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Original Research Article

Public Sector Budgets: Types, Processes, Implementation and Controls; Issues and Prospects

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Abstract

The budget is a veritable tool for effective service delivery to the people by any government, the performance of budget with the Nigerian ministries has been an issue of concern in recent times. There has been lopsided budget performance with current expenditure performing as high as 100% in a budget year while capital expenditure performing less than expected. With that situation, public sector budget implementation and performance needs a review. This paper critically examines the public sector budget in Nigeria, looking at the various types, processes involved in preparation as well as the implementation cycle and how these have fared against international best practices and standards. The paper adopts Meta-analysis methodology. The study reviewed and anchored on System Analysis Theory. Past empirical literature reviewed and trend analysis showed a huge funding gap that exist among the ministries of government in terms of budget targets and actual budgetary performance over the years and especially in the last five years. The paper via its literature review highlighted some of the issues with Public sector budget in Nigeria viz a viz other nations to include i) Inadequate implementation; ii) Lopsidedness of budgetary allocation; iii) Corruption and wastages; iv) Inability to engage in international best practices; v) Weak or nonexistence of the public participation in the budgeting process; vi) 24 % Open budget index (against 45% global average) and 22% to 26% participation rate within the last seven (7) years among others. The prospects however include its ability to Preparation of a Medium-Term Revenue Framework (MTRF) pursuant to which projected revenue from various oil and non-oil sources is determined over the medium-term; has attained improvement in the rating of international bodies in terms of budget transparency and participation in the past among others. The study concludes with suggestions on ways to better the public sector budgeting process to include: Engage in participatory budgeting (Citizenship Budgeting Process). Engage in Eco and Green Budgeting; Regular Review of budgetary control practices; More deployment of ICT infrastructure in Budgeting processes, monitoring and controls; and Reorientation of stakeholders in the budgeting system (Executive and Legislature)

Keywords: Budget Implementation, Issues, Nigeria, Prospects, Public Sector Budget.

1.INTRODUCTION

The budget is a veritable tool for effective service delivery to the people by any government, the performance of budget with the Nigerian ministries has been an issue of concern in recent times. There is poor budgetary performance characterised by the delay in budget presentation by the presidency as well as delays in approval by the national assembly, leakages associated with corruption and poor monitoring and evaluation of the budget (Effiom & Edet, 2019) which has affected the effective service delivery to the public including public financial management.

A look at the performance of capital budget (an aspect of the budget) presents a gloomier picture of the non-performance of public budget in Nigeria. Oladipo et al. (2012) observed that only 43.9% in 2008, and 54% in 2009 of capital expenditure of the budgets were successfully implemented. The same situation applies to the years of 2012 and 2013 where 51% and 47.54% of the capital component of the budget was implemented respectively (Edeme & Nkalu, 2017). In the years of 2018 and 2019, the situation only improved a little. According to News Agency of Nigeria (NAN), year 2018 saw an overall budget performance of 67%, however by the end of December 2018, the budget performance has increased to 75%. For year 2019, the overall budget performance as at December was 83.95 % (Udo, 2019), while as at June same year it was just 56.1%. However out of this, only 56.1% was the performance rate for capital expenditure (Chima, 2019).

While the capital budget performance has been below expected, on the other hand a cursory look at recurrent budget especially the statutory transfers show a budget performance rate of between 88-100 percent on a consistent basis. According to Budgit report (2019) the statutory transfers (which are payments made to government agencies which are meant to receive funding outside direct control of executive agencies based on their functions) performance stood at 99.95%, 92.3%, 88%, 98% and 100% for the years 2013, 2014, 2015, 2016 and 2017 respectively. This perhaps shows where the priority of the policy makers lies in terms of budgetary allocations and expenditure.

1.1 Definition and Origin of Budgets

A budget is a control mechanism to assure accountability, financial integrity, and legal compliance; a management tool to achieve operating economies and performance efficiency and a planning component to assess the overall effectiveness of government programs in meeting public service needs. Fiscal authority and responsibility can be delegated through the budget process, while appropriate central control can be maintained (Steiss & Nwagwu, 1998). Unlike the private or personal budget where instinct and personal goals are influences or the budget, the public sector budget considers the availability of funds and socio-political consideration uppermost alongside regulations cum policies (Abianga et al., 2017).

A budget is also defined as a management tool for economic planning and control, a device for ensuring continuous monitoring, supervision and evaluation of performance of the national economy. Furthermore, it is argued that the process of public budgeting has undergone a rigorous transformation depending on the degree of evolution achieved by the individual, society, politics and economy (Elif, 2018).

Public budgeting is the policy tool used to describe the implementation of public policy (Smith & Lynch, 2004). They further develop an operational definition of budget: *as a plan for the accomplishment of programs related to objectives and goals within a definite time period, including an estimate of resources required, together with an estimate of resources available, usually compared with one or more past periods and showing future requirements (Smith & Lynch, 2004, p12).* Government use budgets as a guiding tool for planning and control of its resources, be it financial or otherwise. The use of budget involves knowing how much money you earn and spend over a period, particularly one year. When a budget of an establishment, department or ministry is created, it means creating a plan for spending and saving money. In other words, budgets are used for strategic planning, management control, operational control as well as a source of motivation and communications to the public (Abianga et al., 2017).

1.2 Origin of Budgeting

The concept of budgeting as it is now understood, originated in the central government of Great Britain. It later developed gradually, as a result of parliament's struggle to obtain control over the finance of the crown. In 1217, it was declared in Magna Charta that "No cottage or aid shall be imposed in the kingdom unless by the common council of realm. After the revolution of 1688, parliament now approved the right to authorized expenditure by the crown as well as taxation apart from items in the sovereign's civil list, which was gradually reduced until it covered only the personal expenses of royal family". (Bendlebury, 2005). Parliament now began to fix government total expenditure and to prescribe or appropriate the amount to be spent for parliamentary purposes (California Department of Finance, 1998). A budget is a framework for revenue and expenditure outlays over a specified period usually one year. It is an instrument stipulating policies and programmes aimed at realizing the development objectives of a government. Budgeting and its process in Nigeria remain problematic both in the areas of preparation and implementation, hence, the need for adequate control aimed at improving effective resources utilization at the budget implementation stage (Obara, 2013).

While a budget was merely an instrument used to indicate how much a state would earn as income by occidental communities until the seventeenth century following the acquisition of the right to budgeting with introduction of Magna Carta in 1215, it has become rather of an instrument showing how much a state would spend beside detailed forecasts of revenue to be collected, from seventeenth century onwards. The conventional budgetary system was adopted and followed throughout this period, in alignment with the then pre-eminent conception of a neutral, impartial state that is exclusively responsible for offering full range of goods and services to the public domain served (Meric, 2013).

1.3 Types, Classification and Approaches to Budgets

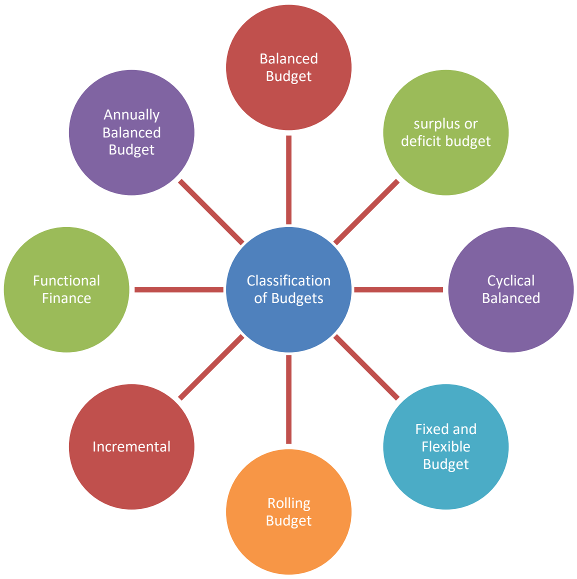


Figure 1:1 Classification of Budgets

Several alternative budget formats have been developed over the years to meet the broad objectives of financial management. In the public sector, the classifications accorded budget are balanced, surplus or deficit, annually balanced, cyclically balanced and functional finance, incremental, priority resource, rolling, fixed and flexible budgets. The budget is balanced when revenue projections and expected expenditures in a budget are presumed equal; the budget is surplus, when the presumed excess of revenue projections over estimated expenditure; deficit is when the expenditure estimates in a budget outweigh the revenue projections. It can be financed through: a) Raising loans from members of the public, b) raising the level of tax, c) borrowing from banks, d) Printing of more currency.

It is equally important to note that as regards to Nigeria- at all levels of government, all budgets are either surplus or balanced, with major source of balancing either internal or external debt contraction. Usually difficult to attain in practice. Annually balanced budget is a common feature of most government budgetary practice. With time most economists observed that an annually balanced budget rules out government fiscal activity as a counter cyclical stabilising force. It is a tool to curtail undesirable and uneconomic expansion of the public sector. On the other hand, cyclically-balanced-budget-is the one balanced over the course of business cycle rather than being annually balanced. Therefore, government could initiate its counter cyclical influence while at the same time balancing the budget, while functional finance -is based on the assurance of a non-inflationary full-employment which is balancing the economy and not the budget (Abianga et al. 2017). Generically these budget types now exist which are

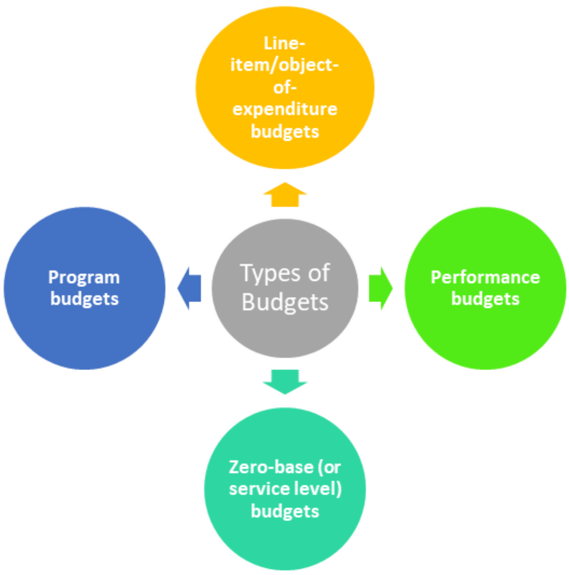


Figure 1.2 Types of Budgets

i) Line-item/object-of-expenditure budgets: The line-item budget was the original budget format-each item of expense had a literal line in a ledger book; this is the traditional or incremental system. It classified budgetary accounts according to narrow, detailed objects of expenditure (such as motor vehicles, clerical workers or reams of paper) used within each particular agency of government, generally without reference to the ultimate purpose or objective served by the expenditure. It is useful as a record of expenditures and the criteria against which audits could measure compliance, it is widely used, mostly, in the local governments as their basic budget format or as a supplement to more sophisticated formats. This is so because it offers such comprehensive details on proposed expenditures. The summary of its importance is that i) accountability is achieved through it – an object classification establishes a pattern of accounts that can be documented, controlled, and audited; and (ii) control mechanisms for enforcing allocation and allotment limits are supplied through such devices as line-item allocations, periodic budget reports, and the independent audit at the end of the fiscal year (Steiss & Nwagwu, 1998). A major weakness of this budget is that it may allow the test to be made as to whether funds had been spent on the purposes for which they had been appropriated. However, despite its criticisms as well as innovations, the line-item or incremental budget is the most commonly used method of budgeting.

ii) Performance budgets; the concept of performance budgeting requires a performance measure to be stated alongside each line item, so that elementary calculations of unit cost and efficiency could be made. Line items were grouped or categorised in functional items. For example, refuse collection department's workload could be determined on the basis of the number of houses and businesses served, which made it relatively easy to calculate how much trash is generated each week, month or year. Using this measure, the efficiency of collection could be compared to a base period and a base cost. This system is recommended by World Bank and International Monetary Fund to countries seeking to reform their budgetary system. Furthermore, Performance budgeting is a system wherein managers are provided with the flexibility to utilise organisation's resources as required, in return for their commitment to achieve certain performance results. It is a system of planning, budgeting and evaluation that emphasises the relationship between money budgeted and result expected. The characteristics of performance budgets includes among others

- ❖ It helps in identification of mission, goals and objectives of an organisation.
- ❖ It links strategic planning information with the budget.
- ❖ Development and integration of performance measures into budget.
- ❖ Expenditures are classified into very broad areas like, personnel, operating expenses and capital outlays, rather than specific line items.

Its advantages are; It has more of a policy-making orientation since it links plans, measures and budgets; it forces departments and policy-makers to think about the big picture; it provides better information about the impact of budget decisions on people; it gives department's increased budgetary flexibility and incentives for generating budget savings; it allows for ongoing monitoring to see if agencies are moving in the right direction. It helps in developing unit costs for the activities. Activity-based costing may be applied under this approach. The disadvantages include: there is emphasis on quantity, not quality, of the activity being monitored; the link between performance measures and resource allocations are subject to political choices. There may also be lack of credible and useful performance information, while at times difficulties may arise in achieving consensus on goals and measures. There could also be dissimilarities in programme and fund reporting structure as well as the limitations of information and accounting system. This type is seldom used these days.

iii) Program budgets: Program budgeting combines a planning framework with the basic functions of management and control. Under this approach, multi-year program plans are developed to identify anticipated outputs of services and facilities according to the program objectives. Program objectives describe how and where specific resources will be used: (a) to eliminate, contain, or prevent a problem; (b) to create, improve, or maintain conditions affecting the organization or its clientele; or (c) to support or control other identifiable programs. Program objectives must be consistent with available (or anticipated) resources. Furthermore, the legislature establishes performance targets for outcomes and outputs in the implementing act to appropriations act. Public organ then reports their actual performance in their long-range programme plans and budget requests for the following fiscal year. Incentives are given when performance exceeds standard or disincentives when it falls below standards. These incentives and disincentives can be monetary or nonmonetary.

iv) Zero-base (or service level) budgets: Zero-based budgeting (ZBB) is a cost-benefit-approach to budgeting which ensures value for money activities which involves the use of decision packages. It is a budget for public sector organisation in which all expenditures must be justified afresh each year and not just amounts in excess of the previous year. Under zero-based budgeting, nothing is considered as sacrosanct. Every time, the managers or directors are supposed to start from scratch or writing on a 'clean slate. ZBB is claimed to be a new technique of planning and decision-making. It reverses the working process of traditional budgeting. In other words, as Steiss and Nwagwu (1998) noted, the basic objective of zero-base budgeting is to circumvent the shortcomings of incremental approaches to budgeting. In traditional budgeting, departmental managers or directors need to justify only increases over the previous year budget. This means what has been already spent is automatically sanctioned. While in ZBB, no reference is made to the previous level of expenditure, every department function is reviewed comprehensively and all expenditures rather than only increases, are approved. ZBB is a technique, by which the budget request has to be justified in complete detail by each divisional manager or director starting from the zero-base. The zero-based budgeting is indifferent to whether the total budget is increasing or decreasing. Budgets are inevitably affected by past commitments, established standards of service, existing organizational structures, and current methods of operation.

1.4 Some Contemporary Budget types

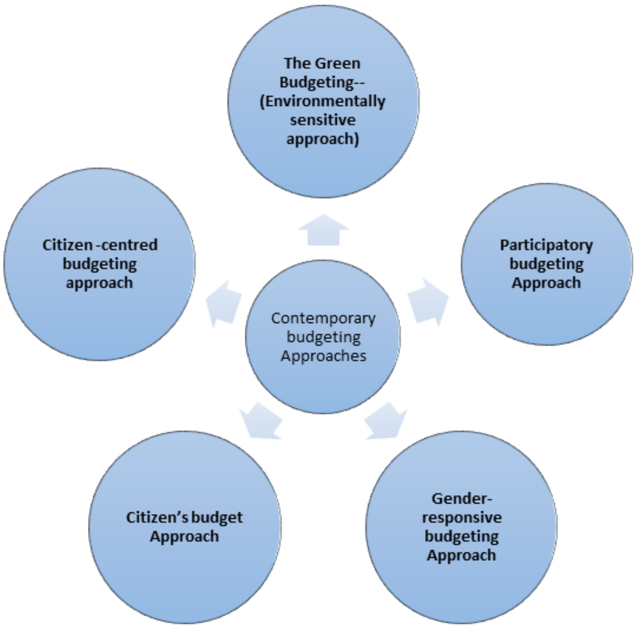


Figure 1.3 New Approaches to budgeting

In recent times, there have been new approaches to public budgeting especially in the developed countries such as in Europe and America, and thus approaches such as green budgeting and Ecobudgeting have come to the fore in public financial management discussions, and there are clarion calls for nations to adopt these approaches to public budgeting. The approaches to public budgeting, which facilitates due consideration of the budget at planning, preparation, approval, application and supervisory stages also with consideration of economic and social externalities caused by public activities, consist of (i) environmentally sensitive budgeting approach, (ii) citizen-centred budgetary approach, (iii) citizen's budget approach, (iv) participatory budget approach and (v) gender-responsive budgeting approach (Elif, 2018). Under the environmentally sensitive budgeting, the green budgeting and ecoBUDGETING approaches have be suggested.

i)The Green Budgeting
The green budget, or efforts for integrating environmental concerns in fiscal processes of the public, is relatively new in the historical timeline. The mind-set behind the green budget assumes that economic welfare of the future would depend on green technologies. These efforts bring along the ecological modernisation as a concept, thus envisaging approaches for economic growth bundled with environmental sustainability, based on a win-win strategy (Russell & Benson, 2014). Furthermore, green budgets are grounded on a careful consideration of environmental sensitivities in time of determination of the composition and magnitudes of expenditure and revenue items of the state budget and preparation of informed forecasts thereof.

This is because budgets affect activities concerning the environment in various different ways, through their expenditure, revenue and neutral items, namely, those instructions that facilitate transition between funds. In addition, public expenditures may yield positive externalities and positive impacts on the environment, when they support positive economic behaviour in general. On the other hand, public revenues, are rather allocated to actions deterring activities that are generally detrimental to the environment. Such purposes are predominantly associated with application of environmental taxes (Tandircioglu & Yapici 2016)

The budgeting process typically starts with planning of areas of expenditure by prioritisation. The second stage oftentimes involves approval of the budget by the parliament, on submission by the finance ministers. The legislative body may superimpose additional environmental or non-environmental conditions to groupings of expenditure by type, subject to constitutional arrangements made at national level. The third stage is the implementation phase of the budget. In the course of budget implementation, expenditures are made by means of the central government, local or regional administrations, EU bodies and NGOs. The fourth stage comprises monitoring, final assessment and reporting, handled either by the spending department or by external auditing functions. This is the phase where environmental expenditures are assessed for efficiency and efficacy, together with all other expenditures. The first four stages usually result in an increase in revenues, which is then taken into account during the planning efforts for the next budget period.

ii) The concept of ecoBudget

The ecoBUDGET is an environmental management tool designed specifically for and in joint action with local authorities, by the International Council for Local Environmental Initiatives (ICLEI), upon disclosure of its name for the first time in 1994, in the context of the Aalborg Charter, which may as well be used by all levels of government. The ecoBUDGET has been originally put forth as a project, mainly inspired by the idea that air, potable water, biodiversity and other similar natural resources can and must be managed with due care and diligence at the same level with financial resources. The basic idea follows the assumption that natural resources can be managed in the same way financial resources, such as money, are managed, for the development of a sustainable society, by rendering smart allocation of resources easier. By doing so, it enables more productive management of resources on a local scale, based on a prioritisation of natural resources for use. Besides, it contributes to accountability in the political decision-making process, by way of budgeting and evaluation of natural resources. In other words, ecoBUDGET is a tool that enables the budgeting of environmental assets, in the same way followed for creating a financial budget for environmental assets. With this tool, the local governments may monitor their already scarce natural resources prospectively, and set objectives for these resources.

The key to sustainable urban development lies in managing natural resources with the same efficiency and attention usually reserved for financial resources. This is what ecoBUDGET does. ecoBUDGET is a management system in which natural resources and environmental quality are measured and accounted for in a budget. Efficiency gains are measured by indicators that are chosen to refl ect the situation of the individual municipality and the ecosystems and services on which it relies. ecoBUDGET was developed for local governments, to help them plan, monitor and report natural resource consumption within the municipal territory. It is a cross-cutting instrument, based on three pillars: environmental master budget; statement of environmental assets and sustainability analysis; and measures management, budget balancing and evaluation.

The ecoBUDGET approach relies on three fundamental principles which are i) the environment-friendly budget circulation is highly dependent upon the fiscal budgeting principles and procedures that form up the guidance for individual methodological stages; ii) the plan encompasses the Deming Cycle (a.k.a. PDCA cycle), which was first introduced in 1956, as a continuous quality improvement model consisting of a logical sequence of four repetitive steps for continuous improvement and learning: plan, do, check and act, in its entirety. This cycle adopted by ecoBUDGET finds wide acceptance in environmental management systems. Also the plan aims at sustainable growth. In this sense, the targets set and actions performed as part of ecoBUDGET must contribute to sustainability. It is for this reason why, a strong political commitment and community involvement are pre-requisites for ecoBUDGET (ecobudget internet, 2018).

In addition, the ecoBUDGET cycle reflects the three fundamental stages of the financial budgeting cycle: budgetary planning, budget application and balancing of the budget. At the end of the year, full disclosure is made about the environmental status.

iii) Citizen -centred budgeting approach

Citizen-centred budgeting is a budgeting approach, which seeks to ensure participation of the citizens in the budgeting process, across approval, implementation, auditing and evaluation phases of budgeting whether directly in person or by officially assigned proxies. Although it was originally brought forward to strengthen accountability, citizen-centred budgeting has extended beyond that purpose as has been argued. The inefficiency particularly in distribution of resources, in combination with lack of ability to allocate resources based on needs, and the poor functioning of the government due to this fact are indicated among the other matters addressed by the citizen-centred budgeting approach. The aim of this approach is to insure a more efficient redistribution of resources, by including citizens in the process of budgeting, through the citizen’s budget initiatives. These initiatives are expected to slacken the budgeting process a bit further and render the decisions made more acceptable, by enabling and encouraging full participation of citizens in the process. The citizen-centred budgeting also brings the opportunity for citizens to assess the overall performance of their government, voice their complaints, and take action towards tackling the odds.

iv) Citizen’s budget Approach

Citizen’s budget is an extension of citizen-centred budgeting. Its first introduction to public life dates back to 1932, when it was initiated as a non-governmental organisation acting under the title Citizen’s Budget Commission in the United

States, with primary engagement consisted of inspections conducted for the potential production of new sources of income by cutting the costs of city governance, on commission and assignment of the merchants, bankers and real estate industry representatives of the day. The adverse effects of the Economic Depression of 1929 hitting the New York City's Municipal Administration further elevated the importance of the Citizens Budget Commission. Since 2008, there have been notable developments with national governments in the trend towards improvement and publication of citizen's budget (Sekar & Beynam, 2013).

The citizen's budget is designed to present basic financial information to a general group of random citizens. The citizen's budget is a simpler, non-technical illustration of the public budget. It was developed for building a general sense and knowledge among citizens on what public plans are meant to be and how financial resources are distributed. This version briefs the reader/beneficiary on public financial resources, revenues, expenses and other information as may be considered relevant or vital. This straightforward guide meant for assisting the citizens shows where the public resources were spent and how, and to what extent the needs and expectations of the government were satisfied in return, within a given time period. The citizen's budget can be produced by non-governmental organisations or other defence groups; however, it should be developed and published by governments, since it institutionalises the commitment of governments to clearly present their policies to the general public.

v) Participatory budgeting Approach

Studies performed on participatory budgeting approach follow practical implementations (Moynihan, 2007). The scale at which the participatory budgeting approach is applicable may vary from central to local governments and municipal administrations (Gilman, 2016). The participatory budgeting approach was initially put in action by the Municipal Administration of the City of Porto Alegre in Brazil, 1989, and thence spread across several parts of the world, from 2000s, after inspiring similar projects in numerous cities of Brazil. Participatory budgeting is a public budgeting approach that allows for direct participation of community members in a democratic process, for first-hand experience (Meric, 2013).

The participatory budgeting approach is notable for the fact that it builds upon two distinct needs: improving public performance and enhancing the quality of democracy. At this context, the participatory budgeting approach helps betterment of public performance through a series of rules that restrict and tend to control the privileges of the public administration, while boosting opportunities for citizens to participate in debates and discussions on public policies. It helps with further enhancement of the quality of democracy by encouraging direct participation of citizens in public political discussions, to help them move beyond consultative deliberation and into the realm of state sanctioned decision-makers.

The rudimentary course of progress that must essentially be followed in participatory budgeting consists of (i) identification, (ii) discussion, (iii) decision taking, (iv) execution and (v) monitoring. Identification involves (i) identification of needs that the agency may reveal during the participatory budgeting process, (ii) identification of citizens to receive services that fit in the needs so identified, (iii) identification of the manner in which such services are to be performed and projects drawn in relation thereto, (iv) establishment of the committees to be responsible for these services, and (v) setting and scheduling of the times for meetings of the committees so established.

Discussion consists of two stages, namely: (i) election by committees of service projects and (ii) identification of feasible projects with top priority. Decision-making involves (i) a vote on projects to be selected and (ii) approval of the projects thus selected. Following this stage, the projects selected during the execution phase will be executed by the relevant public authority in charge. During the supervision phase, execution of selected projects will be checked and supervised by citizens.

Note: International Budget Partnership (IBP) indicates that Nigeria's budgets are not only devoid of public participation, but are also lacking in openness and transparency (Iloh & Nwokedi, 2016) (IBP uses the Open Budget Survey (OBS) to conduct assessments of the extent of openness and the level of public participation in national budgets all over the world. The OBS uses three indices to measure the overall accountability of the budget system. These include the Open Budget Index (OBI) or Transparency, Public Participation, and Oversight. Transparency, participation and oversight are, therefore, the three pillars of budget accountability)

vi) Gender-responsive budgeting Approach

Gender-responsive budgeting, is also referred to as 'gender budgeting', 'women's budget' or 'gender-based budgeting' through citations in scholarly articles (Bartle, 2009), or as GRB in short, deals with how differentiating needs of men and women that collectively form up the society should be fulfilled, by incorporating a gender perspective at all levels of budgetary process and restructuring revenues and expenditures in order to promote gender equality. The basic thought that underlies the efforts for GRB emanates from the urgent need for public policies and budgets to make a more distinctive notion of the mainstreaming effect. This will help decision makers in becoming more qualified and more comprehensively informed, and thus developing healthier policies on the matter.

Its first attempt is adopting this budgeting approach was seen in Australia during 1980s. This practice was furthered by South Africa and the Philippines in mid 1990s. (Elif, 2018). Thereafter, the United Nations (UN) Conference held in Beijing, 1995 furthered the interest and calls for it to be adopted by nations. At this point, the conference in Beijing propounded opinions in favour of incorporating the gender perspective in budgetary decisions affecting public policies and schemes. Elif (2018) documented that when the time arrived at year 2000 on the calendar, the UN announced the Millennium Development Goals, defining a total of eight goals, including two, exclusively addressing women.

These goals as aforementioned have been identified as promotion of gender equality and empowerment of women and improvement of maternal health. In one of the activities performed in line with these goals, the UN Commission on the Status of Women held its 52nd session in 2008, on the subject of 'Financing for Gender Equality and Empowerment of Women'. This session resulted in the joint resolve for ensuring 'conduct of all gender mainstreaming analyses of all revenues and expenditures and preparation of gender-based budgets for promoting gender equality in the society' (Gunluk-Senssen, 2013). Currently, a diversified range of variants of gender-based budgeting are being attempted to be executed in over 80 countries, in which attempts vary greatly from country to country. Basically, the GRB is composed of two stages. The first is the analysis of budget from a gender perspective. The second is reconsideration of budgetary decisions with a gender perspective. It is argued that the initial stage requires both comprehensive data and a strong analytic capacity to analyse such data, but the second stage urges incorporation of gender perspective in the budgetary process.

It is advised that when conducting an analysis of budgetary effects on women and men, the budget expenses can be divided into three categories as (i) gender-based expenditures, (ii) expenditures for equal opportunities and (iii) core expenditures. The gender based expenditures are concerned with the specific needs of women (or men). For instance, programs on women's health, counselling on domestic violence, special campaigns addressing women mothering toddlers or special education campaigns for girls can be assessed to fall in this category. Expenditures of this type need not aim gender equality. On the other hand, equal opportunity expenditures are those aimed at promoting gender equality, such as paid maternity leaves and child care support allowances. Core expenditures are considered gender independent and form 99% of the total government expenditures. Therefore, analysing the differential effects of expenditures of this type on women and men poses particular importance.

As these contemporary approaches to public budgeting continued to gain acceptance in the developed world, efforts need to be channelled towards it acceptance in the developing economy such as Nigeria. This is particularly important as these contemporary approaches tend to agree with the tenets of PFM models applicability within the international best practices. Sound PFM will ensure that the budgeting process and implementation will engender transparency, accountability and ultimately reduction in wastes of resources. Each type of budget and budgeting process adopted will have an objective to achieve as such sound PFM will have to identify objectives prior to budgeting implementation and monitoring otherwise sound public financial management that will lead to resources utilisation for service delivery may not be achieved. This is depicted in the summary table below.

Table 1: Summary of the Basic differences among Budget Types

Characteristics	**Objects of Expenditure**	**Performance Budget**	**PPBS/Program Budget**	**Zero-Base Budget**
Control	Central	Operating	Operating	Operating
Management	Dispersed	Central	Supervisory	Dispersed
Planning	Dispersed	Dispersed	Central	Central
Role of Budget Agency	Fiduciary	Efficiency	Policy	Effectiveness
Information/Decision Flow	Bottom-Up Aggregative	Bottom-Up Aggregative	Top-Down Disaggregatiive	Iterative
Information Focus	Object Codes	Activities	Programs	Decision Packages
Decision Basis	Incremental	Incremental	Programmatic	Programmatic
Key Budget Stage	Execution	Preparation	Analysis	Analysis
Personnel Skills	Accounting	Administration	Economics	Management

Appropriation/Organization Linkages	Direct	Activity-Based	"Across-the-Board"	Budget Units

Adapted from Schick (1968). The Road to PPB: The Stages of Budget Reform, in *Planning Programming Budgeting: A Systems Approach to Management*, Lyden and Miller eds p. 50.

1.5 Budgeting as an Individual: The 50/30/20 Rule

The concept of 50/30/20 rule

The 50/30/20 rule is an easy budgeting method that can help one to manage their money effectively, simply and sustainably. The basic rule of thumb is to divide your monthly after-tax (spending income) income into three spending categories: 50% for needs, 30% for wants and 20% for savings or paying off debt. By regularly keeping your expenses balanced across these main spending areas, you can put your money to work more efficiently. And with only three major categories to track, you can save yourself the time and stress of digging into the details every time you spend.

Where did the 50/30/20 rule come from?

The 50/30/20 rule originates from the 2005 book, "All Your Worth: The Ultimate Lifetime Money Plan," written by current US Senator Elizabeth Warren and her daughter, Amelia Warren Tyagi. Referencing over 20 years of research, Warren and Tyagi conclude that one does not need a complicated budget to get his or her finances in check. All you need to do is balance your money across your **needs, wants and savings** goals by using the 50/30/20 rule.

How to budget your money with the 50/30/20 rule

The 50/30/20 rule simplifies budgeting by dividing your after-tax income into just three spending categories: needs, wants and savings or debts.

Knowing exactly how much to spend on each category will make it easier to stick to your budget, Here's what a budget that adheres to the 50/30/20 rule looks like:

a) Spend 50% of your money on needs

Simply put, needs are expenses that you cannot avoid—payments for all the essentials that would be difficult to live without. 50% of your after-tax income should cover your most necessary costs.

- Needs may include:
- Monthly rent
- Electricity and other bills
- Transportation
- Feeding
- Insurances (for healthcare, car, of life assurances)
- Minimum loan repayments if any

For example, if your monthly income is N100,000, N50,000 should be allocated to your needs.

This budget may differ from one person to another. If you find that your needs add up to much more than 50% of your take-home income, you may be able to make some changes to bring those expenses down a bit. This could be as simple as looking for a less-expensive living situation.

b) Spend 30% of your money on wants

With 50% of your after-tax income taking care of your most basic needs, 30% of your after-tax income can be used to cover your wants. *Wants are defined as non-essential expenses—things that you choose to spend your money on, although you could live without them if you had to*.

These may include:

- Eating out
- Clothes shopping
- Holidays and Travels
- Gym Membership
- Entertainment subscriptions (Star times, GoTV, DSTV, Netflix etc)
- Groceries (other than the essentials)

Using the same example as above, if your monthly after-tax income is N100,000, you can spend N30,000 for your wants. And if you discover that you're spending too much on your wants, it's worth thinking about which of those you could cut back on.

As a side note, following the 50/30/20 rule does not mean not being able to enjoy your life. It simply means being more conscious about your money by finding areas in your budget where you're needlessly overspending. If you are confused about whether something is a need or a want, simply ask yourself, "Could I live without this?" If the answer is yes, that's probably a want.

c) Stash 20% of your money for savings

With 50% of your monthly income going towards your needs and 30% allocated to your wants, the remaining 20% can be put towards achieving your savings goals, or paying back any outstanding debts. Although minimum repayments are considered needs, any extra repayments reduce your existing debt and future interest, *so they are classified as savings*.

Consistently putting aside 20% of your pay each month can help you build a better, more durable savings plan. This is true whether your ultimate goal is building an emergency fund, developing a long-term personal financial plan, or even preparing for a down payment on a house.

And it's impressive how quickly the savings can add up. If you bring home N100, 000 each month, you could put N20,000 towards your savings goals. In just a year, you would have saved close to N240, 000

How to apply the 50/30/20 rule: A step-by-step guide

1. Calculate your after-tax income

The first step to using the 50/30/20 budgeting rule is to calculate your after-tax income. If you're a freelancer, your after-tax income will be what you earn in a month, minus your business expenses and the amount you've set aside for taxes.
If you're an employee with a steady paycheck, this will be easier. Take a look at your payslip to see how much lands in your bank account each month. If your paycheck automatically deducts payments such as health insurance or pension funds, add them back in.

2. Categorize your spending for the past month

To get a true picture of where your money goes each month, you'll need to see how and where you've spent your income over the past month. Grab a copy of your bank statement for the past 30 days. Now, split all your expenses into the three categories: needs, wants and savings. Remember, a need is an essential expense that you can't live without, such as rent. A want is an additional luxury that you could live without, such as dining out. And savings are additional debt repayments, retirement contributions to your pension fund, or money that you're saving for a rainy day.

3. Evaluate and adjust your spending to match the 50/30/20 rule

Now that you can see how much of your money goes towards your needs, wants and savings each month, you can start to adjust your budget to match the 50/30/20 rule. The best way to do this is to assess how much you spend on your wants every month.

According to the 50/30/20 rule, a want is not extravagant—it's a basic nicety that allows you to enjoy life. As cutting back on your needs can be a complex and challenging task, it is best to work out which of you wants you can cut back on to stay within 30% of your take-home income. The more you reduce spending on your wants, the more likely it is that you will be able to hit your 20% savings target (N26.com)

2. Theoretical Framework

2.1 The system Analysis Theory

The theory is generally used for explaining the concept of performance of budgets in the public sector. The system analysis converts inputs that are associated with organisations and their tasks into deliverables and outcomes in its own terms. In other words, it is the transformation from inputs to outcomes. This approach was initially employed during early 1980s, by theoreticians of business management as part of an effort to shed some light upon the production problems in the manufacturing industry and then, adopted as well by non-for-profit organisations from late 1980s and early 1990s, onwards (Elif, 2018). During the time advancing thereupon, this model was started to be used widely by both public and private sector organisations for the purpose of elaborating the outcomes of their respective programs (Manning et al., 2006). Manning et al. (2006) suggests that the input-output-outcome relation, within a system approach narrowed to cover the perspective of public sector exclusively, in order to help determination of performance across governmental entities. The definitions of input-output and outcomes can be made as follows: Inputs: mean the resources put up in use by public entities to obtain the desired outputs. Accordingly, inputs are comprised of intangible, abstract assets such as effort, capital, financial assets and intellectual holdings (Perry, 2013). It is possible to categorise inputs under two distinctive categories as financial and non-financial assets, where, 'non-financial inputs' purport effort, capital, commodities and services dedicated to production of services expressed in measurable units like pieces, lots and quality, and 'financial inputs', or in other words, costs, refer to the costs of inputs covered by public or tax expenditures.

Public sector process: means structures, procedures and management arrangements with a broad application within the public sector. These basic arrangements pose significance in that they direct activities of the government in progress. Activities are intended to indicate certain tasks assumed by the public sector. Activities play a key role in transformation of resources into public services. The architecture of the public sector may either prove to be an obstacle against, or for the uplifting of the performance of coordination activity across such institutional arrangements as for the type, budgeting and accounting methods of public services, as well as choices made in particular reference to which services are to be outsourced, and, the production of which services is to be undertaken by the public sector. Outputs: mean output derived from the direct measurement of output volume and associated quality characteristics. Outcomes: refer to the outcomes caused by outputs realised by public entities and their effects on the general public, where, 'intermediate outcomes' represent the outcomes of outputs or activities attained in progression towards the achievement of final outcomes, and, the 'final outcomes' are the effects and/or consequences of the outputs or activities of the government on the society.

While outcomes are not under the control of public entities, they may be categorised under two separate headings as intermediate and final outcomes, or, alternatively, as intended and unintended outcomes, where, in the latter classification, 'intended outcomes' are the effects that the public sector intends to create over the society, through its outputs. The intentions of the public sector are the objectives with its activities as disclosed plainly to the general public. Accordingly, the intentions of the government are clearly manifested, for instance, through laws, formal policy statements and regulations. Failure to attain the intended outcomes, or, in an alternative way of expression, occurrence of unintended outcomes is considered a 'risk of outcome'. Generally, the outcomes are not dependent upon activities of the government, only. Adverse weather conditions, acts of war and periods of economic stagnation may also entail to unintended outcomes, by influencing the outcomes in a negative way. In a nut shell, while the budget is prepared, it serves as means of provision of inputs as well as outputs they will result in overall outcome which is delivery of services as provided in the budget.

3. Public Sector Budgeting Process

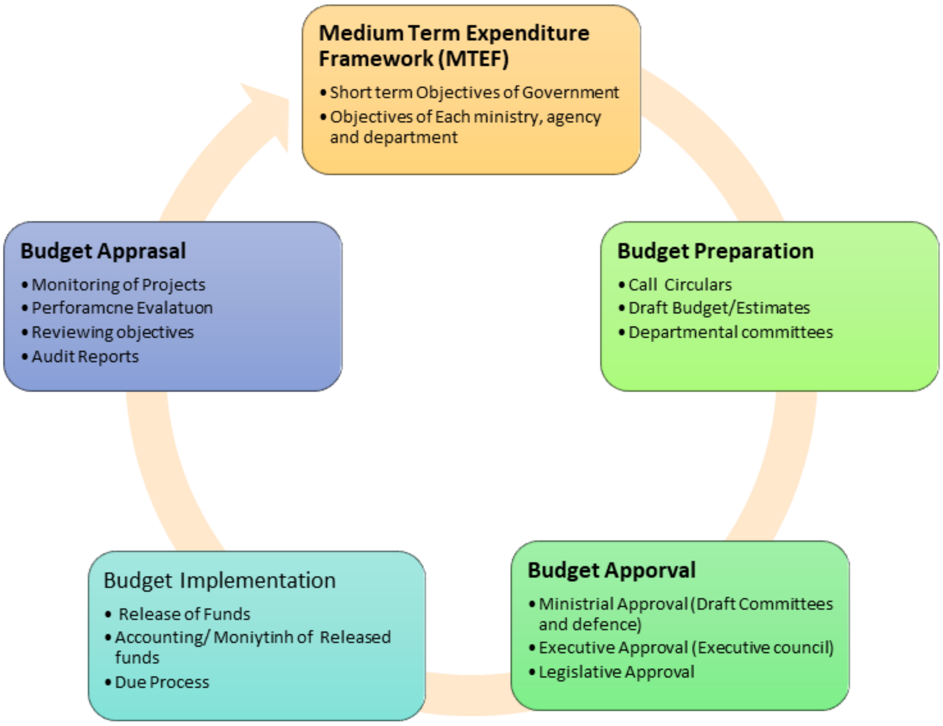


Figure 2: Budgeting Cycle

3.1 The Budget Process and Cycle:

According to Nigeria's Financial Regulations (2000), before ministries and spending agencies can incur an obligation to make expenditures, they must secure spending authorization from the Ministry of Finance through the use of warrants. The warrants will authorize officers controlling votes to incur expenditure in accordance with the approved estimates subject to any reserved items. If the Appropriation Act has not come into operation at the beginning of the year, a provisional General Warrant may be issued to ensure continuity of the services of government at a level not exceeding those of the previous year. The length of period of spending authorization is determined in functional cash flow forecast for the period when payments are anticipated. During the phase of budget implantation, there are many possibilities for interventions and manipulations in view of the fact that officials have a great amount of discretionary power to decide which spending ministry or agency will be granted spending authorization (Federal Republic of Nigeria, 2000). In spite of the specific nature of appropriate laws, the commitment phase of the expenditure process is a fertile ground for corrupt activities. The most frequent is the partial or total disregard of procurement regulations and procedures, where they exist.

Procurement procedure and regulations specify the price and quality of goods and services that are authorized in the budget. They also specify the delivery schedule, terms of delivery and payment as well as contingent supplementary services such as maintenance and warranties. In addition, they specify the procedure, which will have to be followed by competing bidders' prescription for price quality and quantity as well as terms of delivery. These are often disregarded in favour of one supplier who is ready to offer a bribe to corrupt officials. Another possible case of corruption is the ordering of goods and services, which are not authorized in the budget. In this case, corrupt officials will simply disregard the budget as approved by the legislature and will purchase, for instance, luxury cars instead of trucks or other needed equipment (Obara, 2013).

3.2 Components of the Public Budget

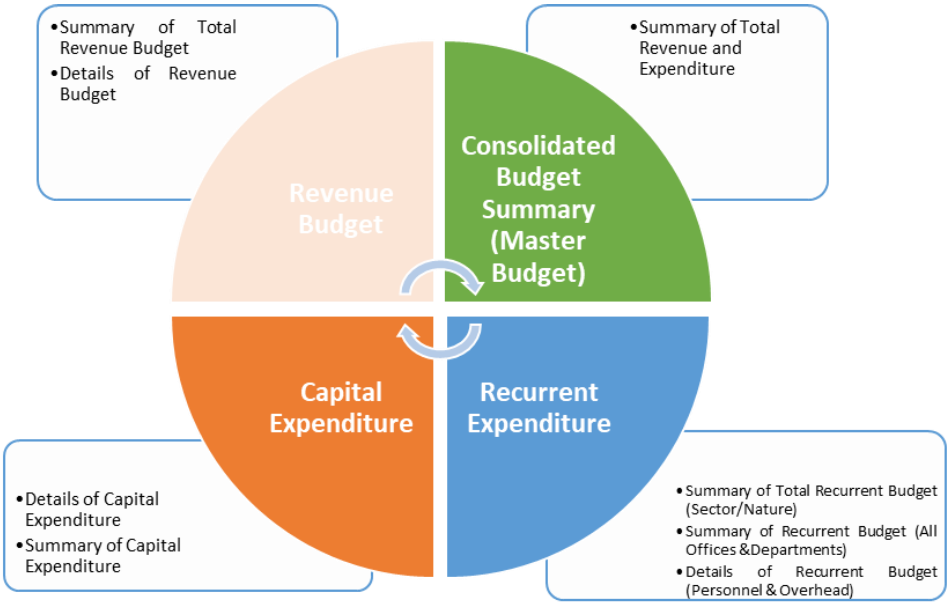


Figure 3: Components of Budgets

The budget components include:

i. Summary of Total Revenue and Expenditure
ii. Recurrent Expenditure (Personnel and overhead)
iii. Summary of Total (Revenue Budget)
iv. Budget Summary (Master Budget)
v. Capital Expenditure (For capital projects)
vi. Notes

3. 3 Budgetary Control Practices

Figure 4: Budgetary control practices

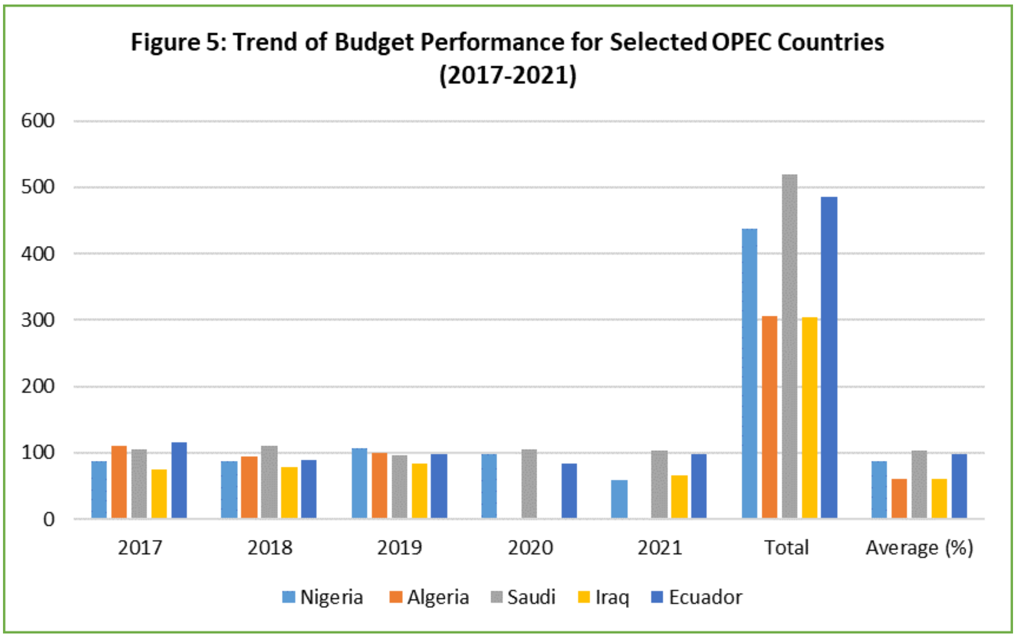
Budgetary control practices constitute of budgeting, monitoring and control, analyzing and feedback. In other words, it involves monitoring and control and budgetary analysis. Budgetary control practice is a deterrent process against misappropriation of funds, in terms of procedures and rules that establish the boundaries of financial behavior. Drury (2002) in Iyalla (2020) stated that budgetary monitoring and control is systematic and continuous one which is characterised by the following stages: a) Establishing targeted performance or level of activity for each department of the organization by way of setting targets to be achieved and thus enhances the monitoring of the organization's performance. b) communicating details of the budgetary policy to all stakeholders for easy appreciation of the set targets and objectives, enhances ownership of the results achieved at the end of the day. Budgetary control practices are not effective unless there is continuous flow of budget reports. These reports should be prepared at regular intervals (e. Monthly) to show comparism of actual performance with that budgeted. Such reports may be presented to heads of budget centres showing favorable or unfavourable variances from budget figures. These heads of budget centres should explain these variances to the top management so that necessary corrective action can be taken. The core pillar of public financial is accountability. This provides for the measurement of implementation and impact of budget and economic policy (Budgetary Analysis). This entails ensuring that the books of accounts are correct for proper planning. It is argued that for MDAs to achieved their developmental objectives as it concerns infrastructure, proper budgetary control must be put in place, the budget must be strictly followed in order to ensure the availability of funds for infrastructure provision. Capital allocations must not be channeled to recurrent or personnel spending (Iyalla, 2020).

4. Budget Performance of Some Selected Countries: Trend Analysis

Table 2: Primary Government Expenditures as a Proportion of Original Approved Budget (%)

Country	2017	2018	2019	2020	2021	Total	Average(%)
Nigeria	87.44	86.63	106.17	98.73	58.98	437.95	87.59
Algeria	111	95.3	99.8	NA	NA	306.1	61.22
Saudi	104.49	110.3	95.79	105.46	102.53	518.57	103.71
Iraq	74.99	77.64	83.93		66.86	303.42	60.68
Ecuador	116.27	90.05	98.22	84.46	97.27	486.27	97.25

Source (World bank dataset, 2022)



Source (Excel output of data computed by the Author)

From the figure and table above, it shows that among some selected OPEC countries, Saudi Arabia has the highest budget performance in terms of proportion of government expenditure (Primary government expenditures as a proportion of original approved budget measures the extent to which aggregate budget expenditure outturn reflects the amount originally approved, as defined in government budget documentation and fiscal reports) made as a proportion of the budget with as high as average 104% of its budgetary allocation within the last five years, followed by Ecuador, a small

South American country. Nigeria has performance rate of almost 59% in recent year 2021, the least among the selected countries. They are spending less where they supposed to spend more.

4.1 Nigerian Budget Performance in Recent times

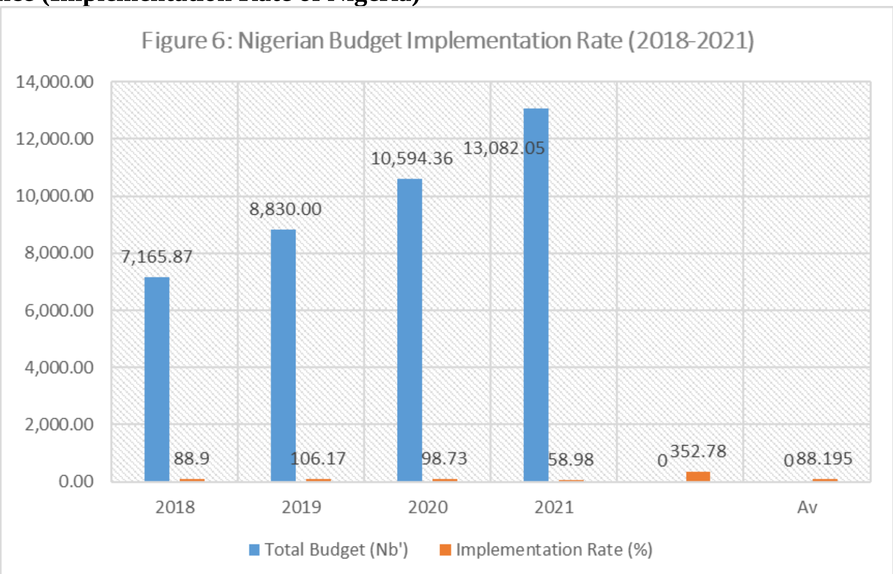
Literatures abound that have documented consistent poor performance of Nigerian budget over the years and hence non actualisation of the governmental objectives of economic development of the nations (Olurankinse, 2013; Kazeem et al. 2019; Effiom and Edet, 2019). As Ogujuiba and Okafor (2013) noted, there is consistent budget unaccomplishment, budget disparity, budget indiscipline, poor or non-performance of budget and poor budgetary implementation in Nigeria over the years. Furthermore, Olurankinse (2013) acknowledged that budgeting in the public sector has become an annual ritual which is characterized with repetitiveness, as most states government in Nigeria sees budgeting as a mere administrative routine exercise and paper work. Their inability to prioritise budgeting accounted for delay in its preparation, approval and retroactive implementation. In addition, in recent times there is lack of performance oriented budgeting, which constraints target setting as well as proper performance evaluation. Furthermore, there is a poor data and accounting culture, which allows for system leakages, fraud, misappropriation and corruption in public life. A cursory look at the performance of capital budget (an aspect of the budget) presents a gloomy picture of the non-performance of public budget in Nigeria. Oladipo et al. (2012) observed that only 43.9% in 2008, and 54% in 2009 of capital expenditure of the budgets were successfully implemented. The same situation applies to the years of 2012 and 2013 where 51% and 47.54% of the capital component of the budget was implemented respectively (Edeme & Nkalu, 2017). In past years of 2018 and 2019, the situation only improved a little. According to News Agency of Nigeria (NAN), year 2018 saw an overall budget performance of 67%, however by the end of December 2018, the budget performance has increased to 75% (Chima, 2019). For year 2019, the overall budget performance as at December was 83.95 % (Udo, 2019), while as at June same year it was just 56.1%. However out of this, only 56.1% was the performance rate for capital expenditure. While the capital budget performance has been below expected, on the other hand a cursory look at recurrent budget especially the statutory transfers show a budget performance rate of between 88-100 percent on a consistent basis (see figure 6).

According to Budgit report (2019) the Statutory transfers (which are payments made to government agencies which are meant to receive funding outside direct control of executive agencies based on their functions) performance stood at 99.95%, 92.3%, 88%, 98% and 100% for the years 2013, 2014, 2015, 2016 and 2017 respectively. This perhaps shows where the priority of the policy makers lies in terms of budgetary allocations and expenditure.

Some factors have been attributed to the non-performance of budgets in Nigeria to include the non-participatory system of budgeting practice; lack of budget review; budget is superimposed; extra- budgetary affairs; as well as variances are just as frequently due to changing circumstances, poor forecasting or general uncertainties as due to management performance.

Others are that budgets are developed round existing organisational structures and departments, which may be in appropriate for current conditions and may not reflect the underlying economic realities; problems of setting the levels of attainment to be included in budget; the inherent lags and delays in a system may make the budgets and resulting variances of little value as a guide to current operations, as well corruption and inadequate monitoring system by the those charged with the exercise.

Budget Performance (Implementation Rate of Nigeria)



Source (Computed by Author, 2022. Data from Budget Office of the Federation (BOF) (various years)

Nigerian Budget Performance in terms of implementation rate for the past four years is average of 88.2% percent. Why this could be commendable, it however needs to increase to at least 95% percent. Furthermore, there was an abysmal implementation witnessed in 2021 (58.98) hence the need for improvement in terms of implementation so that governmental objectives to citizens can be actualized.

4.2 Budgetary Allocation of Selected Ministry (Ministry of Health) of States in Nigeria

Table 3: Nigerian states Health Ministry Budget (2018)

States	Health Budget 2018 (in N'bn)	Total Budget 2018 (in N'bn)	Percentage of total budget	15% of the Budget (N'bn)	Funding Gap (in N'bn)
Abia	5.62	141	3.99%	21.15	15.53
Adamawa	NA	177.9	N/A	26.685	NA
Anambra	7.8	646.65	1.21%	96.9975	89.1975
Akwa Ibom	8.2	166.9	4.91%	25.035	16.835
Bauchi	25.57	167.9	15.23%	25.185	Achieved
Bayelsa	8.5	295	2.88%	44.25	35.75
Benue	N/A	178.4	N/A	26.76	N/A
Borno	17.7	181.2	9.77%	27.18	9.48
Cross River	N/A	1300	N/A	195	N/A
Delta	N/A	308.8	N/A	46.32	N/A
Ebonyi	8.5	208.33	4.08%	31.2495	22.7495
Enugu	3.7	150.09	2.47%	22.5135	18.8135
Edo	N/A	98.6	N/A	14.79	N/A
Ekiti	N/A	103.5	N/A	15.525	N/A
Gombe	9.7	114	8.51%	17.1	7.4
Imo	N/A	190.9	N/A	28.635	N/A
Jigawa	6.7	138.6	4.83%	20.79	14.09
Kaduna	17.58	216.5	8.12%	32.475	14.895
Kano	32.24	246.6	13.07%	36.99	4.75
Katsina	23	213	10.80%	31.95	8.95
Kebbi	N/A	151.2	N/A	22.68	N/A
Kogi	13.31	151	8.81%	22.65	9.34
Kwara	23.92	190.9	12.53%	28.635	4.715
Lagos	92.67	1046	8.86%	156.9	64.23
Nasarawa	N/A	125.4	N/A	18.81	N/A
Niger	N/A	128	N/A	19.2	N/A
Ogun	21.19	343 .9	6.16%	51.585	3 0.395
Ondo	N/A	181.42	N/A	27.213	N/A
Osun	N/A	173.9	N/A	26.085	N/A
Oyo	3.25	267	1.22%	40.05	36.8
Plateau	4.35	146.4	2.97%	21.96	17.61
Rivers	N/A	510	N/A	76.5	N/A
Sokoto	20.93	220.5	9.49%	33.075	12.145
Taraba	N/A	104.3	N/A	15.645	N/A
Yobe	6.29	92.18	6.82%	13.827	7.537
Zamfara	5.1	133	3.83%	19.95	14.85

Source (Budgit Report, 2018)

A comprehensive look at the 2018 budget projections of states shows that only Bauchi (out of the 22 states) surpassed the 15% target. If the state governments were to fulfil their obligations under the Abuja declaration, the health sector budget for all 36 states should have been N1.37tn.

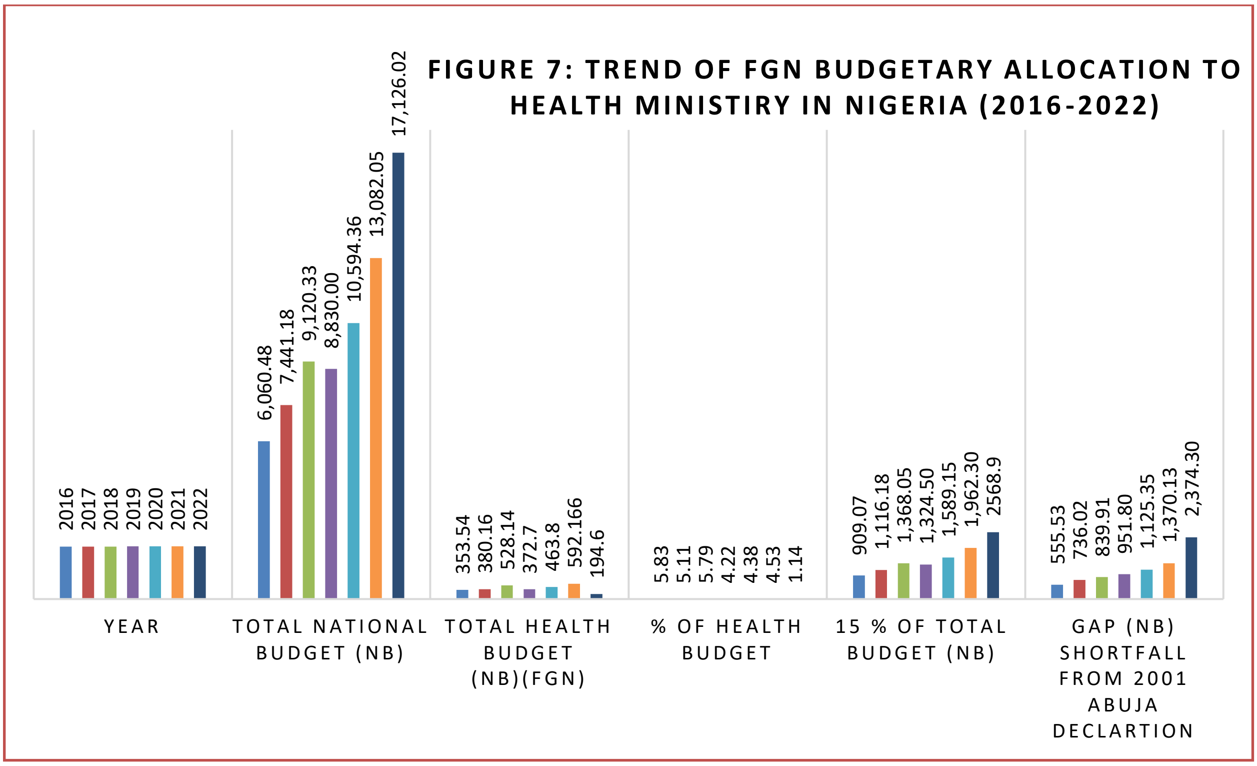
Table 4: Extent of Attainment of Abuja Declaration and The HTLF Target By African Countries

	General Government Health Expenditure More than 15%	General Government Health Expenditure Less than 15%
Total health expenditure per capita more than	Botswana, Rwanda, Zambia (3 countries)	Algeria, Angola, Cameroon, Cape Verde, Congo, Cote d'Ivoire, Equatorial Guinea,

US$44		Gabon, Ghana, Guinea-Bissau, Lesotho, Mauritius, Namibia, Nigeria, Sao Tome and Principe, Senegal, Seychelles, South Africa, Swaziland, Uganda (20 countries)
Total health expenditure per capita less than US$44	Madagascar, Togo, Malawi, Swaziland, Togo and the Central African Republic, Ethiopia, (7 countries)	Benin, Burkina Faso, Burundi, Chad, Comoros, DRC, Eritrea, Gambia, Guinea, Kenya, Liberia, Mali, Mauritania, Mozambique, Niger, Sierra Leone, Tanzania (17 countries)

Source (Adebisi et al, 2020, WHO, 2022)

In April 2001, the African Union (AU) countries met in Abuja and set a target of, at least, 15 per cent of their yearly budget to improve the health sector. In addition to the 2001 Abuja Declaration, the High-Level Task Force on Innovative Financing for Health Systems (HLTF) recommended that low income countries should allocate at least US$44 per capita to deliver an essential package of health services, with the countries in the African Union recognizing the importance of both the Abuja Declaration and the HLTF recommendations



Source (Excel output of data, 2022) (Data from Budget office of the Federation)

From the trends of allocation to health ministry, it shows that Nigeria is lagging Behind when compared to other African countries of similar economic strength and population. According to Deloitte commentary on South Africa Budget 2020/21, the country's budgeted expenditure for 2020/21 is R1.95 trillion (2019/20 revised estimate: R1.84 trillion). The health allocation is (R229.7 billion – increased by three per cent). A breakdown showed South Africa allocated 12.5 per cent of its yearly budget to health and its national budget is 4.2 times that of Nigeria's N13.082 trillion at $110.4 billion (R1.84 trillion) that is N55.2 trillion. The allocation to health R229.7 billion ($13.78 billion) that is N6.89 trillion compared to N592.166 billion. So, this means South Africa's budget for health is 11.6 times more than that of Nigeria and for a population of 67.7 million people compared to 200 million people in Nigeria.

Sadly, in the last twenty years we have fallen short of that figure and this year is no exception. Countries like the former war torn Rwanda, Ethiopia, Malawi, Swaziland, Togo and the Central African Republic have met the target while we still not there yet. A large chunk of the budgetary allocation goes into recurrent expenditure while little is left for infrastructural development and capital expenditure which makes the noble jobs of healthcare workers extremely hazardous

Furthermore, over the past three years (2019 – 2021), the health ministry received about 1.385.36 trillion naira. A breakdown of the figure shows that only 2,178 naira was allocated to each citizen based on the current population of about 206 million. This is highly unacceptable as what can an individual do with less than three thousand naira annually for his or her healthcare needs. As Muanya, (2020) observed, it cannot even take care of ailments like malaria and typhoid which are common in the country. How cruel of the government! He exclaimed.

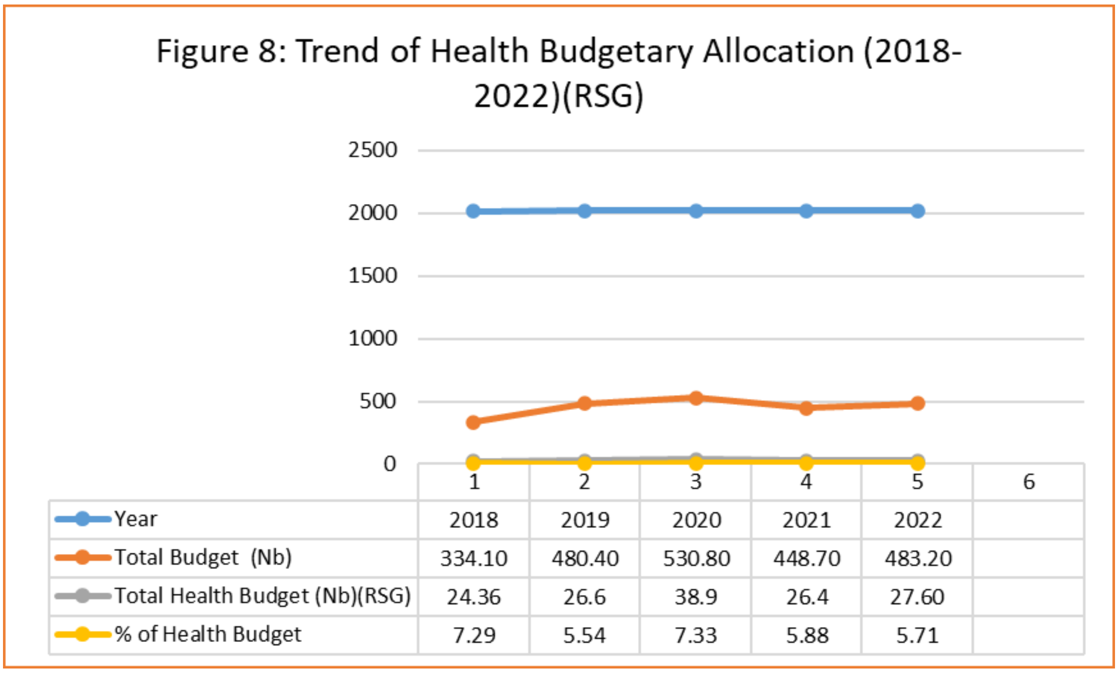
4.3 Trend of Budgetary allocation for Ministry of Health, Rivers State

Table 5: Rivers State Ministry of Health Budget (2018-2022)

Year	Total Budget (Nb)	Total Health Budget (Nb)(RSG)	% of Health Budget	15 % of Total Budget (Nb)	Gap (Nb) shortfall from 2001 Abuja declaration
2018	334.10	24.36	7.29	50.11	25.75
2019	480.40	26.6	5.54	72.06	45.46
2020	530.80	38.9	7.33	79.62	40.72
2021	448.70	26.4	5.88	67.31	40.91
2022	483.20	27.60	5.71	72.48	44.88
					197.72

Source (State Government Budget Available online, 2022)

There is a funding gap of over N197 billion in the state that is supposed to go to the health ministry (one of the critical ministries in the nation) within the past five years. Should this happen, perhaps more objectives would have been actualized.



Source (Excel output of data 2022)

Although the health sector budget in Rivers State increased marginally in 2019 and 2020 from 2018, however it witnessed a sharp drop in 2021 to N448. 7 billion from N530.8billion budget in 2020 still less than the 15% standard.

4.4 Green Budgeting and Eco Budgeting

Many countries around the world are embracing green and eco budgeting as contemporary budgeting type that not only takes the environment and future it nto consideration, but involves the citizens at the grass root. While the green budget, or efforts for integrating environmental concerns in fiscal processes of the public, is relatively new in the historical timeline many countries are already adopting it. The mind-set behind the green budget assumes that economic welfare of the future would depend on green technologies. On the other hand, ecoBUDGET is an environmental management tool designed specifically for and in joint action with local authorities, by the International Council for Local Environmental Initiatives (ICLEI), upon disclosure of its name for the first time in 1994, in the context of the Aalborg Charter, which may as well be used by all levels of government. The ecoBUDGET has been originally put forth as a project, mainly inspired by the idea that air, potable water, biodiversity and other similar natural resources can and must be managed with due care and diligence at the same level with financial resources

Some Statistics of Nations with Green Budgeting Approach

One year ago, on September 25, 2019, France announced that 10% of its expenditure, €35 billion, would be spent to benefit the environment. This figure was determined during the first national "green budgeting" exercise, with other climate-based reviews taking place in Nepal (27% of expenditure to benefit the environment in 2018), in Guatemala (1.6% in 2018), in Kiribati (20% in 2018), and even in the Indian State of Odisha (31% in 2019), and so on. In total, more than 50 countries have already produced such analyses

The term "green budgeting" covers a variety of practices aimed at **identifying and assessing elements of the public budget that affect one or more aspects of a State's environmental policy.** For example, public expenditure can be identified which contributes to either mitigation of or adaptation to climate change, as well as to the fight against artificialization of land and to the protection of biodiversity. Certain green budgeting exercises encompass expenditure that is damaging to the environment, such as subsidies for fossil fuels, and other types also analyze public revenue, or have an even broader scope to include other public entities (i.e. government agencies and local authorities) (Lecuyer et al., 2021)

Table 6: List of Selected Countries that have embraced Green Budgeting Approach

S/No	Countries	% of Budget	Year
1	France	10	2019
2	Nepal	27	2018
3	Guatemala	1.6	2018
4	Republic of Kiribati	20	2018
5	India	31	2019
6	Kenya	3.0	2020
7	Rwanda	2.6	2019
8	South Africa	2.2	2018

Source: (Adapted from Lecuyer et al., 2021; Cabri Publications, 2021; AfDB and GGGI 2021)

Table 7: Eco Budget Adoption by Some selected countries

S/N	Country	County/State where eco budget in place
1	Sweden	Vaxjo county
2	Germany	Heidelberg, Dresden, Nordhausen County, Bielefeld, Kaiserslautern
3	India	Guntur
4	Philippines	Tubigon
5	Italy	Bologna, Ferrara
6	United Kingdom	Lewes
7	Greece	Amaroussion, Kalithea

Source (United Nations Human Settlements Programme (UN-HABITAT), 2008)

4.5 Some Issues with Public sector Budgets in Nigeria

- Inadequate implementation
- Lopsidedness of budgetary allocation
- Corruption and wastages
- Inability to engage in international best practices
- Weak or nonexistence of the public participation in the budgeting process
- 24 % Open budget index (against 45% global average) and 22% to 26% participation rate within the last seven (7) years

4.6 Prospects of Nigerian Budgeting system

- Preparation of a Medium-Term Revenue Framework (MTRF) pursuant to which projected revenue from various oil and non-oil sources is determined over the medium-term. Following this determination with respect to revenue, the Medium-Term Expenditure Framework (MTEF) is developed outlining key areas of expenditure (statutory transfers, debt service, MDAs' Expenditure) as well as the projected fiscal balance. If this fiscal balance is a deficit, sources of financing this deficit are also considered. MDAs' expenditures comprise both capital and recurrent expenditures (Iloh & Nwokedi, 2016). This has the tendency to improve fiscal planning and strategy in line with international best practices.

- Has attained improvement in the rating of international bodies in terms of budget transparency and participation in the past. The benefits are seen (following in the open budget requirement of international public partnership (Open Budget survey) in these areas:

- ✓ Formal requirement for public participation
- ✓ Mechanisms developed by the executive for participation during budget planning
- ✓ Public hearings in the legislature on macroeconomic budget framework
- ✓ Opportunities in the legislature for testimonials by the public during budget hearings

However, more needs to be done. The table below confirms this

Table 8: Open Budget Survey Result for Nigeria: Selected Years

	Transparency	Public participation	Year
Nigeria	**25%**	**24%**	**2015**
Global Average	**45%**	**24%**	**2015**
Nigeria	**17%**	**13%**	**2017**
Global Average	**25%**	**12%**	**2017**
Nigeria	**21%**	**22%**	**2019**
Global Average	**25%**	**14%**	**2019**
Nigeria	**45%**	**26%**	**2021**
Global Average	**45%**	**14%**	**2021**

Source: Open Budget Survey (OBS), 2021

5. Conclusion and Way Forward for Effective Budgeting for Development

1) Engage in participatory budgeting (Citizenship Budgeting Process). The experiences of Latin American cities have shown; participatory budgeting is the solution to most of the problems associated with budgeting. Some of these problems include corruption, poor and selective implementation, and extra-budgetary spending.

Table 9: Selected Latin American countries with Participatory budgeting and Benefits

S/No	Country	Cities	Participation/Mode	Impacts (within 7-year period of introduction)
1	Brazil	Porto Alegre	20,000	80-98% increase in water services
		Sao Paulo,		46% to 85% Access to sewage system
		Belo Horizonte		30 Kilometers of Road Paved annually
		Recife		Revenue Increased by Nearly 50%
		Belem	Citizens selected the items they wanted to be in the budget, participated in allocating resources to them, and tracked the implementation during the execution stage, thereby ensuring that the government did not deviate from what was on paper.	Poorer citizens and neighbourhoods receive larger shares of public spending.
2	Uruguay	Montevideo	Low-income people, women and youths, more involved and very active than others	Reorientation of public investments towards the most disadvantaged districts.
3	Argentina	Rosario		Reorientation of public investments towards the most disadvantaged districts.
		La Plata		
		Bueno Aires		
4	Paraguay		Successful in its first implementation	
5	Chile		Successful in its first implementation	

6	Peru	Ilo	National laws introduced in 2003 made participatory budgeting compulsory, both at the regional and municipal levels.	
		Villa El Salvador		
7	Venezuela		Communal councils which share some similarities with participatory budgeting is in place	
Source (Adapted from Iloh & Nwokedi, 2016; World Bank, 2016)				

2) Engage in Eco and Green Budgeting
3) Regular Review of budgetary control practices
4) More deployment of ICT infrastructure in Budgeting processes, monitoring and controls
5) Reorientation of stakeholders in the budgeting system (Executive and Legislature)

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Brief Profile of Presenter

Dr. Promise Akorbuike ORDU is an astute researcher, author, motivational speaker and teacher, leadership consultant and a Business and Finance Consultant. Dr. Ordu has been involved in Business development and financial consulting both for private and public institutions close to two decades, in addition to active involvement in Research and publication in a wide range of issues in Enterprise development, Accounting and Financial management issues solely and in collaboration with other scholars. He has authored books and over 50 scholarly publications. Dr. Ordu's publications have featured in both local and international Journals. He has served as the Development Executive for an International Organization that specializes in SME and Social Business development and capacity building training for Government and Private organization across the globe in addition to active researches & publications. Prior to this, He has served in various management positions in several companies in United Kingdom (UK) and Nigeria including the banking industry. He currently serves as the MD/CEO of Promon Global Resources Inc that specialises in procurements, Business development and training and consultancy services. In addition, he serves as a coordinator, International Business and Accounting, BSc Program, University of London (UoL) Distance Learning Centre at Institute for Distance Learning, Ignatius Ajuru University of Education, Port Harcourt. As a motivational speaker, He had speaking expeditions at ministries and NGOs in Asia (Islamabad, Pakistan) and Europe (London). Dr. Ordu holds a BSc (Joint Honours) degree from Middlesex University, Hendon, London as well as holds a Master of Business Administration (MBA - Accounting) Degree from University of Port Harcourt, Nigeria, MPhil (Accounting), and PhD Accounting, Ignatius Ajuru University of Education, Port Harcourt, with Research interest in Taxation and forensic Accounting. He holds several professional qualifications and membership including a professional qualification in Mortgage Finance advice and practice (Cemap), England and Wales, from Financial Training academy, City of London, UK; a student member of Association of Certified Chartered Accountants (ACCA), UK, as well as a Member, Nigerian Accounting Association (MNAA) and Fellow, Association of Management and Social Sciences Researchers of Nigeria (MAMSSRN). Dr. Ordu is happily married with a thriving family.

Some Selected Publications

1. Omesi, I., & **Ordu, P.A.** (2021). A compendium of Contemporary issues in Accounting (for Learning and Practice). Perfect Creation Publications
2. Omesi, I., & **Ordu, P.A.** (2021). A compendium of topical issues in history and philosophy of accounting thought (for Learning and Practice). Perfect Creation Publications.
3. Obara, L.C., **Ordu, P.A.,** & Obara, F.O. **(2022)**. Treasury single account (TSA) and economic development in Nigeria: Accounting & ethical issues. International Journal of Innovation and Economics Development, 7, (6), 46-67, February.
4. **Ordu, P.A**. & Omesi, I. **(2022).** Value added tax (VAT) and revenue allocation in Nigeria. ANAN/UNIZIK Journal of Contemporary Issues in Accounting (JOCIA), 3(1) April, 1-34
5. **Ordu, P.A. (2022).** Drug Abuse & Addiction: Causes, signs & symptoms, effects and management: The role of Parents (Fathers). Paper Presented on the occasion of Father's Day Celebration, 2022 on Parenting in the 21st Century: Drug abuse/addiction amongst children and youths- The responsibility of Fathers, 19th June, 2022, Salvation Ministries Church (Ada George Satellite Church), Rumuoke Road, Port Harcourt.
6. Omesi, I., & **Ordu, P.A**. **(2021).** Accounting and finance in the pandemic era: Impact, challenges and research implications in Nigeria. Global Research Journal of Accounting and Finance, 1(2),50-64.
7. **Ordu, P.A.** & Abowei, U.N**. (2021).** Forensic accounting, electronic accounting and fraud checkmating by financial professionals: A critical review**.** Journal of Forensic Accounting & Fraud Investigation (JFAFI),6(1),104 – 120**.** A publication of the Association of Forensic accounting Researchers (AFAR) A member of International Association of Accounting Education and Research (IAAER).
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