ASSESSMENT OF ADEQUACY AND UTILIZATION OF FUNDS IN RELATION TO PERFORMANCE IN THE NIGERIAN INSTITUTE OF TRANS PORT TECHNOLOGY

BY

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\ THESIS PRESENTED TO THE POSTGRADUATE SCHOOL, AHMADU HELLO UNIVERSITY, ZARIA IN PARTIAL FULFILMENT OF THE . REQUIREMENTS FOR THE AWARD OF MASTER OF SCIENCE DECREE [M.Scl IN ACCOUNTING AND FINANCE.

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CERTIFICATION

This thesis entitled "Assessment of Adequacy and Utilization of Funds in relation to Performance in the Nigerian Institute of Transport Technology", a study carried out by ABU, Seini Odudu meets the regulation governing the award of degree of Masters of Science {Accounting and Finance}degree of Ahmadu Bello University, Zaria and is approved for its contribution to knowledge and literary presentation.

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DECLARATION

This dissertation is the product of my research investigation on the Assessment of Adequacy and Utilization of Funds in relation to Performance in the Nigerian Institute of Transport Technology. The study was carried out by me, and all materials and ideas borrowed from various sources are dully acknowledged in the bibliography. To the best of my knowledge, this work has not been submitted elsewhere for the award of any degree or any certificate.

ABU, Seini Odudu,
Department of Accounting,
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Zaria.
2008.

DEDICATION

This work is dedicated to my children, Mr Ngbede U. J Abu and Miss Peace L. Abu as well as my beloved wife, Mary O. Abu {Mrs.}.

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ABSTRACT

The Nigerian Institute of Transport Technology according to its management has been experienced the problem of inadequate funding since established. This shows that the funds allocated to the Institute is not adequate to engage in any meaningful research work and to develop technologic id and managerial skills in transportation. But this statement was challenged by some that funds allocated to the Institute is adequate, the only problem is that of poor utilization. In the light of these conflicting arguments and divergent views, there is need for empirical work to establish whether or not, there is adequacy of funds in the Institute, and whether funds allocated to the Institute have been utilized effectively and efficiently to the attainment of the Institute 's objective. The main objective of this study is to critically assessing the adequacy and utilization of funds in relation to performance in the Nigerian Institute of Transport 'Technology. In carrying out this work, we employed both questionnaires and personal interviews as me Ihods of primary data collection, while textbooks, journa/s^annual report and schedule for annual grants released to NITT were used as spurce of secondary data. Area or Cluster sampling technique was a])plied. 'The decision to adopts area or cluster sampling method is appropriate when we realizes that the number of manpower trained and retrained at the Institute for the period under study covers various transport sub-sectors in the transportation system of the economy, such as rail, highway, air, maritime and FMOT, since training and retraining of personnel in all areas of transportation system is one of the determinant factor to measure the relationship between the adequacy and utilization of funds in the Institute. Area or Cluster sampling also allows for flexibility since several forms of sampling could be introduced at various stages, in which the resultant sample is bases on probability, which can be estimate from its characteriseics. The data collected were statistically analyzed. . In carrying out this research work, several other statistical measures were used in describing and analyzing data in a precise and meaningful way for easy understanding. The justification for using variety of statistical techniques is to enhance broader understanding of the problem study Finding revealed that funds allocated to the Nigerian Institute of'Transport Technology by the Federal Government is inadequate. This is because the Institute budgetary proposal from 1999—2005 stand at 100%, which 90% was expected to have been provided by the Federal Government, but the Federal Government had never provides the required percentage. The highest percentage so far is 65.87% in 1999. It was also found that, the management of the Institute was efficient and effective in carry out their assigned responsibilities. The made judicious utilization of funds granted to them by Federal Government to achieved some of the basic objectives that necessitated the establishment of the Institute which is that of training and retraining of manpower. They also executed several other capital projects with the funds allocated to them. Further findings revealed that the Nigerian Institute of Transport Technology practice both incremental budgeting system and performance programming budgeting system. This is because as their budget increases, the purpose in which the budget was increased for and the responsibilities also increased. It was found that inadequate funding is one of the major constraints that affect the Institute's performance. The study recommended that, the Federal should provide more funds to the Institute. This can be done by 80'; „ fixed on annual budget allocation to the Institute yearly. This will enable them to carried out meaningful research work and to develop*

technological and managerial skills in transportation. Also, recommended is that, the management of the Institute should set 20% fixed of revenues to be generate yearly through the internal sources and ensure to work hard towards achieving it. Further recommendations put forward for ihe Institute is that, the management of the NITT should invest in research and development substantially from the funds allocated to the Institute to produce qualitative equipment to compete with imported equipment instead of depending solely on foreign equipnn nt.

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND TO THE STUDY

Transport is the bedrock upon which every economic and social development of any nation rests. Without an efficient and well developed transportation network, the entire economy of a nation would be affected. This implies that efforts made by any government towards revitalizing its economy will not achieve meaningful results. A notable case in reference was Madueke (2005), when presented Master Plan for an Integrated Transportation Infrastructure (MITI). The MITT was a comprehensive policy framework geared towards the provision of an integrated sustainable road map for the transformation of the Nigerian economy. The MITI reviews the past, ascertains the present and project into the future with the views to removing the gridlock caused by planlessness in our transportation sector for the challenges ahead.

The fundamental challenge facing Africa's most popular nation including Nigeria is how to achieve national transport self reliance and self sufficiency, reduce technology import dependency, avoid the dangers of international transport security. The worsening transport situation is rooted in many ways which include dilapidated infrastructure, equipments, and lack of a permanent facility that provides government at all levels with independent objectives and transport policy advice, analysis, monitoring and evaluation. This has resulted in many policy stunts, false starts, expectations and the perennial emergence of intended beneficiaries of public policy (Idachaba 1988).

The transport sector affects every aspect of our society including the agriculture, mining, healthcares delivery, education, democracy and governance. Therefore, the

neglect of this sector surely will affect the entire economy of the nation as a whole. According to Chikolo (2004), the Nigerian transport industry is in shortage of skilled manpower, has few professionals, highly unregulated and depends on a volatile foreign technology. It should be noted that the efficiency and effectiveness of the transport system depends largely on the quality of the workforce. This is in line with one of the objectives of Nigerian Institute of Transport Technology, which is to be able to impact meaningfully on the economy and policy through training and retraining of middle cadre managers, technicians and technologists suited for employment in the operations, management, accounting and allied services in the transportation sector of the economy. This encompasses transportation by rail, road, air, sea and inland water ways.

The transport sector is the catalyst for the socio-economic development of any nation. If a nation's transport is in shambles, it will hamstring other sectors of the economy. It was in recognition of the importance of this acquisition of technological and managerial skills in transportation within the country and West Africa sub-region, that the federal government of Nigeria promulgated decree No. 6 of 1986 to give legal backing for the establishment of the Nigerian Institute of Transport Technology, Zaria, some years ago as an institutional infrastructure to correct the obvious defects of the colonial paradigm for research, training and retraining of manpower {Chikolo 2003}.

According to Dange {2001}. the Nigerian Institute of Transport Technology was established as background to the weaknesses and defects of the railway Training Institute for indentureship of Railway engineers and managers which was proposed in 1956. The Institute came to being on the realization that the huge annual investment programme in transportation were not yielding anticipated results because more than 25% of the annual

budget of the country went to the transport sector. Also, there have not been existing Faculties, Colleges and tertiary institutions in the country which offered specialized training in the areas of transportation and the situation in the West Africa Countries was largely the same as in Nigeria.

The establishment of the Nigerian Institute of Transport Technology is based on the recognition of the vital role and the desire to solve a particular problem that may be facing a nation. In line with this, the Institute requires adequate funds as well as effective and efficient utilization of these funds by the management to accomplish its objective, since the success and failure of any organization depends on the objectives of such organization. The objectives is therefore, used as the yardstick to determine whether the Institute is doing well or not. If the Institute fail to meet up with the targeted objectives, it will rendered its performance to be poor or low, since funds have been allocated for such objective. Then, what is fund?

According to Oshisami and Dean {1984}, fund is a separate fiscal and accounting entity in which resources are held, governed by special regulations, segregated from other funds and established for specified purpose on which resources of the fund may expended. Okeji {1994}, also explained the term funds to mean either of two things; cash or networking capital. Both these items are necessary for the Institute to function effectively and efficiently. Cash is needed for the organization to pay bills. Net-working capital is necessary especially in seasonal businesses to provide a financial cushion for the payment of bills due in the near future. Daniel {1999}, shares the same view. To him, fund accounting is a system in which financial activities of a government, ministry, or

parastatal are made into several separate entities called funds for purposes of recording information, reporting financial position and the result of operations.

The analysis of all the above definition reveals that; fund has dual and technical meaning, that is, fiscal and accounting entities; governed by special regulations, separated from other funds and established for specified purposed. Therefore, funds allocated to the Nigerian Institute of Transport Technology was based on the reason for its existence {i.e poor performance of the nation transport sector} and its objectives which is for training, retraining, research and development of technological and managerial skills in transportation within the country and west Africa sub-region.

This study was aimed at investigating into adequacy and utilization of funds made available to the Nigerian Institute of Transport Technology by the Federal Government, whether such funds are being effectively and efficiently utilized by the management to the attainment of the Institute's performance.

1.2 STATEMENT OF THE PROBLEM

The Nigerian Institute of Transport Technology was established from general tertiary institutions to engage training, retraining, research and development of technological and managerial skills in transportation within the country and West Africa sub-region. Transport has been identified as indispensable in national economic development. It therefore requires needed attention in terms of financial support (funding) so as to translate in laudable objectives into concrete reality. However, complain from the management of Institute shows that funds allocated to the Nigerian Institute of Transport Technology is inadequate, i.e, the Institute lacks adequate funds to

carried out meaningful research work and to developed technological and managerial skills which had affected the Institute's performance negatively.

Another area of concern is the fact that Gumel {2001}, positioned that funds allocated to NITT is adequate, but the problem is that of poor utilization of funds, that government had invested so much to alleviate the Institute's problem. Therefore, there was need for proper utilization of funds to sustain the system. Waka {2004}, also supported the statement of Gumel by observed that the Institute's teething problems are poor utilization of funds.

More worrisome is the fact that Babatope {2003}, opined that the Institute's problem is not associated to adequacy of funds neither poor utilization of funds, but lack of skilled manpower to manage the operations in the Institute which affected the Institute's performance negatively. In this case, what actually is going wrong?

This study sets out to thoroughly investigate whether the problem of inadequate funds as claimed by the management is real, i.e whether funds allocated to the Institute is actually inadequate, and the poor utilization of funds as alleged by Gumel and Waka is actually true. How and why the funds allocated to the Institute were poorly utilized, and how shortage of manpower affects the Institute's performance?

1.3 OBJECTIVES OF THE STUDY

The main objective of this study is to critically examine the adequacy of funds or otherwise funds allocated to the Nigerian Institute of Transport Technology. The study will focus on the following:

Determination of the degree of effective and efficient utilization of funds by the management;

Determination on the level of performance as regards to the funds made available to the Institute.

1.4 STATEMENT OF HYPOTHESES

As clearly stated in the introductory part of the write-up, the objective or purpose of this study is to critically examine the adequacy and utilization of funds allocated to the Nigerian Institute of Transport Technology in relation to their performance. Normally, for any research work, the researcher must start with the development of specific hypothesis for investigation and testing. Such hypothesis will serve as guides to research strategy in terms of the type of questionnaire to be designed and what information to seek. The objectives of research should be crystallized into one or a series of hypothesis to be tested during the course of research. In view of this, the following hypotheses are to be tested:

Ho_1: The Nigerian Institute of Transport Technology is adequately funded.

Ha_1: The Nigerian Institute of Transport Technology is not adequately funded

Ho_2: Available funds to the Nigerian Institute of Transport Technology are not effectively and efficiently utilized.

Ha_2 Available funds to the Nigerian Institute of Transport Technology are effectively and efficiently utilized.

Ho_3: The performances of the Nigerian Institute of Transport Technology have no significant impact to the adequacy of funds allocated to it.

Ha_3: The performances of the Nigerian Institute of transport Technology have significant impact to the adequacy of funds allocated to it.

Note: Performance in this study shall be measured in relation to the objectives of the Nigerian Institute of Transport Technology.

1.5 SIGNIFICANCE OF THE STUDY

This research work is aimed at assessing the adequacy and utilization of funds by the management of the Nigerian Institute of Transport Technology, and how this trend in adequacy and utilization of funds affects the development of Institute in terms of physical facilities in training and retraining of manpower, research output, development of technological equipment in transportation, quantity and quality of manpower trained and graduates produced.

The finding of this study will be useful to the Federal Government who is solely financing the Institute. This will enable the Government to have an insight into how funds it allocates to the Institute are utilized. This might encourage it to increase allocation to the Institute or take necessary step to correct lapses if any.

The outcome of the study could also encourage workers, management and Members of the Governing Boards of the Institute to put in their best for the following reasons:

They will be conscious of the fact that they are under surveillance and hence work harder towards improvement;

Application of suggestions the study will offer, especially in areas where they have not been doing well which will in all probability enhance their performance; Appreciation for their efforts in areas they have been doing well. This might serve as an encouragement and also motive them to work harder.

1.6 SCOPE OF THE STUDY

This study is limited to the period of seven years (1999 - 2005). The choice of this period is due to the fact that inspite of increase in allocation of funds every year to the Institute by the Federal Government which need sound effective and efficient utilization for the purpose of improve their performance, but it seems as if the performance of the Institute have been getting more inefficient considering the huge annual investment made by the federal government especially considering this period. Hence, the study intends to examine the adequacy and utilization of funds made available to the Institute in relation to their performance within the stipulated period in order to see the extent to which the Institute has been discharging her assigned responsibilities and the constraints faced by the Institute.

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

In the previous chapter the research was introduced and why it became necessary for the Nigerian Institute of Transport Technology to be established. Having been established, the gains of the Institute seem still far-fetched which led to economic crisis in the country since an impaired transport system stagnates the economy. It is based on this that the researcher saw the need to conduct the research so as to assess the positive and negative contributions on the performance of the Nigerian Institute of Transport Technology as regards to the funds made available to them. Therefore, this chapter dwells further on the topic and explores other areas of research regarding the NITT. Attempt is also made to discuss in brief the general problems of funds utilization, application of budget and budgetary control as well as the criteria for measuring or evaluating performance of the Nigerian Institute of Transport Technology.

2.2 SCOPE OF UTILIZATION OF FUNDS

Utilization of funds is one aspect of financial management. Its focus is on how funds are acquired by a business and how they are utilized by an organization. This can be drawn from the way financial management has been defined in the literature. Financial management as defined by Aborode (2005:1), is concerned with making decisions about the provision and use of a firm's finances. It can also be viewed as being concerned with the acquisition, financing and management of assets of an organization with some overall goal in mind. According to Finkler (2005), Financial management is the subset of management that focuses on generating financial information that can be

used to improve decision making. In proprietary, or for profit organizations, an underlying goal of those decisions, is to maximize the wealth of the owners of the organization while in public service organizations like NITT, the decisions are oriented toward achieving the various goals of the organization with maintaining a satisfactory financial situation. To Akinsulire (2005), financial management is the identification of the possible strategies capable of maximizing an organization's net present value, the allocation of scarce capital resources among the competing opportunities and the implementation and monitoring of the chosen strategy so as to achieve stated objectives.

Akinsulire (2005), went further to explain that it connotes responsibility for obtaining and effectively utilizing the funds necessary for the efficient operation of an enterprise. That is, the financial function centers around the management of funds, raising and using them effectively. Financial Management, therefore, covers all functions concerned in attempting to ensure that financial resources are obtained and used in the most effective way to secure attainment of the objectives of the organization.

Financial management as an activity is not only applicable to business firms. Non-profit oriented organizations such as Nigerian Institute of Transport Technology, Universities, Churches and other charitable organizations, which need funds for their operations, also practice financial management. According to Chambers (1947:38), it is the forecasting, planning, organizing, directing, coordinating and controlling of all activities relating to the acquisition and application of the financial resources of an undertaking in keeping with its financial objectives or the series of managerial tasks (decision-making, facilitator, and review) which are directed to the provision, use and disbursement of the economic resources of an entity in ways consistent with the functions

of the entity. He goes on to explain that financial management is not some superior kind of accounting. Rather it brings into focus the strictly financial issues in the evaluation of all courses of action and their consequences. Bradley (1979), shares the same view. To him, financial management is the area of business administration devoted to enabling the spending unit to achieve its goals. It is applicable to such spending unit as governments, universities, churches, labour unions, and business firms.

Utilization of funds as shown by these definitions involves the allocation and expenditure of funds at the disposal of an organization on its various activities. As Ovwielfuoma (1993), pointed out in his definition of financial management, actions involved in the utilization of funds are reflected on the organization's balance sheet. In this form, it is possible for one to compare the balance of one year with that of preceding year. What a firm used its funds for in any financial year are also reflected on the source and uses of funds statement, which is prepared annually. According to Brochkington (1987), the use and application of funds may be classified into the following: Cash dividend; Retirement or repurchase of stock; A net increase in any asset other than cash (such as buying a new machine); A net decrease in any liability{such as paying off a debt}; Ascertain the type of finance suitable for the firm with reference to the existing capital structure or the financing unit of the firm; and Appraising the selected investments or projects with more emphasis on their riskiness{the modern-approach to investment management} rather than return.

As precisely shown by Brockington, (1987), funds are utilized to settle creditors, pay dividends to shareholders, buy stock and assets. Funds can also be expended on employees' salaries and wages, stationary, electricity and water bills,

traveling expenses, printing, repairs and so on. Regardless to these expenses which are common to most business and government owned organizations, the nature and goal of each firm determines what it is expected to use its funds for. For example, a manufacturing company will like to buy raw materials for use. A trading company will also like to stock goods for sale and expend money on expenses associated with it while a research Institute like NITT which has a mandate to train and retrain the middle cadre managers, technicians and technologists suited for employment in the operations, management, accounting and allied services in the transportation sector of the economy, including transportation by rail, road, air, sea and inland water ways will acquire research materials, machine and equipment. Also, organization with surplus funds may invest them in bonds, common stock and even open a fixed deposit account that will generate unfront interest (Odubu 1997).

Looking at the definitions of financial management, by these different authors, it have something in common, which is the sourcing and utilization of funds acquired by a firm or business towards the attainment of its goal. This shows that every organization has an objective or goal that led to its establishment. It is the pursuance of this goal that necessitates the acquisition of funds. To attain this objective of its existence, the utilization of funds are required by an organization can not left alone. In addition, funds are of no value if they are not utilized to the attainment of specific objectives in which they were meant for. Therefore, there must be a measure of control to ensure that funds made available conform to performance to avoid misuse. For management to be prudent in utilization of funds, they need gallant decisions, such as investment decision, financial

decision and dividend decision, while control and accountability in use of resources are vital roles to management.

2.3 NIGERIAN INSTITUTE OF TRANSPORT TECHNOLOGY SOURCES OF FUNDS

Sources of funds can be distinguished, one from another in variety of ways. Some are short term, some medium term, and some long-term. Some represent ownership (common stock) and some do not (all kinds of debts). Some are secured and others unsecured. According to Weston and Brigham (1982), sources of funds can also be distinguished, one from another, in terms of cost and in terms of the type of institution from which they are available -- banks, finance companies, insurance companies, small business development corporations, and so forth.

In fact, all funds come from either inside the firm or from outside the firm. When funds come from inside the firm they are called internally generated, or from internal sources. Also, when funds come from outside the firm they are said to be from external sources. All the above points explained are related to the sources of funds use to finance private enterprise since the aim is to maximize profits.

In public corporations, it may be financed in many different ways depending on their nature, objectives and the environment in which they operate. Oshisami and Dean (1984), classified sources of funds for finance public corporation into two groups:
Some are wholly dependent on government for finance; and others are entirely self-financing.

Although, the task of government is to ensure that the method of finance is appropriate to the characteristics of the public corporation, consistent with the objectives

set by government for the parastatal, and in accordance with the economic needs of the country as interpreted by those currently holding political powers. But the second point implies that a parastatal treated by one political regime as necessarily dependent on government for funds may be treated by another regime as self-financing. Obviously, limitations exist to the making of abrupt changes in the method of financing parastatals, particularly moves towards self-sufficiency.

The idea of financial self-sufficiency implies that, there are degrees of self-sufficiency that is, complete financial self-sufficiency shows that the public corporation has no call on government for funds from year to year. This according to Oshisami & Dean (1984), could occur for one or more of the following reasons:

The parastatls obtains sufficient funds for its needs from non-government capital markets;

The parastatal generates sufficient sources of funds from operations to provide for its investment needs;

The parastatal finds funds for new investment from the proceeds of selling surplus assets.

The most form of financial self-sufficiency is based on the internal generation of funds to finance investment. The situation of complete self-sufficiency described above is not typical in Nigeria. Public corporation have not had access to private capital markets; the funds they generates from operations are usually small in relation to investment programmes. Thus they face the same problems as the rest of the economy immense development and scarce funds available for capital formation. For this reason most public corporations are to some extent dependent on government for money.

The Nigerian Institute of Transport Technology as a parastatal falls within the category of the first point mentioned above since it depends wholly on government for financing. Presently, the Nigerian Institute of Transport Technology budget proposals is 90% financed by the federal government while the remaining 10% is from internally generated revenue, in form of boarding and tuition fees, rent on staff occupying the NITT houses, bank interest deposit earnings, workshops and seminars, consultancy services and occasional donations from national and international organizations (Dange 2001).

2.4 GENERAL PROBLEMS OF UTILIZATION OF FUNDS

Financial management is the subset of management that focuses on generating financial information that can be used to improve decision making. In proprietary, or for profit organizations, an underlying goal of those decisions is to maximize the wealth of the owners of the organization. In public service organizations, the decisions are oriented toward achieving the various goals of the organization while maintaining a satisfactory financial situation. In doing this, financial management performs three basic functions:

Financial Planning: The planning function is one of the most challenging and interesting of all the functions of the financial management because he frequently participates in setting the long-turn course of the business, he must start out with a broad, overall view of the operations of the company. He is first concerned with long-turn plans for plant expansion, replacement of machinery, and equipment, or other expenditures which will cause unusually large cash drains from the business. The financial manager must also estimate cash flows into and out of the business over the near future. In developing these plans, or budgets, he must

make the best of an imperfect world to a certain extent his plans will be upset by external forces over which he has slight control.

Managing Assets: The financial manager must also see to it that funds are invested wisely or economically" within the business or ease returned to the owners. Every Naira invested in an assets, whether current or fixed, has alternative uses. It could be invested in a government bond, thereby providing safety and liquidity, though a low yield. It could be committed to a research development programme for new products, a risky venture, but possibly a very profitable one, or the Naira might be returned to the owners if they could earn a better return at the same risk, or the same return of less risk.

Raising Funds: If the financial manager planned cash outflow exceeds his cash inflow and his cash balance is insufficient to absorb the deficiency, he will find it necessary to obtain funds from outside the business. Just as a firm bids for labour in the labour market and for steel in the market place, so does it seek money in one or another of various markets for money? Deviate from these basic functions of financial management led management to financial problems Donalson (1963).

Therefore, Oshisami (2000), characterize the following as financial problems of the management:

The increased buying power of Nigeria, particularly the parastatal has attracted foreign exporting business to the Nigerian market. Sometimes the enthusiasm of foreign salesmen has not been matched by care in recommending goods or services properly adapted to Nigerian needs and conditions.

The increased availability of money may have made Nigerian (Management) buyers less careful than they might have been, when signing foreign contracts. Certainly the optimism resulting from enough funds allocated to the organization has led to a less critical attitude to the choice of projects. Wasteful and unnecessary projects and those of low economic priority have been financed simply because money has been available. More attention has been given to the initial funding of such projects than to their implementation, continuation and future economic viability.

The relative ease with which foreign equipment or plant can be replace has led to its premature scrapping, when proper repair and maintenance would have provided several more years of valuable use.

More money has meant greater opportunities for misappropriation and corruption.

There has been a scramble for funds in the public sector in which the real needs for funds and the ability to spend them sensibly have frequently been concealed or ignored.

The enormous increase in the number, size and range of projects has stretched the country's resources of skilled financial manpower so that many aspects of financial control have become less strict.

The lack of financial managers in the public sector as more damaging than the lack of some other skills because it produces poor administration and therefore poor performance in the areas where those other skills are needed and used. Also, good financial management is something we can afford, and must afford, in order to achieve more effective use of resources in our public sector and thus an expansion of economic opportunities.

2.5 IMPORTANCE OF CONTROL IN UTILIZATION OF FUNDS

Control is one of the management functions which include those activities designed to compel events to conform to plans. Johannsen and Page (1975:47), defined management as "effective utilization and coordination of resources such as capital, plant, materials and labour to achieve defined objectives with maximum efficiency". Banki (1976:65), also defines it as "A collective term that refers to the system, function, process or office of planning, providing coordinating, directing, evaluating and controlling all available efforts and resources of an organization for the accomplishment of the objectives and policies which are designated by, and handed down from the top executive of the organization". He goes on that once the decision is made, control another basic managerial function becomes important. Therefore, organizational control can be classified into the following:

2.5.1 Administrative Control: Administrative control is a systematic method of thinking that enables an executive to guide the firm towards its goals. This logical mode of thought consists of four steps, such as planning, managing, evaluating, and taking remedial action. The administrative control is an approach to financial management that gives this functional area a forward look, and it stresses the changes that are constantly occurring in business organization. As pointed out by Hopwood (1976), formal administrative controls are designed to structure the process of decision making in large and complete enterprises. By specifying preferences and limiting alternatives, they enable some of the uncertainty to be removed from the minds of subordinate managers and employees. By being so closely related to the structure of power within the firms, they also try to ensure that subordinates individuals goals are subservient to the interest of

more senior managers. Odubu (1997), in his write up states that administrative controls include the provision of organization manuals which prescribe the division of activities that is thought to promote the optimal use of the enterprise and resources at the disposal of the firm or organization. Besides the organization manuals, schedule of duties should be written out by managers for their subordinates. This will enable them to know the tasks they are expected to perform and how to go about them.

Administrative controls also include the establishment of proper internal control system that will help management in judicious use of resources. In an article captioned "understanding the role of your internal auditor", Nwakanma (1994), pointed out that "top management's duty is to run a company effectively and efficiently thereby safeguarding the assets entrusted in its care. Effective internal control system assist management in performing this task well." This goes to show how important is the internal control to proper use of funds.

The term internal control according to Daniel (1999), is a measure to check and determine the accuracy and validity of accounting records which is done by an employee of an organization. He goes on that it comprises the plan of the organization and all of the coordinate methods and measures adopted within a business to safeguard its assets check the accuracy and reliability of its accounting data promote operational efficiency and encourage adherence to prescribed managerial policies.

Internal control also involves a system of procedures and cross-checking whereby in the absence of collusion minimizes the likelihood of misappropriate of assets or misstatement of the accounts and maximizes the likelihood of their detection if any occurs. Horngren (1982), pointed out that internal control refers to both administrative

control and accounting control. Administrative control comprises the plan of organization (for example the formal organization chart concerning who report to who) and all the method and procedures that facilitate management planning and control of operations. While accounting control comprises the methods and procedures that are mainly concerned with the authorization of transactions, the safeguarding of assets and the accuracy of the financial record.

Therefore, good accounting controls help to maximize efficiency, minimize waste, unintentional error and fraud. To guide against fraud the following must be done:

Responsibilities related to handling any business transaction should always be divide among two or more persons. When responsibility is divided any attempt to defraud a company in handling a transaction necessitates the collusive assistance of two or more persons, thereby greatly decreasing the possibility of fraud.

All disbursements should be made by cheques except for petty cash.

All cash received should be deposited with the bank intact and no payment should be made from receipts.

Vouchers and supporting data should accompany cheques when they are submitted for signature.

Supporting data and documents attached to vouchers should be cancelled to prevent subsequent reuse.

There should be an internal audit unit. Its job includes the follows: (a) determining that internal controls over company operations are functioning properly and effectively; (b) verifying that company policies are being carried out

as established; (c) determining that adequate protection and safeguards exist over company assets Horngen (1982).

As already pointed out above and as shown in the definitions, it is the management's responsibility to ensure that the necessary control measures are put in place. It is to ensure that the organization's assets are protected against unauthorized use or theft and seeing that adequate insurance is provided.

The management should also ensure that funds are used in the most economic and efficient ways. In order to show how public service organizations make capital expenditure, Anyanwu (1997), pointed out that "as public sector institutions, they have an explicit obligation to ensure that public funds are spent with due regard to economy and efficiency. That an organization's financial resources are used in the most economic way when the acquisition of material resources of quality and quantity is done at the lowest reasonable cost.

The concept of economy is abused and therefore violated when resources are purchased at inflated prices, when wrong quantity or inferior ones are purchased. This can be prevented when the management purchases things in bulk and request suppliers to submit quotations and samples which will form the basis of choosing who supplies those goods and services the organization wants to buy.

On the other hand, and efficient organization is one where the activities being undertaken are well managed and consume the minimum quantity of resources. According to Fieiden and Robertson (1980), to consume minimum resources in the course of their operations, government and business organizations must avoid or reduce wastage to the barest minimum. Improper keeping of perishable materials including

chemicals and lack of control over water and electricity consumption can cause wastage of resources. Bentley (1978), cost control means minimizing the resources used to achieve a given objective. What we are concerned with, therefore, is basically the prevention of waste. There are three things which we can and do waste: (a) time; (b) materials; (c) energy. The judicious utilization of funds demands the exercise of the above controls; moreso as resources are limited, whereas needs are infinite. So the task before mangers of business and government organizations is how best to allocate scarce resources so as to maximize aggregate satisfaction.

2.5.2 Social Controls: The organizational environments which are conducive to high performance and human satisfaction is dependent on the pattern of social relationships which prevail within the firm. The very essence of social control according to Hopwood (1976), is that: it is exercised by individuals at all levels of the firm over one another. Indeed the means which small groups within the firm use to regulate the performance of their own members and to bring them into line when they deviate from group norms are often much more effective controls on behaviour than almost any of the control procedures which can be used by senior managers.

To make employees to conform to the norms of their organization is not only achieved by the use of administrative controls, in fact effective control is a much more completed subtle process than the limitation of behaviour by administrative devices but also by pressure exerted by individuals over one another. For any situation, the controllers (managers and supervisors) have a social relationship with one another. The motivations, expectations and personal relationship of all the members of the firm or organization exert a significant effect on the outcome of the control process. The

personalities of the managers and subordinates, their approach to their jobs and the subordinates acceptance of the legitimacy of managerial roles are also important factors that determine the effectiveness of the control process (Lang and Thomas s1977).

One thing about social controls is that they emerge from the shared values and the mutual commitment of a group to one another hence they are effective means of regulating the performance of employees in a firm.

2.5.3 Self Control: Self control is a system of control installed to check against abuse or misuse of resources. The system is based on two principles; to check the honesty of those persons who are entrusted with the custody of funds, use and control of public properties as well as their stewardship, and to base acquittal on documentation of a highly objective nature. According to Oxford Advanced Learner's dictionary of current English, self Control is the control of ones own feelings, behaviour, etc. By this definition, control is personalized. The exercise of self control by employees in an enterprise therefore refers to their personal control of their behaviour to be in conformity with the norms of the firm. If the needs and desires of individual members of the firm are in conflict with the requirements of either senior managers or the members of the group, self control is lacking and this will be counter productive.

Like Hopwood (1976), observed, the design of many strategies for control shows that the administrative and social controls have either directly or indirectly to be internalized by members of the firm and are operated as personal control over behaviours. He added that, it is for this reasons that many administrative controls attempt to edict personal needs for material well-being and social acknowledgement. It is also for the same reason that many of the management oriented theories of social control of

enterprises in the literature stressed the need to promote personal satisfaction and development. Therefore, self-control is very vital in employee's performance and achievement of organizational goals.

2.6 BUDGET AND BUDGETARY CONTROL IN FUND UTILIZATION

In olden days, a budget was more or less only a statement of the financial plans of the government. But now the importance of the business or government activities is fully recognized. Business or government's financial activities contribute a major portion to the flow of funds in the economy and the government's fiscal policy together with the financial flows has a wide impact on the working of the economy. The budget plays a very important role in the flow of funds in the economy. It also has important effects on the working of economy not only through the flow of funds but also through various fiscal policies and measures. Since, there are many wants while the means to satisfy them are limited and have alternative uses. They need to judiciously utilize the limited resources require proper planning of expenditure vis-à-vis the expected income. Once what to spend is planned, things to be done are listed in their order of priority. This will ensure that most important projects are executed in their order of importance. Business and government-owned organizations draw up estimates of anticipated income and expenditure for their financial year which is normally a period of twelve months. Such estimates are known as the annual budget.

2.6.1 Budgetary Planning: Budgeting can be seen as setting of expenditure priorities and the weighting of alternatives. It is a system of resources allocation hence it implies looking ahead and planning since decisions involved in the process are of future orientation. In this sense, budgeting involves the converting of the multi-year plan of

operations into more exact short-term installments of inputs and outputs, usually for the year ahead. According to Daniel (1999), is a plan of financial operation embodying an estimate in proposed revenue and expenditure as well as the proposed means of financing them for a given period usually a year? It is an instrument of economic and social policy which must ensure that policies are translated into concrete and feasible objectives.

In government, a budget is usually the estimates of revenue and expenditure determined annually. It is also described as an intelligent forecast of income and expenditure for a specified period. Budgets perform three basic functions for the user: first, the indicate the amount and timing of the firm's needs for future financing. Second, the provide the basis for taking corrective action in the event that budgeted figures do not match the actual or realized figures. Third, budgets provide the basis for performance evaluation. Plans are carried out by people and budgets provide benchmarks that can be used to evaluate the performance of those responsible for carrying out those plans and, in turn, controlling their action. Thus, budgets are valuable aids in the planning and control aspects of the firm's financial management.

A budget serves as a means for achieving the objectives of an organization which are already indicated above have alternative ways of achieving them. It also serves as a communication device. The plan of the management will not be carried out unless the organization understands what the plans are. Understanding the management's plan includes not only knowledge of programmes and objectives (for instance how many units are to be manufactured, what techniques and machine are to be used how much materials are to be bought, etc) but also knowledge of policies and restrictions to which the organization is expected to adhere to.

Considering these vital roles that a budget plays, it is therefore very important and crucial to optimum utilization of funds; since finance is a scarce resource, managers of every organization be it a profit seeking or non-profit making one should endeavor to have a budget.

2.6.2 Budgetary Control: Budgetary control according to CIMA is the establishment of budgets relating to the responsibilities of the executive to meet the objectives of an organization and the continuous comparison of actual with budgeted estimates so that, if remedial action is necessary, it may be taken at an early stage. It can also be defined as "a continuous process which reviews and adjust budgetary targets during the financial year and produces a control mechanism to hold budget holder to account." From the above definitions, the budgetary control system covers the preparation of the budget, coordinating the various departments of the organization and establishing responsibilities comparing actual performance with that budgeted and acting upon those results to achieve maximum profitability. It assists in control expenditure because of its monitoring nature. Johnson (1992), pointed that; the control stages of the management planning and control cycle begin with the budget and also included controlling and measuring and reporting analyzing and feed back. These stages are often referred to collectively as budgetary control. Budgetary control is concerned with ensuring that actual expenditure is in line with budgeted amount and that the objective and levels of activities envisaged if the budgets are achieved.

From the definition above, budgetary control is a technique encompassing the entire process stating from the preparation of the budget or action plan, covering monitoring and review and culminating in corrective action.

Its main purpose is to enable management to plan and carry out projects, operations or activities with efficiency and effectiveness in the use of resources. It helps to direct capital expenditure in the most profitable direction. It relates expenditure to the person responsible for each function, thus affording an effective method of control.

Effective and efficient productive of a government establishment that deals with research work, training and retraining of manpower may be difficult to measure annually like it is applicable to a profit making and business organizations for some reasons: first, some research projects may take more than a year to be completed. Second, because of huge amount involved, some individual finds it difficult to go for retraining. Third, NITT is non-profit making organization. According to Balogun (1980), while productive efficiency could be measured to an appreciable extent in input-output terms, in most profit-making and business organizations, such measure is difficult to practice in non-profit making and general civil service organizations. But the budgetary control system helps to measure performance by comparing actual results with the budget. With proper planning and the necessary controls, funds will be effectively and efficiently managed and the organization can achieve its goals.

2.6.3 Incremental Budgeting: The incremental budgeting system otherwise referred to as the traditional system by which the proposed year's budget will depend on the previous year's budget which is used as the base. Incremental budgeting makes room for various items of expenditure which form the basis of fund allocation usually in incremental fashion from year to year. Incremental budgeting allows department heads generally add an increment to the current year's budget to arrive at the budget for the upcoming year. This increase is designed to cover inflationary effects and to provide

requested funds for increased services. Although, incremental budgeting does not define the objective of the organization nor its programme of activities.

2.6.4 Zero-base budgeting: Zero-base budgeting is an analytical tool that may be used to assist institutions in reallocating their resources within the organization. The reallocation of resources is intended to assist the spending unit in reaching its objective for existing. According to Pyhrr (1974), the first exponent of zero-base budgeting, has stated that this concept is a general management tool that provides a systematic way to evaluate all operations and programmes, both current and new, and allows the redirection of resources into the highest priority programs. Stonich (1976), adds that Zero-base budgeting provides that a list of all existing and proposed activities be established so that where funding restrictions override, only the most important activities will be underwritten and less important ones eliminated. Zero-base budgeting requires that current and proposed activities be evaluated for their efficiency and that unless they contribute to the objectives of the organization, they are reduced or eliminated and the free funds used to finance higher priority programmes.

The primary objective of zero-base budgeting for existing will be varying from one type of institution to another. In the case of the profit-seeking firm, the objective is to increase the market price of the common stock; while in the case of a government unit, it may be to serve the public more effectively with the same level of taxation; particularly in the case of NITT, the objective may be to increase the quality of teaching and research on a slowly rising total budget.

It is a system by which management undertakes the careful examinations of the basis for allocating resources in conjunction with the formulation of budget request and

Identification and examination of goals and objectives in each major area of governmental activity;

Analysis of the output of a given program in terms of its objectives;

Measurement of total programme cost not for just one but for at least several years ahead;

Formulation of objectives and programmes extending beyond the single year of annual budget;

Analysis of alternatives to find the most effective means of reaching basic programme objectives;

Establishment of these analytical procedures as a systematic part of budget review.

Central to this explanation are the terms program, and objectives. These terms can be explained together. The idea behind PPBS is that first the objectives of government policy must be identified and stated. Then the activities which contribute to a common goal should be identified as a programme. According to Yoingco and Casem (1969),this programme is designed to achieve three major objectives: it will help us find new ways to do jobs faster, to do jobs better, and to do jobs less expensively. It will insure a much sounder judgment through more accurate information, pin pointing those things that we ought to do more, spotlighting those things that we ought to do less".

In Schutze's definition of PPBS refers to "analysis of the output of a given programme" The idea here is that, just as a businesses provide goods for consumers, so government departments provide services. The purpose of the system is to help managers or decision makers allocate limited resources more effectively.

Also, the key characteristics of PPBS is that objectives and programme costs are formulated over a period of years within the context of a medium term plan, thus permitting a longer financial perspective than traditional budgeting would allow. It helps in controlling the management of funds in such a way that it will ensure efficiency of the economy.

2.6.6 Budget Innovations in Nigeria: In Nigeria, the defects of traditional government budgeting systems have been recognized since at least 1968. Akinyele (1982), undertook a feasibility study of PPBS, as a possible management scheme for the western state of Nigeria. He found that the system of classification used in the western state development plan, which was derived from the UN manual for the economic and Functional Structure of government. He concluded that information was not presented in a way which would enable a rational choice of priorities between objectives and programmes. Wildavsky (1975), states that PPBS has failed everywhere and at all times. Nowhere has PPBS been established and influenced governmental decisions according to its own principles. Also, Lindblom (1959), has attacked its intellectual foundations pointing out that it represents a rational-comprehensive method of analysis but has been applied in fields which require an "incremental remedial" methods of decision taking.

Based on the above points, there is a need for a new budgeting system in order to make the change to the new system, a taskforce was formed comprising representative of the three coordinating ministries: Finance, Establishment and Training; and economic planning and Reconstruction, together with representatives of the large spending ministries: Education, Agriculture, workers and Transport, Health, and Trade and Industry. Includes in the task force a special adviser to the president on Budget Affairs,

who was also to be Director of the Budget. The duties of the task force were to advise on: the development of the environment for introducing PPBS; the rationale for defining programmes; the basic programme structure including the definition of objectives, performance indicators and the coding system; the filling of gaps in informational data for an effective establishment; the phasing and timing of the introduction of the system; assistance to the president in the preparation of the Budget and the formulation of his fiscal programmes; the budget control including budget examination and analysis (Akinyele 1982).

In view of the above functions of the taskforce, the need to adapt new budgeting methods to Nigerian conditions was expressed by Bello (1980), "He argued for the gradual adoption of reforms along lines appropriate to the needs and resources of the country; programme and performance budgeting is not a system which can be adopted only intoto and at immediately sophisticated level, but it was a good system of budget. He goes on that criteria will be established for measuring performance against inputs and against objectives and set targets. It is also expected to strengthen the linkages between planning, programming, budgeting and performance evaluation and review through a feedback arrangement. The aim was to allow cost to be related to achievement under the new programme performance budgeting system (PPBS).

In budget innovation in Nigeria, important achievements have already been made but many are yet to be made. With the pace of reform accelerating in federal government, renewed interest can be expected among the states. As the pace of budget reforms gathers, financial personnel and administrators generally face the challenge of developing new expertise, new methods, better sources of information, and new ways of

looking at old problems. Besides challenges there are opportunities for providing better information for the purpose of decision-taking, and for the purpose of informing the people and their representatives of the uses to which public moneys are to be put. At the same time we must not loose sight of the fact that budget innovations are only one aspect of improving the efficient use of scarce resources. Therefore, this method of government budgeting is well adapted to Nigeria's need and environment in order to help in controlling the utilization of funds in such a way by setting expectations for individuals in a way they act and perform, make old individual accountable and reward desired performance, and also contribute to economic development of the nation.

2.7 CRITERIA FOR MEASURING PERFORMANCE IN THE PUBLIC SECTOR

Management performance particularly as it relates to the managements of public corporation is an unsettled concept. Scholars connected with public paratatals are generally not unanimous on what accounts for performance or non-performance in the management of any public enterprise. Dale (1965), analysis the consistent functions of management as planning, organizing, staffing, direction, control, innovation and representation of the organization to third parties. A moment's reflection reveals that each of these approaches contains a significant financial dimension and performance, and an important financial techniques can be used to measure whether resources are being effectively utilized (return on capital employed) and coordinated (budgetary control), to express organizational plans and to control activities (budgeting), to represent the organizational to third parties (reporting) and to evaluate performance (variance analysis). While Likert (1981), view performance as the results that people get on the job

and it is whatever they does that affect those results? In other words, performance involves inputs (the actions people put into the jobs) and outputs (the subsequences of those actions). The concept of performance relates to resources and their utilization to any given goal. Given an identified goal it is presumed that a given combination of resources would lead to realization of the goal within a standard time. In the view of Koontz and Donnel (1968),It hardly seems necessary to say that managerial appraisal should measure performance as a manager in meeting goals for which the manager is responsible. Yet, obvious as this is, or at least should be examination of a large number of appraisal systems used by business, government and other corporations shows a lack of understanding of this truism, or at least an unwillingness or inability to translate understanding into practice.

There are criteria in which a public service organization's performance can be measured. This includes:

Private benefits to the organization: that is, organizations compare their planned outcomes with their actual outcomes to see how well they are doing. The organization must guard its viability. This requires taking an internal perspective on whether it is achieving the benefits for the organization that are expected. These are private benefits;

Public benefits to society: many public, like transport sector, and not-for-profit organizations are also interested in the benefits that they generate for society. If doing public good is a part of the organization's mission, then it is appropriate to compare the expected and actual amounts of public good provided. Often, however, measuring the amount of public good provided is extremely difficult;

Effectiveness: Financial management focuses not only on questions of survival, but also issues of effectiveness. Effectiveness relates to whether an organization is accomplishing its mission. If there is a goal to train and retrain of professional managers and engineers who will manned the operation of Transport industry in a nation's economy, financial management can assess how effective the organization is in achieving that goal. How many people are so far being trained?, and what was the outcome of their performance in the operation of the transport sector within the country;

Efficiency: Financial management also focuses not only on questions of survival, but also issues of efficiency. Efficiency relates to whether the organization uses the minimum needed resources to produce its outcomes or outputs. To avoid wasting resources, organizations need to understand their productivity. How much did it cost per person to be trained? Or how much did it cost to produce or purchase an equipment? Is the organization maximizing the use of resources by finding the lowest-cost approach for achieving each of its results? If the organization falls short in terms of either efficiency or effectiveness targets, it will want to determine by how much and why. That information (or feed back) can be used to help in accomplish its goals both efficiently and effectively in the future;

Quantity: Organizations will generally have goals in terms of both quantity and quality. Since eliminating defects in our transport sector is a hard objective to accurately measure, training and retraining of professional managers, engineers, technicians and technologists for the NITT may choose to set a goal, such as many. Such quantity outcome measures are often easier to measure than true effectiveness;

Quality: how many numbers of professionals that were trained? Is there sufficient training? Are the equipments and instruments available? In answered to the above questions, most organizations do often devise methods to measure not only the quantity of services provided but the quality as well (Herzlinger and Nitterhouse 1994).

Finkler and Howard (2006), in their book however, noted that the actual outcomes of the management performance in an organization can be measured through:

Inputs: Most organizations measure the cost of resources used (inputs). This is relatively easy to do but provides only limited information about the activities of the organization. Inputs used tell how much money was spent but not much about what was accomplished. Input usage does not really indicate whether the organization was efficient or effective. Despite this limitations, many organizations do focus a great deal on whether the amount spent was less than or equal to the budgeted amount;

Process: An alternative approach to measuring outcomes would be process. For example, looking at how much was spent (inputs) does not tell if NITT accomplished its goal. Measuring process is somewhat more likely to tell if the organization is doing what it intended;

Many organizations skip over process measures and focus more on direct proxies for output. For example, the NITT might measure the number of professional managers and engineers trained, the stakeholder in the transport industry might measure in term of output (productivity) while the societies might measure in terms of services rendered. Output measures are helpful but inadequate to really tell what the organization has accomplished;

Effects: We could measure effects. that is, the impact of what we have done. The NITT could assess not only what they pay lecturers (input cost) or what process the lecturers used (special reading programmes). or the number of student taught (output), but also he resulting productivity of student population. Unfortunately, measuring effects is difficult and many organizations do not have the ability to make such measurements.

However, looking at the above points, the field of performance measurement is still in its infancy. A great deal of additional work is needed to refine performance measures and to implement their use.

2.7.1 Factors responsible for poor performance in the public sector

Performance of any organization involves inputs (the actions people put into the job) and outputs (the consequences of those action). In Lefton's point of view, performance can be seen as the results that people get on the job and it is whatever they do that affect those results.

There are generally endogenous and exogenous factors responsible for the poor performance of public corporations or parastatals in Nigeria. Balogun (1980), gave four main categories of factors responsible for the poor performance of the public corporations or parastatals in Nigeria which includes:

Economic factors: In discussing the problems of economic factors, he highlighted the following points as: economic factor such as problems of over-staff, under-staffing, high labour turn-over, high cost of equipment, uncompetitive or low quality products, markets and market potential, the problem of capital, competition, world economic forces and infant industry, benefits, all tend to underscore the high public expectation of the Nigerian Institute of Transport Technology's performance.

Socio-Political factors: These factors dealt with problems of political intervention and control. Tribalism and ethnicity, bribery and corruption, positive and negative work attitudes, individual relations, trade unionism, boards and board members' ability to make reaching decisions and policies.

Administrative factors. The administrative factors center on management efficiency, personnel administration, training and intrusion of government bureaucracy.

Operational technical factors: The operational technical factors deal with the problems such as quality of equipment and methods, professional expertise and experience and the problem of infrastructures.

All the above factors, as further asserted by Balogun (1980) make it impossible for Nigerian public corporations or parastatals to be efficient and effective in their goals attainment bid. Although he reiterated the fact that performance measurement in the public sector should not be akin to that of the private sector, since both of them have different frames of reference against which their level of performance have to be measured.

Other problems responsible for poor performance of the public corporations or parastatals include politics and series of Tribunal and commissions of enquiry. According to Drucker (1973), the most serious militating factors against high performance by public sector is the problem of politics. In explaining the gravity of this problem in public corporation, he explained how politics manifest itself in may Areas of the corporation's administration, particularly the selection of most members of the Board and management team are based on the political consideration, whereby most of them are

ignorant of the role they are to play in the organization and thereby the policy formulation aspect of the corporation thus becomes an illusion.

It can be seen from the above that many factors are responsible for poor performance of most public sector including NITT. These include Economic factors, socio-political factors, administrative factors, operational-technical factors, political interference with internal management and the improper performance by management of the organization and their functions. These factors are regarded as "endogenous and exogenous factors" which are responsible for poor performance in Nigerian Institute of Transport Technology.

2.8 FRAMEWORK FOR THE STUDY

The concept of finance according to Ezra and Solomon (1979), is probably the oldest of the functional fields. Financial management or corporation finance, as it was then more generally called, emerged as a separate branch of economics around the turn of the century.

It is, no doubt, clear from the above statement that the subject matter of financial management has undergone a rapid change. The original purpose of corporation finance was to describe and document the rapidly evolving complex of institutions, instruments and practices in the capital market. This approach was supported by Aboyade (1973), which say corporation finance aims to explain and illustrate the methods employed in the promotion, capitalization, financial management, consolidation and re-organization of business corporations. It should be noted that the field of corporation finance continues to use this basic structure and content until after the second world war when emphasis switch from the question of long term financing to working capital financing and working

capital management. At the same time, the subject broadened from corporation finance to business finance. Sheard (1974), in his concept of finance viewed financial management as part of management which is concerned mainly with raising funds in the most economic and suitable manner; using these funds as profitably (for a given rise level) as possible; planning future operations; and controlling current performance and future developments through financial accounting, cost accounting, budgeting, statistical analysis and other means". Schall and Haley (1980), in their concept of finance explained financial management as a body of facts principles and theories dealing with the raising and using of money by individual businesses and governments. Pandey (1981), in his own concept of finance, seen financial management as that management activity which is concerned with planning and controlling of the financial resources of the firm in order to achieve the financial objectives of the organization. He further stated that, the three main types of decision that face financial managers are investment, financing and dividend decisions. These three areas should not be viewed in isolation because they are interconnected.

Looking at the concept of finance as shown above by these different authors, it have something in common, which is the sourcing and utilization of funds acquired by a firm or organization towards the attainment of its goal. It also shows that every organization has an objective that led to its establishment. It is the pursuance of this goal that necessitates the acquisition of funds.

Therefore, it is based on these concepts the researcher build or developed an idea to carried out this research work in order to assess the adequacy and utilization of funds in relation to performance of the Nigerian Institute of Transport Technology as regards to

the funds made available to them, whether its been utilized in the attainment of the objectives in which the Institute was established for. The researcher also want to see whether the decisions being carried out by the management of the Nigerian Institute of Transport Technology in their acquisition of funds are in line with the three main types of decision that face financial managers of most organizations such as investment, financing and dividend decisions, since the modern concept of financial management focuses on investment decisions, which bring about how an organization measure the ability of committing funds in one direction versus another (Okeji 1994).

In finance when you deal with stock and bonds and convertible debentures, you are dealing explicitly with corporations. Similarly, when you talk of working capital management, you can be talking about non-corporate businesses.

The traditional treatment of the field was therefore criticized as being too descriptive and not sufficiently analytical, yet, despite complaints from students and teachers, the traditional view of finance as being one of procurement of funds remained unquestionable until only when it was seriously changed (Ogbole 1991).

In place of the traditional approach, we now have a much broader view that "financial management is an integral part of overall management with emphasis of the wise usage of funds, rather than a staff specialty concerned with funds raising operations. The modern view of financial management has thus changed the question from how a firm should raise funds to how an organization should make decision to commit funds for certain purposes that would be of optimum benefit to the organization (Omolehinwa 2006).

The modern concept of financial management focuses on investment decisions, which involve the question of how firms "measure the profitability of committing funds in this direction versus another decision. It is concerned with how an organization set standards against which it can assay the use of funds. In other words, what is the minimum yardstick by which the organization decides whether this usage is appropriate or not appropriate? This body of analysis is being applied not only to normal profit-seeking organizations but to other institutions and organizations as well. It is against this background that financial management is currently being increasingly applied to most organizations and institutions including the Nigerian Institute of Transport Technology where large sums of money are expended annually. Public funds are resources that government at the three tier{federal, state or local}, allocate to research institute in which Nigerian Institute of Transport Technology as a specialized research in the areas of transportation, training and retraining of manpower benefited from time to time which is usually reflected in governments' budget annually. Internally generated revenues are funds the institutes are able to generate through various revenue generating activities that includes user charges, seminar and workshops. Private funds are the revenue that institutes receive through donations, endowments and other sources from the private sector (Adeogun 1999).

According to Sambo{2003},accumulation of human capital, in modern economic theory, is considered as one of the greatest impetus to economic growth. This consideration including the identification of research institutes as public good, have lead government all over the world to be more greatly involved in the financing of Transport

Technology Institute. The involvement takes from direct funding of the institute and the setting up of many students supporting the initiative.

The general arguments today especially in the western world depends on the type of intervention governments should take and the options are usually between regulation, finance, public production and income transfers, In most developing countries particularly in Africans, governments are involved in all four options. Regulation takes the form of quality assurance and accreditation, while finance involves direct public funding of Transport Technology Institute, and provision of other services by government and income transfers entails the setting up grant, scholarship and loan schemes for both students and researchers.

In can be arguing that the modality of public or government financing transport technology institutes determined to a large extent by the socio-economic and political environment of a county. The Nigerian Institute of Transport Technology received either block grant on annual basis or is funded through the governmental budgetary process. According to Abdulkadir{1990}, public financing on corporation or parastatals is based on two important criteria namely:

What is funded; and how it is funded.

The component of Transport Technology Institute that are funded cover what is generally termed capital and recurrent funding.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 INTRODUCTION

Previous discussions in chapter two highlighted the scope of management of funds and sources of funds to Nigerian Institute of Transport Technology. Attempts were also made to discuss the concept of application of budget and budgetary control and the criteria for measuring management performance including factors responsible for poor management performance in the public sector.

This chapter is to consider the procedure for data collection. The methods are desirable and sources employed in gathering data for any research work are very vital. The success of any research work depends to some extent on the availability of data and organization of data collected and so forth. Therefore, this chapter also explains the nature of data needed for this study, the technique involved in data presentation and analysis.

3.2 RESEARCH DESIGN

Data refers to facts, observation or information in isolation and relating to the subjects of the study. The research design is the blueprint of the procedures that a researcher used for testing his hypothesis in order to reach valid conclusions about the presumed relationships between the variables that create a particular state of affairs. A design is the plan, structure, and strategy of investigation conceived so as to obtain answers to research questions and to control variance. The strategy as used in this work, is more specific. It includes the methods to be used to gather and analyze the data. It also implies how the research objective will be reached and how the problem encountered in

the research will be tackled. It also implies instrument to be used for data analysis and interpretation, and how it can be manipulated and controlled (Abdulhamid 2004). Therefore, the natures of data needed for this research are divided into two:

The qualitative factors of performance, which may be difficult to measure but are important for management decision making;

The quantitative factors for performance evaluation, which includes private benefits to the organization, public benefits to society, effectiveness, efficiency, quality and quantity, which are instruments to measure the adequacy of funds as well as judicious utilization of these funds.

3.3 RESEARCH POPULATION AND SAMPLING TECHNIQUE

Population in research studies may refer to totality of all the subjects of the universe which have common quantities intended for study, for example, people, trees, goats, rivers, other objects and so forth.

The population in this study covers five Transport Training Institutes established in this country which offered specialized training in the areas of transportation. This include Nigerian Railway Training Institute, Nigerian College of Aviation Technology, Nigerian Building and Road Research Institute, Nigerian College of Shipping and Marine Technology, and Nigerian Institute of Transport Technology. But since the study centered or focused on the Nigerian Institute of Transport Technology as regards to the adequacy and utilization of funds in relation to the performance, and since the Institute is also responsible for training and retraining of manpower to covers all transportation system or transport sub-sector, it is selected as a representative of the entire population. The portion of a population selected for the study is referred to as a sample and the

method of selecting the sample from the population is known as sampling technique. There are various techniques available to the researcher in choosing the sample , but for the purpose of this study, area or cluster sampling is adopted.

Area or cluster sampling: In area or cluster sampling, the population or geographical area is divided into units or sections with distinct boundaries (Abdulhamid 2004). In this case, we therefore, samples areas or clusters first, and then samples individual elements within the clusters. Attempt is also made to minimize the differences between the clusters and maximize the differences within each cluster.

The decision to adopts area or cluster sampling method is appropriate when we realizes that the populations or the number of manpower trained and retrained at the Institute for the period under study covers various transport sub-sector in the transportation system or transport sector of the economy, such as rail, highway, air, maritime and federal ministry of transport [FMOT], since it is one of the determinant factor to measure the relationship between the adequacy and utilization of funds. Again, area or cluster sampling allows for flexibility in the sense that several forms of sampling could be introduced at various stages, since the resultant sample is a probability one, which can estimate its characteristics. We also use it to determined both by cost-effective and amount of sampling error which can be tolerated.

3.4 METHODS AND SOURCES OF DATA COLLECTION

What is an appropriate method of inquiry for a research problem depends in a large part on the nature of the problem itself and the extent or level of existing knowledge. In addition to selecting a method of inquiry, the researcher must also select a research methodology or simply the research method to adopt.

Basically, there are two broad methods which can be used to answer any research question namely; experimental and non-experimental research methods. The major difference between the two lies in the control of extraneous-variable and manipulation of at least one variable by the intervention of researches in experimental research. In non-experimental research; there is no intervention beyond that needed for purposes of measurements.

The major steps under non-experimental research which this study intends to adopt are the historical and descriptive research methods.

Historical research deals with determination, evaluation, and explanation of past events essentially for the purpose of gaining a better and clearer understanding of the present, and making a more reliable prediction of the future.

Historical research interprets past trends of attitude, event and facts. History is any integrated narration or description of past events or facts written in a spirit of critical inquiry for the whole truth. The justification for this is that it gains a clearer perspective of the present. Historical research can provide us not only with solutions of current problems but also with a greater appreciation of the culture and of the role which new knowledge can play in progress.

Descriptive research on the other hand is concerned with the collection of data for the purpose of describing and interpreting existing conditions prevailing practices, beliefs, attitudes, on-going process, etc. However, the central purpose of descriptive research is not just the description of what is, but the discovery of meaning.

In an attempt to provide a solution to a problem or trying to establish the course of action requires some information. First, we would want to know where we are at present;

second, we would want to know where we want to go next and what direction we may go; and third, we would want to know how to get there. Descriptive research may supply some or all of the required information. The importance of this is that it seeks to find out conditions or relationships that exist, opinions that are held, and progress that are going on.

Since the study is purely historical and descriptive in nature, there is need to employ the used of questionnaires for measuring or recording data and in some situations the researcher also relied on personal interviews as additional instrument to compliment data obtained by questionnaires.

3.4.1 Questionnaire

A questionnaire is a device for getting answers to questions by using a form which the respondent fills by himself. It is a set of questions relating to the aims and objectives of the study to which the respondent (the sample), are required to answer by writing in their responses. A questionnaire is used when factual information is desired, and is usually used to obtain facts about the past, present, and anticipated events and also about the prevailing conditions and practices.

Questionnaire may consist of the following categories of questions which include:
The closed or structured form;
The open or unstructured form; and the pictorial form.

Each category of questions may be used alone or in combination with others depending on the nature of the problem and the characteristics of the respondents. This study uses the structured and unstructured forms. The structured form of questionnaire used in this study required the respondents to mark AGREE, IN BETWEEN or

DISAGREE or YES, NO or NO IDEA or to write short responses, while unstructured form of questionnaire used in this study allows the respondents to answer questions freely and fully in their own words based on the level of their understanding.

Administration of Questionnaires

A total of 32 questionnaires were personally distributed and accepted by the staff of the Nigerian Institute of Transport Technology who could provide the required data for the research work. Distribution was, therefore, targeted towards staff in the Bursary department, planning unit and school of transport and Research/Consultancy department. The decision to administered questionnaire to the staff of the above mentioned departments is that we assumed that they are in position to know whether funds allocated to the Institute is adequate, and whether the funds is being utilized effectively and efficiently to the attainment of the Institute's objectives in which its being established for, and whether the performance of the institute justify the funds allocated to it, as well as utilization of these funds.

Therefore, the questionnaire were administered to all staff in Bursary department of the Institute, except bursar and his deputy who rejected questionnaire but accepted interview. Also, questionnaires were administered to some key officers in planning unit and school of transport and research/consultancy department.

The decision for administered questionnaires to all staff of Bursary department is that, it is their responsibility to receives subvention and makes payment on behalf of the Institute. They are in right position to know whether funds allocated to the Institute is adequate or not, and whether funds allocated to the Institute were judiciously utilized to the attainment of the Institute's objectives, while the planning unit were responsible for

prepares annual budget and writes performance report on behalf of the Institute. They too are in position to determine between the budgetary proposal of the Institute and the actual grants released from the Federal Government to see whether the actual grants releases are adequate or not, and whether there is co-efficient relationship between performance of the Institute and the utilization of funds. Also, the school of transport and research/consultancy department was responsible for training and retraining of manpower. They are in position to know whether materials, instrument and equipment needed for the training and retraining of manpower are available at any time when demanded for, and whether the quality and quantity of manpower trained and retrained are efficient for transport sector.

Collection of Questionnaires

Out of the 37 questionnaires distributed, 32 which represents 93% were returned. Collection of questionnaire from respondents was at an agreed date which was not more two days or three after they had been administered.

3.4.1 Personal Interviews

Interview is a technique used for collecting data or information from others in a face to face contact. It is used when a researcher wants to obtain a reliable and valid information in the form of verbal responses from respondents in order to confirm or reject hypotheses.

Interview, in research, is an oral questionnaire. It is a face to face interaction situation in which one person (the interviewer) asks another person (the interviewee) questions which are responded orally. Therefore, extensive interviews were conducted in the Nigerian Institute of Transport Technology to augment the questionnaire. This was

done so as to overcome the limitations that could result from sourcing of data by the use of questionnaire. Items in the questionnaire could be subject to misinterpretation, depending on the perception of the respondent but this could be minimized if oral discussions are held between the researcher and the respondent.

Therefore, a uniform approach to the conduct of interview was adopted by researcher in the Nigerian Institute of Transport Technology. The following staffs were interviewed: Head of Accounts i.e Bursar and his deputy, Head of Internal audit and Head of planning unit. The reason for interview this officer is that, like accounts department receives subvention and makes payment on behalf of the Institute. Therefore, the head is in the right position to know whether funds allocated to the Institute is adequate, and how it's being utilized. The internal audit unit on the other hand makes sure that internal control over Institute's operations are functioning properly and effectively and ensures that the Institute's policies are being carried out as established. It also makes sure that there are adequate protection and safeguards over Institute's assets, while the planning unit prepares the annual budget and writes performance report that highlights variances on quarterly basis. Based on the role played by these departments and responsibilities vested upon them, we assumed that their heads are in the right position to gives us relevant information for the success of this work. A copy of question administered in the course of the interview is attached in the appendix in their respective order.

understanding of the present and making more reliable prediction of the future. It also help the researcher to define the problem in order to formulate hypothesis, collect and critically analyze data, interpret and report findings in respect of the performance of the Institute.

In the course of carrying out this research work, several other statistical measures were used in describing and analyzing data in a meaningful way. The justification for using variety of statistical techniques is to enhance broader understanding of the matter discussed.

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4.2 NIGERIAN INSTITUTE OF TRANSPORT TECHNOLOGY {NITT} ANNUAL BUDGET PROPOSAL.

The annual budget for the period covered 1999 through 2005. This budget proposal comprises both Capital and Recurrent expenditures of the institute. The table below shows the year, the amount budgeted and the percentage of the proposed amount.

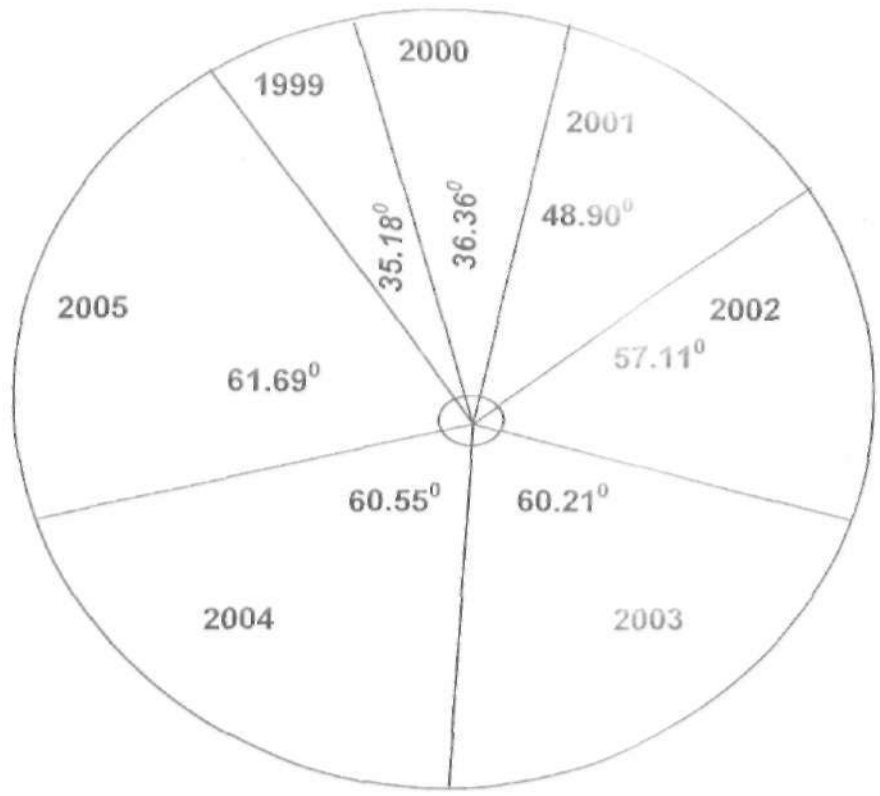
Table 4.2.1 Nigerian Institute of Transport Technology {NITT}, Zaria Annual Proposal From 1999-2005.

S/No	Year	Amount proposed (100%)	Expected amount from F.G. (90%)	Amount expected to generate through internal sources (10%)
-	-	(N'M)	(N'M)	(N'M)
1.	1999	393.30	35.397	39.33
2.	2000	493.94	444.55	49.39
3.	2001	603.30	524.97	60.33
4.	2002	665.12	598.61	66.51
5.	2003	699.33	629.40	69.93
6.	2004	829.77	746.79	82.98
7.	2005	954.52	859.07	95.45

Source: Nigerian Institute of Transport Technology {NITT}, Zaria.

Table 4.2.1 above showed the budgetary proposals of the Nigerian Institute of Transport Technology from 1999-2005. This shows that, in 1999,the Institute budgeted N393.30 million representing 100%, in which N353.97 million representing 90% was expected to have be provided by the Federal Government, while N39.33 million representing 10% is expected to have be provided from internally generated sources of the Institute. In 2000, N493.94 million was proposed in which N444.55 million was expected to have be approved and released from the Federal Government, while N49.39 million would have generated through internal sources of the Institute. Likewise, to 2001,

Fig. 4.3.1: PIE-Chart showing funding rates of the Nigerian Institute of Transport Technology (NITT), Zaria From 1999-2005



Source: Nigerian Institute of Transport Technology (NITT), Zaria.

Figure 4.3.1 is a pie-chart showing the funding rates of the Nigerian Institute of Transport Technology {NITT}, Zaria by the federal government through their supervising ministry, Federal Ministry of Transport.

In 1999 the rate of funding was 35.18°. In 2000, it was increase to 36.36° while in 2001, it was increase to 48.90°. In subsequent years, that is, 2002 and 2003, there were increasing of 57.11° and 60.21° while in 2004 and 2005, there was an increased brings the rates to 60.55° and 61.21° respectively.

In spite of all these fluctuates of funding rates {increasing and decreasing} there is a general expectation from the public that if the performance of the management of the

institute is below standard, it would not be associated to inadequate or under funding of the institute since their budget proposal stand at 90% and the federal government were able to provide more than half of their financial requirements. This negates the problem of inadequate funding of the institute.

Table 4.2.3 Nigerian Institute of Transport Technology {NITT}, Zaria Annual Grants from F.G and Internally Generated Revenue from 1999-2005.

S/no	Year	Expected amount from F.G	Actual grants released by F.G	Expected amount to be provided by Institute	Actual amount generated by Institute	Shortfall amount
-	-	{N'M}	{N'M}	{N'M}	{N'M}	{N'M}
1	1999	353.97	259.08	39.33	4.24	35.09
2	2000	444.55	267.76	49.39	44.74	4.65
3	2001	542.97	360.04	60.33	29.10	31.23
4	2002	598.61	420.53	66.51	42.41	24.10
5	2003	629.40	443.33	69.93	73.00	-
6	2004	746.79	445.88	82.98	50.20	32.78
7	2005	859.07	454.24	95.45	63.67	31.78

Source: Nigerian Institute of Transport Technology {NITT}, Zaria.

Table 4.2.3 showed that, in 1999, N39.33 million was expected to have been generated from the internal sources of the Institute, but N4.24 million was the actual amount generated, resulted to N35.09 million shortfall amounts, in which the Institute was unable to recover. In 2000, the Institute planned to generate N49.39 million through the internal

sources, but were able to generated N44.74 million brings the shortfall amount to N4.65 million. The only year the Institute bridge the gap was 2003 when the generated N73.00 million instead of N69.93 million. The Institute made an excess amount of N3.07 million from internal sources, but the remaining of years i.e 2004 and 2005, they were unable to meet up their targeted amount which they were expected to generate in each year.

Table 4.2.4 Percentage of Annual Grants released to NITT and shortfalls amount from 1999-2005.

S/No	Year	Budgeted figures {100%}	Expected grants from F.G {90%}	Actual Grants released	Shortfall amount	Perc. Of actual grants	Perc. Of shortfall
-	-	{N'M}	{N'M}	{N'M}	{N'M}	%	%
1	1999	393.30	353.97	259.08	94.89	65.87	24.13
2	2000	493.94	444.55	267.76	176.79	54.21	35.79
3	2001	603.30	542.97	360.04	182.93	59.68	30.32
4	2002	665.12	598.61	420.53	178.08	63.23	26.77
5	2003	669.33	629.40	443.33	186.07	63.39	26.61
6	2004	829.77	746.79	445.88	300.91	53.74	36.26
7	2005	954.52	859.07	454.24	404.83	47.59	42.41

Source: Nigerian Institute of Transport Technology {NITT},Zaria.

The above table shows that in 1999, the Institute expected to received grants of 353.97 million representing 90%, in which N259.08 million representing 65.87% was granted and released which resulted to shortfall amount of N94.89 million representing 24.13%. In 2000, N444.55 million was targeted to be received from the Federal Government, but

N267.76 million representing 54.21% was approved and released brings the shortfall amount to N176.79 million representing 35.71%. The same experience took place in 2001, 2002 2003 and 2004 respectively. But, 2005 is the worst year in which the Institute were expected N859.07 million i.e 90% demands, but only N454.24 million representing 47.59%, brings the shortfall amount to 404.83 million representing 42.41%. This shows that the Federal Government was not able to meet up with the percentage of the amount requested by the Institute.

Table 4.2.5 Percentage of internal generated revenues of the NITT and shortfall percentage from 1999-2005.

S/No	Year	Actual grants	Amount to be generate by Institute	Actual amount generated	Shortfall of IGR	Perc. Of actual IGR	Perc. Of shortfall
-	-	{N'M}	{N'M}	{N'M}	{N'M}	%	%
1	1999	259.08	39.33	4.24	35.09	1.08	8.92
2	2000	267.76	49.39	44.74	4.65	9.06	0.94
3	2001	360.04	60.33	29.10	31.23	4.82	5.18
4	2002	420.53	66.51	42.41	24.10	6.38	3.62
5	2003	443.33	69.93	73.00	-	10.44	-
6	2004	445.88	82.98	50.20	32.78	6.05	3.95
7	2005	454.24	95.45	63.67	31.78	6.08	3.32

Source: Nigerian Institute of Transport Technology {NITT}, Zaria.

Table 4.2.5 showed that the Nigerian Institute of Transport Technology would have generate N39.33 million in 1999 representing 10%, but were able to generated only N4.24 million representing 1.08%. The inability of the Institute to meet up with the

require amount of internal generated revenues resulted to a shortfall amount of N35.09 million representing 8.92% in that year.. In 2000, the Institute strive to survive and they were able to generated N44.74 million representing 9.06% out of 10%, which amounted to N49.39 million, leaving only N4.65 million representing 0.94% to be covered. In 2001, 2002, they experienced a wide shortfalls, but in 2003, they generated more than 10% expected. More so, in 2004 and 2005, they also experienced very wide shortfalls. Therefore, their internal generated revenues is still very poor and the management of the Institute need to do something in order to improve it.

4.4 ANALYSIS OF THE QUESTIONNAIRES AND RESULTS OF THE INTERVIEWS.

In the Nigerian Institute of Transport Technology, Zaria, the questionnaire was administered on thirty seven {37} respondents from different departments consisting of Bursary, Planning Unit, School of Transport and Research / Consultancy department . It should be noted however, that out of the total thirty seven {37} questionnaires administered on the respondents, only thirty two {32} were filled and returned, representing about 93%.

In presenting the data, the study adopted summary tables and simple percentages. This is because they allow for a great deal of quantitative data to be presented in very clear and precise manner. These tables are constructed from the questionnaire responses administered on our respondents.

4.4.1 Personnel Data.

The questionnaire was administered on thirty seven {37} officers of the Nigerian Institute of Transport Technology {NITT}, Zaria, comprises of both senior and junior

staff. The age of 20 respondents ranged between 25 and 30 years, while 17 of them were 31 years above. The table below shows the age range of the respondents, the frequency and the percentage.

Table 4.2.6 Age Distribution of Respondents.

S/NO	Age	Frequency	Percentage
1	Below 25 years	-	0
2	25-30 years	20	55
3	31 and above	17	45
	Total	37	100%

Source: Questionnaire Administered on Respondents, 2007.

The table above shows the age distribution of the respondents. The age of 20 respondents ranged between 25 and 30 years, while 17 of them were 31 years and above.

Each of the respondent administered were serving in various departments of the institute and they have been in the service of the Institute for the period of ten {10} years and above. Therefore, they have vast of knowledge, experience and in better position to give accurate answers to the problem under study.

4.4.2 Funding of the Nigerian Institute of Transport Technology.

The Nigerian Institute of Transport Technology is funded solely by the federal government through the Ministry of Transport. Respondents from the Institute indicated that the Nigerian Institute of Transport Technology receive its subvention from her supervising ministry quarterly and regularly. On the question of adequacy of funds, below is the results and analysis of the questionnaires.

Hypothesis one:

Null Hypothesis: The Nigerian Institute of Transport Technology is adequately funded. In testing this hypothesis, three questions were framed and posed on the respondents. These questions and the respondents' responses {frequencies observed} are presented in the table below:

Table 4.2.7: On the adequacy of funds in the NITT.

S/No	Questions	Responses		Total
		Agree	Disagree	
1	What is the level of funding in NITT?	25	7	32
2	Does the Institute have enough funds to engage in meaningful research work?	15	3	18
3	Is the grants released to the Institute adequate to develop technological and managerial skill?	21	5	26
		61	15	76

Source: Questionnaire Administered on Respondents, 2007.

The above table as per question one {Q1} in relation with the data extracted from the Institute in table 4.2.7, has clearly shown that the Nigerian Institute of Transport Technology is not adequately funded by the federal government. It shows that the level of funds in the Institute is still poor. This is because the budgeted figures of the Institute in 1999 was N393.30 million in which N353.97 million was expected to have been approved and released by the Federal Government, but N259.08 million were actual amount granted and released resulted to shortfall amount of N94.89 million. So, the same shortfalls was experienced in all the six years. This also attest in the above table, when 25 out of 32 respondents {i.e 85%} agree that the Federal Government does not provides

overstated. Because of the discrete nature of data, the statistician Yates and Yamane {1993}, shows that the formula for chi-square which include a correction for continuity is appropriate when Degree of Freedom is equal to one {D.F=1}:

$$X^2 = (fo - Ei - \tfrac{1}{2})^2 \quad \text{or}$$
$$X^2 = E[(fo - fe)\text{-}05]^2$$

But the correction according to Yates has little implication and can be ignore or neglected when n >50. It could not also be applied to any cell for which the different of fo and fe is less than 0.5

To find the frequency expected {fe} the formula below is applied:

$$fe = \frac{rt \times ct}{gt}$$

Table 4.2.8: On the adequacy of funds in the NITT

Fo	**Fe**	**Fo-Fe-0.5**	$\frac{\{Fo\text{-}Fe\text{-}0.5\}^2}{fe}$	
25	17.5	7.5	56.25	3.214
7	14.5	-7.5	56.25	3.879
15	11.5	3.5	12.25	1.065
3	6.5	-3.5	12.25	1.885
21	15.5	5.5	30.25	1.952
5	10.5	-5.5	30.25	2.881
				X^2=14.876

Source: Questionnaire Administered on Responses, 2007.

The Degree of freedom is calculated thus: D.F=(2-1) (C-1)

={2-1} (2-1)=1

Using the chi-square formula as the bases for decision, the decision rule is that when $xo^2 < xt^2$ we accept null hypothesis, but when $xo^2 > xt^2$ we accept the alternative hypothesis.

Finding the value of x^2 tabulated (xt^2) at 95% confidence level (x^2 =0.05) and using the x^2 distribution table to shows a theoretical cut-off chi-square of 9.488.

Interpretation

From the above calculation, it could be seen clearly that $xo^2 < xt^2$(i.e 14.88 < 9.49) and hence the alternative hypothesis is accepted. Therefore, the null hypothesis which says that the funds allocated to the Nigerian Institute of Transport Technology is adequate is rejected. This shows that the importance of NITT is still undermine by the federal government. Data extracted from NITT and data received from our respondents which has already been presented and analyzed at the beginning of this section which attest that funds made available to NITT is not sufficient. The federal government should try to meet up with the financial requirements of the Nigerian Institute of Transport Technology for enable them carried out their assigned responsibilities.

Hypothesis Two:

Null Hypothesis: Available funds to the Nigerian Institute of Transport Technology are not effectively and efficiently utilized. In testing this hypothesis, three questions were framed and posed on the respondents. These questions and the respondents' responses {frequency observed} are presented in the table below:

Table 4.2.9: On the Effectively and Efficiently Utilization of Funds.

S/No	Questions	Responses		Total
		Yes	No	
1	Before contracts are awarded for any work, supplies of equipment and materials, does the management of the Institute obtain quotations from contractors on the basis of which the best quotation is chosen ?	17	11	28
2	Apart from the structures, equipment and materials in which NITT take off, does the managements raise any new structures, or does it ordered for new equipment and materials to replaced the old items?	20	12	32
3	What methods does the NITT use to pay members of its Governing Board?	14	10	24
		51	33	84

Source: *Questionnaire Administered on Respondents, 2007.*

When we asked our respondents to comment on question one (Q1) that before awarding a contract for any work, supplies of equipment and materials, does the management of the Institute obtain quotations from the contractors on the basis of which the best quotation is chosen?. Out of total 32 respondents {as per table4.2.9}, 17 answered yes, 11 answered no, while the remaining 4 have no idea.

As regard to the second questions, our respondents were asked that apart from the structures, equipment and materials in which NITT take off with, does the management raise any new structures?, and does it ordered for new equipment and materials to replaced the old items?. Those that responded yes, totaled 20, while the remaining 12 answered no.

In order to get more information from our respondents, we ask the third question (Q.3) as shown in the table 4.2.9 above, that what methods does the management of the

Nigeria Institute of Transport Technology use to pay members of its Governing Board? Those that responded yes, total 14, while about 10 indicated no, the remaining 8 have no idea.

The implication of not utilizing funds effectively and efficiently by the Nigerian Institute of Transport Technology is that it may makes the Federal Government who is solely financing the Institute take any of these actions, either to close down the Institute , or terminated the appointment of some key management staff, nor reduced the grants allocated to the Institute. But since any of these actions are not in the favour of the Institute, that is why, the management take precaution in the utilization of funds allocated to the Institute. Therefore, the management of the Institute ensure that funds made available to them must be judicious utilized to the attainment of the Institute's objectives.

The frequencies expected (fe) were computed using the following formula which are presented in the table below:

$$Fe = \frac{Rt \times Ct}{Gt}$$

Table 4.2.7: On the Effectively and Efficiently utilization of funds

Fo	**Fe**	**Fo-fe**	**$(fo-fe-0.5)^2$**	**$\{fo-fe-0.5\}^2$ fe**
14	9.2	4.8	23.04	2.50
10	14.8	-4.8	23.04	1.56
20	23.4	-3.4	11.56	0.49
12	8.6	3.4	11.56	1.34
17	12.4	4.6	21.16	1.71
11	15.6	-4.6	21.16	1.36
				X^2=8.96

Source: Questionnaire Administered on Respondents, 2007.

Finding the x^2 tabulated (xt^2) at 95% confidence level ($x=0.05$) using the x^2 distribution table, shows a theoretically cut-off chi-square of 3.84.

Interpretation:

From the above analysis, it could be seen that $xo^2 > xt^2$ (I.e 8.96 > 3.84) measuring that the alternative hypothesis is accepted. Therefore, the null hypothesis that says available funds to the Nigerian Institute of Transport Technology are not effectively and efficiently managed or utilized is respected. This in essence has demonstrated the fact, that before contacts are awarded for any work, supplies of equipment and materials the management ensure that it must followed the due process and they would make sound and articulated decisions before and after awarding the contract. They would also ensure that the equipment and materials would not be supplied at an inflated prices.

Table 4.2.10: Estimated personnel need to be trained and retrained in the Transport sub-sectors {managers}

Sector/Years	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**
Rail	400	450	500	450	500	700	800
Highway	100	400	600	600	450	500	1000
Maritime	400	150	100	200	300	300	700
FMOT	200	200	100	150	200	200	200
Total	1100	1200	1300	1400	1450	1700	2700

Source: Mayowa 2003.

Table 4.2.12: Estimated manpower need to be trained and retrained in the Transport sector{Technicians and Technologists}

Sector/Years	1999	2000	2001	2002	2003	2004	2005
Rail	700	600	800	1000	1200	1500	2000
Highway	600	500	650	900	900	1000	1000
Maritime	500	900	1100	700	800	700	800
FMOT	600	700	650	800	700	800	700
Total	2400	2700	3200	3400	3600	4000	4500

Source: Mayowa 2003.

Table 4.2.11 above relate to the number of senior staff from the category of supervising management, while 4.2.12 relate to the number of Transport Technicians and Technologists for both senior and junior cadre in the transport sector.

Table 4.2.13: Number of Manpower trained and retrained in all cadre for various transport sub-sectors in the transport sector.

Sector/Year	1999	2000	2001	2002	2003	2004	2005
Rail	800	600	900	1000	1000	1200	1400
Highway	300	700	600	700	800	700	900
Maritime	600	500	700	600	700	600	700
FMOT	500	600	400	500	500	700	400
Total	2200	2400	2600	2800	3000	3200	3400

Source: Mayowa, 2003.

Table 4.2.13 shows the number of manpower trained and retrained by the Nigerian Institute of Transport Technology for both senior and middle cadre managers, technicians and technologists for various transport sub-sectors suited for employment and other services in the transportation sector of the economy.

Hypothesis Three:

Null hypothesis: The performance of the Nigerian Institute of Transport Technology have no significant impact to the adequacy of funds allocated to it. In testing this hypothesis, we decided to use the funds released from the federal government to the Nigerian Institute of Transport Technology (NITT), Zaria and the number of manpower trained and retrained by the Institute from 1999- 2005 to see the relationship between the funds releases and what they used the funds for, whether there is co-efficient correlation between funds and performance. The decision to use the number of manpower trained and retraining is base on the ground that the Institute is a research Institute basically established for the purpose of providing training for both senior and middle cadre managers, technicians and technologists suited for employment and other services in the transportation sector of the economy. The table below shows the funds released and the number of manpower trained covering the period of seven years (1999 – 2005):

Table 4.2.14: Nigerian Institute of Transport Technology Annual Grants Released from 1999 – 2005 and number of manpower trained from 1999 – 2005.

Year	Grants Released	No of Manpower Trained
-	(N'M)	-
1999	259.08	2200
2000	267.76	2400
2001	360.04	2600
2002	420.53	2800
2003	443.33	3000
2004	445.88	3200
2005	445.24	3400
	N2,650.86	19600

Source: The Nigerian Institute of Transport Technology (NITT), Zaria.

Comparing the data extracted from the NITT in table 4.2.2 with the above table, it can be seen clearly that in 1999, 2200 manpower were trained and retrained for various transport sub-sectors in the transportation sector of the economy from the amount released to the Institute. Similarly, 2400 manpower were trained and retrained for various transport sub-sectors in the transportation of the economy from the funds released to the Institute as a result of increased of the funds. This means the higher the grants released, the higher the number of manpower trained. Therefore, we decided to use x to represent the funds released while y represents the number of manpower trained to test the relationship, which will be in the next table.

Table 4.2.15: The NITT Annual Grants Released and number of Manpower Trained and Retrained from 1999 - 2005 represented by x and y

X	1	2	3	4	5	6	7	28
Y	22	24	26	28	30	32	34	196

Source: The Nigerian Institute of Transport Technology (NITT), Zaria.

Table 4.2.15 shows that x is an independent variable while y is a dependent variable. The number of manpower trained and retrained depends on the funds made available to the Institute.

To find the frequency expected (fe) the formula below is applied:

$$r\text{-}n\Sigma xy - \Sigma x\Sigma y$$

$$n\Sigma x^2\text{-}(\Sigma x)^2(n\Sigma y^2)\text{-}(\Sigma y)^2$$

Table 4.2.16: On the significance impact to the adequacy of funds and management performance NITT.

X	Y	Xy	X^2	Y^2
1	22	22	1	484
2	24	48	4	576
3	26	78	9	676
4	28	112	16	784
5	30	150	25	900
6	32	192	36	1024
7	34	238	49	1156
28	196	840	140	5600

Source: Nigerian Institute of Transport Technology (NITT), Zaria

$$\underline{R=n\Sigma xy\text{-}\Sigma x\Sigma y}$$
$$n\Sigma x^2\text{-}(\Sigma xy^2)\text{-}(\Sigma y)^2$$

$$= 840 - 28x \underline{196}$$
$$7$$
$$= 840 - 784 = 56$$
$$\Sigma (x\text{-}x)^2 = \Sigma x^2\text{-}\underline{(\Sigma x}$$
$$N$$
$$= 140 \quad 28 \times 28 = 28$$

$$\Sigma (y-\bar{y})^2 = \Sigma y^2 - \frac{(\Sigma y)^2}{N}$$

$$= 5600 - \frac{196 \times 196}{7} = 112$$

$$r = \frac{56}{28 \times 112} = 56/58 = 1$$

$$r = 1$$

Using the correlation formula as the bases for decision. The decision rule is that when there is a perfect functional relationship between x and y but with a unit increase in x leading to a constant decrease in y. we rejected the hypothesis but when there is a perfect relationship between x and Y with a unit increase in x always leading to a constant increase in y, we accepted the alternative hypothesis.

Interpretation:

From the above calculations and in comparing with the data extracted from NITT and tabulated in table 4.2.2, it could be seen clearly that r =+ 1 since an increase of 1 in x is always accompanied by an increase of 2 in y hence the alternative hypothesis is accepted. Therefore, using this calculation as a basis of decision, the null hypothesis which says that the performance of the Nigerian Institute of Transport Technology have no significant impact to the adequacy of funds allocated to it is rejected. This shows that, the number of manpower trained and retrained by the Institute is use as a basis of performance since an increase of funds is always accompanied by an increase of manpower trained. Data received from the Nigerian Institute of Transport Technology, which has already been presented and analyzed at the beginning of this subsection, attest the performance of the Institute as regards to the funds made available to it. Therefore, the Nigerian Institute of Transport Technology {NITT} will continue to be relevant in the

economy of the country as there is no end to education since the Institute has the responsibility to train, educate and advice both the government and the private sector owners and operators on the best practices in the world.

4.4.3 Daily Takings and Payments-cash Office.

It was indicated in the literature review that judicious utilization of funds made available to an organization is a function of a good management. As an effective internal control system assist in good management of resources, a number of questions were asked that give insight into the way the Nigerian Institute of Transport Technology manage their funds and fixed assets. The study revealed that all subventions are received by cheques and are paid into the institutes' accounts.

The study indicated that lodgements are done once a week, when they were interviewed. It was explained that the amount of cash received is sometime low and considering the distance between the office and Central Bank location and non-availability of vehicle at times, makes not the practicable to lodge takings daily. However, cash and cheques receipts are posted into the receipt cashbook and balanced daily. Moreover, when bank statements are received the final account unit of the Accounts department prepares the bank reconciliation statements. Without notice, schedule staff of the internal audit unit goes to the cash office for cash counts. This has reduced the chances of misappropriation of funds and ensured that the little funds available were judicious utilized.

All payments vouchers with exception of petty cash vouchers or imprest forms go through the necessary audit checks before cheques are written by the payment cashier. The payment cashier keeps all signed cheques and unused cheques leaves. He releases

cheques to payees after they must have signed the cheques payment register. Inspite of this, no member of staff is allowed access to receipt books apart of receipt cashier.

4.4.4 Signatories to the NITT bank accounts.

The Nigerian Institute of Transport Technology issued is found complying with civil service financial regulation {FR} No.804 which makes it mandatory that cheques to be drawn against an official account should be signed by two officers, one of whom is authorized to keep the account. The officers igniting cheques should also sign the counterfoils. In Nigerian Institute of Transport Technology, signatories to the official bank accounts are grouped into A and B. Group A comprises of Executive director and Assistant director. While group B comprises of Bursar and Deputy bursar. In line with the financial regulation, the Director and Head of Accounts {Bursar} sign cheques or one person each from the two groups.

The Director being signatory to the Nigerian Institute of Transport Technology accounts is appropriate as it is his duty to oversee the running of the institute. As he is accountable to the Governing Boards for whatever goes on in the institute, he is watchful so as to guard against mismanagement of funds. This enable him to make sure that cheques are only written for bills they have authorized and hence prevent or reduce the chances of misuse of funds.

4.4.5 Salaries and Wages.

When a new member of a staff's name is entered into the payroll, the accounts department must have received a copy of letters of appointment and assumption of duty from Administration department. The procedure involved in payment of salaries is a safeguard against defrauding and the presence of ghost workers in the institute, except

where there is collusion. The internal audit units vouch salaries and wages before they are paid.

The Nigerian Institute of Transport Technology paid overtime to mainly drivers and staff in an official assignment who usually worked late or assigned to go on an official journey when there is a need for it or when there are management or Board meetings and accounts staff in the accounts section. Respondents indicated that overtime is controlled.

4.4.6 Purchases and Contracts for Supply and Repairs.

In the Nigerian Institute of Transport Technology, acquisitions of stores are done by the issuance of local purchase order {LPO} to reputable and registered suppliers. The director who controls expenditure and issuance of local purchase orders authorizes all local purchases. Before awarding a contract for any work, repair and supply of materials, quotations are obtained from three contractors, on the basis of which the best quotation in terms of the lowest price and the reputation of the contractor for genuine goods and quality services is chosen. This requirement of calling for three quotations and choosing the best helps officers to exercise due economy in spending funds made available to the institute as stated at financial regulation number 515.

The Nigerian Institute of Transport Technology were found conforming to the provision of the Financial Regulation 3903 which stipulates the amount of money that should determine whether the purchase of any material should be done by contract and by public tender or otherwise. According to the financial regulation, stores purchased in Nigeria in which the cost exceeds N5,000:00k must be obtained by contract after public tender must be obtained by contract after public tender. But due to inflation, the amounts

specified by the Financial Regulation have been reviewed upwards to N500,000:00k and above. There is limitation to the value of supplies or contract jobs that the Director can approve. As pointed out by the Bursar of the Nigerian Institute of Transport Technology, the director approves supplies and contract jobs to the sum of N300,000:00k. Beyond this limit, the Chairman of the Governing Board's approval is obtained. Tender board considers tenders invited in according with the regulation. The Tender Board does the selection or short listings of contractors. All persons tendering for the supply of materials are required to submit tenders as such materials along with their provided for at Financial Regulation 4010.

The submission of sample enables the professionals or a number of staff of the user's unit who is a member of the Tender Board to ascertain the genuine of the goods, bearing in mind the quality and prices before the decision as to who supplies the goods are reached by the Board. When such goods are eventually supplied the description and quantity are checked against the local purchase order by the storekeeper, internal audit staff and a member of staff of the user's unit. Materials and equipments that are urgently needed which cost small amounts of money are purchased from imprest. The internal audit is always providing a staff to see and certify that purchases for which money has advanced were made. Members of staff do adhere to this practice religiously as non-conformity normally make retirement of cash advance taken difficult.

The internal audit also serves as a price-monitoring unit. The unit carries out market survey on regular basis to familiar itself current prices in the market. The study revealed that this practice helps to guard against purchase of material at inflated prices by members of staff.

4.4.7 Management of Fixed Assets.

The Nigerian Institute of Transport Technology has a fleet of vehicles. The categories of officers given cars are Director, Assistant Directors, Heads of Administration and Bursary department. Besides these vehicles specifically assigned to these principal officers of the institute, they have other vehicles in the pool, which are used for official assignments. Whenever an officer needs a vehicle for official use, he puts up a request for it. He is given one and a driver that will take him to his destination. It is only the institute's employees who are professional drivers that allowed driving the NITT vehicles. Proper maintenance of the vehicles is done on regular basis. The institute was found to have a measure of control over the way official vehicles are used.

Although 12 out of the 32 respondents indicated that the NITTs' vehicles are not strictly used for official assignment. that the principal officers use vehicle for non-official travels. Costs of maintenance of vehicle during such travels are borne by the institute. Responses of those interviewed showed that it is only the Director that is allowed to use official vehicle for personal journey.

Furniture and equipment within a building are recorded in a master inventory record, which is maintained by the store officer. This shows the location of the furniture and equipment. The Head of Accounts ensures that the inventory of equipment and furniture distributed to different offices and laboratory agrees with the balance in the relative fixed Asset Register. He is also to ensure that a furniture inventory Board is displayed in each room or office to show the distribution of furniture and equipment to each room or office. The furniture and equipment have identification marks and numbers to reduce the chances of being stolen

The store officer acting on behalf of the Head of Accounts checks periodically, at least once a quarter to ensure that the correct number of furniture and equipment are found where they are supposed to be located and that they are in good serviceable condition. The external auditors check annually, locations where the institutes' fixed assets are kept to verify their existence when they are to round up their audit. None of the audited accounts of the NITT that were studied for this research contains any adverse report on the use and maintenance of fixed assets. The financial Regulation has a provision for precautionary measures to be taken against loss of property, which the Nigerian Institute of Transport Technology adhered to. Regulations 3309 and 3311 specify the items to include provision of adequate fire fighting appliances and the employment of a night watchman to watch over the premises whenever the stores are of sufficient importance or value. The Nigerian Institute of Transport Technology has security men and fire fighting appliances. These have helped them to minimize the changes of losses of articles by fire outbreak and burglary.

4.4.8 Retirement Of Special Imprests and Touring Advances

Special imprests were granted for purchases of items that were needed for urgent use. Touring advances were also granted to staff for official tours. These advances are supposed to be retired within seven days after the granted was made or as soon as the purpose for which advance was taken is accomplished.

The NITT was found to be a bit slack in this area. Special imprests and touring advances were not being retired on time. Responses on item 40 in the questionnaires showed that retirement of advances is often delayed. The 32 respondents indicated that imprested and touring advances.

4.4.10 Deposit and Savings Accounts

The audited accounts of the Nigerian Institute of Transport Technology studies were accessible for this research work. The audited accounts showed that the institute maintained deposit and savings accounts with various banks that they were allowed to operate with. The operation of deposit and savings account helps to generate additional income. The desire for more funds must have informed the management's decision to operate fixed deposit accounts with the surplus funds. However, this operation also shows that, the NITT has not been having surplus from their subvention, therefore they may not put in deposit accounts.

4.4.11 Expenses on Members of Governing Board.

Members of the Governing Board are paid sitting allowance each time they convene a meeting to deliberates on issues that concern the staff and the institute in general. The institute takes care of their transportation and hotel accommodation in every visit made. Item 38 on the questionnaire was meant to provide information on whether board members frequently visit the institute even when the purpose of the visit could have been discussed over the phone. The study revealed that no member of Board made unnecessary visits.

4.5. ASSESSMENT OF OTHER SOURCES OF FUNDS

The Nigerian Institute of Transport Technology (NITT), Zaria organizes both short and long courses, seminars and workshops for non-staff who would like to set up a private transport services. These courses, seminars and workshops also help to develop some staff from government and non-governmental transport services in the industry. A meager fund is been generated from the courses.

The Nigerian Institute of Transport Technology took up the responsibility of conducting research and offering advisory services for both public and private sector of the industry in which they generated a small amount of money from it.

The Institute also conducts basic and applied transport research as well as coordinates consultancy services. The Institute also runs Transport School aimed at training the manpower who have the competencies and professional skills to manage the transport industry. They also generated a meager fund from the consultancy services as well as sale of admission forms.

In addition of aforementioned, they also generated funds from the registration of contracts, rent of staff quarters and interest on deposit account. Other sources in which in which the Institute generated funds includes sales of journals, transcripts and accommodations, stakeholders' forum/contribution and donations from both national and international body.

Income from the sources mentioned above are usually very meager when compared with the total amount of funds required to run the institute. The table below shows the summary of the income generated internally by the Nigerian Institute of Transport Technology from 1999-2005.

Table 4.5.1: The Nigerian Institute of Transport technology internally generated revenue from 1999-2005

S/n	List of items	1999	2000	2001	2002	2003	2004	2005
	-	N	N	N	N	N	N	N
1	Courses, seminars workshops	2,842,350	10,417,288	11,087,632	13,099,742	31,907,284	33,387,500	30,874.74
2	Rent on staff quarters	93,917	3,779,392	6,973,906	5,681,376	5,929,991	5,618,320	5,713,16
3	Registration of contracts	189,917	359,700	846,800	94,100	109,200	1,352,501	1,821,00
4	Sale of admission forms	36,900	42,000	25,400	79,300	304,500	270,300	439,473
5	Consultancy	771,429	22,045	2,459,000	5,500.000	7,446,755	8,338,840	2,006,26
6	Other incomes: Journals transcripts & accommodations	312,884	3,096,966	1,116,237	1,260,462	1,995,001	1,235,865	1,513,20
7	Interest on deposit	-		1,597,334	1,695,397	312,716	1,235,865	55,519
8	Stakeholders forum/contribution	-		-	-	5,000,000	-	21,250,00
9	Donations	-	5,000,000	5,000,000	15,000,000	20,000,000	-	-
	TOTAL	4,247,180	44,740,547	29,106,309	42,410,377	73,005,447	50,203,321	63,673

Source: Nigerian Institute of Transport Technology (NITT), Zaria.

From the above table it could be seen clearly that in 1999, the Institute generated the total sum of N4.24 million represents 1.08% to supplement the Federal Government releases. In 2000, the sum of N44.74 million represents 9.06% was generated. Similarly in 2005, the sum of N63.73 million represents 6.08% was also generated internally to supplement the Federal Government. Therefore, the funds generated was not sufficient to enable the Institute embark upon meaningful research work.

4.6 UTILIZATION OF FUNDS AND PERFORMANCE APPRAISAL OF THE INSTITUTE

An organization holds its funds or financial resources in the form of assets. Fixed assets are items such as equipment and building, which are held for permanent use. current assets are items such as stock held, receivable items (Debtors) and cash which are held as part of revolving working capital, while working capital is forever changing its

composition and is held not for permanent use but to satisfy the organization's consumption, trading and liquidity needs.

All managements must provide adequate funds for the purposes of the organization. In the private sector, lack of fund may lead to insolvency and insolvency may lead to bankruptcy. In the public sector, the penalties for neglecting funds are not as severe, nor are the choice of methods of providing funds. The need to consider funding is nevertheless a prime considering, but the problem is that of matching the need to spend money with its availability over a period of time.

The Nigerian Institute of Transport Technology holds its fund in the form of assets. They make a wise decision in the usage of their funds. Funds provide to them by federal government are classified into categories. Capital and Recurrent grants. Capital grants are meant for capital projects such as purchases of equipment, materials training of manpower, machinery and buildings while recurrent grants are meant for personnel salaries, overheads and stake holder's grants etc.

The management of the Nigeria Institute of Transport Technology provides adequate funds for days- to- day running and activities of the institute. Records shows that from 1999-2005, they had never experience any problem of mismanagement of funds or not staff salaries.

As regards to the performance, one of the cornerstone of good management is to ensure that the organization is able to meet its obligation as they arise. Its essential that there is an understanding of the various factors requiring measurement and the roles they play in determining their performance.

In the private sector, however, where profit is the basis on which management is evaluated, it is important to separate the return made in respect of the operating activities of a company from the return received on the external investment. Where the latter constitutes a controlling interest, the earnings from the investment are consolidated with the operating profit of the holding company, since the management is in position to control and influence the activities of the subsidiary company.

In the public sector, generating of profit does not adequately provide the bottom line for organizational performance since they operate with a goal of providing service for public benefit, there must be ways to ensure that the level of public service achieved is measured and reported.

Even, in private sector the use of profitability to determine organization 's success or failure is subject to dispute, on the grounds that it does not measure the intangibles benefit such as good moralé in the organization, market penetration and efficient organization of the firm's operation. However, good morale should be reflected in better productivity and effectiveness, market penetration should lead to an increased volume of revenue, while efficient operation should mean effective use of resources.

Where management cannot appraise their own performance on a profit-making basis, they must first have clear understandings of their function and role in the organization for which they are responsible, as this will naturally be different from that pertaining in the private section. They can then evaluate their performance using other techniques as a basis of performance.

Therefore, the Nigerian Institute of Transport Technology embark upon the projects, which was completed within the period under study: the Institute Cybe library;

the Institute Internet Café and computerization system in all offices; the Institute 122 self-contained, and well-furnished rooms for course participants; the Hostel accommodation facility was upgraded to house Air-condition and television for course participants and other guests; the Transport Technology Centre was design and executed; and the internal access roads and drainage were rehabilitated. All these projects that were completed are in addition to 19,600 manpower that were trained and retrained within this 7 years.

The Nigerian Institute of Transport Technology as a public sector (parastatal) whose main objectives for establishment are:

(i) To provide training for both senior and middle cadre managers, technicians and technologists suited for employment in the operations, management, accounting and allied services in the transportation sector of the economy;

(ii) To provide facilities for the training of persons in the installation, operations maintenance of technical equipments in the formulation and administration of rules, procedures and practices, calculated to measure the margin of operational safety of transport services;

(iii) To provides approved and adequate training in the design, installation, maintenance operations and modernization of technical equipment relevant in all forms of the transportation sector of the economy; and

(iv) To provide equipment and the facilities for the encouragement, promotion and conduct of research in all fields of transportation, ensure the periodical evaluation of transport plans and programmes and the formulation of such

policies on transportation as may from time to time be authorized by the ministry Dange{2001}.

In line with the above objectives which are basically, the training of persons capable for employment in the operation of the transport sector, we then use the manpower trained suited for employment in the Operations, Management, Accounting and allied services in the transportation sector of the economy, encompasses transportation by rail, road, air, sea inland water ways.

In order to get adequate information to evaluate management performance appraisal of the Nigerian Institute of Transport Technology, we drawn our view from hypothesis three which stated that management performance have no significant impact to the funds allocated to it.

In view of this, three questions were framed and posed on the respondents use to test the level of management performance appraisal. These questions and responses frequencies (observed) are presented in the table below:

Table 4.6.1 on the number of manpower trained as a basis for management performance.

S/No	Questions	Responses		Total
		Yes	No	
1	How much manpower was trained from 1999-2005?	16	9	25
2	What is the level of the training?	20	12	32
3	Are the manpower trained qualify or suited for the operations in the transport sector?	17	11	28
		53	32	85

Source: Questionnaire Administered on Respondents, 2007

When we asked our respondents to comment on question one (Q.1) that how many persons were trained and retrained from 1999 – 2005? Out of the total 32 respondents, 16 answered 19600, 9 answered 15000, while the remaining 7 have no idea.

In order to obtained further information from our respondents, we ask the second question (Q.2) as shown in the table above, that is the training received adequate? Out of the total 32,20 answered yes while the remaining 12 say no.

As regard to third question (Q.3), our respondents were asked whether the manpower developed qualify or suited for the employment in the operations, management and accounting and other services in the transportation sector of the economy? Those that responded yes totaled 17. while about 11 indicated no, the remaining 4 have no idea.

The frequency expected (Fe) was computed using the following formula, which are presented in the table below:

Table 4.6.2 On the Level of Adequate Training and Qualification Suited for the Operations in the Transport Sector.

Fo	Fe	Fo-fe	(fo-fe-0.5)^2	$\frac{(fo-fe-0.5)^2}{fe}$
20	23.5	-3.5	12.25	0.52
12	8.5	3.5	12.25	1.44
17	12.5	4.5	20.25	1.64
11	15.5	-4.5	20.25	1.31
15	11.5	3.5	12.25	1.07
11	14.5	-3.5	12.25	0.84
				X^2=6.80

Source: Questionnaire Administered on Respondents, 2007.

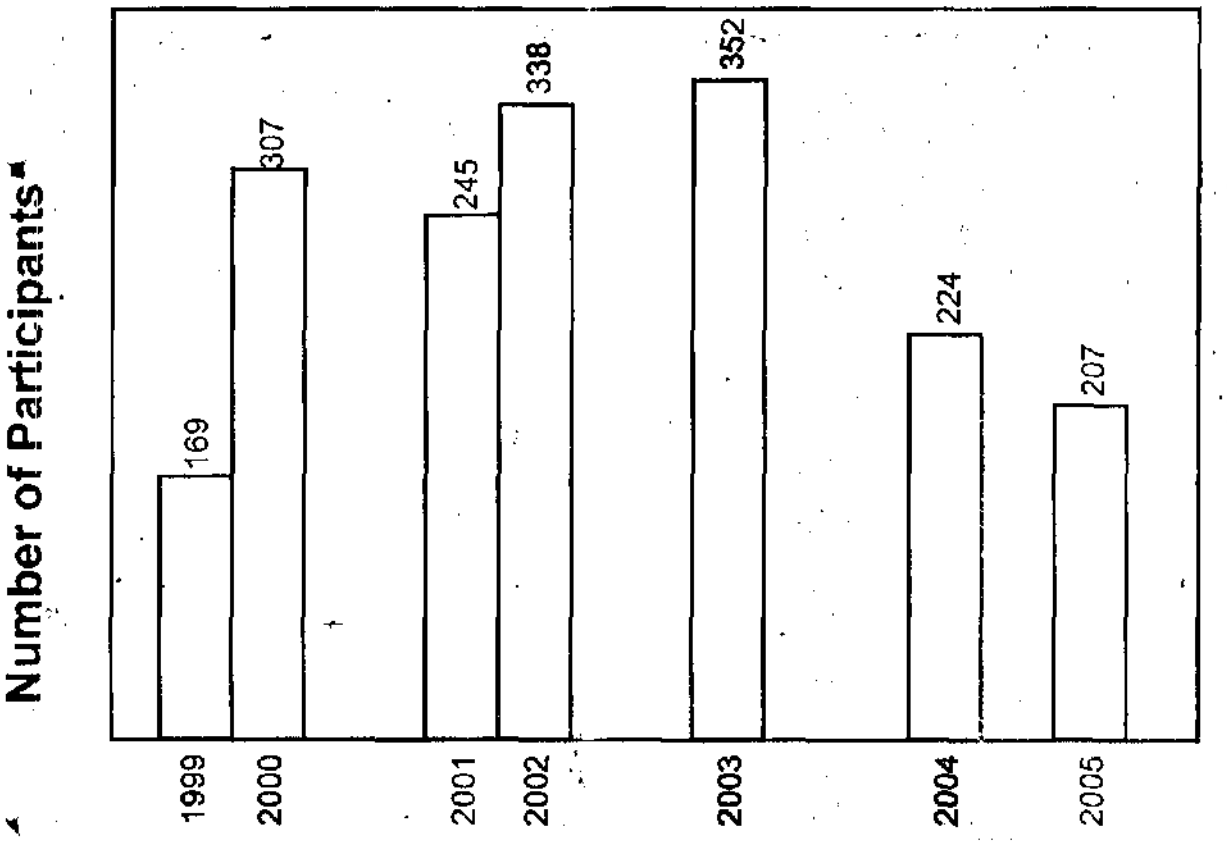
Finding the x^2 tabulated (Xt^2) at 95% confidence level ($x = 0.05$) using the x^2 distribution table, slows a theoretical cut-off chi-square of 3.84.

From the above analysis, it could be seen clearly that $xo^2 > xt^2$ (i.e $6.80 > 3.84$) meaning that the alternative hypothesis is accepted.

Using the table as a basis for evaluate management performance appraisal. The Nigerian Institute of Transport Technology devoted their time and effort to train manpower capable for the employment in the operations, management, Accounting and other services in the transportation sector of the economy.

The Nigerian Institute of Transport Technology found that people are the most important resource for managing infrastructure, vehicles and equipment and making the transportation system to function efficiently and effectively. This means people are recognizable for policy, planning, investment, operational activities and decisions and these functions require social knowledge, expertise and experience. In order to make the level training to be of high quality. the management of Nigerian Institute of Transport Technology introduces short-term training in addition to normal training for the transport sector. The bar diagram below shows the training year, number of participants and number of courses per year.

Bar Chart 4.6.3: Participants in Nigerian Institute of transport technology short-term training programmes from 1999-2005.



Source: Nigerian Institute of Transport Technology (NITT), Zaria.

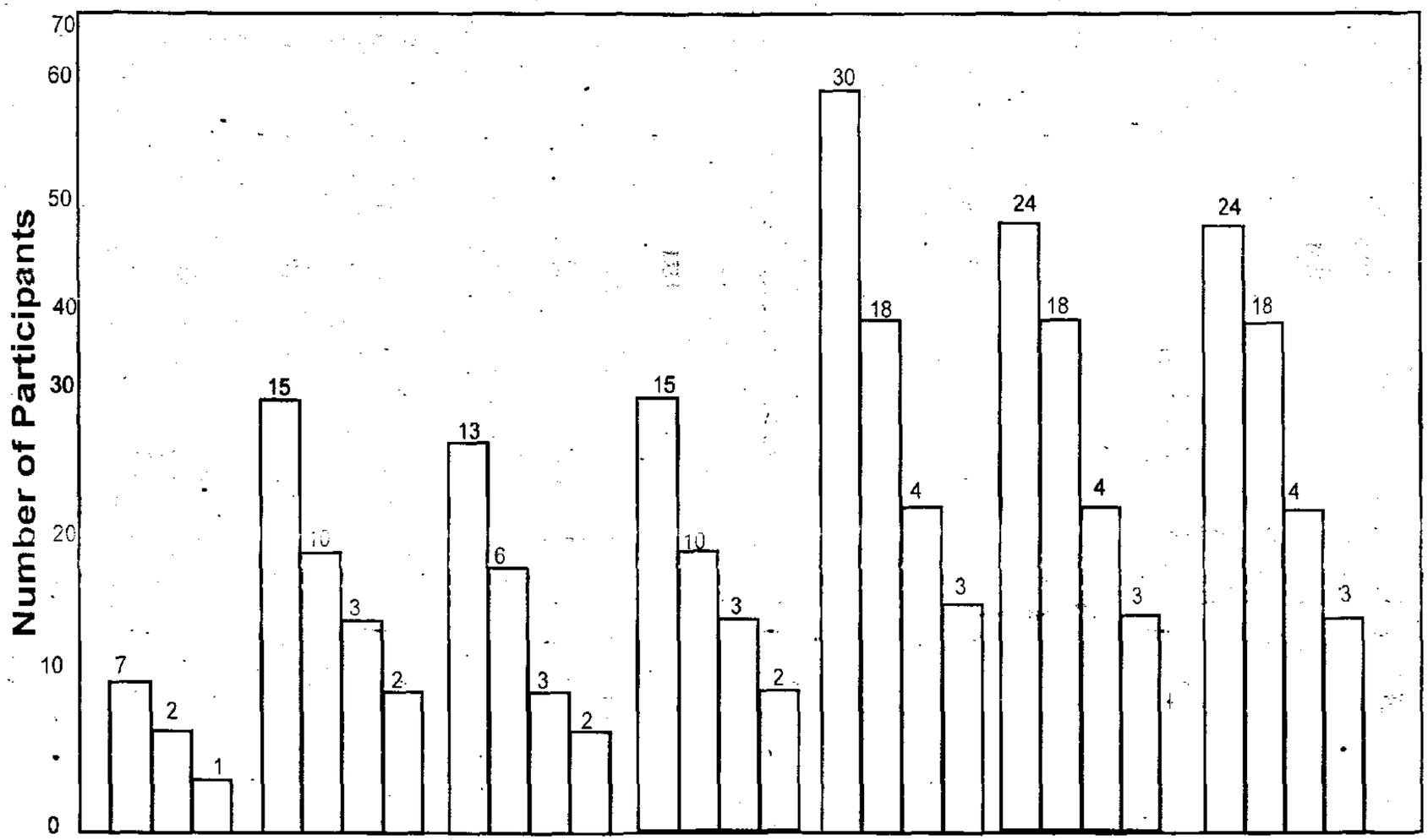
From the above bar diagram, it could be seen that the year 2002 recorded the highest number of participants pooled from both public and private sector, followed by 2003 and 2000 respectively. The aim of introduce this course is to train persons who really have the competencies and professional skills to manage the sector under a competitive environment.

Course programmes are based on the needs of employment and embody the skills, knowledge, and level of performance relevant to the sector and / or to the level of management such as junior, middle and senior. Programmes are developed directly from

analysis with the sector, which facilitates the definition and description of the standards of what professionals are expected to do in the sector.

In order to provide the necessary manpower that will cope with demands of top-level executives in the transport sector, short-term programmes are not adequate. Therefore, the institute introduces and ran four long-term professional programmes, namely: Master in Transport and Logistics, Postgraduate Diploma in Transport and Logistics, Diploma in Transport and Logistics, and Certificate in Transport and Logistics. Below is the Bar chart that shows the year and total number of participants.

Bar Chart 4.6.4 Participants in the NITT Long Term Programmes from 1999-2005



Source: **Nigerian Institute of Transport (NITT), Zaria.**

Training Year

The Bar chart above shows that 2003 recorded the highest number of participants of 55 professionals comprises of; Master in Transport and Logistics 30, Postgraduate Diploma in Transport and Logistics 18, Diploma in Transport in Logistics 4, while Certificate in Transport and Logistics 3. 2004 and 2005 recorded 49 number of participants each for the two years respectively.

All these are efforts made by the management of the Nigerian Institute of Transport Technology to commensurate the funds made available to them towards improve the transport sector of the economy since people are the most important resource for managing infrastructure, vehicles, machinery and equipment and making the transportation system to function efficiently and effectively.

4.7 DISCUSSION OF FINDINGS.

This section brings out the result of the research work or thesis. It is an attempt to discussed the findings on an assessment of adequacy and utilization of funds in relation to performance of the Nigerian Institute of Transport Technology.

The study revealed that the Institutes' budgeted figures from 1999 through 2005 stand at 100% in which 90% are expected to have been provided by the Federal Government, while 10% are expected to have been generated through internal sources of the Institute.

The Nigerian Institute of Transport Technology is solely funded by the Federal Government through the Ministry of Transport which releases subvention to them regularly. Respondents from the Institute indicated that the Institute has funding problem. It was also discovered that the poor financial situation of the Institute has affected staff welfare and motivation and their regular attendance of seminars and workshops.

The study also revealed that besides subvention from the Federal Government, the Institute generate funds internally to supplement the federal government grants through courses, seminars and workshops, registration of contractors, sale and admission forms, sales of journals, transcripts and accommodations and consultancy services.

Findings also revealed that the Nigerian Institute of Transport Technology was established as a remedy to the weaknesses and defects of the Railway Training Institute for indentureship of Railway engineers and managers suited for the employment in the operations of transport sector, and there has not also been existing facilities, colleges or tertiary institutions in the country which offered specialized training in the areas of transportation,, but not the cause of the defects in the sector.

The study further revealed that inspite of inadequate funding or under-funding of the Institute, the NITT were able to meet up with some of their basic aims and objectives which necessitated the establishment of the Institute. In addition, some capital projects were being executed with the funds they get from the federal government within the period understudy.

In the course of this study, it was found that in compliance with Financial Regulation, the Director and Bursar or their Deputies sign all cheques. These enable them to make sure that, cheques are written for only approved expenditures and hence reduce the chances of misuse of the available funds.

It was also found during the course of study that, official vehicles are strictly used for official assignments. Responses of those interviewed shown that it is only the Director-General that is allowed to use official vehicle for personal journeys. The Institute was found to be complying with Financial Regulation 3309 and 3311, which

require the provision of security men and fire fighting appliances meant to minimize the chances of losses articles by fire and burglary.

The Institute was also found to be practicing a mixture of incremental and programming performance budgeting system. This shows that as their budgets or funds increase, the purpose and objectives for which funds are meant for, the costs of the programs proposed for which funds are increase for, and quantitative data measuring the accomplishments and work performed for such increases.

Further revealed shows that the Nigerian Institute of Transport Technology did not invest in research and development substantially to produce qualitative equipment to compete with imported equipment.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS.

5.1 STATEMENT OF FINDINGS

The main objective of this research work is to critically assess the adequacy and utilization of funds in relation to performance in the Nigerian Institute of Transport Technology with a view to determining the Institute's performance as regards to the funds made available to it, and how such funds have been utilized. In attempt to introduce the topic in chapter one, we tried to gave reasons for the establishment of Nigerian Institute of Transport Technology, that the Federal Government having discovered that more than 25% of annual budget of this country went to Transport sector, but it were not yield anticipated result due to the fact that no existing faculties or colleges in the country which offer specialized training in the areas of transportation, and also the weaknesses and defects of the Railway Training Institute for indentureship of Railway Engineers and Managers which led to shortage of skilled manpower to manage the operations in Nigerian Transport sector, since the efficiency and effectiveness of the transport system depends largely on the quality of the workforce.

In the same chapter one, the choice of this topic is informed by the pivotal role, which the Institute plays in the economic growth and development of this nation and the need to assess the performance of the Institute as regards to funds made available to it with a view to fusing greater on the types of structural and policy initiative require to revitalize the transport sector in the areas of training and retraining of manpower.

With all laudable objectives, which the Institute intends to achieve yet, inadequate funds has affects the Institute's performance negatively, which have generates an

argument that the established of the Institute have no impact in a nation economic development. It is worth noting that whether the established of NITT has brought some advantages to a nation economic development or not, the need to carry out this research is of utmost importance so as to ascertain the true position of the Nigerian Institute of Transport Technology with a view whether, there is adequacy of funds, and whether funds allocated to the Institute have been utilized effectively and efficiently to the attainment of the Institute's objectives, and whether there is co-efficient relationship between the funds allocated to the Institute and Institute's performance.

In chapter two, a literature review of the topic was made to provide the framework for the study. Theoretically, this chapter covers how funds being spent on the business firm or organization activities can be determined, the sources of funds to Nigerian Institute of Transport Technology, the scope of utilization of funds and the role of management in the utilization of funds.

All the relevant literature on funding, shown that funding commitment should be measured in terms of objective or goal that led to the establishment of the organization. It is the pursuance of this goal that necessitates the acquisition of funds. Therefore, there must be a measure of control to ensure that funds made available conform to performance to avoid misused.

For judicious utilization of funds to take place, the management itself must play a vital role. This show that the management should have the objectives or goals of the firm or organization well defined and they should also ensure that everybody in the organization works towards the attainment of the goal set through proper planning and effective control. In the same chapter two, effort were made to discussed in details the

problems associated to funds utilization in the public sector.

The lack of financial managers in the public as more damaging than the lack of some other skills because it produces poor administration and therefore poor performance in the areas where those other skilled are needed and used. The application of budget and budgetary control were discussed where budgetary planning, budgetary control, incremental budgeting, zero-base budgeting, planning programming budgeting system, and budget innovations in Nigeria were all explained.

The methods employed in carrying out the research work were discussed in chapter three. These included the use of questionnaire and personal interviews. The sample size covered and how the methods were applied in gathering the data were explained. The number of hypothesis formulated were mentioned, that is, three hypotheses were formulated, two were tested using chi-square while one was tested using simple correlation, and justification of statistical technique used was explained.

The analysis of data gathered followed immediately in chapter four. The data was analyzed in the light of three hypotheses formulated and tested, whether funds allocated to the Nigerian Institute of Transport Technology is adequate and how such funds is being utilized. Also tested are the performances of the Institute as regards to the funds made available to the Institute.

The study revealed that the Nigerian Institute of Transport Technology were able to trained and retrained 19,600 manpower from the funds allocated to it. They also embarked upon and completed the following projects within the period under study: the Institute Cybe library; the Institute Internet Café and computerization system in all offices; the Institute 122 self-contained and well-furnished rooms for course participants;

the Hostel accommodation facility was upgraded to house Air- condition and Television for course participants; the Transport Technology Centre was design and executed ; and internal access roads and drainage were rehabilitating. All these were done within the period under study.

5.2 CONCLUSION.

The Nigerian Institute of Transport Technology play a vital role in a nation transport sector in the areas of training and retraining of manpower suited for employment and other services in the transportation system of the economy as well as the development of technological and managerial skills in transportation. If the Federal Government had provides 90% budget allocation as required by the Nigerian Institute of Transport Technology, she would have spent N4,175.36 billion on the Institute between 1999-2005, and possibly enhanced the performances of the Institute positively. Therefore, since the annual increase in budget allocation is low, and investment on research and development in transportation is also low, when compared with the rate of inflation, actual expenditure on purely research activities are bound to reduce from year to year.

Although the major problems affecting the performance of the Nigerian Institute of Transport Technology was inadequate funding. This is because the Institute's budgetary proposals stand at 100%, out of which 90% was expected to have been provided by the Federal Government, but the study shows that, from 1999-2005, the Federal Government had never provide the require percentage to the Institute. The highest percentage so far was 65.87% in 1999, and this affects their performances

negatively.

The study further revealed that the Nigerian Institute of Transport Technology did not invest in research and development substantially to produce qualitative equipment to compete with imported equipment as a result of inadequate funding. If the Federal Government had provide adequate funds to the Institute, this would have made them to invest in research and development substantially to produce qualitative equipment to compete with imported equipment. This would have eliminates or reduces the over dependence in foreign equipment in the areas of transportation technology.

It was observed during the course of study that the Institute was found to be practicing a mixture of incremental and programming performance budgeting system. This attest the fact of the data extracted from their budget allocation which shows that as their budget or funds increase, the purposes and objectives for which funds are meant for also increased.

It was further observed that official vehicles of the Institute are strictly used for official assignments. The Institute was found complying with Financial Regulation 3309 and 3311, which require the provision of security men and fire fighting appliances meant to minimize the chances of losses of articles by fire and burglary.

The study also found that one of the constraint to the Institute is the frequent changes of guidelines in the formulation and implementation of policies for example, formulation of master plan for an integrated transportation infrastructure (MITI) is a good plan and it was handed over to the Institute to work towards its implementation, but as soon as those who initiate the policy was out of government. The policy was abandoned and through away. This has a negative effect on the performance of the Institute.

5.3 LIMITATIONS OF THE STUDY

In a study of this nature limitations are bound to crop up.

Firstly, access to some records, which have been considered highly confidential, and sensitivity by top management were difficult to come by but being overcome through the effort of insider and achievement were recorded.

Secondly, getting a reasonable attention of the top management staff constituted a constraint, but the study has been successful through the influence of some senior staff, who make it possible for the researcher to get the attention of some top management staff and got the necessary information required for the completion of this work.

Finally, another problem experienced was in the area of response to the questionnaire, despite the nonchalant attitude of some respondents, out of 37 questionnaire distributed at various department of the institute, 32 were filled and returned representing 93% upon which analysis and interpretation was based. Therefore, these limitations does not affect the out come of the study, since we succeeded to get the necessary information require for the completion of the study.

5.4 RECOMMENDATIONS

Recommendation is based on the findings of the researcher. So based on discussions arising from the out come of this research, the following recommendations are put forward:

The Federal Government should provide more funds to the Nigerian Institute of Transport Technology by increasing their budget allocation. This can

be done by approving 80% fixed of budget allocation each year for the Institute , while the Institute should struggle for generating 20% through its internal sources, so that with more funds made available , specific research project should be targeted at.

The management of the Nigerian Institute of Transport Technology should invest in research and development substantially from the funds allocated to the Institute to produce qualitative equipment to compete with imported equipment. To achieve this, there is need for the management of the Institute to adopt strategy based on adaptation and further development of existing technologies developed in other countries to promote production of goods and services for the global economy. This will go along way to show or prove that funds allocated to the Institute were not utilized in a wasted product but being utilized effectively and efficiently to the attainment of the Institute goal.

The road transport sector activities which are concerned with the movement of people and good is essential for economic and social development which provides vital links between centers of production and markets and gives people access to employment, health, education, recreation and social services. But since the inception of the Nigerian Institute of Transport Technology, it has never embark on any meaningful programmed or project on road transport sector that is vital in the life of people. The Institute through the research and consultancy department should embark on a feasibility study that would impact significant and positive effects on the life of people in order to justify the funds

made available to the Institute.

The vision for Nigerian Institute of Transport Technology in a country is a transport technological conscious nation where the advancement of transport sector for socio-economic development is made the prime target of achievement. This would made Nigeria to stop being an importer of all transport equipment and technological know-how , build a strong transport research in the country. Therefore, genuine efforts should be made to nurture and develop transport sector and transport technology culture that would meet both local and foreign needs of the people.

The Nigerian Institute of Transport Technology should practice both planning programming budgeting system and performance programming budgeting system. This will enable them to plan and performed a specific research projects, allocate funds to them and would be motivated to want to see them through completion at the stipulated budget period.

The management of the Institute should employ the services of qualify and professionals particularly in the account department and audit unit. This will help the Institute to judicious utilize the funds made available in the areas of transport technological equipment and improve on the development of managerial skills.

5.5 SUGGESTIONS FOR FURTHER RESEARCH.

The main purpose of this research work is to provide solution to the problems of adequacy and utilization of funds in relation to performance in Nigerian Institute of Transport and Technology. It can be of interest to further strengthen the present scope of study by doing the following:

It can be recalled that in the course of the discussion it was pointed out that the Nigerian Institute of Transport Technology has lost grounds in the areas of technological development which is one of the targeted objective. They also failed to invest substantially in the areas of transportation technology. Therefore, another study should evaluate what was responsible for their failure in the areas of technological development in transportation system.

Based on the study undertaken, it appeared that the impact of funding the Nigerian Institute of Transport Technology was not seen in the overall performance of the transport sector inspite of Government funding the Institute . Therefore, there is need for new findings into this claims.;

Finally, this research work is in no way expected to be the final study of the Nigerian Institute of Transport Technology in Nigeria. If anything, it is hoped that the study will inspire more research on the topic or other related topic. A research on the same topic can be carried out on any of the transport technology training institute not selected.

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APPENDIX A 1

AHMADU BELLO UNIVERSITY
Department of Accounting

P. M. B. 1013, Zaria, Nigeria

Telephone: 234-69-332352; E-mail: accounting-abu@yahoo.com; vc@abu.edu.ng; vcabu2004@yahoo.co.uk

DAC/R/8 Tuesday, March 27, 2007

Dear Sir/Madam,

TO WHOM IT MAY CONCERN

I wish to introduce to you Mr. **Abu, Seini Odudu** – M.Sc./ADMIN/49171/05-06 who is one of our Postgraduate Students in M.Sc. (Accounting and Finance)

As part of the requirements for the Award of the degree, he has to carry out a research project. He is therefore approaching you to kindly assist in his data-gathering to enable him write-up his/her thesis, titled: **"An Assessment of Funds Management Performance in Nigerian Institute of Transport Technology.** You can be assured that every assistance rendered to him will be appreciated and every information given will be treated with almost confidentiality.

Yours faithfully,

29/03/07

Chandrasekharan C. V.
Coordinator,
MSc Accounting & Finance

VICE-CHANCELLOR
Professor Shehu U. Abdullahi

HEAD OF DEPARTMENT
Dr. Muhammad S. Bello

APPENDIX "A 2"

Department of Accounting
Ahmadu Bello University,
Zaria.

Dear Sir/Madam

QUESTIONNAIRE

This questionnaire on "AN ASSESSMENT OF FUND MANAGEMENT PERFORMANCE IN NIGERIAN INSTITUTE OF TRANSPORT TECHNOLOGY" is designed in respect of a Master Thesis. All information given shall be treated with utmost confidentiality and would be used for Academic purpose only.

Your sincere response to all the question set below is objectively solicited for, and their return without delay would be appreciated.

1. Sex: Male [ ] Female [ ]
2. Age: 18 – 15 [ ] 25 – 30 [ ] 31 and above [ ]
3. Marital status; Single [ ] Married [ ]
4. Your Department .....
5. What is your rank or position ?.....

FUNDING OF NITT

6. What is the level of funding in NITT?

   .....

7. Does the Institute have enough funds to engage in meaningful research work ?

   .....

   .....

8. Is the grants released to the Institute adequate to develop technological and managerial skills ?

   .....

   .....

9. To what extent does the NITT depend on the allocation and releases from Federal Government?

   .....

10. Apart from subvention from Federal Government, what other source(s) does NITT get some funds?

(A).....

(B).....

11. How does NITT receive its subvention from the supervising Ministry (Transport)?

.....

.....

12. Does NITT have enough funds to enable engage in meaningful research work"

Yes [ ] No [ ]

13. If your answer to question 12 is No, state below things that are vital to carrying out the Institute mandate which the Institute does not have due to lack of funds.

.....

.....

.....

MANAGEMENT PERFORMANCE

14. What is the level of Management performance as regard to the funds allocated to NITT?

.....

.....

15. How can the NITT improve on the level of management performance?

.....

.....

16. What are the fundamental problems of the NITT?

a) Inadequate funding [ ]

b) Mismanagement of funds [ ]

c) Poor performance [ ]

d) Lack of skilled manpower [ ]

17. If your answer to question 16 is B or C suggest other ways to solve the problem

.....

.....

DAILY TAKING AND PAYMENTS – CASH OFFICE

18. What methods dues NITT receive its subvention?

    a) Cheque b) Cash c) All its subvention?

    d) others, be specific .....

19. When subventions are received, into whose account and bank are they first lodged?

    a) The NITT Account with Central Bank

    b) The NITT Account with Commercial Bank

    c) A and B above

    d) Sometimes in a personal account of an officer

20. How many days does it take a receiving cashier to lodge cash received into the NITT's

    a) Daily [ ]

    b) Once a week [ ]

    c) Once in two weeks [ ]

    d) Once a month [ ]

21. How can we ensure that what the receiving cashier declare as daily takings are correct?

    a) The Head of Account Department or any officer be assigned compares total cash received as received books with physical cash daily [ ]

    b) It is only the audit unit that checks occasionally [ ]

    c) None of the above

22. Is there any occasion when cheques are issued to settle bills or advances without first having been audited?

    a) Yes [ ] No [ ]

23. Apart from cashiers, are members of staff allowed access to receipts and cheques books?

    a) Yes [ ] No [ ]

SALARIES AND WAGES

24. In entering the name of a new member of staff on the payroll, what documents does it require?

a) A copy of letters of appointment and assumption of duty from the administrative officer [ ]

b) Acceptance letter from the candidate [ ]

c) Verbal directive or instruction from the head of Accounts Department [ ]

d) All of the above [ ]

25. Have there been occasions of the presence of ghost workers in the NITT?

Yes [ ] No [ ]

26. If your answer to question 25 is yes, please comment what are the remedy to the situation?

.....

.....

27. Does the audit unit vouch salaries and wages before they are paid?

Yes [ ] No [ ]

PURCHASES AND CONTRACTS FOR SUPPLY AND REPAIRS

28. Before contracts are awarded for any repair and supplies of equipment and materials what methods obtain by the management for such?

.....

.....

.....

29. When a staff of NITT is advanced cash towards the purchase of equipments and materials, what will it take to ensure that such equipment and materials for which the advance was taken were actually bought?

a) Receipts are submitted and the advance is retired [ ]

b) The equipment materials and the receipts are taken to a staff in the audit whose duty is to certify that the items were bought before they are used [ ]

c) None of the above is done [ ]

30. Who approves major contracts in the NITT

a) The Director [ ]

b) The Board of Governors [ ]

c) The Registrar [ ]

d) All of the above [ ]

MANAGEMENT OF FIXED ASSETS

31. Apart from the structures in which the NITT take off with, does the management raise any new structures?

Yes [ ] No [ ]

32. Apart from the equipment and materials which were used for the take off of the NITT, does the management ordered for new one to replaced the old items?

Yes [ ] No [ ]

33. If your answers to questions 31 and 32 above are No, please comment

.....

.....

34. What are the primary use of NITT vehicles?

a) Official [ ]

b) Personal [ ]

c) Both [ ]

35. What category of officers are given official vehicles for personal use?

a) The Director, Assistant Directors and head of Department only [ ]

b) The Direct only [ ]

c) Very Senior Staff [ ]

d) The Head of Department from their accounts [ ]

EXPENSES ON MEMBERS OF THE GOVERNING BOARD

37. What methods does the NITT use to pay members of its governing Board

a) Salaries [ ]

b) Sitting allowances [ ]

c) At the end of each year a certain amount is set aside for them [ ]

d) All of the above [ ]

38. Can the NITT settle bills incurred by members of the Board in connection with their trips each time they call at the Institute?

a) Yes [ ] No [ ]

39. Can any member of the Board stay in the hotel or guest house with members of his family for days or months at the expense of the NITT?

a) Yes [ ] b) No [ ]

SPECIAL IMPREST ACCOUNT AND TOURING ADVANCES

40. How long does it take members of staff to retire special imprest/cash advance and touring advances?

a) Seven days after the day the advance was granted

b) Seven days after the money has been paid up

c) Three months

d) Six months and above

41. In view of your answers to question 40 above, comment what is responsible for the delay in retirement?

.....

.....

42. When an officer in charge of imprest or petty cashier were given a certain amount of money and could not used the said amount before retiring from the services of NITT, what methods does the NITT take to recover their money?

.....

.....

.....

b) In what area of the Institute research activities have the researches rendered some breakthrough in terms of inventions which have already been commercialized or hold promise of commercialization?

c) Has there been any problem Inhibiting the institute from the realization of its objectives?

d) What does they feel about the funding of transport research Institute in the country.

ii) Research Activities The research Institute has various sections or departments with very experienced research officers. The research officers were asked the following questions:

a) what are the various research activities your institute engage in?

b) Does your Institute have the necessary equipment For this research work?

Respondents were asked to name the ones they lack if their response indicated that they lack equipment.

c) Is the lack of equipment due to lack of funds?

v) Internal audit: it is the internal audit that makes sure that internal control over Institute's operations are functioning properly and effectively and ensures that the Institute's policies are being carried out as established. It also makes sure that there are adequate protection and safeguards over institutes assets.

The head of this unit was asked the following questions:

a) How does the unit ensure that internal control over the institute's operations are functioning properly and effectively?

b) What role does the internal audit play when goods ordered are to be received into the stor?

c) Has there been any case of irregularity with regards to the use of funds?

vi) Head of Planning Unit: the planning unit prepares the annual budget and writes performance report that highlight variances on quarterly basis.

The head of the unit was asked the following questions:

a) What system of budgeting in practice by your Institute?

b) What process is followed in preparing your Institute's budget?

c) What is done by the management quarterly expenditure is more than the amount budgeted?

d) Have there been quarters or years where the variance between the budget figures and expenditure are high and unfavorable?

NIGERIAN INSTITUTE OF TRANSPORT TECHNOLOGY (NITT), ZARIA
SCHEDULE OF INCOME 1999 TO 2005

	DETAILS	1999	2000	2001	2002	2003	2004	2005	TOTAL
		N	N	N	N	N	N	N	N
1	GRANTS FROM FGN								
	a) Capital	64,320,417	27,572,084	226,800,000			123,762,087	180,320,000	**622,774,588**
	b) Recurrent:								**612,439,459**
	i) Personnel	115,947,118	143,958,717	139,944,889	114,036,911	98,551,824	112,484,173	161,599,164	**886,522,796**
	ii) Overheads						12,143,717	13,920,849	**26,064,566**
	iii) Stakeholders' grants						110,000,000		110,000,000
	Sub-total	180,267,535	171,530,801	366,744,889	114,036,911	98,551,824	358,389,977	355,840,013	**1,645,361,950**
2	INTERNALLY GENERATED REVENUE								
	a) Courses, Seminars & Workshops	2,842,350	10,417,288	11,087,632	13,099,742	31,907,284	33,367,500	30,874,705	**133,616,501**
	b) Rent on staff quarters	93,917	3,779,392	6,973,906	5,681,376	5,929,991	5,618,320	5,713,160	**33,790,062**
	c) Registration of Contractors	189,700	359,700	846,800	94,100	109,200	1,352,501	1,821,000	**4,773,001**
	d) Sale of admission forms	36,900	42,000	25,400	79,300	304,500	270,300	439,473	**1,197,873**
	e) Consultancy Services	771,429	22,045,201	2,459,000	5,500,000	7,446,755	8,338,840	2,006,260	**48,567,485**
	f) Other Incomes: Sales of journals, transcripts and Accommodation	312,884	3,096,966	1,116,237	1,260,462	1,995,001	1,235,865	1,513,206	**10,530,621**
	g) Interest on deposit account			1,597,334	1,695,397	312,716		55,519	**3,660,966**
	h) Stakeholders' Forum/Contribution					5,000,000		21,250,000	**26,250,000**
	i) Donations		5,000,000	5,000,000	15,000,000	20,000,000			
	SUB TOTAL	4,247,180	44,740,547	29,106,309	42,410,377	73,005,447	50,203,326	63,673,323	**307,386,509**
	GRAND TOTAL	184,514,715	216,271,348	395,851,198	156,447,288	171,557,271	408,593,303	419,513,336	**1,952,748,459**

APPENDIX "B2"

NIGERIA INSTITUTE OF TRANSPORT TECHNOLOGY (NITT), ZARIA
ANNUAL BUDGETED FIGURES 1999 – 2005

	1999	2000	2001	2002	2003	2004	2005
	(N.M)	(N.M)	(N.M)	(N.M)	(N.M)	(N.M)	(N.M)
CAPITAL	200.00	300.94	453.60	500.00	500.00	610.00	713.52
RECURRENT	193.30	193.00	149.70	165.12	199.33	219.77	241.00
TOTAL	393.30	493.94	603.30	665.12	699.33	829.77	954.52