Nigerian Budget Implementation and Control Reforms: Tool for Macro Economic Growth

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Authors’ contributions

This work was carried out in collaboration between all authors. All authors read and approved the final manuscript.

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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 Nigeria. 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.

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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.

1. INTRODUCTION

According to [1], 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 [2]. 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 [3]. 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 [4]. 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" [5]. Budget failure is not new in Nigeria and 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 [2]. 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 [2].

According to [6], 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.

2. THEORETICAL FRAMEWORK

2.1 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 [7]. 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 [8]. 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 tract 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 [9]. 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) [10,11].

Specifically, the Medium Term Expenditure Framework (MTEF) was introduced into the Nigerian budgetary process in 2005; although it’s legal backing came via the Fiscal Responsibility Act in 2007. According to [12], 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 [12]; State Partnership for Accountability, Responsiveness and Capability (SPARC).

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 [13]. In summary, the enactment of FRA formed the legal basis for the MTEF, and gave impetus to other budget reforms as well.

2.2 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 [14]. 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 Fig. 1.

Fig. 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 [9]. 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 [15]. 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 extend 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) [16].

In Nigeria, budget implementation failure had been attributed largely to budget/fiscal indiscipline associated with long years of military rule [17]. 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.

3. PREREQUISITES FOR EFFECTIVE BUDGET IMPLEMENTATION

3.1 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

![Fig. 1. Budget reforms, budget cycle and budget management conceptual relationship](image-url)
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 [1].

3.2 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 [2].

3.3 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 [1].

3.4 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.

3.5 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. [1,2].

3.6 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 [1,2]. 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.
4. 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.

5. METHODS

5.1 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.

5.2 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.

5.3 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.
- \( N \) = population size.
- \( e \) = error margin which the researcher chose to be 5%.

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

Table 1. Population table

<table>
<thead>
<tr>
<th>S/n</th>
<th>Name of federal ministries in Enugu</th>
<th>Total number of staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Budget office of the federation</td>
<td>294</td>
</tr>
<tr>
<td>2</td>
<td>Federal ministry of finance</td>
<td>361</td>
</tr>
<tr>
<td>3</td>
<td>Federal ministry of lands, housing &amp; urban development</td>
<td>370</td>
</tr>
<tr>
<td>4</td>
<td>Federal ministry of works</td>
<td>313</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>1338</td>
</tr>
</tbody>
</table>

Source: Administrative department (nominal rolls) of the four Ministries in Enugu

5.4 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.

5.5 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) – 1 points.

5.6 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 [18], 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 [18].

6. RESULTS

6.1 Descriptive Data

From Table 2, 16 respondents representing 6.30% hold O’ level certificate, 39 respondents representing 15.35% have OND certificates, 104 respondents representing 40.95% have B.Sc / HND certificates, 95 respondents representing 37.40% have MBA, M.Sc & above certificates. This shows that respondents with B.Sc / HND were more in number and showed interest in filling the questionnaire.

Table 2. Distribution of respondents by educational qualifications

<table>
<thead>
<tr>
<th>Qualification</th>
<th>Number</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>WAEC/GCE</td>
<td>16</td>
<td>6.30</td>
</tr>
<tr>
<td>OND</td>
<td>39</td>
<td>15.35</td>
</tr>
<tr>
<td>B.Sc / HND</td>
<td>104</td>
<td>40.95</td>
</tr>
<tr>
<td>MBA, M.Sc &amp; above</td>
<td>95</td>
<td>37.40</td>
</tr>
<tr>
<td>Total</td>
<td>254</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field survey 2014

Table 3 shows that 3.54% of the respondents have put in less than 5 years into work, 7.09% of the respondents have worked between 6 years to 10 years, 25.59% of the respondents have worked between 11 years to 15 years, 27.56% shows respondents that have worked between 16-20 years while 36.22% respondents have work experience from 21 years and above.

Table 3. Distribution of respondents by working experience

<table>
<thead>
<tr>
<th>Working experience</th>
<th>Number</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 5 years</td>
<td>9</td>
<td>3.54</td>
</tr>
<tr>
<td>6- 10 years</td>
<td>18</td>
<td>7.09</td>
</tr>
<tr>
<td>11- 15 years</td>
<td>65</td>
<td>25.59</td>
</tr>
<tr>
<td>16- 20 years</td>
<td>70</td>
<td>27.56</td>
</tr>
<tr>
<td>21 years and above</td>
<td>92</td>
<td>36.22</td>
</tr>
<tr>
<td>Total</td>
<td>254</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field survey 2014

Table 4. Personnel and overhead cost budgets allocated to the public service

<table>
<thead>
<tr>
<th>S/no</th>
<th>Question one</th>
<th>SA</th>
<th>A</th>
<th>UN</th>
<th>D</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Public spending in Nigeria is too high relative to revenue</td>
<td>87</td>
<td>55</td>
<td>31</td>
<td>38</td>
<td>43</td>
</tr>
<tr>
<td>2</td>
<td>Allowances / salaries of political office holders constitute the high spending in personnel costs</td>
<td>84</td>
<td>71</td>
<td>44</td>
<td>29</td>
<td>26</td>
</tr>
<tr>
<td>3</td>
<td>Government is more concerned with recurrent expenditures than capital expenditures</td>
<td>79</td>
<td>94</td>
<td>29</td>
<td>27</td>
<td>25</td>
</tr>
<tr>
<td>4</td>
<td>Capital project budget allocations are greater than the personnel /overhead cost budgets</td>
<td>36</td>
<td>40</td>
<td>40</td>
<td>66</td>
<td>72</td>
</tr>
<tr>
<td>5</td>
<td>The personnel &amp; overhead cost budgets allocated to the public service has been reduced to a small extent.</td>
<td>13</td>
<td>9</td>
<td>35</td>
<td>100</td>
<td>97</td>
</tr>
<tr>
<td>6</td>
<td>The personnel &amp; overhead cost budgets allocated to the public service has been reduced to a smaller extent.</td>
<td>7</td>
<td>14</td>
<td>45</td>
<td>81</td>
<td>107</td>
</tr>
<tr>
<td>7</td>
<td>Release of funds for projects &amp; programmes are based on the needs of the MDAs.</td>
<td>83</td>
<td>56</td>
<td>39</td>
<td>35</td>
<td>41</td>
</tr>
</tbody>
</table>

Source: Field survey 2014
**Table 5. Analysis of data into mean and standard deviation**

<table>
<thead>
<tr>
<th>N</th>
<th>Mean</th>
<th>Std. deviation</th>
<th>Std. error</th>
<th>95% confidence interval for mean</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.00</td>
<td>7</td>
<td>58.7143</td>
<td>33.51972</td>
<td>12.66926</td>
<td>27.7137</td>
<td>89.7149</td>
</tr>
<tr>
<td>2.00</td>
<td>7</td>
<td>53.7143</td>
<td>28.75016</td>
<td>10.86654</td>
<td>27.1248</td>
<td>80.3037</td>
</tr>
<tr>
<td>3.00</td>
<td>7</td>
<td>37.5714</td>
<td>6.16055</td>
<td>2.32847</td>
<td>31.8739</td>
<td>43.2690</td>
</tr>
<tr>
<td>4.00</td>
<td>7</td>
<td>48.4286</td>
<td>30.27021</td>
<td>11.44106</td>
<td>20.4333</td>
<td>76.4238</td>
</tr>
<tr>
<td>5.00</td>
<td>7</td>
<td>55.5714</td>
<td>35.71114</td>
<td>13.49754</td>
<td>22.5441</td>
<td>88.5987</td>
</tr>
<tr>
<td>Total</td>
<td>35</td>
<td>50.8000</td>
<td>28.17988</td>
<td>4.76327</td>
<td>41.1199</td>
<td>60.4801</td>
</tr>
</tbody>
</table>

**Table 6. Improved resources management through curtailing of wasteful expenditures**

<table>
<thead>
<tr>
<th>S/no</th>
<th>Question one</th>
<th>SA</th>
<th>A</th>
<th>UN</th>
<th>D</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Resource management has been improved through curtailing of wasteful expenditure to a greater extent</td>
<td>31</td>
<td>40</td>
<td>48</td>
<td>60</td>
<td>75</td>
</tr>
<tr>
<td>2</td>
<td>Resource management has been improved through curtailing of wasteful expenditure to a great extent</td>
<td>18</td>
<td>20</td>
<td>43</td>
<td>90</td>
<td>83</td>
</tr>
<tr>
<td>3</td>
<td>Resource management has not been improved through curtailing of wasteful expenditure to a small extent</td>
<td>72</td>
<td>75</td>
<td>31</td>
<td>38</td>
<td>38</td>
</tr>
<tr>
<td>4</td>
<td>Resource management has not been improved through curtailing of wasteful expenditure to a smaller extent</td>
<td>84</td>
<td>73</td>
<td>38</td>
<td>23</td>
<td>36</td>
</tr>
<tr>
<td>5</td>
<td>All the ministries, departments and agencies utilize their budgets allocation effectively.</td>
<td>20</td>
<td>25</td>
<td>44</td>
<td>79</td>
<td>86</td>
</tr>
<tr>
<td>6</td>
<td>There are few abandoned projects in Nigeria as a result of curtailed wasteful expenditures.</td>
<td>18</td>
<td>21</td>
<td>41</td>
<td>85</td>
<td>89</td>
</tr>
<tr>
<td>7</td>
<td>Government expenditure focuses on no trajectory growth of the economy as everything becomes haphazard and therefore left to chance.</td>
<td>89</td>
<td>74</td>
<td>41</td>
<td>25</td>
<td>25</td>
</tr>
</tbody>
</table>

*Source: Field survey 2014*

**Table 7. Analysis of data into mean and standard deviation**

<table>
<thead>
<tr>
<th>N</th>
<th>Mean</th>
<th>Std. deviation</th>
<th>Std. error</th>
<th>95% confidence interval for mean</th>
<th>Minimum</th>
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<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.00</td>
<td>7</td>
<td>61.7143</td>
<td>27.49372</td>
<td>10.39165</td>
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<tr>
<td>5.00</td>
<td>7</td>
<td>47.4286</td>
<td>32.72032</td>
<td>12.36712</td>
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<td>77.6898</td>
</tr>
<tr>
<td>Total</td>
<td>35</td>
<td>50.8000</td>
<td>25.52945</td>
<td>4.31527</td>
<td>42.0303</td>
<td>59.5697</td>
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</table>

8
Table 8. The level of productivity and efficiency increase through budget discipline

<table>
<thead>
<tr>
<th>S/no</th>
<th>Question one</th>
<th>SA</th>
<th>A</th>
<th>UN</th>
<th>D</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>There is improved living standard of the people especially with shelter, food, employment, and health care</td>
<td>9</td>
<td>13</td>
<td>25</td>
<td>101</td>
<td>106</td>
</tr>
<tr>
<td>2</td>
<td>Scare resources of the federal government are harnessed and used in a manner to best serve the common good.</td>
<td>12</td>
<td>15</td>
<td>42</td>
<td>92</td>
<td>93</td>
</tr>
<tr>
<td>3</td>
<td>The budgetary reforms are capable of bringing the long needed change in Nigeria through budget discipline.</td>
<td>113</td>
<td>96</td>
<td>37</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>There is strict adherence to FGN Procurement Guidelines and other circulars on budget implementation</td>
<td>11</td>
<td>14</td>
<td>33</td>
<td>94</td>
<td>102</td>
</tr>
<tr>
<td>5</td>
<td>There is early approval of budget and release of funds for projects and programmes execution.</td>
<td>8</td>
<td>10</td>
<td>36</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>6</td>
<td>Government expenditure has been properly directed to the areas of most critical need for economic growth.</td>
<td>105</td>
<td>97</td>
<td>39</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>7</td>
<td>There is all inclusive participation of the people, NGOs, Civil Society, Media, Professional Associations and the Academia in capital budget monitoring, and reporting.</td>
<td>105</td>
<td>91</td>
<td>32</td>
<td>12</td>
<td>14</td>
</tr>
</tbody>
</table>

Source: Field survey 2014

Table 9. Analysis of data into mean and standard deviation

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<thead>
<tr>
<th>Descriptives</th>
<th>N</th>
<th>Mean</th>
<th>Std. deviation</th>
<th>Std. error</th>
<th>95% confidence interval for mean</th>
<th>Minimum</th>
<th>Maximum</th>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>Lower bound</td>
<td></td>
<td>Upper bound</td>
</tr>
<tr>
<td>Total</td>
<td>35</td>
<td>50.8000</td>
<td>41.81176</td>
<td>7.06748</td>
<td>36.4372 65.1628</td>
<td>3.00</td>
<td>113.00</td>
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</table>

<table>
<thead>
<tr>
<th>N</th>
<th>Mean</th>
<th>Std. deviation</th>
<th>Std. error</th>
<th>95% confidence interval for mean</th>
<th>Minimum</th>
<th>Maximum</th>
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<td>19.76340</td>
<td>3.4979 100.2164</td>
<td>8.00</td>
</tr>
<tr>
<td>Total</td>
<td>35</td>
<td>50.8000</td>
<td>41.81176</td>
<td>7.06748</td>
<td>36.4372 65.1628</td>
<td>3.00</td>
</tr>
</tbody>
</table>

7. TEST OF HYPOTHESES

7.1 Hypotheses One

H0: There is no significant reduction in the personnel and overhead cost budgets been allocated to the public service.

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

Table 10. ANOVA

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Sum of squares</td>
<td>df</td>
</tr>
<tr>
<td>Between groups</td>
<td>1921.600</td>
</tr>
<tr>
<td>Within groups</td>
<td>25078.000</td>
</tr>
<tr>
<td>Total</td>
<td>26999.600</td>
</tr>
</tbody>
</table>
ANOVA Table: Using the ANOVA table, which tests the acceptability of the model from a statistical perspective, the decision rule is as follows:

- \( F \text{ calculated} > \text{Sig value} \) \quad \text{Reject the null hypothesis}
- \( F \text{ calculated} < \text{Sig value} \) \quad \text{Accept the null hypothesis}

\textbf{Decision:} Since the \( F \text{ cal} (.575) \) is less than the \( \text{Sig. value} (.683) \) 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 reduction in the personnel and overhead cost budgets been allocated to the public service.

7.2 Hypothesis Two

\( H_0: \) There is no significant improvement in resources management through curtailing of wasteful expenditures.

\( H_1: \) There is significant improvement in resources management through curtailing of wasteful expenditures.

\begin{table}[h]
\centering
\begin{tabular}{lllll}
\hline
& \text{Sum of squares} & \text{Df} & \text{Mean square} & \text{F} & \text{Sig.} \\
\hline
\text{Between groups} & 1995.886 & 4 & 498.971 & .742 & .571 \\
\text{Within groups} & 20163.714 & 30 & 672.124 & & \\
\text{Total} & 22159.600 & 34 & & & \\
\hline
\end{tabular}
\caption{ANOVA}
\end{table}

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

- \( F \text{ calculated} > \text{Sig value} \) \quad \text{Reject the null hypothesis}
- \( F \text{ calculated} < \text{Sig value} \) \quad \text{Accept the null hypothesis}

\textbf{Decision:} Since the \( F \text{ cal} (.742) \) is greater than the \( \text{Sig. value} (.571) \) 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.

7.3 Hypothesis Three

\( H_0: \) There is no significant increase in the level of productivity and efficiency through budget discipline.

\( H_1: \) There is significant increase in the level of productivity and efficiency through budget discipline.

\begin{table}[h]
\centering
\begin{tabular}{lllll}
\hline
& \text{Sum of squares} & \text{df} & \text{Mean square} & \text{F} & \text{Sig.} \\
\hline
\text{Between groups} & 2981.314 & 4 & 745.329 & .396 & .810 \\
\text{Within groups} & 56458.286 & 30 & 1881.943 & & \\
\text{Total} & 59439.600 & 34 & & & \\
\hline
\end{tabular}
\caption{ANOVA}
\end{table}

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

- \( F \text{ calculated} > \text{Sig value} \) \quad \text{Reject the null hypothesis}
- \( F \text{ calculated} < \text{Sig value} \) \quad \text{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.

**8. 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 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/ economic reforms through budget discipline. Delays in budget approval lead to delays in the release of government funds and thereby lower deposits.  

**8.1 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.

**9. 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.

**10. 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.

11. 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.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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