

Budgeting as a Tool of Cost Management and Financial Accountability in Education

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Abstract

Cost management in education involves all activities directed at ensuring efficient utilization of available funds to ensure optimal achievement of education goals. Budgeting is the financial planning process directed at cost effectiveness. It is an important managerial tool, especially in a situation of fund scarcity and growing demand for education. This paper therefore highlighted the importance of budgeting as a tool for cost management and financial accountability in education. It concludes that a budget is a master financial plan that controls financial activities and supports financial accountability. Strict maintenance of budgets was suggested among other to ensure financial discipline.

Keywords: Accountability, Cost Management, Strategic Management, Education and Finance, Revenue, Financial Accountability, Budget and budgeting.

INTRODUCTION

Education institutions map out programmes and courses of study. Such programmes cannot be effectively implemented where there is lack of funds. In other words, programmes of educational institutions can only be implemented where there are financial resources. Financial resources made available to education institutions “need to be judiciously used and accounted for. In other to ensure judicious spending of funds and accountability, school administrators prepare what is called ‘budget’ for the school.

The term budget has several definitions as presented by different authorities. A budget is a comprehensive plan in writing, stated in monetary terms that outline the expected

financial consequences of management's plans and strategies for accomplishing the organization's mission for the coming period. A budget is a master financial document or a "blueprint for action" that set out the expected contribution from the operation or control of an organization in terms of anticipated cash flows or revenues and expected expenditures over a certain period of time. In reality, most organizations viewed budgets as a statement of approved financial and operational resources allocated to each of the units, activities and investments of a given institution. Budgeting is said to be the process of allocating an organization's available financial resources to its units, activities and investments and to monitor the performance of managers and employees in terms of efficient use of resources.

However, in relation to the education sector, educational budgeting, according to Agabi (2002) is a process of developing an educational budget in a systematic and rational manner. It involves providing numerical estimates or projections of the resource accruals and disbursement that are needed to implement the programmes or projects of an educational establishment most efficiently within a specific period. This implies that in educational system, budgets are draw for academic year, sectional or for a particular level of students as the case may be. For Jhingan (2000), a budget is a financial plan for a defined period, often one year. It may also include planned sales volumes and revenues, resource quantities, costs and expenses, assets, liabilities and cash flows. Companies, governments, families and other organizations use it to express strategic plans of activities or events in measurable terms. Looking at this definition one may agree that, budgeting is the sum of money allocated for a particular purpose and the summary of intended expenditures along with proposals for how to meet them, which may include a budget surplus, providing money for use at a future time, or a deficit in which expenses exceed income in an educational environment.

The concept of cost is one of the most difficult to arrive at. Different specialists were only able to defined cost in relation to their field. For example, educationist defined cost as the expenditure incurred in the production of a cohort of students through teaching and learning process in the school (Owhondah, 2017). This is to say that the cost of producing a graduate is the aggregate of the student expenses from primary education to tertiary education. The accountant sees cost of education as the actual amount of money spent in order to have a given level of education. While to the economist, cost of education represent the total opportunity cost of all the effort and resources devoted to type of education (Ojo, 1997 in Owhondah, 2017).

For better analysis, it is wise to state that budgeting is a major tool that is often use to control cost as well as the accountability of an organization. Every cost estimate of an organization is done in line with the budget statement. At this point, it will be interesting to see that Obasi and Asodike (2014) sees management as the organization that is constantly concerned with planning, sourcing for resources, coordinating, directing, decision-making, controlling, communicating and evaluating performance to ensure that the human. Material and financial resources that are available in the organization are properly utilized for organizational effectiveness. In a similar but a little different view Agabi (2006) sees management as the organization and mobilization of all human and material resources in a particular system for the achievement of some specified organizational goals and objectives in the most rational manner. While Onuka (2009) view management as the effective coordination of all organizational activities and material resources with or through other people to ensure that the objectives of the organization is achieved efficiently.

Therefore cost management is defined as the activities concerned with planning and controlling a institutions' budget. Effective cost management ensures that a project is completed on budget and in accordance to its planned scope. Cost management can also be seen as a method of reducing operating or production expenses in order to provide less expensive products or services to consumers. In other words, it's the process management

uses to analyse its production and streamline its operations to keep costs low and manage expenses in the future.

Hunt (2002) views accountability as the readiness or preparedness to give an explanation or justification to relevant stakeholders for one's judgments, intentions, acts and omissions when appropriately called upon to do so. It is readiness to have one's actions judged by others and where appropriate, accept responsibility for errors, misjudgements and negligence and recognition for competence, thoroughness, excellence and wisdom. In this sense, it means that an individual who is saddled with financial responsibility or other areas of life or in an organization must be prepared readiness to give report of the responsibility given to him to his/her superior officer(s).

Sources of Fund for Educational Budgets

The sources of fund for budget financing in education are identified by the national policy on education, (FRN 2014) to include:

- Government grant.
- Petroleum Trust Fund (PTF)
- Education Tax Fund (ETF)
- Internally Generated Revenue (IGR)

A budget usually has two phases namely, the revenue and expenditure. The government or the educational institution always works out the expected revenue and propose expenditure. Where the budgeted expenditure is greater than the expected revenue, this will amount to deficit, if the budgeted amount is greater than the budgeted expenditure then it is surplus budget but if the expected revenue equal the expenditure it is called a balanced budget.

Purpose of Budgeting Education

The budget is mostly considered as a tool of management and control instrument. Therefore according to Agabi (2014) its main purpose is to achieve a multiplicity of objectives which ranges from:

a. Rationalization of educational resources

In education budgeting provides the most rational mechanism for achieving planned and rational allocation of limited fund and other resources among competing educational programmes or projects, based on defined national priorities, potentials and weakness

b. Action guide

Educational budgeting, just like other planning activities serves as a guide for the implementation of education policies and programmes. As a matter of policy, educational budgeting provides the legal framework for initiating and carrying out defined activities of educational institutions. Operational guides are necessary to facilitate the process of delegation of authority in programme implementation and for the accomplishment of goal-oriented tasks in educational programme management.

c. Financial discipline

Educational budgets are tools for controlling financial and other resource commitment to a given educational programmes and objectives. This is achieved by ensuring that as much as possible, specific resources are strictly applied on the purposes for which they are earmarked. Such discipline in the use of resources is important for the achievement of targeted goals and minimization of wastage in education.

d. Accountability

Closely related to the achievement of financial discipline is the issue of accountability. Educational budgeting permits those saddled with the task of managing educational finance for the implementation of educational programmes to ensure judicious use of such finance entrusted to them. This they achieve by documenting and reporting financial and other resource use for proper budget implementation monitoring. Accountability on financial stewardship in education is becoming more desirable due to the rising tendency for misappropriation and mismanagement of fund in education as well as diversion of public funds meant for education.

The high demand for education and the huge investment that goes into education from different stakeholders' call for regular the accountability from those at the helm of affairs in the schools as this will help to justify the huge amount of money invested.

e. Facilitation of evaluation

Budgeting establishes standards for performing various tasks as well as design criteria for measuring such task performance. Such measures are used for evaluating the performance of educational establishments. Evaluation is achieved by relating performance results with defined objectives using the established standards and measurement criteria.

f. Forecasting

The budget is use as a central element in projecting resources requirements and financial trend in near future. Educational budgeting provides planners with the information for predicting educational outcomes and conditions far ahead of time. Such knowledge is needed to modify strategies to the achievement of defined goals and objectives.

Budget Preparation

Educational budget preparation normally deals with collection of necessary educational data that will constitute the income and expenditure of the institution for the financial year.

According to Ubong, Oguzor and Aburuga (2003) the school budget has three principal elements. They are the educational plan, the revenue plan and expenditure plan. According to him, the educational plan present the objectives of the school as derived from the national and community objectives. It states the target for example the number of students expected, document of available resources in the school in terms of instructional materials, classrooms, school plant, personnel (teaching and non-teaching staff) among others.

The revenue plan details the likely sources of funds such as government (federal, state and local) education tax fund, funds from philanthropic or charitable organizations, funds from the community associations, Parents Teachers Association levies etc. the revenue plan also details capital receipt (monies realizes from sale of school equipment or grant from government for construction) and miscellaneous receipts (donations, development funds etc.).

The Concept of Cost Management

Cost management is a method of reducing operating or production expenses in order to provide less expensive products or services to consumers. In other words, it's the process management uses to analyze its production and streamline its operations to keep costs low and manage expenses in the future.

Cost management activities are conducted throughout the project life cycle, from planning and budget allocation to controlling costs during project execution and assessing a project's cost performance upon completion. Although cost management includes a whole ensemble of activities, it is sometimes referred to in terms of more specific functions, such as spend management, cost accounting, and cost transparency. Cost managers sometimes use

these terms as loose synonyms for the broad cost management function. Cost management is the main focus of managerial accounting that helps a firm forecast future expenditures in an effort to reach their budgeting goals. This process is typically divided into three main phases: planning, implementation, and final analysis.

In the planning phase, expected costs are projected and approved by higher management. Once the plan has been properly approved, the implementation phase monitors and records the cost making sure that they keep in line with the budget. After the project is finished, actual and budgeting costs are compared and variances are investigated in the final analysis. If the company did not meet their budgeted numbers, management might consider switching production materials, change plant processes, or product design in an effort to lower costs.

The basic concept is to gather information about current operations, analyze it, and evaluate the results. Most managerial accountants strive to:

- Measure the operational costs
- Minimize all non-value added costs if not eliminate them
- See if operations can be run more efficiently and effectively
- Create processes that will work better for future operations

Let us take a look at an example.

Example

The Shine Company just completed its first building project. Here are the steps and details.

Planning – All possible costs are projected and estimated.

Implementation – All costs are recorded.

Final Analyses – Costs are compared and analyzed. Variances are investigated

Materials	Budgeted	Actual	Variance	Over/ Under Budget
Concrete	26,000	36,000	10,000	Over
Cement composites	15,600	15,040	560	Under
Glass	12,300	12,450	150	Over
Metal	9,000	8,500	500	Under
Ceramics		1,500	1,500	Over
TOTAL			10,590	OVER

By going through these three phases and analyzing the cost variances, Shine can identify costs that should be minimized or eliminated as well as areas that the company is not as efficient as it should be. This is the essence of managing costs:

Figure 1: Cost Management: The Four Major Steps



- **Resource Planning:** Part of the initiation stage of a project, resource planning uses a work breakdown structure — a hierarchical representation of all project deliverables and the work required to complete them — to calculate the full cost of resources needed to complete a project successfully. Managers typically determine required resources for each work breakdown structure component and then add them to create a total resource cost estimate for all project deliverables.
- **Cost Estimating:** Cost estimating is an iterative process that uses a variety of estimating techniques to determine the total cost of completing a project. Cost estimating techniques vary widely in their approaches to computing project costs, and stretch from conceptual techniques that draw mainly from historical experience and expert judgment to determinative techniques that estimate costs on a component-by-component basis. We will discuss these techniques in detail later, as they vary in their levels of accuracy. Determinative techniques are the most accurate; however, while the estimator's job is always to create the most accurate estimate possible, determinative estimating techniques are only an option if you've reasonably finalized a project's scope and deliverables. As such, you use the less accurate estimating techniques during the earliest stages of project planning, and then revise and update estimates as the project continues to be defined. To learn more about cost estimating, read *The Ultimate Guide to Project Cost Estimating*.
- **Cost Budgeting:** Once you've created satisfactory estimates, you can finalize and approve the project's budget. Cost managers typically release budgeted amounts in stages according to the level of a project's progress. These allocations include contingencies and reserves.
- **Cost Control:** Cost control is the practice of measuring a project's cost performance according to cost and schedule baselines that provide points of comparison throughout the project life cycle. The specific requirements for effective cost control are set out in the project management plan. The individual in charge of cost management investigates the reasons for cost variations - if they deem cost variations unacceptable, corrective action is likely. Cost control also includes other related responsibilities, such as ensuring that updated project budgets reflect changes to a project's scope.

Components of the Cost Management Plan

The cost management plan guides these four processes. Created during the project planning phase, the cost management plan is a document that defines how you manage, control, and communicate a project's costs in order to complete the project on budget. Among other things, a cost management plan identifies the individual or group responsible for cost management, details how you will assess a project's cost performance, and sets rules for how to communicate cost performance to project shareholders. It also establishes the methodologies by which you will control project cost variations. While you can customize a cost management plan to fit your organization's needs, they generally follow a standard format. Sections often include the cost variance plan, the cost management approach, information on cost estimation, the cost baseline, cost control, and reporting processes, the change control process, the project budget, and approvals. You may also want to include the spending authority levels for key project personnel, specifying which roles can approve costs up to specific thresholds.

Let's look at the sections in greater depth:

Cost Variance Plan: Cost variance is when the actual amount differs from the budgeted amount. In your cost management plan, you'll need a section that details the actions you should take, including who is held responsible in the case of a cost variance. The size of the variance usually necessitates different action: a cost variance of less than five percent might result in an explanation of that variance, while a 95-percent-or-greater variance could force the project to be abandoned. To learn how to calculate cost variance, read *Hacking the PMP: Studying Cost Variance*. For a more detailed template on tracking schedule and budget variances, see this template:

Cost Management Approach: This section outlines the approach a manager uses for cost management. The level of rigor can vary, but this describes how to establish a cost baseline and how to compare actual costs. You usually track and report costs through control accounts, where you roll up costs of subtasks. This often occurs at the third level of the work breakdown structure, a tool that breaks a project into small components or chunks of work to determine the resources needed to complete a job or project. However, the point at which you track and report depends on the scope of the project.

Cost Estimation: Here you will define the methods used for estimating project costs, the levels of variation, and the expected precision, accuracy, and risk.

Cost Baseline: This has a specialized meaning in project management and represents the authorized, time-phased spending plan against which you measure cost performance. It's the sum of the estimated project cost and contingency reserves.

Cost Control and Reporting Process: This section establishes how you measure costs and their key metrics during the project. We'll provide greater detail on this later.

Change Control Process: This describes the process for making changes to the cost baseline and how to approve those proposed changes.

Project Budget: The budget builds on the cost baseline by totalling the cost of executing the project (including contingencies for possible risks). It also adds in management reserves, which is an amount to cover unanticipated risks or unidentified events that may arise. An organization will usually set a policy for this, and the amount is often five to 15 percent of the total budget.

Cost Management Activities: Essential Functions at Each Phase

Cost management includes a number of activities conducted at different phases during the project life cycle. It's important to include the cost management function while developing project plans so that you build solid financial controls into the project structure. Here are some key terms and stages relevant to cost management:

- **Planning:** Using the work breakdown structure to determine the resources needed to complete a job or project.
- **Estimating:** The act of calculating or predicting the expected total cost of completing a project.
- **Budgeting:** The authorization of a budget based on a cost estimate to complete the project. You typically authorize budgets in tandem with schedules, so you can assess cost performance at specific points.
- **Financing and Funding:** The process of requesting, authorizing, and receiving money for a project.
- **Cost Management:** The general practice of overseeing project expenditures and making cost-related decisions throughout the project life cycle.
- **Controlling:** Addressing cost variations to avoid cost overruns.

- Job Control: Controlling project expenditure by comparing costs predicted by the cost estimate and costs actually being incurred.
- Scheduling: You can determine a project's cost performance by using a schedule that compares the expected expenditure to the actual costs the project is incurring at any point in time.
- Accounting: The practice of recording expenditures and reconciling transactions.

Cost Management and Strategic Cost Management

While cost management reduces expenses regardless of their cause or purpose, strategic cost management is a sub-discipline that strives to manage cost while also making the organization stronger. Robin Cooper, Professor of Management at Claremont's Peter F. Drucker Graduate Management Center and Regine Slagmulder, Professor of Management Accounting at Tilberg University in the Netherlands, defined strategic cost management as the "application of cost management techniques so that they simultaneously improve the strategic position of a firm and reduce costs."

Strategic cost management centers on the idea that cost reduction initiatives can affect an organization's strategic position. Strategic cost management emphasizes considering the strategic and financial impact of cost management techniques. Cooper and Slagmulder classify cost management initiatives as one of three types based on how the initiative affects the organization:

- Strengthen: An example of an initiative that strengthens competitive positioning is a taxi service that replaces its phone booking system and team of booking agents with an app that allows people to book taxis using their mobile devices. An initiative like this both reduces costs and gives a company a strategic advantage, as it makes it easier to book taxis on short notice.
- No effect: An initiative that has no effect on competitiveness might concern a publishing house that outsources proofreading tasks to international freelancers who accept lower wages. While this increases the company's profitability, it does not affect its strategic positioning.
- Weaken: Finally, an initiative that actively harms competitive positioning might involve the taxi company decreasing the frequency of regular vehicle maintenance, a move which, while saving costs initially, will result in cars breaking down more often.

Strategic cost management also comprises a number of important strategies:

- Relevant Cost Strategies: Use relevant cost strategies to compare and decide between alternative courses of action. Relevant costs are costs you can reduce by adopting a particular course of action. They are different from sunk costs (which you cannot recoup once spent) and fixed overhead costs (which are the same for all potential courses of action). When you make decisions, a relevant costs strategy focuses only on costs that vary among options.
- Evaluating Opportunity Costs: Evaluating opportunity costs is a more holistic approach to decision making that considers not only all the monetary aspects of alternative courses of action, but also all the intangible aspects. For example, a company providing vehicle repair services might have to decide between two qualities of engine oil, taking into account both that one is more expensive than the other and that the more expensive engine oil also preserves engine health in the long term.

- **Balanced Scorecard Strategy:** A balanced scorecard strategy allows businesses to assess the impact of cost management initiatives across four key areas: financial results, customer impact, internal business processes, and employee growth and development. It provides a framework for thorough consideration of the impacts of cost management initiatives.

The Concept of Accountability in education

The concept of educational accountability is conceptualized in diverse perspectives. Ethically, Hunt (2002), views accountability as the readiness or preparedness to give an explanation or justification to relevant stakeholders for one's judgments, intentions, acts and omissions when appropriately called upon to do so. It is readiness to have one's actions judged by others and where appropriate, accept responsibility for errors, misjudgements and negligence and recognition for competence, thoroughness, excellence and wisdom.

Prominent among the problem areas that brings to light the poor show of the sector are the poor quality of school products, flawed administrative procedures and lack of accountability in the school system, politicized employment and appointment of school heads, improper supervision and defective quality assurance and control mechanism.

Every organisation either commercial or otherwise including the school are established and sustained essentially to achieve certain assured objectives. In the education system, one of the vital mechanisms to be put in place towards achieving the goals of the school and ensuring quality service delivery to the society is accountability. Accountability etiquette tends to imply that performance is related to the organizational goals. It is therefore a goal-oriental activity viewed from the input perspectives (National Open University of Nigeria [NOUN], 2008).

In the school system, accountability is usually linked to the management of the scarce resources of education to ensure prudent utilization of available resources for the accomplishment of the stated goals of education. The integration of accountability in the education management processes helps to improve service delivery and control indiscipline in the organization thereby increasing efficiency in the system. The administrator should recognize that accountability in education is an essential ingredient that is intertwined with subordinates within the organizational framework (Nakpodia & Okeimute, 2011). Citizens are fast losing their blind faith in education as an instrument for achieving social awareness, political astuteness and economic prosperity (Eferakeya, 1988).

Parents and other benefactors of education are embittered with the outcome of the schools (especially government owned) to the extent that they now seek substitute for their children's education even in the face of free education programmes in some states. In the past few years, calls for accountability in the administration and management of schools in Nigeria have become imperative because of the demand for constructive changes in our education system and the high need for school products that will meet the needs of the society.

Accountability in education has become very imperative considering the fact that the society expects very much from the school system. All operators in the school system have an obligation to live up to their responsibilities by making the educational system very responsive, competitive and productive. Educational administrators are both accountable to the entire stakeholders in education as well as accountable for achieving the goal of education using available resources. Accountability in education desires an administrator that is proficient to mobilize the necessary actors and factors in the system to achieve the desired goals of education and render account of such stewardship, thus, enhancing seamless adjustment into the change agenda of present administration in Nigeria.

However, Presthus (1975) notes that accountability is geared towards ensuring democratic responsibility to the public at large. Accordingly, he maintains that every public official is subject to two types of accountability namely: fiduciary accountability and accountability for the exercise of proper judgment in making fiscal decisions while according to Knezevich (1975), the scope implies financial accountability, budgeting, fiscal audits and reporting to satisfy the existing demands of the public. According to NOUN (2008), Accountability in education is the answerability to one's actions in the educational system. It is the state of being accountable to the stakeholders in education and accountable for the resources used in education.

Accountability in education is concerned with keeping records of school activities and using such record to assess or appraise institutional performance in relation to the achievement of predetermined objectives. This is buttressed by Okoroma (2007), who argued that accountability in education has elicited much attention as a result of the following reasons: (i) The school system, which facilitates the objectives of education, is a creation of the society which must maintain checks and balances. (ii) Education is generally funded by society through taxes, which must necessarily exercise some control in all facets of the educational process (Okoroma, 2007). The tasks of accounting, auditing and reporting are associated with the business of formal education.

The concept of educational accountability is used to describe:

- The nature, sources and amount of revenue inputs,
- The appropriation of revenues to various programmes; and
- The actual expenditures in these programmes. These data are then related to educational outputs or benefits so that the actions are able to understand the financial implications of educational decisions.

In order to aid the process of accountability in education, administrators of the educational system should among others:

- Identify the goals and objectives of the educational system;
- Determine the validity and relevance of such goals and objectives;
- Assess periodically how fully such goals and objectives have been achieved;
- Identify which factors assisted or hampered goal achievement in the system;
- Design strategies to improve performance.

NOUN (2008) identified the following classification of accountability in education:

- **Product/output Accountability:** This has to do with the evaluation of teaching effectiveness and the extent to which the teacher achieves the expected outcome of teaching and classroom interaction.
- **Input Accountability:** This concerns the evaluation of the extent of adequacy of supervision, monitoring and evaluation of the system's operations.
- **Process accountability:** This has to do with maintaining the pedagogic method required in the instructional process, school administrative procedures and classroom interaction to bring about simplified and effective teaching-learning situation.
- **Goal Accountability:** This relates to the evaluation of the selection, definition and the prioritization of the goals and objectives of education.
- **Accountability for Means and Enabling Environment:** This refers to the evaluation of the extent to which the general public shows their co-operation in providing the

required resources for education as well as creating the right atmosphere for educational pursuit in the state.

Furthermore, Okoroma (2007) identified four areas of educational accountability as:

- **Accountability for Cash:** The educational manager is required to account for every cash received for the development of education in his school. This requirement is a factor that enables him to exercise utmost carefulness in the disbursement of public funds.
- **Accountability for facilities and equipment:** Physical facilities of the school must be accounted for. The use of such facilities as school buildings, Vehicles, libraries, laboratories, personnel etc. should be adequately accounted for.
- **Accountability for Actions:** All actions of every member of an organization must be accounted for by the educational manager including his own actions.
- **Accountability for Results:** Every organization has goals and objectives it has set for accomplishment. The educational administrator has a duty to ensure that expected results are achieved. In fact, the quality of result obtained from any educational efforts will show whether expected goals are attained or not.

Dimensions of Accountability in Education

According NOUN (2008), there are the two dimensions of accountability in the education sector:

- **Accountability for Achieving Institutional Objectives:** An educational system exists to achieve the diverse objectives of education. The school administrator is usually accountable for the quality and clarity of the school's objectives and priorities. The school administrator is accountable for the quality of the teaching learning process in the school and also expected to ensure that proper assessment procedures take place in the school.
- **Accountable to Superior Officers:** Regardless of whether the educational administrator is a headmaster, principal, provost, rector or vice-chancellor, he is an employee of the Ministry of education and State school Board officials representing his employers. Employees are accountable to the employers in the following areas; the pupils, the staff, the community, the facilities and the finances, which have been entrusted into their care.

Furthermore, the school administrators, apart from being accountable to his employers, is also accountable to the parents who have entrusted their children into their care to be trained/educated; staff who depend on the leadership qualities of the administrator to enable them make a success of their own jobs; the learners who depend on the school administrator to create the right atmosphere their cognitive, affective and psychomotive development and the society who depends on the school system to produce well trained individuals that are valuable assets in their communities.

Educational activities affect almost every individual in the society in one way or the other. In accounting for the progress of educational system each individual is responsible to someone and for specific activities that facilitate goal achievement. Accountability starts with the classroom teacher. He is accountable for the expected outcome of his job as a teacher. The teacher is directly accountable to the school administrator who may be Headmaster, Principal, Provost, Rector or Vice chancellor. School administrators are accountable directly

to the various statutory organs set up by government to co-ordinate their affairs. Amongst such organs are the National Board for Technical Education (NBTE), the National Commission for Colleges of Education (NCCE) and the National Universities Commission (NUC), etc.

Statutory Bodies like the NBTE, NCCE and NUC are accountable to the Minister of Education for selection and employment of staff to the institutions and for instructional programmes to facilitate goal achievement. The Minister, Commissioner and Ministry of Education are accountable to the Governor/Presidency for the supervision, monitoring and evaluation of the process of education.

The President/Governor is accountable to the National Assembly for the selection, definition and prioritization of the goals and objectives of education and the National Assembly/State Assembly is accountable to the electorates who provide the funds and enabling environment for the pursuit of education (Durosaro, 2002).

Factors Hindering Accountability in the Education System

Accountability in education is faced with a number of problems including vague definition of educational goals, which makes implementation and goal attainment difficult. Inability of the school system to keep up with the innovations dictated by the needs of the changing society. The subgroups in every society with their varied needs, values, interests, desires, aspirations and cultures which often tend to conflict with one another thereby make the enforcement of accountability in the school system ineffective. School administrators are unable to command absolute leadership responsiveness from their administrative subordinates and this constitutes a hindrance to the practice of accountability. Kaufman (1973) opines that education policies have been observed to change with changes in the political leadership of Nigeria. The inconsistencies in educational policies have been argued to be responsible for lack of accountability and poor service delivery in the system. School supervisors, school heads and the teachers do not receive corresponding incentive to enable them to be totally committed to their jobs.

It is difficult for personnel with such mind-set to accept a tedious task and render account. Shortage of Funds could account for the poor performance of administrators of academic institutions. At all levels of institution in Nigeria, funds have always been inadequate and consequently there has been gap between the expected level and the actual attainment (Ekundayo, 2010). Politicization of appointments in the education sector where non-professional are appointed as heads of educational institutions either due to party, ethnic, regional or religious affiliation constitutes an obstacle to accountability in the education system of Nigeria.

Strategies for Improving Financial Accountability in the School System

To improve accountability for better goal achievement the following strategies will play a vital role:

- Regular Supervision is a technique that assists educational administrators to foster the professional growth of workers in the educational system. Supervision enhances the development of appropriate educational goals and facilitates the selection of appropriate teaching procedures and facilities (Theirauf, 1977).
- Staff Motivation is the energizing force behind all other activities of educational managers. Managers should know how to keep good morals of their workers in order to obtain maximum efficiency and effectiveness from them.

- Effective communication also helps educational administrators to fulfil their executive functions of planning, organizing, motivating, resolving conflicts and controlling activities which are linked to accountability. This can enhance job satisfaction and create in employees a high sense of belongingness and loyalty to the organization. There is no doubt, effective communication can be an effective parameter for future accountability.
- Evaluation is a formal process carried out within a school setting to improve on the present level of performance. It is the last phase of management function and helps to monitor the effectiveness of a school system. Proper evaluation of instructional process, school administrative procedure and educational outcomes aids in improving accountability in the education system through quality control system.

CONCLUSION

A budget is a master financial plan or a “blueprint for action” that sets out the expected contribution from the operation or control of an organization in terms of anticipated cash flows or revenues and expected expenditures over a certain period of time usually one year period. While accountability is the readiness or preparedness to give an explanation or justification to relevant stakeholders for one’s judgments, intentions, actions and omissions when appropriately called upon to do so on a given responsibility. Therefore, expenditures one makes from the budgetary allocation and the subsequent accounting or reporting of the entire expenditure to the relevant stakeholders is always in line with the estimated cost. Financial revenue that are available in the organization are properly utilized for organizational effectiveness and efficiency when cost implication, cost analysis, cost evaluation and cost management are fully applied in an organization. Hence, cost management is the activities concerned with planning and controlling an institutions’ budget. Effective cost management ensures that a project is completed in line with the budget statement and in accordance to its planned scope.

Suggestions

Budget can effectively serve as a tool for cost management and accountability, if the under listed are also taken into consideration:

- Principals should be mandated to prepare and present budget proposal before receiving any fund from schools board.
- Ministry of education should ensure a regular training for school administration on budget preparation.
- Nothing should be bought without prior plan and estimate.
- Budgetary statement and estimate should be followed strictly.
- Any office holders that are found to always give reason for not ready to render account to the superior officer should be drop and replace with another person.
- Principal should be encouraged to attend workshops on cost management in order to control the school budget.
- Any administrator discovered of financial mismanagement should be held to repay back as such principal can’t be prudent in future spending.
- Cost management strategies should be adopted in organization to reduce expenses and overhead cost of production.

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