
ACCOUNTING PROCEDURAL BOTTLENECKS AND DELAY IN PAYMENT SYSTEM IN TERTIARY INSTITUTIONS IN ONDO STATE, NIGERIA

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Abstract: *Tertiary Institutions in Nigeria have been passing through crisis which had threatened the ideals of the institutions. The issue of delay or prolong payment or refund of incurred expenditure to a member of staff of any institutions either for attending training / conferences or for the upkeep of an institutions has been a subject of discuss in recent time. Often time a member of staff is deprived of attending training and conferences which they are due for and qualified to attend either due to lack of funds or more often as a result of late approval and release of funds. The difficulty involved in accessing fund in our institutions can be ascribed to the unnecessary bureaucracy/ bottlenecks created within the system. This has undoubtedly caused a setback to the growth of our institutions. The study was carried out to find out the factors responsible for the delay and suggest ways for improvement. The study was a case study, survey design while the analysis follows the empirical causal design. Five randomly selected institutions in Ondo state were sampled for the study. 100 copies of structured questionnaires designed on a 5-point likert rating scales were distributed to the respondents. 94 copies of the questionnaires were duly filled and returned. Data obtained from the questionnaires were presented in tables and analysed with the use of descriptive statistics and Pearson Correlations. The study reveals that the delay in payment/ refund of staff entitlements was due to majorly management bottlenecks or bureaucracy and to a little extent a kind of constraints from the bursary and audit units.*

Keywords: Accounting, Bottlenecks, Delay, Payment System, Tertiary institutions

1.0 Introduction

The word tertiary institutions connote institutions of higher learning (post-secondary) where both undergraduates and post graduates students pursue a degree of study with the aim of getting a certificate at the completion of their studies (Two categories of staffs are employed in an institutions for the purpose of keeping the institutions going. This categories of staff are classified as academic and non academic otherwise known as support staff. The academic staffs are engaged in teaching and research with other oversight functions which sometimes are required to perform by the management. The support staff carryout the administrative functions. For ease of administration, an institution is delineated into faculties, schools, departments, units and so on. Each of these is headed and supervised by an officer usually high ranking officer. Each of the centres is designated as responsibility centres where cost and revenue are accumulated. There has been an outcry of funds not being made available to all these centres and often times those heading these centres because of the exigency would have to spend from their pocket to ensure that the system continues but with the expectations of getting back their spending. However the bureaucracy created by the management unduly creates delay in the refund of those expenditures. Also to enhance the performance of the staff, they are expected to attend training and conferences on a continuous basis. This also has been hindered by the delay. There are instances where a member of staff would have to borrow money to attend conferences and workshop but to come back to be reimbursed six months later. All these have created a kind of setback as only a few workers could afford to attend trainings and conferences. This problem has not only reduce the morale of the workers but has also precluded them or better put, denied them of their opportunities interms of training, development , exposure with attendant effects of

reduction in their efficiency and performance. In addition, our institutions have been faced with unprecedented slow pace of development both in the area of physical, structural and infrastructural development. Some have also witnessed a high labour turn over as workers are now striving to migrate to private sectors. All these are the aftermath effect of the unnecessary bottlenecks created by our institutions administrators.

2.0 Literature review

The paper is targeted at the causes and consequences of delay in our institutions payment system. It is designed to employ a new area of research/ study; hence there is paucity of literature review. However, the paper will try to define some concepts that will broaden the mind of the reader.

Thomas (2001) defined accounting as the process of obtaining, recording, classifying, summarising, reporting, interpreting and presenting financial information. This definition indicates the phases involved in accounting. First, information would be obtained by the accountant in respect of transaction from source documents such as payment vouchers, invoices and receipts. Next, the information would be recorded, during this phase; the accountant would present or communicate the information to those who needed them. In doing this, the accountant would analyse and interpret the information in a manner that would make them comprehensible for the users so that many could in turn make appropriate decision (ICAN, 2009).

Veltman (2011) defined a bottleneck as an activity within a system that limit or narrow down the performance of such institutions. Kaplan (1989) in his own opinion viewed a bottleneck as a constraint which is a situational factor which makes the achievements of objectives more difficult than it would otherwise be. A point of congestion in a system that occurs when workloads arrive at a given point more quickly than that point can handle them. The inefficiencies brought about by the bottleneck often create a queue and a longer overall cycle time.

Foster(1987) defined bottleneck as the shape of a bottle and the fact that the bottle's neck is the narrowest point, and thus the most likely place for congestion to occur, slowing down the flow of liquid from the bottle. The term is used to describe points of congestion in everything from computer networks to a factory assembly line.

The paper identified 3 factors as being responsible for the delay in payment system in our institution. These factors are bottlenecks, Bursary constraints and audit constraints. It is upon these factors that a 10 item questionnaires were designed in order to illicit information as to the causes of the delay.

3.0 Methodology

The paper made use of primary data as a major source of data collection. 5 tertiary institutions were randomly selected out of the 7 institutions in Ondo state. A hundred copies of structured questionnaire which were designed on 5-point likert rating scales were distributed to the staff of the 5 institutions. 94 copies of the questionnaire were duly filled and returned. Responses obtained were presented in tables and the analyses were done with the use of descriptive statistics and Pearson correlation. The descriptive analysis is further divided into four sections as follows:

- A. General information about the respondents
- B. Management bottlenecks/bureaucracy as a factor determining delay in payment
- C. Bursary constraints as a factor determining delay in payment
- D. Audit constraints as a factor determining delay in payment

The results of the analysis were presented as follows.

Frequency Table**Table1. Sex of Respondents**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	60	63.8	63.8	63.8
Female	34	36.2	36.2	100.0
Total	94	100.0	100.0	

Source: Questionnaire administered 2013

Table2. Marital Status of respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Single	16	17.0	17.2	17.2
Married	77	81.9	82.8	100.0
Total	93	98.9	100.0	
Missing System	1	1.1		
Total	94	100.0		

Source: Questionnaire administered 2013

Table3. Age of Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 21-30	12	12.8	13.0	13.0
31-40	53	56.4	57.6	70.7
41-50	19	20.2	20.7	91.3
51- above	8	8.5	8.7	100.0
Total	92	97.9	100.0	
Missing System	2	2.1		
Total	94	100.0		

Source: Questionnaire administered 2013

Table4. Educational Qualification of respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid School Leaving Certificate	3	3.2	3.4	3.4
OND/ND	14	14.9	15.7	19.1

	HND/BSc	68	72.3	76.4	95.5
	MSc/PhD	4	4.3	4.5	100.0
	Total	89	94.7	100.0	
Missing	System	5	5.3		
Total		94	100.0		

Source: Questionnaire administered 2013

Table5. Professional Qualification of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	ICAN	23	24.5	36.5	36.5
	ANAN	7	7.4	11.1	47.6
	Others	33	35.1	52.4	100.0
	Total	63	67.0	100.0	
Missing	System	31	33.0		
Total		94	100.0		

Source: Questionnaire administered 2013

Table6. Working experience of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Under 5 years	43	45.7	47.3	47.3
	6-10 years	20	21.3	22.0	69.2
	11-15 years	13	13.8	14.3	83.5
	15 years and above	15	16.0	16.5	100.0
	Total	91	96.8	100.0	
Missing	System	3	3.2		
Total		94	100.0		

Source: Questionnaire administered 2013

Table7. Location of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Akungba	23	24.5	24.5	24.5
	Akure	15	16.0	16.0	40.4
	Ondo	22	23.4	23.4	63.8
	Okitipupa	27	28.7	28.7	92.6
	5	7	7.4	7.4	100.0

Table7. Location of respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Akungba	23	24.5	24.5	24.5
Akure	15	16.0	16.0	40.4
Ondo	22	23.4	23.4	63.8
Okitipupa	27	28.7	28.7	92.6
5	7	7.4	7.4	100.0
Total	94	100.0	100.0	

Source: Questionnaire administered 2013

Table8. Institution of respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid AAUA	21	22.3	22.3	22.3
RUGIPOL	17	18.1	18.1	40.4
FUTA	18	19.1	19.1	59.6
ADEYEMI	22	23.4	23.4	83.0
OSUTEC	16	17.0	17.0	100.0
Total	94	100.0	100.0	

Source: Questionnaire administered 2013

Table9. Responses on whether Bureaucracy is a major factor responsible for delay in our payment system

Responses	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	6	6.4	6.4	6.4
Disagree	12	12.8	12.8	19.1
Undecided	3	3.2	3.2	22.3
Agree	44	46.8	46.8	69.1
Strongly Agree	29	30.9	30.9	100.0
Total	94	100.0	100.0	

Source: Questionnaire administered 2013

Table 9 reveals that out of 94 questionnaires administered, 73 representing 78% agreed that the delay in payment is caused by management bureaucracy.

Table10. . Responses on whether delay in payment system is as a result of late release of government subvention

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	12	12.8	12.9	12.9
	Disagree	16	17.0	17.2	30.1
	Undecided	8	8.5	8.6	38.7
	Agree	31	33.0	33.3	72.0
	Strongly Agree	26	27.7	28.0	100.0
	Total	93	98.9	100.0	
Missing	System	1	1.1		
Total		94	100.0		

Source: Questionnaire administered 2013

Table 10 shows that 57 out of 94 questionnaires administered, representing 61% agreed that the delay in payment is caused by late release of government subvention.

Table 11. Responses on whether workshops and conferences are encouraged through our payment system

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	34	36.2	37.8	81.1
	Disagree	25	26.6	27.8	35.6
	Undecided	7	7.4	7.8	43.3
	Agree	7	7.4	7.8	7.8
	Strongly Agree	17	18.1	18.9	100.0
	Total	90	95.7	100.0	
Missing	System	4	4.3		
Total		94	100.0		

Source: Questionnaire administered 2013

Table11 reveals that out of 94 questionnaires administered, 59 representing 63% disagreed that the payment system encourages workshop and conferences attendance.

Table12. Responses on whether timely release of cash for workshop and conferences will improve staff participation

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	1	1.1	1.1	1.1
Disagree	2	2.1	2.1	3.2
Agree	37	39.4	39.4	42.6
Strongly Agree	54	57.4	57.4	100.0
Total	94	100.0	100.0	

Source: Questionnaire administered 2013

Table12 shows that 91 out of 94 questionnaires administered, representing 97% agreed that timely release of cash for workshop and conferences will improve staff participation.

Table13. Responses on whether designated Authority for approval and authorization of payment documents should be segregated

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	2	2.1	2.2	2.2
Disagree	17	18.1	18.3	20.4
Undecided	10	10.6	10.8	31.2
Agree	37	39.4	39.8	71.0
Strongly Agree	27	28.7	29.0	100.0
Total	93	98.9	100.0	
Missing System	1	1.1		
Total	94	100.0		

Source: Questionnaire administered 2013

Table 13 reveals that out of 94 questionnaires administered, 64 representing 68% agreed that authority for approval and authorization of payment documents should be segregated.

Table14. Responses on whether Payment documents are delayed unnecessarily by the approving authority

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	11	11.7	11.8	12.2
Disagree	26	27.7	28.0	47.3
Undecided	9	11.7	11.8	59.1
Agree	30	28.7	29.0	19.4
Strongly Agree	18	19.1	19.4	100.0
Total	93	98.9	100.0	

Missing System	1	1.1		
Tkotal	94	100.0		

Source: Questionnaire administered 2013

Table 15 shows that 48 out of 94 questionnaires administered, representing 51% agreed that payment documents are delayed unnecessarily while 37, representing 39% disagreed leaving 9 (10%) as undecided.

Table15. Responses on whether the existing Payment procedure needed to be overhauled

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	12	12.8	13.3	13.3
	Disagree	14	14.9	15.6	28.9
	Undecided	11	11.7	12.2	41.1
	Agree	35	37.2	38.9	80.0
	Strongly Agree	18	19.1	20.0	100.0
	Total	90	95.7	100.0	
Missing	System	4	4.3		
Total		94	100.0		

Source: Questionnaire administered 2013

Table 9 reveals that out of 94 questionnaires administered, 53 representing 56% agreed that the existing payment procedure need not be overhauled.

Table16. Responses on whether Decentralization of bursary unit has helped to improve our payment system

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	12	12.8	13.2	13.2
	Disagree	13	13.8	14.3	27.5
	Undecided	10	10.6	11.0	38.5
	Agree	38	40.4	41.8	80.2
	Strongly Agree	18	19.1	19.8	100.0
	Total	91	96.8	100.0	
Missing	System	3	3.2		
Total		94	100.0		

Source: Questionnaire administered 2013

Table16 confirmed that 56 out of 94 questionnaires administered, representing 60% agreed that decentralization has helped to improve our payment system.

Table17. Responses on whether delay in payment system is due to internal control jn

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	14	14.9	15.7	15.7
	Disagree	26	27.7	29.2	44.9
	Undecided	7	7.4	7.9	52.8
	Agree	30	31.9	33.7	86.5
	Strongly Agree	12	12.8	13.5	100.0
	Total	89	94.7	100.0	
Missing	System	5	5.3		
Total		94	100.0		

Source: Questionnaire administered 2013

Table17 reveals that out of 94 questionnaires administered, 40 representing 43% disagreed that the delay in payment is caused by internal control weaknesses.

Table18. Responses on whether inadequate Office accommodation is responsible for delay in the payment system

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	18	19.1	20.2	20.2
	Disagree	24	25.5	27.0	47.2
	Undecided	11	11.7	12.4	59.6
	Agree	26	27.7	29.2	88.8
	Strongly Agree	10	10.6	11.2	100.0
	Total	89	94.7	100.0	
Missing	System	5	5.3		
Total		94	100.0		

Source: Questionnaire administered 2013

Table18 reveals that out of 94 questionnaires administered, 42 representing 45% disagreed that the delay in payment is due to inadequate offices.

Table19. Responses on whether Audit procedure is too centralized

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	8	8.5	9.1	9.1
	Disagree	30	31.9	34.1	43.2
	Undecided	8	8.5	9.1	56.8
	Agree	30	31.9	34.1	90.9
	Strongly Agree	12	12.8	13.6	100.0

Total	88	93.6	100.0
Missing System	6	6.4	
Total	94	100.0	

Source: Questionnaire administered 2013

Table 19 reveals that out of 94 questionnaires administered, 38 representing 40% disagreed that the bursary department is highly centralized.

Table 20 Descriptive Statistics

	Mean	Std. Deviation	N
Management bottleneck	31.77	4.652	94
Bursary constraint	25.80	4.662	94
Audit constraints	15.24	5.524	94

Source: Author's Computation 2013

Table 19 shows the result of descriptive statistics of the three major variables identified as the factors responsible for the delay in an institution's payment system. The result shows that an institution payment system is majorly affected by management bottleneck followed by bursary constraints to audit constraints as can be deduced from their respective means and standard deviations.

Table 21 Result of Pearson Correlations

		Management bottleneck	Bursary constraint	Audit constraints
Management bottleneck	Pearson Correlation	1	.326**	.299**
	Sig. (2-tailed)		.001	.003
	N	94	94	94
Bursary constraint	Pearson Correlation	.326**	1	.328**
	Sig. (2-tailed)	.001		.001
	N	94	94	94
Audit constraints	Pearson Correlation	.299**	.328**	1
	Sig. (2-tailed)	.003	.001	
	N	94	94	94

** . Correlation is significant at the 0.01 level (2-tailed).

Source. Author's Computation 2013

Table: 20 reveals that there is a kind of nexus existing among the three variables identified as the factors responsible for the delay in payment system. An increase in management bottleneck or bureaucracy will respectively lead to increase in bursary and audit constraints.

4.0 Conclusion and Recommendation

The hard lesson tertiary institutions have been passing through in the past few years is that of inadequate funding. When governments' own budget pictures are put in jeopardy, not only do institutions lose out on valuable government appropriations, but also become less reliable partners in the funding of higher education. Also, where funds are made available, the unnecessary bureaucracy created by management in accessing this fund created untold hardship on the part of staff members. Many studies have been done in the areas of accounting system in Tertiary institutions, Funding system, computerisation of accounting system and many others in relation to tertiary institutions in Nigeria. However, of all the studies, none has ever deem it fit to look at the area of the problems created by the system itself such as unnecessary bureaucracy/bottlenecks which has made it impossible to access funds and to also take some decisions at a certain critical level despite the need for its urgency. From the analysis, the study reveals that the delay parading payment system in Nigerian tertiary institutions is attributed to three major factors, these are, management bureaucracy, bursary constraints and internal audit constraints. Managements in our institutions of learning deliberately create unnecessary bottlenecks in the name of internal control to reduce accessibility to funds. This has reduced motivation on the part of the workers with consequential effect of reduction in level of their efficiency and high rate of labour turnover. Also, the growth level of development in the area of physical, infrastructural and structural development has been in a slow pace It is recommended that management of tertiary institutions of learning reduce administrative bureaucracy that hinders efficiency. In addition, they should as well minimise administrative repetitive procedures that engenders delay in attending to critical issues. Internal audit and bursary departments are not left out. In as much as the two units are instrumental to institution fund management; they should be proactive in attending to vital fund requests. In other word, they should endeavour to streamline their procedures without circumventing existing financial regulations.

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