EVALUATION OF FINANCIAL ACCOUNTABILITY IN TEACHING SERVICE COMMISION IN EKITI STATE: A CASE STUDY OF EKITI STATE BOARD FOR TECHNICAL AND VOCATIONAL EDUCATION

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Abstract

The study investigated the evaluation of the financial accountability in Teaching Service Commission using Ekiti state Board for Technical and Vocational Education (BTVE) as a case study. The main instrument of data collection was structured questionnaire. The study population comprised of one hundred and fifty respondents, selected through stratified sampling technique. Data were analyzed using descriptive statistics such as frequency counts and percentage distribution and inferential statistic. The survey revealed that there was significant relationship between effectiveness of pattern of financial accountability in government owned establishment and Ekiti State Board for Technical Education. It was deduced that adequacy and effectiveness of the accounting system can be achieved through staffs who have prior knowledge of general accounting. Also, there was significant effect of government parastatals on effectiveness of financial accountability of Ekiti State Board for Technical Education, which implies that proper parastatals monitoring the system will help to promote the accounting system of BTVE. Based on the findings, it was concluded that management of BTVE should ensure that allocated budgets are used for the purpose for which they are being allocated, and adequate supervision should be made on every level of the programme to ensure compliance to budget. The study recommended that BTVE management should ensure proper accounting system and it must be developed in a way that will permit the control of fund, to avoid fraud, effective administration, programme management and audit appraisal.

Keywords: Financial Accountability, Revenue, Expenditure, technical education, Teaching Service Commission.

Introduction

Financial accountability is the management of the finances of an organization in order to achieve the financial objectives of the organization. It results from holding an individual accountable for effectively performing a financial activity, such as a key control procedure within a financial transaction process. It broadly embraces two aspects, namely: Financial planning which is a plan to ensure that enough funding is available at the right time to meet the needs of the organization for short, medium or long-term capital and financial control which seeks to assess whether the plan put forward meets the objectives of the organization in question (Tooley and Hooks, 2009).

Accountability is the obligation owed by anyone occupying a position of trust or responsibility to provide appropriate response to all stakeholders, for action carried out and/or performance achieved in the discharge of his duties. Accountability is an obligation because it goes as a corollary to the responsibility and authority to perform assigned duties. It" is therefore a necessity, whether or not formally requested (Asobie, 1991)

Financial accountability includes financial reporting and analysis, the nature, frequency and purpose of financial reporting, auditing, analysis and interpretation of financial performance; Working capital accountability non-financial and financial considerations in asset acquisition, quantitative techniques for capital project evaluation, investment hurdle rate determination and handling risk and uncertainty in this context; financial structure accountability-financial leverage or gearing, accounting to lenders, knowledge of sources and uses of finance, non-financial and financial considerations in financial structure decisions and non-financial and financial considerations in profit distribution decisions; Financial planning and control-financial objectives and targets, cost-volume profit analysis, pricing, financial budgeting and control, and accountability responsibility centers; Financial advice-internal and external sources and types of financial advice and use of public accounting services; Financial accountability-expertise informal and formal education, training and experience in financial accountability, relevant qualifications, and overall financial accountability expertise (Kanyinga and Mitullah, 2007).

Financial accountability gives government legitimacy and credibility, contributes to their reputation and adds to their sustainability. Good financial accountability limits fraud and mismanagement (Viswesvaran, 2006). It also empowers beneficiaries and other stakeholders since information is power.

Well-defined financial accountability structure serves as the foundation for establishing effective financial processes. Accountability is officially delegated from a governance group, such as the Regents, or from an individual having delegated authority to a specific individual. An individual accountable for the successful completion of a key control procedure may, as policy allows, assign the responsibility, but not the accountability, for completing the procedure to another qualified individual (Lin, Hwang and Becker, 2003).

The management system of some Nigerian tertiary institution is based on financial accountability and stewardship of a Not-for-Profit organization; totally dependent on government financing. It is mono-polized by, reports-to, and executes government instructions. Managing Nigerian Univer-sities in this era of globalization, competition and entrepre-neurship requires a technique or strategy to strengthen financial accountability and stewardship. It requires a system that encourages money creation and management. The systematic decay and mana-gerial crises have resulted in education gradually losing its pride of place as the bridge between the rich and the poor (Soludo, 2004) and a tool for increased productivity (Pritchett, 2001).

Intensified interest in Board for Vocational and TE accountability is due to insufficient government oversight on Teaching Service Commission; absence of the stakeholder dynamics of the public and private sectors; increasing size, assets and influence of Teaching Service Commission; increasing reliance on government for delivery of necessary aspects of civil society to those who will be affected by its decisions or actions. (Wells, 2003).

Public institutions that enjoy significant levels of financial autonomy are commonly subjected to rigorous financial accountability, often prescribed in legislation. Robust policies on financial accountability are essential to safeguard the VET institution's assets (intellectual, financial, physical as well as those of its reputation) and the government's ownership interests in them.

It is important that the governing council monitors the institution's financial performance. Because the governing council is not involved in routine operational matters, it normally uses the institution's budget for this monitoring role. Having agreed to the budget, the governing council is, in effect, endorsing the management's plan for the financial year.

The governing council is only able to monitor an institution's financial performance effectively when there is effective management reporting. which should be clear, understandable and in a format that enables the governing council to be aware of the present and likely future financial health of the institution. In essence, the institution's management is required to perform in accordance with the agreed budget and to be held accountable to the governing body for any divergencies from it.

The chief executive is responsible for the development of the operating and capital budgets. Final approval of a budget by the governing council should be on the basis of whether it accomplishes its priorities and whether it is realistic. An autonomous institution may control substantial resources, and its governing council should ensure that the best possible use is made of them. A strong internal control is necessary to manage expenditure and financial information properly. and a treasury policy is necessary to ensure reasonable security over cash assets while still obtaining a reasonable return for them. The chief executive is responsible for ensuring that appropriate internal control systems are established, generally through explicit delegations to designated individual staff.

Autonomous institutions will require a number of planning and accountability mechanisms that operate at various levels within the institution. Some of the mechanisms may be prescribed by legislation. These planning and accountability mechanisms normally follow an annual cycle, which is linked with the institutional budget process. They generally include four elements:

(1) a charter (or equivalent) that sets out long-term goals and purposes appropriate for the institution and provides a long-term view of its future direction, and that has been prepared. after appropriate consultation, with the stakeholders:
(2) a statement of objectives (or equivalent) expressed in the form of outputs (deliverables), that describes which services the institution expects to deliver:
(3) a corporate plan (or equivalent) that describes how the institution will deliver its outputs as set out in its statements of objectives;
(4) an annual report that provides a qualitative and quantitative measure of the institution's actual performance against its statement of objectives.

Usually each department. section or faculty within the institution will have its own annual plan that is cross-referenced to its corporate plan. This link serves as an important communications tool - each department, section or faculty is able to identify how it contributes to the outputs of the institution as a whole — and it facilitates broader acceptance of the institution's goals, objectives and future direction.

Kingoro and Bujra (2009) noted that financial accountability has been one of the most problematic and prevalent issues for business worldwide for a long time. Increase in financial misappropriation and number of corporate scandals has an important impact on understanding and analyzing financial accountability and in turn on audit of the same and its regulation.

This study was designed to evaluate the financial accountability in Teaching Service Commission in board for technical education in Ekiti state. It also focused on the problems that militates against efficiency in the management of resources in which survival of every organization depends. It also showed how the principle of financial accountability affects service delivery in government parastatals.

The financing of initial and continuing vocational training contains a monetary and an institutional-organizational component. The monetary aspect attempts to quantify the amounts allocated for funding in a differentiated manner according to the different funders, i.e. the State, the company, individuals, and according to public and private budgets. Through the enumeration of types of costs and funders a comprehensive picture of the overall financing system is given (Bodenhöfer, 1985).

National funding systems for vocational training developed historically. Their characteristic institutional-organizational structures are influenced by socio-economic frame conditions and philosophical-cultural background factors. This also leads to major problems of method because the lack of in-depth knowledge of the diversity of the constituent basic structure distorts the necessary understanding of the proper approach and the posing of relevant questions (Heidemann, 1996).

Statement of the Problem

Finance is the most important resources in which services of every organization depends and every business transaction. And to achieve organizational goals, efficient distribution and allocation of funds have to be paramount. The failure of many organization is as a result of inadequate provision and distribution of funds on the part of the constituent authority that is managing the organization.

The sustainability of any organization depends on the qualifications and training of accounting officers with probity transparency and accountability to transform the organizations objectives into reality. The problem affecting many organizations in the public sector and government parastatals is the lack of focus, vision, commitment and to some extent greed on the part of the accounting officers to transform the organizations objectives into realities. Failure of the accounting officers to effectively and adequately fulfill their obligation in financial management may jeopardize the objective of this organization and government.

Hence, this research was carried out to examine the extent to which the evaluation of financial accounting was operated in Teaching Service Commission and offered solution to the inherent problems discovered in financial accounting in board for technical education in Ekiti state.

Purpose of the Study

The purpose of the study was to evaluate the financial accountability to Teaching Service Commission. The objectives of the study were to:

i. evaluate the pattern of financial accountability in Ekiti state board for technical education;
ii. evaluate the effects of budget allocations, accounting systems and distribution of funds to Ekiti state board for technical education

Research Questions

In carrying out this study, the following questions were raised and answered by this study:

i. Is there any relationship between pattern of financial accountability in government owned establishment and Ekiti State Board for Technical Education effective?
ii. What is the effect of government parastatals (such as Effectiveness and Efficiency of board for technical education Accounta-bility (EEA), Board for technical education Accounting and its Perfor-mance (BAP), Budget Analysis and Allocation (BAA) and Standard of Living of the Management (SLM)) on the financial accountability of Ekiti state board for technical education?

Methodology

A descriptive research design of the survey type was used in this study. This descriptive survey design has helped to aid in the collection of the relevant data. The population of this study covered Bord for Technical and Vocational Education (BTVE) in Ekiti State Service Commission, Ekiti State. The sample for this study comprised one hundred and fifty (150) staffs of BTVE. A multi stage sampling procedure was adopted to arrive at this sample size. The instrument that was used for collecting data is questionnaire titled "Financial Accountability Questio-nnaire" (FAQ). The questionnaire was developed by the researcher and generated from the background and literature review.

To ensure the reliability of the instrument, the instrument was trial tested by administering some copies of the questionnaire to some selected staffs is outside the area of study and 0.85 was obtained which indicated that the instrument was reliable to be used for the study. Simple percentage was used in analyzing the data in this study. The data collected were analyzed using frequencies percentage scores, Pearson Product Moment Correlation, F-statistic and t-statistic.

Results

In this section, an attempt will be to evaluate logically the research hypotheses, by determining the relationship amongst the variable using Pearson Product Moment Correlation Co – efficient (r) at 0.05 level of significance.

H_0: There is no significant relationship between effectiveness of pattern of financial accountability in government owned establishment and Ekiti State Board for Technical Education.

Relationship between financial accountability in government owned establishment and Ekiti State Board for Technical Education

Variables	N	Mean	SD	rcal	rtab	Result
Government Establishment	120	1.64	0.484	0.596	0.217	Significant
Technical Education Board	1 20	1.43	0.497			

$P < 0.05$

The table above shows that rcal (0.596) is greater than rtab (0.172) at 0.05 level of significance. The null hypothesis is rejected. Therefore, the alternate hypothesis is accepted, there is significant relationship between effectiveness of pattern of financial accountability in government owned establishment and Ekiti State Board for Technical Education. There is positive relationship between the two variables. Hence, increase in effectiveness of pattern of financial accountability in government owned establishment in turn increases the effectiveness of Ekiti State Board for Technical Education.

H_0: There is no significant effect of government parastatals on effectiveness of financial accountability of Ekiti State Board for Technical Education.

Using financial accountability proceeds as the dependent variable to capture the government parastatals in Nigeria compiled with the regulatory authorities while the Effectiveness and Efficiency of board for technical education Accountability (EEA), Board for technical education Accounting and its Performance (BAP), Budget Analysis and Allocation (BAA) and Standard of Living of the Management (SLM) are provided as the independent variables.

Presentation of OLS Result

Dependent Variables	Co – efficient					Summary			
	C	EEA	BAP	BAA	SLM	R	R^2	ADJ R^2	F.CAL
FA	1.333	0.132	0.138	-0.012	0.106	0.221	0.049	0.043	7.668
T – Stat.	8.263	2.947	3.689	-0.257	2.231				

Note: The t – statistics is given in parenthesis

The above table, is the summary of the regression result. From the above table, it can infer that the value of the constant parameter is 1.133, that of effectiveness and efficiency of board for technical education accountability (EEA) is 0.132, Board for technical education Accounting Performance (BAP) is 0.138. Budget Analysis and Allocation (BAA) is -0.012 and Standard of Living of Management (SLM) is 0.106.

Therefore, the regression one is stated below:

FA = 1.133 + 0.132(EEA) + 0.138(BAP) – 0.012(BAA) + 0.106(SLM)

The regression result above shows that the Financial Accounting (FA) is constant at 1.133. This implies that if all explanatory variables are held constant, financial accounting will increase by 1.133.

Effectiveness and Efficiency of board for technical education Accountability (EEA) is positively related to Financial Accounting (FA) with an estimated co – efficient of 0.132. Therefore, it can be inferred to that an increase in effectiveness and efficiency of Government Accountability (EEA) will lead to 0.023 (2.3%) increase in Financial Accounting (FA) of Ekiti state board for technical education.

The co – efficient value of Government Accounting and Government Performance (BAP) is 0.138 which shows a positive relationship with Financial Accounting (FA) of Ekiti state board for technical education. This implies that an increase in Government Accounting and Government Performance (BAP) will result into 0.138 (13.8 %) increase in financial accountability of Ekiti state board for technical education.

Budget Analysis and Allocation (BAA), is negatively related to Financial Accounting (FA) with an estimated co – efficient of -.0.012. Therefore, it can be stated that an increase in Budget Analysis and Allocation (BAA) will lead to -0.012 (1.2%) decreases in Financial Accountability of Ekiti state board for technical education.

The co – efficient value of Standard of Living of the Management (SLM) is 0.106, which shows a positive relationship with Financial Accounting (FA). This implies that an increase in Standard of Living of the management (SLM) will result to an 0.106 (10.6%) increase in Financial Accountability of Ekiti state board for technical education.

The correlation co – efficient (R) between Financial Accounting (FA) and the explanatory variables shows a positive value of 0.221. Therefore, it can be deduced that the explanatory variables put together has positive significance on the Financial Accountability of Ekiti state board for technical education.

The Co – efficient of multiple determinants (R^2) with a co – efficient of 0.049, shows that the explanatory variables can explain 4.9% behaviour of the Financial Accounting (FA) of Ekiti state board for technical education while the remaining 95.1% can be explained by the Stochastic variable or error term.

The adjusted R^2 further confirms the result of the R^2 with a co – efficient of 0.043, which shows 4.3% explanation of the behaviour of the Financial Accounting (FA) by the explanatory variables while the remaining 95.77 is explained by error term.

Test of Significant of Parameters (T – Test)
T – test is meant or used to test the significance of each of the explanatory variables.

Decision Rule
If T – calculated is < T – tabulated: Accept H_o and Reject H_1 at 95% level of confidence
If T – calculated is > T – tabulated: Reject H_o and Accept H_1 at 95% level of confidence
DOF = N – k
Where
N = Number of Observations
K = Number of variables
DOF = 20 – 5 = 15

Variables	T–Cal	T – Tab	Ho	H_1	Remarks
C	8.263	1.753	Reject	Accept	Significant
EEA	2.947	1.753	Reject	Accept	Significant
BAP	3.689	1.753	Reject	Accept	Significant
BAA	-0.257	1.753	Accept	Reject	Insignificant
SLM	2.231	1.753	Reject	Accept	Significant

From the table above, C, EEA, BAP and SLM are significant because their respective T – calculated value is greater than T – tabulated value. Hence, will reject Ho and accept H_1. While the BAA is insignificant because its T – tabulated is greater than their T – calculated. Hence, we accept the Ho and reject the H_1.

Test of Overall Significance of the Model (F – Test)

Decision Rule
If F – calculated is < T – tabulated: Accept H_o and Reject H_1
If F – calculated is > T – tabulated: Reject H_o and Accept H_1
DOF = V_1 / V_2
Where
V_1 = k – 1 = 3 + 1 = 4
V_2 = n – k = 15 – 3 = 12

F – Cal	F – Tab	Ho	H_1	Remarks
10.786	3.26	Reject	Accept	Significant

From the table above, it can be deduced that the model been used is statistically significant due to the fact that F – calculated is greater than F – tabulated, so we accept H_1 and reject Ho. Thus, there is significant effect of government parastatals on effectiveness of financial accountability of Ekiti State Board for Technical Education.

Discussion
The following findings were deduced by the researcher in view of the data collected, examined and presented above. Financial Accountability is positively related to public sector. As opined by Asobie, (1991), accountability is the obligation owed by anyone occupying a position of trust or responsibility to provide appropriate response to all stakeholders, for action carried out and/or performance achieved in the discharge of his duties. Accountability is an obligation because it goes as a corollary to the responsibility and authority to perform assigned duties. It is therefore a necessity, whether or not formally requested. This conform with the result of the findings that a positive growth in Financial Accounting will lead to a positive growth in the board for technical education.

Lee, Ali and Kandasamy, (2008) in their study find out that financial accountability inform board policies to adopt or has adopted to meet their responsibility for ensuring that the organization they govern is financially sound, which hold those who manage the organization of government parastatal accountable for implementing these policies. Policy such as finances, budgets, asset protection and major risks.

Successful completion of a key control procedure as policy allows, may assign responsibilities, but not the accountability, for effectiveness of the organization, government parastatals proceeds to assure quality financial management in of Ekiti State Board for

Technical Education (Lin, Hwang and Becker, 2003). This confirm the result of the findings that there is significant effect of government parastatals (Effectiveness and Efficiency of board for technical education Accountability (EEA), Board for technical education Accounting and its Performance (BAP), Budget Analysis and Allocation (BAA) and Standard of Living of the Management (SLM)) on effectiveness of financial accountability of Ekiti State Board for Technical Education,

Conclusion and Recommendations

The adequacy and effectiveness of the accounting system can be achieved through the employment of staffs who have prior knowledge of general accounting. Also, proper stock taking will also help to promote the accounting system in parastatals of the Board for technical education.

Board for Technical and Vocational Education (BTVE) parastatals should take the following steps to ensure adequate accounting system in the public sector:

BTVE should ensure that allocated budgets are used for the purpose for which they are being allocated, and adequate supervision should be made on every level of the education to ensure compliance to budget.

BTVE should ensure proper accounting system and it must be developed in a way that will permit the control of fund, to avoid fraud, effective administration, programme management and audit appraisal.

BTVE should ensure actual use of budgeted fund, for the budgeted purpose in other to ensure maximum output and betterment in the standard of living of a country.

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