European Journal of Education Studies
ISSN: 2501 - 1111
ISSN-L: 2501 - 1111
Available on-line at: www.oapub.org/edu

doi: 10.5281/zenodo.3590270 Volume 6 │ Issue 9│ 2019

EXTENT OF IMPLEMENTATION OF AUDITING GUIDELINES FOR ASSETS IN FINANCIAL REPORTING IN TERTIARY EDUCATIONAL INSTITUTIONS IN SOUTH EAST, NIGERIA

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Abstract:
This study determined the extent of implementation of auditing guidelines for assets in financial reporting in tertiary educational institutions in South-East, Nigeria. Two research questions guided the study and four null hypotheses were tested at 0.05 level of significance. Related literature pertinent to the study were reviewed which exposed the need for the study. Descriptive survey research design was adopted, using a population of 1,405 accounting officers. Taro Yamane formula was utilized to select a sample size of 311. A structured questionnaire developed by the researchers was used for data collection. Cronbach Alpha was used to establish the reliability of the instrument. The reliability index obtained was r = 0.81 and 0.80. Data collected were analyzed using mean, standard deviation, t-test and ANOVA. Mean was used to answer the research questions and standard deviation was used to explain how the responses of the respondents varied. ANOVA and t-test were used to test the hypotheses. The results showed that audit guidelines for fixed assets and disposal of fixed assets were moderately implemented by account officers in financial reporting in tertiary educational institutions. The results also showed that there was no significant difference in the mean ratings of account officers based on type and ownership of institutions. Based on the findings, the researchers recommended among others, that the management of tertiary educational institutions should, as a matter of urgency emboss the institutions' names on all assets and update fixed asset registers thereon to safeguard all assets against pilfering and other unauthorized uses.

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Keywords: auditing, auditing guidelines, fixed asset, disposal of fixed asset and financial reporting

1. Introduction

Tertiary educational institutions are institutions of higher learning where knowledge is imparted to its seekers and researches are undertaken in various fields of human endeavour. Tertiary educational institutions are at the post-secondary level of Nigeria's education system, which include universities, polytechnics, colleges of technology, colleges of education, advanced teacher training colleges, correspondence colleges and such institutions as may be allied to them (Federal Government of Nigeria (FGN), 2014). These institutions may be publicly or privately owned and are meant to contribute to national development by developing physical and intellectual skills which will enable individuals to become self-reliant and useful members of the society.

It is important to appreciate the fact that, for tertiary educational institutions to achieve their objectives effectively, there is need to establish an effective internal control system to furnish the management with necessary analyses, appraisals, and recommendations for decision making (Modibbo, 2015). The Institute of Chartered Accountants of England and Wales defined internal control as not only a check on internal audit but on the whole system of control, (financial and otherwise), established by management in order to carry on the business of the company in an orderly manner, safeguard its assets and secure as far as possible, accuracy and reliability of its records (Okonkwo, 2015). An effective internal control system in tertiary educational institutions requires accountability in cash flow and adequate financial reporting and accountability is paramount to the growth and development of tertiary educational institutions. Financial reporting involves the disclosure of financial information to various stakeholders about the financial performance and financial position of organizations over a specified period of time (EduPristine, 2018). These stakeholders include – investors, creditors, public, debt providers, governments and government agencies. In case of listed companies, the frequency of financial reporting is quarterly and annual. The main objective of financial reporting is to provide adequate and useful information for proper planning, control and decision making that will assist in achieving organizational short-term and long-term goals. These objectives can be achieved where information received is understandable, timely, accurate, complete and comparable (Muhammad in Filli & Opeyemi, 2016). In the context of this study, financial reporting is a statement which conveys to management and to interested outsiders a concise picture of the profitability and financial position of an institution. It is an audited annual report and accounts of an organization which gives a summary of the results of operations of an entity for the period represented.

Auditing is carried out by qualified auditors to ensure that financial reporting contains the salient qualities. Auditing plays an essential role in serving the public interest in order to strengthen accountability and reinforce trust and confidence in financial reports presented to stockholders, members, creditors and the entire public. Anichebe (2010) defined auditing as a systematic investigation and appraisal of transactions, procedures, operations and result in financial statements to determine the degree of adherence to prescribed criteria and to express opinions thereon. Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations (Drogalas, Alampourtsidis&Koutoupis, 2014). The quality of internal audit helps an organization to accomplish its objectives by providing a systematic approach to evaluate and improve the effectiveness of risk management processes, internal control and corporate governance.

In recognition of the importance and essence of internal auditing, governments and private sector in many countries consider the establishment of internal audit units and empowerment of internal auditors (AIs) as imperative. The global perspective is that internal audit is a necessity and adds value to organizations. In line with this, the Nigerian Government, through the mechanism of the Federal Government Financial Regulations (FGFR, 2009), provided for the establishment of internal audit functions and highlighted the expected duties of internal auditors. The regulation considers internal audit as a control mechanism which operates by assessing and measuring the effectiveness of internal control system in an organization, using auditing guidelines.

According to Hornby (2015), guidelines are rules or instructions that are given by an official organization telling you how to do something especially something difficult. Auditing guidelines are the principles and standards guiding the practice of auditing (Audit Manual, 2014). Audit guideline is a compilation of current audit policies, procedures, and guidelines of the Audit and Compliance Division of the Nigerian Taxation and Revenue Department. The purpose of audit guideline is to ensure a standard procedure of auditing and to achieve uniformity in all auditing procedures rather than following one's own personal interpretations and opinions at the time of actual auditing (Gehya & Ibitomi, 2016). The main objective of the audit guideline is to ensure compliance with audit best practices. It is therefore mandatory for all auditors to adhere to the guidelines in the manual in order to ensure consistency and coherence of the auditing process rather than relying on personal interpretation and opinion (Federal Ministry of Finance, 2011).

It is on this ground that the regulatory authorities of tertiary institutions (TI) in Nigeria which include the National Commission for Colleges of Education (NCCE), National Board for Technical Education (NBTE), and National Universities Commission (NUC), provided uniform accounting and auditing manual, explaining the specific guidelines, methods, and ways of audit guidelines as they relate to revenue collection; stores; fixed assets; disposal of fixed assets; payroll and staff advances and staff debtors, prepayment audit procedures, audit guideline for stores, among others (NCCE Audit Manual, 2006; Federal Ministry of Finance, 2011; University of Ibadan Audit Manual, 2014).

The manual is designed to standardize the practice of internal auditing in public tertiary institutions in Nigeria. Standard procedure in financial reporting of the activities of tertiary institutions in the South-East would facilitate auditing. It is also a truism that the manuals and guidelines would be applied to control corrupt practices by account officers. Under this accountability and good financial management environment, employment opportunities would be created, facilities for research would be provided and sustained, and investment from the private and corporate organizations would be attracted to the public tertiary institutions in South-East Nigeria. The audit guidelines in public tertiary institutions specify the functions of the account officers. Among many other functions, the regulation and manuals mandate the department to ensure compliance with the internal control system put in place and safeguard the assets of the institutions. Other functions are to prevent and detect irregularities, fraud and wastages, as well as audit all daily transactions of the institutions. Account officers in tertiary institutions include Bursars and Directors, Senior Accountants and Auditors, Accounts and Store officers and Cashiers and Clerks (Nwaigburu & Mark, 2014). Despite the existence and reforms in internal audit tasks, studies by Adetoso, Oladejo and Akesinro (2013); Whawo (2015) have shown lapses in the internal control system leading to several occurrences of fraud, misappropriation, and irregularities in Nigerian tertiary educational institutions.

Tertiary educational institutions in this study include public universities, polytechnics and colleges of education which are established to meet the nation's need for socio-economic development through knowledge-sharing, research and development. Modibbo (2015) asserted that tertiary institutions are expected to provide educational services and counselling to the general public at the right time. To render these services, these institutions incur expenditures that are capital and recurrent in nature. Adagye (2015) reasoned that the existence of corruption in the Nigerian educational system generally has been a challenge for achieving their objectives. Tertiary educational institutions provide for internal audit functions through uniform accounting and audit manuals which are used by auditors to examine material account balances. Asset balance, which deals with assets that cannot easily be converted into cash, is a common material account balance on an entity's financial statements (Kendra, 2017). Asset is audited through procedures that confirm the existence and valuation of the reported account balance.

An asset is defined by the International Accounting Standards Board (IASB, 2015)as a resource controlled by an entity as a result of past events and from which future economic benefits are expected to flow to the entity. Timely maintenance, effective tracking and audit of these assets are mandatory for educational institutions (Tracet, 2016). Audit guidelines for assets follow several related steps to ensure that the reported asset balance is free of material accounting errors (Jay, 2018). Asset auditing helps to uncover invalid asset transactions, noncompliant asset valuations and incorrect asset classifications. Several common audit guidelines are used to ensure the existence of assets in a business (VanBaren, 2017). These guidelines include checking an institution's documents and comparing them with a physical inspection of the assets, reviewing the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations that could have a significant impact on operations, reviewing the means of safeguarding assets and, as appropriate, verifying the existence of such assets; reviewing and appraising the economy and the efficiency with which resources are employed, and reviewing operations or guidelines to ascertain whether results are consistent with established goals and objectives. This study however focuses on the implementation of audit guidelines for fixed assets and disposal of fixed assets as it is contained in the audit manual for universities, colleges of education and polytechnics (NCCE Audit Manual, 2006; Federal Ministry of Finance, 2011; University of Ibadan Audit Manual, 2014).

Audit guideline for fixed assets pertains to an examination of relevant records and physical checking of assets. Physical verification of fixed assets is primarily the responsibility of management but the auditor must pay particular attention to the verification system to ensure that it is adequate and reliable (AASB, 2016). In case of an inadequate system, a random verification must be done by the auditor to ensure actual existence and good condition of the assets. According to Tracet (2016), all the fixed assets should be valued and recorded in the financial statements as per the generally accepted accounting practices that suit educational institutions. Fixed assets represent the long-term tangible assets an institution utilizes to produce and deliver its products or services and manage its operations. Fixed assets are the assets held with the intention of being used on a continuous basis for the purpose of producing or providing goods or services and are not held for resale in the normal course of business (Satyanarayana, Sidhu & Naresh, 2015). Example of such fixed assets includes land and buildings, plant and machinery, motor vehicles, furniture and fixture. In many capital-intensive industries including healthcare, fixed assets represent the largest item on the balance sheet. However, fixed assets have historically received little audit scrutiny. As a result, some major financial frauds have been perpetrated through significant misstatements of fixed asset balances in the financial statements of public institutions (Spring, 2017).

Auditing fixed assets is extremely important to ensure that accounting for capital assets and depreciation is in compliance with management's objectives (Scheierman, 2017). Auditors should review the system of internal controls in place for fixed assets particularly regarding control over expenditure incurred on fixed assets acquired or self-constructed, accounting and utilization controls and information and documentation controls. According to Tracet (2016), the verification of fixed assets consists of examination of records and review of physical verification conducted by the management. By conducting this examination in person, auditors confirm that the assets listed on an entity's balance sheet are real (Bragg, 2017). Auditors have a duty to verify all the assets appearing on the balance sheet and also a duty to ensure that there are no other assets which ought to appear on the balance sheet. In order to verify the physical presence, accounting and documentation of fixed assets, one must understand the policies and processes that were documented and followed in the institution. This is a crucial step in auditing fixed assets as it helps an organization to get acquainted with the environment and the procedures that an institution follows. The ultimate goal of physical verification according to Vinod (2017) is to know whether the assets are really present; assets are not misappropriated; assets are tracked and fixed assets register is maintained properly. Some organizations simply paste asset codes on the assets. Tagging of assets is done in different ways in different institutions. Some institutions may use barcode technology for tagging of their assets.

Fixed assets are meant for use for many years. The value of these assets decreases with their use or with time or through many other reasons. Sidhu and Naresh further stated that a portion of the fixed assets are reduced by usage or converted into cash through depreciation. For correct measurement of income, proper measurement of depreciation is essential, as depreciation constitutes part of total cost of production. All the fixed assets should be valued and recorded in financial statements as per the generally accepted accounting practices that suit educational institutions. Accounting Standards (AS) 28, Impairment of Assets needs to be followed and implemented during audits (Tracet, 2016). The internal auditor should test and check the calculation of depreciation, the same should be compared with that of the preceding years and identify reasons for variations. The internal auditor should, particularly, examine whether the depreciation charge is adequate, keeping in view the generally accepted bases on accounting for depreciation. The auditor should be satisfied that the fixed assets have been valued in the financial statements according to the generally accepted bases of accounting and as per the applicable reporting framework which are determined by law, professional pronouncements of the institute and the prevailing institution's practices (The Chartered Accountant, 2011). Without this audit step, there is a risk that a company's assets will be overstated. It is mandatory for organizations to conduct an annual physical count of all fixed assets to check for depreciation, resale value, verifying the accuracy as there would be continuous addition and disposal of items regularly. Estimating the remaining utilization factor is something that is equally important in evaluating the life cycle of particular products/ resources.

Disposal of fixed assets involves eliminating assets from the accounting records. Bragg (2017) explained that this is needed to completely remove all traces of an asset from the balance sheet (known as derecognition). An asset disposal may require the recording of a gain or loss on the transaction in the reporting period when the disposal occurs. The overall concept for accounting for asset disposals is to reverse both the recorded cost of the fixed asset and the corresponding amount of accumulated depreciation. Any remaining difference between the two is recognized as either a gain or a loss. The gain or loss is calculated as the net disposal proceeds, minus the asset's carrying value. A proper fixed asset disposal is of some importance from the perspective of maintaining a clean balance sheet, so that the recorded balances of fixed assets and accumulated depreciation properly reflect the assets actually owned by a business.

Asset disposal is mostly known as the act of selling an asset usually a long term asset that has depreciated over its useful life like production plant and vehicles (Susan & Namusonge, 2014). Disposal of asset involves identifying whether the asset can be sold or not. Based on this, disposable assets are classified into saleable and non-saleable items.

There are several possible means of materials disposal. For salable items, there are different selling options based on the nature of the item, geographical location, volume and existence of bidders for the item. Non-saleable items consist of fixed assets retaining no salvage or disposal value and are occasionally discarded or abandoned as scrap, recyclable items, donations to charities or work creation organizations, destruction dumping or burying hazardous items (Addisalem, Lididya & Worknesh, 2014). Disposal of assets is an important part of asset auditing management in educational institutions because it is a function that guarantees that institution funds are not wasted on obsolete and unserviceable equipment and assets. When stores are disposed, they are sold at the best achievable value in the market. Institutions may not dispose assets without approval by relevant authorities and the auditor has to thoroughly verify the disposal agreement. If a substantial part of fixed assets has been disposed during the previous year, the auditor has to study the effect on the basis of the going concern concept.

The influencing factor on the extent of implementation of auditing guidelines for assets in the financial reporting by tertiary educational institutions could be by the type of institution and the ownership of institution. This variable is likely to affect account officers' mean ratings on the extent of implementation of fixed asset auditing guidelines. Type of institution in this study means universities, polytechnics and colleges of education. Accounting officers in this study are the principal officers in tertiary educational institutions. Ownership of institution in this study means the Federal and State Government owned tertiary educational institutions. According to Ibrahim, Adeyemi and Ayeni (2016), independent tertiary institutions selected showed that the accounting guideline and policies have no significant impact on the preparation of the financial statement. This occurred because 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, governing council members of these institutions circumvent the ability of the institutions to follow the guidelines and policies in implementing the accounting system to put in operation while preparing financial statements. In view of this, it is appropriate for the type and ownership of educational institutions to have an effective control system of accounting by instituting internal audit for good monitoring and checking against financial reporting.

2. Statement of the Problem

Auditing guidelines mandate institutions to ensure compliance with the internal control system put in place, safeguard the assets of the institutions, prevent and detect irregularities, fraud and audit all daily transactions. Despite the regulations and the existence of internal audit tasks, frequent and large-scale financial fraud occurring in tertiary institutions in South East Nigeria in particular are disrupting effective research, teaching and learning as well as community services which are the functions of tertiary institutions. Petitions have been written against the management of tertiary institution on the selfish use and poor management of funds (Azuka, 2011). In some cases, tertiary institutions' managements have been taken to court to explain issues bothering on poor accounting but nothing came out of it. All these notwithstanding, studies have shown that lapses exist in the internal control system and several occurrences of fraud and misappropriation of funds in public tertiary institutions in Nigeria in general and South East in particular. Laxity in revenue and expenditure management, inadequate payroll controls and weak internal control systems and other problems seem to point to the weakness of internal control systems leading to irregularities in financial management and reporting in public tertiary institutions in South-East Nigeria. These result in improper verification, valuation and disposal of assets in institutions financial reporting. Thus, the study sought to determine the extent of implementation of asset auditing guidelines in financial reporting of tertiary educational institutions in South-east Nigeria.

2.1 Purpose of the Study

The main purpose of this study was to determine the extent of implementation of auditing guidelines for assets in the financial reporting of tertiary educational institutions in South-East Nigeria. Specifically, the study determined the extent:

1) audit guidelines for fixed assets are implemented in financial reporting in tertiary educational institutions.
2) audit guidelines for disposal of fixed assets are implemented in financial reporting in tertiary educational institutions.

2.2 Research Questions

The following research questions guided the study:

1) To what extent are audit guidelines for fixed asset implemented in financial reporting in tertiary educational institutions in South-East Nigeria?
2) To what extent are audit guidelines for disposal of fixed asset implemented in financial reporting in tertiary educational institutions in South-East Nigeria?

Hypotheses

The following null hypotheses were tested at 0.05 level of significance:

1) Account officers in universities, polytechnics and colleges of education do not differ significantly in their mean ratings on the extent audit guidelines for fixed assets are implemented in financial reporting in tertiary educational institutions in South-East, Nigeria.
2) There is no significant difference in the mean ratings of account officers in Federal and State tertiary institutions on the extent audit guidelines for fixed assets are implemented in financial reporting in tertiary educational institutions in South-East Nigeria.
3) Account officers in universities, polytechnics and colleges of education do not differ significantly in their mean ratings on the extent audit guidelines for disposal of fixed assets are implemented in financial reporting in tertiary educational institutions in South-East, Nigeria.

4) There is no significant difference in the mean ratings of account officers in Federal and State tertiary institutions on the extent audit guidelines for disposal of fixed assets are implemented in financial reporting in tertiary educational institutions in South-East Nigeria.

3. Method

The study adopted descriptive survey research design. According to Nworgu (2015), a descriptive survey research design is one which aims at collecting data, and describing in a systematic manner the characteristics, features or facts about a given population. The study was carried out in tertiary educational institutions in South East Nigeria. The South East is one of the six geo-political zones in Nigeria consisting of Abia, Anambra, Ebonyi, Enugu and Imo States. The population for this study consisted of 1405 account officers in all the 24 public tertiary educational institutions (ten universities, seven polytechnics and seven colleges of education) in South East Nigeria. A sample size of 311 account officers was used for the study. The sample size was derived using the Taro Yamani formula. Data for this study were collected using a structured questionnaire titled "Implementation of Auditing Guidelines for Assets in Financial Reporting (IAGAFR)". The questionnaire was structured on a 5-point rating scale of Very Highly Implemented (VHI), Highly Implemented (HI), Moderately Implemented (MI), Low Implemented (LI) and Very Lowly Implemented (VLI).

The questionnaire developed for this study was subjected to face validation by three experts in business education. Cronbach Alpha method was used to ascertain the internal consistency of the instrument. This yielded coefficient values of 0.81 and 0.80 which was deemed reliable for the study. The researchers personally administered 311 copies of the instrument with the aid of three research assistants. Out of the 311 copies of the questionnaire distributed, 297 (representing 95.5 %) were duly completed, retrieved and used for data analysis. Data collected in the study were analyzed using descriptive statistics of mean and standard deviation to answer the research questions and determine the closeness of the respondents' mean ratings. One-way analysis of variance (ANOVA) and t-test were used to test the null hypotheses at 0.05 level of significance. Where the calculated p-value is less than, or equal to, the stipulated level of significance 0.05 (i.e. $p \leq 0.05$), it implies that there was significant difference between respondents' mean scores. Under this condition, the null hypothesis of no significant difference is rejected. On the other hand, if the p-value is greater than, or equal to, the alpha level of 0.05 (i.e. $p \geq 0.05$), the null hypothesis of no significant difference is accepted.

4. Results

4.1 Research Question 1: To what extent audit guideline for fixed assets are implemented in financial reporting in tertiary educational institutions in South East Nigeria?

Analysis of data relating to this research question is presented in Table 1.

Table 1: Mean ratings of account officers on the extent audit guidelines for fixed assets are implemented in financial reporting in tertiary educational institutions in SouthEast Nigeria (N= 297)

S/NoAudit for Fixed Asset	**Mean**	**SD**	**Decision**
1. Ensuring existence of an up to date fixed asset register	4.01	0.65	Highly implemented
2. Checking from approved annual budget to confirm provision for acquisition of assets	4.02	0.66	Highly implemented
3. Examining the necessary documents to ensure authorization for acquisition of the assets	2.95	0.66	Moderately implemented
4. Ensuring that all documents are duly filed	2.63	0.61	Moderately implemented
5. Carrying out periodic verification assets to confirm location, condition and identification number	2.63	0.62	Moderately implemented
6. Verifying improvement and maintenance of assets	4.02	0.66	Highly implemented
7. Determining the depreciation charge	2.85	0.68	Moderately implemented
8. Ensuring existence of fixed asset list	3.03	0.71	Moderately implemented
9. Verifying valuation certificate	4.07	0.69	Highly implemented
10. Regularly updating valuation of revalued assets	2.90	0.69	Moderately implemented
Cluster Mean	**3.31**		**Moderately implemented**

The analysis in Table 1 shows the cluster mean of 3.31 which indicates that audit guidelines for fixed assets are moderately implemented by account officers in financial reporting in tertiary educational institutions in South East Nigeria. The item by item analysis shows that items 1, 2, 6 and 9 with mean scores ranging from 4.01 to 4.07 are audit guidelines for fixed asset highly implemented by account officers, while items 3, 4, 5, 7, 8 and 10 with the mean scores ranging from 2.63 to 3.03 are audit guidelines for fixed asset moderately implemented by account officers. The standard deviations show that there is homogeneity amongst responses indicating a greater consensus of opinion.

4.2 Research Question 2: To what extent audit guideline for disposal of fixed assets are implemented in financial reporting in tertiary educational institutions in South East Nigeria?

Analysis of data relating to this research question is presented in Table 2.

Table 2: Mean ratings of account officers on the extent audit guidelines for disposal of fixed assets are implemented in financial reporting in tertiary educational institutions in South-East, Nigeria (N= 297)

S/No	Audit for disposal of fixed asset	Mean	SD	Decision
11	Existence of an up to date fixed asset disposal register	3.97	0.70	Highly implemented
12	Adhering to the provisions of financial regulations and accounting manual on disposal of fixed assets	2.63	0.60	Moderately implemented
13	Ensuring that assets to be disposed off are as recommended by the Board of Survey and duly approved by the Management	2.48	0.57	Low implemented
14	Ensuring that identification numbers are attached to the assets to be boarded	4.14	0.68	Highly implemented
15	Ensuring that date of boarding and items to be boarded are wisely publicized	2.49	0.56	Low implemented
16	Ensuring that receipts are issued on payment by the highest bidders	4.00	0.69	Highly implemented
17	Ensuring removal of the disposed assets from the fixed asset register	4.07	0.72	Highly implemented
18	Ensuring transparency in the whole process of bidding	2.64	0.64	Moderately implemented
Cluster Mean		**3.30**		**Moderately implemented**

As displayed in Table 2, the cluster mean of 3.30 shows that audit guidelines for disposal of fixed assets are moderately implemented by account officers in financial reporting in tertiary educational institutions in South East Nigeria. The item-by-item analysis shows that items 11, 14, 16 and 17 with mean scores ranging from 3.97 to 4.14 are audit guidelines for disposal of fixed asset highly implemented by account officers, while items 12 and 18 with the mean scores ranging from 2.63 to 2.64 are audit guidelines for disposal of fixed asset moderately implemented by account officers. Items 13 and 15 with the mean scores ranging from 2.48 to 2.49 are audit guidelines with low implement. The standard deviations of 0.56 to 0.72 are within the same range, showing homogeneity in responses.

4.3 Testing of Null Hypotheses

4.3.1 Hypothesis 1

Account officers in universities, polytechnics and colleges of education do not differ significantly in their mean ratings on the extent audit guideline for fixed assets are implemented in financial reporting in tertiary educational institutions in South East Nigeria.

Table 3: Analysis of variance on the mean ratings of account officers on the extent audit guidelines for fixed assets are implemented in financial reporting in tertiary educational institutions

	Sum of Squares	df	Mean Square	F	P-value
Between Groups	12.4	2	6.2	1.121	.327
Within Groups	1626.1	294	5.5		
Total	1638.6	296			

As shown in Table 3, there is no significant difference among the three groups in terms of their mean ratings on the extent audit guideline for fixed assets are implemented by account officers in financial reporting in tertiary educational institutions in South East Nigeria based on type of institution (universities, polytechnics and colleges of education), as the F-ratio (2, 294) is 1.121 and P-value (.327) is greater than the stipulated 0.05 level of significance. Therefore the null hypothesis is accepted.

4.3.2 Hypothesis 2

There is no significant difference in the mean ratings of account officers in Federal and State tertiary institutions on the extent audit guideline for fixed assets are implemented in financial reporting in tertiary educational institutions in South East Nigeria.

Table 4: Summary of t-test result of mean ratings of Accountofficers on the extent audit guidelines for fixed assets are implemented in financial reporting in tertiary educational institutions

Audit for fixed asset	N	$\overline{X}$	SD	df	P-value	Decision
Federal	192	3.31	.23	295	.880	Not Significant
State	105	3.31	.24			

Data in Table 4 show that there is no significant difference in the mean ratings of account officers in Federal and State tertiary institutions on the extent audit guidelines for fixed assets are implemented in financial reporting in tertiary educational institutions in South East Nigeria. This is shown by the p-value of 0.88, which is greater than the significance level of 0.05. The null hypothesis of no significant difference between the two groups is therefore accepted.

4.3.3 Hypothesis 3

Account officers in universities, polytechnics and colleges of education do not differ significantly in their mean ratings on the extent audit guideline for disposal fixed assets are implemented in financial reporting in tertiary educational institutions in South East Nigeria.

Table 5: Analysis of variance on the mean ratings of account officers on the extent audit guidelines for disposal fixed assets are implemented in financial reporting in tertiary educational institutions

	Sum of Squares	df	Mean Square	F	P-value
Between Groups	4.032	2	2.048	.539	.584
Within Groups	1106.624	294	3.776		
Total	1110.72	296			

The analysis in Table 5 shows that there is no significant difference among the three groups in terms of their mean ratings on the extent audit guideline for disposal of fixed assets are implemented by account officers in financial reporting in tertiary educational institutions in South East Nigeria based on type of institution (universities, polytechnics and colleges of education), as the F-ratio (2, 294) is .539 and *P-value* (.584) is greater than the stipulated 0.05 level of significance. Therefore the null hypothesis of no significant difference is accepted.

4.3.4 Hypothesis 4

There is no significant difference in the mean ratings of account officers in Federal and State tertiary institutions on the extent audit guidelines for disposal of fixed assets are implemented in financial reporting in tertiary educational institutions in South East Nigeria.

Table 6: Summary of t-test result of mean ratings of account officers on the extent audit guidelines for disposal of fixed assets are implemented in financial reporting in tertiary educational institutions

Audit for disposal of fixed asset	N	$\overline{X}$	SD	df	P-value	Decision
Federal	192	3.31	.24	295	.737	Not Significant
State	105	3.30	.25			

Table 6 shows that the p-value of .737 is greater than the significance level of 0.05. This implies that there is no significant difference in the mean ratings of account officers in Federal and State tertiary institutions on the extent audit guidelines for disposal of fixed assets are implemented in financial reporting in tertiar`y educational institutions in South East Nigeria. The null hypothesis of no significant difference between the two groups is therefore, accepted.

5. Discussion

Results of the study indicated that audit guidelines for fixed assets were moderately implemented by account officers in financial reporting in tertiary educational institutions in South East Nigeria. This implies that audit guideline for fixed assets cannot be said to be implemented by account officers in financial reporting. This finding could lead to improper verification and valuation of fixed assets by account officers in preparation of financial statements. Implementation of asset auditing guidelines by account officers is expected to establish the completeness of the list of assets at a given site; to give disclosures on the fair value of assets, useful life, depreciable amount and residual value of an asset at the end of its useful life.

The findings are similar with the findings of Sunildutt (2013) who stated that account officers in tertiary educational institutions applied different useful life for the same asset class; used threshold amounts for recording and depreciating of assets; used the same value for recording and depreciating assets. Account officers must ensure that fixed assets have been valued and disclosed in the financial statements according to the audit guideline (that is the generally accepted bases of accounting which are determined by law, professional pronouncements and prevailing practices governing educational institutions). In support of this, Tanui (2016) stated that auditing of fixed assets is extremely important to ensure that accounting for capital assets and depreciation is in compliance with management's objectives.

The test of the first and second hypotheses indicated that account officers in universities, polytechnics and colleges of education did not differ significantly in their mean ratings on the extent the audit guideline for fixed assets were implemented in financial reporting in tertiary educational institutions in South East Nigeria. This indicates that both account officers in universities, polytechnics and colleges of education held the same view as to the extent audit guidelines for fixed assets were implemented in financial reporting. There was also no significant difference in the mean ratings of account officers in Federal and State tertiary institutions on the extent audit guidelines for fixed assets were implemented in financial reporting in tertiary educational institutions in South-East, Nigeria. This disagrees with the findings of Papapostolou and Mandilas (2011) who found a significant difference among respondents on fair presentation of fixed assets.

Results of the study also indicated that audit guidelines for disposal of fixed assets were moderately implemented by account officers in financial reporting in tertiary educational institutions in South East Nigeria. This implies that account officers in tertiary educational institutions in South East Nigeria were not implementing audit procedures fully in determining assets for disposal and also accountable for all decisions taken in the disposal process as stipulated in the audit manual. This could lead to improper authorization of fixed assets, improper installation and disposal of fixed assets and low physical control of fixed assets which may result in tertiary educational institutions failure and hence it may hinder the institution's long run dreams.

The findings are in consonance with those of Susan and Namusonge (2014) who observed that the rate of disposal of fixed asset in public sector organizations was low and that the process of procurement planning for disposal was long and tedious. Asset disposal is mostly known as the act of selling an asset, usually a long-term asset that has been depreciated over its useful life like production plant and vehicles. In line with this, a study carried out by Addisalem (2014) revealed lack of provision of trainings on fixed assets management manual application, mismatching of the manual of fixed assets registry book with the audit manual and absence of procedure for the distribution of fixed assets. Disposal of assets is an important part of asset auditing management in educational institutions because it is a function that is necessary for guaranteeing that institution funds are not wasted on obsolete and unserviceable equipment and assets.

Test of the third and fourth hypotheses revealed that account officers in universities, polytechnics and colleges of education did not differ significantly in their mean ratings on the extent the audit guidelines for disposal of fixed assets are implemented in financial reporting in tertiary educational institutions in South East Nigeria. Also, there was no significant difference in the mean ratings of account officers in Federal and State tertiary institutions on the extent audit guidelines for disposal of fixed assets were implemented in financial reporting in tertiary educational institutions in South-East, Nigeria. It follows therefore, that the null hypothesis of no significant difference was accepted. This indicates that both account officers in federal and state universities holds the same view as to the extent audit guidelines for disposal of fixed assets were implemented in financial reporting.

6. Conclusion

From the findings of the study, it is clear that audit guidelines for fixed assets and disposal of assets have not been fully implemented by account officers in their financial reporting activities in tertiary educational institutions. Financial reporting can be seen as a means for the communication of financial information to users and these reports should be based on sound accounting standards. Therefore, it could be concluded that tertiary educational institutions should create a control environment and that Audit Committees should review management work, as well as the internal audit roles to create an atmosphere of control within the organization. This will promote effectiveness and efficiency of operations, reduce the risk of asset loss, and help to ensure compliance with laws and regulations (auditing guidelines).

6.1 Recommendations

Based on the findings of this study, the following recommendations are made:

1) The management of tertiary educational institutions in South East Nigeria should, as a matter of urgency emboss the institution's name on all assets and update the fixed asset register thereon to safeguard all assets against pilfering and other irregularities.
2) Tertiary educational institutions in South-East Nigeria should apply consistent recording of assets in terms of their useful life as the useful life of an asset has direct correlation with the profits or losses of an institution.
3) Assets that have been derecognized should be removed from the asset register and the accounting entries for the asset disposal should be processed so that the profit or loss on the disposal should be determined at the time of disposal.

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