Effect of Financial Control on Educational Sector Project Development: Evidence from Federal Polytechnic, Nasarawa

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Abstract

Tertiary institutions are supposed to be corner of excellence, a place of building brains training of disciplined and highly skilled individuals. A condition was basic learning facilities are lacking in our tertiary institutions, spells doom for the state and country at large. The study sought to determine the effect of Financial Control on Educational Sector Project Development in Federal Polytechnic Nasarawa. The variables which were used to determine the specific objectives are:; the Financial Control (Independent variable) was proxied by Tertiary Education Trust Fund (TETF) and Internally Generated Revenue; and Educational Sector Project Development (dependent variable) was proxied by Expenditure on Capital Project Development. The study employed annual time series data spanning the years from 2011-2020. The study was based on the Ex-post facto research design. The target population of the study comprises of Federal Polytechnic Nasarawa financial control and developmental projects between the years 2011–2020. All population was censored, in which case the TETFund, Internally Generated Revenue, and educational sector project development as individual component of the aggregate were taken into consideration. Data were analyzed using the Auto-Regressive Distributed Lags and the Ordinary Least Square via the use of E-views 10. The study concludes that TETFund has no any significant influence on the developmental projects in Federal Polytechnic Nasarawa; that TETFund has only succeeded in few Nigerian Tertiary Institutions. This could be as a result of lack of effective internal control and this has given rise to numerous ills in the organization, and could stand the high risk of losing large portions of its resources through wastage, embezzlement, misappropriation and financial recklessness. The study also concludes that the systems adopted by the Federal Polytechnic, Nasarawa in the area of revenue generation have no any significant effect on the Polytechnic developmental projects. The study recommended that the Management in charge of the TETFund department in the public Tertiary Institutions to highly prioritize the formulation, implementation and monitoring of financial control mechanisms in the TETFund; as such, they ensure that appropriate infrastructure, resources and budgetary allocations to support good financial control mechanisms. Also, the study suggested that in order to enhance revenue generation and optimize the ability to minimize corruption, Federal Polytechnic, Nasarawa is urged to enforce Trearry Single Account (TSA), e-transaction systems (e-payment system and e-collection system) to its fullest.

Keywords: Financial Control, Tertiary Education Trust Fund, Internally Generated Revenue, Expenditure on Capital Project Development

INTRODUCTION

Higher institution helps the nation in developing low, middle and high level man power necessary for economic development. These higher institutions train a significant number of the country's labour force such as technicians, accountants, confidential secretaries, typists etc. Government globally, is saddled with the responsibility of promoting the general wellbeing of the citizens and is expected to operate according to the diction of effectiveness, efficiency, and economy. In the developing countries, government's fulfilments of her obligations have been characterized by inefficiency, poor performance and inadequate delivery of basic educational services in higher institutions (Perotti, 2018; Van Horne & Wachowicz, 2019). This development has forced governments to find lasting solutions to the problems by evaluating the financial control management's frameworks guiding her operations. However, higher educational institution especially in Nigeria is known for insufficient allocation of resources from government/stakeholder that set them up and other resources centers. In most instances, management of these institution fall challenges of having to apply in adequate resources to meeting the multi-dimensional objectives in producing good output. This has always been a serious process. This therefore necessitates the need to draw policies that will help in the management of these facilities. Consequently there is a need to also evaluate these policies and its management in order to known its efficiency (Krause, 2018). The tertiary education trust fund (TETFund) supports a variety of programs and activities design to advance the appraisal profession and provide quality education and professional training for current and prospective read estate appraisals in Nigeria. To ensure that the programs funded by the tertiary education trust fund are consistent with the goals of the trust fund, the tertiary education trust committee has established the following deadlines and format for feeding request. The tertiary education trust fund will typical consider request for proposal at its fall meeting usually held in conjunction with the appraisal institutes fall board of directors meeting so the trust committee has adequate time to receive all proposal, request for funding must be submitted to tertiary institutes office, at least six weeks prior to the meeting date for the tertiary education trust fall meeting (Enofe, Afiangbe, & Agha, 2019*)*.

According to Shakirat, Babatunde, and Isa (2014), financial control system deficiency has significant negative effects on capital project management. Ayodele and Michael (2011); Oyewobi, Ganiyu, Oke, Olaawo, and Shittu (2011) find that there exists a relationship between financial control and project activities. Amudo and Inanga (2009)'s study in Uganda on evaluation of internal control systems and finds that effective internal control systems are lacking in public sector financial management and capital project development. Orimoloye Mayokun John and Adegbie (2021), posit that Government capital expenditure is one of the instruments of fiscal policy in achieving macroeconomic objectives, as it improves the provision of capital projects and infrastructural facilities in the economy. Inadequate capital projects have contributed to poor infrastructural facilities in the Nigeria economy. Therefore, the populace desires of good infrastructural amenities from the government as well as the potential investors, as poor infrastructural facilities discourage potential investors from investing in the country. Availability and efficient use of revenue generated by the government would help in closing the gaps in the citizens' requirements of providing the infrastructures. This infrastructure is majorly what is required in the public schools like universities and polytechnics in Nigeria. This study is motivated by the fact that there are some problems associates with the delivery of TETFund education trust fund to the beneficiaries which arose the interest of the researchers; the researchers are also very optimistic that if these problems remain unsolved the end user of TETFund project would continue to be at the receiving end. One of the major problems observed by the researcher which informed the decision of carryout the research is that, when the tertiary education trust fund release money for educational project, the money is usually mismanagement which results to sub-standard project. In most of the institution where TETFund finance library projects, the library building are poorly constructed that some even collapse just one year after the project was completed. The researcher also observed that there is no effective supervision is usually characterized with Windom dressing and observes corruption (*Ajayi,,2020)*. Besides, most Nigerian Polytechnics continue to experience capital insufficiencies, despite the existence of the TETFund and this has been linked largely to ineffective financial control mechanisms in the institutions (Ukah, 2020). Particularly, the study centred on the Federal Polytechnic, Nasarawa State; this sector in particular needed capital project development mostly to meet up with the contemporary trend. Government is aware and that is why bodies are established to take care of the development not only project development, but also human capital development. TETfund organization is one. Victoria, Onyeike, and Emmanuel (2014) posit that the overall development of the nation is anchored on the survival of educational system; all efforts need to be made to ensure that the sector is performing. The Tertiary Education Trust Fund (TETFund) came into existence in 2011 after it metamorphosed from the Education Trust Fund (ETF) which was established in 1993 (Ogunde, 2011). As an intervention agency, the institution has been responsible for ensuring that the objectives of the public tertiary institutions in the country are met through the provision of necessary resources. Therefore, as one of the intervention agencies of the government, it has been established with the responsibility of seeing to the survival of the educational system. In the face of human, financial and material inadequacies in the nation's tertiary institutions, the standard of teaching, learning, research and community development has continually been threatened. As such, in order to redeem the image or lost glory of these institutions, monitoring agencies are employed to intervene and revamp the tertiary institutions visà-vis position the nation on the path of development and this includes capital project developments via the efficiency and effectiveness of these tertiary institutions As stated by the Federal Government of Nigeria in the National Policy on Education (2004).

Generally, the state of the nation's development has enough problems to share around due to poor management and corruption. The Nigerian government has engaged in reforms and campaigns like National Economic Empowerment Development Strategy (NEEDS). This is to improve the Nigerian economy, yet there is a high rate of unaccomplished capital project strategies, resulting into capital project mismanagement. Simon (2012) refers to the Presidential Project Assessment Committee (PPAC), there are 'Eleven thousand, eight hundred and eighty- six (11,886) abandoned projects that will cost an estimated ₦7.78 trillion to complete. If the government does not start any new projects, it will take more than five years budgeting about 1.5 trillion annually to complete them all (El-Rufai, 2012). Simon (2012) reiterates that control over project management in Nigeria should improve to reduce the problem of abandonment and wastages of public fund. Oyewobi (2011) argue that the regulatory oversight has not kept pace with internal control development in the Nigerian public sector despite the enactment of Public Procurement Act No.14, 2007, Law of the Federation of Nigeria. Mboto, (2012) assert that there is incessant policy discontinuities and politicians have unquestioned discretion in awarding contracts without following due process. Effect of Financial Control on Educational Sector Project Development in Nigerian Federal Polytechnics has been a focus of a substantial amount of empirical research for many years. For instance Eme, Emmanuel, and Chukwurah (2018), Anumihe (2018), Onyekpere (2019), and Ukah, (2020) amongst others carried out studies on a similar topic. None of the studies focused on the area of study for this research work. Moreover, most studies conducted on this topic have investigated the proxies for Financial Control, which are TETfund and Internally Generated Revenue separately without the determination of the relationship that exists. The available literature is thus not sufficient enough, presenting a research gap this study on Financial Control aimed to address. It is imperative to understand the Financial Control on Educational Sector Project Development in Nigerian Federal Polytechnics so as to elevate the performance of Income generating units of the Nigerian Institutions of higher learning. However, for the purpose of this research work, the following null hypotheses were formulated:

HO_1: There is no significant effect of TETfund on Capital Project Development in the Federal Polytechnic, Nasarawa.

HO_2: There is no significant effect of Internally Generated Revenue on Capital Projects Development in the Federal Polytechnic, Nasarawa.

LITERATURE REVIEW

Conceptual Framework

Capital Project Development

This is payment for acquisition of fixed capital assets, stock, land or intangible assets. A good example would be building of schools, hospitals or roads. However, it is important to note that much donor-funded "capital" expenditure, though referring to projects, includes spending on non capital payments. More so, Relevance Capital Budgeting to Public Sector in an Organization is the process of analyzing potential investment for the firm in the case of government business enterprises or private firms. Capital budgeting decisions are probably the most important ones financial managers must make (Ukah, 2020).

Tertiary Education Trust Fund

TETFund is an interventional measure of the Federal Government to tackle inadequate facilities in our tertiary institutions (Nairaland, 2013). This is the major role which the agency has been playing over the years since it came into establishment in 2011.

Revenue Generation

Public revenue could be defined as the funds generated by the government to finance its activities. In other words revenue is the total fund generated by government (Federal, state, local government, other organizational bodies to meet their expenditure for a fiscal year. This refers also to the grand total of money of income received from the source of which expenses are incurred. Revenue could be internal or external revenue (Nairaland, 2013).

Empirical Review

This Study reviews related researches on in the effect of financial control on educational sector project development in the Nigerian Federal Polytechnics. Orimoloye etal (2021) carried out a study is on Revenue Generation and Capital Project Development in Lagos State, Nigeria. It examined the effect of revenue generation on the capital projects development in Lagos state from 2000-2018. Secondary method of data collection was employed and analyzed using correlation and Ordinary Least Square regression. The findings revealed that government revenue has a significant effect on the total capital projects development in Lagos state as well as on RCAPEX and ECAPEX. Also, STR in isolation has a significant positive effect on the CAPEX, RCAPEX and ECAPEX. However, OIGR in isolation has an insignificant negative effect on CAPEX and ECAPEX and insignificant positive effect on RCAPEX. The study concluded that, Lagos state government is yet to economically, effectively and efficiently utilize the revenue generated for capital projects development. The study recommended that state governments should establish a revenue policy that will improve capital projects development rather than using other means of financing the capital projects. This current study aimed to ascertain whether financial control mechanism affects the educational sector project development in the Nigerian Federal Polytechnics. Besides, their study was however conducted on the capital project development in Lagos State and thus the findings cannot be generalized to the Nigerian Institutions of higher learning.

Ukah (2020) conducted a study on the role of education Trust Fund (Tetfund) on the development of Educational Infrastructure in Kogi State: A Case Study of Kogi State Polytechnic. Data for this research were collected through questionnaire using random sampling technique on one thousand five hundred respondents. The analysis was carried out using simple percentage and regression analysis. Findings that emerged clearly indicated that the education Trust Fund (Tetfund) has no any significant effect on the development of educational infrastructure in Kogi State Polytechnic. The study recommended among others that government and polytechnic board must strengthen monitoring and supervision unit of the Tetfund to ensure effective monitoring, supervision, enforcement; and effective implementation of developmental projects in the Nigerian Polytechnics. Consequently, the above study failed to carry out normality test of the primary data collected, thus, this could make the findings of the study to be spurious and unreliable. But however, this current study will fill the gap by using secondary data; and avoid spurious results by carrying out the stationarity test of series from 2011 to 2019. Besides, this study contributes to knowledge by providing more recent findings regarding the effect of financial control on educational sector project development in the Nigerian Federal Polytechnics.

Shakirat, Babatunde, and Isa (2014) conducted a study on financial control system deficiency and capital project mismanagement in the Nigerian public sector. Kendall's tau_ b τ, ANOVA and Chi-square X2 statistics were employed as the statistical tool. It finds that financial control system deficiency has significant negative effects on capital project management in the Nigerian Public Sector. So it recommends strict compliance with internal control system in the best interest of public sector and the citizenry. Kiabel (2012) considered the assessment of internal auditing practice on the financial performance of government owned companies (GOC) in Nigeria. The study finds that there is no strong association between internal auditing practices as measures of control and financial performance of government owned companies in Nigeria. Nwachukwu and Emoh (2011) in their study on financial control in capital project management in Nigeria public institutions; using survey design and chi-square analysis. The study finds that high level of capital project abandonment has worsened the acceptance of financial control as an effective tool of assurance in the public sector financial management. The study concludes by recommending that capital project is a catalyst to public development in all the agenda of government that should not be neglected. It is used for supporting programmes such as health care delivery, roads and transportation, education, security, power, energy and shelter. It is about life. It provides a solid foundation upon which industrial structure is built.

Theoretical Review

This section discussed theories related to effect of financial control on educational sector project development in the Nigerian Federal Polytechnics. These theories include the Management by Objectives (MBO) Theory, Institutional Theory, and Public Cost Management Theory. However, for the purpose of this study, the Public Cost Management Theory underpinned this study.

Management by Objectives (MBO) Theory

This study is Management by Objectives (MBO) propounded by Peter F. Drucker (1954). It is one of the prominent theories used in the field of management. This theory is renowned for its ability to guide any organization towards setting and achieving defined goals or objectives.

Institutional Theory

Meyer, John W. propound 'Institutionalized organizations in 1977 , the theory indicates that, in order to survive, organizations must conform to the rules and belief systems prevailing in the environment (DiMaggio & Powell, 1983; Scott 1995) supported institutional isomorphism, both structural and procedural, will earn the organization legitimacy and made emphasis on rules of guidance are established and enforced for smooth conduct of hierarchical duties of an organization in respect of deeper and more responsive, transparent and resilient aspects of social structure.

Public Cost Management Theory

Erik Lindahl a Swedish Economist "Propounded this theory in 1919". According to his theory, determination of public expenditure and taxation will happen on the basis of public preferences which they will reveal themselves. The tax that they will pay is revealed by them according to their capacities and budget planning and execution. Walle (2007) Development Budget and planning, which is now practiced in one form or another in more than a hundred countries, has been viewed primarily as a feature of the developing countries.

METHODOLOGY

Ex-post facto research design was adopted for this study, this means cause-effect research design and this is chosen because of the research-specific objectives. The target population of the study comprises of Federal Polytechnic Nasarawa financial control and developmental projects between the years 2011–2020. All population was censored, in which case the TETFund, Internally Generated Revenue, and educational sector project development as individual component of the aggregate were taken into consideration. The study adopts the secondary method of data collection. Secondary data is research data that has been previously gathered for other uses by researchers or institutions other than the present user; and data were analyzed using Auto-Regressive Distributed Lag (ARDL) and Ordinary Least Square (OLS). Time series data was used in this study. The method that was employed to analyze the behaviour of the data is the use of both descriptive and inferential statistics. However, the variables which used to determine the formulated are presented as follows:

Independent variable is the Financial Control, and it was proxied by the TETFund allocated to Federal Polytechnic, Nasarawa and Internally Generated Revenue by Federal Polytechnic, Nasarawa; and dependent variable is the Educational Sector Project Development, and it was proxied by the Federal

Polytechnic, Nasarawa Expenditure on Capital Project Development. The study modeled according to the studies of Onyekpere (2019) but used different variables. The relationship between the two variables will be:

TETFund, Internally Generated Revenue, and Capital Project Development

$ECPD = \beta_0 + \beta_1 TETF + \beta_2 IGR + \varepsilon$ -------------- (1.1)

Where:

ECPD = Expenditure on Capital Project Development

TETF = Tertiary Educational Trust Fund

IGR = Internally Generated Revenue

β_0 is the intercept of the regression model of Expenditure on Capital Project Development.

β_1, and β_2 are rates of change of the Tertiary Educational Trust Fund and Internally Generated Revenue

ε =is the error term associated with the model of the Tertiary Educational Trust Fund and Internally Generated Revenue.

Re-writing equation (1.1) in general Error Correction Model (ECM) form to capture the dynamic relationship among the variables in the short and long-run, the model becomes:

$$\Delta ECPD = \alpha_0 + \sum_{g=1}^{l} \alpha_{1i} \Delta ECPD_{t-i} + \sum_{h=1}^{m} \alpha_{2i} \Delta TETF_{t-i} + \sum_{i=1}^{n} \alpha_{3i} \Delta IGR_{t-i} + ECM_{t-1} + \varepsilon_t --- (1.2)$$

Therefore, equation (1.2) was used to estimate and analyze the short-run and long-run of the effect of financial control on educational sector project development in Federal Polytechnic, Nasarawa.

RESULT AND DISCUSSION

Descriptive Analysis of Variables

Table 1: Descriptive Analysis of Variables

	ECPD	TETF	IGR
Mean	0.101247	0.192673	2.177636
Median	0.062124	0.198017	2.242000
Maximum	0.494026	0.457664	3.052000
Minimum	0.044799	0.013897	1.042000
Std. Dev.	0.131133	0.131338	0.545107
Skewness	2.780794	0.494500	-0.721379
Kurtosis	8.868123	2.515534	3.282880
Jarque-Bera	29.95948	0.555879	0.990721
Probability	0.000000	0.757343	0.609351
Sum	1.113714	2.119398	23.95400
Sum Sq. Dev.	0.171958	0.172498	2.971421
Observations	11	11	11

Source: *Output from E-views 10 (2021)*

The summary of descriptive statistics of relevant variables of study is as reported in Table 1 above. As it is observed from the table, the mean, median, standard deviation, as well as the skewness and kurtosis measures of our variables of interest, are given. The mean values of Expenditure on Capital Project Development (ECPD), Tertiary Educational Trust Fund (TETF), and Internally Generated Revenue (IGR) are 0.101247, 0.192673, and 2.177636 respectively. IGR has the highest value of Mean while ECPD has the lowest value of Mean. Also, their respective standard deviations are 0.131133, 0.131338, and 0.545107. However, TETF has the highest value of Standard Deviation while IGR has the lowest value of Standard Deviation. Besides, the minimum values for ECPD, TETF, and IGR are 0.044799 Billion Naira, 0.013897 Billion Naira, and 1.042000 Billion Naira respectively, while their maximum values are 0.494026 Billion Naira, 0.457664 Billion Naira, and 3.052000 Billion Naira respectively. The Jarque-

Bera test of normality shows that the error term in our specified equation is normally distributed. This is evidenced by the respective insignificant Jarque-Bera statistics of the relevant variables. Finally, TETF and IGR series have normal distributed curves, but ECPD has an abnormal distribution curve.

Stationarity Test of Variables

Table 2: Augmented Dickey-Fuller Test

Variables	ADF P-value @ 5% Level	ADF P-value @ 1st Difference	Order of Integration
ECPD	0.0866	0.0035	I(1)
TETF	0.2074	0.0151	I(I)
IGR	0.0019	-	I(0)

Source: *Output from E-views 10 (2021)*

Table 2 shows the Augmented Dickey-Fuller stationarity test results of the three economic variables used in this study. However, from the results, Expenditure on Capital Project Development (ECPD) and Tertiary Educational Trust Fund (TETF) were stationary after first difference, while Internally Generated Revenue (IGR) was stationary at first level. This implies that the economic variables are fit and suitable to be used for the analysis.

Table 3: Co-integration Results of ECPD, TETF, and IGR

ARDL Long Run Form and Bounds Test
Dependent Variable: D(ECPD)
Selected Model: ARDL(1, 0, 0)
Case 3: Unrestricted Constant and No Trend
Date: 09/09/21 Time: 13:55
Sample: 2010 2020
Included observations: 10

Conditional Error Correction Regression

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.401224	0.259542	-1.545892	0.1731
ECPD(-1)*	-0.412892	0.427877	-0.964977	0.3718
TETF**	-0.109402	0.328732	-0.332801	0.7506
IGR**	0.216755	0.101647	2.132420	0.0770

* p-value incompatible with t-Bounds distribution.
** Variable interpreted as Z = Z(-1) + D(Z).

Levels Equation
Case 3: Unrestricted Constant and No Trend

Variable	Coefficient	Std. Error	t-Statistic	Prob.
TETF	-0.264966	0.791966	-0.334567	0.7493
IGR	0.524968	0.729617	0.719511	0.4989

EC = ECPD - (-0.2650*TETF + 0.5250*IGR)

F-Bounds Test			Null Hypothesis: No levels relationship	
Test Statistic	Value	Signif.	I(0)	I(1)
			Asymptotic: n=1000	
F-statistic	5.082974	10%	3.17	4.14
K	2	5%	3.79	4.85
		2.5%	4.41	5.52
		1%	5.15	6.36
			Finite Sample: n=30	
Actual Sample Size	10			
		10%	3.437	4.47
		5%	4.267	5.473
		1%	6.183	7.873

t-Bounds Test			Null Hypothesis: No levels relationship	
Test Statistic	Value	Signif.	I(0)	I(1)
t-statistic	-3.964977	10%	-2.57	-3.21
		5%	-2.86	-3.53
		2.5%	-3.13	-3.8
		1%	-3.43	-4.1

Source: *Researcher Computations (2021) employing E-Views*

The above results revealed that F-Value of 5.082974 is greater than the I(1) bound (Critical Value for the upper bound) of 4.85 at 5% level of significance. Similarly, the absolute T- statistics value of 3.964977 is greater than the I (1) bound (absolute Critical Value for the upper bound) of 3.53 at 5% level of significance. Therefore, it indicates that the null hypothesis of no level of relationship is rejected and accepts the alternate hypothesis of there is a long run relationship among the three series. Thus, we estimate the long-run model and extract the residual via the use Ordinary Least Square and Error Correction Model.

Test of Hypotheses

Table 4: Effects of TETF and IGR on ECPD

Dependent Variable: D(ECPD)
Method: Least Squares
Date: 09/09/21 Time: 15:46
Sample (adjusted): 2012 2020
Included observations: 9 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.012212	0.123340	-0.099011	0.9259
D(ECPD(-1))	0.277030	2.103811	0.131680	0.9016

D(TETF(-1))	0.026134	0.558434	0.046798	0.9649
D(IGR(-1))	-0.062440	0.197224	-0.316596	0.7674
ECM(-1)	-1.557690	2.460969	-0.632958	0.0361

R-squared	0.564249	Mean dependent var	0.004214
Adjusted R-squared	0.228498	S.D. dependent var	0.206051
S.E. of regression	0.192358	Akaike info criterion	-0.158739
Sum squared resid	0.148006	Schwarz criterion	-0.049170
Log likelihood	5.714327	Hannan-Quinn criter.	-0.395189
F-statistic	1.294888	Durbin-Watson stat	2.186767
Prob(F-statistic)	0.404157		

Source: *Researcher Computations (2021) employing E-Views*

From the long-run regression results shown in Table 4, the following interpretation can be inferred; a unit increase in Tertiary Educational Trust Fund (TETF) on the average holding other independent variables constant will lead to a 0.14 unit increase in Expenditure on Capital Project Development (ECPD). While a unit increase in Internally Generated Revenue (IGR), holding other independent variables constant will lead to 0.06 unit decreases in Capital Project Development (ECPD). However, based on the probability value, the Tertiary Educational Trust Fund (TETF) and the Internally Generated Revenue (IGR) were statistically insignificant in explaining the variation in the Capital Project Development (ECPD). Besides, the Error Correction Model (ECM) parameter is negative (-) and significant which is -1.557690 and the p-value is 0.0361; this shows that 3.61 percent disequilibrium in the previous period is being corrected to restore equilibrium in the current period. Moreover, the table above shows the relationship between Financial Control and the Educational Sector Project Development in Federal Polytechnic Nasarawa. The R^2 value is 0.56; it indicates the prediction capability of the independent variables. This indicates that 56% changes in the Educational Sector Project Development in Federal Polytechnic Nasarawa are explained by the changes in the Contributory Pension Scheme. Also, that only about 44% other factors that could bring about changes in the model were not included. Besides, the value of 23% of the Adjusted R^2 shows a week relationship between the Financial Control and the Educational Sector Project Development in Federal Polytechnic Nasarawa.

Furthermore, it has been established that the **HO₁** which stated that there is no significant effect of TETfund on Expenditure on Capital Project Development in the Federal Polytechnic, Nasarawa is accepted; this is because the p-value of 0.9649 is greater than 0.05. This implies that after the coming on stage of the TETFund that the developmental projects in Federal Polytechnic Nasarawa has not been better off; TETFund has only succeeded in few Nigerian Institutions of higher learning. This could be as a result of lack of effective internal control and this has given rise to numerous ills in the organization, and could stand the high risk of losing large portions of its resources through wastage, embezzlement, misappropriation and financial recklessness. Also, the **HO₂** which stated that there is no significant effect of Internally Generated Revenue on Expenditure on Capital Project Development in the Federal Polytechnic, Nasarawa is also accepted; this is because the p-value of 0.7674 is greater than 0.05. This implies that the systems adopted by the Federal Polytechnic, Nasarawa in the area of revenue generation have no any significant effect on the Polytechnic developmental projects. Finally, when TETfund and Internally Generated Revenue are joined together, they cannot influence Expenditure on Capital Project Development in the Federal Polytechnic, Nasarawa. This is because; the Prob. (F-statistic) is 0.404157, greater than 0.05. Therefore, it can be concluded that Financial Control has no any significant effect on the Educational Sector Project Development in Federal Polytechnic Nasarawa. This implies that the financial control mechanisms such as internal audit, internal control measures, risk management strategies and credit policies have no any significant effect on the developmental projects in Federal Polytechnic Nasarawa

Post Estimation Test

Table 6: Breusch-Godfrey Serial Correlation LM Test:

F-statistic	5.006041	Prob. F(1,3)	0.1112
Obs*R-squared	5.627547	Prob. Chi-Square(1)	0.1177

The above table shows that all observed R-square and the corresponding P-Values is 0.6112, greater than 0.05; we therefore, accept the Ho and conclude that the model is free from the problem of serial autocorrelation.

Stability Test

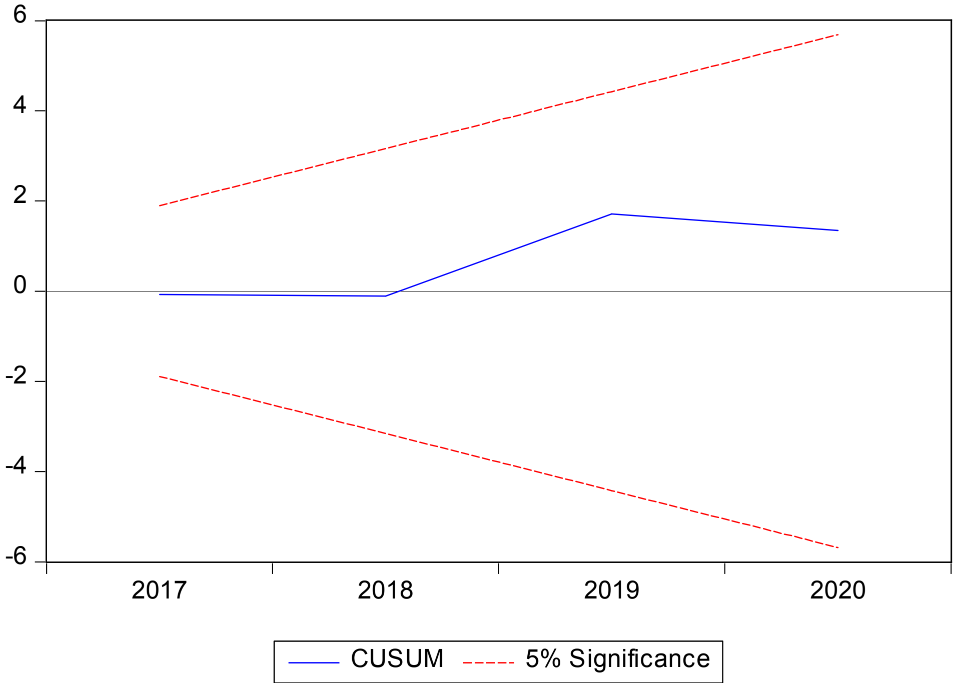

Figure 1: *Cusum stability Test*

The Cusum series in Figure 1 lies between the lower and upper critical limit value of 2% indicating that the model is stable.

Discussion of Findings

This study was carried out to examine Effect of Financial Control on Educational Sector Project Development in Federal Polytechnic Nasarawa. The study used secondary data for the analysis, and the following findings were observed from the study: The study established that TETfund has no any significant effect on Expenditure on Capital Project Development in the Federal Polytechnic, Nasarawa. This finding is consistent with the finding of Ukah (2020) who conducted a study on the role of education Trust Fund (Tetfund) on the development of Educational Infrastructure in Kogi State: A Case Study of Kogi State Polytechnic. Findings that emerged clearly indicated that the education Trust Fund (Tetfund) has no any significant effect on the development of educational infrastructure in Kogi State Polytechnic. Besides, the study revealed that Internally Generated Revenue has no any significant effect on Expenditure on Capital Project Development in the Federal Polytechnic, Nasarawa. This result disagrees with the result of Orimoloye etal (2021) who carried out a study on Revenue Generation and Capital Project Development in Lagos State, Nigeria. The findings revealed that government revenue has a significant effect on the total capital projects development in Lagos state as well as on RCAPEX and ECAPEX.

CONCLUSION AND RECOMMENDATION

This paper examines the dynamic and causal relationship between Financial Control and Educational Sector Project Development in Federal Polytechnic Nasarawa. Based on the findings, the study therefore concludes as follows; TETFund has no any significant influence on the developmental projects in Federal Polytechnic Nasarawa ; that TETFund has only succeeded in few Nigerian Tertiary Institutions. This could be as a result of lack of effective internal control and this has given rise to numerous ills in the organization, and could stand the high risk of losing large portions of its resources through wastage, embezzlement, misappropriation and financial recklessness. This could also be as a result of fraud; lack of proper accounting record, lopsidedness in the management of TETFund, lack of proper sharing formula of the fund among the tertiary institutions. Besides, the study concludes that the systems adopted by the Federal Polytechnic, Nasarawa in the area of revenue generation have no any significant effect on the Polytechnic developmental projects. This implies that Federal Polytechnic, Nasarawa depends mostly on the federal government for developmental projects. The Institution does not use its internally generated revenue for developmental projects.

The results of this study have shown that there is no significant influence of Financial Control on Educational Sector Project Development in Federal Polytechnic Nasarawa. In this direction, the researchers therefore, make the following recommendations;

i. Management in charge of the TETFund department in the public Tertiary Institutions to highly prioritize the formulation, implementation and monitoring of financial control mechanisms in the TETFund; as such, they ensure that appropriate infrastructure, resources and budgetary allocations to support good financial control mechanisms. This will ensure that transparency and accountability are maintained in the TETFund translating to improved performance. To facilitate effective financial controls, the study recommends that the management especially those in the audit section to conduct regular checks and inspections on the TETFund. This will act to assure that the TETFund are operated under the required standards of operations through constant monitoring and evaluation. Accounts of TETFund should be audited twice a year. Although this is a little unusual, however, it will help in still discipline in the management of TETFund. The first six months audit will be interim while the subsequent one will be final. Fraud detected in the interim audit will be presented in the final audit. Additionally, external audit personnel are recommended to be hired to offer additional assurance to the internal control systems on the cost effective and efficiency of the TETFund whilst minimizing any forms of internal biasness. Besides, all managers in the public Polytechnics are recommended to ensure that there are adequate internal control activities that safeguard the assets of the TETFund from misuse and frauds. Furhermore, Independent Corrupt Practice and other Related Crimes Commission (ICPC) should always investigate corrupt activities in TETFund. This will help the management to be judicious with the resources of TETFund. Accounts of stewardship of members of the Board of Trustees should be presented on the floor of the National Assembly once a year. This will enable all Nigerians to be accurately informed of the role each member of the Board of trustees play in the disbursement of the funds to various institutions every year. Federal government should also ensure that the TETFund in the polytecnics are allocated with adequate funds and resources to ensure proper implementation of the financial control mechanisms.

ii. In order to enhance revenue generation and optimize the ability to minimize corruption, Federal Polytechnic, Nasarawa is also urged to enforce Trearry Single Account (TSA), e-transaction systems (e-payment system and e-collection system) to its fullest. The Instution should not depend solely on government for developmental projects. The study also suggests, that the Nigerian Polytechic authorities should adopt and introduce a well-structured electronic system of accounting information to cover such areas as the budgeting method addressed by e-transactions (from formulation, consent, execution, disbursement, etc.) to payrolls addressed by e-payments, Public institutions should consolidate their internal control mechanisms to ensure total blockage of leakages through proper application of e-collection and e-payments systems and processes.

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