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The Budgetary Process in Nigeria: Constraints and Prospects

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Abstract

This study explores the intricacies of Nigeria's budgetary process, aiming to identify constraints and propose pathways for improvement. Through a comprehensive literature review, concepts such as budget and budgetary processes are examined, drawing upon theoretical frameworks like Principal-agent theory and Marxist theory to analyze power dynamics and the role of the state. The methodology employed a review research design utilizing secondary data sources such as textbooks, journals, and internet resources, analyzed through content analysis. Key constraints identified include chronic delays, incremental budgeting, political tensions, corruption, and misalignment with long-term development strategies. Proposed pathways for reform include enhancing transparency, accountability mechanisms, and aligning budget allocations with strategic objectives. Addressing manpower deficits, improving revenue projection accuracy, and rebalancing budget priorities towards capital investments are emphasized as crucial pathways for fostering sustainable development. The study concludes that implementing these solutions is essential for enhancing the efficiency, transparency, and effectiveness of Nigeria's budgetary process, thereby fostering socio-economic development and prosperity.

Keywords: Budget, Budgetary process, Pathways, Constraints , Nigeria

Introduction

The budgetary process stands as the cornerstone of fiscal governance in any nation, serving as a blueprint for allocating resources, setting priorities, and achieving socio-economic objectives (Musgrave, 1959). In the case of Nigeria, a country endowed with vast natural resources and a burgeoning population, the efficacy and transparency of its budget process hold immense significance for sustainable development, equitable distribution of wealth, and societal progress (Oyebola, 2009). However, amid the aspirations for robust financial management and accountable governance, Nigeria's budgetary landscape has been marked by a complex interplay of challenges and opportunities.

This paper delves into the intricacies of the Nigerian budget process, aiming to dissect the constraints that impede its effectiveness while also illuminating potential pathways for improvement. Over the years, Nigeria has grappled with a myriad of issues ranging from systemic inefficiencies and bureaucratic bottlenecks to political pressures and fiscal mismanagement (Osinubi & Amaghionyeodiwe, 2010), all of which have posed formidable obstacles to the smooth functioning of its budgetary framework. Understanding and addressing these constraints are crucial not only for enhancing the efficiency of resource allocation but also for fostering public trust, promoting investor confidence, and catalyzing inclusive growth (World Bank, 2016).

Simultaneously, amidst these challenges lie promising prospects for reform and innovation. Nigeria's dynamic socio-political landscape, coupled with advancements in technology and increasing demands for transparency and accountability, present fertile ground for exploring alternative approaches and strategies to revitalize the budget process (Oluwadare, 2019). By identifying and harnessing these pathways for improvement, Nigeria can potentially unlock untapped potentials, streamline decision-making processes, and chart a more sustainable trajectory towards economic prosperity and social welfare (Ayodele & David, 2017).

Premised upon the foregoing, this paper seeks to examine the topic the budgetary process in Nigeria: constraints and pathways. Through a comprehensive examination of the constraints and pathways inherent in the Nigerian budget process, this paper seeks to contribute to the ongoing discourse on fiscal governance and policy reform. By shedding light on the intricacies of Nigeria's budgetary landscape and proposing actionable insights, it aspires to inform policymakers, researchers, and stakeholders alike, fostering a shared vision for a more equitable, efficient, and accountable budgetary framework in Nigeria.

Literature Review

The Concept of Budget

The concept of budget spans various dimensions, from its historical roots to its contemporary applications. Jones and Benlebury (2005) traced the etymological roots of the term "budget," to the medieval exchequer court in England and its association with a small leather bag known as "Bougette." Eventually, its scope broadened to include financial statements and plans for various entities beyond governments, encapsulating expectations and projections for future financial periods.

Put simply, Meigs and Meigs (2004), defines budget as a comprehensive financial plan, which sets forth the route for achieving financial and operational goal of an organization. It is an instrument stipulating policies and programs aimed at realizing the development objectives of a government (Odeh and Okoye, 2012). In other words, the description of government's intentions and policies presented by a financial plan with details of estimates stating the receipts and proposed expenditures under various classifications for an ensuing fiscal year is known as Government Budget.

The perspectives provided above underscores the budget's role in fiscal governance, resource allocation, and financial accountability. Governmental duties are inherently cost-driven, yet available resources may not always sufficient to address diverse socio-economic and political needs. Therefore, to prioritize crucial development areas and mitigate constraints, it becomes imperative to create a formal projection of revenue and expenditure for a future period. In essence, the government budget serves as a strategic process, guiding decisions on resource allocation to advance chosen objectives (Wildavsky and Caiden, 1997).

Beyond its financial aspect, the budget serves as a tool for achieving broader socio-economic objectives. Oyebola (2009) explains it as a tool for fostering sustainable development, equitable distribution of resources, and societal progress. This perspective highlights the budget's importance in addressing social needs, promoting economic growth, and reducing inequalities. Corroborating this view, Ugoh & Ukpere, (2009), sees budget as a key instrument for the attainment of fiscal policy objective used to stimulate stable growth, sustainable development and prosperity in the economy.

The budget is a key instrument for the attainment of macroeconomic objectives of the state but its role is multifaceted and extends beyond this. The budget is also a tool for the implementation of social, political and economic policies and priorities which impact on the lives of the population (Kwanashie, 2003). It serves three primary purposes: management, accountability, and economic policy. Smith and Lynch (2004) present four perspectives on public budgeting. From a political standpoint, the budget process serves as a platform for gaining political advantages. Economists view budgeting as a means of resource allocation, considering opportunity costs involved in allocating resources to different areas. Accountants emphasize accountability by comparing budgeted amounts with actual expenditures to assess policy decisions. Furthermore, managers perceive the budget as a policy tool to guide the implementation of public policy.

Budget has a political dynamics and power struggles dimension. Scholars like Osinubi and Amaghionyeodiwe (2010) argue that budgets are not just technical documents but contested arenas where competing interests influence resource allocation and policy decisions. Omolehinwa (2003) defines the budget as a plan devised by dominant individuals within an organization, expressed in monetary terms and constrained by other participants and the environment, dictating how available resources are utilized to achieve agreed-upon priorities. This definition aligns with the elitist model of decision-making, particularly relevant in the Nigerian context, emphasizing the political nature of budgeting and how it reflects ideological frameworks, government priorities, and public preferences.

Budgeting is a multifaceted process that entails the strategic planning and allocation of resources, encompassing financial, socio-economic, and political dimensions. It serves as a strategic instrument for fiscal governance, resource allocation, and financial accountability, aiming to stimulate growth, development, and prosperity within the economy.

Concept of Budgeting Process

Budgetary process or budgeting process are terms employed interchangeable to refer a continuum of:

budget preparation, approval, execution, reporting, audit and review (Johnson, 1979). This process revolves round the executive & legislative structures in a Democratic system (Babafemi, 2014). In Nigeria, the budget, known as the Appropriation Act, is a collaborative effort between the executive and legislative branches of government. The executive initiates it, the legislature approves it, the President (executive) signs it into law, the executive carries out its implementation, and both the legislature and relevant executive agencies monitor its execution through budget oversight (Iloh and Nwokedi, 2016)

The budgetary process is about events and activities in the budget cycle involving the determination of resources and their uses for the attainment of government goals (Parliamentary Centre, 2010). It is a system of rules governing the decision-making that leads to a budget, from its formulation, through its legislative approval, to its execution and evaluation (Ekeocha, 2012). The budget cycle itself is a year-round process involving formulation (establishing budgetary policies, parameters and allocation priorities) by the executive, legislative approval by the Parliament, implementation involving Government Ministries, Departments and Agencies (MDAs) and even Civil Society Organizations (CSOs), and evaluation and audit including the role of the Auditor-General.

Budgetary process is a system of rules governing the decision-making that leads to a budget, from its formulation, through its legislative approval, to its execution and evaluation. This system of rules is rooted in constitutional mandates, statutory requirements, parliamentary rules and practices, as well as administrative directives (Bill and Keith, 2004). The budget process is a complete sequence of events which occurs in the same sequence yearly and culminating into the approved budget.

It is therefore the totality of the processes a budget passes through before it finally becomes a document. It involves all the executive and legislative processes, that is, collection of estimates from the various government departments to the defense before the various committees of the legislature and debates in the floor of the Houses, the passage into law and the final implementation and monitoring (Ugoh and Ukpere, 2009).

Theoretical Framework

The Principal-agent theory

The core of the theory is concerned with the specification of who is (or should be) accountable to whom. This is a fundamental aspect of principal-agent theory. In principal-agent models, an actor (or group of actors) known as the agent delegates work to another party another actor (or group of actors) known as the principal (Gailmard, 2012). The core issue is that the agent may have different interests than the principal, leading to conflicts of interest. The principal-agent theory is often taken as a specific area of contract theory more generally (Bolton and Dewatripont 2004).

The theory is apt and relevant in the analysis and assessment of budgetary process. Leruth and Paul (2007) posit that there are various manners in which the "Principal-Agent theory" of budget occurs in the public sector which can be analyzed by assessing the contract between the principal and the agent. Undertaking analysis using this model entails determining who the principal(s) and the agent(s) are, what the agent(s) can do and how this affects the principal(s), and what the principal(s) can do and how this affect the agent(s) (Gailmard, 2012).

In the Nigerian budgetary process, the principals are typically elected officials, government ministries, and the Legislature (who has dual role and could serve as agent of the citizens who elected its members), and other oversight bodies, the Auditor General's Office, the treasury, and ultimately, the Nigerian citizens. They oversee budget implementation. The agents, on the otherhand, are government officials, bureaucrats, and contractors responsible for formulating, executing, and overseeing the budget, including finance ministry officials, budget implementation MDAs, project managers, and procurement officers.

In the Nigerian budgetary process, the agents influence the allocation of funds, prioritize certain projects or sectors over others, and potentially engage in corruption or mismanagement of funds. This affects the principals, which include the government as a whole, elected officials, and ultimately, the citizens. If the agents prioritize personal gain or engage in corrupt practices, it can lead to misallocation of resources, reduced effectiveness of public services, and erosion of public trust in the government jeopardizing the entire budgetary process.

Elected officials or oversight bodies, can set guidelines, provide oversight, and establish mechanisms for accountability in the budgetary process. They can introduce legislation, establish auditing procedures, and create transparency measures to monitor the actions of agents. This affects the agents by imposing constraints on their actions, increasing the risk of detection and punishment for misconduct, and shaping their incentives to prioritize the public interest over personal gain or other vested interests. The whole essence is to ensure that the agents implement the social contract the President signed with the electorates (Garuba & Oghuma, 2018; p285).

The Marxist Theory

Marxist theory of the state is also adopted as a framework of analysis. The Marxist theory, has as its major proponents, key figures like Karl Marx, Friedrich Engels, and Lenin, later has emerged by with the thoughts of Gramsci, Althusser, Miliband, and Laclau among prominent Western Marxists (McLellan, 2007).

The core idea of this theory is that the state is used as an instrument for the fulfillment of interests of a particular class or section of society. In this perspective, society is fundamentally divided into two primary classes: the minority ruling bourgeoisie, which wields economic and political power, and the majority proletariat, who are subject to exploitation and domination. The state (along with its police, military and bureaucracy), therefore, is fundamentally an instrument of class domination. It is used by the bourgeoisie to exploit the common people, that is, the proletariat. Marx and Engels viewed the origin of the state from a materialist standpoint. Engels, in his book-The Origin of the Family, Private Property and the State, remarked that:

"…the state is, by no means, a power forced on society from without". Rather, it is a product of society at a certain stage of development; it is the admission that this society has become entangled in an insoluble contradiction with itself, that it is cleft into irreconcilable antagonisms which it is powerless to dispel. But in order that these antagonisms, classes with conflicting economic interests, might not consume themselves and society in fruitless struggle, a power seemingly standing above society became necessary for the purpose of moderating the conflict, of keeping it within the bounds of order; and this power, arisen out of society but placing itself above it, and increasingly alienating itself from it, is the state" (cited in Borisov & Libman, 1985, p. 54).

Applying the Marxist theory of the state as a framework for analysis, we can interpret the Nigerian budget process through the lens of class struggle and the dominance of the bourgeoisie. In Marxist analysis, the state is viewed as an instrument serving the interests of the ruling class, which in Nigeria's case, primarily consists of the ruling elite. The budget as the most important instrument for the allocation is been manipulated to serve the personal gains of the elite at the detriment of the masses.

In Nigeria, the bourgeoisie, comprising politicians, legislature, corporate executives, and bureaucrats, wield significant influence over budgetary processes to advance their own interests. Politicians exploit their positions for personal gain, awarding contracts and misusing state resources. National Assembly members shape legislation, including budgets, to benefit themselves and corporate allies, often neglecting working-class needs. Corporate executives leverage political connections for policy influence through lobbying and financial contributions, particularly in sectors like oil and banking. Bureaucrats reinforce bourgeois dominance through rent-seeking behaviors. Disputes over budget padding reflect intra-class conflicts resolved within the ruling class, which relies on state resources to maintain its dominance.

By understanding the state as an instrument of class domination, we can discern how the budget process serves to perpetuate the interests of the ruling capitalist class while marginalizing and exploiting the proletariat. (Poulantzas, 2008; Borisov & Libman, 1985).

Research Method

The study adopted a review research design. Using this method, secondary sources of data generation, which include the use of textbooks written by different authors on the subject matter, journals, magazines, information from the internet and other published and unpublished materials relevant to the work were generated. The data was analyzed using the content analysis approach. This is because of its major dependence on the secondary source data.

The Nigerian Budgetary Process

In Nigeria the basic requirements for the budgetary process in the public sector are provided for in the Constitution of the Federal Republic, Financial regulation and Financial Memorandum (Abdullai, 2008).

Ekeocha (2012) explains the following budgeting process in Nigeria:

- **Budget Planning/Formulation**

The Budget Office of the Ministry of Finance develops the budget in accordance with the Federal Government's fiscal policy. The Budget

Office meets early in the fiscal year with key revenue generating agencies (including the Federal Inland Revenue Service, Nigerian Customs Service and the NNPC) as well as key economic agencies (including NPC, NBS and CBN) to assess and determine trends in revenue performance and macroeconomic indicators and the implication of such trends for the next three fiscal years. This discussion leads to the 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. The MTEF as embedded in Sections 11 to 17 of the 2007 Fiscal Responsibility Act, mandates the Federal Government to develop a Fiscal Strategic Paper within a Medium Term Expenditure Framework for a medium term of three-year. The MTEF is further developed into a formal Medium-Term Expenditure Framework Report, which includes the Fiscal Strategy Paper and MDAs expenditure ceilings. This formal MTEF/Fiscal Strategy Paper is required, under the Fiscal Responsibility Act, to be presented by the Minister of Finance first to the Federal Executive Council and then to the National Assembly for consideration and approval. Upon the receipt of this documents (ie MTEFans FSP, the National Assembly forwards same to its relevant and also the National Assembly Budget and Research Office for analysis, which is returned back to the executive after giving approval.

Budget Call Circular and Preparation of the Executive Budget Proposal

Once the MTEF, Fiscal Strategy Paper and MDAs' expenditure ceilings have been approved by the Federal Executive Council and subsequently the NA, the Budget Office, under the supervision of the Minister of Finance, issues a "Call Circular". The Call Circular instructs the MDA to allocate their allotted capital expenditure ceilings across their existing and new projects, programmes and other initiatives. MDAs are also required to submit estimates of their recurrent expenditure requirements for personnel costs and overhead. The Budget Office evaluates and consolidates the submissions of the various MDAs and prepares the draft budget. This process most times, takes place in August.

Presidential Submission to the National Assembly

Section 81 of the 1999 constitution requires that the Presidents at any time before the expiration of the fiscal year the appropriation bill before the two chambers of the National Assembly.Upon the approval of the draft budget presented by the Minister of Finance to the president, the approved draft budget, together with supporting documents, is formally presented by the President to the National Assembly for consideration and appropriation, typically at a joint session of the Senate and the House of Representatives.

Legislative Scrutiny and Approval

This stage proceeds at different stages/readings:

- **1st Reading:** This is the stage at which the Appropriation Bill is introduced. As stated above, the legislative process begins with the President delivering the "budget speech" during the presentation of the Appropriations Bill to a joint session of both Houses of the National Assembly. This speech serves as the Bill's First Reading.
- **2nd Reading & Committee Stage:** The budget is considered separately by both houses of the National Assembly in accordance with the legislative practice and procedures. The Bill is referred to do different committees for scrutiny and the Committee on Appropriation is responsible for the coordination of the process. Each Standing Committee becomes a Sub-Committee of the Appropriations Committee, overseeing the Heads of Estimates for the ministries they are responsible for. While the Appropriation Bill is handled by the Committee on Appropriations, the Heads of Estimates, detailing expenditure requests, are reviewed by these sub-committees. These sub-committees may invite the relevant ministries to defend their budgets.After deliberations, the Sub-Committees report their findings to the Appropriations Committee, which prepares a clean copy for presentation on the Floor of the House. For consideration of the Report, the House of Representatives or Senate resolves itself into a "Committee of the Whole House" referred to as the "Committee of Supply" presided over by the Speaker or Senate President as the case may be, or their Deputies. Each item of expenditure for each ministry is reviewed one by one, and any adopted changes must be implemented before the third reading (Policy and Legal Advocacy Centre (PLAC), 2015: 27).
- **Report Stage & 3rd Reading:** Appropriations Committee submits its report for adoption containing a summary of amendments agreed to by the House and the amount approved for each MDAs after which it goes through third reading and is subsequently passed as Appropriation Bill.
- **Bills Harmonization & Assent:** Section 59 of the 1999 Constitution of Nigeria states that money bills are considered separately by the Senate and the House of Representatives, potentially resulting in different outcomes. To reconcile these differences, a Joint Finance Committee with equal representation from both chambers is formed. This committee addresses only the areas of disagreement and submits its recommendations to both chambers for consideration. Where the Joint Finance Committee fails to resolve the difference, the bill is referred to the National Assembly sitting at a Joint Meeting. Once agreement is reached, each House adopts the Committee's recommendations and passes the Appropriations Bill which is subsequently sent by the Clerk of the National Assembly to the President for Assent. Once the President assents to the Appropriation Bill, it becomes an

Act of parliament passed into law.If the President withholds assent or does not act on the Appropriation Bill or any Money Bill within thirty days, the National Assembly can override the veto by a two-thirds majority in a Joint Session. The bill then becomes law without the President's assent. Section 82 of the 1999 constriction provides that if the Appropriation Bill in respect of any financial year has not been passed into law by the beginning of the financial year, the President may authorize the withdrawal of moneys from the Consolidated Revenue Fund (CRF) of the Federation for the purpose of meeting expenditure necessary to carry on the services of the Government of the Federation for a period not exceeding six months or until the coming into operation of the Appropriation Act, whichever is earlier.

- **Budget Implementation**

The implementation of the budget is carried out by the various Ministries, Department, and Agencies (MDAs) of the federal government. Funds for capital projects are released on a quarterly basis to the relevant spending MDAs in line with what is allocated to them in the budget.

- **Monitoring and Evaluation of the Federal Budget**

The oversight of budget implementation is the final stage of the budget process. The monitoring is done by the Ministry of Finance, the National Planning Commission (NPC), the National Assembly, the National Economic Intelligence Agency (NEIA), the Presidential Monitoring Committee (PBMC), the Office of the Auditor General of the Federation and the Accountant General of the Federation.

Issues and Challenges of the Nigeria Budgetary Process

Babafemi (2014) identified the following as issues and challenges of the budgetary process in Nigeria encompass a wide range of factors that hinder effective resource allocation and implementation:

- **Timeliness**: Delays in budget approval and implementation in Nigeria are not only recurrent but also have severe repercussions. These delays disrupt government activities and hamper development projects, leading to inefficiencies and missed opportunities for growth. The inability to execute planned expenditures within the fiscal year often results in underutilization of resources and diminished impact on socio-economic development (Ozughalu, 2018).
- **Use of Incremental Budgeting**: Incremental budgeting, while providing some stability and predictability, hampers innovation and fails to address evolving priorities and emerging needs. By basing allocations on past budgets rather than current needs and strategic objectives, Nigeria risks perpetuating inefficiencies and misalignments in resource allocation (Oluwatosin & Adetunde, 2019).
- **Budget Crises between the Executive & National Assembly**: Tensions between the executive and the National Assembly create significant bottlenecks in the budgetary process. Prolonged disputes and delays in budget approval and passage lead to uncertainties and inefficiencies,

affecting planning, implementation, and service delivery (Udoka, 2019).

- **Budget Benchmark**: Setting realistic budget benchmarks is challenging due to uncertainties in revenue projections and volatile economic conditions. Without accurate benchmarks, Nigeria may struggle to allocate resources effectively and achieve desired developmental outcomes, leading to misallocation and inefficiencies (Ezeh & Amakom, 2017).
- **Distribution of Excess Crude Surplus**: Disputes over the distribution of excess crude oil revenue among different tiers of government create tensions and hinder effective budget planning. The lack of consensus and transparent mechanisms for revenue sharing exacerbates fiscal uncertainties and complicates budgetary processes (Okogbule & Nwanosike, 2019).
- **Insufficient Linking of Strategy to Vision**: The lack of alignment between budgetary allocations and long-term development strategies undermines the effectiveness of government spending (Olasunkanmi & Yaya, 2016). Without clear linkages between budgetary priorities and overarching development goals, Nigeria risks suboptimal resource allocation and missed opportunities for sustainable growth
- **Manpower Issues**: Challenges in human resource management within Ministries, Departments, and Agencies (MDAs) hinder efficient budget execution and delivery of services (Omoye, 2018). Inadequate staffing, skills gaps, and bureaucratic inefficiencies impede the effective utilization of budgetary resources, compromising service delivery and developmental outcomes.
- **Corruption and Lack of Commitment**: Corruption in Nigeria's budgetary process manifests in various forms, including embezzlement, kickbacks, budget padding, and fraudulent practices. This widespread corruption undermines the integrity of the budgetary process, leading to mismanagement of funds and diversion of resources for personal gain rather than public service. Additionally, a lack of political will to combat corruption further exacerbates the problem, as government officials may prioritize self-interest over the public good, resulting in poor implementation of budgetary plans and failure to deliver essential services to citizens (Aigbokhan, 2018).
- **Independence of the Auditor-General**: Limited independence of the Auditor-General's office undermines accountability and transparency in budget execution and oversight (Olaoye, 2018). When the Auditor-General lacks autonomy, there is a risk of political interference and manipulation, which undermines the credibility of audit findings and reduces transparency in government financial management.
- **Recurrent Expenditure Dominance**: High recurrent expenditure, constituting about 70% of the budget, constrains funding for capital projects and stifles sustainable development (Olatunji & Arogundade, 2019). This dominance of recurrent expenditure limits the funding available for capital projects

and investments in critical infrastructure necessary for sustainable development.

- **Deficit Budgeting for Inclusive Growth**: The use of deficit budgeting to stimulate economic growth raises concerns about debt sustainability and fiscal responsibility (Mogaji & Olaleye, 2019). When deficit spending is not properly managed or aligned with strategic development goals, it can lead to excessive borrowing, inflationary pressures, and debt crises, undermining long-term economic stability and inclusive growth objectives
- **Insufficient Public Input**: Lack of meaningful public participation in the budgetary process limits accountability and transparency in resource allocation (Braimoh & Adebisi, 2019). This lack of public input undermines the legitimacy of budgetary decisions and reduces public trust in government institutions. According to Oloh (2016), the absence of citizen participation in Nigeria's budget process results in projects being included in the budget without consideration of their actual impact on citizens. Moreover, citizens lack the capacity to monitor or influence budget implementation, leading to accountability gaps and the perpetuation of inefficient spending practices.
- **Exhaust the Budget Syndrome**: Rush to spend allocated funds at the end of the fiscal year without proper planning leads to wastage and inefficiency (Olaiya & Ibraheem, 2017). This "exhaust the budget" syndrome incentivizes government agencies to prioritize spending quantity over quality, resulting in suboptimal utilization of resources and diminished impact on development objectives. Additionally, hasty spending decisions may lead to inflated costs, corruption, and mismanagement of funds.
- **Unspent Budget Effects**: Accumulation of unspent funds from previous budgets leads to underutilization of resources and undermines development objectives (Bode-George & Abiola, 2018).
- **Supplementary Budget Issues**: Frequent reliance on supplementary budgets to address emerging needs disrupts budget implementation and undermines fiscal discipline (Ozor & Ezejiofor, 2018). This reliance on supplementary budgets complicates budget management, reduces predictability, and undermines the credibility of fiscal targets.
- **Incomplete Budget Implementation**: Failure to fully implement budgetary provisions undermines public trust and confidence in government (Oluwole, 2017). When budget allocations are not fully utilized or projects remain unfinished, it signals inefficiencies, mismanagement, and lack of accountability in the budgetary process. Incomplete budget implementation hampers the delivery of essential services and compromises the government's ability to address pressing socio-economic challenges.
- **Measuring Budget Implementation**: Emphasis on capital expenditure as the sole measure of budget implementation neglects the importance of recurrent

expenditure in service delivery and capacity building (Bashiru, 2019).

- **Problems during Revenue Shortfalls**: When government revenue falls short of projections, it creates fiscal imbalances and limits the government's ability to finance essential programs and services. Revenue shortfalls may necessitate austerity measures, including spending cuts and increased borrowing, which can undermine socio-economic development and exacerbate inequality (Yakubu, 2018).
- **Contravention of FRA Provisions**: Non-compliance with the Fiscal Responsibility Act of 2007 undermines fiscal discipline and transparency in budget management (Olufemi & Omole, 2018). Contraventions of FRA provisions, such as failure to adhere to fiscal targets or reporting requirements, weaken the credibility of budgetary processes and erode public trust in government institutions.
- **Other Militating Factors**: Factors such as political instability, security challenges, and external economic shocks further complicate the budgetary process and impede development efforts (Agu, 2017).

Recommendations

- **Timeliness**: To address delays in budget approval and implementation, Nigeria should establish clear timelines and accountability mechanisms for all stakeholders involved in the budget process (Ozughalu, 2018). Implementing reforms to streamline procedures and expedite decision-making can help avoid disruptions in government activities and development projects. Amendment of Section 80 and 81 of the 1999 constitution of the Federal Republic of Nigeria to provide specific time frame for: a) budget submission to National Assembly by the Presidency b) Duration of deliberation at National Assembly c) Reduction of time (from 6 to say 3 months) for which the President can authorize drawings from Consolidated Revenue Fund (CRF) (Iloh and Nwokedi, 2016).
- **Use of Incremental Budgeting**: Transitioning away from incremental budgeting towards a more dynamic and needs-based approach is essential (Oluwatosin & Adetunde, 2019). This shift will enable better alignment of resources with strategic objectives and emerging priorities, fostering innovation and efficiency in resource allocation. The Modified Zero Based Budget MZBB should be adopted. ZBB starts from line-item budgeting and derive its thrust from the national vision document and links decision packages in annual budget to long term goals of the national vision document through the elimination of overlapping inter-ministerial expenditure by ensuring effective transfer and justification of operational efficiency in such a way to promote value for money audit (VFM) (Iloh and Nwokedi, 2016).
- **Budget Crises between the Executive & National Assembly**: Fostering constructive dialogue and collaboration between the executive and the National Assembly is crucial (Udoka, 2019). Increased engagement and consultation during the formulation and approval stages of the budget can help mitigate

tensions and expedite the budgetary process.

- **Budget Benchmark**: Setting realistic budget benchmarks requires improving revenue projection accuracy and economic forecasting (Ezeh & Amakom, 2017). Implementing robust methodologies and data-driven analyses can enhance the reliability of budget benchmarks, ensuring effective resource allocation. Benchmark determination by special economic experts.
- **Distribution of Excess Crude Surplus**: Establishing transparent mechanisms for revenue sharing among different tiers of government is essential (Okogbule & Nwanosike, 2019). Clear consensus-building processes and equitable distribution frameworks can help mitigate disputes and uncertainties in budget planning.
- **Linking of Strategy to Vision**: Aligning budgetary allocations with long-term development strategies necessitates enhancing coordination and strategic planning (Olasunkanmi & Yaya, 2016). Annual budgets must derive its thrust from medium term expenditure framework and which in-turn must be linked to the National Development Plan (Iloh & Nwokedi, 2016).
- **Manpower Issues**: Addressing challenges in human resource management requires investing in capacity building and institutional reforms (Omoye, 2018). Enhancing recruitment processes, training programs, and performance management systems can improve the efficiency and effectiveness of budget execution within Ministries, Departments, and Agencies (MDAs).
- **Combatting corruption and fostering commitment**: fiscal responsibility necessitate strengthening anti-corruption measures and promoting transparency (Aigbokhan, 2018). Fundamental Principles as transparency, participation, accountability and equity and equality must underlie the process of crafting
- **Independence of the Auditor-General**: Enhancing the independence, capabilities, and resources of oversight bodies such as the Auditor-General's office is critical (Olaoye, 2018). Providing adequate funding, legal protection, and institutional autonomy can safeguard the integrity and effectiveness of audit processes, enhancing transparency and accountability in budget execution and oversight.
- **Foster Capital Expenditure Dominance**: Reducing the dominance of recurrent expenditure requires rebalancing budget priorities towards capital investment and infrastructure development (Olatunji & Arogundade, 2019). Implementing fiscal reforms, prioritizing capital projects, and optimizing recurrent spending can help unlock resources for sustainable development initiatives.

Conclusion

In Nigeria, the budgetary process, governed by constitutional provisions and financial regulations, involves collaboration between the executive and legislative branches. However, numerous challenges impede its effectiveness, including delays in approval, reliance on incremental budgeting, and tensions between branches. Addressing these issues requires clear timelines, transitioning to needs-based budgeting, and fostering constructive dialogue.

Moreover, enhancing transparency, accountability, and capacity within government institutions is crucial. Aligning budget allocations with long-term development strategies, prioritizing capital expenditure, and combating corruption are vital for sustainable growth. Ultimately, addressing these challenges and implementing proposed solutions are essential for improving the efficiency, transparency, and effectiveness of Nigeria's budget process, fostering socio-economic development and prosperity.

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