Budgeting and Service Delivery in the Public Sector: The Case of Education Sector in Akwa Ibom State, Nigeria.

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Abstract

The role of government the world over is ensuring that it provides public goods and services need not be over-emphasized. However, one of the tools governments employed to achieve this milestone is the instrument of the budget as a policy to ensure that key decisions of government are brought to light. To this end, it was the objective of this paper was to interrogate the extent to which budget implementation has delivered services to the people of Akwa Ibom State. Using a descriptive research design, the author obtained data mainly from secondary sources to draw a conclusion for the study. The findings of this paper were, among others, that the education sector has not done well in the state due to poor budgetary allocation of the sector which is nothing close to the recommended 26.0% by the United Nations. Besides, the budgetary allocation from 2015 to 2020 keeps on depreciating every other year. The problems of the education sector in the state were identified as poor forecasting and planning, population growth, corruption and embezzlement, amongst others while the implications for poor budgetary allocation to the educational sector were identified as but not limited to infrastructural decay, low level of commitment among staff, low level of academic performance, low patronage of Nigerian schools, higher cost of education. It was however recommended that to fill the financial lag, the following have been considered by school management: consultancy services, the establishment of a viable petrol station, school farms, operation and maintenance of viable primary and secondary schools, lease of university land for private developers, the establishment of viable small and medium scale industries, establishment of commercial computer services centres, university printing press, hotel services.

Keywords*:* Budget, education, public sector, service delivery, tertiary education.

Introduction

The responsibility of every government to its people is the provision of essential goods and services (Felix, 2012). The government regulates the public sector as part of the economy that provides services such as employment, roads, electricity, water, health, education, security and a host of other public services. These services that the government needs to provide are so enormous due to increase population. As economist would put it, "human wants are unlimited" (Adamolekun, 2011), but the means to satisfy them are limited; this therefore call for an efficient management tools that will harness the limited resources for optimal use. One of the key tools of government for efficient management of resources for service delivery is the budget.

The need for prudent public financial management for development objectives to be achieved is emphasised in many circles. For example, while underlining the importance of favourable environment for undertaking productive economic activities as necessary for development, the World Bank (2011) emphasizes the need for developing countries to ensure efficient management of funds. In the same vein, Jordaan (2013) observes that understanding

public financial management is imperative as it forms an integral element in national development and growth which is central to the existence of functional governments.

Budgeting which is one of the key components of the public financial management has been termed as the genesis of functional public administration.

One of the earliest social services introduced to Nigeria was education. Most of the earliest primary and secondary educational institutions established were by the Christian missionaries. Only very few were government owned. Education was on the concurrent list in the post-independence Nigerian constitution and both the regional and federal governments were required to fund these institutions. Education funding in Nigeria involves the Federal, States and Local Governments' Appropriation and Releases for Capital and Recurrent Expenditure. It also includes Education Trust Fund, Donor Agencies, Interventions, as well as Scholarship awards by Federal, States and Local Governments (National Bureau of Statistics, 2012).The missionaries relied on donations by missions and school fees paid by the students. In other areas, communities also participated in the running of schools. The funds used in running these establishments were derived from local taxes voluntarily levied on the host communities and other donations from philanthropists (Oseni, 2012). Individuals running educational institutions mostly carry on with the motive of making profits and fees charged are relatively higher than that of the government and community-owned establishments.

As more states were created from the regions by the military administrations, more secondary and tertiary educational institutions were created. To regulate the activities of these institutions, regulatory bodies were created. The major onesbeing the National Universities Commission (NUC) for Universities, the National Board for Technical Education (NBTE)) for Polytechnics and Colleges of Technology, National Commission on Colleges of Education (NCCE), National Teachers Institute (NTI) and Universal Basic Education Commission (UBEC) (NBS, 2012).

Availability of adequate funds from the proprietors is a sine qua non for the good running of educational establishment. Government educational institutions are funded from the budgetary allocations for the educational sector for a particular fiscal year. Recurrent and capital expenditures are all taken care of from the budget meant for education in that year. As education plays important roles in the development of a nation, education stakeholders in Nigeria have called for not only an increase in the education budget but also an uptick in the quality of personnel and robustness of policy. The country has consistently witnessed a not so good decline at every level from the primary pupil to the tertiary student. At one time, our universities, showed leadership and immense promise not only in Africa but other parts of the world.

However, budget accomplishment by government is far from reality and the disparity between budget and accomplishment are usually wide and kept on abating as years passes by. On the other hand, public service delivery by the government has continued to deteriorate despite huge budgetary and supplementary budgetary expenditures. There is now a huge concern about government's inability to effectively execute budgets to meet public utility demands either due to intergovernmental fiscal challenges or corruption (Romanus, 2012). The most frequent concern has been the partial or total disregard of procurement regulations and procedures, where they exist. Procurement procedures and regulations according to Nigeria's Financial Regulations (2000) specify the price and quality of goods and services that are authorized in the budget including obligations and authorization to incur expenditures. They also emphasize on authorization before ministries and spending agencies can incur an obligation to make expenditures for public services. The other ministries and parastatals must thus secure spending authorization from the ministry of finance through the use of warrants in order to control expenditure. The question that comes to mind is: to what extent have budgets implementation delivered services to the people of Akwa Ibom State? Therefore, this study intends to investigate into the contributions of budgeting in enhancing service delivery in educational sector in Akwa Ibom State.

Conceptual Clarification

Budgeting

Willand (1997) defined budgeting as valuation of receipts and expenditures or a public balance sheet, and as a legislative act establishing and authorizing certain kinds and amounts of expenditures and taxation. Horngren et al. (2004) described a budget as the quantitative expression of a proposed plan of action by management for a specified period, while Blumentritt (2006) defines budgeting as the process of allocating an organization's financial resources to its units, activities and investments. Budget in the view of Aremo (2000:11) is a financial quantitative strategy prepared and approved prior to a defined period of time of the policy to be pursued during that period for the purpose of attaining a given objective. In many countries, governments are utilizing decentralization tools for poverty reduction, improving representation of the poor and better targeting of service delivery (Jütting *et al.,* 2004).

Therefore, a budget is the detailed description of the estimated receipts and proposed expenditures and disbursements under the various heads. It enables the authorities decide individual items of revenue and expenditure in the overall context of the plan. For any government to function effectively, it must embark on realistic policies in which to convert available resources to the development needs of the state. The yearly budget is usually characterized by certain philosophical phrases. In Nigeria, these are reflections of the prevailing economic circumstances and the method the leadership is adopting to realize the development objectives given that circumstance.

Service Delivery

In this study, we shall consider the definition of service delivery given by Oshishami (1994) who sees service delivery as the act of ensuring that services such as sanitation, education, health, roads, water, employment, electricity amongst others are delivered to the beneficiaries.

Public Sector

According to the Chartered Institute of Management Accountants (CIMA) (1990), the Nigerian public sector consists of the three separate levels of government (i.e. Federal, State and Local Government) whose powers and relationships are not only defined but are also guaranteed by the constitution. They conduct their activities via ministries and/or extra-ministerial departments and parastatals.

Educational System in Nigeria

Tertiary Education

Tertiary education system in Nigeria is composed of universities, polytechnics, institutions of technology, and colleges of education that form part of or are affiliated to universities and professional specialized institutions [International Association of Universities (IAU), 2000]. The universities can be further categorized as state or federal universities, and as first, second, or third generation universities (Hartnett, 2000). Federal universities are owned and funded by the federal government, while state universities are owned and financed by the states (there are 36 states). Tertiary education in Nigeria can be further divided into the public or private, and the university or non-university sectors. Public universities, owned by the federal and state governments, dominate the higher education system. The non-university sector is composed of polytechnics, institutions of technology, colleges of education, and professional institutions, most of them operating under parent ministries. There is no sharp distinction between the university and the non-university sectors; most of the institutions in the latter sector are affiliated with universities.

Universal Basic Education

Nigeria's Universal Primary Education scheme of the 6-3-3-4 was replaced by the Universal Basic Education. The Universal Basic Education Commission (UBEC) established by UBE Act, 2004 is introduced to ensure unfettered access to nine years of formal basic education as well as reducing the incidence of drop-out from the formal school system through improved relevance and efficiency. It is also to ensure the acquisition of appropriate levels of literacy, numeracy and manipulative communicative and life-skills, as well as the ethical, moral and civic values needed for the solid foundation for life-long learning. It ensures that education is free compulsory and a right of every child (UBE Act,2004).

Financing of Education Sector

Funding of education in Nigeria involves the Federal, States and Local Governments' Appropriation and Releases as Capital and Recurrent Expenditure for the education sector. It also includes Education Trust Fund, Donor Agencies, Interventions, as well as Scholarship awards by Federal, States and Local Governments (National Bureau of Statistics, 2011). The bulk of financing of all federal universities are received from the Federal Governmentthrough the National Universities Commission (Hartnett, 2000). The budgeting processes and expenditures have to adhere to budgeting and expenditure formula stipulated by the National Universities Commission (NUC) as follows: 60 percent total academic expenditure; 39 percent for administrative support; and 1 percent for pension and benefits (Hartnett, 2000). It is mandatory for all federal universities to generate 10 percent of their total yearly funds internally through various revenue diversification means (Odebiyi and Aina, 1999). The Education Tax Decree No. 7 of 1993 stipulates the payment of 2 percent of assessable profits of limited liability companies registered in Nigeria as an education tax to be disbursed according to the ratio of 50: 40: 10 to higher, primary, and secondary education respectively. The share of higher education is further allocated to the universities, polytechnics, and colleges of education in the ratio of 2: 1: 1 respectively (Ajayi and Alani, 1996).

Budgeting in Educational Sector in Akwa Ibom State, 2015 – 2020

Source	Year	Total Budget	Educational Sector	Percentage (%)
Akpabio (2014)	2015	N492 billion	N18.03 billion	3.66%
Ukpong (2015)	2016	N426 billion	N9.888billion	2.32%
Akwa Ibom State Government (2016)	2017	N365 billion	N8.6 billion	2.36%
Ukpong (2017)	2018	N651.5 billion	N10.53 billion	1.62%
Akwa Ibom State Government (2018)	2019	N670.718billion	N15.050 billion	2.24%
Vanguard (2019)	2020	N597.8 billion	N4.98 billion	0.83%

Source: Compiled by the author, 2021

The table above shows the budgeting structure of Akwa Ibom State from 2015 - 2020. From the above table it is an indication that in 2015, only N18.03 billion which represent 3.66% was allocated to educational sector out of the total budget of N492 billion 3.66%. In 2016, N9.888billion representing 2.32% was allocated to educational sector in Akwa Ibom out of N426 billion total budget of the year. In 2017, out of N365 billion of the total budget, N8.6 billion (2.36% for the year budget) was allocated to education sector. While in 2018, the sum of

N10.53 billion (representing 1.62%) was allocated to educational sector out of N651.5 billion total budget of the year.

There was huge amount of money (N670.718billion) was budgeted for 2019, but only N15.050 billion (2.24%) was allocated to educational sector. Finally, the total amount budgeted for 2020 was N597.8 billion, out of which N4.98 billion representing 0.83% was allocated to educational sector in Akwa Ibom State. From the above analysis, there is poor budget allocation to educational sector in Akwa Ibom State, the reason is because it is far below what United Nation recommended level of 26% for education sector.

The Nexus between Budgeting Practices and Service Delivery

Budgeting and planning process involves setting targets upon which performance is measured. Therefore, the value for money is a key concern in budgeting process. In addition, the budgeting processes enables conducting budget reviews and service delivery reviews simultaneously. These findings are in line with the view of Bartle and Shields' (2008) who said that more money should be allocated to educational sector to help carry out their service delivery. Kruk and Freedman (2008) emphasize that these values are critical for budgeting to play its rightful role in promoting equity and allocative efficiency and consequently ensuring quality public service delivery.

Problems Facing Budgetary Allocation in Educational Sector

There are various factors that are responsible for the underfunding or inadequate funding of educational sector in Akwa Ibom State. These factors can be human or administrative; it can also be as a result of errors from the government, parents and/or students. Some of thereasons for financial inadequacies for the administration of education in Nigeria are:

Poor Forecasting and Planning

Forecasting is important in determining the number of students in the school and the amount of resources that will be enough to cater for their educational needs. The ability to keep records and trend analysis is a factor that has made it difficult to carry out adequate forecasting of needed resources and programmes for the improvement of education in Nigeria. Adeleye, Adu and Olatunde (2012) pointed out that the problem of record keeping has been a challenge in the computerization of schools data. This has limited the ability to make appropriate plan for schools in the country.

Population Growth

Bua, Olatunde and Amough (2013) stated that "Evidence shows an increasing rise in the total population of the African continent and in particular, school age increasing at the rate of 2.5 to 3% per annum and enrolment into schools is on the increase annually". Increase in population has therefore been a limitation to adequate planning for the delivery of quality education. Schools enrollment rate in the last four decades has increased above the level of resources provided for this level of education. Population explosion as a result of various religious, social and cultural beliefs has therefore made it difficult for proper funding of education.

Corruption and Embezzlement

Corruption as a social problem that is affecting most of the sectors in Nigeria. The educational sector has also not been left out of the misappropriation and underutilization of funds set aside for the improvement of the education system. Ayobami (2011) pointed out that corruption can be systematic in nature but in a long run will affect the whole life of an institution or society. Corruption can therefore limit the goals of an institution thereby resulting to wastages. Some of the funds made available for the provision of quality education are sometimes diverted for selfish use while in other cases, the budget for the educational sector are misappropriated. This has given rise to the inadequacy of funds for managing education sector in the country.

Consequences of Inadequate Funding in Educational Sector

Funding of education remains one of the important resources that are needed to manage the school system. All levels of education; primary, secondary and tertiary require sufficient level of funding in order to improve on the standard of education provided in the country. When funding is not provided in the right quantity and at the right time, it affects the education sector in so many ways. Some of the consequences of insufficient funding on the administration of education in Nigeria include:

Infrastructural decay

According to Sullivan and Sheffrin (2003) infrastructure is a term used to refer to products, services and facilities that are needed for an institution to function. It therefore means that the ability of the school system to achieve her objectives depends on the availability of these products. Infrastructures are very important for learning to take place in any educational institution. Eseyin, Okafor and Uchendu (2014) stated that "Infrastructures play a significant role in the provision of quality education in any nation". They aid in the dissemination, assimilation and transmission of knowledge. However, when funds are not available for the provision and maintenance of these facilities, it could result into a dilapidation of existing structures as a result of wear and tear and lack of maintenance. Funding is also required to upgrade facilities in theschool environment and make them useful based on modern trends.

Low Level of Commitment among Staff

One of the benefits of funding is that it serves as a means of motivating staff in the work environment. According to Hertzberg (1966) salary is one of the hygiene factors that motivate staff to work. When this is not forth coming, it reduces the level of commitment of workers in the organization. The timely and adequate payment of staff salaries and other welfare package is a factor that stimulates workers willingness to work. Funding is therefore necessary in other to arouse the commitment of workers in the work place. The absence of this benefit will result to a poor level of commitment to work.

Low level of Academic Performance

Availability of facilities such as libraries, laboratories, workshops, comfortable hostels etc are necessary for a productive learning. These facilities make it easier for teachers and students to carry out their basic responsibilities in the school. Students need learning materials to learn well while the teachers also require teaching aids to be effective. However, in a situation where these facilities are not available for self-development, the performance level of both teachers and students will be very low. This is because teachers and students will have more idle time than productive time. The implication is that study periods will reduce and learning outcome will be low.

Low Patronage of Nigerian Schools

The quality of staff and facilities in Nigerian schools is a factor considered by parents and students when making institutional choices. The availability of these resources in quality and quantity usually determines the standard of education provided. These resources cannot be provided as at when due when there is financial inadequacy. This situation can lead to the patronage of foreign educational institutions rather than local institutions. For example, over 75,000 Nigerian students are said to be studying in Ghana alone aside other countries (Punch, 2014). This is as a result of low expectations from educational institutions in Nigeria which is attributed to the poor funding policies in the educational sector.

Higher Cost of Education

The cost of acquiring formal education in Nigeria is gradually increasing when compared to other countries of the world. The cost of education is usually divided between the individuals and government. Cost sharing in this case makes the cost of education to be cheaper for individuals who wish to acquire formal education. However, when the needed funding from the other educational stakeholders is not forth coming, this will increase the cost of acquiring education by interested individuals. The implication of this is that the level of enrolment will drop since interested students may not be empowered to pay for the high cost of getting funding of education will restore the confidence of parents and the international community on the standard of education provided in Nigeria.

Alternative Sources of Funding Educational Sector

Since the Akwa Ibom State institutions do not generate a significant proportion of their incomes internally, but depend mainly on State Government funding, the question of perennial shortfall in revenue continues to be a major problem in these institutions. It is also apparent that government alone cannot shoulder the heavy financial burden of education. For the various institutions to continue performing its role, there is need to seek alternative sources offunding education in Akwa Ibom. The following are some of the alternative sources that can be explored by higher institutions to generate revenue internally:

Consultancy Services

It has been an established fact that well organized and maintained consultancy services in any higher institution could be one of the major sources of income. Tertiary Institutions should not fold their hands and expect government to supply all the funds required in the institution, rather they should effectively utilize the highly trained manpower available in the various academic disciplines to offer consultancy services to potential customers (Archibong, 2001). Consultancy service could be a major source of internal fund generating outlay putting all hands on deck concerning accountability and transparency management of such resources accruing to the institution. Non-NUC Certificate, Diploma and Degree Programmes offered from consultancy services could bring a substantial earning to the university to alleviate most problems posed to the institution by lean Federal Government funding over the years. Equally evening and weekend courses could be offered for the working populace. The fees paid by this class of students could go a long way to help the financial resources of the university.

Establishment of Viable Petrol Station

Petroleum business in recent times has been very lucrative. Tertiary institutions could invest reasonably in this business, and the profit accruing thereof, could go a long way to boost the revenue base of institutions. Private and Commercial vehicles operating within a university can form ready-made customers of the petrol station. On this note, the profit made on the sales in the filling station can step up the revenue of theuniversity.

School Farms

There is need for educational institutions to establish modern yielding agricultural farms. Personnel from this sector should play significant role both in research work and practical agriculture in order to feed the growing population of the nation. Besides, they could operate extension services to surrounding communities and fees so collected can enhance the revenue earnings of the institution.

Operation and Maintenance of viable primary and secondary schools

Universities can establish Primary/Secondary Schools as revenue yielding venture. Such schools should be managed profitably to generate revenue internally.

Lease of University Land for Private Developers

Leasing involves obtaining the use of specific assets such as land, building and equipment without actually obtaining title to them. Administration of institutions can make reasonable amount of money from lease of its land to private developers on contract at stipulated fees. Exploring such revenue to raise funds internally in the institution to boost its income base cannot be overemphasized.

Establishment of viable small and medium scale industries

Viable small and medium scale industries can be established by educational institutions as revenue generating ventures, such as soap, detergent and pomade factory. Management committees of these industries can make use of experts from department of Pure and Applied Chemistry as supervisors.

Establishment of Commercial Computer Services Centres

It has been observed that many institutions operate computer centres with trained personnel, but the enterprising aspect of this see remain dormant. It is therefore proposed that the computer facilities expanded to make it a revenue-yielding venture for the institutions, centre would have a high patronage of students and staff of the institution.

University Printing Press

Most printing press/centres in Nigeria institutions are with out-dated equipment. There is need to reorganize this sector with modern equipment to make it a revenue-generating sector. In this way, students and staff as well as the public would be encouraged to patronize the services.

Hotel Services

Most educational institutions across the nation operate hotel services, and there is need for the management of this revenue yielding sector to revitalize it to meet with modern hotel standards in order to attract customers, especially in this era of world tourism development. It is therefore quite pertinent that hotel services in Nigerian Universities be reactivated to international standards so as to become a major source of revenue earning. Catering services could also be rendered.

Conclusion and Recommendations

Educational institution has become the most depressing in recent times due to inadequate funding. The present level of funding is increasingly becoming inadequate to meet certain vital needs of the system, especially in the areas of staff emolument and allowances, infrastructures and equipment. Without doubt, government has found it increasingly difficult to fund education as its annual budgetary allocation has not matched the quantitative growth of the educational sector. The only option open to higher institutions in the state is to adopt a proactive way of addressing these emerging challenges in order to survive and prosper. There is, therefore, the need to develop a solid and resilient financial base that will assure long term sustainability of academic programmes and operations of the institution. In this regard, therefore, other sources of generating revenue must be explored as suggested in this study. If efficiently explored, managed and sustained; they will ensure continuous flow of funds to the institution and efficient service delivery.

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