

**NIGERIAN BUDGET IMPLEMENTATION AND CONTROL REFORMS: TOOL
FOR MACRO ECONOMIC GROWTH.**

ABSTRACT

This paper studied the impact of budget implementation and control reforms of the Federal Government of Nigeria with a view to analyzing their impact on resource management, level of productivity and efficiency and personnel and overhead costs in Ngeria. The study employed ex-post facto descriptive research design. The respondents comprised of Accountants and Economists who are in the federal civil service in Enugu state. The primary data were collected with the aid of a structured 5-point likert scale questionnaires. Secondary data were generated from journals, and other scholarly publications. Three Hypotheses were formulated and tested in this study. The questionnaires were distributed to a sample size of 308 from a population of 1338 using Taro Yamane (1967) formula while Analysis of Variance (ANOVA) was also employed to test the hypotheses. The findings showed that poor project conceptualisation, design or planning practices by Ministries, Departments and Agencies (MDAs) resulted into low resources management. Respondents also perceived that there is no significant reduction in the personnel and overhead cost budgets allocated to the public service. The study concludes that the effectiveness of Medium Term Revenue Framework and Medium Term Expenditure Framework can be achieved through budget discipline. Participatory monitoring and assessment of government projects by host community-members and identifications of opportunities/Challenges for Government Services are recommended.

Keywords: fiscal policy, budgeting, macro economics, Nigerian economy, budget implementation

INTRODUCTION

According to Abdullahi (2007), a government budget is a political and administrative instruments by which the executive and legislative bodies endeavour to allocate scarce resources among the various organs of government either at state levels or federal level. It is basically a tool for selecting a particular mix of public and private goods and services. In the public sector, budget performs the same allocative functions that the price mechanism performs in the private sector. The budgetary reforms objectives of the federal government of Nigeria adopted in 1999 was aimed at reducing the excessive share of the budget being allocated to the public service by way of personnel and overhead costs (estimated at over 60%), reducing the cost of governance in general, improving resource management by curtailing wasteful expenditure and increasing the level of productivity and efficiency through budget discipline. Paradoxically, the government expenditure has lost its objective as it becomes more concerned with recurrent expenditure and less concerned with capital expenditure. (Ige, 2004). The habits of contractors making remobilization claims before reviving abandoned projects also contributed to high cost of

governance in Nigeria. The result of this, was that large sums of money were released and the economy overheated with cheap money resulting in lack of any real progress in project implementation. (Aku, 2009). In terms of ensuring budget discipline in Nigeria, public officers in Ministries and extra ministerial departments are yet to imbibe the culture of incurring expenditures only for essential purposes, in order to control costs. Public officers instead see government resources (money) as a “national cake”. (Abubakar, 1999). According to Ochonma, (2009) budget failure is not new in Nigeria. It cannot be blamed on the global economic crisis experienced in 2008-2009. The reason may be that the executives both at the federal and state levels have often diverted public funds into their personal foreign and local banks accounts.

A budget is also a tool for management direction and control of the work which an agency or department plans to do. A budget has four characteristics; equilibrium, comprehensive, unity, periodicity (Abdullahi, 2007). In Nigeria, budget implementation has been a major issue of concern. Issue of poor implementation has constrained achievement of most spelt-out development goals and objectives. This are manifested in many abandoned development projects. Poor implementation has also made execution a weak link in the budget process. In past decade, for instance, the rate of capital budget implementation has varied widely as follows:

2002 – 2003: 50%.

2004 - 2005: average of 92%.

2008: 43% as at November 30th. Obadan, (2008).

According to Aganga (2010), Challenges to the full implementation of the annual Federal Government Budget has been of major concern to the Federal Government in recent years. This necessitated the Government implementing several policies aimed at improving on its revenue generation and collection, and spending effectiveness and efficiencies. In this regard, the Government through the Federal Ministry of Finance/Budget Office of the Federation has been engaging key stakeholders to workout optimal budget implementation strategies. These included engagements through Workshops (including “Strengthening budget implementation for enhanced project execution & service delivery”; and “Enhancing Internally Generated Revenue (IGR) generation, collection & remittance system in the federal public service”. The main objective of this study is to analyze the key objectives of the budget implementation and control reforms as a tool for Macro economic growth in Nigeria. The specific objectives are to find out the extent to which personnel and overhead cost budgets allocated to the public service has been reduced; to identify the effects of improved resource management through curtailing of wasteful expenditure and ascertain the level of productivity and efficiency increase through budget discipline. This study will help to increase knowledge of the literature that focuses on budget implementation and control reforms. In the light of growing importance of ensuring that budgetary provisions matches with the outcomes, this study will provide some useful information for all the tiers of government and non-governmental organizations who make use of budget in Nigeria. The outcome of the formulated hypotheses and data collected through primary and secondary sources will provide managerial information to both policy makers in the private sectors and

organizations in the international scene. Besides, it will serve as a reference to researchers, academics, and students in the management of social sciences.

Theoretical Framework

The Budgetary Reforms in Nigeria

From the inception of democratic civilian administration in Nigeria, one of the major concerns of the government has been the rate of extra budgetary spending, and blatant disregard to budget rule perpetrated by previous (military) administrations (Ben-Caleb & Agbude, 2013). Specifically, during the military regimes, the budget process was said to be thrown into disarray with major defects which precluded the budget from performing its role effectively as a tool for economic transformation, rather pressurized the nation into economic instability (Obasanjo, 1999). Expectedly, a number of reforms were embarked upon aimed at revamping the processes, programmes and policies considered ailing, in order to bring the economy on track with the new democratic agenda and to delivering value to the people. The public sector in general and the public budget process in particular were among the areas for which reforms were exigent.

Consequently, a number of budget related reforms were introduced into the Nigeria budget process. These include; Oil-Price based on fiscal rule, the Medium Term Expenditure Framework (MTEF) 2005, and the Fiscal Responsibility Act 2007 among others (Garba, 2011). The reforms centred on five major aspects namely; administrative procedures, budget preparation, management of government spending, budget implementation, as well as budget monitoring and evaluation. They were intended to achieve the following objectives among others; reduce the cost of governance, improve the management of resources by curtailing extravagances, increasing the level of productivity and efficiency, as well as ensure budget discipline (i.e. adherence to limits) (Olomola, 2009; GIFMIS, 2011).

Specifically, the Medium Term Expenditure Framework (MTEF) was introduced into the Nigerian budgetary process in 2005; although its legal backing came via the Fiscal Responsibility Act in 2007. According to Pascua (2005), MTEF entails annual budgeting system in which budget decisions relating to new programs and projects are made at every budget preparation session based on three-year fiscal scenarios, to ensure that projects financed for the next three years will be approved under the annual system and will be consistent with the baseline budgeting approach. Its emphasis is on a multi-year (three years) budget packaging. The specific objectives for the adoption of MTEF in Nigeria were to improve the allocation of resources to strategic priorities among and within sectors, as well as provide MDAs with a hard budget constraint among others (Olomola, 2009; State Partnership for Accountability, Responsiveness and Capability (SPARC), 2009).

Similarly, the Fiscal Responsibility Act (FRA) was signed into the law by President Musa Yar'Adua in 2007. It was meant to ensure prudent management of national resources, a mandate consistent with section 16 of the 1999 constitution, among others. Besides, the FRA was set to promote greater accountability and transparency in fiscal operations and processes within the medium term fiscal policy framework (Omolehinwa & Naiyeju, 2011). In summary, the enactment of FRA formed the legal basis for the MTEF, and gave impetus to other budget reforms as well.

The Relationship between Budget Reforms and Budget Management

Budget reforms involve making changes to the ways and manner in which the budget is formulated, implemented and evaluated for the purpose of facilitating effectiveness, efficiency and economy (Allen 1998 cited in world Bank 2001). It is about restructuring the process and/or management of a nation's budgeting system in order to improve its feasibility as a fiscal policy vehicle. By implication, therefore, budget reforms must have direct impact on the quality of budget management, otherwise it would be unnecessary.

Supportably, the five planks of the reforms mentioned earlier in this paper (i.e. administrative, preparation, management, implementation and monitoring/evaluation) resonated with both, the four phases of the budget cycle (formulation, enactment, execution and evaluation), and the five major elements of budget management (efficiency, effectiveness, discipline, transparency and accountability). It is this interconnectedness that forms the fulcrum of the conceptual and theoretical underpinning of this study as depicted in figure 1.

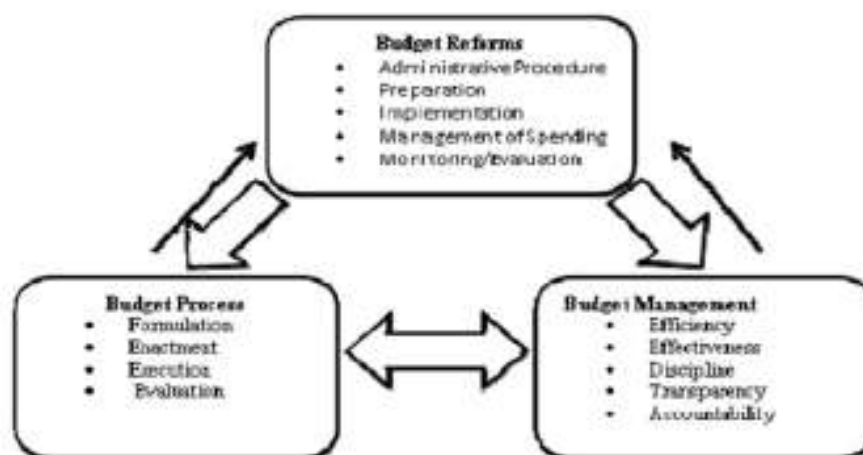


Figure 1: Budget Reforms, Budget Cycle and Budget Management Conceptual Relationship

Figure 1 demonstrates a relationship among the three budgets' constructs (Reforms, process and management). The thick arrows represent direct relationships or feed-forwards, while the thin arrows represent feed-backs. The implication exemplified in the model is that budget reforms instigate changes in the process, as well as the management of the budget in order to improve its workability as an economic management tool (Ben-Caleb, Adeyemi,& Iyoha, 2014). It is also in conformity with the theoretical postulates by institutional economists that institutional reforms are a necessary condition for achieving durable budgetary outcomes. Or that the "rule of the game" does shape the nature of decisions taken. Hence, changing the rule of the game can help in reducing the likelihood of systematic biases for poor budget/fiscal outturns (Brumby, 1998). This implies that appropriate and effective reforms of the institutions of budgetary process and management mean shaping the rules of the game which invariably have far reaching implications on the budgetary out turn.

However, most budgetary reforms are targeted at the implementation phase of the budgetary process, because of its susceptibility to corruption and misappropriation. This to a great extent explains why the specification of hard budget constraint or fiscal rules is a common factor of most reforms, hence, the concentration of this paper on budget/fiscal discipline. Conceptually, budget discipline is different from fiscal discipline in the sense that while budget discipline is measured by the ratio of budgetary expenditure to actual expenditure, fiscal discipline is measured by the ratio of budget deficit to the Gross Domestic Product. However, both are attributes of efficient fiscal policy management, hence, share similar implication on the economy (GDP) (Ben-Caleb, Adeyemi,& Iyoha, 2014)

In Nigeria, budget implementation failure had been attributed largely to budget/fiscal indiscipline associated with long years of military rule (Aruwa, 2004). It was this worrisome fiscal management that led to the inclusion of budget discipline improvement in the Obasanjo's public sector reform agenda. The question now is, have the reforms changed the trend of flagrant non-adherence to rules? An empirical answer to this question is the preoccupation of this paper.

PREREQUISITES FOR EFFECTIVE BUDGET IMPLEMENTATION

Development Oriented Macro-Economic Policies

The macro-economic analysis and forecasts which form part of the MTEF should not only be sound but must also be people-oriented. It must be geared towards poverty reduction and well being of the people. In this connection, it is necessary to seek and deploy institutional support and complementarities. For instance, it is important to strengthen the National Planning Commission to effectively perform a useful role as far as macro-economic analysis is concerned. Specifically, the NPC should be involved in the conscious transformation of the budgeting horizon from the traditional annual budget to multi-year budgeting and the incorporation of performance measurement information into the budget. The key areas of involvement should include (i) articulation and preparation of the broad macroeconomic framework, (ii) articulation of performance measurement information, and (iii) ensuring proper linkage between development priorities and budget implementation. Olomola (2009).

Reprioritization And Reallocation

It is important for priorities to be properly identified. However, since the conditions circumscribing the setting of priorities are subject to change, it implies that the priorities cannot be cast in concrete. Unlike the annual budgets which cannot adequately reflect resource shifts from lower- to higher-priority use, the MTEF should provide a better mechanism for aligning budgets with policies. This should be seen in the light of policy continuity and refinement for more favourable impact rather than introducing discontinuities and unnecessary diversion of resources. Olomola,(2009).

Budgetary Discipline

Budget allocations should be based on a hard aggregate budget constraint appropriately derived from what is affordable. The MDAs must live with their budget allocations. This requirement is not difficult to fulfill in Nigeria. In a recent study, it was found that MDAs in principle accept the need to live within their budget. For instance, 38.7% of the responding officials believed that MDAs accept the need to live within their budget and almost never overspend. Another 37.7% of them believed that MDAs make genuine efforts to live within their budgets but sometimes overspend (NISER, 2006). This implies that in the implementation of the budget the level of compliance with stipulated guidelines is reasonably high. However, it is necessary for the government to have a more realistic budget especially with regard to revenue projections. Olomola,(2009).

Institutional Conformity

All the institutional players (executive and legislature) that are connected with the budget process must comply with the MTEF as a framework within which expenditure decisions are taken. This pre-supposes that the legislature must be brought into the picture right at the early stage of the budget cycle and not necessarily at the approval stage. Political decisions have a very strong impact on the budget process; but for the impact not to be disruptive, there should be proper understanding and alignment of political and economic forces throughout the various stages of the budget cycle.

Setting Appropriate Parameters

Key inputs into the setting of appropriate parameters must be sought and obtained from all relevant actors. The major parameters include the definition of aggregate expenditure to be used, the relationship between the sectoral breakdown and organizational structure of government, the price basis for estimating future revenue and expenditure, monitoring and outcome indicators etc. Olomola,(2009).

Transparency

The need for transparency is particularly important in an environment where the budgetary process is witnessing radical transformation. There should be mutual trust and accountability

among the various actors. Both fiscal and policy transparency should be clearly demonstrated in order to ensure improved accountability by actors engaged in the budget process. By fiscal transparency is meant openness to the public about the structure and functions of government, fiscal policy intentions, public sector accounts and fiscal projections. On the other hand, policy transparency means being open to the public about what government intentions are in a particular policy area, which outcomes are to be achieved and the costs of achieving such outcomes. Moreover, timely and accurate reporting of actual performance with quality of output and results achieved are key aspects of transparency required for effective budget implementation. Availability of good quality and comprehensive data on the budget estimates and actual expenditure is required on a regular basis for meaningful analysis and interpretation by interested parties. This should ensure that budget analysis will generate useful input into policy decision-making for further improvement of the budget process. Olomola (2009). This study aims at finding out how the knowledge of implementation of the budget has reduced personnel and overhead cost; improved resource management; and increase the level of productivity and efficiency within the staff of the Federal Ministry of Finance that oversees the budget implementation.

HYPOTHESES

There is no significant reduction in the personnel and overhead cost budgets being allocated to the public service.

There is no significant improvement in resources management through curtailing of wasteful expenditures.

There is no significant increase in the level of productivity and efficiency through budget discipline.

METHOD

RESEARCH DESIGN

The researchers used ex-post facto descriptive research design to explore data on budget implementation and control reforms, tool for macro economic development in Nigeria.

POPULATION OF STUDY

The target population of this study consisted of all the staff of Federal ministries in Nigeria. The elements in the population consist of Senior Civil servants who are Accountants and Economists.

Table 3.1, POPULATION TABLE

S/n	Name of Federal Ministries in Enugu	Total number of staff
1	Budget Office of the Federation	294
2	Federal Ministry of Finance	361
3	Federal Ministry of Lands, Housing & Urban Development	370
4	Federal Ministry of Works	313
	TOTAL	1338

Source: Administrative Department (Nominal Rolls) of the four Ministries in Enugu.

SAMPLING SIZE AND SAMPLING TECHNIQUE

For the purpose of this study, the researchers used judgemental sampling technique to select the staff of Budget Office of the federation, Federal Ministry of Finance, Federal Ministry of Lands, Housing & Urban Development and Federal Ministry of Works all in Enugu State, who are on grade level eight (GL 08) and above, The researchers distributed questionnaires to 308 respondents who are accountants and economists by profession by reducing the population of 1338 using Alien Taro Yamane (1967) Formula at 95% confidence level stated as follows

$$n = \frac{N}{1 + N(e)^2}$$

Where N= sample size.

E =error margin which the researcher chose to be 5%.
sample size.

n=

$$\text{Thus } n = \frac{1338}{1 + 1338(0.05)^2} = 308 \text{ questionnaires}$$

SOURCES OF DATA:

The researchers used primary and secondary sources of data. Data were collected from Central Bank of Nigeria, Enugu Branch, from recently published journals & Newspapers, and via internet materials.

INSTRUMENT FOR DATA COLLECTION

The researchers developed an instrument purposely for data collection which was a structured questionnaire for this study. In developing the instrument, financial experts authenticated the face validity whereas the scale was exposed to factor analysis to ascertain the validity. The item

analysis reduced the items from the original developed 25 items to 18 items. These 18 items loaded 0.30 and above and the scale yielded a Coefficient Reliability of 0.83 and a mean score of 65.50. A pilot study was carried out using 30 participants (15 females and 15 males) drawn from the Enugu State Finance Ministry to ascertain the validity of the instrument. Out of the 308 copies of questionnaires distributed to the four ministries, 54 were not returned while 254 were returned, representing a return rate of 82.5%. The structured questionnaire is made up of two sections. Section A consisted of information on personnel data, qualifications and cognate working experience. Section B is geared towards gathering the respondents opinions on items bordering on Budget implementation and control; tool for macro economic growth in Nigeria. The responses of the subjects to the questionnaire items were structured according to the 5-point likert summated type as follows: Strongly Agree (SA), - 5 points, Agree (A), - 4 points, Undecided (UN), - 3 points, Disagree (D), - 2 points, Strongly Disagree (SD) - 1points.

METHODS OF DATA ANALYSIS:

Data collected through questionnaires were analysed using Analysis of variance (ANOVA) and coefficient of correlation for validation of hypotheses. According to Nwachukwu and Egbulonu, (2000), ANOVA is a statistical method for determining the existence of differences among several population means. While the aim of ANOVA is to detect differences among several means, the technique requires the analysis of different forms of variances associated with the random samples. The null hypotheses is rejected (and the alternative accepted) if our calculated F value is greater than the value found from the table. Otherwise, the null hypothesis is accepted. Egbulonu, (2007).

RESULTS

DESCRIPTIVE DATA

TABLE 4.2.1, DISTRIBUTION OF RESPONDENTS BY EDUCATIONAL QUALIFICATIONS

QUALIFICATION	NUMBER	PERCENTAGE (%)
WAEC / GCE	16	6.30
OND	39	15.35
B.Sc / HND	104	40.95
MBA, M.Sc & ABOVE	95	37.40
TOTAL	254	100

Source: Field Survey 2014

314 From table 4.2.1, 16 respondents representing 6.30% hold O' level certificate, 39 respondents
 315 representing 15.35% have OND certificates, 104 respondents representing 40.95 % have B.Sc /
 316 HND certificates, 95 respondents representing 37.40 % have MBA, M.Sc certificates and above.
 317 This shows that respondents with B.Sc / HND were more in number and showed interest in
 318 filling the questionnaire.

319 TABLE: 4.2.2 : DISTRIBUTION OF RESPONDENTS BY WORKING EXPERIENCE.

WORKING EXPERIENCE	NUMBER	PERCENTAGE (%)
BELOW 5 YEARS	9	3.54
6- 10 YEARS	18	7.09
11- 15 YEARS	65	25.59
16- 20 YEARS	70	27.56
21 YEARS AND ABOVE	92	36.22
TOTAL	254	100

320 **Source: Field Survey 2014**

321 Table 4.2.2 shows that 3.54% of the respondents have put in less than 5 years into work, 7.09%
 322 of the respondents have worked between 6 years to 10 years, 25.59% of the respondents have
 323 worked between 11years to 15 years, 27.56% shows respondents that have worked between 16-
 324 20 years while 36.22% respondents have work experience from 21 years and above.

325 Table . PERSONNEL AND OVERHEAD COST BUDGETS ALLOCATED TO THE PUBLIC
 326 SERVICE.

S/no	Question one	SA	A	UN	D	SD
1	Public spending in Nigeria is too high relative to revenue	87	55	31	38	43
2	Allowances / salaries of political office holders constitute the high spending in personnel costs	84	71	44	29	26
3	Government is more concerned with recurrent expenditures than capital expenditures	79	94	29	27	25
4	Capital project budget allocations are greater than the personnel /overhead cost budgets	36	40	40	66	72
5	The personnel & overhead cost budgets allocated to the public service has been	13	9	35	100	97

	reduced to a small extent.					
6	The personnel & overhead cost budgets allocated to the public service has been reduced to a smaller extent.	7	14	45	81	107
7	Release of funds for projects & programmes are based on the needs of the MDAs.	83	56	39	35	41

327 **Source: Field Survey 2014**

328 **Table: ANALYSIS OF DATA INTO MEAN AND STANDARD DEVIATION**

Descriptives

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
1.00	7	58.7143	33.51972	12.66926	27.7137	89.7149	25.00	107.00
2.00	7	53.7143	28.75016	10.86654	27.1248	80.3037	27.00	100.00
3.00	7	37.5714	6.16055	2.32847	31.8739	43.2690	29.00	45.00
4.00	7	48.4286	30.27021	11.44106	20.4333	76.4238	9.00	94.00
5.00	7	55.5714	35.71114	13.49754	22.5441	88.5987	7.00	87.00
Total	35	50.8000	28.17988	4.76327	41.1199	60.4801	7.00	107.00

329 **Table : IMPROVED RESOURCES MANAGEMENT THROUGH CURTAILING OF WASTEFUL**
330 **EXPENDITURES.**

S/no	Question one	SA	A	UN	D	SD
1	Resource management has been improved through curtailing of wasteful expenditure to a greater extent	31	40	48	60	75
2	Resource management has been improved through curtailing of wasteful expenditure to a great extent	18	20	43	90	83
3	Resource management has not been improved through curtailing of wasteful expenditure to a small extent	72	75	31	38	38
4	Resource management has not been improved through curtailing of wasteful expenditure to a smaller extent	84	73	38	23	36
5	All the Ministries, Departments and Agencies utilize their budgets allocation effectively.	20	25	44	79	86

6	There are few abandoned projects in Nigeria as a result of curtailed wasteful expenditures.	18	21	41	85	89
7	Government expenditure focuses on no trajectory growth of the economy as everything becomes haphazard and therefore left to chance.	89	74	41	25	25

331 Source: Field Survey 2014

Table: ANALYSIS OF DATA INTO MEAN AND STANDARD DEVIATION

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
1.00	7	61.7143	27.49372	10.39165	36.2868	87.1417	25.00	89.00
2.00	7	57.1429	28.59737	10.80879	30.6947	83.5910	23.00	90.00
3.00	7	40.8571	5.33631	2.01694	35.9219	45.7924	31.00	48.00
4.00	7	46.8571	26.22612	9.91254	22.6020	71.1123	20.00	75.00
5.00	7	47.4286	32.72032	12.36712	17.1673	77.6898	18.00	89.00
Total	35	50.8000	25.52945	4.31527	42.0303	59.5697	18.00	90.00

332 Table: THE LEVEL OF PRODUCTIVITY AND EFFICIENCY INCREASE THROUGH BUDGET
333 DISCIPLINE.

S/no	Question one	SA	A	UN	D	SD
1	There Is Improved Living Standard of the people especially with shelter, food, employment, and health care	9	13	25	101	106
2	Scare resources of the federal government are harnessed and used in a manner to best serve the common good.	12	15	42	92	93
3	The budgetary reforms are capable of bringing the long needed change in Nigeria through budget discipline.	113	96	37	5	3
4	There is strict adherence to FGN Procurement Guidelines and other circulars on budget implementation	11	14	33	94	102
5	There is early approval of budget and release of funds for projects and programmes execution.	8	10	36	100	100
6	Government expenditure has been properly directed to the areas of most critical need for economic growth.	105	97	39	6	7

7	There is all inclusive participation of the people, NGOs, Civil Society, Media, Professional Associations and the Academia in capital budget monitoring, and reporting.	105	91	32	12	14
---	---	-----	----	----	----	----

334 Source: Field Survey 2014

Table: ANALYSIS OF DATA INTO MEAN AND STANDARD DEVIATION

Descriptives

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
1.00	7	61.4286	48.68900	18.40271	16.3988	106.4584	3.00	106.00
2.00	7	57.8571	48.61217	18.37367	12.8984	102.8159	5.00	101.00
3.00	7	34.8571	5.52052	2.08656	29.7515	39.9628	25.00	42.00
4.00	7	48.0000	43.71880	16.52415	7.5669	88.4331	10.00	97.00
5.00	7	51.8571	52.28903	19.76340	3.4979	100.2164	8.00	113.00
Total	35	50.8000	41.81176	7.06748	36.4372	65.1628	3.00	113.00

335 **TEST OF HYPOTHESES**

336 **HYPOTHESES ONE**

337 Ho: There is no significant reduction in the personnel and overhead cost budgets been allocated
338 to the public service.

339 H1: There is significant reduction in the personnel and overhead cost budgets been allocated to
340 the public service.

Table : **ANOVA**

VAR00001

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1921.600	4	480.400	.575	.683

Within Groups	25078.000	30	835.933		
Total	26999.600	34			

341 *ANOVA Table:* Using the ANOVA table, which tests the acceptability of the model from a
342 statistical perspective, the decision rule is as follows:

343 F calculated > Sig value Reject the null hypothesis
344 F calculated < Sig value Accept the null hypothesis

345 **Decision:** Since the F cal (.575) is less than the Sig. value (.683\)) at 5% level of significance and
346 4 degree of freedom, we reject the alternate hypothesis and accept the null hypothesis that there
347 is no significant reduction in the personnel and overhead cost budgets been allocated to the
348 public service.

349 HYPOTHESIS TWO

350 HO: There is no significant improvement in resources management through curtailing of
351 wasteful expenditures.

352 H1: There is significant improvement in resources management through curtailing of wasteful
353 expenditures.

Table : ANOVA

VAR00002

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	1995.886	4	498.971	.742	.571
Within Groups	20163.714	30	672.124		
Total	22159.600	34			

354

355 *ANOVA Table:* Using the ANOVA table, which tests the acceptability of the model from a
356 statistical perspective, the decision rule is as follows:

357 F calculated > Sig value Reject the null hypothesis

358 F calculated < Sig value Accept the null hypothesis

Decision: Since the F cal (.742) is greater than the Sig. value (.571) at 5% level of significance and 4 degree of freedom, we reject the null hypothesis and accept the alternate hypothesis that there is significant improvement in resources management through curtailing of wasteful expenditures.

HYPOTHESIS THREE

HO: There is no significant increase in the level of productivity and efficiency through budget discipline.

H1: There is significant increase in the level of productivity and efficiency through budget discipline.

TABLE : ANOVA

HYPOTHESIS THREE VAR00003

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2981.314	4	745.329	.396	.810
Within Groups	56458.286	30	1881.943		
Total	59439.600	34			

ANOVA Table: Using the ANOVA table, which tests the acceptability of the model from a statistical perspective, the decision rule is as follows:

F calculated > Sig value Reject the null hypothesis

F calculated < Sig value Accept the null hypothesis

Decision: Since the F cal (.396) is less than the Sig. value (.810) at 5% level of significance and 4 degree of freedom, we reject the alternate hypothesis and accept the null hypothesis that there is no significant increase in the level of productivity and efficiency through budget discipline.

FINDINGS

The study reveals that the government has been making efforts to rationalise recurrent expenditure votes through the implementation of cost-saving measures including the freezing of overhead expenditures, institution of control measures over the procurement of certain capital items including specialised equipments or machineries, non-priority vehicles, and construction of new MDAs headquarters buildings. This also includes the rationalisation of international training and travels and the introduction/ extension of the integrated payroll and personnel information

system (IPPIS) to all MDAs. Despite these measures, recent non-discretionary action like wage increase and other national exigencies poses considerable challenge to achieving the government objectives. As such, provisions for recurrent expenditure (personnel and overhead costs) have been on the rise in recent years. The study also reveals that poor project conceptualisation, design or planning practices by MDAs resulted into low resources management. This practice has largely limited the beneficial impact of the of the capital votes releases as exhibited through:

- The introduction of budget without feasibility studies, engineering designs or appropriate costing in MDA's annual budgets.
- Series of poorly implemented projects now being redesigned, having their scope amended, having their implementation stalled and/or requiring cost variations approvals.

The study also reveals that the budgetary reforms of the federal government of Nigeria are capable of turning things around for good. However, there is no strict adherence to these guidelines/ reforms through budget discipline.

SUMMARY OF FINDINGS

There is no significant reduction in the personnel and overhead cost budgets being allocated to the public service as a result of increase in various recurrent expenditures.

Poor project conceptualisation, design or planning practices by Ministries, Departments and Agencies (MDAs) resulted into low resources management.

There is no strict adherence to the budgetary guidelines/ economic reforms through budget discipline.

Delays in budget approval lead to delays in the release of government funds and thereby lower deposits. Banks that depend on government deposits are usually adversely affected.

The National Assembly and State Houses of Assembly are key Monitoring and Evaluation (M & E) institutions in the context of their oversight functions. These, along with other institutional frameworks should be able to ensure a credible Monitoring and Evaluation (M & E) system that contributes to the achievement of plans, programmes and projects results.

CONCLUSIONS

The study concludes that budget is a veritable tool for planning, controlling, communicating, decision making and value creation. Government should make necessary efforts to ensure that all Ministries, Departments and Agencies (MDAs) abide strictly to the Budget Implementation Reform Strategies. The study also concludes that the effectiveness of Medium Term Revenue framework (MTRF), Medium Term Expenditure framework (MTEF) and any other budgetary reform strategies of the federal government can be achieved through budget discipline. A lot still needs to be done especially in the areas of financial and performance audit of budgetary allocations, duration in completing of audit reports and publication and implementation of audit reports. It important to note that government operations are less susceptible to corruption and abuse when they are predictable, transparent and accountable. Unclear appropriations and unreliable disbursements create weaknesses in the system that public managers can exploit.

RECOMMENDATIONS.

The researchers recommend the following:

- Adoption of Participatory Monitoring and Assessment through inter relationship between government and the community members and stakeholders, about project designs, the problems to be addressed, potential courses of action, and community resources which can be brought to bear etc.
- Ministries, Departments and Agencies (MDAs) of government should conduct thorough projects implementation studies on all new projects prior to making submissions to the budget office.
- It should be made mandatory for an approved detailed implementation plan to accompany every capital project proposal for the annual budget. This way, flags are promptly raised at default points and strategically addressed.
- MDAs should be sanctioned by the government for non-compliance to this plan forthwith.
- The government should undertake an assessment of its own operations that it currently provides, through Identification of opportunities and challenges, the assets it owns, its management structure, and the opportunities and challenges that may affect them.
- Continuous training of MDAs' personnel involved in the monitoring and evaluation of projects in the annual Appropriation Bills should be encouraged. This is to ensure that everyone involved in the process is on the same page at all times.

SCOPE/LIMITATION OF THE STUDY

- To fully understand Nigeria's economy as it relates to political issues, one has to study the history and analyze factors such as the Nigerian Culture, the role of its government, the state of infrastructures, the level of general education, the availability of real data, the amount of investments made and needed, and security as it relates to laws (enforcements & judiciary) confidence in the system, to mention a few. In this paper, attempt has been made to present a comprehensive appraisal of the Federal Government Budget of present democratic dispensation (1999–2013). Also, an attempt was made to assess how closely actual performance approximated the targets set and the Reform Strategies and Implementation Procedures of the federal government. The exercise is constrained by the lack of detailed published official macro-economic data for some years and refusal of some people to disclose certain information. Despite these challenges, the quality of the work was not affected as the researcher was able to overcome them through persistent efforts.

REFERENCES

- Abdullahi, Y.S. (2007). *Public financial management in Nigeria*. Principles, Practices and issues. Primer Education Institute, Abuja.

462 Abdullahi, Y.S. (2011). *Public budget and budgetary control in Nigeria*. Journal of Business and
 463 Organisational Development. Vol.3.
 464

465 Abubakar, A.(1999). *Budget of Realism; 1999 Budget Address*. Central Bank of Nigeria. Vol.
 466 24. No.1

467 Abogun, S. & Fagbemi, T.O. (2011). *The Global debate on Budgeting, Empirical evidence from*
 468 *Nigeria*. International Business Research Vol.4, No.4.

469 Abogun, S. & Fagbemi, T.O. (2012). *The Efficacy of Budgeting as a Control Measure in*
 470 *Developing Economies*. A study from Nigeria. A Journal of Asian social science, Vol.8
 471 No1.

472 Akpakpan, E.B. (2000). *The performance of the 1999 federal government Budget*. Central bank
 473 of Nigeria. Vol.24. No.2.

474 Aku, (2009). in Nzewi, U.C. (2011). *A survey of Budget Practice of companies in Nigeria, the*
 475 *case of microfinance Banks in Anambra state*. A quarterly journal of Association of
 476 National Accountants of Nigeria (ANAN). Vol. 19 No. 4.

477 Aruwa, S A. (2004) 'Nigerian Budgeting Process and the Magnitude of Budget Variances', The Academy
 478 Journal of Defence Studies, 13(3), 12-35.

479 Ben-Caleb, E and Agbude, GA. (2013), 'Budget Discipline in Nigeria: A Critical Evaluation of Military and
 480 Civilian Regimes', *Economica*, 9(1), 91-101.

481 Ben-Caleb Egbide, Adeyemi Kenneth Sola and Iyoha Francis (2014), "The Impact of Budget
 482 Reforms on the Quality of Budget Management in Nigeria", *Journal of Accounting and*
 483 *Auditing: Research & Practice*, Vol. 2014 (2014), Article ID 207739, DOI:
 484 10.5171/2014.207739

485 Brumby, J (1998), Chapter 16: Budgeting reforms in OECD member Countries (Online). (Retrieved July
 486 18, 2013), [http://www.internationalbudget.org/wp-content/uploads/Budgeting-Reforms-in-](http://www.internationalbudget.org/wp-content/uploads/Budgeting-Reforms-in-OECD-Member-Countries.pdf)
 487 [OECD-Member-Countries.pdf](http://www.internationalbudget.org/wp-content/uploads/Budgeting-Reforms-in-OECD-Member-Countries.pdf)
 488

489 BOF & FMF. (Budget Office of the federation and Federal Ministry of Finance). (2012).
 490 *Medium- Term Expenditure Framework & fiscal Strategy paper* (Revised). Retrieved
 491 from www.cbn.com.

492 BOF. (Budget office of the federation), (2008). *Fast Tracking Budget Implementation Process*.
 493 Head of the Civil Service of the Federation.

494 BOF & FMF. (Budget Office of the federation and Federal Ministry of Finance). (2012). *Cost*
 495 *Savings Measure policies*.

496 BOF & FMF. (Budget Office of the federation and Federal Ministry of Finance). (2011).
 497 *Combined First and Second Quarter Budget Implementation Report.*

498 BOF & FMF. (Budget Office of the federation and Federal Ministry of Finance). (2013). *2010-*
 499 *2012 Medium-Term Expenditure framework & fiscal strategy paper (Revised).*

500 CBN. (Central Bank of Nigeria). (2007). *Annual Report & Statement of Accounts.* Retrieved
 501 from www.cbn.com.

502 Dangin, L.N. (2007). *Budgeting and control management in the public sector.* A Journal of the
 503 Certified National Accountants of Nigeria. (ANAN) Vol 14 No.1

504 Egbulonu, K.G. (2007). *Statistical inference for science and business.* Peace Publishers ltd.

505 Ekpenkhio, S.A. (2003). *Public Sector Procurement Reforms: The Nigerian Experience.* Office
 506 of the Secretary to the Government of the Federation.

507 Federal Capital Budget Implementation Report, 2008.

508 Garba, A.G. (2011), 'The Institutional Framework for Budgeting in Nigeria:
 509 Implications, Limitations and Required Actions by Government, Citizens and the NES' Paper
 510 Presented at the NES Budget Seminar, 31st May 201, CIBN Building, VI, LAGOS.

511 Government Integrated Financial Management Information System (GIFMIS) (2011), 'Budgeting and
 512 Budget Management Reforms' (Online), (Retrieved September 20, 2013),
 513 [http://www.gifmis.gov.ng/gif-](http://www.gifmis.gov.ng/gif-mis/index.php?option=com_content&view=article&id=6&Itemid=6#1)
 514 [mis/index.php?option=com_content&view=article&id=6&Itemid=6#1](http://www.gifmis.gov.ng/gif-mis/index.php?option=com_content&view=article&id=6&Itemid=6#1)
 515

516 Horngren, C.T. Sunden, G.L. Stratton, W.O, Burgstahler, D & Schatzberg, J. (2008).
 517 *Introduction to Management Accounting*, (14th Edition), New Jersey: Pearson Prentice
 518 Hall.

519 Ige, C.S.(2004). *Review and Appraisal of 2003 Budget and Economic performance.* Central
 520 Bank of Nigeria. Vol. 28. No.2.

521 Iyoha, M. (2002). *Review and Appraisal of the 2002 federal government Budget Performance.*
 522 Central Bank of Nigeria Vol. 26 No. 2. Retrieved from www.cbn.com.

523 Muktar, M.(2005). *Debt Relief.* Bureau of Public Service Reforms.

524 Nzewi, U.C, (2009). *An Assessment of variance in Government Budgets in Nigeria.* Journal of
 525 the Management Sciences, Vol. 9 No.1.

- 526 Nzewi, U. C, (2011). *A survey of Budget Practice of companies in Nigeria, the case of*
 527 *microfinance Banks in Anambra state*. A quarterly journal of Association of National
 528 Accountants of Nigeria (ANAN). Vol. 19 No. 4.
- 529 Nwobodo, E & Abdulkareem, L. (2014). *Review of Medium Term Sector Strategies (MTSS)*.
 530 Enugu State Economic Planning Commission. Vol 2. No 1
- 531 Obasanjo, O.A, (2006). *2007 Budget speech*. Budget office of the federation, Oct 2006.
- 532 Obasanjo, O. (1999), '2000 Budget Speech: People's Budget, presented by His Excellency President
 533 Olusegun Obasanjo at the Joint Session of the National Assembly. Abuja, November 24, 1999.
- 534 Olomola, A.S. (2009) 'Strategies and Consequences of Budgetary Reforms in Nigeria' Paper for
 535 Presentation at the 65th Annual Congress of the Institute of International Public Finance (IIPF),
 536 Cape Town, South Africa.
- 537 Omolehinwa, E.O. and Naiyeju, J.K. (2011) *Theory and Practice of Government Accounting in Nigeria*,
 538 Pumark Nigeria Limited, Lagos.
 539
- 540 Odoko, F.O, (2004). *Fiscal Policy thrust of the 2004 Budget*. Central Bank of Nigeria. Vol 28,
 541 No.2. Retrieved from www.cbn.com.
- 542 Olomola, A.S.(2009). *Strategy and Consequences of Budgetary Reforms in Nigeria*. A Journal of
 543 Nigerian Institute of Social and Economic Research(NISER), Ibadan. Paper for
 544 Presentation at the 65th Annual Congress of the Institute of International Public Finance
 545 (IIPF), Cape Town, South Africa.
- 546 Okogu, B. (2013). *2013 Budget and Fiscal consolidation with inclusive growth*. Budget office of
 547 the federation. Retrieved from www.bof.com
- 548 Okoye, E. I & Ani, W. U. (2004). *Annals of Government and Public Sector Accounting*. Rex
 549 Charles and Patrick Limited Nimo.
- 550 Pascua, L. (2005), 'Operationalizing the MTEF in the Philippines: A Key to Reducing Poverty, Defining an
 551 Agenda for Poverty Reduction' Proceedings of the first Asian and Pacific Forum in Poverty.
 552 Volume 1 pp. 138-144
 553
- 554 Sanusi, J. O, (2002). *Macro Economic Developments in Year 2002 and Assessment of the small*
 555 *and Medium Industries Equity Investment scheme (SMIEIS)*. Office of the Governor,
 556 Central Bank of Nigeria, Dec. 2002.
- 557 Sanusi, J. O, (2004). *Welcome address at the policy seminar on 2004 federal government*
 558 *Budget*. Central Bank of Nigeria, Vol. 28. No.2. Retrieved from www.cbn.com.

559 Recommended Budget Practices.(1998). *A framework for improved state and local Government*
560 *Budgeting*. Proceedings of the National advisory council on state & local government
561 Budgeting.

562 World Bank (2001), 'Honduras Public Expenditure Management for Poverty Reduction and Fiscal
563 Sustainability: Latin America and the Caribbean Region' Poverty Reduction and economic Sector
564 Management Unit. Report No. 22070 (Retrieved on September 21, 2013), [http://www-](http://www-wds.worldbank.org/external/default/WDSP/IB/2001/08/29/000094946_0108070401001/Rendered/PDF/multi0page.pdf)
565 [wds.worldbank.org/external/default/WDSP/IB/2001/08/29/000094946_010](http://www-wds.worldbank.org/external/default/WDSP/IB/2001/08/29/000094946_0108070401001/Rendered/PDF/multi0page.pdf)
566 [8070401001/Rendered/PDF/multi0page.pdf](http://www-wds.worldbank.org/external/default/WDSP/IB/2001/08/29/000094946_0108070401001/Rendered/PDF/multi0page.pdf).