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An Appraisal of Treasury Operations and  
Final Accounts Procedures In Yobe State

A CASE STUDY OF MINISTRY OF FINANCE,  
DAMATURU, 1999 TO DATE

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**PAGE TITLE**

AN APPRAISAL OF TREASURY OPERATIONS AND FINAL  
ACCOUNTS PROCEDURES IN YOBE STATE:  
(A CASE STUDY OF MINISTRY OF FINANCE, DAMATURU, 1999 TO  
DATE)

BY

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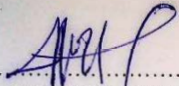
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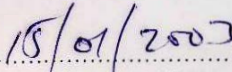


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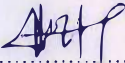
This project has been read, and approve as having met the requirement of the Department of Accounting and Finance, Federal Polytechnic, Damaturu



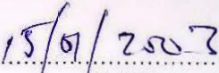
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## DEDICATION

This research work is dedicated to my father and mother, Mallam Garba Sa'adu and Ya Falmata as well as friends and well wishes especially Liman Saidu who in their earnest efforts contributed to my success. May Allah Almighty grant all they wish for themselves, (Ameen).



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My profound appreciation equally goes to all members of HND II pioneer student of accountancy with whom I passed through this great institution.

I seek the blessing of Allah to all now and forever more.

## ABSTRACT

The continuous alienation of the accounting functions and responsibilities outside central treasury accountants and accounting staff has given rise to disharmony within the clique of accountants and accounting staff of the State.

This is due to the fact that an accounting sub-unit headed by Director of Finance and Supplies of not less than grade level 14 with his supporting staff has no functional accounts to handle, no cash book as well as vote book as a result of the centralized system of payment from the central treasury only.

The inactivity prevalent in these sub-accounts units and the extend to which the headquarters staff are engage all year round as custodian of the public fund, keeping of up-to-date records and sole spender on behalf of budgeted Ministry and Parastatals cannot atger well for the overall objective of Treasury Operations and Final Accounting Procedures. This is evident from the fact that contractors who executed or are executing work in different ministries normally troop to the central treasury halting every other activities in pursue of their payment.



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## CHAPTER ONE

### 1.0 INTRODUCTION:

Every organization being it private or public must have aims or objective together with human elements to enable it to continue to exist in pursuance of such aim or purpose within the frame work of its set up.

The human elements are the employees. There are people or different cadres who must work together to enable the organization to accomplish its purpose.

The treasury occupies an important position in governmental business or activities where the economic activities hinge on the supply of <sup>finance</sup> ~~lenience~~ and subsequent expenditure for the general well being of the society.

The Yobe State Government still operating the old financial instructions which is supposed to be updated to be in line with civil service decree No.43 of 1988 as amended

The central government on its part has revised the document since 1976 tagged "Financial Regulation" the reason given for the swip from the previous to the later is as a result of changes in the philosophy of management of government business and accountability. There were stressed in the Udoji Report which appears to blamed certain aspects of the old financial instructions. It is in view of this that they tried to harmonized

the new financial regulation and those aspects that are peculiar to the state as provided in the financial instructions.

### 1.1 STATEMENT OF THE PROBLEM

The treasury department is the financial back bone of every organization especially public ones. The present Accountant General in his effort to enhance operational efficiency and final accounting procedures has centralized all payments from the ministries and parastatal's sub-treasury. As a result, the various accounting sub-units of those ministries and the accounts they initially maintained has to a great extent became dormant due to lack of operational transaction at their sub-units levels. Moreso, the Accountant and Accounts Staff at this end have been rendered largely redundant without operational books of accounts to maintain or bank accounts to reconcile with the books.

This inadequacy has prompted the researcher into the problem aforementioned above and to suggest ways and means of utilizing the Accountants and supporting staff at the ministerial sub-accounts centres. This will not hinder the operational and accounting objectives of the central treasury if proper returns from sub-accounts units are received and consolidated on time.



## 1.2 AIMS AND OBJECTIVES OF THE STUDY

The aims and objectives of the study by the researcher can be summaries as below;

1. To bring back the lost glory of sub-units accountants by re-engaging them with work at their own end.
2. Harmonized the New Financial Regulation with the operational one of the State which is the old financial instructions.
3. To reduce the volume of work on the part of the central treasury staff without digression from overall objective of the treasury accounting.
4. To suggest ways and means of achieving the aforementioned through decentralization of the work load of the central treasury to the sub-accounting units with emphasis on the part of those units to furnish the central treasury and final accounts department with <sup>timely</sup> ~~ready~~-returns of <sup>the</sup> ~~that~~ operations adequate for consolidation and production of final accounts at the end of each financial year.

## 1.3 SIGNIFICANCE OF THE STUDY

The significance of the study can be perceive in the statement of the problem aforementioned.

The gross under-utilization of Directors of Finance and Supplies along with his supporting staff and Chief Accountants of the ministries and



parastatals cannot auger well for the several purpose of accounting, accountability and check and balances of public transactions, commitment, settlement of expenditure or contract incurred relating to them at their end.

On the other hand, this has over burden the central treasury staff with volume of work that would have been reduce to taking returns of properly documented balances of transactions from these sub-accounting units to enhance efficiency and accuracy of their work.

The timely and proper returns from these sub-units is the essential ingredient for operational efficiency of the central treasury and public accounts as against total centralization and monopoly of activities by it.

In view of the above, the study is of great significance to the parties involve and it is also intended that it should serve as a reference point for other scholars carrying out related research in the near future.

#### 1.4 SCOPE AND LIMITATIONS:

Although the treasury and final accounting as a subject matter is of a wide dimension, in public finance, the scope of this study is its application procedure here in Yobe State as confine<sup>d</sup> to the treasury and final accounts directorate of the Ministry of Finance and Economic Development, Damaturu.

The research study which is a pre-requisite for the Award of Higher National Diploma in Accountancy by the Federal Polytechnic Damaturu is limited on the part of the researcher by;

(a) TIME FACTOR

This is a serious limitation factor for widening the scope of this study as the final submission date of this research work <sup>is</sup> barely two months from its approval date.

(b) FINANCIAL CONSTRAINT:

Finance is a worthy limitation factor of any research study. This entails running up and down from school to the Ministry of Finance especially in between two lectures which limits the number of times of going in a tight lecture days.

1.5 HYPOTHESIS:

There are statements, which help the researcher in framing the research question.

- The present centralization of all payments to the central treasury only has rendered accounting staff and accountants outside the central treasury (ministries, boards and parastatals) redundant.
- The present centralization of all payments to the central treasury only has not rendered accounting staff and accountants (ministries, boards and parastatals) redundant.

## 1.6 RESEARCH METHODOLOGY

Data collection is most important ingredient in making a successful inferences. These are various methods of collecting data and the method one uses depends on the nature of the universe one is going to investigate. Some of the methods adopted by the researcher is by collecting relevant data from financial instruction/regulation, personal interviews of accountants and accounting staff concern. Direct enumeration and documentary papers presentations relevant to the subject matter of the study.

The analysis in this study will be based on two main sources of information namely primary and secondary sources. This method used as aforementioned is outline in chapter three.

## 1.7 DEFINITION OF KEY TERMS

- (a) Central Treasury: This is the government department responsible for the public revenue and expenditure <sup>in which</sup> for the public business of the department is transacted.
- (b) Centralization: This has to do with concentrating at one central point. To bring the functions of the accounts department under central control.
- (c) Decentralization: This is the act of being decentralized power or control to various areas usually to the area where operation takes place. For instance Ministries, Boards and Parastatals.
- (d) Sub-accounting Units: This is the accounting sections is more or less a branch having authority to collect and disburse public fund. It maintain a recognized cash book and bank accounts.



## CHAPTER TWO

### REVIEW OF RELATED LITERATURE

#### 2.0 INTRODUCTION:

This chapter ideally deals with the body of knowledge governing the area of study chosen by the researcher. The review of the relevant literature and definitional issues in connection with the subject matter will be thoroughly highlighted in this chapter.

#### 2.1 HISTORICAL BACKGROUND OF MINISTRY OF FINANCE, DAMATURU

The Yobe State Ministry of Finance came into being on August 1991 when Yobe State was created from the former Borno State.

The Ministry is one of the largest in the bureaucracy system. It has two main divisions on inception. These are the Finance and Treasury in addition to agencies which are within the ministry (Commerce and Industry).

As a result of structural adjustment in 1978, the Ministry of Commerce and Industries was separated from the Ministry of Finance. This action streamlined the ministry to six functional divisions/departments.

This is in addition to policy and management affairs of the ministry. The departments are thus;

1. Treasury
2. Finance and Supplies
3. Computer

4. Final Accounts
5. Statistics
6. Personnel Management

The finance (control and management act) 1958 enjoins every ministry charge with the responsibility of collecting receipts and custody, use, issue or payment of public fund in whatever form to obey all instructions. What may be issued from time to time from the ministry of finance. The ministry has the power to inspect access to records, documents, and information with regards to all assets to ensure that full accounts is accounted for by the (Accountant) to make expenditure and finance that adequate financial control is maintained in public finance.

Similarly, as a result of the civil service reforms in 1988, the administrative and financial machinery of government is substantially affected. Ministries were accorded considerable autonomy in administrative and financial matters. Likewise Commissioners in the ministries <sup>are</sup> ~~are~~ made the Chief Executive with full control and responsibility but management of fund is under the Accountant General. The Ministry was later changed to read Finance, Economic Development and Budget.

The basic function of the ministry now is more concern with prudent financial administration and execution of government financial policies in

conformity with economic and monetary stability while sustaining growth of the State economy in particular and the nation in general.

The treasury department in the State Ministry of Finance is the largest department. It is a division of the ministry and is headed by a Director assisted by the accountant. The department has more defined responsibility spelt out of recording government financial transaction and reporting financial information it share with budget department in financial matters.

In the finance ministry, each department have an accountant in the management of public fund of that department. While, sub-accountants are not within the ministry but are spread within various extra-ministerial and departments under the control of the Ministry of Finance. Each of the six departments earlier mentioned has an accountant for the control of fund of that department in particular.

## 2.2 TREASURY DEFINITIONAL ISSUES:

The treasury is the financial heartbeat of every organization especially public one in term of governmental transactions. There is many definition of the term "Treasury" by educationist and authors of management and accounting studies textbooks and academic publications. Though the definitions differ slightly, nevertheless all are intended to serve the same purpose in its administration and applicability of the term in most



organization especially governmental set-up. Some of these definitions will be considered in the course of this chapter.

“Treasury” according to “the chambers 21<sup>st</sup> century dictionary (1996 edition) defined ‘Treasury as “the government department in charge of a countries finances especially the planning and implementation of expenditure policies, the collection of taxes etc; or the income or fund of a state government organization, society etc”.

Similarly, according to KOLADE OSHISAMU (Government Accounting and Financial Control Page 93) defined treasury as the financial organization of the Federal Government (State) which receives, keeps, disburses, records and reports the financial information thereon.<sup>2</sup>

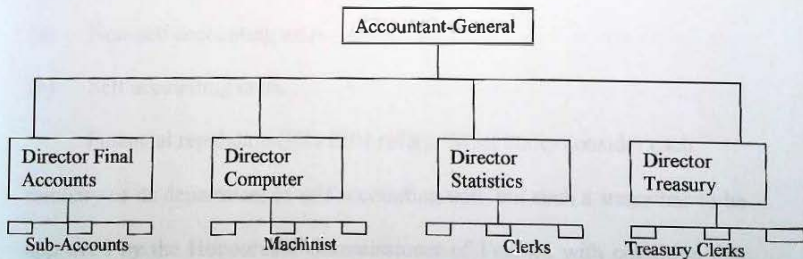
On the other hand, Hyacinth, U. Ezema, (Treasury Management Page 87) defined treasury as “A system by which an institution such as a government, effectively plans, uses, monitors and control the funds available to ensure maximum yield of service. This usually involves cash management activities, funds management processes, foreign exchange, exposure management, working capital control, risks management as well as matching of asset and liabilities”.

It can be observed that from these definitions that the treasury occupies an important position in any organization especially governmental

or public activities of the government where the bulk of the economic activities hinge on or revolve around the supply of finance and subsequent expenditure for the good of the society.

Since accountants are the operators of the treasury system in the public sector, the whole essence of the subject matter revolve around the need for accountants to see that; proper accounting, correctness of records and observance of certain rules of ethical behavior which has always been their characteristics whether as members of professional body or not.

The treasury is headed by the Accountant General whether at the State or Federal level who is referred to as the Chief Accounting Officer for receipts and payments of the government. This title was conferred by virtue of ordinance 27 of 1937. The organization of the State Treasury can be seen as follows;



The coordinated function of the entire above directorate under Accountant General forms the basis of the overall treasury operations and the final accounting procedures of the State.

### **2.3 ACCOUNTS CLASSIFICATION OF THE TREASURY**

As earlier mentioned, in the introductory part of this work, the 1988 civil service decree number 43 accorded each ministry or extra-ministerial department with regards to government accounting as an accounting unit. This is to be in conformity with the revised 1976 financial regulation (FR). This accounting units literally refers to ministries, department, parastatals through which accounts are processed but are dormant now, which is the core of this research problem with regards to the above, there are three different type which have been reflected in the old financial instructions. These are;

- (a) Non-self accounting units.
- (b) Self accounting units.

Financial regulation (FR) 1201 refers. Most States consider each ministry or its department as self accounting unit, but such a status has to be approved by the Honourable Commissioner of Finance with condition that there already exist a functional internal audit unit. In practice any ministry or department that make good such a status should at the end of each month



render its returns through manuscripts by way of below the line accounts. Here in Yobe prior to the centralization of activities to the centre (central treasury) it is rightly operating the sub-accounting unit system with regards to ministries and departments autonomy to receive, disburse and account for fund collected through recognized cash book and known Bank accounts of the ministries and department whereas the treasury passes the corresponding debit or credit entry in the final accounts ledger.

In reality here in Yobe State and under the present dispensation there accounting sub-units <sup>have</sup>~~gave~~ been left with virtually nothing to do and the Bank accounts they previously maintained becoming dormant for the past one year or so as a result of the centralization of all payment to the central treasury.

Under the old system, (financial instruction), payable and receivables orders where the dormant features of public transaction which is now replaced with the use of bank cheques, payment vouchers, receipts vouchers and pay-in-slip systematically replace the old dispensation.

The most important books of accounts used are the various cash books, which is used for classification of expenditure according to sub-heads thus easing the posting to the ledger accounts journal adjustments (FI 090 to 907 or FR 701 to 707 refers and the ledger accounts (that is the main ledger

records the total transaction of the above the line for both receipts and payments based on recurrent estimate as well as the capital while the general ledger records summaries of the main ledger.

Similarly, there is a general ledger for below the line accounts where each accounts is incorporated in the main ledger.

A typical posting entries on receipt of cash can be seen below;

	DR		CR
Cash	X		
Revenue A/C or (the appropriate below the line)			XX

When cash payment is made;

	DR		CR
Appropriate expenditure A/C or (appropriate BTL a/c cash)	X		
			XX

#### 2.4 PUBLIC ACCOUNTING OF EXPENDITURES:

The financial activities of government are classified under different self balancing funds derived from the constitution or through legislative enactment. They are usually carried out to control the various predicaments and to at the sametime enable appropriation (incurring of expenditure) out of such fund. Other aspect of the classification centered on the accounting group used for budgeting and control of expenditure where data is collected

and recorded to enable the preparation of financial statement for the government.

In government or public financial transaction of accounting records, two sets of accounts are worthy of <sup>expenditure</sup> ~~expenditure~~ as mentioned earlier, there are the;

- (a) Above the line accounts
- (b) Below the line accounts

The former are those accounts that are based on initial budget estimates which end up in either the consolidated revenue fund CRF or the development fund. There are two funds part of the below the line accounts. Statement of result of operations are also produced. The above the line (ATL) are based on variety of criteria like that of function, programme (human resources development or housing etc), organizational units (bases of the legislative approval of the funds and each unit constitute a head of vote account. For instance finance (head 416) activity etc.

The later that is below the line (BTL) categories into groups or series where each group represents, a category of accounts that are cleared into certain funds. For instance here in Yobe, (BTL starts with series of head 5000 – 5030, current accounts 5101 – 4200 etc).





Having familiarized <sup>one</sup> ~~are~~ self with the two basic sets of accounts, it is expedient to further explain the activities when the transcripts as earlier mentioned reach the Accountant General's Office. At this point the expectation is that the sub-accounting units, sub-treasury etc might have balanced their accounts, categories above the line accounts (revenue and expenditure) under their relevant head/sub-heads showing the "contra" where applicable. This is the difference between total receipts (recurrent and below the line) and the expenditure (recurrent and below the line). This is in addition with the transaction from other sources like the central treasury and the Accountant General's ledger account will have been incorporated to complete the double entry aspect of the accounting principles.

With regards to the revenue estimate, the total figure in the head are transferred to the credit of the head 5031 recurrent revenue (below the line classification) whereas the total figures in the head of the expenditure estimate are transferred to head 5032 (recurrent expenditures).

A transcript format showing ATB and BTL and BTL distinction can be seen below;

Table showing transcripts format indicating ATL and BTL distinction.

Head	Sub-head	Description	Amount	Sub-total	Total	Head	Sub-head	Description	Amount	Total
	X	B/F	-	-	-			B/F	-	-

X	X X X		X X X			XX	X X X		XX XX XX	
		Total for head			X	Total head				XXX
X	X		X			XX	X		XX	
	X X		X X			XX	X X		XX XX	
		Total for head			X			Total		XX

Below the line

below the line

XX XX XX			XX XX XX				XX XX XX		XX XX XX	
		Total BTL		XX				Total BTL		XX
		Total Rev.		XX				Total Exp.		XX
		Net bal. c/f		XX						

NOTE:

The transcript normally show the account for the ATL and the BTL on a single sheet showing total debits and credit for each head or below the line number as appropriate as well as opening and closing balances. To sum up, the following data pertaining to the below the line account is relevant.

Head

Title

5000	Cash
5031	Recurrent revenue
5032	Recurrent expenditure
5033	Surplus and deficit a/c
5034	Consolidated revenue fund (CRF)
5035	Capital expenditure

5036  
5037

Capital receipt  
Capital development fund

## 2.5 THE FINAL ACCOUNTS AND REPORT:

This is more or less a twin directorate that work hand in hand with the treasury department. This department is responsible for receiving all monthly returns from all the ministries as well as other departments. It is primarily responsible to consolidate all the treasury accounts to produce the final accounts as a bases for the production of the report of the Accountant General as the Chief Financial Steward to the State Government.

The process of gathering data for the preparation of various financial statements by the treasury is a very intensive exercise which involves the use of computers, mechanical and clerical system of financial transaction, recording, <sup>storage</sup>~~shortage~~ and retrieval of such an information is done by the treasury and final accounts.

To facilitate that work, proper records will have to be maintained, recorded and analyzed in conformity with budgetary as well as non budgetary mandates.

Prior to the centralization, the sub-accounting units usually render <sup>the</sup>~~that~~ returns to the treasury at the end of every month. The cash book control units of the treasury (CBC) as checks the returns against the schedule brought of transaction at their end before acceptance. This schedule are 1/1



form of cash books original page copy for the month, bank reconciliation as well as bank statements for the month. This is applicable to all payment under normal circumstance. After taking accounts of these returns by the CBC units, the transcript is forwarded to the final accounts section to enable them complete the double entry kept in respect of each of the revenue heads in totals and the above the line accounts credited as per the budget estimates since the debit has been mad in various cash books.

Synomously, the revenue relating to the below the line are likewise posted from the main cash book to respective revenue accounts for instance deposit.

Similarly, the expenditure incurred based on the budget estimates will also be posted to the various expenses items as debits from the cash book. In the same vein, other expenses items related to the below the line will be treated in the same manner. Any difference discovered from the records will be directly explain by the accountant or the schedule officer especially with regards to over expenditure.

After such postings adjustments are normally carried out and errors detected along the way are corrected. All monthly transfers are also effected so that some accounts should read Nil balance and as such the trial balance is extracted by adding and separating the credit items from the debits. These

Balances are got from the scheduled receipts, payment along with there receipts and the payment vouchers as well.

The monthly adjustment mentioned above are normally made to clear certain accounts as can be seen from the example below;

1. Head 5031 for instance containing all revenue collected pertaining to the period. The total amount on this head is transferred along with a debit journal voucher to head 5033 that is (deficit and surplus accounts).
2. Head 5032 comprises the total expenditure incurred for the period and the figure from this is transferred via a credit journal voucher to the debits of head 5033.
3. Head 5033, this account usually contain the credit of all revenues whereas the debits side will have all the expenditures in totals. The net balances will show the excess of revenue over expenditure for the period or excess of expenditure over revenue. The final transfer is then effected by transfers to the consolidated revenue fund (CRF) Head 5034.

Similarly, the method for production of development fund (Head 5037) comprising the proceeds of internal loans, external grants, external loans as well as contribution from the CRF.

Usually, the contribution from the CRF is voted expenditure as approved in the year's estimate, an equivalent amount normally appears as receipts. Therefore all capital receipts under Head 440 to 444 are classified under the below accounts 5036 and all capital expenditure under head 450 to 457 are classified under the below line 5035. At the end of the accounting year, all the balances on 5035 and 5036 are then transferred to capital adjustment account and net figure represent excess of receipts over capital or capital over receipt as the case maybe. It is then transferred to the development fund 5037.

If the balances through the adjustment has been completed, the trial balance will be at hand and as such the various financial statements can be prepared for instance, statement of assets and liabilities etc are based on the below the line heads of accounts in the classification list of the treasury.

The statement to be prepared are of three fold.

- (a) The annual report of the Auditor-General of the State as per the financial (control and management) act 1958 as amended.
- (b) The annual report of the Accountant-General of the State which is normally a bulky document.

## 2.6 FUNCTIONS OF THE TREASURY

The treasury is the custodian of the consolidated revenue fund (CRF),



development fund, as well as other funds of the State or the Federation as the case may be. The authority and responsibility for preparing the accounts of the State/Federation and reporting on the State of the financial position of the government at the State or Federal level.

## 2.7 DUTIES AND POWERS OF THE ACCOUNTANT-GENERAL

The Accountant-General is the head of the treasury department and the financial regulation (FR). He is referred to as the Chief Accounting Officer and payment of government of the State or Federation. This was conferred <sup>on</sup> him by ordinance number 27 of 1937. His major functions/duties includes;

1. General supervision of the account of all ministries and department including staff.
2. He is also to advice accounting officers whenever he receives the general imprest warrant (GIW) so that imprest monies can be issued.
3. Pay surprise inspections visits to accounts department and records kept by accounting officers.
4. He is <sup>to</sup> write-off all public losses of funds.
5. He can also give approval for procurement of office furniture, equipment and accounting implements.

## CHAPTER THREE

### RESEARCH METHODOLOGY

#### 3.0 INTRODUCTION

Methodology is a very important aspect of any research study as it tends to limits and guide the researcher to the specific aim or objectives raised. The researcher used the case study method in finding out the opinions of accountants and accounting staff pertaining to the centralization of the treasury is one of descriptive as well as analytical nature. It centered on an attempt to describe and analyze the hypothesis as put forward.

In general methodology refers to the entire method and processes used in collecting data. In the cause of this chapter, the method used in conducting the research outline as earlier mentioned in chapter one. This chapter takes into cognizance the methods of collecting data, type of data and sampling technique.

#### 3.1 DATA COLLECTION METHOD

As earlier mentioned, two main sources of information are used in the course of this study. They are the primary and secondary sources.

- (i) **Primary source:** This involves collecting of data through methods such as oral interviews and use of questionnaires among accountants and accounting staff concern.

- (ii) Secondary source: This has to do with second hand data collection such as use of data from published academic materials, textbooks, paper presentation etc.

The opinion of the accountants and accounting staff of the central treasury and sub-treasuries were thoroughly solicited and used.

(a) QUESTIONNAIRE METHOD

This refers to set <sup>of</sup> carefully designed questions by the researcher, in order to get correct opinion information on the question raised among those concern. That is accountants and accounting staff of the Ministry of Finance, Damaturu with particular emphasis on the operations of the central treasury under the present dispensation.

The questionnaire method is adopted by the researcher, which entails delivering questions to respondent and recording their answers. It seek to translate the research objectives into specific questions and answers to such questions. Such questions will motivate respondents who are part of the problems so that necessary information can be obtained.

(b) INTERVIEW METHOD:

This appears to be the most flexible of data collection methods.



It is usually of general application for different situations and as a result the most widely used. They are of two types, namely those done through a direct personal contact between the interviewer and the respondent and those via indirect means like postal or telephone.

The researcher in the course of this study used only the former and did not use any postal or telephone but personally delivered letter along with questionnaire and direct personal interviews among colleagues and seniors as part of the system himself with instant or little delayed responses to the questionnaire personally.

### 3.2 SAMPLING TECHNIQUE

Sampling design are chosen for data analysis. Sampling technique can be broadly classified into two.

- (i) Probability sampling.
- (ii) Non probability sampling.

The method adopted for this research work is the probability sampling technique. This is the type of sampling technique that each population element has non zero or equal chance of being part of the sample chosen. As not all accountant and accounting staff are covered the purpose of this study, information was reliably obtained from a portion of the population which may reflect the opinion of the entire universe. The sample serves as a

sun-set of the population under review. In essence certain cadres of accountants comprising both seniors, intermediates and juniors at both the central treasury and outside finance staff. The core of the problem is whether the present operational system of the state treasury which is centralized with bulk of the work concentrated at the central treasury is ideal and acceptable within majority of accountant or not.

It will be analyzed which will prove positive or negative. Similarly the hypothesis formulated in chapter one will be analyzed.

The earlier mentioned in chapter one, that questionnaire is one of the data collecting means adopted in this study. The data collected will provide the researcher to answer the research objectives which have been theoretically designed. The data will be analyzed statistically.

## 1.1. RESEARCH OBJECTIVES

### 1.1.1. CENTRAL SERVICES CHARACTERISTICS

#### 1.1.1.1. ASSIGNMENTS

##### 1.1.1.1.1. Table 1

Research question 1

How long have you served in the establishment?

## CHAPTER FOUR

### DATA PRESENTATION AND ANALYSIS;

#### 4.0 INTRODUCTION

In this chapter, data collected through questionnaires and interviews will be presented in tabular form while others will be presented based on comments of the interviewees concerned. The result will be analyze which will prove positive or negative. Similarly the hypothesis formulated in chapter one will be analyzed.

As earlier mentioned in chapter one, that questionnaire is one of the data collection source adopted in this study. The data collected will enable the researcher to evaluate whether or not the frequencies which have been emphatically observed differ more or less from those critically expected.

#### 4.1 RESULTS OF ANALYSIS

##### 4.1.1 PERSONAL SERVICE CHARACTERISTICS OF

##### RESPONDENTS:

Table I

##### Research question I

How long have you served in the establishment?



**Table I: Distribution of respondents service age.**

Item No.	No. of respondent	Sex (m)	(F)	No. of years served	Total
1	40	35	5	20 – 15 years	40
	30	25	5	14 – 10 years	30
	<u>30</u>	30	-	10 years & above	<u>30</u>
	<u>100</u>				<u>100</u>

As shown in table I, the service age distribution of the sample skewed towards the service age of 20-15 years: Table I indicated that a high number (40%) of staff have experience in activities of the establishment while only 30% of the sample population have served below 10 years.

#### 4.1.2 Research Question 2

Is the treasury department performing its role and functions an effective and efficient manner?

**Table 2**

Item No.	Response	No. of response	Percentage
2	Yes	45	45%
	No	55	55%
	Total	<u>100</u>	<u>100</u>

With the above table 45 of the respondents representing 45% of sample population were yes, while 55 of the respondents representing 55%

of the sample population were No. This indicate that the treasury is not performing its roles and functions an effective and efficient manner and as such there is need for improvement in treasury operation.

#### 4.1.3 Research Question 3

Are you in support of the centralization of operations to central treasury?

**Table 3**

Item No.	Response	No. of response	Percentage
3	Yes	13	13%
	No	87	87%
	Total	100	100

From the table above 13 of the respondents representing 13% of the sample population were yes, whereas 87 of the respondents representing 87% were No. This indicate that majority of those concern do not support the centralized operations.

#### 4.1.4 Research Question 4

Do you see the present centralization of operations as a means of ensuring efficient and accountability?

**Table 4**

Item No.	Response	No. of response	Percentage
4	Yes	20	20%

	No	80	80%
	Total	100	100

From the table above 20 of the respondent representing 20% of the sample population do see the present centralization as a means of enhancing efficiency and accountability, whereas 80 of the respondents representing 80% of the sample population do not see it as such.

#### 4.1.5 Research Question 5

Do you see the centralization process as a threat to staff employment and redundancy of accountant in other sub-units?

**Table 5**

Item No.	Response	No. of response	Percentage
5	Yes	60	60%
	No	40	40%
	Total	100	100

Reference to the above table, 60 of the respondents representing 60% have fears a centralization as curtailing new employment into the system coupled with in activity of existing ones, while 40 respondents representing 40% do not see it as such. Majority of respondents sees it to be so.

#### 4.1.6 Research Question 6



Have there been harmonizations of the old financial instruction with the updated financial regulation (FR).

**Table 6**

Item No.	Response	No. of response	Percentage
6	Yes	48	48%
	No	52	52%
	Total	100	100

From the above 48 of the respondents representing 48% of the sample population see the document to some extent as being harmonized whereas 52 of same respondents representing 52% see as otherwise.

#### 4.1.7 Research Question 7

Which of the tow forms of organizational structure do you think is best suited for the ministry? Centralization/Decentralization

**Table 7**

Item No.	Response	No. of response	Percentage
7	Yes	15	15%
	No	85	85%
	Total	100	100

The researcher deduce from the above table that only 15% favour the present dispensation of centralized operations as against 85% of sample who

favour full operations and accountability at that sub-units and which are the ministries and extra-ministerial departments outside the central treasury.

#### 4.2 TEST OF HYPOTHESIS:

The hypothesis formulated in chapter one were in this section tested for acceptance or rejection through the application of  $\chi^2$ -square distribution, and for test of significance, a null hypothesis of no difference with regards to the variable tested was used based on 0.05 levels of alpha. Table 7 was used in testing the hypothesis.

##### 4.2.1 Hypothesis I

(a) The hypothesis state as follows:-

$H_1$ : The present centralization of all payment to the central treasury only rendered accountants and accounting staff outside the central treasury of Ministry, Board and Parastatals redundant.

For the purpose of testing the above hypothesis, the following null hypothesis of no difference with regards to the variable tested was formulated.

$H_0$ : The present centralization of all payments to the central treasury only has not rendered accountants and accounting staff outside the central treasury (Ministries, Board and Parastatals) redundant.

As mentioned earlier  $\chi^2$  distribution was used in the test. The formulation of this distribution is as follows:

$$\text{Chi-square } (\chi^2) = \frac{\sum (O - E)^2}{E}$$

Where;

O = Observed frequency

E = Expected frequency

Table 7 of question 7 was used. The table is as follows:

Item No.	Response	No. of response	Percentage
2	Centralization	15	15%
	Decentralization	85	85%
	Total	<u>100</u>	<u>100</u>

(b) **The  $\chi^2$  critical values**

The  $\chi^2$  critical value, which is the standard of comparison, was computed as below:

Level of alpha = 5%

Degree of freedom =  $n - 1$

where; n is number of observed value

Therefore  $V = 2 - 1 = 1$

Reading from the  $\chi^2$  table (see appendix II),

Our  $\chi^2$  critical value is 7.81 at 3df and 0.05 level of alpha.



(c) **Decision Rate:**

If  $\chi^2 \leq 46.81$  accept

$H_0$ , otherwise reject

**NB:** Rejection of null hypothesis.

(d) Using table 7 given in (a) above, our observed  $\chi^2$  value was calculated as follows.

Respondents Reference	0	E	0 - E	(0 - E) <sup>2</sup>	$\frac{(0 - E)^2}{E}$
Centralization	15	50	-35	1225	24.5
Decentralization	85	50	35	1225	24.5
E	100	100	0	2450	49

Therefore observed  $\chi^2$  value = 49

(e) **Interpretation:**

The above result of the above test shows the preference of centralization of treasury operation by accounting staff in the ministry

( $\chi^2 = 49$  df = 1, p = 0.05).

Meaning that the null hypothesis was rejected with 95% level of confidence.

This is because our observed  $\chi^2$  value (49) is more than  $\chi^2$  critical value (46.81).

We therefore concluded that the centralization of all payments to the central treasury only rendered accountants and accounting staff outside the central treasury, Board and Parastatals redundant.

## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATION:

#### 5.0 INTRODUCTION

The topic of the research study as the project title indicate centered on "An appraisal of the Treasury Operations and Final Accounts Procedures". A case study of Ministry of Finance, Damaturu.

#### 5.1 SUMMARY

In chapter one, the study dwelled on the background information of the study where the researcher tried to defined the statement of the problems and objective of the study as well as importance and scope of the research work.

The objective of the research study is to suggest ways and means of achieving the well desired operation of the treasury system through decentralization of the work load of the central treasury to the sub-accounting units with emphasis on the part of those units to render timely returns to Headquarters of their operation adequate for consolidation and production of final accounts on timely basis.

Chapter two which appears to be quite lengthy centered on the review of related literature including historical background of the ministry, functions and duties of the directory as well.

Some terms used are defined here for the purpose of understanding along with the classification of the various accounts operational in the treasury set up. It is concluded with the duties of the Accountant General who is the Head of the Treasury and the Financial Regulations (FR) as conferred to him by virtue of ordinance number 27 of 1937.

Chapter three is based on research methodology as its focal point. This has to do with the various methods of data collection adopted highlighted in form of questionnaire, interview, observation and the study of related document <sup>is</sup> extensively discussed in this chapter. It gave a full insight into the ways and means followed to conduct the research study.

In chapter four, all data collected in the course of the study are presented and findings based on them analyzed. Such analysis of finding as based on the results of the various interviews conducted along with questionnaires presented to the respondents pertaining to the study topic. It is a core chapter which gave results of the entire research study which in one way or the other can assist policy and decision makers of the ministry and the state in the future.

## 5.2 CONCLUSION

Conclusion were made in this chapter based on the analysis of data



and based on the analysis, recommendations was offered by the researcher on how best to decentralized operations to give relative autonomy to outside units while at the same <sup>time</sup> getting the desired timely returns of transaction to enable the central treasury to consolidate the various accounts so as to produce the annual financial report to government and final account on periodical timely basis.

### 5.3 RECOMMENDATIONS

Most of the recommendation here will be based on the opinions of the respondents of the questionnaires and interviews conducted about the acceptable hypothesis who are mostly in favour of the decentralized form of organizational set up. The researcher is also of the same opinion being part of the system as an accounting officer on grade level 09 serving at Ministry for Local Government and Chieftaincy Affairs sub-accounting units.

Based on the findings aforementioned, the following is recommended to ensure operational effectiveness and efficiency on the part of those concerned.

1. The decentralized ~~form~~ <sup>form</sup> being the popular opinion of those in the system be adopted. This will lessen the burden of work on the part of the central treasury while at the same time delegating most of these work to <sup>be</sup> done at their various execution end.

2. Fund voted to different ministries be credited to their accounts at the beginning of each accounting period based on their approved budget estimate. The Ministry of Finance through its project monitoring committee will supervise budgeted projects across ministries to ensure proper execution and record keeping as a means of rendering proper returns for their purpose of producing financial report and final accounts as required.
3. The accounting units should be encourage to maintain proper books of accounts so as to enable the treasury be accomplishing its continuous function without difficulty.
4. Manpower placement should be encourage in view of the fact that not right personnel are some<sup>time</sup> posted to outside where there is in-activity and redundancy under the present dispensation.
5. Since all the accountants and accounting staff of grade level 06 and above are pooled under the ministry of finance, short and long terms training programmes/courses be encourage.
6. Lastly the Accountant-General has a good motive in periodical rotational posting of accounting staff under the pooling system, as a result the present predicament where financial activities including payments of contractors are centered in the center, only encourages

intensive lobbying to stay where they are, or for others to move to the center as a result of in-activity at their sub-accounting units.

If the above recommendation is considered, and adopted, it will surely bring back the lost glory of the accountants and accounting staff outside the finance ministry headquarters which is central treasury.



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APPENDIX I I

QUESTIONNAIRE

Department: .....

Sex: .....

1. How long have you serve in the establishment ?

20 - 15 years [ ]

14 - 10 years [ ]

10 yrs & below [ ]

2. Is the treasury department performing its role and functions in an effective and efficient manner? Yes [ ] No [ ]

3. Are you in support of the centralization of operations to the central treasury?  
Yes [ ] No [ ]

4. Do you see the present centralization of operations as a means of ensuring efficiency and accountability? Yes [ ] No [ ]

5. Do you see the centralization process as a threat to staff employment and redundancy of accountants in other sub-units? Yes [ ] No [ ]

6. Has there been harmonization of the old financial instructions with the new Financial Regulations? Yes [ ] No [ ]

7. Which of the two forms of organizational structure do you think is best suitable for the ministry? Centralization [ ] Decentralization [ ]

8. If your answer in question 7 is centralization, why do you feel this system is the best? Explain briefly

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.....  
.....

9. If your answer in question 7 is decentralization, why do you feel this form is the best? Explain briefly

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10. Comment briefly on the performance of the treasury and final accounts department

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