APPRAISAL OF THE FACTORS CONTRIBUTING DISPARITY IN BUDGET PROPOSAL AND IMPLEMENTATION

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Abstract
The stories of disparity between budget and its implementation in Nigerian public sector are replete in newspapers, public discourses and academic journals. Reasons advanced for this include: corruption, fluctuating oil revenue, unstable economic parameters and poor budget monitoring. The main thrust of this paper was to examine the behavioural aspect of budget implementation disparity. Two hypotheses were set forth and tested using two ministries namely: education and finance in the Ekiti State of Nigeria. Thirty high ranking staff involved in budget preparation and implementation out of thirty-five administered with questionnaires responded to time. Using the students t-test, the first hypothesis (budget implementation are not always achieved in the ministries)it was discovered with t-cal. (12.31) greater than t-tab (1.679) the two ministries always meet budget. The second hypothesis (ministries have no adequate measures to address budget variances), with t-cal. (6.89) greater than t-tab (1.699), the two ministries have adequate measures to curb budget variances. It can be concluded that reasons for budget implementation disparity can be explained outside those factors. The paper concludes by making recommendations to solve implementation disparity in government departments.

Introduction
Samuel and Wilfred (2009) defined budget as a comprehensive document that outlines what economic and non-economic activities a government wants to undertake with special focus on policies, objectives and strategies for accomplishment that are substantiated with revenue and expenditure projections.

It is necessitated by the limitedness or scarcity of revenue which have alternative uses. In business organization, their primary goals or objectives center well on liquidity, profitability and contribution on the economic and social improvement. In the same way non-business organizations such as federal, state and local governments have their specific objective which are also economic and non-economic in nature.

The invaluable role of the state government with the attendant development nearer to the people has become a relevant discourse of our time. Development is a matter of inner emotion. It integrates the people into the plans and policies of government.

A major and justifiable area of development discourse concerns the appropriate instrument of implementation. In Nigeria, state government has historically provided services of impotence to its citizens in rural and urban area which includes provision of basic services like water, roads, health facilities, education. Of late, the role of state government in providing these services has attracted public concern. Furthermore, it has generated national crisis as a result of increasing rate of poverty among the rural people. Some scholars view this development to poor budgeting and implementation while others associate it to the federal government interference. Whatever may be the reason, there is considerable emphasis, possibly on over-emphasis on budgeting in the federal
government against the under emphasis on budgeting practices and procedures in state and local government in Nigeria.

Objectives
1. To examine the factors contributing to the disparity in budget proposal and implementation.
2. To examine budget as the instrument or mechanism available to the government for the attainment of its economic and social obligation.
3. To examine the reasons for failure of government budget.

Research Hypotheses
1. \( H_0 \): Budget implementation and target are not always achieved.
2. \( H_0 \): The State does not have adequate corrective measures to address variance / deviation from budgeted targets.

Conceptual And Empirical Frameworks

Different authorities based on their views have defined budgeting proposal and factors contributing to disparity in its implementation. It should be noted that the concept of budgeting is as old as man himself. Just as man plans for what he needs in advance, corporate bodies, governments and institutions also plans ahead in terms of revenue and expenditure within a specific period of time.

The word “Budget” means the bag or the public purse which serve as a receptacle for the revenue and expenditure of the state (Adams, 1998). Budgets evolved in two directions. At first, parliaments fought to take control of the budget and make governments accountable for the use of resources. In democratic societies for instance, approval of the budget (the power of the purse) is the main form of parliamentary control of the executive. The budget authorizes to the executive to spend and collect revenue.

Smith and Thomas (2004) defined budget as a plan for the accomplishment of programs related to objectives and goals within a definite time period including an estimate of the resources required together with an estimate of resources available usually compared with one or more past periods showing future requirements. Sullivan and Sheffrin (2003) state that a budget is derived from the french word “Budgette” which means a leather bag or a wallet. It is a statement of the financial plan of the government. It shows the income and expenditure of the government during a financial year. Omolehinwa (1989) defined budget as a plan of dominant individuals in an organization expressed in monetary terms and subject to the constraints imposed by the participants and the environments indicating how the available resources may be utilized to achieve whatever the dominant individuals agreed to be on the organization’s priorities.

The impressive thing about this definition is that, it recognizes the constraint imposed on budget by other particulars who are to ensure that the objectives and targets enunciated in the budget are achieved. Morgan (1997) opines that the budget had grown beyond a financial tools. It is above all managerial tools. It is the best tools for making sure that key resources especially performance resources are assigned to priorities and to results. It is atool that enables the managers to know when to review and revise plans either because results are different from expectation or due to environment economic contributions, market contribution or technologies changes which no longer correspond to the assumptions of the budget. Morgan emphasized that budget should be used as a tool for planning and control. According to Hudson and Andrew (1996) control involved the making of decisions based on relevant information which leads to plans and action that improve the utilization of the productive assets and services available to organization management. Effective control is said to be based or standards with which actual performance can be compared. If there are no standard then ther can be no effective measure of attainment.

Budgeting as a concept of authorization explains the original purpose of budgeting as a financial plan to provide money for government institution. Consequent upon this, the government institution carries out their activities usually a year as expressed in quantitative terms ensuring effective and efficient mobilization of resources.
Limiting Factors In Budget Implementation

According to Eze and Ani (1999) Budgeting is a great management tool. Its effectiveness will however depend on how these limiting factors are handled in relation to the various sectional budgets and the master budgets usually when plans are being formulated, there are variation. Some of the factors responsible for these are: when the budgeted fund is inadequate to finance projects, in the area of production when the right supply of labour is not in place, lack of adequate plans capacity as well as scarce resources to carry on the budget and lack of specialization or skill on the part of the budget officers who are saddled with the responsibility of implementing budget.

Budgetary Control In Government

Budgets fall under the realm of planning and since disparities /variances often occur between proposal and actual implementation there is need for control. Budgeting control is therefore an element of control is applied in budgets. According Thorton [1978] budgetary control is the technique which embraces all the authorities of business and serves to support the way and the aspects of the government control processes. Ola [2001] defined the term budgetary control as the medium of income and expenditure through which budget proposal and actual performance is measured.

Problems Accounting For Disparity in Government Budget

Practical problems of budget implementation include: Corruption, this is one of the set back of fruitful budgeting process. Evidences are bound in the records of Economic and Financial Crime Commission and Independent Corrupt Practices Commission. Corruption is quite endemic. Fluctuating revenue and over- dependence on oil revenue. Unstable economic parameters e.g price level, unemployment e.t.c affect budgetary effectiveness. Poor conception of people toward budget. Unstable government policies from one fiscal year to another. Inadequate finance. Lack of qualified manpower. Paucity of data. Lack of effective budget monitoring i.e the execution of the budget. Delay in approval of project proposal by the ministry and the legislature.

Implementation Illusion

Data about the pace and magnitude of expenditure do not fully reveal how tasks are performed. Financial bias, which has been inherent in the traditional budget system was reduced somewhat with the growing emphasis on ensuring an adequate link between physical and financial progress. The need for such a link becomes even more obvious when there are excess expenditures and an inflationary environment. Excess expenditures may not always reflect cost increases and sometimes may well be the consequences of poor management. Similarly, in an inflationary situation, money expenditures may be on schedule and may frequently reflect the implementation of the directives from the central agencies that each department should absorb cost increase within allotted funds.

Budget implementation devolves different responsibilities on the central agencies whose concerns are both immediat and slightly remote. The immediat concerns are with the behaviour of the fiscal variables such as revenue, expenditure, internal and external borrowing and with the changes in the impact of these items on the economy. Major changes from expectations requires actions even during the course of the year while in some cases, action may be feasible only in subsequent years. Periodic review involves a broad oversight on the specifics of expenditures of the agencies as well as on aggregate fiscal variables.

Research Design

The study area is the Ekiti State Public Service and a sample of two ministries namely: finance and ministry of education. The selected staffs of the ministries include both the junior staffs and the senior staffs. Random sampling method was used to choose the sample from the population. Thirty-five (35) questionnaires were administered to key budgeting and finance officers in the ministries out of which thirty (30) questionnaires were returned for analysis.
Data Analysis Techniques
The primary data was processed using T-test at 5% level of significance to enhance the validity and reliability of the research work.

\[ s = \sqrt{\frac{\sum (X - \frac{EX}{N})^2}{n-1}} \]

\[ S.E = \frac{s}{\sqrt{N-1}} \]

\[ t = \sqrt{\frac{T - \mu_0}{S / \sqrt{N}}} \]

\[ \mu = \frac{EXP}{\sqrt{N}} \]

where;
\( t \) = calculated t value
\( x \) = sample mean
\( \mu \) = population mean
\( s \) = standard deviation of the sample
\( n = N - 1 \)
\( N \) = sample size
degree of freedom = \( N - 1 \)

Data Analysis and Test of Hypotheses
Budget Implementation and Targets Are Always Achieved in the Ministries

Hypothesis 1

<table>
<thead>
<tr>
<th>RESPONSE</th>
<th>VALUES (RANKS)</th>
<th>X</th>
<th>(X–EX/N)</th>
<th>(X–EX/N)^2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>5</td>
<td>10</td>
<td>4</td>
<td>16</td>
</tr>
<tr>
<td>Agree</td>
<td>4</td>
<td>8</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>3</td>
<td>6</td>
<td>0</td>
<td>-</td>
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<tr>
<td>Disagree</td>
<td>2</td>
<td>4</td>
<td>-2</td>
<td>4</td>
</tr>
<tr>
<td>Undecided</td>
<td>1</td>
<td>2</td>
<td>-4</td>
<td>16</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>30</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\[ \frac{\sum X}{N} = \frac{10 + 8 + 6 + 4}{5} = \frac{30}{5} = 6 \]

\[ \mu = \frac{\sum X \cdot V}{N} = \frac{(10 \times 5)(8 \times 4)(6 \times 4)(2 \times 2)}{30} \]

\[ \mu = \frac{110}{30} = \frac{110}{30} \]

\[ S.E = \sqrt{\frac{\sum (X - \frac{EX}{N})^2}{n-1}} = \sqrt{\frac{32}{30-1}} = \sqrt{\frac{32}{29}} = \sqrt{1.10} = 1.04 \]

\[ S.E = \frac{s}{\sqrt{N-1}} = \frac{1.04}{\sqrt{29}} = 0.19 \]
$$t = \frac{x - \mu}{S/\sqrt{n}}$$

Where:
- \(t\) = calculated \(t\) value
- \(x\) = sample mean
- \(\mu\) = population mean
- \(s\) = standard deviation of the system
- \(n = N - 1\) (degree of freedom)
- \(N\) = sample size

\[t = \frac{6 - 3.66}{0.19} = 2.34\]
\[\frac{0.19}{0.19} = 12.31\]

**Decision Rule:**
Since \(t\) calculated is > \(t\) tabulated, i.e. 12.31 > 1.679, the null hypothesis is rejected and alternate is accepted and we conclude that budget implementation and targets are always achieved in the Ministry.

**Hypothesis II**
Ministries have adequate corrective measures to address variance deviation from budgeted target.

<table>
<thead>
<tr>
<th>RESPONSE</th>
<th>VALUES (RANKS)</th>
<th>X</th>
<th>(X–EX/N)</th>
<th>(X–EX/N)^2</th>
</tr>
</thead>
<tbody>
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<tr>
<td>Agree</td>
<td>4</td>
<td>5</td>
<td>-1</td>
<td>1</td>
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<tr>
<td>Strongly Disagree</td>
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<td>9</td>
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<tr>
<td>Undecided</td>
<td>1</td>
<td>3</td>
<td>-3</td>
<td>9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>104</strong></td>
</tr>
</tbody>
</table>

\[\frac{\sum X}{N} = \frac{10 + 8 + 6 + 4}{5} = \frac{30}{5} = 6\]

\[\mu = \frac{\sum XV}{N} = \frac{(15 \times 5)(5 \times 4)(3 \times 2)(3 \times 1)}{75 + 20 + 12 + 6 + 3} = \frac{30}{30} = 3.8\]

\[SE = \sqrt{\frac{\sum(X - \frac{EX}{N})^2}{N - 1}} = \sqrt{\frac{154}{30 - 1}} = \sqrt{\frac{104}{29}} = \sqrt{3.59} = 1.89\]

\[t = \frac{x - \mu}{S/\sqrt{n}} = \frac{6 - 3.8}{0.35} = 6.28\]
Decision Rule:
Reject $H_0$ and accept $H_1$ since $t$ calculated is $>$ $t$ tabulated, i.e. $6.89 > 1.699$, therefore, we conclude that Ministry has adequate corrective measures to address variance / deviation from budgeted.

Conclusion
From the research work carried out to determine factors contributing to disparity between budget proposal and implementation. It has been observed and concluded that most reasons for non – completion of budget are mainly internal factors which arises from the fact that most times budget rules are not programmes affects the performance of budget.

The government from time to time should follow strictly the rules and regulation guiding the preparation of budget in order to achieve the targeted objectives.

Recommendations
The following recommendations were made based on the research carried out: There should be a scheduled time for budget proposal and its approval in order not to delay its approval by the national assembly if budget estimate is submitted as at the time schedule then it will lead to a better implementation of good programmes for the citizenry of the state. There should be a part of the constitution that discourage laziness on the part of the executive so that the carefree of attitude of the government official will be reduced to the nearest minimum. Problem of beaureucracy in government parastatal should be tackle in order to make things work properly. The budget officers should be empowered to enforce adequate control measures to check some excesses of the chief executive. A standing budget committee is required for proper administration and implementation of budget in Nigeria. In order to achieve a realistic budget, all levels of management should be committed to the use of budget manual.

REFERENCES