PDF - APPRAISAL OF EXPENDITURE CONTROLS IN GOVERNMENT (A CASE STUDY OF IMO STATE GOVERNMENT) - researchcub.info**ABSTRACT**

The researcher has primarily examined some of the expenditure control techniques that are and could be applied in government. Noting the obstacles and their rate of effectiveness, emphasis are laid on the techniques already in application. Data for the research were gathered through interviews, questionnaires and financial regulations. Percentages were used in the data analysis. The following are the research findings. Budgeting, expenditure control and audits are commonly used by government in order to curb expenditures, cost benefits, analysis and management audits that could be applied are not in use. Variance analysis is the budgeting review technique universally applied for analyzing budgeting estimates. The effectiveness of each of these techniques are hindered by obstacles inherent in the implementation. Government indicates the goals to be achieved with a given outlay. It is therefore essential to control the expenditure to serve the allowed purposes. Expenditure controls may be positive or negative. Expenditure controls essentially reflect a managerial process that is both political and administrative. The type of expenditure controls employed and their effectiveness are dependent in the external and expenditure environment of the government parastatas.

CHAPTER ONE

INTRODUCTION

BACKGROUND OF THE STUDY

Every organization has a purpose, which includes making some product and rendering some services at a price. For normal operations of the Government, it is the product or services of the firm that cause cash receipts (revenue) to flow into the firm. Revenue is associated with products or service of a firm as source of expected cash receipts. Revenue is an event; an increase that applies definitely to value that is monetary. This increase occurs because the firm undertakes certain activities or there is any performance by the firm.

Revenue therefore refers to the monetary event of asset valves increasing in the firm

due to the physical event of production or sales of the firms' products or services.
In Kam (1987:237), Financial Accounting Standard Board(FASB) defines revenue as inflows or other enhancements of assets of an entity or settlements of its liabilities (or combination of both) during a period from delivery or producing goods, rendering service or other activities that constitutes the entity's ongoing major or central operations. In addition, Hongreen et al (2002:568) described revenue as inflows of asset (almost always cash or accounts receivables) received for products or services provided to customers.
Her goals include:

- To continuously improve her service to her customer.
- To realize full payment for timely accurate and complete billing of electricity delivered.
- Institutionalise business and commercial orientation among the work force.
- Gradually aiming at closing the gap between demand and supply by upgrading and expanding, generating, transmission and distribution of infrastructure.
- To improve skills and motivation of staff.

To achieve the above mission and goals, the management of the establishment must adopt measures to ensure that available resources are prudently used to obtain valve for money from resources allocated to them. Management in turn should generate operational data with which they evaluate the efficiency and effectiveness of their operation. It is fundament aspect of management stewardship responsibility to provide interested parties with reasonable assurance that their organisation is effectively controlled and that the accounting data it receives on a timely basis are accurate and dependable. Developing a strong system of expenditure control provides this assurance.
Thus expenditure control is defined as the whole system of control, financial and otherwise established by the management in order to carry on the business of the enterprise in an orderly and efficient manner to ensure adherence to management

policies safeguard the assets and secure as far as possible the completeness and accuracy of the records. In addition the American institute of Certified Public Accountants in 1949 defined expenditure control as comprising the plan of organisation and all the coordinate methods and measures adopted within a business (or non profit making body) to safeguard its assets, check the accuracy and reliability of its accounting data promote operational efficiency and encourage adherence to prescribed managerial policies. A ‘system’ of expenditure control extends beyond those matters which relate directly to the functions of the accounting and financial department.

However, it is an established fact that all the business units and service centre of Government of Nigerian inEnugu state are often plagued by accounting and administrative control problems as it affect revenue generation and other assets. As a result the establishment revenue base has assumed a downward trend.

It has also been shown that despite considerable investment, public service delivery by the establishment is widely perceived to be unsatisfactory and deteriorating from bad to worse.

The complete dependence on capital grants allocation from government is also known. What is not known is the degree to which expenditure control weaknesses and reduced allocation from government contribute to the problem.

The incidence of expenditure control weaknesses unsatisfactory and deteriorating service delivery have the undesired effect of not only weakening the establishment’s ability to provide services effectively, but also encourages collusion, fraud, asset conversion, genuine and deliberate mistakes, corruption, lack of transparency and accountability for revenue collection and accountability for revenue collection and other assets. For the enhancement of the attainment of the mission and goals, it is therefore necessary that these hindrances be removed. It is against the above background and evaluate that this research carried out to examine and evaluate the expenditure control system in operation at holding Government of Nigeria in Enugu state.

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