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Business, Management

CHAPTER ONE INTRODUCTION 1. 1BACKGROUND TO THE STUDY In 1960, Belle wrote “ the cause of the bigness is still with us”. He referred to the large Modern Corporations wielding unassailable economic power adversely affecting the interest of the commonly. Since Management powers are vested in Directors who are the main controllers of the corporation. Berle feared that they might abuse their powers and neglect the interest of shareholders and beneficiaries.

To some extent Berle’s fears have not been ill-founded. In the UK for example corporate scandals such as BOCCI, the collapse of Maxwell empire, while in HAS the crumbling of such big million – billion dollars like Enron world com and global crossing among others. And in Nigeria, these appear as some strange event happening afar but corporate Nigeria is already awash with worse case of the abuse of corporate governance. Like the case of hidden liabilities in African Petroleum.

In this above pre-amble, it can be seen that some international and local companies had collapse or failed due to poor management and bad corporate governance. All center on management, which is the running of companies operations efficiently and effectively. However, the governance of companies is not centered or concerned with running of the companies, perse, but with directors giving over all direction of the companies. If management is about running business; governance is about seeing that it is run properly. Therefore all companies need governing as well as managing.

Although the concept of corporate governance is well recognized in mostadvance countries it has hardly received full attention in Nigeria

because of the traditional view maintained by the corporate governance system. These directors are to maximize x for shareholders. As the interest of the later are of paramount concerns to the directors. Corporate governance system in Nigeria is rooted in the concept of profit maximization rather than profit optimization. This have undergone some changes in the recent years due to stakeholders concept in corporate governance.

Also the Nigeria company law entails a tripartite system of corporate governance, directors, shareholders and auditors. Whereas, the directors are regarded as leaders for company's management's profit and the shareholders is to ensure interalia that their directors will maximize profit on their behalf; while the company auditor ensures that there are no financial irregularities in the company and that the directors produce a TRUE & FAIR view of the company's financial performance. These are the tripartite system operate in Nigeria before the blue print on corporate governance was launched.

This serve as a means of checks and balances to ensure that directors do not abuse their powers within the corporation. The concept of corporate governance is wild but in this study it will be limited to the public and corporate sector. This concept can't be defined in a simple and precise definition, but can be described because it concerns spectrum of activities in a company. Therefore corporate governance may be described as spectrum of activities in companies which involve: ? The director and the formulation of strategy; Top executives decision making and action; ? The monitoring x supervision (control); and corporate accountability. Therefore, it should

provide mechanism for regulating directors duties in order to restore them from abusing their powers and ensure that they act in the best interest of the company in its board sense. In this study, we look at the impact of corporate governance in relation to public and corporate sector. Corporate governance in public and corporate sector are of important to corporation in terms of directing, executing, controlling and even decision making.

Therefore, their contribution in this study will be looked into, on how they ought to be and corporate in order to save corporate failure and collapse. 1. 2STATEMENT OF THE PROBLEM Corporate reputation in the world have in the past two years been almost entirely pre-occupied with effort and saving what has become greater part of the global corporate editing from collapse. On the grounds of rotting corporate governance, outright fraud and betrayal of investor confidence has once again brought to the fore issue of corporate reputation and the hard fact that the market system is founded on and sustained by the trust.

And the facts are continuously emergency that regulators, rating companies, accountants and auditors conspired, aided and abetted practices that mis-represented corporate records; padded investment figures and bloated asset values to short-change the unsuspecting investor. 1. 3OBJECTIVE OF THE STUDY There have been serious names of mal-practices and corruptions in some various companies around the world. This had lead to total collapsed of some companies, while some have gone into re-organization (both internal and external).

These problems can be linked to the way some companies view running of an organization as pure management contract to corporate governance. However, governance is beyond management of companies, but with directions to the enterprises with overseeing and controlling the executives actions of management and with satisfying legitimate expectations for accountability and reputation by interest beyond the corporate boundaries (stakeholders). Therefore, it is clear now that all companies need governing in addition to managing a corporation.

Accounting profession must be of tools and roles to good corporate governance in public and corporate corporation. Objectives: ? To know how management accounting reports will aid organization in their various and social executive decisions making. Focus will be majorly on how management accounting information are relevant to corporate governance in public & corporate corporation. ? To know the role of the internal control department is playing in supervising and overseeing of management performance for better corporate governance. ? To know the role of auditor (external) as regards to accountability in corporate governance. . RESEARCH QUESTIONS The following research questions are asked: -Does the internal reports and reporting by the management accountant in an organization contribute to corporate governance both in the public and private sector? -Does oversee of management performance by the internal enhance corporate governance? -Does the accountant in directing the future of an organization through his financial statement and reports has any roles to play in corporate governance? -Does the auditor (external) contribute to

corporate governance in the public and private sector? 1. 5RESEARCH HYPOTHESIS

It is pertinent to established variables on this study. In order to determine whether they exist with the problem of study, our variable will be in two major classifications. Corporate governance and accounting profession roles in public and private sector. The dependent variables: The Corporate governance and accounting profession (both in public and private sector (corporation) as independent variables. H1: The proper keeping of financial transactions and preparation of accounting and financial statements by accountant will enhance effective corporate governance;

H2: The involvement of management accountant in preparation and presentation of management accounting reports and information to the board will contribute to corporate governance. H3: Internal appraisal and evaluation by the internal auditor of an organization operation enhance corporate governance. H4: External Auditor reports means of accountability of the board of directors performance will serve as assurance to corporate governance. 1. 6SCOPE OF THE STUDY Corporate governance is a wide area of study because it concerns the total and overall direction of an organization.

With this in mind, it is reasonable to delimit this study for better research and understanding. Therefore, research will be limited to financial aspect of corporate governance and accounting profession in both private and public corporation. (1)Material / Data Collection: Material and data collection are

based on financial aspect of corporate governance of textbooks, journals, articles, best practice on corporate governance released in Nigeria and UK. (2)Case Study: For effective finding only companies that has fully incorporated corporate governance in the company policy will be used.

One of these companies is First Bank of Nigeria Plc. Duration of the study: Subject to some factors, which are assignments, official work, lectures and examinations. The duration of the study will be between July, 2011 to September, 2011. This time frame will be of assistance to the research and enable the researcher to attend to other works and assignments. 1. 7HISTORICAL BACKGROUND OF FIRST BANK OF NIG. PLC Founded in 1894 by a shipping magnate from Liverpool, Su Alfred Jone, it commenced as a small operation in the office of Elder Demoster and company in Lagos.

Incorporated as a Limited Liability Company on March 31, 1894 with Head office in Liverpool, it stated business under the corporate name of the Bank for British West Africa (BBWA). In the early years of operations, the bank recorded an impressive growth and worked closely with colonial government in performing traditional functions of a Central Bank such as issue of specific in the West Africa sub-region. In 1957, the Bank changed its name from BBWA to Bank of West Africa (BWA). In 1969 the Bank was incorporated locally as the Standard Bank of Nigeria Limited in line with the companies degree of 1968. hanges in the name of he bank also occurred in 1979 & 1991 to First Bank of Nigeria Limited, and First Bank Plc respectively. In 1985, the bank introduced a decentralized structure with five regional administration. This was configured in 1992 to enhance the Bank’s

operational efficiency, in 1996, the bank introduced the FBN centrally is project and revalidated in 2001 under the name century II, the New Frontier to revolutionalise its operations in line with the dynamics of the enrolment.

In 1971, the bank got listed on the Nigerian Stock Exchange (NSE) and her won the NSE President's Merit Award nine time for the best financial report in the banking sector. Currently with 339 branches spread throughout the federation, the bank maintain the largest branch network in the industry. First Bank of Nigeria Plc (FBN) has diversified into a wide range of banking activities, these include corporate, retail and mortgage banking registrar – ship, equity financing, trusteeship and insurance brokerage.

FBN has improved tremendously judging from a number of parameters including numbers of branches, growth in deposit base, asset size and size of loans and advances. Furthermore, the track record of profitability and reliability in count, banking has continually placed the bank in its leadership position. FBN is the leading banking institution and a major contributor to the economic advancement and development of Nigeria, in line with its mission statement " remain true to our name by providing the best financial services ossible". The bank wise consistently transform itself as it forges ahead in its second century of qualitative banking to the nation. The space of corporate failure in Western Europe and North American in 2002 forced corporate governance matters on to front banner of regulatory discourse. In the law few years, therefore market confidence has come to degreed on the extent to which both investors and regulators perceive financial institutions to be in compliance with the tenets of good corporate governance.

We assure that our process and practices are reviewed on an on-going basis to ensure compliance and adherences to the international standards of good corporate governance under printed by the principles of openness integrity and accountability. No doubt First Bank is operating a Corporate Governance principles, which can be seen form the directors' reports, the company financial statements and lastly from the auditor's report and audit committee report. All these are pointer to the fact that FBN is adherence in use of the code of best practice on Corporate governance both locally and sector nationally.

Moreso, this also shows us the company deposit base, asset, size and style of loan and advances. CHAPTER TWO 2. 1CONCEPTS & DEFINITIONS OF CORPORATE GOVERNANCE: Corporate governance is concerned with establishing a system whereby directors are entrusted with responsibilities and duties in relation to the direction of a company's affairs. It is funded on a system of accountability primarily directed towards the shareholders in addition to maximizing shareholders' welfare.

As effective corporate governance system should provide mechanisms for regulating directors' duties in order to restrain them from abusing their powers and to ensure that they act in the best interests of the company in its broad sense. Corporate governance is also concerned with wilder accountability and the responsibility of directors towards other stakeholders' on the corporations. These stakeholders conclude the company's employees, consumers, suppliers, creditors and the wilder community.

It may be argued that the relationship with those potential climates creates a “ social contract” whereby the company is morally obliged to take account of the interest of these groups. Sheridan and Kendall have advocated another definition of the term “ Corporate Governance”. They believe that good corporate governance consists of a system of restructuring, operating and controlling a company in order to achieve the following objectives. Many things have been written on corporate governance in recent years, some have contributed in order to clarify one concept or another.

Basically, in the past the concept of corporate governance was largely entrenched in the traditional theory of the firm which advocate’s that the only objective of companies is to maximize profits and view the shareholders welfare as its paramount consideration. By contrast, however, the governance role is not concerned with running the business of the company, perse, but with directors giving overall direction to the enterprise with overseeing and controlling the executive actions of management and with satisfying legitimate expectations for accountability and regulation by interest beyond the corporate boundaries.

Therefore, the process of corporate governance comprises four main principal activities namely: *Direction: Which is concerned with formulating the strategic direction for the future of the enterprise in the long term. -Executive action applies to involvement in crucial executive decisions. -Supervision involves the monitoring and overseeing of management performance; and -Accountability is concerned with recognizing

responsibilities to those making a legitimate demand for accountability. 2. 2COHEN COMMITTEE REPORT OF 1945

The UK and Nigeria Company law clearly reinforces the profit maximization principle within the corporate governance system. However, in 1945, the Cohen committee was set-up in UK to consider whether company legislation needed to be amended. It was intended to considered and report what major amendments were desirable in the companies Act 1929 in UK and in particular to review the requirements prescribed in regard to the formulation and affairs and for public interest. The committee recommended disclosure of a company activity and emphasized the need for ‘ a wakening social consciousness’.

He identified the lack of active participation of shareholders within their corporations. He emphasized this when he stated that: “ The illusory nature of the control theoretically exercised by shareholders over directors has been accentuated by the dispersion of capital among an increasing number of small shareholders who pay little attention to their investments so long as satisfactory dividends are forthcoming, who lack sufficient time, money and experience to make full use of their right as occasions arise and who are in many case to numerous and too wide dispersed to be able to organize themselves”.

Also Cohen committee believed that separation of ownership from controls was largely responsible for the lack of shareholder participation in corporate affairs. That is why he reported and stated that: “ The growth of investment

trust companies and of unit trusts in recent years as tended to divorce the interest or still further from the management of his investment. Executive power must inevitably bevested in the directors and is generally used to the advantage of the shareholders.

Therefore, however exceptional cases in which directors of companies abuse their power and it is, therefore, desirable to devise provisions which will make it difficult for directors to secure the hurried passage of controversial measures, and as far as possible, to encourage shareholders carefully to consider any proposals required by the law to be put before them by directors". It was the Cohen committee that draws the attention of the business community in the UK and the world to the need for a separation of ownership from control of a company.

The directors were to be treated as mere managers of a company and they should manage in accordance, with the policies adopted by company's shareholders, although directors, as managers, should be required to advise their shareholders as to whether a particular investment or venture would be profitable and beneficial to their interest. 2. 3JENKINS COMMITTEE REPORT OF 1962 In 1962, the Jenkins committee in UK in his report set out to consider interalia in the light of modern conditions. What should be the duties of directors and the rights of shareholders; and generally to recommend what changes in the law are desirable.

Again, it recommended under disclosure of information as a means of remedying abuse within a corporation on the issue of corporate governance.

The Jenkins committee thought that the protection of shareholders, creditors, intending investors and those responsible for management, should be subject to a considerable degree of statutory regulation and control. The committee considered proposals for giving shareholders closer control over their directors in order to allow shareholders a more effective voice in the management of their company's business.

In other words, according to the committee, a separation of control from ownership would be essential for the generation of the company. This committee also addressed such issues as directors duties and shareholders control, within a corporation. It recognized that although the companies act established certain duties for directors, a large part of them were still made by witness suggested that the directors' duties ought to be considered in a new act some witness suggested that the law on directors duties should be set out as simple as possible. The committees felt that it would be impossible to define exhaustively the duties of directors.

With specific reference to directors' powers and shareholders control, the Jenkins committee argued that although the articles of association gave directors a wide degree of powers to manage a company's affairs, shareholders still had a reasonable degree of control over their companies. It stated that unless the affairs of the company had gone badly wrong, there would seldom be any controversy from the shareholder. It may be deduced; therefore, that corporate governance is primary convened with keeping the shareholders content in terms of monetary returns and this precisely what according to the committees should be avoided.

The fact remains that it is the shareholders who may need directions from directors as to how the company, image and future profitability might be secured by being conscious of corporate social responsibilities. In order words, the Jenkins committee was concerned with another issue, that is, whether shareholders who contribute the equity of a company should really be involved in the management of a company; they can simply guide the managers where necessary, but the directors should perform their duties without being involved in the ownership of a company, as this would give rise to a conflict of interest.

The committee argued that if directors were to manage their company efficiently, they must within broad limits have a free hand to do what they think best in the interest of the company. 2. 4CADBURY COMMITTEE REPORT ON FINANCIAL ASPECT OF CORPORATE GOVERNANCE OF 1992 In 1992, the Cadbury committee on the financial aspects of corporate governance considered, interalia, the concept of corporate governance. It defined the concept as the system by which companies are directed andcontrolled. The committee stated that boards of directors are responsible for governance of their companies.

The shareholders role in governance is to appoint the directors and auditors and to satisfy themselves that an appropriate governance structure is in place. The responsibilities of the board include setting the company’s strategic aims, providing the leadership to put them into effect supervising the management of the business reporting to shareholders on their stewardship. The board’s actions are subject to laws regulations and the

plans shareholders may present at meetings. The Cadbury committee was however, specifically concerned with financial aspects of corporate governance.

This includes the way in which the board sets financial policies and oversees their implementation including the use of financial controls, and process whereby they report on the activities and progress of the company to the shareholders. Within the corporate governance system, the role of the auditors is to provide shareholders with an external and objective account of the directors' financial statements which form the basis for the reporting system. Although the reports of the directors are addressed to the shareholders, they are important to a wider audience.

However, the concept of corporate governance identified by the Cadbury committee was too narrowly defined being limited for its purposes to the financial aspect of corporate governance. The committee did not appreciate the wider dimensions of the concept of corporate governance. As with previous committees, the Cadbury committee reinforced the tripartite relationship that has long existed in the UK, because a company's directors, its shareholders and the auditors, without considering the other stakeholders in the company such as the employees, consumers, suppliers and he broader community. 2. 5ACCOUNTING PROFESSION IN CORPORATE GOVERNANCE MODEL Variables in this study are spectrum of activities in corporate organization and the accounting profession activities that involve: i. The direction and formulation of strategy and policy; Financial Accounting activities involve provision of adequate accounting financial statements and

reports; that are based on General Acceptable Accounting Practice (GAAP); Statement of Accounting Standards (SAS), and Companies and Allied Matters Act (CAMA). i. Top executive decision making and action; accounting profession roles are provision of management accounting reports for decision making. iii. The monitoring and supervision (control), the accounting profession activities involved are internal audit, internal checks undertook by the internal control department and the audit committee. iv. Corporate accountability: These activities are undertook by the company accountant; and the external auditors. Fig 2. 1 ACCOUNTING PROFESSION IN CORPORATE GOVERNANCE MODEL

Financial Accounting/Auditing Accountability Financial AccountingInternal Auditing Direction Control Executive Action Management Accounting KEY: Variables inside the box: Corporate Governance activities Variable outside the box: Accounting Profession activities 2. 5i. DIRECTION AND FINANCIAL ACCOUNTING For company existence, there must be a direction and there must be formation of strategy and policy to this regard. In business parlance the word direction and formation of strategy and policy may mean different things.

But according to Candler (1962), defined it as the determination of basic long term goals and objectives of enterprises and adoption of the course of action and allocation of resources necessary for carrying out these goals. To corporate organization, it is the various goals and objectives that give them direction to achieve the corporate vision and mission. At this junction, the accounting profession activity involves is financial accounting. This ensures

the board of directors to captain the organization with the appropriate financial accounting provisions.

The Accounting Department of corporate organization which is in charged of financial accounting activities must ensure the following to ensure proper corporate governance: 1. That the company keeps proper accounting records which are sufficient to show and explain the company's transactions and at the same time that the records show the following: a. Disclose with reasonable accuracy, at any point in time, the financial position of the company. b.

That the directors balance sheet, profits and loss account prepared comply with General Acceptable Accounting, Practice (GAAP), Companies and Allied Matter Act (CAMA), Statement of Accounting Standards (SAS), Banking and other Financial Institutions Act (BOFA), and other regulations. 2. That the following books and records are kept by the corporate organization for proper direction and proper financial activities. (a)Proper and necessary accounting record; (b)A register of directors and secretaries c)A register of charges (fixed and floating) (d)Minute of books of meeting of the company, meeting of its directors and meetings of its managers. (e)An indexed register of members and all other relevant statutory books. 3. That they prepare and ensure the directors present financial statement to the general public and shareholders. This requirement is the annual report and financial statements, comprises of: (a)Directors Report (b)Auditors Report (c)Accounting Policies (d)Balance Sheet e)Profit and Loss Account (f)Cash Flow Statement (g)Notes on the Accounts (h)Group five year financial summary (if organization is

ordinary organization). 2. 5iii. The Monitoring, Supervision and Evaluation (Control) and the Internal Control, Internal Audit and Audit Committee This activity in corporate organization can be described as the process of determines the effectiveness of a given policy or strategy in achieving the organization objectives and taking corrective action wherever required.

From this description, it can be inferred that nature of monitoring and supervision process is to test the effectiveness of plan, action and system of an organization. In these regards, through the process of (strategic evaluation) monitoring and supervision, the person in charge of monitoring and controlling attempt to answer two sets of questions such as: 1. Azhar Kazmi (2002): are the premises made during policy and strategy planning formulation to be corrected? Is the planning guiding the organization towards its intended objectives?

Are the organization and its managers doing things which ought to be done? Is there a need to change and reformulate the plan? 2. How is the organization performing? Are the time schedules being adhered to? Are the resources being utilized properly? What needs to be done to ensure that resources are utilized properly and objectives met? However, the process of monitoring and supervision (control and evaluation) are basically with four steps: i. setting standards of performance ii. measurement of performance iii. analyzing of performance iv. taking corrective action nd the four basic type of evaluation and controls that corporate governance should be based on are: a. Premise control which is based on certain assumptions about environment and organizational factors. Necessary to identify the key

assumptions and keep track of any change in them so as to assess their impact on policy, plan and strategy and its implementation. b. Implementation control which is aimed at evaluating whether plans, programmes, and projects are actually guiding the organization towards its predetermined objectives or not.

It at any time, it is felt that the commitment of resources to a plan, programme or project would not benefit. c. Strategic surveillance: This is a more generalized and overarching control ‘ designed to monitor a broad range of events inside and outside the company that are likely to threaten a firm policy and strategy’. d. Special Alert Control: This is based on a trigger mechanism for rapid response and immediate reassessment of strategy in the light of sudden and unexpected events.

This control can be exercised through the formulation of contingency plans and strategies and assigning the responsibility of handling unforeseen events to crisis management items. However, in the cause of evaluating and controlling the organization activities through plan policy and strategy framework. The accounting profession very important activities that can be rendered in this area is the installation of internal control system and carrying out of internal audits. Also in this area of the activity, the audit committee too can be very important.

Allan Millichamp (1996) according therefore, internal control systems is the whole system of controls, (including those explained above), financial and otherwise established by the management in order to carry on the business

of the organization in an orderly and efficient manner, ensure adherence to management policies, safeguard the assets and secure as far as possible the completeness and accuracy of the records. The definition of internal control above showed the essential features of any organization that is being runned effective. The following type of internal control must be put in place by an organization management: a.

Organization management control b. Segregation of duties control c. Physical control d. Authorization and approval control e. Arithmetical and accounting control f. Personnel control g. Supervision control h. Management control i. Acknowledgement performance j. Budgeting control After much discussion on evaluation and controls, and installation of internal controls. It is very important to see the roles and duties play by the internal auditor of an organization who performs the internal audit for management. Internal audit perform by internal auditor to ensure that all those controls are carried out can be defined as:

Allan Millichamp (1996) “ An independent appraisal function established by the management of an organization for the review of the internal control system as a service to the organization. It objectively examines, evaluates and reports on the adequate of internal controls contribution to the proper economic efficient and effective uses of resources. The internal auditor as the eye of the board, within corporate organization, roles and duties in ensuring monitoring and supervision as one of the activities of good corporate governance are: i.

He must concern with the response of internal control system to errors and required changes to prevent errors; ii. He is concerned with the implementation of social responsibility policies adopted by the management. iii. He ensures that the internal control system is response to internal stimuli because this world does not stand still and internal control system must continually change; iv. He must act as training officer on internal control matters; v. He audits the information given to management particularly interim accounts and management accounting reports; vi.

Ensure that there is compliance with external regulations such as those on the environment, money laundry, financial services, related parties etc. 2. 6THE CODE OF BEST PRACTICES AND CORPORATE GOVERNANCE IN NIGERIA In June 2002, the securities and exchange commission set up a committee headed by Atedo Peterside Chief Executive Investment Banking and Trust Ltd (IBTC) to examine the whole gamut of corporate governance in Nigeria and make appropriate recommendations. The report of the committee had been submitted and given wide publicity in the media to enable various stakeholders comment appropriately.

While in December 2003 it was fully launched by the presidents of Federal Republic of Nigeria, President Olusegun Obasanjo. In this effort the committee has this to say about corporate governance in Nigeria the systems of corporate governance in Nigeria is still in its developmental stage, the principles are not well appreciated. A survey of Nigeria quoted companies revealed that only 40% of the companies had code of corporate governance. Independent research however faults the figured quoted

probably less than half of the figures has a well written and articulated code of corporate governance.

More than 50% do not even see, the need for the code once they have complied with the spirit and letter of the companies and Allied Matters Act. 2. 7SUMMARY From the beginning of this chapter to this stage, much have been said and written about corporate governance. Every aspect of this chapter dealt much on this topic in order to bring out the meaning of this concept called Corporate Governance. This study has been undertook to show the role or impact and activities of the accounting profession as regards to corporate governance and its spectrum of activities in corporate organization.

This study has been able to review the various committee reports on corporate governance in the international level and also, in Nigeria this is undertook in order to show the full context of corporate governance in Nigeria environment. In an attempt to do thus, the code of best practices and corporate governance in Nigeria was reviewed. CHAPTER THREE RESEARCH METHODOLOGY 3. 1INTRODUCTION The focus in this chapter are the methodology used to generate data used in this research project.

The following methodology will be discussed, the restatement of research questions; the research design and type of data used for the study; sample and sampling method used, the population and questionnaire design, method of data analysis to be used in the study, and the limitation encountered when using the questionnaire. 3. 2RESTATEMENT OF RESEARCH

QUESTIONS AND HYPOTHESIS The following are the research questions of this study: ? Does the accounting in directing the future of an organization (through his financial statements and reports) has any role to play in corporate governance? Does the internal reports and reporting by the management accountant in an organization contribute to corporate governance? ? Does oversight of management performance by the internal auditor enhance corporate governance? ? Does auditor (external) contribute to corporate governance? ? Does the Audit committee has roles to play in corporate governance? The research hypothesis are the following: • H1: The proper keeping of financial transactions and preparation of accounting and financial statements by accountant will enhance effective corporate governance. H2: The involvement of management accountant in preparation and presentation of management reports and information to the Board of directors will contribute to corporate governance; • H3: Internal appraisal and evaluation by the internal auditor of an organizations operations enhance corporate governance; • H4: External auditor report as a means of accountability of the board of directors' performance will serve as assurance to corporate governance. 3. 3RESEARCH DESIGN This section is where data are obtained.

Data obtained in this research study are used to answer the research questions in this research study. The type of design that is used is survey. This is used to enable the variables in this study to be observed. 3. 4TYPES OF DATA USED FOR THE STUDY For the purpose of this study, the types of data used are primary data, which involves personal interview, the use of

questionnaire and observations. While the second type, is secondary data involving journals, textbooks, newspapers, report of various committee on corporate governance. . 5SAMPLING METHOD Owing to the large number of branches of First Bank Plc in Lagos State. Therefore, Lagos State is the sampling frame, the sampling method used is stratified sampling. Where the branches are strata into Local government areas in Lagos State (that is old Local government area as at 2002). In these strata random sample was then applied. 3. 6METHOD OF DATA COLLECTION As it was mentioned in the research design above, observation was used to carry out this research. Apart from it, questionnaire was also used.

The questionnaire is data collection schedule because it is designed to collect data on some variables. The variables measurement used in the questionnaire is interval scale with assumed origin of 0. 3. 7POPULATION AND SAMPLE SIZE The population of this study are the branches of First Bank of Nigeria Plc and it head office in Lagos. The characteristics of the population are office of the Branch Managers, branch Accounting Departments branch internal Audit departments while, the six questionnaire was distributed to the same offices in the head office.

Having taken Lagos, the sample frame, the units of this sample are three people in each department mention above. 3. 8QUESTIONNAIRE AND QUESTIONS DESIGN The questionnaire used to carry out this research is used to generate data about First Bank employee views, perception and feeling towards corporate governance in First Bank. The questionnaire was designed

in such a way that it relates to the research questions and hypothesis in this research study. The questionnaire designed used scaling questions.

This is used in the questionnaire to recognize the degree of intensity in the respondent's feelings and perceptions about corporate governance in First Bank, which cannot be gathered from two way or even multiple choice questions. The respondents' feelings and perceptions are represented in scale. While choice of a particular point on the scale is assumed to represent his feelings or perceptions. 3. 9METHODS OF DATA ANALYSIS The data generation from the questionnaire will come from two parts.

Part A, which represents bio data of respondents, the data analysis that will be used will be frequency count, table and percentage. In Part B, all data generated from the respondents will be used to answers all the research questions and hypothesis ask in the study. In analyzing this part, means (measures of central tendency) will be used for it analysis. 3. 10LIMITATIONS ENCOUNTERED WHEN USING BOTH QUESTIONNAIRE AND INTERVIEW During the administration of questionnaires used in this study, the following difficulties were encountered.

The first visit to the various branches of First Bank Plc, they attended to us requesting for order from our department and protocol was duely observed. Concerned people have little time to attend and fill our questionnaires. This factor took our time in collecting back our questionnaires. In an attempt to cover also, all our samples (branches). There was a lot of money spent in this regards, time and energy was also expended. CHAPTER FOUR DATA

ANALYSIS AND PRESENTATION OF FINDINGD 4. 1INTRODUCTION: In this chapter, data generated from the questionnaires administered are analysed and the findings therefore are presented.

The chapter is divided into two sections: Section A is an analysis of the biodata of respondents in terms of sex, departments, posts held and number of years spent in services. Section B is analysis of the data generated in the form of answers to the research question and the research hypotheses. 4. 2SECTION A: ANALYSIS OF BIODATA TABLE 1: SEX | | ACCOUNTS | INTERNAL | BRANCH | HEAD | TOTAL | | | DEPT. AUDITS | MANAGER | OFFICE | | | Total Administered | 16 | 16 | 16 | 6 | 54 | | Returned | 15 | 16 | 16 | 6 | 53 | | Un returned | 1 |- |- |- | 1 | Table II shows that out of equal number of questionnaires administered on each department.

All the other department returned all their questionnaires except account department that did not return one questionnaire. This means all the departments are adequately represented in the sample taken. TABLE III: POSTS HELD | Post Held | Accounts | Internal | Branch | Head | Total | | | Dept. | Audits | Manager | Office | | | F | 24 | 19 | 7 | 3 |- | TABLE V(III) Variables | X | F | Fx | | Strongly agree | 5 | 24 | 120 | | Agree | 4 | 19 | 76 | | Undecided | 3 | 7 | 21 | | Disagree | 2 | 3 | 6 | | Strongly disagree | 1 |- |- | | Total | | 53 | 223 | _ X =(fx= 223 (f53= 4. 20

The result of analysis from table v(ii) shows the average response to be 4. 20, which is “ Agree” thus First Bank is rated highest in corporate governance in Nigeria. Owing to her understanding quality of her financial

reports. QUESTION 2: Also the high quality corporate governance in First Bank is due among other factors to the effective and effective of its Accountants and Accounting. TABLE VI (i) | X | 5 | 4 | 3 | 2 | 1 | | F | 28 | 20 | 1 | 3 | 1 | TABLE VI (ii) Variables | X | F | Fx | | Strongly agree | 5 | 28 | 140 | | Agree | 4 | 20 | 80 | | Undecided | 3 | 1 | 3 | | Disagree | 2 | 3 | 6 | | Strongly disagree | 1 | 1 | 1 | | Total | | 53 | 223 | _ X =(fx= 223 (f53= 4. 33

Table VI (iii) reveals that the average response is 4. 33 which is a little above the weight allocated to “ Agree”. Thus in First Bank Plc it shows that the effectiveness and efficiency of its accountant and accounting activities led to good quality of the bank corporate governance. QUESTION 3: Accountant in First Bank direct the future of First Bank by preparing its financial statements for its directors. TABLE VII (i) | X | 5 | 4 | 3 | 2 | 1 | | F | 18 | 25 | 10 |- |- | TABLE VII (ii) Variables | X | F | Fx | | Strongly agree | 5 | 18 | 90 | | Agree | 4 | 25 | 100 | | Undecided | 3 | 10 | 30 | | Disagree | 2 |- |- | | Strongly disagree | 1 |- |- | | Total | | 53 | 220 | _ X =(fx= 220 (f53= 4. 15

Based on the analysis in the table above, the average response is 4. 15 which is a little above the weight allocated to “ Agree” thus in First Bank Plc the financial statements prepared by her Accountants direct the futures of the Bank. QUESTION 4: Financial statements of First Bank gave and show direction to First Bank. TABLE VIII (i) | X | 5 | 4 | 3 | 2 | 1 | | F | 20 | 20 | 10 | 3 |- | TABLE VIII(ii) | Variables | X | F Fx | | Strongly agree | 5 | 20 | 100 | | Agree | 4 | 20 | 80 | | Undecided | 3 | 10 | 30 | | Disagree | 2 | 3 | 6 | | Strongly disagree | 1 |- |- | | Total | | 53 | 216 | _ X =(fx= 216 (f53= 4. 1 Table VIII (ii) reveals that the average response is 4. 1 which is a little above the weight

allocated to “ Agree”. Thus financial statements of First Bank Plc give and show direction to the Bank. QUESTION 5: Accountants and their activities and functions play significant role in corporate governance in First Bank. TABLE IX (i) | X | 5 | 4 | 3 | 2 | 1 | | F | 26 | 20 | 7 |- | 1 | TABLE IX (ii) Variables | X | F | Fx | | Strongly agree | 5 | 26 | 130 | | Agree | 4 | 20 | 80 | | Undecided | 3 | 7 | 21 | | Disagree | 2 |- |- | | Strongly disagree | 1 |- |- | | Total | | 53 | 231 | _ X =(fx= 231 (f53= 4. 4 Based on the analysis above the average response is 4. 4 which nearly the weight allocated to “ Strongly agreed”.

Thus the accountants activities and functions play a major roles in corporate governance activities of First Bank Plc. CHAPTER FIVE SUMMARY, FINDINGS, CONCLUSIONS AND RECOMMENDATIONS 5. 1INTRODUCTION This chapter presents a summary of the study, the findings conclusion and recommendations which are based as the results of the data collected and analyzed in chapter 4. 5. 2SUMMARY The purpose of this research is to examine corporate governance in public corporation. The study examines the roles of financial accounting, internal audits and auditing to good corporate governance. In chapter one, corporate governance was explained, the justification of the study and the objective of the study were also consulted.

Also the brief history of First Bank Nigeria Plc were highlighted and corporate governance in First Bank were also highlighted. In chapter two, the concept and definition of corporate governance were discussed. Various committee reports were also consulted to discover their views as to the relevance of accounting profession to corporate governance. Also, models were used to

show the relation of the accounting profession variable to corporate governance variables. Chapter three dealt with research methodology, data collection method, population and sample size, method of data analysis. In chapter four, data generated in the administered questionnaire were analyzed. Also, answers were provided for the research questions and research hypothesis earlier raised.

Chapter five presents a summary of the study, the findings, conclusion and recommendations. 5. 3FINDINGS This research project reveals the following: That for direction and formulation of strategy in First Bank Plc Accountants are seen as key players by providing adequate financial statements and reports based on required standards and the provisions of the laws, to the Board of Directors when required; That for top executives decision making and action, management accountants' plays major roles by the provision of management reports promptly as and well needed. However, only a few of the top decision made were based on the management accountants reports provided;

That the internal control/audit department of First Bank supervise and oversee the management performance for better corporate governance; That in order to complement corporate governance activities of monitoring and supervision. The external audits of First Bank Plc facilitates the accountability activities of Good corporate governance by forming an opinion on First Bank financial statements. This activity serves as an assurance of the existence good corporate government in the bank. 5. 4CONCLUSION From the findings above it can be concluded that the field of accounting

profession focused upon in this study is very important because it plays major roles in the achievement of good corporate governance in Public Corporation.

In other words, in First Bank Plc good corporate governance activities have been greatly contributed to by the activities of the accounting profession in the area of provision of reports by financial accountants, management accountant, internal auditors and of course, external auditor. 5. 5RECOMMENDATIONS In view of the foregoing summary of findings and conclusion of this project, the following recommendations are made: a. The top executive decisions of First Bank Nigeria Plc should be based mostly on the management accountants' reports. The point is that those reports are products of sound analytical techniques which aid optimal decision making. b. Other organizations should emulate the food corporate governance of First Bank Nigeria Plc. This will no doubt enhance their organization performance. c.

Investors should make First Bank Nigeria Plc their first choice bank because the good corporate governance of the bank will make their investments worthwhile. REFERENCES 1. Corporate Governance Code of best Practice (Nigeria: Securities and Exchange Commission, 2003) 2. First Bank of Nigeria Plc. Annual Report and Accounts (2002/2003). 3. Michael Broomwhich and Anthony Hopwood (Ed) " Corporate responsibility institutional governance and the roles of accounting standards" London Accounting Standards Setting. An International Perspective (Pitman Book Limited 1983). 4. Nnamdi

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