**MISMANAGEMENT IN FINANCIAL INSTITUTION (BANK) EFFECT AND SOLUTION**

**Abstract**

The research was carried out to find the mismanagement in banking sector of economy. The project was divided into for chapter. Chapter one stated the problem reasons for the study, significance of the study and definition of terms.Chapter two talks about the review of banking distress in the financial system.Chapter three brings out the hypothesis to be tested and also the formular for the finding of the hypothesis. Chapter four is all about he testing of the hypothesis and the result of the testing. Finally chapter five draw the conclusion and summary and also look at the data presented and make recommendation.

**CHAPTER ONE**

**INTRODUCTION**

* 1. **Background of the study**

A financial institution is an organized body concerned with the management of money.  This is to say that the institution is responsible for the leading and borrowing of money in other words, it is an institution involved in financial intermediation where money is mobilized and channeled from the public sailing (those who have surplus funds want to save to those who want to invest in productive activities.  Some of the institution in Nigeria are commercial banks, stock exchange market, merchant bank, CBN insurance companies, development banker.

Mismanagement is defined by land-man English dictionary as controlled or deal with private, public or business affairs badly, unskillfully etc.  The mismanagement is also defined by Oxford English Dictionary, Version, it states that mismanagement –mismanage, bad improper administrations to manager-badly or wrongly.  Then financial mismanagement according to the above definitions may be improper administration, bad or wrongly used of money, inadequate collateral security or granting loan.  Misappropriation of money or management of finance unskillfully.  They are good in selling of securities.  They are sources of revenue to the government.  They also provide a lot of advice to the government.  They help the government extremely in international trade etc. To the public and private individual, bank provide drastic support to public and individual affairs.  The bank grant loans advances, make payment locally or outside Nigeria.  Infact, they perform variety functions to satisfy the financial needs of all types of customers from small personal account holder to the big incorporates and public organization.  That is by accepting of deposits, safe custodying agency services etc. Furthermore, mismanagement in financial institutions make them unable to tackle their problem and obligations like paying of taxes to the government, cash-reserve, reserve rates, workers salaries going out loans etc. Education is as old as human existence, and higher education is one of the branches and the most important sector in the development of a nation. Higher education is important when research and development are highly encouraged. Every country’s higher education institutions are powerful instrument for socio-economic progress without which neither an individual nor a country can achieve professional and economic growth (Ololube, Onyekwere, & Agbor, 2016b). There is no doubt that the provision of adequate funds for higher education institutions is the best way to enhance excellent administration, effective planning, quality instruction and programs, which are strategic towards understanding the need for institutional management. The education of students is meant to help them grow and develop as individuals and provide them with the necessary professional competences, skills and abilities to assist them in acquiring the right types of understandings, concepts, values and attitudes to manage live after graduation and become productive members of the societies, because the world is a global village. To a large extent it is presumed globally that adequate funding of education at all levels determines the quality of the educational system that are functional in any nation. According to Okebukola (2002), Marinho (2002) and Ekankumo and Kemebaradikumo (2014), poor funding and the mismanagement of funds within the educational system has led to the dysfunctional and unethical practices that have generated limitations across Nigeria’s educational system, especially in higher education. They further assert that poor funding and inadequate implementation of budgetary allocations has led to incidences of backlog of results, late preparation of results, insufficient staffing, non-availability of most important instructional materials, etc . After the overthrown of the last civilian administration in the country, many financial institution made a lot of staggering discoveries to funds misappropriate through inflated contracts, bribery and kick backs etc.  Since then Nigerian economy has become a sick body up till today.  Infact financial analyst’s puts public fund misused and those smuggled outside the country at several millions of naira.

Finally, the various officers mostly the managers and cashiers of those institutions are accused of the abnormal of mismanagement in financial institutions.

**1.2 STATEMENT OF THE PROBLEM**

The master key to the success of any institution (financial and non – financial) according to Henri Fayol in principles of management 1. is the effective management system.

This could be achieved through the handwork of the director, managing director, management staff and all other workers in the organization. The major role lies on the head of the board of directive (BOD) and managing director.

Management according to Luther Gulick simple means the organizing planning, implementing, controlling and directing of resource in an organization.

This study is based on financial institution like banks, and there are two type of resource that can be found in a bank they are human and material resource. Material resource includes money and other inanimate objects found in bank. Management is a personal thing that requires a personal touch

1.3 PURPOSE OF STUDY

The purposes of the study are as follows

To find out he cause of mismanagement in banks

To study how it is executed by the appointed officers and staff of banks

To know its influence on the banks affected and the government

To determine whether it affects economy of the nations

To find out the means that can be adopted by banks to solve and put to and the mismanagement of resources

1.4 Research question

1. Does financial mismanagement has any effect on organizational performance?

2. Does the institution has internal audit team?

3. Does government has any role in curbing mismanagement?

4. Does federal government has any role to play in monitoring the implementation and utilization of finance?

5. Does management has any role in curbing mismanagement?

1.5 RATIONALE OF THE STUDY

The study of mismanagement in financial industry (bank) is necessary now because.

The study will enable the society or country understand when a bank is badly manage by the staff or official. This can be seen now as a result of banks mergering and acquisition when a bank cannot manage it resource according to central bank, this policy was designed to ensure strong and reliable banking sector capable of ensuring the safety of depositor funds and play active role in Nigeria. Economy.

Bank in order to meet up with the challenges, bank have resorted to consolidation through mergers and acquisition.

Improved management: business can also combined for the purpose of acquiring needed management talent in order to gain access to the well established market research and development strategies already development.

Effective utilization of resource

This bring about increased output in plant rationalization and coming together of compatible sales operation, concentration of technical skill, specialized manpower, as well encouraging the industrial or company product and marketing unit.

1.6 SIGNIFICANCE OF THE STUDY

This work has been carried out with all skill, care and caution so as to be able to provide the desired and required purpose and meet the aspiration of as many that will find it worthy to use for further research.

Therefore, it will go along way to helping in the resuscitating of our financial institutions, especially the banking industry which had experienced lots and lots of financial leakage leading to bank mismanagement and bank failure in the last decade.

Benefits for his work:

Education the public on the issue of bank distress

Inculcate into individuals, firms and organization who may have had that distrust for banks finally and importantly advice bank management on the best measures to take to or reduce the effect of mismanagement in the banking industry sectors.

1.7 DEFINITION OF TERMS

Mismanagement simples means bad management.

Bank

A bank is an institution that is prepared to accept deposit of money and repay cash on demand. It can also be defined as an institution where money and other valuable, which include tangible, are kept for say custody or purpose, Webster’s, financial dictionary.

Material resource in banks are the inanimate things found in the bank like, money, books, computers, furniture and others material being used in the banks. Also, its building and environment.

Human resource in banks means the labour force or people working in the banking industries.

Liquidation means to put to end an unsuccessful business company.

Liquidity can also the ability of a bank to meet its short term obligation as and when due for payment. For a bank to maintain good liquidity position it must keep adequate volume of non earning assets such as cash, call money, treasury bill etc.

**CHAPTER TWO**

**REVIEW OF RELATED LITERATURE**

**2.1 Introduction**

CHAPTER TWO

LITERATURE REVIEW

2.1. Internal Audit in the Public Sector

Aigbokhaevbolo (2001) defines internal audit as "the audit work carried out by an employee of the organization. The scope and report are determined by the internal regulation of the organization... It involves internal control, internal check, verification, and investigation". Also, internal audit is seen as an appraisal function of management; it ensures that internal control rules and procedures of the organization are functioning effectively and efficiently in compliance with quality standards, (Adeniyi, 2010; Edet, 1999).

Highlights of this view includes.

1. Internal audit is an appraisal activity established by management to evaluate its functions, operations, services, performance, efficiency, policies and compliance with standards and regulations to achieve the overall objective of the entity.

2. The method of achieving all this is by measuring and evaluating performance and efficiency with set criteria and standards.

3. After evaluation, the results, which are to be reported to management, will be used to effect or make decisions of control measures.

According to Robertson (1976) "on any particular assignment governmental auditors may perform services for the benefit of several interested parties - the management of the auditee, officials of the agency requiring the audit, officials of one or more agencies that fund the auditee's programmes, members and committees of Local Governments, a State legislature or the Federal legislative arm and the public".

The Nigerian standards of auditing and the International Standards of Auditing (NSA 26 and ISA610), on the "Work of Internal Auditors", stated as part of the objectives and scope of the internal audit to include; as per fulfilling the requirements of management. In addition, NSA 5 and ISA 240, specifically mentioned that it is the responsibility of management and those in charge of the governance of the organization are responsible for preventing fraud. Therefore NSA 26 is directing that responsibility or function to the internal auditor. Internal controls are the measures management takes to prevent fraud, material misstatements of fraudulent nature, and misappropriations of all forms. The oversight of this function is vested on the internal auditor.

MISAPPROPRIATION OF FUND

Misappropriation is an intentional misuse of money. The appropriation of money and other assets meant for a specific purpose for either personal use or for what it is not meant for. Such act is an unauthorized disbursement of money or other assets for personal gain. Misappropriation is the highest type of fraud in the public sector. People deliberately convert public fund to personal use without a blink of fear or conscience disturbance (Ibanichuka and Onuoha 2012).

This type of fraud is committed by the following means (as provided by Udoayang and James 2004):

• Outright taking away of corporate or government assets for personal use.

• Payment of salary for non-workers.

• Payment for fictitious purchase and contract.

• Payment for no return inwards.

• Teeming and landing.

• Manipulation of any form for personal gains.

• Over-stating of the contract price.

• Conversion of government money into personal use.

• Conversion of office imprest to the personal allowance.

• Unauthorized use of public funds or asset.

• Payment against uncleared cheques.

• The claim of disease staff gratuity and pension benefits.

• Misuse of medical allowances and reimbursements.

• Embezzlement

• Larceny

• Cheque fraud and some fraudulent behavior may include cutting costs and manipulating financial records for personal needs.

The effect of fraud on any organization is always unpleasant. Financial misappropriation in either the public or private sectors has very negative effects as gathered by Kiabel (2002).

Most misappropriation cases have serious economic effects on the organization. It may result in loss of fund and assets of the organization. The loss of liquid assets will further lead to the reduction of revenue for current and capital expenditures, with the attendant reduction in the level of economic operations, reduction in revenue inflow and provision of socio-economic infrastructure for the public.

2.4.THE RESPONSIBILITY OF INTERNAL AUDITORS IN THE PUBLIC SECTOR

According to Adams (2005), a public sector auditor is:

1. Primarily responsible for ascertaining whether the financial statements present a true and fair view of the State of the financial affairs of the organization.

2. To detect and prevent frauds and errors.

As in 2 above, the auditor is to detect fraud. Making it more applicable to the internal auditor, the public sector auditing standards of Nigeria (1997) states thus:

"In recent years, the number and monetary value of public sector activities have increased substantially. This increase in activities has brought with it added demand for accountability.

1.2 In Nigeria, the law stipulates that accountability reports be produced by public officials and other persons entrusted with national resources...

1.6(c) the public officials and other persons entrusted with public resources are responsible for applying those resources economically, efficiently and effectively.

1.6(g) financial auditing contributes to public accountability since it provides independent reports on:

a) Whether an entity's financial information is presented fairly

b) Its internal controls and

c) Compliance with laws and regulations." (Nigeria, 1997)

And in section 2.3(a) of the Public Sector Auditing Standards of Nigeria states, "the audit of financial statements is to provide reasonable assurance on whether the financial statements

of audited organizations present fairly the financial position and results of operations and cash flows in conformity with generally accepted accounting principles and applicable laws and regulations".

In the matter of the applicable laws and regulations, as in 2.3(a) and 1.6(g) (c), section 7 subsection, 2 of the 1956 Audit Act of Nigeria requires the Auditor-General to ascertain that:

"All reasonable precautions have been taken to safeguard the collection of public money's and that the laws relating there to have been duly observed and that all directives or instructions relating there to have been obeyed."

"All money's appropriated otherwise disbursed have been expended for the purpose or purposes for which the grants made by the expenditure conforms to the authority (appropriation Act and other warrants) which governs it," (Nigeria, 1956).

From the above relevant standards and laws, it becomes a responsibility of an internal auditor in the Nigeria context to investigate whether money disbursed is rightly appropriated for the purpose it meant to satisfy by law or is misappropriated in any form and to report appropriately by the reporting standards of public sector audit.

Moreover, the power to audit the federation accounts without any restriction is granted to the auditor-general for the Federation in section 79(2) of the 1979 constitution of the Federal Republic of Nigeria as amended in the 1999 constitution, which is also applicable to the States.

These laws and standards guiding the operation of internal audit in Nigeria are expressive enough to establish in clear terms that it is the responsibility of internal auditors to detect and prevent financial misappropriation in the public sector. However, in the general standards of auditing, this responsibility is too silent for a nation like Nigeria. It gives undisclosed immunity to internal auditors to cover up financial misappropriation in the public sector.

The standard on Auditors' responsibility to fraud detection NSA 5, which is substantially in accordance with the International Standards on Auditing (ISA 240), directed the internal auditor to conduct a Material Misstatement Risk Analysis on every audit engagement. If the analysis is positive, should consider whether to withdraw from the engagement or report to the management of the auditee. And if the auditor should withdraw, it must consider the professional and regulatory requirements and report to the appropriate authority (ies) stating the reason for such withdrawal in clear terms. That the conducting of such risk analysis and the proper documentation of the findings is significant on the performance of the duties of the internal auditor.

This standard also provided that it is necessary for internal auditors to exercise professional scepticism in recognition of the possibility that a material misstatement of fraud could exist, notwithstanding the integrity of management and those in governance, whether the audit had just audited the previous year’s accounts or he has a good past experience with the management of the entity.

Due to the acute phenomenal losses in public accountability, a controversy has existed concerning the role of the internal auditor and the public's perception of that role. NSA No. 5 "The Auditors Responsibility to Detect and Report Errors and Irregularities," issued by the Chartered Accountants of Nigeria (2006), was originally intended to address this problem. The Public Oversight Board of the AICPA SEC Practice Section concluded in 1993 that management believed that auditors had a greater responsibility for the detection of fraud than was currently being met. Business owners, legislators, judges, juries, and the general public also share such beliefs.

But According to SAS No.1, Codification of Auditing Standards and Procedures of the USA; "The auditor has a responsibility to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. Because of the nature of audit evidence and the characteristics of fraud, the auditor is able to obtain reasonable, but not absolute, assurance that material misstatements are detected. The auditor has no responsibility to plan and perform the audit to obtain reasonable assurance that misstatements, whether caused by error or fraud, that are not material to the financial statements are detected. "

In an attempt to stifle criticism and appropriately respond to the public's demand for improved auditor performance, the American Institute of Certified Public Accountants issued SAS No. 82. The new auditing standard details the auditor's responsibility to detect and report material misstatement in financial statements due to fraud. This is the first time the AICPA has used the word "fraud" rather than the more discreet word "irregularity." The two types of misstatement relevant to the auditor's consideration of fraud in a financial statement audit are those arising from fraudulent financial reporting and misappropriation of assets. The SAS is effective for financial statement audit periods ending on or after December 15, 1997. However, a further study reveals that over 61% of the respondents disagree to accept this responsibility stating that previous auditing standards do not ensure such responsibility (Farrell and Franco, 1999).

Following the above stands, the current standards of NSA No 5 and ISA No 240, are also silent in pronouncing the internal auditor as being responsible for the prevention and detection of misappropriation and misstatements of all forms. That internal and public sector audit standards do not clearly state detection of financial misappropriation as a responsibility of internal auditors and that such standards had determined the course of audit functions in the past does not make its legitimization rules universally useful.

It is important to understand that the concept of audit in conventional accounting is to help secure the assets of an organization and to let managers render stewardship in the use of resources entrusted to them (Robertson, 1999). Therefore, for an auditor to deviate from this traditional concept because modern standards see it too little a main responsibility is a breach of trust and confidence to the public.

The level of sophistication of misappropriation of the public fund does not require any mild audit standard to detect, or a mild major to express disassociation. The EFCC and ICPC are in line with this review. Therefore, Essia's (2005) recall of history to do things traditionally is worthy to be borrowed by the auditing profession. Accountants, auditors and professional bodies should understand that accounting standards and regulations are made to serve the needs and problems of the society and misappropriation of public fund and assets is a social problem to all Nigerians. So Nigerians should not be forced to serve the regressive standards that fail to serve current social, economic issues that are eating up our existence.

Western auditing standards are originally aimed at solving domestic problems and formulated to achieve a change in attitude and a sense of direction. They had no model to copy they were the modelers. They are less corrupt, and their standard of living is high. We are more corrupting with poverty-stricken, they are less prone to committing fraud, and we are more vulnerable to commit fraud. Their standards are mere to ascertain conformity with generally accepted Accounting principles and consistency. Ours should be the sole responsibility to detect report and prevent financial misappropriation in the public sector.

THEORETICAL REVIEW

Fraud Awareness Theory

It is obviously essential that public servants and government contractors know which behaviors are tolerable and which are not. There may be practices, currently regarded as acceptable throughout the public sector, which authorities will wish formally to define as wasteful or abusive. To this end, agencies must make a very clear distinction between acceptable fringe benefits and minor theft. This distinction must be communicated clearly and unambiguously to all personnel. A fraud awareness campaign should not, however, be regarded as a magic bullet, or as the solution to fraud, but as one which complements other countermeasures. Moreover, it should be reinforced by word and by deed from the highest levels. A campaign perceived as simple window dressing or a public relations exercise may itself be categorized as waste, if not fraud. The precise themes upon which a fraud awareness campaign might be based may vary, depending upon the organizational culture of a given public sector agency. Altruistic or patriotic appeals might be more appropriate for some individuals, whereas messages aimed at an individual's self interest may be more effective in other cases. In general, perceptions of formal or informal sanctions, whilst significant, have been found to be less important than internalized norms in explaining the decision to engage in illegal behavior (Stalans et al., 1989).

It would in any event be useful to determine what sanctions are perceived as credibly threatening by potential perpetrators of fraud and waste. Whilst it is desirable to maximize competition amongst prospective government contractors, fraud prevention considerations might militate in favor of certain conditions of eligibility to enter into contracts with the government. These could entail the imposition of disclosure requirements upon or the assumption of self-regulatory responsibilities by prospective contractors (Braithwaite, 1982; Monahan & Claiborne, 1988). The virtue of such measures is that they shift some of the costs of oversight from the government to the contractor, at the same time as communicating the government's concern for fraud prevention.

The Accountability Triangle

Services reach the public in a two-step process: allocation (by policymakers) and production (by service providers/implementers). Accountability between the policy maker and the implementer is defined by a compact, which includes service delivery standards, monitoring methods, rewards and sanctions. This service compact cannot fully specify outcomes, especially for services that are inherently transaction-intensive and hard to monitor (such as classroom education). Moreover, the user of the services – the client – is not a party to the service compact. Users have two potential routes of accountability for securing essential services: a long route, via the policy makers; and a short route, directly to the producers.

The long route of political accountability is the more visible of the two. Whether the services are produced by a state agency or contracted out to a private provider, the state has an irreducible

role in choosing, designing, allocating and often regulating essential services such as education, healthcare and water/sanitation. This is clearest in the case of security and justice administration, the area in which the state asserts its authority and shows that it is indeed a state. The long route can also be referred to as voice, defined as the expression of citizen satisfaction or dissatisfaction through political, administrative, legal and media channels. Citizens use these channels to voice public demands – including their preferences concerning policies of allocation and production of services. Note that the long route is especially relevant to national-level policy decisions and centralized programs such as vaccination; here, the short route (see below) is weaker. The long route of accountability depends for its functioning on a legitimate and effective state; thus, it readily breaks down in fragile situations, becoming problematic or even inoperative. Especially in low-income countries, ordinary people have little power over their elected officials, who may be embedded in a clienteles or non-competitive political system..

**CHAPTER THREE**

**RESEARCH METHODOLOGY**

**3.1 INTRODUCTION**

 In this chapter, we described the research procedure for this study. A research methodology is a research process adopted or employed to systematically and scientifically present the results of a study to the research audience viz. a vis, the study beneficiaries.

**3.2 RESEARCH DESIGN**

Research designs are perceived to be an overall strategy adopted by the researcher whereby different components of the study are integrated in a logical manner to effectively address a research problem. In this study, the researcher employed the survey research design. This is due to the nature of the study whereby the opinion and views of people are sampled. According to Singleton & Straits, (2009), Survey research can use quantitative research strategies (e.g., using questionnaires with numerically rated items), qualitative research strategies (e.g., using open-ended questions), or both strategies (i.e., mixed methods). As it is often used to describe and explore human behaviour, surveys are therefore frequently used in social and psychological research.

**3.3 POPULATION OF THE STUDY**

 According to Udoyen (2019), a study population is a group of elements or individuals as the case may be, who share similar characteristics. These similar features can include location, gender, age, sex or specific interest. The emphasis on study population is that it constitute of individuals or elements that are homogeneous in description.

 This study was carried out to examine the mismanagement in financial institution (bank) effect and solution. Staff and management of First bank PLC form the population of the study.

**3.4 SAMPLE SIZE DETERMINATION**

A study sample is simply a systematic selected part of a population that infers its result on the population. In essence, it is that part of a whole that represents the whole and its members share characteristics in like similitude (Udoyen, 2019). In this study, the researcher adopted the convenient sampling method to determine the sample size.

**3.5 SAMPLE SIZE SELECTION TECHNIQUE AND PROCEDURE**

According to Nwana (2005), sampling techniques are procedures adopted to systematically select the chosen sample in a specified away under controls. This research work adopted the convenience sampling technique in selecting the respondents from the total population.

In this study, the researcher adopted the convenient sampling method to determine the sample size. Out of all the entire population of Staff and management of First bank PLC, the researcher conveniently selected 120 out of the overall population as the sample size for this study. According to Torty (2021), a sample of convenience is the terminology used to describe a sample in which elements have been selected from the target population on the basis of their accessibility or convenience to the researcher.

**3.6 RESEARCH INSTRUMENT AND ADMINISTRATION**

The research instrument used in this study is the questionnaire. A survey containing series of questions were administered to the enrolled participants. The questionnaire was divided into two sections, the first section enquired about the responses demographic or personal data while the second sections were in line with the study objectives, aimed at providing answers to the research questions. Participants were required to respond by placing a tick at the appropriate column. The questionnaire was personally administered by the researcher.

**3.7 METHOD OF DATA COLLECTION**

Two methods of data collection which are primary source and secondary source were used to collect data. The primary sources was the use of questionnaires, while the secondary sources include textbooks, internet, journals, published and unpublished articles and government publications.

**3.8 METHOD OF DATA ANALYSIS**

The responses were analysed using the frequency tables, which provided answers to the research questions. The hypothesis test was conducted using the pearson correlation statistical tool, SPSS v.23

**3.9 VALIDITY OF THE STUDY**

Validity referred here is the degree or extent to which an instrument actually measures what is intended to measure. An instrument is valid to the extent that is tailored to achieve the research objectives. The researcher constructed the questionnaire for the study and submitted to the project supervisor who used his intellectual knowledge to critically, analytically and logically examine the instruments relevance of the contents and statements and then made the instrument valid for the study.

**3.10 RELIABILITY OF THE STUDY**

The reliability of the research instrument was determined. The Pearson Correlation Coefficient was used to determine the reliability of the instrument. A co-efficient value of 0.68 indicated that the research instrument was relatively reliable. According to (Taber, 2017) the range of a reasonable reliability is between 0.67 and 0.87.

**3.11 ETHICAL CONSIDERATION**

he study was approved by the Project Committee of the Department. Informed consent was obtained from all study participants before they were enrolled in the study. Permission was sought from the relevant authorities to carry out the study. Date to visit the place of study for questionnaire distribution was put in place in advance.

**CHAPTER FOUR**

**DATA PRESENTATION AND ANALYSIS**

This chapter presents the analysis of data derived through the questionnaire and key informant interview administered on the respondents in the study area. The analysis and interpretation were derived from the findings of the study. The data analysis depicts the simple frequency and percentage of the respondents as well as interpretation of the information gathered. A total of hundred and twenty (120) questionnaires were administered to respondents of which 100 were returned. The analysis of this study is based on the number returned.

**4.1 DATA PRESENTATION**

**Table 1: Gender Distribution of Respondents**

|  |  |  |
| --- | --- | --- |
| Gender | Frequency | Percentage |
| Male | 48 | 48% |
| Female | 52 | 52% |
| Total | 100 | 100.0% |

Source: Author’s Computation from Field Survey 2022

The table above shows the gender distribution of respondents. 48% of the respondents were male and the remaining 52% were female. Thus, female respondents were slightly higher than their male counterparts.

**Table 2: Age Distribution of Respondents**

|  |  |  |
| --- | --- | --- |
| Age | Frequency | Percentage |
| 20-30 years | 24 | 24% |
| 31-40 years | 47 | 47% |
| Above 40 years | 29 | 29% |
| Total | 100 | 100.0% |

Source: Author’s Computation from Field Survey 2022

The table above shows the age distribution of respondents. 24% of the respondents are between the age bracket of 20-30 years; 47% which constituted the majority are between the age bracket of 31-40 years and 29% are above 40 years.

**Table 3: Marital Status of Respondents**

|  |  |  |
| --- | --- | --- |
| Marital Status | Frequency | Percentage |
| Single | 13 | 13% |
| Married | 87 | 87% |
| Total | 100 | 100.0% |

Source: Author’s Computation from Field Survey 2022

The table revealed the marital status distribution of respondents. Majority of the respondents, which constituted 87% are married while the remaining 13% respondents are unmarried.

**Table 4: Educational Qualification of Respondents**

|  |  |  |
| --- | --- | --- |
| Qualification | Frequency | Percentage |
| SSCE | 11 | 11% |
| HND/B.Sc | 80 | 80% |
| M.Sc/PhD | 9 | 9% |
| Total | 100 | 100.0% |

Source: Author’s Computation from Field Survey 2022

The table revealed the educational qualification of respondents. 11% of the respondents are SSCE holders, 80% of them, which formed the majority, are HND/B.Sc holders and 9% are M.Sc/PhD holders.

**Table 5: Position of Respondents**

|  |  |  |
| --- | --- | --- |
| Position | Frequency | Percentage |
| Manager | 12 | 12% |
| Accountant | 31 | 31% |
| Auditor | 26 | 26% |
| Cashier | 24 | 24% |
| Others | 7 | 7% |
| Total | 100 | 100.0% |

Source: Author’s Computation from Field Survey 2022

Table 5 unveiled the distribution of position of respondents. 12% are managers, 31% are accountants, 26% are auditors, 24% are cashiers and 7% are mostly administrative staff.

**ANSWERING RESEARCH QUESTIONS**

**Question 1:Does financial mismanagement has any effect on organizational performance**?

**Table 4.2:**Respondent on question 1

|  |  |  |
| --- | --- | --- |
| **Options** | **Frequency** | **Percentage** |
| Yes | 78 | 78 |
| No | 00 | 00 |
| Undecided | 22 | 22 |
| **Total** | **100** | **100** |

**Source: Field Survey, 2021**

From the responses obtained as expressed in the table above, 78 respondents constituting 78% said yes. While the remain 22 respondents constituting 22% were undecided. There was no record for no.

**Question 2:** Does the institution has internal audit team?

**Table 4.3:**Respondent on question 2

|  |  |  |
| --- | --- | --- |
| **Options** | **Frequency** | **Percentage** |
| Yes | 60 | 60 |
| No | 19 | 19 |
| Undecided | 21 | 21 |
| **Total** | **100** | **100** |

**Source: Field Survey, 2021**

From the responses obtained as expressed in the table above, 60 respondents constituting 60% said yes. 19 respondents constituting 19% said no. While the remain 21 respondents constituting 21% were undecided.

**Question 3:** Does government has any role in curbing mismanagement?

**Table 4.4:**Respondent on question 3

|  |  |  |
| --- | --- | --- |
| **Options** | **Frequency** | **Percentage** |
| Yes | 56 | 56 |
| No | 21 | 21 |
| Undecided | 23 | 23 |
| **Total** | **100** | **100** |

**Source: Field Survey, 2021**

From the responses obtained as expressed in the table above, 56 respondents constituting 56% said yes. 21 respondents constituting 21% said no. While the remain 23 respondents constituting 23% were undecided.

**Question 4:** Does federal government has any role to play in monitoring the implementation and utilization of finance?

**Table 4.5:**Respondent on question 4

|  |  |  |
| --- | --- | --- |
| **Options** | **Frequency** | **Percentage** |
| High | 61 | 61 |
| Low | 17 | 17 |
| Undecided | 22 | 22 |
| **Total** | **100** | **100** |

**Source: Field Survey, 2021**

From the responses obtained as expressed in the table above, 61 respondents constituting 61% said high. 17 respondents constituting 17% said low. While the remain 22 respondents constituting 22% were undecided.

**Question 5:** Does management has any role in curbing mismanagement?

**Table 4.6:**Respondent on question 5

|  |  |  |
| --- | --- | --- |
| **Options** | **Frequency** | **Percentage** |
| Yes | 60 | 60 |
| No | 20 | 20 |
| Undecided | 20 | 20 |
| **Total** | **100** | **100** |

**Source: Field Survey, 2021**

From the responses obtained as expressed in the table above, 60 respondents constituting 60% said yes. 20 respondents constituting 20% said no. While the remain 20 respondents constituting 20% were undecided.

**CHAPTER FIVE**

**SUMMARY, CONCLUSION AND RECOMMENDATION**

**5.1 Introduction**

It is important to ascertain that the objective of this study was ascertain the causes effect of financial mismanagement in financial institution.

In the preceding chapter, the relevant data collected for this study were presented, critically analyzed and appropriate interpretation given. In this chapter, certain recommendations made which in the opinion of the researcher will be of benefits in addressing the challenges of financial mismanagement.

* 1. **Summary**

This study has cogently elucidated the relationships between adequacy of funds, misappropriation, mismanagement and the funds. The investigation revealed that the inadequacies in the funding of higher education have created loopholes in the quality of Nigeria higher education, in terms of provision of resilient infrastructure, purchase of instructional materials, staff and students welfare. The unauthorized, misappropriation, intentional or illegal use of the appropriated funds for higher education by institutional leaders for other unauthorized purposes have negative effect on proper and effective management, planning and control of the quality of higher education in Nigeria. The mismanagement of funds meant for Nigerian institutions of higher learning has thrown Nigeria in a bad light. The little funds appropriated to these institutions are grossly mismanaged. Since Nigerian institutional leaders mismanage their funds, the quality of higher education is bound to deteriorate. As a result of these direct negative consequences, competency issues should be taken seriously in the appointment of institutional leaders. Proper planning and effective administration are needed at this stage of Nigerian’s economic woes because no organization functions excellently without fundamental policy framework in its planning, organizing and controlling mechanism. In addition, this trailblazing study recommended that adequate funds should be made available for public institutions of higher education, while corruption and embezzlement should be reduced to the barest minimum.

* 1. **Conclusion**

The findings of this research therefore revealed that ETF has been able to make significant positive impact towards improving the educational development in Nigerian tertiary institutions. Hence, this study agrees that ETF has impacted positively in Nigerian Educational Development with particular focus on Tertiary institutions. Though ETF fund allocations to Nigerian Tertiary Institutions have no correlation with the enrollment ratio to Nigerian Tertiary Institutions but the major challenges facing ETF has effected on efficient administration and management of the Education Tax Fund in Nigerian Tertiary institutions in the sense that infrastructure base that will enhance quality in our nation’s universities these days, the Inadequate monitoring of those trusted with TEF to ensure proper channeling of these fund appropriately. The Education Tax Fund, though sourced at a rate of 2% on the assessable profits of all registered companies in Nigeria, it seems to be a mustard seed which grows into a giant tree only to fruit in thousands.

* 1. **Recommendations**

Based on the findings of the study, the study deems it fit to make some necessary suggestions;

There is need for a transformation within the university system, so that the challenges of chronic under funding can be addressed.

The intervention agency to achieve meaningful on its constituents fund allocations should commensurate with enrolment ratio of tertiary institutions in Nigeria.

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**QUESTIONNAIRE**

**INSTRUCTION**

Please tick or fill in where necessary as the case may be.

Section A

1. Gender of respondent

A male { }

B female { }

1. Age distribution of respondents
2. 15-20 { }
3. 21-30 { }
4. 31-40 { }
5. 41-50 { }
6. 51 and above { }
7. Marital status of respondents?
8. married [ ]
9. single [ ]
10. divorce [ ]
11. Educational qualification off respondents
12. SSCE/OND { }
13. HND/BSC { }
14. PGD/MSC { }
15. PHD { }

Others……………………………….

1. How long have you work as a lecturer?
2. 0-2 years { }
3. 3-5 years { }
4. 6-11 years { }
5. 11 years and above……….
6. Position held by the respondent in the institution
7. managers { }
8. supervisors { }
9. machine operators { }
10. junior staff { }
11. How long have you work with the institution?
12. 0-2 years { }
13. 3-5 years { }
14. 6-11 years { }
15. 11 years and above……….

SECTION B

**Question 1:Does financial mismanagement has any effect on organizational performance**?

|  |  |
| --- | --- |
| **Options** | **PLEASE TICK** |
| Yes |  |
| No |  |
| Undecided |  |

**Question 2:** Does the institution has internal audit team?

|  |  |
| --- | --- |
| **Options** | **PLEASE TICK** |
| Yes |  |
| No |  |
| Undecided |  |

**Question 3:** Does government has any role in curbing mismanagement?

|  |  |
| --- | --- |
| **Options** | **PLEASE TICK** |
| Yes |  |
| No |  |
| Undecided |  |

**Question 4:** Does federal government has any role to play in monitoring the implementation and utilization of finance?

|  |  |
| --- | --- |
| **Options** | **PLEASE TICK** |
| High |  |
| Low |  |
| Undecided |  |

**Question 5:** Does management has any role in curbing mismanagement?

|  |  |
| --- | --- |
| **Options** | **PLEASE TICK** |
| Yes |  |
| No |  |
| Undecided |  |