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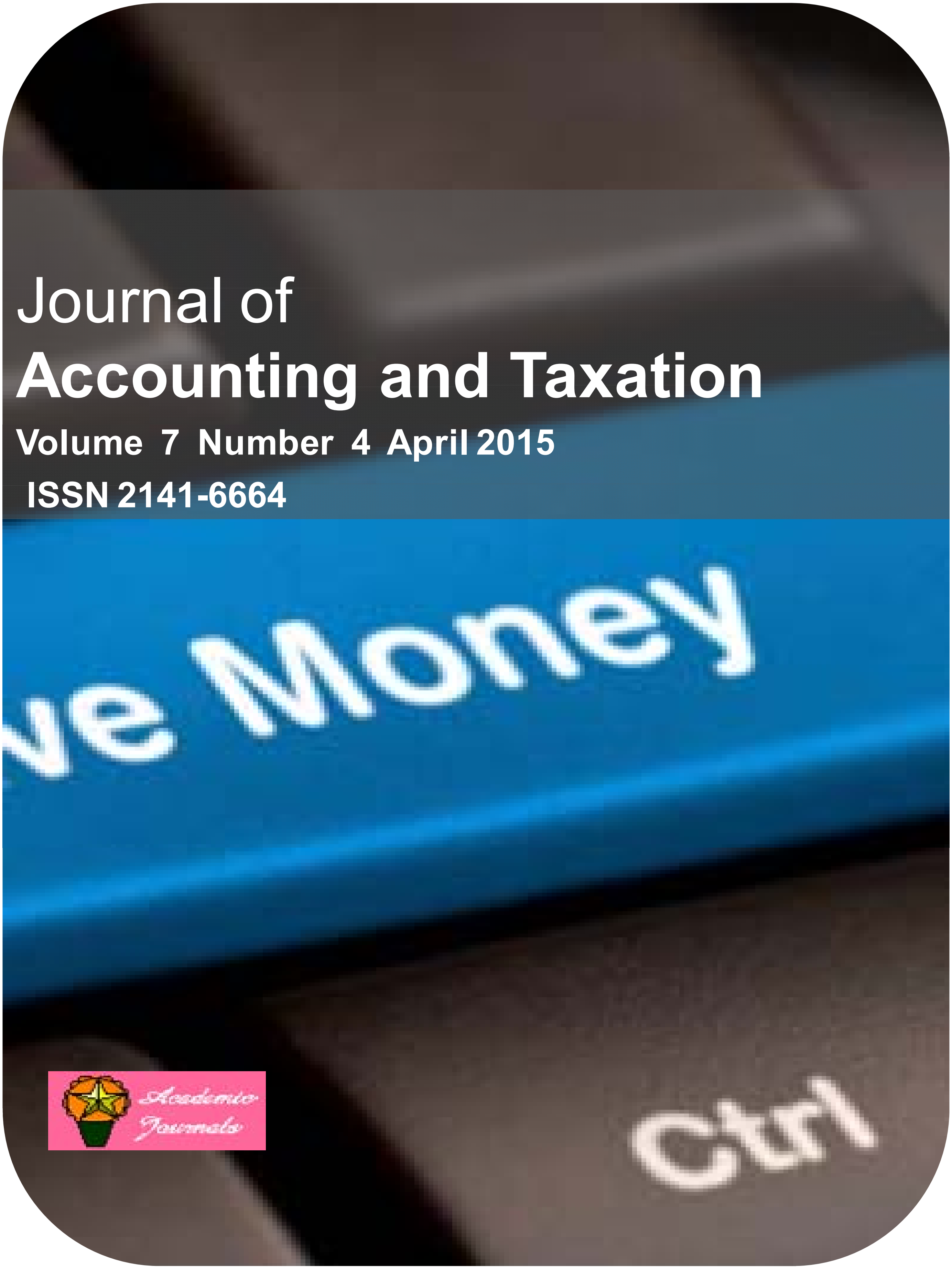

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Full Length Research Paper

Audit expectation gap and MBA accounting students' knowledge on auditor(s)' responsibilities: Evidence from a public university in Kumasi Ashanti Region of Ghana

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Auditing has become a critical indispensable part of business and corporate life in today's world and it is receiving great entrenchment in national legal status of almost every nation. However, there are evidences that suggest that users of financial statements and the public at large do not have knowledge about auditors' responsibilities and this has resulted in what has become known as audit expectation gap. This study sought to investigate the level of knowledge of final year MBA (Accounting) students on auditors' responsibilities and what auditors do vis-a-vis the companies' code, International Standards on Auditing as well as the professional guidelines on auditing in one of the public universities in Kumasi, the capital town of Ashanti Region of Ghana. The study used structured self-administered questionnaire to gather information from the final year MBA (Accounting) students. The data collected were analyzed using descriptive and inferential statistics with the help of MS Excel package. The study revealed that the mean knowledge of the students' on auditors' responsibilities was 4.25 suggesting that only 25% of the final year MBA (Accounting) students know for sure what auditors' responsibilities are. The study therefore recommended that policy makers, the university education administrators and regulators such as National Accreditation Board of Ghana together with the faculties take a closer look at Teaching and Learning of Accountancy and business Studies especially Auditing in Higher Education. It was further suggested that the universities review their syllabi on auditing courses to include the responsibilities, duties and roles of auditors, so as to examine these sections regularly to encourage students to read and understand it properly. Finally, the study proposed further research to cover most of the public universities in Ghana in the near future.

Key words: Audit expectation gap, final year MBA (Accounting), auditors' responsibilities, knowledge, teaching and learning in higher education.

INTRODUCTION

Auditing could be explained to mean an independent examination of records and financial statements of an entity and expression of opinion by a qualified person known as an auditor as to whether records and financial statements as prepared by management of the entity reflects the true and fair state of affairs of the entity and that the financial statements are prepared in accordance with the applicable regulatory frameworks and standards (ICAG, 2008; Omane-Antwi, 2009; Okafor and Otalor, 2013). Auditing has become a critical indispensable part of business and corporate life (Okafor and Otalor, 2013) in today's world and it is receiving great entrenchment in national legal status books (i.e. companies' codes) of almost every nation if not all with other ancillary legislations (corporate governance codes) as well (Saladrigues and Grañó, 2014). This explains why it is widely thought in all business schools in our colleges and universities as one of the compulsory electives. It is said to have begun as far back as early 15th centuries during the days of Pacioli, Lucas (Omane-Antwi, 2009). Auditing of an entity and its operations achieve various purpose or roles (Lee et al., 2007; Kim et al., 2010; Okafor and Otalor, 2013; Ramlugun, 2014) which could be grouped mainly as primary purpose and secondary purpose (ICAG, 2008; Omane-Antwi, 2009; Kim et al., 2010) as discussed below.

The primary purpose of an audit is to express an opinion on the truth and fairness of the financial statements and the underlying books of accounts. This gives credence to the various users of the financial statements most importantly the owners (shareholders) of the business entity. Again, it gives creditability to management, the appointed agents entrusted with the stewardship and/ or management of the organization's resources.

The secondary purpose of auditing, however is to prevent errors and frauds, detect and prevent errors and frauds inherent in the entity's operating system, identifying internal control weaknesses and to suggest improvement to the internal control systems (Kim et al., 2010). The achievement of the above foregoing objectives are fundamental reasons for instituting good corporate governance systems in organizations and it is primarily the responsibility of the entity's management. Thus, auditing helps to achieve good corporate governance in organizations.

On a larger scale, auditing based on its assurance and confidence and trust repose leads to effective allocation of resources within an economy and across continents (Lee et al., 2007; Okafor and Otalor, 2013; Saladrigues and Grañó, 2014; Ramlugun, 2014). Given the significance of auditing, there is therefore the need for all financial information users including the general public to have kin interest in audit and what auditors do.

However, since the end of Andersen, Enron, Worldcom etc debacle and the 2008 financial crisis, the performance and functions of auditors have been in the public domain attracting varying comments and opinions according to Charitou et al. 2004 (as cited by Appiah, 2013; Ramlungun, 2014; Lee et al., 2007). A close analysis of these comments suggests that both the users and the public have different expectations of auditor(s), their duties and responsibilities (Lee et al., 2007; Noghondari and Foong, 2009; Onumah et al., 2009; Agyei et al., 2013; Saladrigues and Grañó, 2014).

There is therefore difference in expectation(s) in respect of what users of audited financial information and the public expect of the auditor(s). That is, the level of audit performance, how the auditor(s) actually performed their audits, the effectiveness of an audit engagement(s) as well as the auditors' ability to detect and prevent fraud coupled with what the auditor believes is his responsibilities as supported by the various auditing standards and status (Lee et al., 2007). This is what is termed audit expectation gap or simply put expectation gap (Millichamp, 1996; Lee et al., 2007; ICAG, 2008; Noghondari and Foong, 2009, Omane-Antwi, 2009; Agyei et al., 2013). Though audit expectation gap has been empirically established to exist in Ghana (Onumah et al., 2009; Agyei et al., 2013) just like other studies elsewhere, it appears no Ghanaian study (based on information available to the researcher) has been able to investigate the audit expectation gap among accounting students in Ghana. Therefore, the objective of this study is to contribute to this call by being one of the few that have taken that audacious step in filling this gap. To the researcher investigating expectation gap among accounting students is decisive at this time because, sooner, these students will be at the fore front of auditing and accounting profession in Ghana, being the auditors and accountants, as such the earlier they are exposed to this profession threatening quandary may lead to its early elucidation. This is the motivation for this current study given the importance of expectation gap to the audit practice (profession) and industry (i.e. users of financial information) and its consequence on trust and confidence of the public and users of audited financial information. It is imperative that the findings of this study will help change the nature of training given to future auditors and accountants at their incubation period thereby helping to tackle this gap problem through education (Dixon and Woodhead, 2006; Onumah et al., 2009; Olagunju and Leyira, 2012; Agyei et al., 2013; Ramlugun, 2014). The rest of the paper is organized thus: the next immediate section provides a brief review of relevant related existing literature followed by discussion of the methodology used for the study. Thereafter, the empirical results are discussed followed by conclusions and recommendations based on the findings of the study.

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REVIEW OF RELATED LITERATURE

As accounting attempts to provide a comprehensive information about economic and/ or financial activities of business enterprise via financial statements to various users there is the need for an independent person known as an auditor to express an opinion on the financial statements together with the underlying records and books of accounts prepared by the managements (directors) of the reporting entity to be presented to the various users whether it presents a true and fair view of the state of affairs of the reporting entity (Okafor and Otalor, 2013) or otherwise. Auditing is said to have started when shareholders and other stakeholders of businesses attempt to find out whether managements of their business enterprises were operating their entities and/ or resources made available to them within the laid down rules, regulations, practice, norms and/ or to achieve agreed targets (profitability) etc (Kim et al., 2010). Thus, the need for an audit primarily started when the separation of ownership and control in business entities (in which shareholders nominate directors to run the affairs of their entities) commenced (Millichamp, 1996; Watson and Head, 1998; ICAG, 2008 and Omane-Antwi, 2009; Kim et al., 2010). There are abundant body of literature that suggest that while the shareholders (who are the owners of the business entity) have the goal of value maximization as their primary objective, the managers (appointed employees) do have different objectives which are mostly self gratification and are opposing to that of the shareholders. This situation is theoretically referred to as "agency problem" (Millichamp, 1996; Watson and Head, 1998; ICAG, 2008; Omane-Antwi, 2009). To accord the shareholders and other stakeholders the assurance that their entities were being; effectively operated, have effective and robust internal control systems in place capable of safe guarding assets and resources, the entity's business objectives are being achieved, that the financial reports on the operations are reliable and free from material misstatements, fraud and misappropriation of assets are being prevented and are likely to be detected by the Internal Control Systems (ICS) and the cost of doing business are being minimized, a third party who is independent needs to give an opinion to attest to all of the above (Kim et al., 2010; Saladrigues and Grañó, 2014). This is what brought about the concept of auditing. Auditing is thus seen as an important tool in corporate governance for remedying the agency problem. That is to realign the appointed agents' objectives with that of the shareholders to ensure that there is that goal congruence (Watson and Head, 1998; Kim et al., 2010) within the entity.

From the above discussions, shareholders and stakeholders expect the auditor(s) to meet their expectations. Bearing this in mind, any audit performance short of these perceived expectations of users of financial information would be seen as substandard performance (Lee et al., 2007; Noghondari and Foong, 2009; Agyei et al., 2013). Conversely, auditor(s)' regulatory frameworks such as the companies law, auditing standards and ethical guidelines define the roles, responsibilities and duties of the auditor(s) and in some cases indicated the sort of audit work and programmes to be carried out in varying audit engagements which may far differ from the public's perceived responsibilities expect of the auditor. This situation is usually referred to as audit expectation gap (Porter, 1993; Epstein and Geiger, 1994; Millichamp, 1996; Leung and Chau, 2001; Lin and Chen, 2004; Fadzly and Ahmad, 2004; Chowdhury et al., 2005; Dixon et al., 2006; Lee et al., 2007; ICAG, 2008; Noghondari and Foong, 2009, Omane-Antwi, 2009; Agyei et al., 2013; Saladrigues and Grañó, 2014). The auditors' failure to meet the public's perceived expectations undermines the public's confidence in the auditor as well as the audit function (Limperg, 1932; Porter, 2005 (as cited in Lee et al., 2007) supported by Agyei et al. (2013). The fear is if that confidence is betrayed, the audit function will be destroyed as it becomes futile exercise then as observed by Limperg, 1932 (as cited in Lee et al., 2007; Agyei et al., 2013). This is because the stakeholders and users of audited financial statements need to put reliance on the audited financial statements for purposes of entity's economic performance evaluation, investment decisions among others as postulated by Godsell (1992) (as cited by Lee et al., 2007) and Libby et al. (2008).

Host of studies both theoretical and empirical put forward that audit expectation gap does exist suggesting that the public mostly the users of audited financial statements and the auditors have different expectations about audit performance (Liggio, 1974; Humphrey et al., 1993; Gloeck and De Jager, 1993; Porter, 1993; Epstein and Geiger 1994; Millichamp, 1996; Leung and Chau, 2001; Lin and Chin 2004; Fadzly and Ahmad, 2004; Chowdhury et al., 2005; Dixon et al., 2006; Lee et al., 2007; ICAG, 2008; Noghondari and Foong, 2009, Omane-Antwi, 2009; Agyei et al., 2013; Saladrigues and Grañó, 2014). As observed by Lee et al. (2007) and Noghondari and Foong (2009), most of the above mentioned studies happened in the developed economies (Liggio, 1974; Humphrey et al., 1993; Gloeck and De Jager, 1993; Porter, 1993; Epstein and Geiger 1994; Leung and Chau, 2001; Lin and Chin 2004; Fadzly and Ahmad, 2004; Chowdhury et al., 2005; Saladrigues and Grañó, 2014) while just a few were done in the developing economies like South Africa (McInnes, 1994 as cited in Noghondari and Foong, 2009), Egypt (Dixon et al., 2006), Nigeria (Adeyemi and Oloowokere, 2011; Olagunju and Leyira, 2012; Okafor and Otalor, 2013). However, in recent times, there has been emergence of empirical studies in Ghana investigating the audit expectation gap. Notably among them are Onumah et al. (2009) and Agyei et al. (2013) based on information available to the researcher. The few Ghanaian studies available only examined the existence of audit expectation gap among financial information users and auditors. For example, Onumah et al. (2009) evaluated the gap among the preparers and users of audited financial statements and observed that whereas financial statements users have significantly different perceptions about assurances provided by auditors' reports, the views of company accountants are somehow quite close to those of auditors. Also, Agyei et al. (2013) in a similar manner looked at expectation gap among users (specifically stock brokers) and auditors and affirmed that there exists audit expectation gap in Ghana particularly in respect to auditors' responsibility relating to fraud detection and prevention and soundness of internal control systems of the audited entities. There after proposed to the audit profession regulators to formulate such standards, rules and regulations that adequately guide the auditors in fulfilling the reasonable expectations of various user groups. It appeared; the Ghanaian studies (Onumah et al., 2009 and Agyei et al., 2013) like most other studies elsewhere observed that the wrong perceptions of the users of financial information about auditors' responsibilities continued to account for the existence of the audit expectation gap among the stakeholders of financial statements. However, analyzing Onumah et al. (2009)'s assertion that the views of company accountants are quite close to those of auditors further, one could conclude that since the company accountants do receive the same training and education like that of the auditors, that is why they do have the same views just like the auditors. Also, Humphrey (1997) and Epstein and Geiger (1994) in their studies concluded that the technicality of terms and concepts used in auditing by the auditors, users' inability to appreciate the nature and limitations of audit respectively are responsible for the existence of audit expectation gap. Also, Agyei et al. (2013) indicated that the shift in audit objectives and responsibilities in late 20th century from fraud detection to verification of financial statements, largely accounted for some of the audit expectation gap. It is apparent from the foregoing that lack of knowledge (Noghondari and Foong, 2009; Okafor and Otalor, 2013; Ramlugun, 2014) on the responsibilities of auditors on the part of the users, lack of tact by the auditors and the auditing profession to get users to appreciate their roles, duties, responsibilities, what they are required to do within the arm-bit of the regulatory legal status and other frameworks continue to give credence to the audit expectation gap's existence. To minimize the expectation gap's persistence and possible escalation (Onumah et al., 2009), educating both the users and auditors may be seen as the best solution (Noghondari and Foong, 2009; Olagunju and Leyira, 2012; Okafor and Otalor, 2013; Agyei et al., 2013; Ramlugun, 2014) more importantly the young and upcoming ones still in schools. This therefore sets the scene for the current study on audit expectation gap among the final year MBA (Accounting) students in Ghana as a case.

Now that the auditing profession assumes a growingly new dynamisms following the Andersen, Enron, Worldcom etc debacle and the 2008 financial crisis coupled with the frequent legal battles and public calls for tighter regulations and monitoring as well as new International Standards on Auditing (ISAs) as being thought in business schools and colleges all over the world, an empirical study among accounting students in one of the public universities of Ghana to ascertain the level of their knowledge on the responsibilities of the auditor (existence of audit expectation gap) may be seen as one of the novelty in contributing to body of literature on the current issue specifically in Ghana and beyond. It is believed this may help to shape how accountancy and auditing is thought in our colleges and universities going forward. Also, it is necessary to find out if the current teaching of accountancy and auditing at the business schools of our universities and colleges are able to correct the erroneous perceptions about the responsibilities of auditors beginning from the classroom. If it cannot then to suggest remedial actions necessary for bridging this gap considering the challenges the expectation gap posts (Okafor and Otalor, 2013) to auditors and audit profession as a whole in Ghana and elsewhere.

In practice, the auditor performs an audit engagement(s) in strict adherence to the following regulatory frameworks as explained below;

a) The engagement contract(s) which indicates the terms of reference upon which the auditor is appointed. The engagement contract or letter sets out the extent of work to be undertaken by the auditor for the client and reminds the client of the liabilities of both parties (Millichamp, 1996; ICAG, 2008; Omane-Antwi, 2009). According to ISA 210 (as cited in ICAG, 2008; Omane-Antwi, 2009), engagement contract usually covers the functions of the auditor and the responsibilities of the directors, discovering of fraud and defalcations, details of other services, charges, reporting authority as well as the time frame within which the report is expected. The golden rule to auditors is that they should avoid being side tracked.

b) The provisions of the local legislation governing auditors as provided in the Companies Code, 1963 (Act 179). In Ghana, auditor's duties and responsibilities are governed by Act 179. Thus, he is said to have performed his duties if he had complied with the Act specifically Section 136 (1).

c) The Ethical and Professional Guidelines. This serves as a conceptual frame work that requires the auditor in performance of his audit engagement to maintain highest integrity, professional competence while remaining objective, confidential, and exercising due care (IFAC Handbook, 2007as cited in ICAG, 2008; Omane-Antwi, 2009).

d) The international Standards on audit (ISA), stipulates the attitude the auditor should assume in the course of his audit performance (ISA 200 and 240). Thus, he is said to have performed his duties if he is seen to have assumed the recommended attitude and skillfulness.

As it were, one is tempted to assume that anyone with education in accounting, finance, business, and commence should possess adequate knowledge and awareness on the responsibilities, roles, functions, duties of an auditor(s) as well as what auditors do. Stated differently, can audit expectation gap exist among those with prior training (academic qualification) and education in accounting and auditing? Though, studies have been done to ascertain existence of audit expectation gap among users and preparers of financial statements in Ghana, no such studies were done among MBA accounting students to evaluate the audit expectation gap with the view to eliminate it. As such, this study accordingly used research participants (respondents) from one of the public universities in Kumasi capital town of Ashanti Region of Ghana where their level of knowledge and awareness on the responsibilities, roles, functions, duties of an auditor(s) as well as what auditors do within the legal and regulatory framework were tested.

METHODOLOGY

This study used a survey approach where sets of self-administered questionnaire were used as the data collection instrument which was administered to the research respondents during one of their free periods by their course representatives. Self-administered structured questionnaire was used because of its ability to collect data of high quality within shortest possible time with minimal costs as well as not requesting the physical presence of the researcher. The instrument comprises close-ended questions in four sections which were pre-tested to improve its clarity and potency.

The population for the study was every Ghanaian student studying Master of Business Administration (MBA) (Accounting) in final year. The final year MBA class was selected and used for this study because it is assumed that, as they are in final year and had taken Auditing and Assurance course among others as parts of their core electives, they might have had a palpable level of knowledge in auditing as well as know the responsibilities of an auditor as required by the legal status books and other regulatory frameworks and hence provide an opportunity to ascertain if appreciable level of knowledge (Onumah et al., 2009) is capable of mitigating audit expectation gap among financial information (statements) users in Ghana. However, due to the vastness of the population, a purposive and convenient sampling approach was then adopted, where a final year MBA (Accounting) Students of one of the Public Universities in Kumasi the capital town of Ashanti region of Ghana was conveniently chosen for the study. For the purposes of anonymity and/ or confidentiality the name of the university is withheld and instead referred to here as UGX, Kumasi. The class size was forty-eight (48) students. The 48 copies of set of research questionnaire were first submitted to the course representative (rep). The course rep there after administered the research questionnaires to the respondents to complete and return them on their own. Out of 48 copies of research questionnaire given out, only 17 copies representing 35.42% of copies were returned answered and were used for data analysis. Though the response rate was low, it is considered as acceptable for this study. As this rate is typical in most surveys using self-administered questionnaire as data collection instrument which are posted or left with the respondents to return upon completion as posited by Robertson and McCloskey (2002), generally have about 30% response rate on the average depending on the context and location. This was somewhat consistent with the observations of some prior studies bordering on the current research issue having response rates as 23.07, 30, 32.30, 30.60% by Lee et al. (2007), Fadzly and Ahmad (2003) and Best et al. (2001) (as cited in Lee et al., 2007; Ramlugun, 2014), respectively.

The questions in the instrument were closed-ended with responses. Closed ended questions were used because, to the researcher, this best obtain the needed data within the shortest possible timeline within which respondents were expected to complete the instruments. The responses provided were analyzed by the help of MS Excel package. Descriptive and inferential statistics were used in presenting findings of the study as depicted in the ensuing section.

RESULTS AND DISCUSSION

Demographic characteristics

The study respondents were made of 82.35% males and 17.65% females indicating dominance of males in the sample used (Table 1).

The respondents' ages range between 25 years to 42 years with 30 years, 33 years and 38 years group all having 11.76% each age representation of the sample. The average age however is 33.5 years even though about 11.76% of the respondents did not provide any responses as shown in Table 2.

The coefficient of variation and standard deviation are 0.16 and 5.21 respectively as shown in Table 3, suggesting that the average age of the respondents is 33 ½ years.

The respondents' educational background is mainly first degree (94.15%) in business and accounting related qualifications as shown in Table 4. This explains why they have chosen their current line of study which is MBA (Accounting).

Further, the working or job responsibilities of the respondents include preparation of payroll, handling accounts payable and receivable, financial statements preparation to overall responsibility for accounting functions for their employers, filing of returns and co-ordinating annual and other statutory audits and reviews among others. That is the respondents mainly work as accounting and finance personnel of their respective entities that they are currently engaged in. The number of years of working experiences of the respondents is as shown in Table 5.

The study revealed that, the respondents have one to fifteen (1-15) years' number of years working experience with an average years and standard deviation as 2.43 years and 3.82 respectively with a coefficient variation of 1.57, suggesting that the average number of years of working experiences of the respondents is 2.43 years.

Table 1. Gender of the respondents.

Gender	Frequency	Percentage (%)
Male	14	82.35
Female	3	17.65
Total	17	100.00

Source: Field Survey, January, 2015.

Table 2. Ages of respondents.

Age	Frequency	Percentage (%)
25 Yrs	1	5.88
27 Yrs	1	5.88
29 Yrs	1	5.88
30 Yrs	2	11.76
32 Yrs	1	5.88
33 Yrs	2	11.76
34 Yrs	1	5.88
35 Yrs	1	5.88
37 Yrs	1	5.88
38 Yrs	2	11.76
40 Yrs	1	5.88
42 Yrs	1	5.88
No response	2	11.76
Total	**17**	**100.00**

Source: Field Survey, January, 2015.

Table 3. Statistics on respondents' ages.

	Statistics
Class Mean	33.50
Standard Deviation	5.21
Median	33.50
Coefficient of Variation	0.16

Source: Field Survey, January, 2015

Table 4. Educational background of respondents.

Education	Frequency	Percentage (%)
SSCE	0	-
O' Level	0	-
A' level	0	-
Diploma	0	-
Degree	16	94.12
Not Applicable	1	5.88
Total	17	100.00

Source: Field Survey, January, 2015.

Table 5. Number of years of working experiences of respondents.

Years of working experience	Frequency	Percentage (%)
1-5 yrs	5	**29.41**
6-10 yrs	10	**58.82**
11-15 yrs	2	**11.76**
16-20 yrs	0	-
21-30 yrs	0	-
31 & above	0	-
No response	0	-
Total	17	100.00

Source: Field Survey, January, 2015.

However, about 65% of the respondents have not worked outside their current sector of engagement. That is only about 35% of the respondents have ever worked outside accounting and finance profession.

As put forward by Onumah et al. (2009), Agyei et al. (2013), Okafor and Otalor (2013) and Ramlugun (2014), adequate knowledge about auditors' responsibilities and duties as recommended by the legal status, international standards on auditing (ISA) and professional guidelines will greatly eradicate audit expectation gaps. The findings on the level of knowledge of the respondents on the responsibilities, roles, duties and what auditors are supposed to do are as depicted in Table 6.

The study revealed that 71% of respondents knew that it is not the responsibility of the auditor (s) to prepare the financial statements of their clients while about 29% did not know. That is though all the respondents have studied accounting and Forensic Auditing and Assurance in the course of their studies; about 29% did not know that it is not the responsibility of the auditor(s) to prepare the entity's financial statements. On auditor's guarantee for the audited financial statements' completeness and accuracy, 53% exhibited knowledge and awareness whereas 35% did not know. Interestingly, 6% indicated they are not sure. As aspiring accountants and auditors, they are expected to know what auditors do and what auditors' responsibilities are. Further, on auditor's verification of accounting transactions of the audit clients, the study revealed that about 65% of the respondents are of the view that an auditor should verify all transactions while 29% indicated otherwise. The mean response however is 4.25. In practice, however, due to voluminous nature of accounting transactions, auditors are most of the time constrained to use sampling techniques and judgments coupled with assessed inherent risks to determine the number of transactions to be verified during an audit.

The study also revealed that while 82.35% of the respondents agreed that auditors are responsible for verifying the estimates in the financial statements, 5.88% did not agree while 11.76% did not provide any response. Further, on errors, fraud, theft detecting and prevention

Table 6. Number of years of working experiences of respondents.

No	Variables	Frequency									
	The auditor's responsibility is:	**YES**	**%**	**No**	**%**	**Not Sure**	**%**	**No response**	**%**	**Total**	**Total (%)**
1.	To prepare the company's financial statements	5	29.41	12	70.59	0	-	0	-	**17**	**100**
2*.	To guarantee the complete accuracy of audited financial statements	9	52.94	6	35.29	1	5.88	1	5.88	**17**	**100**
3.	To verify every accounting transaction	11	64.71	5	29.41	0	-	1	5.88	**17**	**100**
4*.	To verify the accounting estimates in the financial statement	14	82.35	1	5.88	0	-	2	11.76	**17**	**100**
5.	To prevent fraud and errors in the company	5	31.25	10	62.50	0	-	1	6.25	**16**	**100**
6.	To detect all frauds and errors in the company	6	35.29	10	58.82	0	-	1	5.88	**17**	**100**
7.	To detect theft (other than petty theft) which has been committed by employees & directors	4	23.53	10	58.82	2	11.76	1	5.88	**17**	**100**
8.	To guarantee that a company whose financial statements have been given an unqualified ('clean') audit report is financially sound	10	58.82	5	29.41	2	11.76	0	-	**17**	**100**
9.	To plan the accounting and internal control system	5	29.41	9	52.94	3	17.65	0	-	**17**	**100**
10.	To interpret the financial statements to enable users evaluate whether to invest in the company	6	35.29	4	23.53	5	29.41	2	11.76	**17**	**100**
11*.	To performs his duties in accordance with the Companies code, 1963 (Act179), ISA, Ethical guidelines, engagement contracts etc	12	70.59	2	11.76	2	11.76	1	5.88	**17**	**100**
12*.	To obtain reasonable and material evidence in the performance of his audit work	9	52.94	2	11.76	4	23.53	2	11.76	**17**	**100**

Source: Field Survey, January, 2015. Note: * denotes auditors' responsibilities in accordance with regulatory and legal frameworks.

(65, 59, 59%) indicated that the auditor is not responsible for any of the above respectively. However, somewhat consistent with audit practice and norms as well as theories being taught, 71 and 53% agreed that auditors are to perform their duties in accordance with the auditing regulatory frameworks and to obtain reasonable and material evidence in the performance of their audit.

The inferential statistics on the findings as depicted in Table 6 regarding the respondents' knowledge and/ or awareness of auditors' responsibilities and what is expected of auditors are shown in Table 7. The mean knowledge of the respondents of what is and is not auditors' responsibilities is 4.25 with mean standard deviation and coefficient variation of 1.24 and 0.29 respectively. This implies that, on the average about four students out of a sample size of 17 final year MBA (Accounting) students know of auditors' responsibilities. That is only about 25% of the accounting students know for sure what auditors' responsibilities are. This confirms existence of audit expectation gap (Onumah et al., 2009; Agyei et al., 2013) even among MBA (Accounting) students in Ghana. The findings are very alarming to accounting and auditing profession in Ghana as well as accounting and auditing education in the Business Schools and Colleges of our universities in Ghana.

The primary focus of this study was to investigate audit expectation gap among the final year MBA (Accounting) students in one of the public universities in the Kumasi Metropolis, an emerging economy with the view to suggest how the gap among the students who are aspiring accountants and auditors can be elucidated and subsequently among the users of audited financial statements. The study thus established that, there does exist, audit expectation gap even among final year MBA (Accounting) students in Ghana.

The implications post by the findings of this study are very convoluted as it is a wake-up call

Table 7. Number of years of working experiences of respondents.

	Variables				
	The auditor's responsibility is:	**Mean**	**Stand. Dev**	**Median**	**Coeff. of Var**
1.	To prepare the company's financial statements	4.25	5.68	2.50	1.34
2*.	To guarantee the complete accuracy of audited financial statements	4.25	3.95	3.50	0.93
3.	To verify every accounting transaction	4.25	4.99	3.00	1.17
4*.	To verify the accounting estimates in the financial statement	4.25	6.55	1.50	1.54
5.	To prevent fraud and errors in the company	4.25	4.99	3.00	1.17
6.	To detect all frauds and errors in the company	4.25	4.65	3.50	1.09
7.	To detect theft (other than petty theft) which has been committed by employees & directors	4.25	4.03	3.00	0.95
8.	To guarantee that a company whose financial statements have been given an unqualified ('clean') audit report is financially sound	4.25	4.35	3.50	1.02
9.	To plan the accounting and internal control system	4.25	3.77	4.00	0.89
10.	To interpret the financial statements to enable users evaluate whether to invest in the company	4.25	1.71	4.50	0.40
11*.	To performs his duties in accordance with the Companies code, 1963 (Act179), ISA, Ethical guidelines, engagement contracts etc	4.25	5.19	2.00	1.22
12*.	To obtain reasonable and material evidence in the performance of his audit work	4.25	3.30	3.00	0.78

Source: Researcher's Computation based on Field Survey, January, 2015.

for our universities administrators, policy makers and the regulators of accounting and auditing profession to relook at the auditing and accounting study and education again in various institutions.

Though this study cannot be said to be without limitations especially in respect to the sample size, it could be seen as one of the few pioneers that lead the way in studying audit expectation gap among final year MBA (Accounting) students in public universities in an emerging economy specifically Ghana.

CONCLUSION AND RECOMMENDATIONS

The results of this study confirmed the existence of audit expectation gap even among final year MBA (Accounting) students of a public university in Ghana specifically Kumasi, the capital town of Ashanti Region, an emerging economy. This calls for a closer look at accounting and auditing education in our business schools and colleges of universities in Ghana by policy makers and administrators of Teaching and Learning in Higher Education. Also, the lead role expected of ICAG as the regulator of accountancy and auditing training and licensing is being call upon. Based on the findings of this study, the researcher wishes to make the following recommendations. Firstly, the current syllabi in respect of auditing and accountancy courses in the business schools and colleges of the universities should be reviewed to ensure clear inclusion of the responsibilities, duties, roles of auditors and what auditing entails with conscious efforts to ensure that they are core part of examinations to ensure students make efforts to read and understand them. Also, the professional Accountancy Body in Ghana responsible for training, education, regulating and practice of accounting and auditing (that is ICAG) should liaise with the business schools and colleges of the Universities in Ghana. Also, the study recommended that policy makers, the university education administrators, regulators such as National Accreditation Board of Ghana together with the faculties take a closer look at Teaching and Learning of Accountancy and business Studies especially Auditing in Higher Education. This will help in a long way to correct the findings of the current study. Though this study adds to extant body of knowledge on audit expectation gap and thus fills the current research gaps on current issue more importantly in Ghana, it has some limitations such as, the smallness of the sample size and the use of only one public university in Kumasi instead of covering more public universities in Ghana. This may largely affect the validity of generalization of the findings. A Further study is therefore recommended in the near future to cover most of the universities in Ghana with larger sample size.

Conflict of Interests

The author has not declared any conflict of interest.

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Investigating the use of the four perspectives of balanced score card (BSC) as technique for assessing performance by Nigerian banks

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This paper explores the use of BSC as technique for assessing performance in the Nigerian banking industry. The population of the study comprised 21 banks operating in Gombe State, Nigeria. A purposive sampling technique was adopted to arrive at the sample of eleven banks. A survey technique was used to obtain data for the study. Fifty five copies of questionnaire were distributed to the executive staff of the sampled banks (5 each to every selected bank), out of which forty three copies were duly completed and returned. Descriptive statistics and Kruskal-Wallis ANOVA was used as techniques for data analysis. The study concludes that Nigerian banks relied heavily on financial performance measures followed by customer performance measures as technique for assessing their performance. The study recommended that Nigerian banks should enhance their performance measurement systems by balancing their performance measures within the four perspectives of BSC. This will check the skewness of the CAMEL's rating approach (C = capital adequacy, A = asset quality, M = management quality, E = earning quality and L = liquidity), which uses financial measures to assess banks performance in Nigeria.

Key words: Balanced scorecard (BSC), bank, performance, performance measurement, Nigeria.

INTRODUCTION

Banks serve vital intermediary role in a market-oriented economy and have been seen as the key to investment and growth. Most studies have argued that the financial sector is vital for the socio-economic development of any country. For example, studies by Beck et al. (2000) and Levine (2003) suggest that a well developed and sound financial system can contribute significantly to economic growth by recognizing the important role financial intermediaries play in bridging the disequilibrium between savings and investment needs within an economy. They argue that economic growth can be sustained only if scarce resources are mobilized efficiently and transformed effectively into productive investments, and this function is efficiently conducted by the financial intermediaries. Furthermore, Hamid (2008) observes that a developing economy, like Nigeria, requires the services

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of a well-functioning banking system in order to realize its socio-economic objectives. Hussey (1999) posits that a bank is a commercial institution licensed as a taker of deposit and is concerned mainly with making and receiving payments on behalf of its customers, accepting deposits and making short-term loans to private individuals, companies and other organizations. However, pperformance measurement is an integral part of management accounting (Emmanuel and Otley, 1995). At present, management accountants do more management activity and less accounting dealing with costs (Burns et al., 2004). The position of manager or management accountant is now similar to that of an internal business consultant (Siegel and Sorenson, 1994).

Companies around the globe have stuck to the traditional measures of financial performance until in the late 1980s when increased globalised competition has forced them to consider non-traditional measures (Ghalayini and Noble, 1996). Furthermore, the operating environment and the nature of business operations have become increasingly future-orientated. This has recently set new requirements for management accounting to become more future and business-oriented, which in turn has led to the use of forward-looking accounting information including non-financial measures. The requirements of the customers keep changing and a satisfied customer today may be lost in the future if his changing requirements are not met. In order to retain the customer, therefore, his changing requirements must be satisfied by way of innovation in products, services and processes (Ahmed et al., 2011).

However, in order to adapt to internal and external changes, the method of monitoring performance should be dynamic. Kaplan and Norton (1992) developed an innovative multi-dimensional corporate performance scorecard known as the BSC. It provides a framework for selecting multiple key performance indicators that supplement traditional financial measures with operating measures of customer satisfaction, internal business processes, and learning and growth activities.

In both research and practice, the BSC has received much attention, particularly as a strategic performance measurement system in many industries, including hospitality, health, manufacturing and banking (Beechey and Garlick, 1999). In the same vein, BSC is a framework which has been widely used during the last decade for performance measurement in different disciplines (Lee et al., 2008; Luu et al., 2008). It has been observed that most of the successful organizations are adopting BSC (Rigby, 2001; Fernandes et al., 2006).

However, according to Etim and Agara (2011), despite widespread adoption of BSC, there appears to be no significant documentation on the translation of BSC in any Nigerian firm that could serve as a reference point for replication in spite of the success already recorded by companies that have implemented it. The study relating to BSC in Nigeria is the one conducted by Iwarere and Lawal (2011) which empirically evaluated the performance of facility maintenance of public organizations in Nigeria and recommended that public organizations in Nigeria should adopt four key aspects of the BSC that focus on four related perspectives of organizational and management performance such as financial performance measures; internal process; customer satisfaction and workforce support. In addition, Etim and Agara (2011) empirically explore how the strategic management performance model called BSC, has faired among firms that have introduced/adopted the model in Nigeria. They concluded that for Nigerian organizations to participate in the global economic arena, the adoption of BSC is imperative. The foregoing discussion suggests that there are relatively few empirical studies on the use of BSC as technique for assessing performance in Nigeria. It is against this bedrock that this study intends to examine the use of BSC as a technique for assessing performance in the Nigerian banking industry. Thus, this study hypothesized that Nigerian banks do not use all the four perspectives of BSC as technique for assessing performance. The paper is thus organized into five sections. Section one which is the introduction. Section two, which is the next section, reviews related literature on the subject matter of the study. Section three discusses the methodological issues of the paper, while section four presents and discusses the results obtained from the data generated for the study and finally, section five gives the conclusion of the paper.

The concept of performance

The term performance has been defined by different authors in different ways. According to Drucker (1954), when discussing the issue of performance, the issues of effectiveness and efficiency are interrelated and that efficiency refers to the ability of an organization to do things right, while effectiveness is about doing the right things. Kohli and Jaworski (1996) observe that organizational performance consists of cost-based performance measures, which reflect performance after accounting for the costs of implementing a strategy (profit measures), and revenue-based performance measures, which do not account for the cost of implementing a strategy (sales and market share). Aluko (2003) defines performance as the execution or accomplishment of work, tasks or goals to a certain level of desired satisfaction and that organizational performance is defined in terms of the ability of an organization to satisfy the desired expectations of three main stakeholders comprising owners, employees and customers. An institution that persistently makes a loss will ultimately deplete its capital base, which in turn puts equity and debt holders at risk. Moreover, since the ultimate purpose of any profit-seeking organisation is to preserve and create wealth for its owners, the bank's return on equity (ROE) needs to be greater than its cost of equity in order to create shareholders' value. Dauda (2010) highlighted that organization performance is determined by the demand for its product or services. Many organizations put in place methods and strategies that could enable them attract customers and improve the quality and quantity of their product.

From the foregoing definitions, it can be deduced that performance is the efficient and effective use of resources by an organization for the accomplishment of its objective or goal leading to increase in the following: share price, sales, market share, sustainable profitability, net present value, earnings, generating cash flows, risk-taking, leverage and demand of its product or service and satisfying the desired expectations of its three main stakeholders comprising owners, employees and customers.

The concept of performance measurement

Though the term performance measurement has been used since the late 1970s, there has not been a universally accepted definition for it. An aged saying indicates that what gets measured gets managed (Schmenner and Vollmann, 1994). Performance measurement is the process of ensuring that an organization pursues strategies that lead to the achievement of overall goals and objectives (Nanni et al., 1992). According to Cheng (2008), performance measure can be defined as the system by which an organization monitors its operations and evaluates whether the organization is attaining its goals. Besides, to fully utilize the function of the performance evaluation, it is necessary to set up a series of indicators that properly reflect the performance of the organization.

Given the aforementioned definitions, it can be inferred that performance measurement is multidimensional, comprising the ways and manners through which the operations of an organization overtime are monitored and assess with a view to determining whether the organization is attaining its goals in terms of value delivery to customers and other stakeholders.

The financial measures of performance

Financial measures have long been used to effectively evaluate the performance of business organizations. Financial measures are required by legislation and have been in existence for many years. All businesses, therefore, use some form of financial measurement systems. The term traditional performance measurement system, however, has been coined to describe performance measurement systems where the overall focus is financial and, as a consequence, the scorecard is dominated by financial-outcome-related measures. However, prior to 1992, various absolute and relative accounting measures were being utilized for performance evaluations. Prominent accounting measures were total income, operating profit, net profit, cash flows, return on investment, residual income, and value added income (Garrison et al., 2003; Kaplan and Atkinson, 2005; Horngren et al., 2006). Although the use of financial performance measures is important in performance measurement, there has been growing criticism of financial measures as they are historic in nature and lack futuristic outlook (Schoenfeld, 1986; Dearden, 1987; Emmanuel and Otley, 1995; Kaplan and Norton, 1996).

From the foregoing, despite the heavy criticisms of the use of financial measures of performance by companies, some organizations still consider it as the most effective tool for measuring performance. However, it is as a result of the heavy criticisms on the use of financial performance measures that some have argued for the inclusion of non-financial performance measures.

The non-financial measures of performance

Prior to the 1980s, management accounting control systems tended to focus mainly on financial measures of performance, where only those items that could be expressed in monetary terms were considered, while product quality, delivery, reliability, after sales service and customer satisfaction were not given prominence in the measurement (Drury, 2004). Also, Fisher (1995) states that there are three main reasons for the emergence of non-financial performance measures: the limitations of traditional financial performance measures, competitive pressures, and the growth of other initiatives. Chartered Institute of Management Accountant (2005) as cited in Agyei-Mensah (2009) defines non-financial performance measures as measures of performance based on non-financial information which may originate in and be used by operating departments to monitor and control their activities without any accounting input. Non-financial performance measures provide managers with timely information centred on the causes and drivers of success and can be used to design integrated evaluation systems (Kaplan and Norton, 1996; Banker et al., 2000).

From the above discussion, one can see that the proponents of non-financial measure of performance consider it to be the best measure of performance which focuses on the future performance rather than on historical information due to increasing competition, changing organisational roles, changing external demands and the power of information and communication technology.

The concept of balanced scorecard

French people began using a measure called "the tableau de board", or the dashboard of measure, which included both financial and non-financial measures (Stewart and Hubin, 2001). The emphasis on quality in the American continent during the 1980s made Canadian companies to include non-financial measures also in

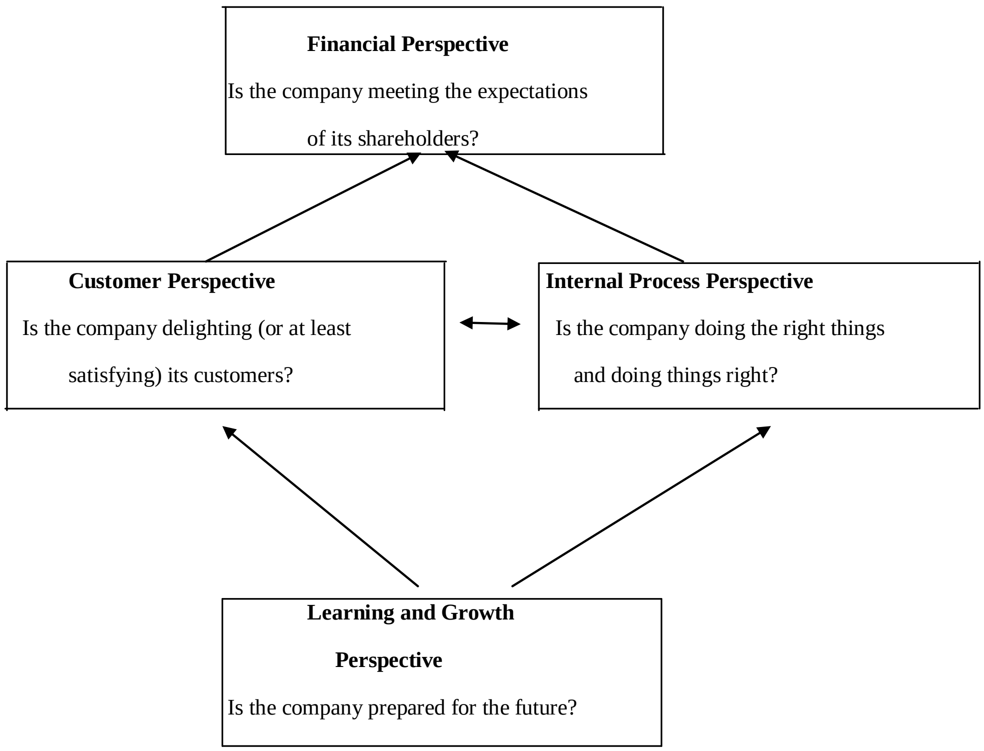

Figure 1. Four perspectives of BSC. Source: Kaplan and Norton, 1992 pp 136.

evolving their business strategy. This was the initial conception of the balanced scorecard (Stewart and Hubin, 2001). The BSC arose out of the need to improve the planning, control and performance measurement functions of management accounting. Because of the rise in popularity of the BSC, and benefits attributed to its use, Atkinson et al. (1997) state that the BSC is a significant development in management accounting that deserves intense research attention. French and the Canadians were the first to use the BSC in a different form. The BSC balances the financial indicators with non-financial drivers of performance. It allowed measuring the business performance in a more balanced way by considering both financial and non-financial measures (Ishtiaque et al., 2007).

Within the BSC framework, four categories of measures are identified in order to achieve balance amid the financial and the non-financial, between internal and external and between current performance and future performance (Kaplan and Norton, 1992). These perspectives are not mutually exclusive to one another; rather, they affect each other in quite a high degree as shown in Figure 1.

The financial measures typically focus on profitability related measures (the basis on which shareholders, in turn, typically gauge the success of their investments), such as return on capital, return on equity and return on sales among others (Kaplan and Norton, 1992; Lipe and Salterio, 2000). Measures that are closely related to customers include results from customer surveys, sales from frequent customers, and customer profitability. The customer perspective is a core of any business strategy that describes the unique mix of product, price, service, relationship, and image that a company offers (Kaplan and Norton, 2001). Out of the four BSC perspectives, the customer is at the core of any business and is crucial to long-term improvement of a company’s performance (Kaplan and Norton, 1992; Pineno, 2002).

In addition, the internal process measures are typically based on the objective of most efficiently and effectively produced products or services that meet customer needs. For example, such measures may include order conversion rate, on-time delivery from suppliers, cost of non-conformance, and lead time reduction (Kaplan and Norton, 1996). Furthermore, Kaplan and Norton (1996) suggested that measures of employee capabilities, information systems capabilities and employee motivation and empowerment are examples of performance measures relating to learning and growth perspective. In the same vein, the innovation and learning perspective includes three broad constructs: human capital, measured by employee skills (Ellingson and Wambsganss, 2001; Libby et at., 2004; Ullrich and Tuttle, 2004) and know-how, organization capital measured by sharing of worker knowledge, shared vision, objectives and values, information capital measured by knowledge management capabilities and accessibility of information (Kaplan and Norton, 2004).

Empirical study on the use of BSC as performance indicators

Balanced Scorecard (BSC) is a framework which has been widely used during the last decade for performance measurement in different disciplines (Epstein and Wisner, 2001; Lawson et al., 2006; Idalina et al., 2007; Lee et al., 2008; Luu et al., 2008). It has been observed that most of the successful organizations are adopting BSC (Silk, 1998; Malmi, 2001; Rigby, 2001; Fernandes et al., 2006). In addition, increase use of BSC can be seen in recent researches like: in supply chain integration (Bhagwat and Sharma, 2007 Chang, 2009), research and development projects (Eilat et al., 2008; Asosheh et al., 2010), university performance evaluation (Wu et al., 2011). According to Kuang – Hua (2005), BSC is the most influential managerial concept in the last 75 years.

The use of BSC can be seen through several other similar studies. Malmi (2001) investigated how BSC is applied in Finish companies and why companies adopt it. The study document that BSC is used in two different ways. The first approach is management by objectives and the second is to use BSC as an information system. Also, the idea of linking measures together based on assumed cause-and-effect relationship was not well understood by the early adopters of BSC. In addition, Anand et al. (2005) analyzed the practice of the organizational performance management system of India with a focus on BSC from 2002 – 2003 using a survey method. The study finds that about 45.28 per cent of the companies are using BSC. Also, initiating the change process in the organization 50 per cent, broadening of the performance measures 45.8 per cent, and facilitating the integration of business plans with the financial plans 45.8 per cent are the major motivations for the implementation of BSC in corporate India. Similarly, Ishtiaque et al. (2007) conducted a survey in Bangladesh to identify the use of BSC and found that the number of hours spent for training per employee, on time deliveries, delivery cycle, throughput time and set up time are the performance measures used by the firms. They recommend that frequent in house and outdoor development sessions should have to be arranged and product and service innovations and modifications need to be encouraged and customer complaints need to be resolved quickly. Furtheremore, Ahmed et al. (2010) conducted a survey on commercial banks in Pakistan to know the extent to which the BSC was being applied. The study concluded that the commercial banks were using all the perspectives of the BSC without knowing that they were using them. Al-Matarneh (2011) conducted a survey to determine the ability of Jordanian industrial companies to apply the BSC for evaluating their overall performance and the availability of the necessary data for that. The results show that there is recognition by the Jordanian industrial companies of the importance of implementing the BSC in assessing their overall performance. They also found that the Jordanian industrial companies realized the importance of using the operational measurements (non-financial) for assessing their overall performance and they can afford the cost of applying the BSC and they have the necessary human resources to implement it. The study recommends that the Jordanian industrial companies should use the BSC as a means to rationalize the decisions of managers and guide their behaviour and performance evaluation and that the Jordanian industrial companies should attract experts from developed countries to apply the BSC. Moreover, Ahmed et al. (2011) conducted a survey to know what measures are used by the commercial banks in Pakistan to evaluate their performance within the four perspectives of the BSC. The study results show that: first, the common most financial measures used by the commercial banks in Pakistan are return on investment, percentage growth in revenue and profit per account; second, the measures for customer satisfaction are number of complaints, number of new customers and number of appreciation letters; third, the measures for internal process are improvement in response time to customers queries, introduction of new products and services, reduction in waiting time and number of new facilities, and lastly measures for learning and growth are feedback from employees, employees' suggestions, labour turnover and number of trained employees.

From the foregoing, the BSC has been applied by companies in both developed and developing economies cutting across various industries. But its application in the Nigerian context received little attention. This study, therefore, tries to fill this gap by studying the use of BSC in assessing performance in the Nigerian banking industry.

THEORETICAL FRAMEWORK

The theory that explains this work is the contingency theory of performance measurement. The contingency theory and contemporary performance measurement unlike the traditional approach to performance measurement where performance measurement is comparable across industries and measures are alike; contemporary performance measurement pays attention to particular characteristics of a company. Though BSC follows the same approach, they may only be comparable with one another. The actual choice of performance measures differs not only among companies active in different industries but also among companies competing within the same industry. These differences may stem not only from the fact that some managers conduct the affairs of their company so as to achieve only a satisfactory and not the maximum level of the objectives (Cyer and March, 1963). Or, as theory of limited rationality says, they may emerge because human beings differ in their abilities to process and understand large quantities of information.

Table 1. Descriptive statistics on the use of performance indicators under each of the four perspectives of BSC.

		Financial perspective	Customers' perspective	Internal process perspective	Learning and growth perspective
N	Valid	43	43	43	43
	Missing	0	0	0	0
Mean		4.1023	4.0047	3.3442	3.9256
Median		4.2000	4.0000	3.4000	4.0000
Mode		4.60	4.20	3.00	4.20
Std. Deviation		.57466	.53539	.63744	.68316
Minimum		2.60	2.40	1.80	2.40
Maximum		5.00	5.00	4.60	5.00

Source: Generated by the researcher using SPSS 19.0 from questionnaire response, 2012.

Contingency theory of management accounting can be used as theoretical foundations to explain these differences. The contingency approach to management accounting is based on the premise that there is no universally appropriate accounting system, which applies equally to all organizations in all circumstances (Otley, 1980). Since a performance measurement system is considered part of the management accounting system or at least depends on its part, the contingency approach to performance measurement can be formulated in the same way. It is based on the premise that there is no universally appropriate performance measurement system applicable to all organizations in all circumstances. Instead, a contingency theory attempts to identify specific aspects of a performance measurement system that are associated with certain defined circumstance and to demonstarte appropriate matching (Rejc, 2003).

METHODOLOGY

The study evaluates the use of BSC as a technique for assessing performance. The research focuses on all the twenty one (21) banks operating in Gombe State, Nigeria. A judgemental/purposive sampling technique was adopted to arrive at the sample of eleven (11) banks. A survey technique was therefore used to obtain relevant data for the study. This was done by means of questionnaire administered on the banks' executives. The questionnaire was adopted by the researcher from Kaplan and Norton (1996) approach, with some modifications. A five (5) item scale (Strongly Agree (SA) = 5 Points, Agree (A) = 4 Points, Undecided (UD) = 3 points, Disagree (DA) = 2 Points, and Strongly Disagree (SD) = 1 Point) was used to measure the respondents' views on the use of BSC as a technique for assessing performance. Furthermore, the questionnaire was administered directly by the researcher and his research assistants on the banking executives (Branch Managers, Operations Managers, Heads Customer Service, Marketing Managers and Branch Accountants) because it is believed that they are in a better position to provide the right information about how banks measure their performances.

The data generated for this research were first analyzed using Descriptive Statistics to ascertain the level of agreement or disagreement with the statement in the questions. Under the Descriptive Statistics, percentages, means, medians, modes, standard deviations, minimum points and maximum points were used in data analysis.

i. Mean value of 3.50 is benchmarked as minimum

ii. Minimum acceptable values for median and mode stand at 3.50

In addition, Kruskal Wallis Test was carried out to compare the perception of the banks on the four perspectives of the BSC, with a view to finding which of the four perspectives is given much attention by them. The Kruskal Wallis Tests were utilized because the study variables were not amenable to quantifiable measurements. Thus, this justifies the use of this tool for analysis. The Statistical Package for Social Sciences (SPSS) version 19.0 was used to carry out the analyses.

RESULTS AND DISCUSSION

The data collected in the study using questionnaire are presented and interpreted from which inferences were drawn. Of the fifty five (55) copies of questionnaire administered to the respondents of the sampled banks, forty three (43), representing 78%, were filled and returned, while twelve (12), representing 22%, were not returned. Table 1 presents the results of analysis of the use of the four perspectives of BSC as technique for assessing banks'performance.

Table 1 presents the elements of descriptive statistics on the use of performance measures under each of the four perspectives of BSC in assessing performance of banks in Nigeria. From the table, it can be seen that the modal and the median responses are high for all the four perspectives of BSC with the exception of the internal process perspective which has 3.00 and 3.4000 as its mode and median respectively. This implies that majority of the respondents opted for agreement and strong agreement with the statements on financial, customer and learning and growth perspectives of BSC.

However, there is low inclination toward internal business process perspective. Furthermore, it could be deduced from the table that the respondents place a major weight on the use of performance measures under financial perspective (mean = 4.1023), followed by customer perspective (mean = 4.0047), learning and growth perspective (mean = 3.9256) and internal process perspective (mean = 3.4884). The mean scores of financial, customer and learning and growth perspectives of BSC stand above cut-off value mean of 3.5000, and

Table 2. Kruskal Wallis test on the four perspectives of BSC.

Perspectives of BSC	N	Mean rank
Financial perspective	5	15.60
Customers' perspective	5	13.80
Internal process perspective	5	3.00
Learning and growth perspective	5	9.60
Total	20	

Source: Generated by the researcher using SPSS 19.0 from questionnaire response, 2012. Kruskal-Wallis Statistics KW = 13.474. P-value is 0.004.

this indicates a high score on the use of performance indicators under the three perspectives of BSC and low performance on the use of performance indicators under internal process perspective.

Moreover, the standard deviation around the mean value in all the four perspectives of BSC is insignificant. Even the internal process perspective which has the mean below the cut-off mean value, its standard deviation is still insignificant (.63744). Additionally, all the four perspectives have 5 as their maximum value and the minimum values of 2.60, 2.40, 1.80 and 2.40 for financial, customer, internal process and learning and growth perspectives, respectively.

The four perspectives of the BSC

This sub section compares the perception of the banks on the four perspectives of the BSC, with a view to finding which of the four perspectives is given much attention by them. The results are presented in Table 2.

Table 2 shows Kruskal Wallis Test of 13.474 and P-value of 0.004. This suggests that, there is significant variation by the respondents on the four perspectives of BSC. The table also indicates that financial perspective has the highest mean rank of 15.60 followed by customer perspective with a mean rank of 13.80 and learning and growth perspective with mean rank of 9.60. The internal process perspective has the least mean rank of 3.00.

The above discussion suggests that, the banks focus more on financial perspective followed by customer perspective and learning and growth perspective, but they put less emphasis on internal process perspective of BSC. This means that, on the average, Nigerian banks are utilizing financial, as well as, non-financial measures for their performance evaluation systems, without any formal recourse to the BSC. This finding correlates with the finding of Ahmed, Bowra et al. (2010) who conducted a survey on commercial banks in Pakistan and concluded that the commercial banks were following all the four perspectives of BSC without knowing that they were following them. Similarly, it is consistent with the findings of Anand et al. (2005) who found that the financial perspective of BSC has been found to be the most important perspective followed by the customer perspective and learning and growth perspective.

CONCLUSION AND RECOMMENDATIONS

In this paper an attempt was made to explore the use of BSC as technique for assessing performance by Nigerian banks. The concept of performance, performance measurement, financial and non-financial measures of performance and the concept of balanced scorecard have been discussed. Other issues such as the four perspectives of the BSC and empirical studies on the use of BSC as technique for assessing performance were also highlighted.

From the analysis of related literature, analysis and interpretation of data and results of hypothesis test, the researcher concludes that, for the fact that Nigerian banks relied heavily on financial performance measures followed by customer performance measures as a technique for assessing their performance, a comprehensive view of their performance cannot be guaranteed without incoporating all the four perspectives of BSC.

Lastly, Nigerian banks should enhance their performance measurement systems by balancing their performance measures within the four perspectives of BSC. This will check the skewness of the CAMEL's rating approach (C = capital adequacy; A = asset quality; M = management quality; E = earning quality and L = liquidity), which uses financial measures to assess banks' performance in Nigeria.

Conflict of Interests

The author has not declared any conflict of interest.

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