



East African School of
Higher Education Studies & Development

Makerere Journal of **Higher Education**
ISSN: 1816-6822; 4(2) (2013) 203 – 219
DOI: <http://dx.doi.org/10.4314/majohe.v4i2.6>
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Budgeting Systems in Universities in South-West Nigeria

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Abstract. This study examined the types of budgeting systems adopted by universities in South-West Nigeria. Stratified random sampling was used to select seven universities from five states within the hinterland of Nigeria's South-West geopolitical zone. A questionnaire entitled Budgeting System Questionnaire was used to collect data. The data were analysed using descriptive statistics. The findings were that the mostly adopted budgeting system by the sampled universities was incremental type with 46.7%, in comparison with line-item, planning programming and zero-based budgeting systems with 33.33%, 16.67 % and 8.33%, respectively. Also, out of the total sum of N80,115,006,285 as expenditure on six selected priority areas in the three academic years by the sampled universities, salaries and allowances had the highest amount of expenditure (i.e. N60,412,111,285) (75.41%) while research and publications had the lowest amount of N211,528,456.64 (0.26%). Based on the findings, it is recommended that the incremental budgeting system which is majorly adopted by universities in Nigeria should be carefully guided to discourage corruption and financial recklessness as it encourages spending up to the budget towards the end of the year so that the budget is maintained the next year. It is also recommended that the NUC gives an award to any university that allocates at least five percent of its revenue expenditure to research and publications.

Keywords: Budgeting Systems, Government Universities, South-West Nigeria.

1 Introduction

Budgeting is an area of personal finance that has attracted a lot of attention as an art of planning how one's money should be spent. Budgeting as opined by Ayinde (2006) commences with the identification of a limiting factor which is likely to be the revenue in a public sector and availability of raw materials or level of sales demand in a private or commercial organization which focuses on

maximizing profits. Since the sources for funding the public sector expenditure are often limited, budgeting techniques exist in order to determine the best use of limited resources and the most appropriate way to allocate funds. In a government setting, once allocation is made, expenditure would have to be maintained in order to avoid a deficit budget.

Currently, budgeting, as being practised in our institutions, is not transparent enough (Ovwohio, 2004). It has not even enhanced the public confidence that funds are allocated judiciously to the targeted areas of expenditure as aligned in the proposed budget. To buttress this, Echezona (2009) stated that for 99.5% of Nigerians the budget is likened to an annual event of unrealistic promises, dashed hopes and frustrated expectations. In addition, the problem of corruption has been noted as the cog in the wheel of our nation's economic progress. The Honourable Minister for Finance, Dr Ngozi Okonjo-Iweala disclosed that the country would not be allocating more than eight percent of the Nation's budget to education judging from the rot and corruption that pervaded the nation's economic sectors including education (Alabi, 2012). Weak budgetary control and deviation from the set targets had also been experienced. The Institute of Finance and Control of Nigeria (2009) identified weak internal control mechanism, fiscal indiscipline as well as knowledge deficit on the part of those saddled with the responsibility of implementing the budget as major reasons for the slow performance. Also failure to allocate higher amount for capital expenditure than the recurrent expenditure was being practised (Adesanmi, 2011).

The way funds or revenues are allocated dictates the type of budgeting technique to be used. There are various techniques of budgeting but the most commonly adopted types include:

1. Line-item budgeting system
2. Incremental budgeting system
3. Planning programming budgeting system (PPBS)
4. Zero-based budgeting system

1.1 Statement of the Problem

The budgetary procedures in Nigeria are still shrouded with secrecy which has allowed elements of bargaining characteristics especially in the prevailing budgeting systems in our institutions (Ovwohio, 2004 and Obayan, 2006). Also, the weaknesses in the budgeting systems could still pose some problems. For instance, incremental system of budgeting which is based on the previous year allocation to determine the next fiscal budget proposals could be unnecessarily inflated. The weakness in the incremental budgeting system could even easily pave way for budget indiscipline as some officials at times may tend to rush to exhaust what is left in the vote towards the end of year, since the expenditures

of the previous year determine the following year budget estimate. Perhaps this was what Afemikhe (2006) tagged as 'December rush' to spend what is left in the vote book and which has paved ways for many officials to siphon government money into private accounts.

The introduction of the (PPBS) into the nation's budgeting system as an alternative to incremental system of budgeting by President Shagari during the second republic did not appear to have made much impact in the budgetary system (Obayan, 2006). As stated by budget experts, one of the weaknesses in PPBS lies in the fact that it is more of an academic exercise than of practical application which requires setting of measurable objectives for each programme. Moreover, the zero-based budgeting system is not easy to implement as it is time consuming and may be difficult in developing and making decision units and packages. In addition, the weaknesses of line-item budgeting as identified by Hull University Business School (nd.) reflect in its rigidity during implementation. Hence, it would not be easy to operate in large business organization with various and interrelated activities to perform. In short, all forms of budgeting systems have their advantages and disadvantages.

It had also been noted by Mustapha (2010) that there is need for sufficient funds and proper management of the funds which was viewed as the major problem in the Nigerian educational system and overcoming the problem holds the key to educational development in the country. In view of the above highlighted development, the researchers were challenged to look into the types of budgeting systems that were adopted and budgetary allocation of funds to priorities areas including the sources and amount of revenue generated in universities in South- West Nigeria. Specifically, the problem of this study is focused on the following:

1. The types of budgeting systems that are being adopted by administrators in universities in South-West Nigeria.
2. The sources and amount of revenue generated in universities in South-West Nigeria from 2007/2008 to 2009/ 2010.
3. The percentages of the amount of revenue generated in universities in South-West Nigeria, from 2007/2008 to 2009/ 2010.
4. The percentages of the amount of funds allocated to the priority areas in universities in South-West, Nigeria.

1.2 Purpose of the Study

The major purpose of this study was to examine types of budgeting systems and the percentages of the amount of funds allocated to the priority areas in universities in South-West Nigeria. In specific terms, the objectives of this study were to:

1. Examine the types of budgeting systems that are being adopted by administrators in universities in South-West Nigeria.
2. Identify the sources and amount of revenue generated in universities in South-West Nigeria from 2007/2008 to 2009/ 2010.
3. Examine the percentages of the amount of revenue generated in universities in South-West Nigeria from 2007/2008 to 2009/ 2010.
4. Identify the percentages of the amount of funds allocated to the priority areas in universities in South-West Nigeria.

1.3 Research Questions

1. What are the types of budgeting systems that are being adopted by administrators in universities in South West Nigeria?
2. What are the sources and amounts of revenue generated in universities in South-West Nigeria?
3. What are the percentages of revenue generated in universities in South-West, Nigeria from 2007 – 2010?
4. What is the percentage of the amount of funds allocated to the priority areas in universities in South-West Nigeria?

2 Methodology

This study was a descriptive survey of qualitative research. The entire population for the study consisted of 27 universities made up of 14 private universities, eight State owned-universities and five Federal universities in South-West geo-political zone of Nigeria as at the time of this study. Private universities were left out as they did not derive their revenues from the government. The 13 universities were stratified on the basis of government proprietorship (Federal and State). Hence, for the purpose of this study, seven universities were selected from five states within the hinterland out of the six states of the South-West geo-political zone making 83.3% coverage of the States. The seven universities comprised of three State and four Federal universities out of the 13 universities (as at the time of collection of data for this study) signifying about 53.85% coverage. The study sample was the university Bursars. Purposive sampling technique was used to select the university Bursars from the sampled universities.

Budgeting Systems Questionnaire (BSQ) was the instrument used to collect data for this study. The BSQ was administered on Bursars of the universities under study to collect data on the type of budgeting systems being adopted in their universities. Part 'A' of BSQ contained open-ended items on different types of budgeting systems (a - e) such as incremental, line-item, zero-based

and planning programming budgeting systems that could be adopted in universities. Also in part 'B', the respondents were required to score all items on a 4 point Likert scale with scale rating of Always So, Frequently So, Seldom So, and Never So, with 4, 3, 2, and 1 points, respectively. The respondents put a tick (v) on the rating that reflected their opinion on the types of budgeting systems being practised in their universities. Part C of BSQ dealt with revenues generated and expenditures incurred as well as the priority areas in budgeting for the past three academic sessions (2007/2008 to 2009/2010). The validity of the instrument was established by experts from the Educational Management Department, Bursary Department and Audit unit of the University of Ilorin. A pilot study was conducted to help establish the reliability of the instrument. The reliability co-efficient value of 0.96 was obtained for the BSQ. The descriptive statistic of the percentage was used in analysing the data collected.

2 Related Literature

The term budgeting techniques was expressed to consist of the particular analytical and the procedural method used in the preparation of budgets (Amamieyenimighan, 2009). Budgeting techniques could be termed as methods or manners of analyzing a budget in a detailed format. The selection of any particular technique depends on the purpose for which the budget is meant to serve. Some techniques emphasize the use of allocation. Some need rigorous efforts to manage while others could be less rigorous. Some techniques lay emphasis on expenses on items while others focus on collaborative budgeting. Different schools of thoughts identified various techniques of budgeting systems. These include:

2.1 Line-Item Budgeting System

The line-item budgeting system has been described as a budgeting technique in the public sector which focuses on items or expenditure headings and it has a line which is drawn towards the budgeted amount for the fiscal year under consideration (Durosaro, 2002). The International Bank (1998) explained that in a line-item budgeting, expenditures for the year under consideration are highlighted according to objects of expenditures. The line-items are often detailed and they specify the amount of money a particular office would be permitted to expend on personnel, fringe benefits, travelling, equipment and the like for the coming year.

From the historical analysis, the International Bank (1998) recorded that before the late 19th century, budgeting was characterized by weak executive

power and little central control. The line-item budgeting system could then be described as a reform which emanated out of a concern that there was inadequate expenditure control which was opined to have contributed to an environment whereby with a tendency for increasing problem of substantial corruption. Consequently, the budget reformers of 19th and early 20th century opted for a type of budgeting that would promote accountability of the detailed use of resources. These early budget reformers focused on the effective control, laying foundation for sound economy as well as efficiency which is the primary goal of budgeting. No wonder Omopariola (2003) opined that the major purpose of line-item is to control unauthorized expenditure.

Budget technocrats regarded the line-item as the simplest of all the techniques because it is easy to prepare and understand. However, the weaknesses of line-item budgeting as identified by Hull University Business School (nd.) reflect in its rigidity during implementation. Also, there is no clear performance and objective of expenditure is not highlighted. In other words, under the line-item budgeting there is no information on the efficiency and effectiveness of enlisted programme or about why money was spent on items. As observed by budget technocrats, the line-item system would not be easy to operate in large business organization with various and interrelated activities to perform. Perhaps, this made Hull University Business School (nd.) to be adaptable with the increasing demands being associated with continuous expansion of government activities.

2.2 Incremental Budgeting System

Obayan (2006) explained that incremental budgeting system is a process whereby an anticipated increase by a certain amount or percentage is added to the previous period's budget for the new period. In other words, this technique of incremental budgeting is a process which makes use of a previous year's budget and actual figures as the basis for succeeding year's budget. As highlighted by Tutor2u (n. d.), this budgeting system is gradual and easy to understand. Also, the impact of change could be easily detected.

Obayan (2006) however faulted the Nigerian budgetary procedure which is characterized by secrecy and bargaining activities and is mostly based on incrementalism. More so, incrementalism has its shortcomings which include 'spending it all' habit towards the end of the year so that the budget increases in the coming year. This procedure encourages corruption and financial indiscipline. In view of this, it does not allow creativity for new ideas and reduction of costs.

2.3 Planning, Programming, Budgeting System (PPBS)

PPBS is opined by budget reformers as an alternative to incremental budgeting system. Its primary focus is to unify planning, programming and budgeting. As the name implies, PPBS involves the following steps of making budget:

1. Planning: where programme goals are defined and to determine whether some particular course of action would add more to the achievement of organizational goals than its different alternatives
2. Programming: where various alternatives of achieving the goals are identified.
3. Budgeting: where there is concern on how to secure adequate revenue or sufficient funds to put the programme into operation,
4. Operation: where organizational programmes are carried out or implemented
5. Evaluation: where the worth of operating programme is assessed, costs and benefits are evaluated and the best alternatives are adopted for implementation (DonVito, 1969; www2.fiu.edu/~ganapati/3003/budget).

The emergence of PPBS arose from the shortcomings of the incremental budgeting system which lacked objective rationality. So, it was deemed fit to introduce a system which would include quantifiable rational objectives, hence the introduction of PPBS (Obayan, 2006). Hull University (1969) recorded that PPBS emphasizes rational allocation of resources. Obayan (2006) recorded the application of PPBS in Nigeria during the 1981 budget proposals by President Shehu Shagari. Although the intention by the President was well highlighted, the programme did not seem to have made much impact on the budgetary process.

Some of the major shortcomings of the PPBS are that it centres on planning activities. It involves rational allocation of resources and removes barriers between organizations. Also the budget becomes centralized and it is a top-down budget composition. Planning programming budgeting system has been fraught to be more of academic exercise than of practical application as it calls for service of an expert which could be successfully practised in an environment with a planned economy.

2.4 Zero-Based Budgeting System (ZBB)

Zero-based budgeting system was described by the International Bank for Reconstruction and Development (1998) as a process of making a budget from the scratch at every budgeting year. As the name implies, ZBB means the making of a new budget at a zero point at every succeeding year whereby no past expenditures are taken into consideration. It was further explained that

each activity programme must justify its reason on papers for requesting for funds. Hence, ZBB is based on the development and ranking of decision packages and choosing the most important package in line with the institutional objectives and order of priorities. Adebisi (2005) enumerated that the steps to be followed in implementing zero-based budgeting system are to:

1. Formulate operational plan by identifying each decision unit and dividing the organization into suitable parts with specific objectives and result,
2. ii) Develop decision packages on the basis of the decision units where costs are attached to each activity and then assess the effect of non-performance of the activity,
3. Rank decision packages in order of priority at each operational level,
4. Decide which packages to be added and those to be eliminated,
5. Compare list of packages in order of importance and align them with the available resources.

Zero-Based Budgeting helps managers to frequently examine programmes carefully and reject low priority activities but develop more effective programmes. Zero-based budgeting system approach stresses the effective use of resources. However its shortcomings are that, it is difficult to implement as it is not easy to develop and make decision units and packages; it is time consuming and requires too much paper work. Zero-based budgeting system could be conveniently applied where tenure positions are practised, in personnel services which involve annual appointment and disengagement and also in agricultural services which require annual production.

2.5 Studies on Budgeting Systems

The importance of budgeting systems in universities and their implications have been established by researchers. For instance, Tayib & Hussin (nd.), in an empirical study on good budgeting practices in eight Malaysian public universities, found out that 90 percent indicated that the budget is a vital aspect in management for operating and measuring performance. Also from Table 1, about 72 percent of the respondents agreed that their universities had realistic and achievable long terms goals in respect of their university budget.

Table 1: Long-term Goals of the Budget in Malaysian Public Universities

	Disagree	Neutral	Agree	Means
Realistic and Achievable	4.1%	24.5%	71.5%	3.95
Understandable act towards achieving goals	3.1%	18.4%	78.6%	4.00
Budgeting in parallel with strategy	8.2%	14.3%	77.6%	3.93
Strategy should consider uncertainty and uncontrollable factors	1.0%	17.3%	18.6%	4.07
Budgeting is a vital tool in management	1.0%	9.2%	89.8%	4.38

Source: Tayib & Hussin (nd)

It was found out that Malaysian public universities have reasonable long-term goals of the budget. Moreover, Wilson (2000), in a report of the University of New Hampshire in the USA stated that the university completed a project to re-organize and improve administrative services through process of redesigning and maximizing the use of technology. Part of their effort involved the creation of 18 Business Service Centres through which the institution's accounting and business transactions flow. The establishment of these centres provided a natural foundation from which the University implemented a budget model that decentralizes more accountability and authority. Wilson (2000) further reported that the University of New Hampshire, after three years of researching the feasibility of a decentralized budgeting structure, implemented its own version of decentralized budgeting known as Responsibility Centre Management (RCM) in 2000 (Wilson, 2000). Oduwaiye (2004), while explaining the numerous roles of academic staff in administrative positions, included budget-making as one of the administrative functions to be performed by academic staff.

Ovwigbo (2004) opined that for a budget to be effectively used as an instrument of control in the process of financial management, it should lead to a balance in the means and objectives of the institution. Therefore, a good budgeting procedure should highlight the proposed programmes, their costs and how costs would be met. Linn (n. d.) investigated budgeting systems which were used in allocating resources to libraries in some universities in the United States of America. The purpose was to provide information about the different budgeting systems that were used to allocate resources to libraries. The types of budgeting systems covered in the study included incremental, line-item, formula, mathematical, zero-based, performance-based, responsibility centre, initiative-based and planning, programming budgeting systems. The findings were that numerous types of budgeting systems are used to allocate resources to libraries and each of them functions differently.

3 Results and Discussion

3.1 What budgeting systems are being adopted in the Universities?

Table 2 shows that the four budgeting systems namely incremental budgeting system, line-item budgeting system, planning programming budgeting system and zero-based budgeting system with the following percentages of 41.67, 33.33, 16.67 and 8.33, respectively, were being adopted in universities in South-West Nigeria. This implies that incremental budgeting system which had the highest percentage of 41.67% was being practiced majorly by universities in the South-West Nigeria.

Table 2: Budgeting Systems Practiced

University	Incremental	Zero-based	Line-item	PPBS
OOU	YES	N/A	YES	N/A
FUTA	YES	N/A	YES	N/A
LAUTECH	YES	N/A	YES	YES
EKTSU	YES	N/A	N/A	N/A
FUNAAB	N/A	N/A	YES	YES
UI	N/A	YES	N/A	N/A
OAU	YES	N/A	N/A	N/A
Number of universities that practiced each budgeting system	5	1	4	2
% of budgeting system as adopted	41.67	8.33	33.33	16.67

This agreed with the finding of Obanya (2006) that Nigerian university system adopts the main incremental system of budgeting using the NUC formulae or parameters. Perhaps the administrators in those universities exploited the advantages of incremental budgeting system and found it more convenient in the sense that incremental budgeting system is easier to prepare. The finding further supports the view of Obanya (2006) that despite the criticism of incremental budgeting system, most budgeting system cannot avoid the incremental approach, however limited. Table 2 also shows that apart from the incremental budgeting system, other types of budgeting systems namely line-item budgeting system, planning programming budgeting system and zero-based budgeting system were found to be adopted by universities in South-West Nigeria. This supported the study on budgeting in Malaysia by Borgia and Coyner (1996) that apart from the incremental budgeting system which was majorly adopted by Malaysian universities, other budgeting systems which included zero-based budgeting system and planning, programming budgeting system were also found in higher education budgetary systems in Malaysia.

Moreover, from the field work, all the universities found the adopted budgeting system as being most effective in meeting their university goals. This could mean that all the universities had made use of the advantages of the adopted budgeting systems maximally to the best of their knowledge. It could be inferred that the personnel in charge had efficiently made use of their expertise and experience to ensure that the weaknesses or disadvantages in the adopted budgeting system were averted. Hence, in summary, the administrators were satisfied with the adopted budgeting system in their institutions. Figure 1 is the histogram which further highlights the adoption of different budgeting systems as shown in Table 2 and that incremental budgeting system is mostly adopted by the sampled universities in South-West Nigeria.

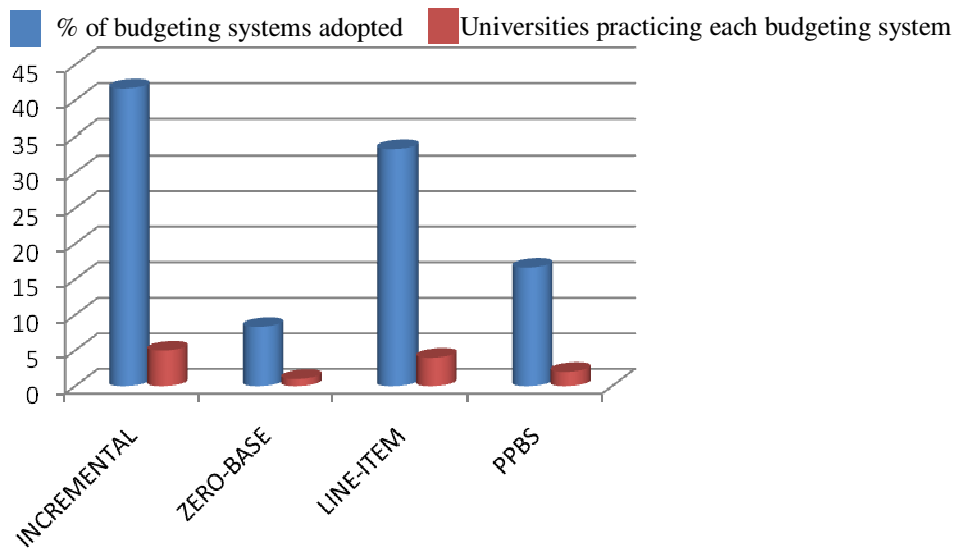


Figure 1: Budgeting Systems Adopted by Universities in South- West Nigeria

3.2 What are the sources and amount of revenue generated in universities in South-West from 2007/2008 to 2009/2010 academic sessions?

Table 3: Sources, amount and percentage of revenue generated in the universities (2007- 2010)

Sources of Revenue	Budget	%	Actual	%
Government Subvention	119,136,235,593.98	67.09	61,653,170,083.05	63.91
Internally Generated Revenue	53,391,544,720.11	30.07	34,009,325,018.48	35.25
Externally Generated Revenue	5,050,482,841.68	2.84	809,640,492.29	0.84
Total	177,578,263,155.77	100	96,472,135,593.82	100

Table 3 refers to three sources of revenue namely government subvention, internally generated revenue and externally generated revenue showing that government subvention is the major source of revenue to public universities in Nigeria. This corroborated the findings of Ogbogu (2011) and Akinsanya (2007) that the lion share of the revenue to universities comes from the government.

3.3 What are the percentages of revenue generated in universities in South-West Nigeria from 2007/2008 to 2009/2010?

Table 3 shows further that percentages of revenues are 63.91, 35.25 and 0.84, respectively for government subvention, internally generated revenue and externally generated revenue. From Table 3, government subventions constituted the highest percentage of revenue to universities which was in line with the finding of Ogbogu (2011) that 90 percent of revenue to universities is from the government while the remaining 10 percent is to be locally generated. This finding also supported that of Odebisi & Aina (nd.) that the highest source of revenue to universities comes from the government.

Table 3 further indicates internally generated revenue (I.G.R.) with 35.25 percent as next in terms of volume to university revenue, which comes from tuition fees and other levies. This was in line with the federal government directive that each university should generate at least 10 percent of its fiscal revenue in order to supplement government subvention. The finding also supported (Ogbogu, 2011) that, most universities had expanded its I.G.R. which includes student fees, levies, grants, private sector contributions, endowments, gifts and donations, consultancy services, commercial activities and other various initiatives.

3.4 What is the percentage of funds allocated to the priority areas in universities in South-West Nigeria from 2007/2008 to 2009/2010?

Table 4: Priority Areas of Expenditure in Universities in South West Nigeria

Priority Areas	Budget(N)	% of Budget	Actual (N)	% of the Actual
Staff salaries & allowances	101,612,180,791	10.23	60,412,111,285	75.40
General Administration	73,645,920,831	87.97	6,568,031,039	8.20
Research & Publication	3,195,761,840	0.32	211,528,456	0.26
General Academic Expenditure	2,233,654,968	0.23	1,688,680,999	2.11
Capital Project	8,079,454,259	0.81	8,017,745,849	10.01
Staff Training & Development	4,345,472,723	0.44	3,216,908,597	4.02
Total	993,112,445,412	100	80,115,006,227	100

Source: Bursary Departments of Sampled Universities

The priority areas in the sampled universities were classified into six major areas. Table 4 gives analyses of the amount allocated to the priority areas. It further shows that about 10 percent of the total budget was allocated to staff salaries and allowances but 75.40 percent of the actual amount was eventually expended. The result of this study also gave credence to the assertion of

Akinsanya (2007) that personnel costs constituted the highest percentage of government grant to universities. This result further shows that staff salaries and allowances are not static as they are based on ranks, appointments, promotion and positions being held. Also acquisition of new qualifications and even new salary package and arrears of salaries often affect salary structure. Therefore, salaries and allowances are subject to different factors. This supported the University of Ilorin Annual Report (2008/2009) that there was a favourable variance of 0.01 percent of the university budget due to the fact that the new proposed programmes for that fiscal year were yet to take off and the envisaged 900 staff were yet to be appointed by the end of that fiscal year.

As shown from Table 4, revenue of about 10 percent was earmarked for capital project which was next to salaries and allowances. This finding supported that of Oguntunde (2007) that percentage of generated revenue on capital projects was next to salaries and allowances. This also gave credence to the account of the World Bank (1984) that capital expenditures are already largely accounted for through the planning process and a large portion of recurrent expenditures are pre-committed to the wage bill. This is due to the fact that a lot of money is needed for acquisition of capital property such as construction of lecture theatres, laboratories and procurement of equipment such as science equipment. This fell in line with the finding of Oluwalola (2011) that provision of buildings and other facilities will bring about conducive teaching and learning environment in universities in the South-West geopolitical zone.

The expenses on general administration attracted 8.20 percent while staff training and development had 4.02 percent. The actual amount on general academic expenditure was 2.11 percent while research and publication had the lowest percentage which was 0.26 percent. This corroborated the submission of Odebiyi & Aina (n. d.) that there were overspending on general administration and general academic expenditure at the expense of research and public service. The result was also consistent with the finding of Yusuf (2012) on appraisal of research in Nigeria's university sector that problem of funding among others led to low research productivity. However, this was not in line with the University of Ilorin Annual Report 2008/2009 and unilorin.edu.ng/downloads/ (2012) whereby the University Management had encouraged the academic staff by giving out N26m to the academic staff of the university for research purpose (Unilorin Bulletin, March 8, 2010). Figure 2 further highlights expenditures on the priority areas of the sampled universities whereby salaries reflect the highest expenditure while research and publication show the lowest amount of expenditure.

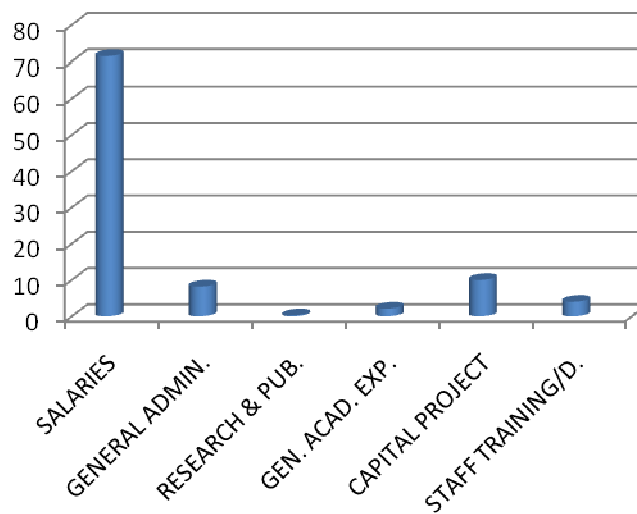


Figure 2: Histogram Showing Amount Allocated to Priority Areas

4 Conclusion and Recommendations

The sampled universities practised majorly incremental budgeting system and to some extent, the line-item budgeting system and PPBS. Of all the seven sampled universities, only one practised majorly zero-based budgeting system without adopting any other type of budgeting system during the period of this study. This could be attributed to the fact that the university is a first generation university (Table 2 refers) which had acquired infrastructure and other facilities more than other universities which were later established.

Moreover, judging from the strengths and weaknesses of different budgeting systems, it had been noted that though most universities majorly adopt one or two types of budgeting systems, during implementation stages they would have to introduce one or other forms of budgeting systems in order to meet their target. For instance, judging from real life practice and from the interactive sessions during the field work, those universities which declined not to practise zero-based type of budgeting would have to occasionally introduce an element of zero-based budgeting during inclusion of a new programme or a new item on their annual budget, whereby there would be no reference to the previous year budgeting.

Furthermore, it had earlier been argued by a budget technocrat, Obayan (2006), that all budgeting systems had an element of incremental budgeting system. In conclusion, all budgeting systems are slightly interwoven in practice and therefore, each institution would have to make use of their expertise in

knowing when to introduce and explore advantages in other budgeting systems apart from the majorly adopted one. In a nutshell, no single budgeting system could be solely adopted to meet an institutional target.

Based on the findings and conclusions of this study, it is recommended that the incremental budgeting system, which is mainly adopted by universities in Nigeria should be carefully guided to discourage corruption problem and financial recklessness as it encourages spending up to the budget towards the end of the year so that next year budget is maintained.

Freedom of information on budgeting issues should be allowed among staff members. Each university should explore a combination of budgeting systems on the basis of their strengths and weaknesses in order to meet their institutional goals.

Any university that judiciously expends at least five percent of its revenues on research and publications, as part of the basic goals of a university, should be encouraged by presentation of an award by the NUC.

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