

THE BUDGETING SYSTEM IN NIGERIAN INSTITUTIONS OF  
HIGHER LEARNING: A CASE STUDY OF THE BUDGETARY  
SYSTEM IN KADUNA POLYTECHNIC

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DEDICATION

With Love and a special 'Thank you' to Father and  
Mother: Mr and Mrs. H. B. Shehu  
"My Inspiration".

The quest for development and technological advancement in developing countries has led to an unprecedented surge for acquisition of Western education. This is basically because the Parameters of development and technological advancement are determined by the western technologically advanced and developed countries.

Obviously the base for this take off is the educational system. Nigeria is known to operate a five tier system of education namely: Primary education, Secondary, Technical and Vocational education, Teacher education and University education.

Nigeria is no exception to this craving for western education, in it's bid to build a technologically developed nation.

This is exemplified by the growth of primary school population in the last thirty years from one million to over five million, the secondary school population rose from 30,000 to 300,000 within the same period. In 1950 there was only the University College, while presently there are thirteen Federal owned Universities.

One could safely postulate, that the sound take off for technological advancement lies a great deal in the financial and fiscal commitment at institutions of higher learning.

This study will therefore address itself to the following:-

- i. A brief outline on the development of higher education.
- ii. Identifying the strong and weak aspects of the institutions budgeting system which are natural consequences of growth.
- iii. Offer suggestions that will help Nigerian institutions of higher learning, in general, and Kaduna Polytechnic in particular, achieve the purpose for which they were established with the aid of Budgeting.

SOURCES

This project is the culmination of research work based on field finding/surveys which involved consultation with relevant officers of the Polytechnic, namely the Bursar, past and present secretaries of the institution, Accountants, printed sources from published and unpublished documents of the Polytechnic such as Development plans, estimates and speeches.

Other sources were books on learning with special reference to higher education. These sources are adequately acknowledged in the bibliography.

CHAPTER ONEBUDGETING AND HIGHER EDUCATION1.1. Defination of Budget:

A budget is a financial plan expressed in quantitative, usually monetary terms that covers a specified period of time usually one year. It can also be described as an overall plan of operations showing how resources are to be acquired and used over a specified time interval.

The preparation and use of budgets therefore involve the development of a set of estimates of future costs and revenues in a form which will coordinate the activities of the organization in accordance with selected objectives, and will serve as a standard for cost control. A budget may therefore include income, expenditure and employment of capital. Budgeting is not simply an accounting exercise but a management function as well, and for this reason, in addition to the monetary statement of plans, the plan for the year also includes a statement of objectives that are to be accomplished during the year. These objectives are usually expressed in non-monetary terms. For a budget to be effective in the accomplishment of it's end result (objective), it must be properly developed and utilized, and the budgeting programme soundly administered.

The process of developing a budget is essentially one of negotiation between the Manager of a responsibility Centre and his or her superior. The end product of these negotiations is an approved statement of the revenues expected during the budget year, and the resources that are to be used in achieving the companies goals for each responsibility, centre and for the company as a whole."

Types of Budgets:

There are different types of budgets classified under various headings, based on the following:-

- (a) Time Factor e.g.: Longterm budgets, short term budgets, and current budgets.
- (b) Functional Classification: e,g, Revenue, Sales budget, Cost budget, Purchase budget, Capital budget, Office and Administrative Expense Budget and Master budget.
- (c) Flexibility e.g.: Fixed budget, Flexible budget.

The most common types of budgets however are, revenue budgets, profit budgets and capital budgets. For the purpose of clarity, it is necessary to state that a budget is by no means the same as a financial forecast. A budget has been defined as a management plan, with the assumptions that positive steps will be taken by the budgetee to make actual events correspond to the plan; where as a forecast is merely a prediction of what will happen, carrying no implication that the forecaster will attempt to shape events, so that the forecast will be realised. Further more the budget differs in it's characteristics from a forecast in the following ways:-

- (a) A budget is stated in Monetary Terms, although the Monetary amounts may be backed up by non-monetary amounts e.g. units sold or produced.
- (b) It generally covers a period of one year.
- (c) It contains an element of management commitment, in that managers agree to accept the responsibility for obtaining the budgeting objectives.

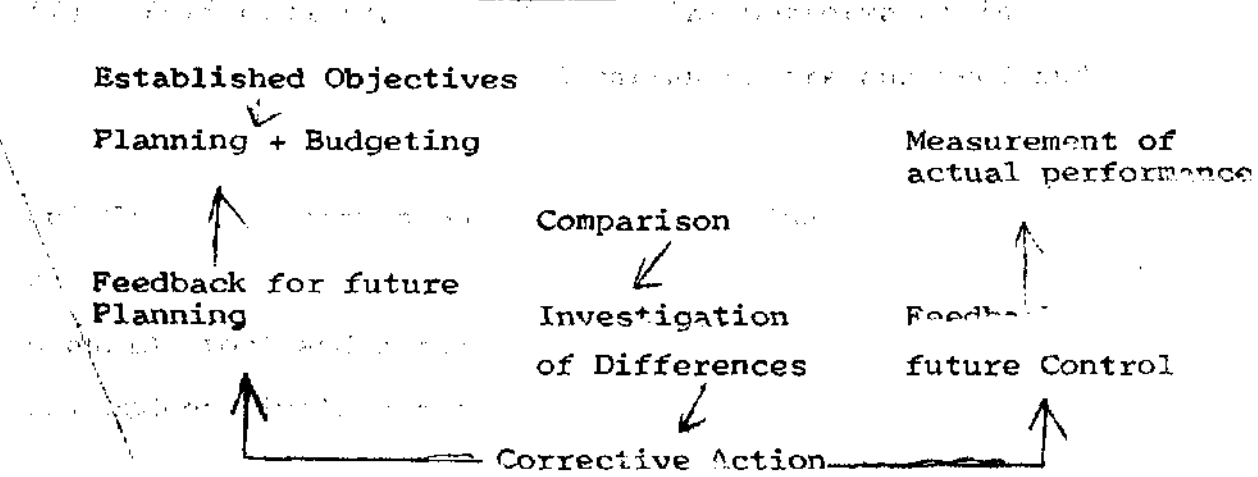
1. Anthony and Dearden; "Management Control Systems"

Published by Richard D. Irwin, Inc. home wood Illionois 60430, 1980 4th Edition pg. 20.

- (d) The budget proposal is reviewed and approved by an authority higher than the budgetee.
- (e) Once approved, the budget can be changed only under specific conditions.
- (f) Periodically, actual financial performance is compared to budget and variances are analysed and explained.

But from Managements point of view a financial forecast is exclusively a planning tool, while the budget is both a planning tool and a control tool. Rightly speaking though, all budgets include elements of financial forecasting. While operations are in progress, the budget serves as a basis for comparison and also facilitates the control process. The use of a budget as a means of controlling activity is called budgetary control. The Chart below illustrates the relationship of budgeting to both planning and controlling.

CHART I



Source: Part III Hand out (Dept of Accounting)  
 On Budgeting + Budgetary  
 Control 1982/83  
 LECTURER : DR. N. MISHRA

The need for budgeting cannot be ever emphasized, the case of Kaduna Polytechnic is one of such example, where the effective use of the budgeting system has been achieving positive results:

- (a) Budgeting enables Management to find the most profitable course through which the institutions' objectives are to be achieved.
- (b) Budgeting assists Management in holding the affairs of business of the institution on that chartered course of objective achievement.
- (c) Budgeting further assists Management of the Kaduna Polytechnic in deciding whether they are following the right course of action.

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Prior to the advent of Europeans, Nigerians had their educational systems whereby the young were taught to conform with the social customs and traditions of their communities and were also taught trades to enable them become good and respected citizens. Parents taught their children practical arts, health and sanitation, farming, fishing and trading. Other teachings, included folklore, rituals and such knowledge that related to day to day living.

The secret cults served as higher education and it was in them that the secret of power, (real or imaginary) profound native philosophy and science as well as the theology of animism were mastered by the select or elect;

NIGERIA

The first institution of higher learning established after the advent of the Europeans was, the Higher College Yaba, which was founded in 1934. Although the aim of the Higher College at that time was to emphasize science education and to give training of a professional type, in fields such as medicine and Engineering to a few Nigerians, the courses were kept below University level and did not provide for full degrees or professional status. Even then the number of students was severely limited to the needs of the government and the Diploma granted was recognized only by the Nigerian Government.

The next step of development in higher education came after the second World War, when the University College Ibadan was founded as a result of the Asquith and Eliot Commission reports. After independence, the Federal Government had little influence on Primary and Secondary Education matters which it declared as the constitutional responsibility of the Regions now states. It concentrated more on higher education. In recent years however, the Federal Government has as a result of the work of the Nigerian educational research council, the joint consultative Committee on education, introduced a more uniform system of education through-out the Country especially at the higher level, the emphasis being on Curriculum development, examinations and inspections.

2. A Babs Fafunwa, "A history of Nigerian higher Education", Macmillan and Co. (Nig Ltd.) Illupeju Estate Lagos, 1971 pg. 6.

Each of the 19 (Nineteen) States of the Federation are fully responsible for education at both primary and secondary level, the Federal Government Colleges are the responsibilities of the Federal Government, in the same way the Federal Government has exclusive legislative powers as well as full financial responsibilities on higher institutions of learning like the Federal Universities and Polytechnics. There are also some such institutions which are jointly owned by the Federal and State Governments. Of recent however, a number of State owned institutions of higher learning e.g. Polytechnics and Universities have been cropping up. Indeed the people of Nigeria and the Governments have come to regard education as the key to overall national development in terms of human and natural resources; as a result of which in 1977, Government took steps to streamline technical education in the country, to make it more responsive to the urgent needs of the nation. In pursuance of this objectives the Federal Government has already established seven Universities of technology. University education has also been given a boost because presently the number has risen to twenty within the last two years.

### 1.3. Financing of Higher Education:

This has been the biggest problem of every Nigerian University, and infact every higher institution of learning. Funds are needed for staff salaries, to erect new buildings, to purchase equipment for classrooms and offices, funds are also needed for maintenance of structures, for security, research, schorlarships and fellowships, as well as to supplement student fees.

The Federal institutions e.g. University of Lagos, Ibadan and Ahmadu Bello University, amongst others receive hundred percent (100%) subsidies from the Federal Government. However, as far back as 1971, the University of Nigeria, Nsukka, University of Ife and even Ahmadu Bello University, which were then regional institutions were financed partly by their regional or State Governments and partly by the Federal Government. Other sources of revenue for all the higher institutions include amongst others, Occasional foundation grants for research and building, individual donations, student fees, endowment and interest. Late in 1969, the Dina Committee set up by the then Federal Military Government to look into the revenue allocation to such higher institutions of learning proposed that all the Nigerian Universities should be financed hundred percent (100%) by the Federal Government. The acceptance of this recommendation by Government then made the three regional/state supported Universities of Ife, Nsukka and Zaria, Federal institutions, like their counter parts, Lagos and Ibadan Universities.

A review of past development plans and budgets reveal that a lot of money has always been pumped into the education sector, which is due to the fact that all governments since independence have always placed emphasis on education, having realised that it is perhaps the most important instrument for fostering economic and social change.

In spite of the rapid development of the educational system, in the 1962-68 development plan period, there were still gaps. The main problem being the low literacy rate, the lack of certificated teachers, insufficient number of schools and an increasing gap between the number of primary schools and available places in secondary schools. This led to unemployment amongst school leavers.

Although the era of the 1970-74 plan was mainly an era of reconstruction after the Civil War, education still had a priority place. Secondary education was to be extended to raise the annual intake of pupils to 46,000; vocational training was to be increased and greater emphasis was placed on science teaching and a more extensive interchange of pupils was made possible between the States. It was then estimated that sixth form streams will number 350, bringing the number of pupils preparing for higher school certificate of education to ten thousand (10,000).

Within this period also teacher training was to be extended to enable secondary schools to be staffed with graduate and non graduate teachers (diploma holders). The total number of teachers was to be raised to thirty thousand (30,000) and University education was also to be extended to accommodate ten thousand students (10,000) in all.

During this period the existing Universities were those of Ife, Lagos, Nsukka, Zaria and Ibadan.

The award of Scholarship for study overseas was also continued. Technical and Vocational training were extended by means of improvements in facilities and non residential technical institutions were expected to raise the output of technicians to 5,000 per annum.

A critical look at the budgetary allocations further reveals that, in the 1975/76 fiscal year of the gigantic third development plan, Capital expenditure was estimated at, ₦5,395.9 million compared with ₦1,587.7 for 1974/75, and Capital outlay on education constituted forty percent (40%) of the total of this group at ₦456.1 million. Even in the fourth development plan of 1981/85, the Federal Government allocated the sum of ₦2.0 billion to the education sector and the major projects under this sector related to higher education, these included consolidation and expansion of the existing thirty nine Federal Government Colleges, the establishment of new Federal Technical Colleges and seven new Universities of Science and Technology and the expansion of existing tertiary and higher educational institutions to cope with increases in demand for enrolment.

In 1981, the then Civilian President in the person of Alhaji-Aliyu Shehu Shagari declared in his budget speech that ..... Our commitment to qualitative and functional education remains unshaken .....

In the sphere of higher education, we will ensure that the existing Universities are provided with adequate funds!<sup>3</sup>

To this end an amount of three hundred million naira (300m) representing 54% of the Capital allocation was earmarked for the Universities.

Specifically, 17.5million naira was earmarked in 1982 for bursary awards to technical students, while 22.5 million was to be spent on post graduate scholarships. Another sum of N466m was provided as recurrent grants and subventions to Universities, and other institutions of higher learning. In 1983, the sum of N431 million was set aside as Capital Expenditure to fund, amongst other things post-graduate scholarships, Supplementary bursary awards given by friendly Overseas Countries as well as grants and Subventions to institutions of higher learning. It was also in this year that the 6-3-3-4 Policy on education was launched and as part of it's contribution towards the success of the scheme the Federal Government trained over one thousand (1,000) technical teachers. As at 1985, the country's formal education system was divided into pre-primary, primary, secondary, technical, adult and University education as well as non-formal special and teacher education.

The present national Policy of education consists of the primary system (6 years), the junior secondary (3 years) the senior secondary (three years) and University (four years).

3. Nigeria year book 1981; The Federal Ministry of Information, Lagos. pg. 103.

For the 1986 fiscal year, the Federal Military Government has budgeted a sum of N10.935 billion, with the projected recurrent expenditure put at N5.635 billion while the projected Capital expenditure is N5.3 billion. Out of this sum i.e. Capital expenditure, the National Universities Commission has been allocated N443.810 million as against N442.592 million last year.

The proceeds of about 900 million naira to be realised from the reduction in petroleum subsidy would be used for education and other things like rehabilitation of various categories of roads especially the network of rural and feeder roads. Further more, some provision have been included for womens' education, the promotion of science, reactivation of Federal Scholarship board and the students' loan scheme.

CHAPTER TWOHISTORICAL BACKGROUND OF KADUNA POLYTECHNIC:2.1. EVOLUTION:

Due to the needs to provide for middle level technological manpower, the Kaduna Polytechnic was established in 1968 by decree No.2 promulgated by the Federal Government.

The nucleus of the new Polytechnic took its roots from the amalgamations of certain existing institutions, amongst which are the following:

- (a) The staff development Centre, Kaduna
- (b) The Co-operative training Centre, Zaria
- (c) The Social Welfare Centre in Zaria
- (d) The Irrigation School in Sokoto.

A number of years later, after having gone through development processes, these institutions were subsequently upgraded to the semi autonomous status of Colleges; these Colleges, three in number have since formed the various pivots of the Polytechnic.

They are:

- (a) The College of Science and Technology.
- (b) College of Administration and Business Studies (Formerly staff development centre).
- (c) College of Environmental Studies (formerly the Irrigation and Survey unit).

However, despite the fact that a federal decree established the institution, the ownership is firmly that of the ten northern states, who have carried the greater share of financing the institution even when federal grants were available.

This is clearly defined in the appropriate section of the decree. There are altogether twenty-nine (29) academic departments in the polytechnic with a staff strength of six hundred and sixty (660) as at the beginning of the 1985/86 session.

The students population for both full and part-time courses has rapidly grown from three hundred (300) at the institutions inception to over tenthousand (10,000) during the 1985/86 session. This rapid expansion can clearly be attributed to the desire to feed middle level manpower into the various sectors of the economy. Majority of the students are on different government scholarships, i.e. states or federal government, with a lesser proportion being private students who are either sponsored by parents or guardians or sent on inservice training by their various establishments.

## 2.2. Aims and Objectives of Kaduna Polytechnic:

The aims and objectives of the Kaduna Polytechnic are clearly spelt out in the Decree establishing the institution, amongst which are:

- (a) <sup>4</sup> Provision of diverse instructions, training and a research in technology, the sciences, commerce and the humanities as well as any other sphere of learning from time to time approved by the board.

- (b) Provision of inservice instruction courses for members of the public service in Nigeria, to the extent that the board thinks fit, courses of the like nature for persons unconnected with any of the public services in Nigeria'<sup>4</sup>

It is important to note that though there were several subsequent amendments of the Polytechnic's decree, the objectives of the Polytechnic still remain the same. The authorities of the Kaduna Polytechnic have therefore had to work out suitable and efficient ways of achieving it's objectives, and this has from inception been guided by the funding policy of the institution.

### 2.3. Funding Policy:

The funding policy is a firm financial statement of outlining available money resources. The continued existence of the Polytechnic therefore centres mainly on the existence of a sound funding policy.

As earlier mentioned the ownership of the Kaduna Polytechnic is that of the ten northern states; which means that the funding is exclusively the responsibility of the owner - Governments. However from the inception of the Polytechnic unto 1971, the institution has received one form of financial assistance or another from the Federal Government either in form of adhoc or matching grants.

<sup>4</sup>, KADUNA POLYTECHNIC Decree 1979, Decree No.73  
A091.

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A change was soon to take place, when as from March 1975 to March 1979, following the promise made by the Federal Military Government as contained in the 3rd National Development Plan, financing became the joint responsibility of the Federal and Owner State Governments with each contributing (50%) fifty percent of the approved recurrent and Capital budget of the institution.

There was however another change when in 1979, notice was received from the Federal Government stating that with effect from March, 1980, the fifty (50%) percent matching grant to all State owned Polytechnics and Colleges of Technology in the country would cease to be allocated.

The reason being that Statutory allocations to the States by the Federal Government had been increased. Despite various appeals by the authorities of the Polytechnic to all the relevant Government functionaries e.g. The National Council for Education, the defunct National Assembly and the former Minister for Education, and the former President of the Federal Republic himself, the matching grants were not restored. As a result of this failure to restore matching grants, the owner-States i.e. the Ten Northern States had no other alternative of augmenting the finances of the Polytechnic than to shoulder the 50% burden shed by the Federal Government.

This decision came at a time when all Governments were finding it difficult to finance their various budgets as a result of the economic recession that had set in. In the face of this reality the Polytechnic's Owner-State Governments decided in a meeting of their secretaries held on June 26th 1981 that:-

- (i) All the Owner-State Governments should increase their shares of recurrent subventions by 50%
- (ii) All the Owner-State Governments should ensure that this amount plus any arrears due on recurrent subventions were paid to the Kaduna Polytechnic as soon as possible to enable the Polytechnic meet up her recurrent commitments.
- (iii) Implementation of all new Capital projects by the institution were to be suspended for the time being.<sup>5</sup>

In essence therefore, from March 1980, when the Federal Government withdrew payment of matching grants, the owner State Governments, (the Ten Northern States) have been fully responsible for the funding of the Polytechnic. Disbursements of funds received by the Polytechnic have to be properly maintained, to this end known as the Finance and General Purposes Committee was constituted.

5. Kaduna Polytechnic. K.P.T. Memo No.1 1984 pg 6

(KPT/CA/S/BOD.2/VOL,VIII/2339

E. A. Tukur (Rector).

#### 2.4. Finance and General Purpose Committee:

Members of this Committee are usually selected from the board members.

Ideally it is also expected that members of this committee should be representatives of States' Ministries of finance who have the experience and who would be competent enough to handle such financial problems. In reality however, the composition does not follow that. Infact, the last committee composed of a representative from the Niger State Rural Electricity Board, while some others were from the Ministry of Finance and Education of their respective States. Altogether there are 14 members with the Chairman of the whole board also acting as chairman of the Committee, while the Secretary of the Polytechnic, remains Secretary to all the Committees. The Bursar attends all Committee meetings whenever they are held.

#### Duties of the Committee:

The annual budget (estimates) has to go through this Committee for approval. Once the estimates have been approved by this Committee, there is an almost hundred percent certainty that it will be approved by the board. The Committee makes amendments where necessary and submits the estimates to the board.

The members of the finance and general purpose Committee are usually fourteen in number out of the total number of thirty members who make up the board of Governors.

The financial Committee has the power

- (i) of virement (Power to authorize transfer of items from one head on to another).
- (ii) In case an addition is needed to the actual budget, the financial authorities of the institution have to go through the committee for approval.

Accounts:

In relation to accounting matters the financial and general purpose committee has the power to:

- iii Ensure that the accounts are prepared annually.  
(it is responsible for this)
- iv It also has the responsibility of ensuring that the accounts are audited, and audit reports submitted to it for consideration. ie. by the external auditors.

Banking Matters:

The responsibility of the financial and general purpose committee here relates to giving it's approval:

- v. When ever the Kaduna Polytechnic authorities are to open a new account.
- vi. Or when loans such as car loans for staff, and other loans are to be redistributed for administrative purposes.

### 2.5. Composition of Board of Governors:

The Kaduna Polytechnic has as its highest policy making body a Board of Governors. A number of Committees are in turn elected by the Board, and together they are involved in various aspects of the institutions running.

The diagram on the next page illustrates the hierarchical relationship. The affairs of the Kaduna Polytechnic are administered by the Board of Governors and a central organization headed by a Rector, and assisted by three Directors. The Board of Governors is a corporate body with perpetual succession and a common seal. It is responsible for the general supervision and control of the Polytechnic. The Board is made up of thirty members which comprise the following:-

- a. Two (fit) or qualified persons from each of the Ten Northern States.
- b. Four other fit persons, one of whom shall be a person having special interest or qualifications in textile technology, as representatives of industries, Commerce and statutory co-operations to be appointed by the States.
- c. Two fit persons, one of whom shall be a person having special interest in agriculture, to be appointed by the Senate of the Ahmadu Bello University and the other to be appointed in rotation by the other Universities located in the Owner-States.

- d. Two other fit persons representing educational institutions other than those mentioned in Paragraph (c) above to be appointed by the States.
- e. One fit person representing the Trade Unions and:
- f. The Rector of the Polytechnic.<sup>6</sup>

Tenure of Appointment:

A member of the Board of Governors holds office for a term of three years, after which he shall be eligible for re-appointment for a further term of three (3) years. The Chairman of the board is usually appointed from representatives of the member states with the exception of the Rector.

Duties:

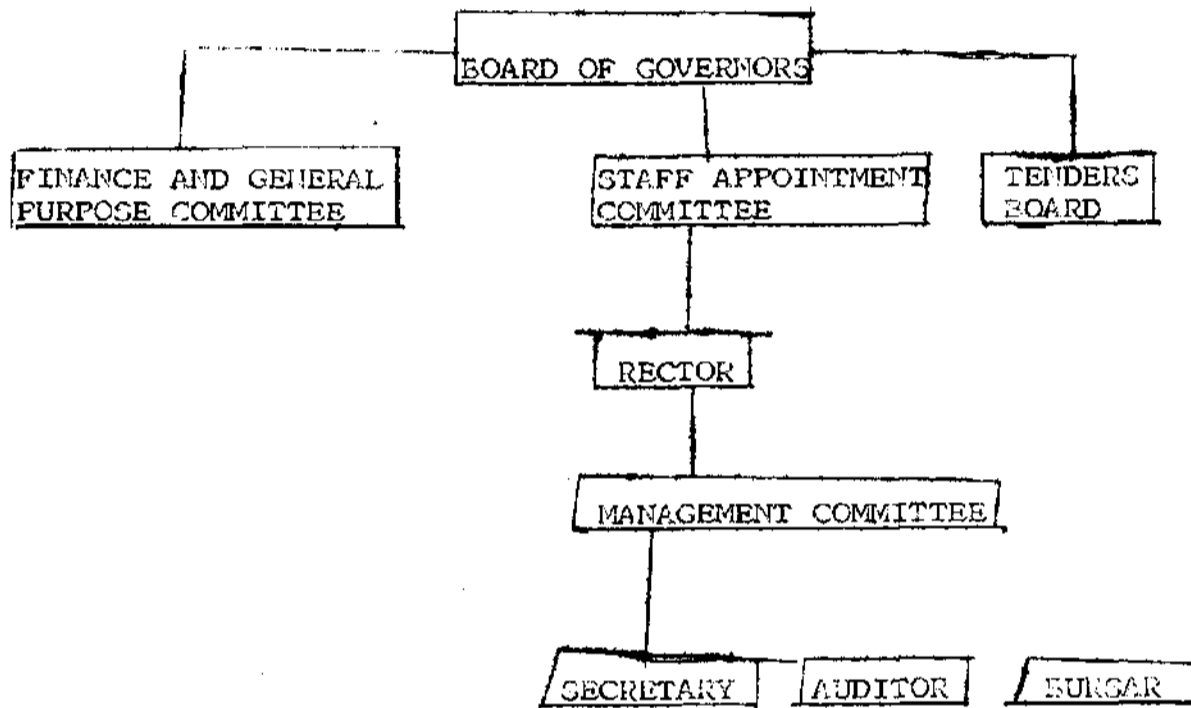
The duties of the Board include the following:

- a. Appointment of Committees as the need arises, composing such Committee of persons it may think fit to properly carry out functions assigned to it. Final authority lies with the board in respect of any committee decisions.
- b. Institution of posts and make appointments thereto (including power to make appointments as earlier mentioned, or promotions, confirm appointments, make transfers and provide conditions of service for staff.

6. Kaduna Polytechnic, Decree No.79, A94.

- c. Provision of amenities for the Welfare of staff of the Polytechnic as it may deem fit from time to time.
- d. Institution and award of Scholarships and prizes.
- e. Prescription of courses and examinations. Consistent with the enabling decree, granting of Diplomas, Certificates and other such awards as it may, appointment of external examiners.

STRUCTURAL ORGANIZATIONAL CHART SHOWING RELATIONSHIP BETWEEN BOARD OF GOVERNORS RECTOR AND COMMITTEES



\*SOURCE: Office of the Secretary: Kaduna Polytechnic.

## 2.6. The Role of Accounting in Budgeting:

Accounting is usually referred to as financial and cost information generated by accountants while Management Control System is usually built around it. Accounting involves record keeping in terms of financial transactions, data collection and the formulation or translation of available data into information that should be in an understandable form. This is vital because it is usable for decision making. Most organizations, whether private companies or public organizations including statutory corporations like the Kaduna Polytechnic, are required to prepare a summary of profit and loss account and a balance sheet as the case may be in accordance with their respective decrees or companies' act.

Every organization operates both financial and management accounting. In the broadest sense however, all accounting is management accounting, since all financial and cost information generated by accountants is of some interest to management. But in the actual sense management accounting may be defined as the application of accounting techniques to the provision of information designed to assist all levels of management in planning and controlling the activities of an organization. In this study, we are however interested in Financial accounting.

Financial accounting is concerned with the external requirement of financial analysts, prospective investors, the inland revenue, share holders and persons outside the management as well as with the internal requirement of the management of an organization. The principal interest of most accountants is an stewardship. Accountants record the revenue received and expenditure incurred by an organization so that it's overall performance over a period of time and it's financial position at a point in time can be ascertained. The financial accounting system which is frequently integrated with management account system, classifies, records, and interpretes in terms of money, transactions and events of a financial character. These facts and figures are summarized and presented to management and outside parties in the form of periodic financial reports and statements, this includes, the Balance Sheet, Cash flow and/or funds flow statement, income and expenditure account (as in the case with statutory corporations, like the Kaduna Polytechnic). But in the case of a business company, profit and loss account, profit and loss appropriation account are also included. An accounting system in relation to budgeting is a disciplined way of doing things, since it is a process of aggregating or putting together heterogenous inputs into a single amount, with such a thing as safe guards and internal checks built into the system of recording and summarizing transactions and the periodic audit of the system provides assurance that there is appropriate support for the validity of the numbers that flow through the system,

and that part of a given transaction has not slipped through a crack and disappeared.

Financial Control should be an integral part of an organizations financial plan as well as an overall organizational plan. This is because it is obvious that accounting information is not without it's loopholes', for example profitability of an organization is not always a complete or accurate measure of it's performance, although sometimes it is not feasible to measure output in monetary terms, it means then it's not feasible to measure profitability. Also in some certain responsibility units, accounting measurements are relatively unimportant for example in certain staff units where the control of the units' expenses is a trivial matter; because the quality of the work that the unit does is the most important criterion of performance. Financial control would mean therefore that, in order to generate cash flow and ensure that revenue expenditure achieves maximum objective, organisations must plan when how much, and from what sources they are to raise any additional finance. In periods of high inflation and price control, Short term Cash and working Capital Management are equally important. This financial planning and Control should be part of any organizational System. In such a system planning is the basis of control and the control process is broadly one of:

- Analysing historical performance
- Examining the future environment, in which the organization will be operating and:
  - develop long term objectives including financial objectives
  - formulation of strategy to achieve the objectives
  - translating the strategy into operating plans for the the next year.
- And finally motivating people to achieve the plans and budgets; and continually comparing actual with planned performance and reporting to responsible management, as a basis for improving managerial efficiency and effectiveness of the planning process.

Accounting Bases and Policies:

Accounting bases are the methods which have been developed for expressing or applying fundamental accounting concepts of financial transactions and items while accounting policies are the specific accounting bases judged by business enterprises or other organizations to be most appropriate to their circumstances and adopted by them for the purpose of preparing financial accounts. In areas where judgement is required the choice of accounting bases may have a material effect on the reported results and financial position of an organization.

CHAPTER THREE3. SOURCES OF REVENUE AND THE BUDGET CYCLE:3.1. SOURCES OF REVENUE:

Revenue is an income that accrues to a specific body. To enable the Polytechnic achieve it's aims and objectives by way of fulfilling it's recurrent and Capital commitments, revenue is assential. Sources of revenue to the Polytechnic are basically two fold namely internally generated revenue and external sources of revenue.

Internal Sources of Revenue:

The funds in this category are generated from within the Polytechnic itself, through various activities. Listed below are the various internal sources of revenue, their subheads and titles.

Table 1: KADUNA POLYTECHNIC SOURCES OF REVENUE (1986)

<u>Head</u>	<u>Title</u>
102.	Sale of Application Forms
103.	Course Fees
104.	Examination Fees
105.	Cosita Re-imbusement
106.	Hostel Fees
107.	Student Feeding Proceeds
108.	Farm Receipts
109.	Training Restaurant Receipts
110.	Survey Project Receipts
111.	Consultancy Services
112.	Revenue from Printing
113.	Staff School Receipts
114.	Rent from Quarters
115.	Water Rate
116.	Sale of Unserviceable Items
117.	Interest on Deposits
118.	Reg. Processing of Tenders
119.	Miscellaneous
120.	Medical Centre Receipts
121.	Receipts from Bakery
122.	Rent from Kitchen Facilities
123.	Receipt from Student Demonstration Farm
124.	Revenue from Rent of Academic Gowns and Other Academic facilities.

Source: Kaduna Polytechnic  
Approved Recurrent Estimated 1986.

**C**

Source: Kaduna Polytechnic  
Approved Recurrent estimates  
1986

External Sources of Revenue:

This refers to revenue that accrues to the Polytechnic from outside sources.

Presently, the only external source of revenue to the Polytechnic is the subvention from the Ten-Owner States Governments, this being Capital revenue to the Polytechnic. The revenue so collected can only be disbursed and spent when final approval is given by the authorities concerned.

3.2. The Polytechnics Budget Cycle:

A Budget Cycle refers essentially to the procedures and stages in the evolution of a budget, prior to its approval. The Polytechnic's budget cycle passes through six main stages before final approval. The financial year of the Polytechnic is the same as the recognised as the nations' financial year, which commences in January and ends in December. The different stages of the budget cycle are:

Stage I:

Circular letters calling for the submission of estimate proposals are sent out from the office of the Bursar to Unit Directors and the Secretary. These circulars are usually sent out as early as July. The Directors would in turn send out copies of the letter to all heads of departments in their units.

Stage 2:

The heads of departments prepare their proposals and forward them to their respective Directors who will in turn send same to the office of the Bursar; the idea here is that each department has to express it's own needs (prepare budgets) within the College, showing requirements in terms of manpower, equipment, materials etc.

Stage 3:

After the estimate proposals must have been received from all the units by the Bursar, the Principal Accountant in charge of main Accounts is normally called upon to go through and then prepare a draft estimate.

Stage 4:

The draft estimate will first be presented to the executive committee (EXCO) for consideration. Exco comprises of the Rector, Secretary, Bursar and all Unit Directors, who are three in number representing the three Colleges, and the Director of Works. Exco adjusts and amends the estimates as it deems fit, and a mandate is given that, any estimate at this stage does not have to be taken back to the Exco.

Stage 5:

After some amendments might have been made by EXCO, another draft estimate is prepared to be tabled before the finance and General Purpose Committee (F.G.P.C.) . This Committee comprises members of Board of Governors, Rector and Secretary. All EXCO members are also expected to be in attendance at the Finance and General Purpose Committee Meeting. The estimate in most cases is seriously revised downwards by this Committee.

Stage 6:

After amendments, another draft estimate to be presented to the Joint Meeting of Members of Board of Governors and Directors of budgets of the owner-States for final approval is prepared. The draft estimate automatically becomes the final estimate when it receives the approval of this body.

It is the duty of the Bursar to defend in the presence of the EXCO, the estimates prepared by him, Likewise the duty of the EXCO is to defend before the finance and general purposes committee. What-ever it's amendments' and recommendations might be with regards the estimates.

When the budget is finally approved by the Joint Meeting, copies of approved estimates are sent to Commissioners and Permanent Secretaries of Finance and Education of the respective Owner-State Governments as well as the Secretaries to the State Governments.

Approved budgets (estimates) are normally broken down in details under two major headings to enhance easy implementation. These two headings otherwise known as 'Titles' are; Recurrent Estimates and Capital Estimates.

### 3.3. Recurrent Estimates (1981 - 85)

Recurrent estimates and Capital estimates of the Kaduna Polytechnic, serve also as accounting tools, apart from enhancing easy disbursement of funds and implementation of projects.

Recurrent estimates are usually itemized under recurrent revenue and recurrent expenditure; recurrent revenue being the sum accruing to the institution on a regular basis, either monthly or yearly e.g. subventions from Owner-States' Governments; while recurrent expenditure applies in the same wise to the institutions commitments in terms of paying out accumulated revenue for either goods or services on a regular basis e.g, monthly payment of staff salary.

The following tables i.e. tables 2-6 show in details the Polytechnic's approved recurrent estimates for the last five years i.e. 81-85. However, for purposes of arriving at a reasonable conclusion later in Chapter Five I have also included approved estimates for the current year 1986.

SUMMARY OF OF APPROVED RECURRENT REVENUE 1981: Table II

<u>Head</u>	<u>Title</u>	N <u>Actual 1980</u>	N <u>Approved 1981</u>
1.	Subventions	10,211,573	16,067,645
2.	Course Fees	153,314	110,000
3.	Examination Fees	62,605	6,000
4.	Rent for Quarters	101,503	200,000
5.	Sales of Materials	-	3,000
6.	Miscellaneous	34,491	60,000
7.	Refund for Bicycle Loans	2,286	2,000
8.	Hostel Fees	77,766	75,000
9.	Sales of Farm Produce	44,150	60,000
10.	Revenue from Printing	9,358	40,000
11.	Interest on Short Term Deposit	550,887	-
12.	Proceed from Application Fees		
13.	Proceed from Part time Course Fees (CABS)		33,000
14.	Part Time Course (C.S.T.)		15,000
15.	Staff School Fees + U.P.E. Grants	22,485	67,200
16.	Student's Feeding Proceeds	122,698	400,000
17.	Survey Projects	1,000	40,000
18.	Water Rates	1,756	7,000
19.	Cosita Reimbursements	124,277	100,000
20.	Consulting Services		10 <sup>t</sup>
21.	Revenue from Training Restaurant		10,000
22.	Tender Form Proceeds	36,895	-
T OTAL		N11,604,965	N17,946,855

Source: Kaduna Polytechnic.  
Approved recurrent estimates 1981

Table III

SUMMARY OF APPROVED RECURRENT EXPENDITURE 1981

Head	Sub	Title	Actual 1980 N	Approved 1981 N
1	1	Salaries	4,531,594	9,810,155
	2	Transport Allowance	226,603	353,000
	3.	Overseas Allowance	27,393	45,000
	4.	Acting/Resp "	26,811	45,000
	5.	Overtime Allowance	125,610	60,000
	6.	Housing Allowance	273,824	211,000
	7.	Part-Time Teaching Allowance	211,330	375,000
	8.	Contract Addition	-	-
2	2-92	Other Charges	5,265,215	7,047,700
Total Expenditure			10,688,388	17,946,855

Source: Kaduna Polytechnic

Approved recurrent estimates 1981.

Table IVSUMMARY OF APPROVED RECURRENT REVENUE 1982

Head	Title	Actual 1981 N	Approved 1982 N
501	Subvention	9,033,463	16,000,000
502	Sale of Application Forms	152,087	200,000
503	Course Fees	393,043	210,000
504	Examination Fees	7,170	6,500
505	Cosita Reimbursement	-	150,000
506	Hostel Fees	103,515	135,000
507	Students Feeding Proceeds	112,182	400,000
508	Farm Receipts	65,957	100,000
509	Training Restaurant Receipt	5,233	10,000
510	Survey Projects	500	40,000
511	Consultancy Services	35,014	25,000
512	Revenue From Printing	13,644	40,000
513	Staff School Receipts	47,235	70,000
514	Rent from Quarters	106,197	200,000
515	Water Rates	14,265	26,000
516	Refund of Bicycle Loans	8,984	-
517	Interest on Deposits	855,190	600,000
518	Tender form Proceeds	36,000	36,000
519	Miscellaneous	40,308	38,000
Total		11,081,587	18,266,500

Source: Kaduna Polytechnic, Approved recurrent Estimates 1982.

Table V

SUMMARY OF APPROVED RECURRENT EXPENDITURE 1982

<u>Head</u>	<u>Sub</u>	<u>ITEM</u>	<u>N</u> <u>Approved 1982</u>
1	1	Salaries	9,195,865
	2	Transport Allowance	400,000
	3	Overseas Allowances	50,000
	4.	Acting/Resp. Allowance	30,000
	5.	Overtime Allowance	100,000
	6.	Housing Allowance	400,000
	7.	Part-Time Teaching Allowance	400,000
	8.	Contract Addition	150,000
2	2-18	Administration Charges	2,281,635
	31-39	Students Facilities	1,110,000
	51-65	Staff Facilities	1,972,000
	71-73	Medical Facilities	457,000
	76-77	Financial Charges	80,000
	81-89	Property Maintenance	845,000
	91-92	Revenue Generating Expenditure	115,000
<hr/>			
		Total	10,286,500
=====			

Source: Kaduna Polytechnic Approved Recurrent Expenditure 1982.

Table VI

SUMMARY OF APPROVED RECURRENT REVENUE 1983

<u>Head</u>	<u>Title</u>	<u>Actual 1982</u> N	<u>Approved 1982</u> N
501	Subvention	9,082,615	18,332,200
502	Sale of Application forms	197,000	300,000
503	Course Fees	1,780,923	900,000
504	Examination Fees	6,218	6,500
505	Cosita Reimbursement	114,432	110,000
506	Hostel Fees	108,237	135,000
507	Students Feeding Proceed	176,143	300,000
508	Farm Receipts	55,964	100,000
509	Training Restaurant Receipts	10,766	11,000
510	Survey Projects	38,075	60,000
511			
512	Revenue from Printing	23,907	20,000
513	Staff School Receipts	73,133	89,700
514	Rent from Quarters	190,175	140,000
515	Water Rates	12,003	-
516	Refund of Bicycle Loans	-	-
517	Interest on Deposits	1,233,494	100,000
518	Registration and Processing of Tenders	32,150	1,000
519	Miscellaneous	81,741	38,000
520	Receipts from M. Centre	-	-
521	Receipts from Bakery		
<u>Total</u>			<u>20,693,400</u>

Source: Kaduna Polytechnic Approved Recurrent Estimates 1983.

TABLE IXSUMMARY OF APPROVED RECURRENT  
REVENUE 1984

<u>Head</u>	<u>Title</u>	<u>Actual 1983</u>	<u>Approved 1984</u>
501	Subventions	9,291,207	23,851,000
502	Sale of Application Forms	307,238	250,000
503	Course Fees	1,814,296	1,500,000
504	Examinations Fees	14,042	10,000
505	Cosita Reimbursement	-	100,000
506	Hostel Fees	114,095	135,000
507	Students Feeding Proceeds	178,062	300,000
508	Farm Receipts	60,338	100,000
509	Training Restaurant	9,412	11,000
510	Survey Projects	-	20,000
511	Consultancy Services	19,825	30,000
512	Revenue From Printing	11,380	25,000
513	Staff School Receipts	87,819	50,000
514	Rent From Quarters	124,020	140,000
515	Water Rates	-	-
516	Sale of Unserviceable Items	-	4,000
517	Interest of Deposits	450,753	10,000
518	Registration and Proof Tenders	13,380	1,000
519	Miscellaneous	37,119	30,000
520	Receipts from Medical Centre	1,110	2,000
521	Receipts from Bakery	-	10,000
522	Receipts from Students Demonstration farm	-	-
523	Revenue from Rent of Academic Gavms and other Facilities	-	-
TOTAL		12,534,096	26,619,000

Table VII

SUMMARY OF APPROVED RECURRENT EXPENDITURE 1983

<u>Head</u>	<u>Sub</u>	<u>Item</u>	<u>Approved 1983</u>
1	1.	Personal Emoluments (Salaries)	10,528,400
	2.	Transport Allowances	600,000
	3.	Overseas Allowances	60,000
	4.	Acting/Resp. Allowances	75,000
	5.	Overtime Allowances	140,000
	6.	Housing Allowances	500,000
	7.	Part-Time Teaching Allowances	400,000
	20.	Contract Addition	240,000
2.	2-15.	Administrative Charges	2,630,000
	31-39.	Students Facilities	4,673,000
	51-65.	Staff Facilities	2,163,000
	71-73	Medical Facilities	405,000
	75-77	Financial Charges	130,000
	81-83	Property Maintenance	950,000
	91-92	Revenue Generating Expenditure	115,000
<b>Total</b>			<b>25,613,400</b>

Source: Kaduna Polytechnic, Approved Recurrent Estimates  
1983.

TABLE XSUMMARY OF APPROVED  
RECURRENT REVENUE 1985

<u>Head</u>	<u>Title</u>	<u>Actual 1984</u>	<u>Approved 1985</u>
101	Subventions	20,222,233	24,000,000
102	Sale of Application Forms	350,375	300,000
103	Course Fees	2,081,197	1,500,000
104	Examination Fees	22,021	25,000
105	Cosita Reimbursement	82,804	100,000
106	Hostel Fees	135,737	120,000
107	Student Feeding Proceeds	205,864	-
108	Farm Receipts	93,944	100,000
109	Training Restaurant Receipts	9,695	11,000
110	Survey Project Receipts	-	100,000
111	Consultancy Services	407,022	200,000
112	Revenue From Printing	5,504	25,000
113	Staff School Receipts	94,280	90,000
114	Rent From Quarters	209,431	140,000
115	Water Rates	-	45,000
116	Sales of Unservicable Items	10,824	4,000
117	Interest On deposits	229,437	50,000
118	Registration and Processing Tenders	11,340	12,000
119	Miscellaneous	72,985	30,000
120	Medical Centre Receipts	3,113	5,000
121	Receipts from Bakery	3,941	10,000
123	Rent from Student's Demonstration Farm	-	-
124	Revenue from Rent of Academic Gowns and Other Facilities	-	-
Total		24,251,747	26,875,000

TABLE XI  
SUMMARY OF APPROVED  
RECURRENT EXPENDITURE 1985

<u>Head</u>	<u>Sub</u>	<u>ITEM</u>	<u>APPROVED 1985</u>
1	1-40	Rectory	221,174
	4-56	Library	230,172
	57-173	Administration	1,691,414
	74-213	Bursary	389,712
	214-224	Cosita	54,642
	225-270	Medical Centre	319,052
	279-397	Staff School	111,120
	279-397	Works Department	994,183
	398-603	C. S. T.	5,740,384
	604-724	C. A. B. S.	2,633,760
	725-863	C. E. S.	2,172,984
	2-12	Academic Activity	6,021,000
	21-34	Admin Charges	1,584,000
	41-45	Student Facilities	290,000
	51-65	Staff Facilities	1,549,000
	71-73	Medical Facilities	485,000
	76-77	Financial Charges	110,000
	81-88	Property Maintenance	1,440,000
	91-92	Revenue Generating Expenditure	100,000
TOTAL			26,860,000

Source: Kaduna Polytechnic  
Approved Recurrent Estimates 1985

TABLE XII  
SUMMARY OF APPROVED  
RECURRENT REVENUE 1986

<u>Head</u>	<u>Title</u>	<u>Approved 1986</u>
101	Subventions	24,000,000
102	Sale of Application Forms	350,000
103	Course Fees	2,000,000
104	Examination Fees	25,000
105	Cosita Reimbursement	100,000
106	Hostel Fees	140,000
107	Students Feeding Proceeds	-
108	Farm Receipts	140,000
109	Training Restaurant Receipts	11,000
110	Survey Project Receipts	-
111	Consultancy Services	500,000
112	Revenue from Printing	33,000
113	Staff School Receipts	95,000
114	Rent from Quarters	140,000
115	Water Rate	45,000
116	Sale of Unserviceable Items	40,000
117	Interest on Deposits	100,000
118	Registration of Tenders	12,000
119	Miscellaneous	35,000
120	Medical Centre Receipts	5,000
121	Receipts from Bakery	12,000
122	Rent from Kitchen Facilities	8,000
124	Revenue from Rent of Academic Gawn and Others Facilities.	15,000
<b>TOTAL</b>		<b>27,809,000</b>

TABLE XIIISUMMARY OF APPROVED  
RECURRENT EXPENDITURE

<u>Head</u>	<u>Sub</u>	<u>Item</u>	<u>Unit/Dept.</u>	<u>Approved 1986</u>
1	1	1-40	Rectory	224,372
		41-56	Library	250,854
		57-173	Administration	1,940,248
		174-214	Bursary	396,444
		215-725	Medical Centre	368,228
		274-285	Staff School	132,294
		286-401	C. S. T.	5,925,026
		402-607	C. A. B. S.	2,697,136
		608-135	Works Dept.	1,010,232
		736-888	C. E. S.	2,286,856
	2	Transport Allowances		700,000
	3	Overseas Allowances		75,000
	4	Ag/Resp Allowances		75,000
	5	Overtime Allowances		166,000
	6	Housing Allowance		530,000
	7	Part-Time Teaching Allowances		540,000
	8	Contract Addition Allowances		240,000
2-12		Academic Activity		6,186,000
21-34		Administrative Charges		1,695,000
41-45		Student Facilities		340,000
51-62		Staff Facilities		1,469,000
51-63		Medical Facilities		640,000
76-77		Financial Charges		110,000
81-88		Property Maintenance		1,822,000
91-92		Revenue Generating Expenditure		140,000
<b>TOTAL</b>				<b>27,809,000</b>

3.4. QUINQUENNIAL CAPITAL ESTIMATES (1981-85)  
AND IMPLEMENTATION PROBLEMS:

Capital estimates on the other hand reflect, huge sums of money disbursed usually on Long term projects. Capital estimates are normally incorporated in development plans. The trend towards the development of the Polytechnic as a multi-campus institution is reflected in the proposals for capital projects contained in Part "F" of the development plan. In accordance with section 811 of the Kaduna Polytechnic decrees no 73 of 1979 and the directives given by the secretaries to the owner-state governments at their meeting held on 29th March 1980, a joint meeting of the Board of Governors of Kaduna Polytechnic and the Directors of budgets of the owner-States was convened in Kaduna on the 26th and 27th of August, 1980. At this meeting, the Kaduna Polytechnic five year development plan (1981-85) was discussed and approved.

The proposed pattern of expenditure which reflects the multi-campus nature of the Polytechnic diverts the bulk of the funds for both buildings and infrastructure, away from the Tudun Wada Campus which absorbed most of the 1975-80 funds.

The 1981-85, five year plan which incorporates the Capital estimates was originally estimated at a sum of ₦115,848,020,00 but was finally revised downwards, (scaled down) in the light of owner states financial constraints. This projected sum is distributed amongst the three campuses, (including Polytechnic farm). The tables below, give a full account of the proposed capital projects for the 1981-85 plan.

The capital estimates are classified under three tables i.e. Building projects (Table I), Infrastructure Table II and Equipment and Vehicles (Table III) Please see summaries of tables on pages 62,65,67.

#### Related Problems of Recurrent and Capital Estimates

A number of problems have over the years been encountered by authorities of the Kaduna Polytechnic in the process of preparing estimates or implementation of projects, these have in most cases altered greatly approved estimates negatively.

Some of the problems could be itemized as follows:

1. Collection of revenue from owner-States:

On a number of occasions some owner-state governments would for one reason or the other delay in sending their subventions. This causes constraints on estimated revenue, which in turn affects estimated expenditure, especially capital projects.

2. Inflation:

Even where estimated revenue is promptly received such revenue may not meet with the cost of estimated expenditure; due to present economic situations where prices of items continue to soar and as such have caused increases of up to 20% in the institutions yearly estimated expenditure.

3. Directly related to two is the problem of overspending by vote controllers and unit Directors. This is being seriously regulated now through constant checks by the bursary department.

4. Problems of securing import licences - seriously affects capital projects; since most Government institutions do not enjoy this privilege which private institutions do. This if approved would have been cost saving rather than dealing with middle men.

5. Lastly and very important too is the administrative, red tapism. The slow and painstaking (numerous stages) it takes to finally approve a budget. In this process a number of issues are overtaken by events. These are a number of checks meant to serve as control measures in the whole process.

4. Problems of securing import licences - seriously affects capital projects; since most government institutions do not enjoy this privilege which private institutions do. This is if approved would have been cost saving rather than dealing with middle men.

5. Lastly and very importantly too is the administrative, red tapism. The slow and painstaking (numerous stages). It takes to finally approve a budget. In this process a number of issues are overtaken by events. These are a number of checks meant to serve as control measures in the whole process.

### 3.5. Analysis of Kaduna Polytechnic budgets 81-85

Having presented the budgets of the Kaduna Polytechnic for the past five years, it becomes inevitable that the budgets be properly analysed if genuine conclusions are to be reached and recommendations made.

The pattern illustrated here is such that it can be directly traced to the funding system or policy of the Kaduna Polytechnic. For example in the various states' budgetary allocations, little or no improvement has been made over the years on allocation to the Polytechnic whereas by all indications and standards, the cost of running and maintaining such an institution has been on the increase.

In fact a critical look at the figures (see attached pages 45, -46, and the whole of table I) clearly indicate that in almost all instances, the approved estimates of revenue are always higher than actual sums collected, that is to say, during the budget preparations the different units tend to estimate higher, either as subventions or internally generated revenue but in the long run the actual sums realized range from 20% less to at times 40% less than such estimates. This in turn ends up affecting the general pattern of the budget especially the execution and implementation stage.

In the year 1981, for instance recurrent subventions expected from the various state governments were put at ₦16,067,645, but the actual sum collected was only ₦9,033,463, resulting in a shortfall of ₦7,034,182.

Even internally generated revenue shows this unpredictability under their different subheads, e.g. rent from quarters for the same year i.e. 1981, was approved at ₦200,000 as against actual amount of ₦106,197. Proceeds from students feeding for that year was also earmarked at ₦400,000 but only a meagre ₦212,182, was collected. The same applied to other subheads e.g. revenue from printing and Miscellaneous (see pg. 46).

CASIMIR TERPAIN LIBRARY  
 OHIO STATE UNIVERSITY  
 COLUMBUS, OHIO

The 1982 and 1983 fiscal years were not much different from 1981. 1984 however, showed marked improvement in revenue generated. Authorities estimated in this year a sum of ₦23,851,000 on subventions alone and the actual amount collected came to ₦20,22,233 just about 15.3% less than estimated. While for internally generated revenue, there was the same upward surge, e.g. rent from quarters estimated at ₦140,000, where as ₦209,431 was collected, sale of application forms estimated at ₦280,000 came to ₦350,375, this in turn raised the actual sum of course from the approved ₦1,500,000 to ₦2,081,197. Other areas where boosts were recorded included consultancy services and miscellaneous where ₦30,000 was approved and ₦72,985 was realized indicating over 100% increase. This improvement was also conspicuous in the year 1985, for example under the title 'Miscellaneous' ₦41,019 was realised as against ₦30,000 that was earmarked. Under 'Sale of application forms' ₦363,375 was realized even though ₦300,000 was estimated. And the actual total estimate of generated revenue that year stood at ₦20,115,037 as against the approved sum of ₦26,875,000. Even interest on deposits (actual) stood at ₦500,897 compared to the approved sum of ₦50,000. These increases could be attributed to certain reasons as would be discussed in the concluding chapter.

The running of deficit accounts by the Kaduna Polytechnic as was the case in the early 80s (81-83) is hopefully becoming a thing of the past, because accounts of 1984 and 1985 indicate surpluses.

The capital estimates of Kaduna Polytechnic are not exempted from these uncertainties, especially as capital projects have been suspended in the country since 1981 and as such capital subventions to the Kaduna Polytechnic have equally been suspended in the last four years. The Polytechnic Operates a five year plan period and has only recently resumed preparing and operating annual capital estimates of cost within the plan period based on its priorities. Therefore the 1981-85 five year plan which was originally estimated at a sum of N15,848,020,00 and was to be apportioned amongst the three classes of expenditure, classified under 1. Building projects 2 Infrastructure. 3. Equipment and vehicles, and between the five campuses including the Polytechnic farm but was eventually scaled down as a result of owner states financial constraints and was finally broken down as follows:

- Total for Building Projects	=	N 77,463,000
- Infrastructure Summary	=	N 5,860,000
- Equipment and Vehicles	=	<u>N 19,736,500</u>
GRAND TOTAL	=	N103,959,500
=====		

The previous plan period of 75-80 seemed to have faired better. Capital projects estimated for that period were originally costed at N32,000,000 but when a revised list of projects was drawn up with their capital components correctly costed, the estimated cost of the revised list came up to N43,460,400 which was approved by the owner state governemtns. Besides most of this period was not affected by the government order banning capital projects. This is not to say that the Polytechnic has not been carrying out capital projects since 1981, the fact is that the institution has been managing to complete certain priority projects started in 1981, with the last bulk of capital revenue it collected from only the Federal Government in the form of N10,000,000 i.e. ten million naira matching grant. This has been the only source of capital revenue collected by the Polytechnic since then, although propesals are being made to the Government to authorize once again capital projects which will inturn encourage owner-state governments to start giving such sums (ie. Capital Revenue, on quarterly basis) as was the case many years back. As a result of these constraints the the Polytechnic has been forced to undertake certain expenditure commitments e.g. the Polytechnic does not undertake capital projects provided in the budgets unless funds are available. As a result of this policy no new capital projects were initiated by the institution in the year ended 31st December 1984.

Infact records show that as at December 1984, actual accumulated capital fund of the institution stood at N76,635,196, broken down as follows

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Accumulated Capital Fund:

Balance brought forward = N78,635,196

Capital Subvention from states -

Balance Carried Forward = N78,635,196

=====

This in short only means the balance of what has all along been spent from the 1981 Capital fund.

Source: Kaduna Polytechnic Audited Statement of accounts as at December, 1984; Maaji and Company: Chartered Accountants Nigeria pg. 13

CHAPTER FOURBUDGETARY CONTROL AND SET UP OF BURSARY DEPARTMENT4.1 BUDGETARY CONTROL SYSTEMS OF THE POLYTECHNIC

The budgetary control system of the Kaduna Polytechnic is not alienated from its accounting process because accounting provides data for the formulation of the budget itself since information has to be transmitted in relevant forms such as; cash flow or funds flow statement, balance sheet and income and expenditure accounts, to enable decision making.

For the purposes of achieving optimum results, the Polytechnic operates a budgetary control system, this system is operated to ensure that detailed plans are prepared each year of the financial year when it becomes current. The budgetary control is therefore concerned with the Polytechnic's short term planning and control which ensures that throughout the period covered by the financial plan, there are regular accountability budgets prepared to achieve including such things as cash flow, return on capital employed, capital expenditure and other ratios of efficiency. The Polytechnic's budget itself serves as management tool for controlling operations within the scope of long range financial plan. An important aspect of the long range planning process however, is the preparation of capital expenditure forecast. Normally acceptance of the long-range or development plans by the Board of Governors does not imply approval of individual capital expenditure projects in the capital expenditure forecast.

It merely implies approval in principle and does not constitute authority to proceed on projects or expend funds. Projects will eventually be included in the annual capital expenditure budget, maybe in a modified form to their original proposal in the long range plan, at this stage projects can be submitted in detail for approval by the board of governors. Since the institutions resources are relatively scarce and limited it follows, that it is the duty of those involved in some way in their management to be concerned with the effective utilization of the resources available, if desired objectives are to be achieved year after year.

Budgetary Control ensures that budget reports comparing actual results with budgets, together with analysis of variances; and explanation of the causes of variance, an explanation of any corrective actions being taken and a current annual forecast are used to keep the authorities informed of what is happening in the departments. This acts as an early warning so that appropriate action can be taken when necessary. In conclusion therefore the Polytechnics budgetary control system is concerned with the guidance of the internal operations of the institution to produce the most satisfactory results at the lowest possible costs. Below are some basic steps taken by the authorities of the Polytechnic to enhance efficient budgetary control measures:-

(a) Finance and General Purposes Committee:

The approval of estimates by the Finance and General Purposes Committee is a control measure. This body acts on behalf of

the Board of Governors, and once estimates have been approved by it, it cannot be exceeded, except of course permission is sought from this body, coupled with genuine reasons or evidence to show need for it.

(b) Method of Allocation of Funds:

Funds are usually disbursed on quarterly basis, and these serve as control measures on expenditure heads. The bases for allocation are as follows; the academic year is divided into four i.e.

October to December	- 1st Term
January to March	- 2nd Term
April to June/July	- 3rd Term.
July to September	- Vacation.

The third term (April to July) is regarded as the most active academic term, and as such expenditure incurred is likely to be more in terms of statineries, part-time teaching e.t.c. for this season is usually allocated 30 percent of the total annual fund. The first and second terms which are less active get the normal share of 25 percent each. The least active period of July - September is allocated 20 percent.

(c) Vote Controllers:

These are members of the executive management and are seven in number. Since they are part of management, they are also involved in the process of formulating estimates and are therefore bound not to exceed allocations.

In fact the duties of the Vote Controllers include, ensuring that funds are not over spent but judiciously expended for purposes intended.

The vote controllers who are the Directors of the different Colleges further subdivide their votes amongst their various department heads who in turn are held accountable to the vote controllers. The vote controllers cannot exceed their quarterly allocation without the approval of the chief executive, on the recommendation of the Bursar.

Bursary Staff:

Staff from the central bursary are posted to various unit accounts, they are to ensure that allocations are not overspent. The Bursar himself gives routine checks on the units, checking on individual unit books (vote books) to ensure that directions are adhered to.

(e) Internal Audit Unit:

This unit is directly under the chief executive, namely the Bursar. Their duty includes making periodic checks on vote books to see whether approved expenditure has been exceeded. They make reports of their findings directly to the Rector who in turn holds the Bursar responsible in case of any findings.

(f) Payments:

Although Vouchers could be prepared at the various Units, payments must be made at the head office (Bursary). This also applies to cheques, cheques can only be issued from the Bursary, and signatories to cheques are usually here. The Bursar is in fact a signatory to every cheque in addition to the staff of the Bursary and the Rector, as a result any attempt to overspend by any of the units is easily discovered.

4.2. The Functional Setting of the Bursary Department:

The Bursary is in itself an appropriate starting point for a survey of the various control procedures available to the administration of the Polytechnic.

Although some operational control measures had earlier been mentioned, the financial control methods—being solely the responsibility of the Bursary department are of paramount importance (see copies on subsequent pages of Appendixes). The Bursary being the life wire of the institution is structurally arranged in such a way as to ensure that in functioning, its duties are well carried out, this accounts for its responsibility for it is saddled with the very important function of financial control.

Certain procedures of keeping records and monitoring how funds are utilized are being used by this department to see to it that the financial activities of the Polytechnic are carried out at the lowest reasonable cost, while at the same time making the maximum use of the available resources. Usually monthly financial summaries are made which are later compiled into yearly financial reports. These include:

- (a) Balance Sheet
- (b) Income and Expenditure Account
- (c) Schedules to Income and expenditure Account
- (d) Statement of Source and Application of Funds.

The Bursary comprises mainly of the administration of the 'accounts' and stores which are earmarked for specific duties while the Bursar as head of the department acts as financial adviser to the authorities. The following sections:

- Main Accounts
- Salaries Section
- Payments Section
- Revenue
- Subsidiary Accounts
- Unit Accounts.

(a) Main Accounts:

This is where the records of every transaction is kept, it is infact a data bank where every financial transaction ends and is finally recorded.

(b) Salaries Section:

This section is responsible for such personal emoluments like salaries, wages, vehicle allowances etc.

(c) Payments Section:

This has to do with other miscellaneous purchases not mentioned above. It is important to note however that vote controllers alone can initiate expenditure.

(d) Revenue Section:

This section is responsible for keeping records of all sums collected on behalf of the institution.

(e) Subsidiary:

This section is solely responsible for deposits, Consultancy Services and other below the line accounts.

(f) Treasury Section:

The treasury handles the preparation and issuing of cheques from and to the different sections. Control is practiced by appointing different signatories for different amounts to be issued and bankers are in turn accordingly informed.

(g) The Units:

The units at the College level are manned by officers from the Bursary department, unit accounts are thus maintained by them and their main function has to do with purchases and payments of other staff allowances. All sectional heads and staff of the Bursary at the unit are responsible to the Bursar as checks on one another, this also happens between the different sections.

STORES:

The main store is located within the Central Administration, they are responsible for keeping stock of all items purchased by the Polytechnic and also keep records as items are requested for and disbursed from the stores.

In each of the colleges also unit stores are maintained, this also applies at departmental levels which perform similar functions to the Central Stores. Functions of the stores include, receiving stock items and keeping such records, also issuing the items and keeping records. The units stores officer reports to the Director through the accountant.

The head of the general stores who is based at the central administration controls all stores officers and is responsible to the Bursar. For each of the sections mentioned in the Bursary, action cannot be finalized until it reaches the treasury. Also none of the sectional heads can initiate action on any transaction without receiving directives from the Bursar. This system of functional division provides for checks and balances as each section has to cross check activities of the other and even within the same section, officers invariably serve as checks on one another, this also happens between the different sections.

CHAPTER FIVECONCLUSION AND RECOMMENDATIONSCONCLUSION:

From all indications the Polytechnics budgeting system just like Government budget is both forward looking and backward looking i.e. setting objectives to be achieved based on past experiences or using previous achievements as guides.

It tries hard in most instances to adjust expenditure to comply with income.

In the final analysis, the question to be answered is whether with it's present budgeting system the Kaduna Polytechnic has been able to achieve it's objectives as stated in it's decree no 73 of 1979. Certainly some objectives have been achieved, others are in the process of being achieved, while a number of others look like they might never be achieved, these are as a result of a number of problems facing the institution.

At the centre of all these problems of course is the issue of revenue. Because of the irregular receipts of recurrent subventions and in some cases non receipt of same from the owner states, a number of such bugging problems have now reached unmanageable proportions. Below are a few :

1. With the rapid changes in technology every institution of this type is expected to update it's workshops, Labouratories and libraries from time to time.

The facilities in this institution which were installed years ago have since become obsolete and many have to be updated or completely replaced. Other similar institutions in Nigeria have done so and are doing so.

- Many structures and infrastructures particularly those in the Older buildings are in dilapidated states and unless funds are made available, they will reach a state of "no return" e.g. students hostel accommodation is grossly inadequate with a population of over 10,000 only about 17% are being accommodated, this no doubt requires funds (capital investment) which the Polytechnic cannot completely afford at present.

Again, departmental student strength attained by 80/81 were generally in excess of those projected, while the overall full time equivalent student strength increased by 30% in excess of the projection - this however, was due to the retention of some courses as a result of continuing demand from the owner states of a number certificate courses which had been planned to phase out. The same applies to staff accommodation. The Polytechnic owns less than 150 houses and has rented over 150 houses, mostly within Tudun Wada area which is much cheaper and falls within the range of ₦2,500 - 5,000 being in accordance with Kaduna rent edict.

A survey of similar institutions accommodation problems showed that such institutions have either housed 90% or 80% of their staff and students.

This is the main anomaly the institution seeks to offset by making provision for a total sum of ₦67,000,000 (during the 1981-85 development plan for staff and student's accommodation, but even as at the end of the development plan this has not been achieved).

- The capability to provide diverse instruction, training and research in technology and the sciences in particular has also been greatly hampered for a number of reasons e.g. Transfer of Top Brains: most of the top brains in these fields are foreigners who come mainly through deputation from their own governments. A lot of them have been resigning in alarming numbers due to the problem of home remittances. The result is that the number of academic staff continued to be far below the institutions requirements throughout the plan period. This problem though common to most institutions is aggravated in the case of the Polytechnic by their need for seasoned technological professionals who are very hard to come by as a result much revenue is spent on employing part-time lecturers every now and then which in the final analysis costs the institution more.

For over twelve months now promotions and new appointments have been frozen in the institution due to lack of adequate funds. Staff frustration has already set in and has adversely affected their morale.

Because of the increasing cost of subsidising students feeding, Polytechnic is finding it increasingly difficult to cope so much so that the quantity of food required for students feeding has to be reduced, though students have not yet reacted, their unpredictable nature makes one wary. Until very recently, the Polytechnic has had to rely on bank overdrafts every month for supplement payment of salaries, but for the good will of some owner states who are paying up their share of subventions on time which are in turn used to offset some of the overdrafts, the banks would have by now lost confidence in the Polytechnic and even refuse to continue the facility.

The story of the Polytechnic is not all that of woes, some achievements though very little have nonetheless been made. For example, the very substantial achievements with regards to capital projects as summarised in chapter 4 and 5 are particularly apparent at the Tudun Wada Campus, which developed tremendously during the plan period.

This is as a result of the generous provision of funds by owner state governments, the encouragement and active interest of the then Chairman and members of Board of Governors, and to the hard work put in by the Polytechnics site development committee.

To maintain and further consolidate the Polytechnics role as a leader in technological training, an expenditure of ₦15,067,000 on equipment and vehicle was projected in the 81-85 development plan and this was distributed amongst the 28 academic department of the Polytechnic and other units. With the present trend for improvement in national revenues i.e. generating revenue from all possible sources and the continuing high priority given to technical education one is expecting a greater amount of generosity from the state governments and possibly even from the federal government. Offset against this however is the advent of the new state Polytechnics which also require funding by their respective owner governments.

Going through past records of approved/actual yearly estimates of the Kaduna Polytechnic for the years 81-86, it becomes glaring that for most years the institution has not been able to run balanced budgets, rather accounts had been running at a deficit. Statement show that revenue and expenditure on recurrent and capital items do not tally (rather there's an excess of spending on current and capital accounts over its current receipts). This unfortunate situation of the Polytechnic would have eventually got to a stage where it would have been forced to close down, but for the remarkable improvements in the last two years (84 & 85).

In an interview with an official of the institution it was noted that the running of deficit accounts prior to 1984 and 1985 is now hopefully becoming a thing of the past because accounts of 1984 and 1985 indicate surpluses. A number of reasons have earlier been cited as causes of deficits in the earlier accounts. However, the following two cannot be overlooked (i) uncertainty during political era: the rivalry amongst the different parties who were owner-state governments of the institution.

(ii) Greater spending by officials of the institution themselves.

One would therefore be right to assume that the present steady atmosphere (Military Regime) and the present stringent control measures by the authorities have contributed to the surpluses indicated.

Although the audited statements of accounts for the year ended December 1986 has not yet been made public, (it has been compiled by the external auditor and copies have been sent to the Directors of audit of the 10 Northern States for their approval). There are strong speculations that a surplus of as much as ₦80,000 is expected.

Definitely these years should be the beginning of a bright era for the institution, especially as it has a number of essential capital projects to complete or undertake.

RECOMMENDATIONS:

Shortage of funds and of expertise to implement projects coupled with the shortage of suitable academic staff may be expected to continue to inhibit the objectives for which the institution stands for except of course certain measures are adopted and the ones already adopted are pursued vigorously. It is for these reasons that I feel the following recommendations will help in no small way in the process of the Polytechnics' objective achievements and in effect assist the authorities of the Polytechnic in the smooth running of the institution, particularly in managing its very scarce resources for maximum results.

My recommendations include:

- Since some of the owner state governments often forget to send their allocations on time, the institution could adopt a system whereby finance officers could be sent physically with reminders say a month in advance, this would at least erase any doubt of lateness blamed on the postal system.
- Serious attention should be given to maintenance of buildings and machines to avoid premature destruction. Obsolete machinery could be managed provided they are still functioning, regular services and maintenance should be carried out to ensure that they are still useful, pending when money is made available for the purchase of more efficient ones.

- The Polytechnic should scrap courses that are irrelevant to our present needs and other courses that have been duplicated i.e. course that are already being offered by most of the owner-State Polytechnics.

- The institution must pursue vigorously the possibility of offering consultancy services, this is a sure source of revenue especially if fees charged are made comparatively cheaper than that of private companies. Records show under estimates of revenue that fall under this title, not much has been achieved for example, in 1982 the actual revenue accrued from consultancy services amounted to only ₦11,069 ranking 11th after other titles.

A break through was however made in 1984 with a sum of ₦407,022 which has been the highest with a good position i.e. 3, ranking after subventions from state governments and Examination fees. Estimated revenue for 1986 under this item has been put at ₦500,000, whether this can actually be achieved remains to be seen.

- Certain financial control measures should also be adopted e.g. the financial authorities must ensure as already Stated in the decree that not later than 1st December each year, an estimate of it's expenditure and income during the next succeeding financial year is prepared and when prepared shall be submitted to the States on time for their approval and necessary action.

-Although in the course of my research I did not come across any case of fraud yet I would like for precautionary measures, that: The bursar should see to it (physically) that proper accounts are kept, and proper records of such existing account, this becomes necessary since the

Polytechnic operates a number of different bank accounts.

- The Accounts of the Polytechnic is supposed to be audited within six months and on no account should excuses for not doing so be allowed, as this will only leave room for lapses and manipulations.
  - The role of the external auditor must not be taken lightly, they are to be invited to re-audit by the board, after which sufficient copies of the statements so audited together with the auditors report are prepared and forwarded immediately to the governments of the owner-states: this will in itself inspire the governments to willingly contribute on time, especially if records show that funds have been judiciously dispensed or expended.
  - The idea of charging differential fees for students of the institution is realistic and should be continued, since funding of the institution is mainly by the Ten-Owner States, then it's only fair that their students should pay much less in terms of fees, and the high fees charged other students is only a fair way of making every one responsible for the running of the institution.
  - Any reasonable surpluses in accounts accruing to the institution over say a period of three to four years could eventually be used for financing of pressing capital project for example, the expansion and updating of the library and Bursary department, the authorities should, however, not forget to offset it's debts gradually with it's bankers, so as to ensure it's credit worthiness.
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- Already the authorities are thinking of continuing with issuing car loans to it's workers when surpluses become adequate.

- In drawing up a present plan, a thorough analysis of the short falls of the 81-85 plan and the general performance of that period has to be carried out, starting with an analysis of manpower requirement and academic priorities, the main philosophy here is that the Polytechnic training must continue to emphasise practical performances rather than theory and this is fully reflected in the institution's estimates. The projection of students numbers should also take into accounts the manpower needs of the owner states and also the reversion to the two tier educational system of the institution, because the projection of these student numbers forms the basis for the provision of all other services and amenities such as staff strength, additional classrooms, workshops, required staff housing, students hostels and other supporting infrastructure.

For example the projected overall figure of 13,970 full time equivalent student strength by 1986/87 session is the optimal number arrived at, taking into account the pressures of demand on the one hand and the financial and physical constraints on the other.

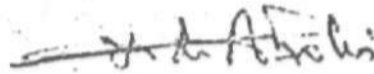
In view of the previously stated policies of the Kaduna Polytechnic and the above factors enumerated here, the trend must be for continued expansion of the Polytechnic and it may be anticipated that Public spirited individuals, the owner state governments and perhaps other state governemtns will continue to make adequate contributions to funding this expansion.

## KADUNA POLYTECHNIC

## BALANCE SHEET

AS AT 31st DECEMBER 1984

		1984	1983
		N	N
Accumulated Capital Fund	(2)	78,635,196	78,635,196
Income and Expenditure Account		(5,584,596)	(7,865,773)
Superannuation Fund	(3)	1,466,573	1,318,300
General Insurance Fund	(4)	567,886	404,368
Replacement and Updating of Equipment Fund	(5)	4,387,457	—
Bicycle Advance Revolving Fund		30,000	30,000
		<u>79,502,516</u>	<u>72,522,391</u>
REPRESENTED BY			
Fixed Assets	(6)	72,389,387	70,275,367
Net Current Assets	(7)	<u>7,113,129</u>	<u>2,247,023</u>
		<u>79,502,516</u>	<u>72,522,391</u>



RECTOR.



BURSAR.

The notes numbered 1 to 13 form part of these accounts.

## KADUNA POLYTECHNIC

INCOME AND EXPENDITURE ACCOUNTS FOR THE YEAR  
ENDED 31st DECEMBER 1984

	Schedules/ Notes	1984	1983
		₦	₦
INCOME	(i)	24,251,747	12,534,090
LESS EXPENDITURE			
Administration	(ii)	12,138,849	13,205,350
Students Facilities	(iii)	6,213,924	1,230,899
Staff Facilities	(iv)	1,736,639	2,172,827
Medical Facilities	(v)	477,204	417,930
Property Maintenance	(vi)	1,318,288	1,026,293
Revenue Generating Expenses	(vii)	68,116	177,691
Financial Charges	(viii)	17,530	24,411
		<u>21,970,570</u>	<u>18,259,841</u>
Excess of Income/(Expenditure)		2,281,177	(5,725,751)
Lapsed Deposits Written Back		—	1,055,000
Foreign Exchange Fluctuation			
Reserve Written Back		—	6,135
Excess of Expenditure Over Income Brought Forward		(7,865,773)	(3,201,163)
Excess of Expenditure over Income Carried Forward		<u>(5,584,596)</u>	<u>(7,865,773)</u>

The schedules referenced i to viii form part of these accounts.

## KADUNA POLYTECHNIC

YEAR ENDED 31st DECEMBER 1984  
SCHEDULES TO THE INCOME AND EXPENDITURE ACCOUNT

	1984	1983
(i) INCOME	N	N
Subventions	20,222,233	9,291,207
Course Fees	2,081,197	1,814,296
Interest on Bank Deposits	229,437	450,753
Sale of Application Forms	350,375	307,238
Students Feeding	205,864	178,062
Rent of Quarters	209,431	124,020
Hostel Fees	135,737	114,095
Staff School Receipts	94,260	87,819
Polytechnic Farm Receipts	93,944	60,338
Miscellaneous Receipts	72,985	28,449
Consultancy Services	407,022	19,525
Examination Fees	22,021	14,042
Registration and Processing of Tenders	11,340	13,340
Revenue From Printing	5,504	11,330
Training Restaurant Receipts	9,625	9,412
Loan of Academic Gown Receipts	—	8,670
Sick Bay Receipts	3,113	1,110
Bakery Receipts	3,941	—
Sale of Unservicable items	10,824	—
COSITA--Reimbursement	82,804	—
	<u>24,231,347</u>	<u>12,534,096</u>
(ii) ADMINISTRATION		
Personal Emoluments	9,898,494	10,508,322
Consumable Materials & Equipment	1,239,115	1,386,208
Transport and Travelling	423,754	592,774
Electricity	61,079	179,644
Water Rates	9,505	136,942
Printing Stationery	95,806	86,656
Advertising	42,133	62,572
Graduation Day Ceremony and Fezizes	62,194	44,289
Telex, Telephones and Postages	48,155	40,559

(Contd.)

YEAR ENDED 31st DECEMBER 1984  
SCHEDULES TO THE INCOME AND EXPENDITURE ACCOUNT  
(Contd.)

	1984	1983
	N	N
Fees for Examiners	23,843	40,139
Board Conferences and Committees	48,623	30,707
Ground Rent/Rates	38,000	38,000
Up-keep of N.Y.S.C.	51,202	18,319
Audit Fees	15,000	15,000
Office General Expenses	17,262	12,723
Entertainment and Hospitality	9,097	9,324
Departmental Board and Conferences	4,785	2,402
Publication and Publicity	—	100
Provision for Bad Debts	50,000	—
	<u>12,138,849</u>	<u>13,205,350</u>
<b>(iii) STUDENTS FACILITIES</b>		
Students Feeding	915,028	845,151
Purchase of Library Books	150,000	185,002
Maintenance of Students Hostels	312,300	101,050
Sports Equipment and Facilities	29,792	38,633
COSITA Supervision	69,397	36,191
Contribution to Students for Sports	7,565	20,119
Field Study and Industrial Visits	17,258	6,783
Grant for Students Amenities	2,584	2,670
Replacement and Updating of Library and Laboratory Equipment	4,710,000	—
	<u>6,213,924</u>	<u>1,235,599</u>
<b>(iv) STAFF FACILITIES</b>		
Rent of Senior Staff Quarters	573,368	659,818
Contract Gratuity and Pension	411,008	417,691
Passages	285,500	389,345
Staff Development	163,022	388,522
Motor Vehicle Loan Interest Subsidy	100,601	123,198
Furniture for Rented Quarters	79,509	96,408
Staff Uniforms	54,971	39,257
Staff School Operations	20,048	19,572
Field Training Labour	7,834	10,620
National Provident Fund	—	10,000
Legal and Professional Charges	21,420	6,940

## KADUNA POLYTECHNIC

YEAR ENDED 31st DECEMBER 1984  
 SCHEDULES TO THE INCOME AND EXPENDITURE ACCOUNT  
 (Contd.)

	1984	1983
	₦	₦
Research and Consultancy	13,610	5,234
Grant for Staff Amenities	5,573	5,000
Maintenance of Senior Staff Common Room	175	91
	<u>1,736,639</u>	<u>2,172,527</u>
(v) MEDICAL FACILITIES		
Medical Expenses	399,242	351,385
Consumable Materials and Equipment	69,850	61,379
External Medical Facilities	8,412	5,166
	<u>477,504</u>	<u>417,930</u>
(vi) PROPERTY MAINTENANCE		
Minor Works	294,312	399,148
Maintenance of Academic Buildings	199,050	168,626
Motor Vehicle Maintenance	180,504	149,509
Insurances	250,000	150,000
Replacement of Furniture	97,633	101,302
Renovation of Dilapidated Quarters	51,027	45,581
Casual Labour	—	12,127
Maintenance of Staff Quarters	245,762	—
	<u>1,318,288</u>	<u>1,026,293</u>
(vii) REVENUE GENERATING EXPENSES		
Farm Operation	66,966	169,744
Special Survey Assignment	1,150	7,947
	<u>68,116</u>	<u>177,691</u>
(viii) FINANCIAL CHARGES		
Bank Charges	<u>17,280</u>	<u>24,451</u>

YEAR ENDED 31st DECEMBER 1984  
STATEMENT OF SOURCE AND APPLICATION OF FUNDS

SOURCE OF FUNDS	1984 N	1983 N
Excess of Income/(Expenditure)	2,281,177	(5,725,745)
<b>Adjustment for Items not involving the Movement of Funds</b>		
Lapsed Deposits Written Back	—	1,055,000
General Insurance Fund	250,000	150,000
Foreign Exchange Fluctuation Reserve Written Back	—	6,135
Provision for Doubtful Debts	50,000	—
Provision for Replacement and Updating of Equipment	4,541,380	—
	<u>7,122,557</u>	<u>(4,514,610)</u>
<b>Funds From other Sources</b>		
Capital Subventions	—	290,000
Interest on Superannuation Fund	147,673	108,900
Proceeds on the Sale of Motor Vehicles	29,653	—
	<u>7,299,883</u>	<u>(4,115,710)</u>
<b>APPLICATION OF FUNDS</b>		
Purchase of Fixed Assets	(2,297,646)	(5,299,069)
Payment From Insurance Fund	(86,182)	(91,715)
	<u>(2,383,828)</u>	<u>(5,390,784)</u>
<b>INCREASE/(DECREASE) in WORKING CAPITAL</b>	<u>4,916,055</u>	<u>(9,506,494)</u>
<b>MOVEMENT IN WORKING CAPITAL</b>		
Staff Loans and Advances	8,860	(424,699)
Debtors and Accounts Receivable	656,680	(6,800)
Prepayments and Deposits	2,082,337	(86,604)
Stock	—	(540)
Deposits Payable	(454,047)	1,001,623
Retention Monies	72,463	(569,785)
Creditors and Accruals	(203,121)	(258,350)
	<u>2,163,172</u>	<u>(345,155)</u>
<b>Movement in Net Liquid Funds</b>		
Credit Balances at Bank Cash in Hand	2,847,366	(8,479,485)
Bank Overdraft Balances	(94,483)	(681,854)
<b>INCREASE/(DECREASE) IN WORKING CAPITAL</b>	<u>4,916,055</u>	<u>(9,506,494)</u>

APPENDIX 7

SUMMARY - BUILDING PROJECTS

C.S.T./Polytechnic Farm	..	..	#11,729,320
C.A.	..	..	3,564,200
C.A.B.S.	..	..	5,010,000
BY-PASS (Including Housing)	..	..	52,650,000
C.E.S.	..	..	<u>4,510,000</u>
TOTAL FOR BUILDING PROJECTS			<u><u>#77,463,520</u></u>

APPENDIX 8

ITEM	PROJECTS	ESTIMATED COST
<u>SETH WADA CAMPUS</u>		
10.		\$
10.1	Site Work, Roads & Drainage	500,000
10.2	Sewerage System & Treatment Plant	700,000
10.3	Standby Generator & Power Distribution Network - Phase II	300,000
10.4	Sports Courts	20,000
10.5	Walls, Fences, Security Installations	100,000
10.6	Fire-Fighting Installations	100,000
10.7	Water Supply - Phase II	450,000
10.8	Polytechnic Work Centre	750,000
Total SETH Wada Campus		2,900,000
<u>POLYTECHNIC FARM</u>		
11.		200,000
11.1	Extension to Farm (Land Compensation)	100,000
11.2	Access Road Improvement	100,000
11.3	Site Work, Farm Roads, Drainage	100,000
11.4	Fences (see note 9)	100,000
11.5	Power Generation & Distribution	200,000
11.6	Farm Houses, Water Supply & Irrigation Network - Phase II	200,000
Total Polytechnic Farm		900,000
<u>SETH WADA CAMPUS</u>		
12.		100,000
12.1	Site Work, Roads, Drainage	50,000
12.2	Walls, Fences, Security Installations	30,000
12.3	Fire-Fighting Installations	150,000
12.4	Land Acquisition (Marefa)	200,000
12.5	Standby Generator & Power Distribution	500,000
Total SETH Wada Campus		500,000

III EQUIPMENT & VEHICLES

## APPENDIX 9

ITEM	P R O J E C T S	ESTIMATED COST
15	College of Science & Technology (13 Departments)	R 5,142,000
16	College of Administrative & Business Studies (9 Departments)	1,050,000
17	College of Environmental Studies ( 5 Departments)	2,900,000
18	Polytechnic Press	550,000
19	Polytechnic Work Centre	6,250,000
20	Polytechnic Computer	750,000
21	Polytechnic Farm	500,000
22	Works Department	335,500
23	Central Library/Campus Libraries	150,000
24	Medical Services	74,000
25	Students/Staff Amenities	200,000
26	Cleaning, Sanitation, Fire Fighting	312,000
27	Office Equipment	235,000
28	Internal Communications Systems	100,000
Total Equipment & Vehicles		R19,736,500

SUMMARY OF CAPITAL EXPENDITURE

1. BUILDINGS .. ..	£ 77,463,520
2. INFRASTRUCTURE .. ..	5,860,000
3. EQUIPMENT & VEHICLES .. ..	19,736,500
GRAND TOTAL	<u>£103,060,020</u>

