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FINANCIAL ACCOUNTING CONTROLS AND FINANCIAL REPORTING QUALITY: AN EMPIRICAL ANALYSIS OF PUBLIC EDUCATIONAL AGENCIES IN NIGERIA

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ABSTRACT: *This study examined financial accounting controls and financial reporting quality: an empirical analysis of public educational agencies in Nigeria. This study adopted a cross-sectional descriptive survey design because it provides a clear outcome and the characteristics associated with it at a specific point in time. The target population for this study constituted the total number of employees in the accounting/finance, administration, and operations departments in the four educational examination agencies. The number of staff in the accounts/finance, administration, and operations departments in the four regulatory agencies totaled one hundred and thirty-seven (137). The sample size derived with the Cochran sample size derivation statistic yielded one hundred and one (101). For this study, primary data was employed. The data were collected with the aid of a questionnaire that was properly drafted using the 5-point Likert scale for the questionnaire. The study adopted the use of frequency tables and percentages to analyze the questions and employed linear regression with the application of the ordinary least squares to test the hypotheses of the study. The major findings that were extracted from the analysis reveal that detective accounting controls have a significant effect on the financial reporting quality of selected educational regulatory agencies in Nigeria and preventive accounting controls have no significant effect on the financial reporting quality of selected educational regulatory agencies in Nigeria. It is therefore the recommendation of the study that regulatory agencies should sustain the use of detective accounting control systems through proper optimization and regulatory agencies should ensure they make consistent periodic financial reconciliations as a complement to preventive accounting control.*

KEYWORDS: Accounting, Detective, Preventive, Accounting.

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INTRODUCTION

The ideal success of business organizations might be considerably impeded by ineffective accounting procedures (Anayo, 2018). Accounting controls are procedures and policies used by businesses to help ensure the correctness and dependability of their financial accounts (Iyoha, 2017). The implementation of accounting controls in a company helps to improve efficiency, accuracy, and compliance while ensuring that fraud and other problems are avoided throughout the entire organization (Benjamin, 2019). Every meaningful corporate organization should focus on accounting control and high-quality financial reporting. It is impossible to overstate the significance of accurate financial reporting. This is because providing excellent quality financial reporting information has a significant impact on stakeholders and capital providers by positively influencing their decisions about investments, financing, and other types of allocation that improve overall market efficiency (International Accounting Standard Board, 2018).

Accounting controls in the public sector aim to provide an overall guiding framework for the sound and efficient management of organizational resources. The goal of having a strong system of financial and accounting control is to promote the government’s ability to reach its objectives, provide reliable financial data, safeguard assets and records, evaluate operational efficiency through budgetary control, and encourage adherence to prescribed policies and regulations. Thus, financial control practices facilitate the effectiveness and efficiency of operations thereby improving the reliability of internal and external financial reporting and assisting in compliance with laws and regulations (Wachira, Ngahu & Wagoki, 2019).

It is expected that effective accounting controls can monitor and enhance organizational and financial reporting procedures, ensure adherence to pertinent rules and regulations, and minimize errors and losses to inspire trust in an organization's capability to do or undertake a certain activity. Numerous studies on the impact of accounting control systems on the profitability of various organizations have been conducted internationally, regionally, and locally. For example, global studies by Abu-Musa (2017), Chunlan (2019) and Wittayapoom (2018), and regionally Kakucha (2019) and Nyakundi and Nyamita (2014) have established the existence of a relationship between effective accounting controls and the financial performance of the firm. However, the majority of these studies have concentrated on different industries, while others have concentrated on a mix of listed firms in their localities. This study, therefore, is establishing a scientific relationship between accounting controls and financial reporting in educational regulatory agencies in Nigeria.

The quality of financial reporting has the potential to be affected by many variables in an organization (Davis, 2019). One such variable that has the potential to affect the quality of financial reporting is accounting controls. Literature exists on the relationship between accounting controls and financial reporting. For instance, Adams (2015) posits that effective accounting controls enhance the quality of financial reporting in organizations, Bethel (2018) asserts that accounting controls are positively linked with the quality of financial reporting in financial institutions. Sampson (2020) and Gabriel et al. (2019) all have established a theoretical positive linkage between effective accounting control and organizational performance and reporting in organizations.

The identified problem is that despite the importance of accounting controls on the quality of financial reporting, there is a paucity of studies in this area. This study will also make use of

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the regression analysis which was seen not to have been applied by any of the reviewed studies. The regression technique is deemed most appropriate because it gives reliable regression estimates when primary data is used. Furthermore, the majority of the reviewed studies did not disaggregate accounting control into measurable proxies. The present study disaggregated accounting control into four main parameters namely; detective accounting control, preventive, corrective, and directive. The importance of this disaggregation cannot be overemphasized given that it will provide a clearer picture of the effect of accounting controls on financial reporting quality. In addition, the studies employed different methodologies hence such studies may not be generalized to the study context. To the best of the researcher's knowledge, there has been no research done on the effect of accounting controls on financial reporting quality in Nigeria using a disaggregated approach and with an emphasis on public educational institutions.

LITERATURE REVIEW

Financial Reporting

Financial reporting quality is a measure of the extent to which a financial report possesses the minimum acceptable benchmark of certain qualitative characteristics. Different users of financial reports perceived different interpretations of quality measurement; hence the argument of what constitutes quality is subjective. Anggriawan and Yudianto (2018) highlighted the qualitative characteristics of government financial statements to include: relevance, reliability, comparability, and comprehensibility. The concept of financial reporting quality is born out of the inherent agency problem that subsists between owners and managers of resources, as both strive to meet personal interests hence the owners of businesses expect proper accountability from those entrusted with the resources. The same applies to those given the mantle of leadership to superintend over public affairs and are expected to be accountable to the people they represent/govern. Financial reporting quality can also be interpreted as to what extent financial statements meet the intended objective(s), an indication that ambiguity exists in terms of what constitutes quality in a bid to eliminate this ambiguity.

For some users of financial statements, the financial report's primary value is in telling them how a company performed and how its financial situation changed. The general public, financial institutions, government regulatory agencies, managers, directors, employees, and the media are just a few of these users. To prevent financial reporting fraud and scandals that can impede management and other consumers of reports from making wise decisions, financial reports are frequently expected to comply with international standards, national standards, corporate governance, professional ethics, and codes of ethics. The financial report comprises a balance sheet (now called a statement of financial position), a profit and loss statement (now called a statement of comprehensive income), statement of equity changes (statement of changes in equity, the company's equity), and cash flow statements (now referred to as a statement of cash flow activities).

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Accounting Control

The concept of accounting control refers to the system, method, rules, and practices that a corporation implements to guarantee the accuracy of financial and accounting information, encourage accountability, and guard against fraud. The effectiveness and efficiency of accounting controls have a big impact on how well or poorly a business reports its financials. The reduction of deceptive disclosures of reports from the yearly financial statements is a result of good corporate governance, according to Norwani (2018). Financial reporting quality and corporate governance are inextricably linked (Cohen et al., 2014). Financial disclosure statements that reveal the financial situation in the annual report and boost investors' trust in making reliable judgments about their businesses are considered to be of high financial reporting quality. According to Deloitte (2012) and Financial Reporting Council (2015), the main goal of financial reporting is to accurately depict the position and performance of the entity in question so that other stakeholders, including equity and debt investors, can make decisions that are both reputable and economically sound. The board of directors must provide oversight of how the shareholders' financial resources are utilized. After that, the shareholders hired an external auditor to give assurance, ensuring that the financial reports put together by the management present a true and fair picture of the organization's financial activities for the specified period. Assuring users of financial statements about the presented information is one of the auditors' main responsibilities. Since the Industrial Revolution, audit services have been essential to the accuracy of financial reporting.

Detective Accounting Controls

These controls are designed to detect and report the occurrence of an omission, an error, or a malicious act. Examples of detective controls include duplicate checking of calculations, periodic performance reporting with variance error messages over tape labels, and hash totals counter cheques post-due account reports (Monday 2015). This type of control uncovers violators of internal control structures within an organization after performing a random check to validate transactions and compliance practices. This forms the basis of the work of internal and external auditors who perform reviews to ascertain the quality and reliability of accounting and financial events that have occurred within an accounting year (Bawole & Ibrahim, 2016; Bryan, 2017; Charest, Bouffard & Zajmovic, 2016). Detective controls, from a practical point of view, refer to a control mechanism that is initiated to identify problems and keep management informed timely about deviations in any process or activity (Detthamrong et al., 2017; Gordon, Loeb, Lucyshyn & Sohail, 2006). In most cases, management experts tend to argue over whether the public sector relies on detective controls, unlike their private counterparts who emphasize preventive controls. According to Gursoy and Swanger (2007), detective controls may be very effective in advanced economies where the level of compliance is high, in that case, it could complement preventive controls.

Detective controls are investigative in nature and they are not meant to prevent unforeseen events. Any breach of internal control procedures such as fraudulent recording can only be discovered after it has occurred. It is based on this idea that many scholars prioritize preventive controls over detective (Jamieson et al., 2017). The most common detective controls are the reconciliation of the accounting ledgers and the bank statements to discover discrepancies. This action is closely related to the role of external and internal auditors' review of the entire accounting systems and operations. Traditionally, apart from identifying accounting errors and

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fraudulent reporting, the technique is also associated with daily compliance with standards and is practically focused on daily goals and objectives (Chang et al., 2014).

Preventive Accounting Controls

These are controls that predict potential problems before they occur and make adjustments. They also prevent an error, omission, or malicious act from occurring. Examples of preventive controls include using well-designed documents to prevent errors and establishing suitable procedures for the authorization of transactions (James & Helen, 2013). Preventive control is used to keep a loss or an error from occurring. Examples of preventive controls are segregation and the physical protection of assets. These controls are typically integrated into a process so that they are applied continually. They are especially common when the severity of a loss is considered to be quite high so that their imposition will lower the probability of any loss ever occurring (George, 2017).

From a practical viewpoint, preventive controls are a very critical branch of internal controls, since they are proactive tools that deter noncompliance. There are several ways to implement preventive controls. In most cases, management may implement tough punishment, relax existing rules, or motivate employees with reward packages, whichever way is feasible (Committee of Sponsoring Organizations, 2013).

When preventive control fails, it may be an indication of major weaknesses in the entire control structure leading to deficiencies in the subcomponents which will render the organization vulnerable to all manner of risks (Armstrong et al., 2015; Bangmek et al., 2018). Unauthorized access to vital information is a good example of preventive control failure. The outcome may cause severe and irreparable damage to the organization. Similarly, a study revealed that the breakdown of internal control may compromise the corporate strategy with severe associated repercussions. Though preventive controls are superior, their effectiveness can only be ascertained by regular monitoring such as validating accounting processes to intercept manipulations before their occurrence, which means it functions alongside detective controls (Arundel, Casali & Hollanders, 2015; Brzeziński & Bąk, 2015).

Empirical Studies

Kenneth (2020) examined the impact of detective accounting control on the firm performance of selected manufacturing companies in Nigeria. Seven manufacturing companies were selected for the study. To extract data for the study, questionnaires, and interviews were used for the extraction. The principal component analytical technique was used as a method of data analysis. The results from the analysis reveal that detective accounting controls contribute positively to the performance of the selected manufacturing companies in Nigeria. This made the researchers conclude that detective accounting controls are a significant determinant of performance in manufacturing companies. The reviewed study is focused on investigating the impact of detective accounting control on the firm performance of selected manufacturing companies in Nigeria.

Albertina and Claude (2021) carried out an empirical investigation on the effect of detective accounting control on financial reporting and factors that affect the usefulness of financial information. In addition, they specifically analyzed the effect of both the quality of the detective accounting control system and the quality of the accounting information system on the quality of financial reporting and, consequently, on the usefulness of financial information.

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They used a survey design that was applied to 381 Portuguese managers and they responded to a digital questionnaire. Data were subjected to a structural equation model to obtain the dependent variables and after they performed a multivariate statistical analysis and a linear regression model to determine the factors that affect the quality of financial reporting. The results showed a good fit for the model. The main findings showed that the quality of financial reporting is directly impacted by the quality of the detective accounting control system and the quality of the accounting information system. Furthermore, the quality of financial reporting is a predictive variable of the usefulness of financial information and it mediates the relationship between the information systems and the usefulness of financial information. The reviewed study is seen to be restricted to just one variable (Detective Accounting Control). It is focused on investigating the impact of detective accounting control on the firm performance of selected manufacturing companies in Nigeria.

Abraham (2021) carried out a study on the impact of detective accounting control on the financial performance of quoted companies in Nigeria. The essence of the research work was to determine the relationship between the detective accounting controls and the quality of financial reporting. Data collections were both from primary and secondary sources. The primary data was obtained by the administration of a questionnaire while the secondary data was from annual reports of sampled/ selected quoted companies. The study adopted the survey research and cross-sectional research design. The sampled companies were obtained by using the stratified sampling technique while the sample size was obtained using the proportional sampling technique, Also, 450 copies of a well-structured questionnaire were also distributed but only 350 were returned and analyzed. The variables considered in the study were detective accounting measurement, financial reporting, and financial performance, which were represented by quality of financial reporting, return on equity, return on asset, and profit after tax. Two analytical methods were adopted for statistical analysis of the variables. They were descriptive and inferential statistics. Under descriptive statistics, variables were subjected to frequency and percentages. Data analysis was carried out using a statistical package for social sciences software, and the level of significance used to test the hypothesis was 5%. The findings showed that there was a significant relationship between the quality of financial reporting and detective accounting controls. It also establishes that the quality of financial reports is significantly affected by detective accounting control. The reviewed study is seen to be focused on just one variable (Detective Accounting Control) with an emphasis on investigating the impact of detective accounting control on the firm performance of selected manufacturing companies in Nigeria.

Marcel (2019) carried out a study on the impact of preventive accounting controls and financial reporting quality in selected deposit money banks. Using panel methodology in addition to other econometric tests (descriptive statistics test, correlation analysis, and Hausman test), this study discovered a significant relationship between preventive accounting controls and financial reporting quality (earnings predictability, timeliness) and market performance in listed deposit money banks in Nigeria. Also, timeliness (TML) has a negative and insignificant relationship with the market performance of quoted deposit money banks in Nigeria. The conclusion shows that there is a significant relationship between preventive accounting controls and the financial reporting quality of selected deposit money banks.

Gabriel (2018) empirically investigated the effect of preventive accounting controls on the financial reporting of selected private organizations in Nigeria. Variables that were investigated in the study were measurement of accounting controls, financial reporting quality, and firm

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size. The questionnaire method of data collection was used in the study. The regression was used as the method of data analysis. The findings of the study revealed that preventive accounting controls do not positively contribute to the quality of financial reporting in the selected private organizations in Nigeria. This shows that preventing accounting controls does not have a significant capacity to prevent compromised accounting reporting quality in Nigeria. The identified gap from this reviewed study is that it is streamlined to just one accounting variable (Preventive Accounting Control) while the present study is more comprehensive as it added other accounting control variables like the detective, corrective, and directive in addition to the preventive accounting control.

Benson (2018) investigated the effect of preventive accounting controls on financial reporting quality in Deposit Money Banks at Zenith Bank Plc, Nigeria. Data was obtained from the audited annual reports of Zenith Bank Plc that covered the period of 2009 –2016. The study utilized both the Descriptive and Ordinary Least Square Regression methods with the aid of using Eviews 9 to analyze the data. The findings showed that preventive accounting controls have a positive and significant effect in enhancing the quality of financial reporting in selected deposit money banks.

Williams (2020) estimated the relationship between preventive accounting controls and the performance of selected manufacturing companies in South Africa. The researcher used primary data to extract information from the respondents. In the course of the study, three hundred and fifty (350) questionnaires were shared with 350 respondents. The data was analyzed using computational regression analysis and findings from the study showed that preventive accounting control has a positive and significant effect on the performance of selected manufacturing firms in Nigeria.

Theoretical Review

Agency Theory

Agency theory was developed by Berle and Mean (1932). This theory is an agency relationship in an organization as a contract under which one or more persons (the principal(s)) engage another person (the agent) to perform some service on their behalf which involves delegating some decision-making authority to the agent. Agency theory analyzes the relationship between two parties: investors and managers. The agent (manager) undertakes to perform certain duties for the principal (investors) and the principal undertakes to reward the agent. According to the theory, a firm consists of a nexus of contracts between the owners of economic resources (the principals) and managers (the agents) who are charged with using and controlling those resources.

Stewardship Theory

Stewardship theory has its roots in psychology and sociology and is defined by Davis, Schoorman and Donaldson (1997, p.13) as “a steward protects and maximizes shareholders' wealth through firm performance because by doing so, the steward’s utility functions are maximized”. Unlike agency theory, stewardship theory stresses not the perspective of individualism (Donaldson & Davis, 1991), but rather the role of top management being stewards, integrating their goals as part of the organization’s goals. The stewardship perspective suggests that stewards are satisfied and motivated when organizational success is attained. Argyris (1973) argues that while agency theory looks at an employee or people as an

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economic being, which suppresses an individual's aspirations, Donaldson and Davis (1991), on the other hand, argue that stewardship theory recognizes the importance of structures that empower the steward and offers maximum autonomy built on trust. It stresses the position of employees or executives to act more autonomously so that the shareholders' returns are maximized. Indeed, Fama (1980) contends that executives and directors are also managing their careers to be seen as effective stewards of their organization, whilst Shleifer et al. (1997) claim that managers return finance to investors to establish a good reputation so that they can re-enter the market for future finance.

METHODOLOGY

Research Design

This study adopted a cross-sectional descriptive survey design because it provides a clear outcome and the characteristics associated with it at a specific point in time. The descriptive design was relevant for this study since it focuses on one point in time and does not require several rounds of monitoring. The study employed both qualitative and quantitative methods of data analysis.

Population, Sample, and Sampling Technique

The target population for this study constituted the total number of employees in the accounting/finance, administration, and operations departments in the four educational examination agencies. The number of staff in the accounts/finance, administration, and operations departments in the four regulatory agencies is shown in table 1 below:

Table 1: Population of the Staff

Department	JAMB	WAEC	NECO	NABTEB	TOTAL
Accounts/Finance	10	12	14	13	49
Administration	14	11	10	13	48
Operations	12	11	9	8	40
Grand Total	**36**	**34**	**33**	**34**	**137**

Source: *Field Survey, 2023.*

where:

JAMB = Joint Admissions and Matriculations Board

WAEC = West African Examination Council

NECO = National Examinations Council

NABTEB = National Business and Technical Examinations Board

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Sample

For this research, the sample size was derived using Cochran sample size formula. This is given as:

$$n = \frac{n_0}{1 + \frac{(n_0 - 1)}{N}} \quad \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots \text{(3.1)}$$

Where:

n_o = Representative sample for proportions

n = Sample Size

N = Population Size

e = Allowable sampling error taken at 5% = 0.05

p = Proportion of success in the population from pilot survey = 0.50

q = proportion of failure in the population from pilot survey = 0.50

However:

$$n_0 = \frac{Z^2 pq}{e^2} \quad \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots \text{(3.2)}$$

Where; Z^2 is the abscissa of the normal curve (1.96), q is 1-p and e is the allowable sample error (0.05). Substituting these values into equation 3.2, we have:

$$n_0 = \frac{Z^2 pq}{e^2} = \frac{(1.96)^2 (0.5)(0.5)}{(0.05)^2} = 385 \quad \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots \text{(3.3)}$$

Substituting n_o = 385 from equation 3.3 into equation 3.1, we have:

$$n = \frac{385}{1 + \frac{(385 - 1)}{137}}$$

$$n = \frac{385}{1 + 2.802919708029197}$$

$$n = \frac{385}{3.802919708029197} = 101$$

Having applied the Cochran sample size derivation statistic, the value derived was one hundred and one (101). This means that this study will adopt a sample size of 101.

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METHOD OF DATA COLLECTION

For this study, primary data was employed. The data were collected with the aid of a questionnaire that was properly drafted using the 5-point Likert scale for the questionnaire. The questionnaire was adopted because it has the following advantages: it allows for a large number of information to be collected from a large number of people in a short period; the results of the questionnaire can be quickly and easily quantified by the researcher; it can be analyzed scientifically and when the data has been quantified; and it can also be used to compare and contrast other researches.

Method of Data Analysis

The study adopted the use of frequency tables and percentages to analyze the questions and employed linear regression with the application of the ordinary least squares to test the hypotheses of the study.

RESULTS AND DISCUSSION

Analysis and Results

The questionnaire responses we analyzed in this section using the tables, frequencies, and percentages.

Table 2: Our regulatory agency uses detective technique for accounting control

Item	Frequency	Percentage
Strongly Agree	58	64
Agree	28	31
Undecided	-	-
Disagree	4	4
Strongly Disagree	-	-
Total	**90**	**100**

Source: *Field Survey, 2024.*

The respondents were asked if their regulatory agency uses detective techniques for accounting control. Table 2 shows that 64% of the respondents strongly agreed that their regulatory agency uses detective techniques for accounting control. 31% agreed, and just 4% disagreed. It can be concluded from this analysis that on average, the respondents agree that their regulatory agency uses detective techniques for accounting control. Hence, these organizations make use of detective techniques for accounting control.

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Table 3: Detective accounting control influences financial reporting in our agency

Item	Frequency	Percentage
Strongly Agree	51	57
Agree	28	31
Undecided	3	3
Disagree	8	9
Strongly Disagree	-	-
Total	**90**	**100**

Source: *Field Survey, 2024.*

It can be deduced from Table 3 that 57% of the respondents strongly agree that detective accounting control influences financial reporting in their agency, 31% agree, 3% are undecided and 9% disagree. This leads to an objective conclusion that detective accounting control influences financial reporting.

Table 4: Our regulatory agency uses preventive technique for accounting control

Item	Frequency	Percentage
Strongly Agree	15	17
Agree	5	6
Undecided	3	3
Disagree	49	54
Strongly Disagree	18	20
Total	**90**	**100**

Source: *Field Survey, 2024.*

Table 4 clearly shows that 15(17%) of the respondents strongly agree that their regulatory agency uses preventive techniques for accounting control, 5(6%) agree, 3(3%) are undecided, 49(54%) disagree and 18(20%) strongly disagree. This analysis reveals that the majority of the respondents do not agree that their regulatory agency uses preventive techniques for accounting control.

Table 5: Preventive accounting control enhances quality financial reporting in our agency

Item	Frequency	Percentage
Strongly Agree	-	-
Agree	-	-
Undecided	4	4
Disagree	49	54
Strongly Disagree	37	41
Total	**90**	**100**

Source: *Field Survey, 2024.*

Table 5 shows that 4(4%) are undecided on whether preventive accounting control enhances quality financial reporting in their agency, 49(54%) disagreed and 37(41%) strongly disagreed. This entails that the majority of the respondents disagreed that preventive control enhances quality financial reporting in their agency. This is likely because they have reported initially that their agencies do not apply preventive accounting control techniques.

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Hypotheses Testing

In this research, four hypotheses were specified in their null forms. The purpose of this section is to specify and test these hypotheses using the criteria specified in the methodology.

Presentation of Regression Results

Table 6

Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	26.627	11.225		2.372	.020
	Detective Accounting Control	.052	.168	.033	2.311	.006

a. Dependent Variable: Financial Reporting Quality
Source: *Researcher's Computation Using SPSS 27.*

Decision

The regression output shows that the probability value (Sig.) for detective accounting controls yielded 0.006. Given that this value is less than 0.05, we reject the null hypothesis and therefore accept that detective accounting controls have a significant effect on the financial reporting quality of selected educational regulatory agencies in Nigeria.

Hypothesis Two

Presentation of Regression Results

Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	14.101	8.071		1.747	.084
	Preventive Accounting Control	.110	.121	.097	.912	.364

a. Dependent Variable: Financial Reporting Quality
Source: *Researcher's Computation Using SPSS 27*.

Decision

The regression output shows that the probability value (Sig.) for protective accounting controls yielded 0.364. Given that this value is greater than 0.05, we accept the null hypothesis and therefore conclude that protective accounting controls have no significant effect on the financial reporting quality of selected educational regulatory agencies in Nigeria.

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SUMMARY AND CONCLUSION

Summary

This study evaluated the impact of accounting controls on the financial reporting quality of public educational examination agencies in Nigeria. The geographical scope of the study is public educational institutions in Nigeria. In the context of this study, accounting controls were proxied by detective controls, preventive controls, corrective controls, and directive controls. Based on the capacity and scope of this study, four public educational institutions with headquarters in Abuja were covered: the Joint Admission and Matriculation Board (JAMB), West African Examination Council (WAEC), National Examinations Council (NECO), and National Business and Technical Examinations Board (NABTEB). The conceptual framework was carried out which discussed and diagrammed the relationship between accounting control proxies and financial reporting quality. Empirical studies and other previous research relating to the topic were reviewed. This study adopted cross-sectional descriptive survey design because it provides a clear outcome and the characteristics associated with it at a specific point in time. Data for the research were generated through the administration of structured questionnaires and were analyzed using multiple linear regression analysis. The major findings that were extracted from the analysis include:

i. Detective accounting controls have a significant effect on the financial reporting quality of selected educational regulatory agencies in Nigeria.

ii. Preventive accounting controls have no significant effect on the financial reporting quality of selected educational regulatory agencies in Nigeria.

CONCLUSION

From the summary of findings, it can be deduced that detective accounting controls have significant effect on financial reporting quality of selected educational regulatory agencies in Nigeria while preventive, corrective and directive accounting controls have no significant effect on financial reporting quality of selected educational examination agencies in Nigeria. The conclusion that was drawn from the findings is that educational examination agencies in Nigeria do not utilize a wide range of accounting control strategies as the study revealed that out of the four parameters/techniques, they only make use of one being the detective accounting control. This will therefore inform the policy recommendations.

RECOMMENDATIONS

In the light of the findings of the study, the researcher suggests the following policy recommendations:

i. The study discovered that detective accounting controls have a significant effect on the financial reporting quality of selected educational regulatory agencies in Nigeria. The study therefore recommends that regulatory agencies should sustain the use of detective accounting control systems through proper optimization.

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ii. It was discovered in the study that preventive accounting controls have no significant effect on the financial reporting quality of selected educational regulatory agencies in Nigeria. It is therefore recommended that regulatory agencies should ensure they make consistent periodic financial reconciliations as a complement to preventive accounting control.

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