for universities might be to equip students with balanced education that will enable them to earn a living. According to Bedein (1993), the main goal of a commercial bank might be to provide quality financial services to the people at a profit. Whatever is the goal of the organization concerned, management is the process by which the goals can be attained. From the foregoing, management is a process of achieving the desired results of any organization through efficient utilization of human and material resources.

Importance of Auditing in Educational Management

The importance of auditing in management and planning in the educational sector cannot be underestimated. One of the challenges facing the sector which the auditing is meant to correct is finance that is observed to lack internal control system. Adebayo (2011:7) identified the following functions of auditing in education sector.

- i. Accounting system and internal control: Auditing enables the management of the education industry to maintain accounting and internal control systems that is adequate and relevant to the nature and size of the education ministry.
- ii. Documentation: is very important in education sector to keep record either financial or other useful document, it is this document that the auditors base their work on to prove the adequacy or otherwise of the financial engagement of the ministry.

- iii. Planning: it enables the management and the auditor to conduct an effective audit in an efficient and timely manner. Okeke (1981) pointed out that it is one thing to make funds available to education; it is yet another thing to spend the money wisely. It is imperative that the governments (Federal and State) that funds education have to be satisfied.

Deduced from the above, the auditing brings about adequacy in financial record of any organizational setting (Educational sector inclusive). This is why every education institution, irrespective of size depends on accounting department for the payment of worker/teacher's salary. In the same vein, auditing enables the ministry of education to have a comprehensive financial record. In addition, Federal and State ministries of education need auditing and auditors to detect fraud and report such to the appropriate quota for necessary action.

Conclusion

This paper has discussed in some detail the virtue of auditing in educational management and planning. In view of this, the following recommendations are put forward for consideration:-

- i. Government should employ qualified accounting personnel who posse integrity, independence of mind and have sound knowledge of accounting to run the financial account of the ministry of education.
- ii. Financing procedure: The process of funding the educational project should be given maximum attention in the sense that the entire project intended to embark on should be to awarded to trustworthy contractor and the project should be supervised accordingly.
- iii. Government should ensure "Due Process" of accounting in releasing of fund to any contractor and purchasing of useful materials for the educational ministry.
- iv. Government should also employ the service of qualified auditor in supervising the release of fund to the project contractor. This will serve as check and balance between the accounting and audit department.

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