BUDGET MONITORING AND CONTROL AND ECONOMIC MANAGEMENT IN NIGERIA: A CASE STUDY OF PLATEAU STATE.

BY

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CERTIFICATION

This is to certify that the whole work done in this project is completely and originally my concept ably supervised by Dr. J. Nwasike as a partial requirement for the award of Masters Degree in Business Administration. (Ahmadu Bello Univesity, Kongo, Zaria).



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CERTIFICATION

This project work titled "*Budget Monitoring and Control and Economic Management in Nigeri: A* case study of Plateau State" by *H. M. Gaiya* meets the regulations govering the award of the degree of Master of Business Administration of Ahmadu Bello University, Zaria and is approved for its contribution to knowledge and literary presentation.

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DEDICATION

IN MEMORY OF MY BELOVED FATHER LATE EVANGELIST GAIYA M. MUNGU AND MOTHER MAI- KYAU GAIYA MUNGU AND TO ALL THE SAINTS THAT HAVE GONE BEFORE US - WHO BELIEVED THAT GOD'S BLESSING ARE HIDEN IN HUMAN DISAPPOINTMENTS AND SORROWS TO MY LOVING WIFE, CHILDREN, RELATIONS AND FRIENDS WISHING EACH GOD'S GUIDANCE IN THEIR INDIVIDUAL ENDEAVOUR IN LIFE.

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ABSTRACT

This work was carried out principally to study the problems of budgeting in plateau state, of particular importance is the monitoring and control mechanisms of the budget. The work is based on the premise that budget deficits is a measure of budget indispline and can be attributed largely to inefficient monitoring and control mechanisms.

In the course of the research, it was discovered that during the peiod under review (1985 - 1994), which is considered less sensitive the plateau state budgethas withnessed alarming deficits totalling over N2 Billion (measured by the amount of deviation of the estimated from the yearly expenditures). The deficits measured as high as - 179% in some years. This very high rate of deficit has led to the massive accummulation of debts in the state (Both External and Domestic). At present the state is indebted to the tune of about N10.7 billion. This debt burden has also resulted in the high rate of unemployment in the state an d the slow development of the necessary social infrustractures to the citixenry.

It was also discovered that although there exists some monitoring and control structures in the state. Charged with ensuring that there does not occur a disturbing deviation from the budget (Agencies such as the public accounts committee, Audit, Budget and Planning, e.t.c). These committees are ineffective and have no power to control financial recklessness. This accounts for this inefficiencies.

At the final analysis, the researcher opined that efforts should be directed towards building up a financial management capability to estimate and monitor costs to fulfill the programme tasks within specific cost ceilings and to help devise measures proper accountability: for budgets and plans must be drawn within available resources and should be implimentable.

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CHAPTER ONE

GENERAL INTRODUCTION

1.1 BACKGROUND OF THE STUDY

For most modern Governments the budget has become one of the most important tools for managing the economy of their respective nations.Government budgets exercise considerable influence in any domestic economy and in a world of inter-dependence, they often have impact on other national economies. In most countries, for instance, the Government is invariably the largest single employer and of course the largest single purchaser of goods. The goods and services produced by Government are of the greatest interest to the generality of the people.

Similalrly, the budget is tody perceived as an instrument for implementing development plans in regulated economies and for influencing the market in a pre-determined manner in free market economies. The budget in developing economies is designed to serve the following among others:

(a) Short-term financial plan;

(b) the fulcrum for the fulfilment of people's aspirations and for the redeployment of political promises;

(c) a management tool used for both planning and control;

(d) a device for ensuring continuous monitoring procedures, reviewing and evaluating performance with reference to established standards;

(e) a charge agent to enable management anticpate change and adapt to it;

(f) a means of improving internal co-ordination and operations generally.

Aaron (1987:41) confirms this when he argues that:

a budget is necessary ranging from a household to a national budget. What constitutes a budget differs from one set of persons and circumstances to another.To the accountant, it is not more a financial plan, to a political economist, it is a political document couched in figures; to a housewife, it may be the husband's purse; to a soldier, it may relate to the logistics of time and risks; to a company, it may relate the concern for the level of profits etc.

Of course, whether we budget for money, men, materials, time or space, what is important is that one tries to plan ahead with an objective to be attained in view. Consiquently, the entire budget process from planning to implementation constitutes the cynosure of all eyes.

Budget monitoring and control therefore is very important for the survival of any business organisation. Its relevance is more pronounced in Governments, particularly the Governments of developing countries. No doubt, Grubel (1956:12) sharply describes this scenario when he laments:

Governments spend for the purpose of providing services, but business also spend money in order to increase its financial resources and power. Governmental and philanthropic services have to be rendered regardless of the development of cost. Their income is not connected with earning power, but with raising ability. Government budgets therefore have very wide ranging repercussions on its citizebs, particularly in Nigeria where most people rely wholly on Government for their livelihood. The citizens depend largely on Government for their existence and comfort due to mass-poverty, under-developed nature of the economy as well as the near absence of a virile private sector. This explains the yearly over-zealousness of most people, three to four months before the pronouncement of the budget. Commentaries in both the print and electronic media are replete with the citizens'

However, it is based on this importance of the budget to the entire citizenry that Governments institute monitoring and expenditure control mechanism to facilitate the attainment of its goals.Ironically, the body that prepares the

budget may not be the one that should authorise, and the one that authorizes may not be the executing agency. Also, the agency responsible for monitoring to guarantee good performance and accountability may again be different. This explains the fact that despite Government efforts at ensuring the attainment of its objectives, a casual look at the estimated and actual expenditures in various plateau State budget documents reveal a significant deviation of the actual figures from the budget figures (Appendix D). What this means is effect is that there has been some level of budget in-discipline which has affected the optimal attainment of the desired goals.

Nevertheless, sound organisational structure with clear-cut lines of authority and responsibility is a pre-requisite for the success of budgeting and budgetary control. It is necessary when preparing the budget to involve those persons who will be charged with the responsibility of implementing same. This will not only make them have a sense of belonging in the organisation, it will also help in motivating them towards meeting the target set.

To buttres this, Eliset (1985:10) points out that "we are beginning to learn that no tool can be used effectively unless the hand that guids it is rightly motivated". In essence, should there be any strong reason necessiating changing the budget proposed by lower management, top management should take them into confidence and they should jointly reach a compromise on what figures should be amended.

One very fundamental objective of public sector budgeting in Nigeria and for which budgeting was conceived, is the idea of generating revenue through taxation and others. Ironically, most Governments, particularly the State Governments have very poor internal revenue base therefore rely largely on statutory allocations from the Federation Account. Onosode (1992:9) confesses this situation thus:

> *Apart from Lagos, all other states of the Federatoin depend very heavily for their sustenance on distribution from the federation Account to finance their projects in varying degrees, their recurrent expenditures as well,*

dependence (except for Lagos) which ranges from 50% to well over 90%.

Inspite of the fact that budget monitoring and control involves problems, particularly time and money, its validity and pride still lie in the fact that it set up target aimed at measuring the accuracy of a system concerned.

1.2. STATEMENT OF RESEARCH PROBLEM

Inspite of the fact that budget monitoring and control system helps towards improved policy formation and implementation, there still exist up to date, a very significant variation between projected figures and actual attainments. Public sector spending in Nigeria has been characterised by fiscal recklessness. For instance, the African Concord of 31st March, 1992 revealed that the 1991 Federal budget which was conceived to achieve a N100 million surplus amassed N10.6 billion deficit mid-year. Also, the State Governments have not been left out of turning a blind eye to budgetary ceilings.

According to Musa (1995), the Government of Plateau State projected the sum of N1,745,645,910 in 1994 and at the of the fiscal year, the expenditure was N2,886,603,182 thus indicating a variation of N1,140,957,272. In it, it was maintained that the Commissioner Alhaji A.R. Nuhu blamed this situation on budgetary in-discipline by the Ministries and Ex-tra-Ministerial Departments because most of them went beyond their allocations. Of course, such cases of variation abound in many other years.

Most researchers are associated with a number of problems which are peculiar to the studies.

The problems highlighted above are those largely associated with budget monitoring and control in the public sector. However, exploring the possibility of addressing the following identified problems will be the major concern which this study seeks to accomplish:

1. Why are there constant cases of variations between the actual and budgeted figures of the state?
2. Are variance analyses undertaken by the Government concerned?

3. If yes, to what extent are they utized to forestall future occurrences?

4. Are there adequate control measures in our budget system?

5. To what extent does the Government implement its annual policies and programmes?

6. Are there other probable factors exogenous to the control mechanism which account for these deviations?

7. What course of action should our Government take to courtail the present situation of adverse variances in our annual budget?

If answers to the above questions are in the affirmative, then one can by derivation conclude that the budget monitoring and control system is effective and has a significant impact on the the decision making process of the state, otherwise, reverse is the case.

1.3 RESEARCH OBJECTIVES

To address the issues of conccern implicit in the foregoing, therefore, this study seeks to achieve the following objectives:

(1) To determine whether Government plans, policies, programmes and projects do reflect the desired pattern of development within the context of the budget,

(2) To ascertain the extent to which changes in Government polices and priorities during current budget implementation tend to jeopardise budget performance,

(3) To find out the effective control and padding on the effective control and monitoring of the budget,

(4) To determine other factors that could account for the high rate of variation between actual and budgeted expenditures,

(5) To analyse the internal budget monitoring and control mechanisms and assess its impact on budget implementation and expenditure control,

(6) To examine the components of Government expenditures and identify areas of waste and improvements,

(7) To establish reasons for and impact of the high variation between budgeted and actual expenditures, and

(8) To advance solutions towards ensuring optimal achievement of budget goals and stream-lining of Government expenditure generally.

1.4 RESEARCH HYPOTHESIS

The on-going study is based on the following hypotheses:

(1) Ho: There is no variation between actual and budgeted expenditure figures hence constitute no problem to budget implementation in the state.

Hi: The variation between actual and budgeted expenditure figures is significant thus poses great problem in budget implementation in the state.

(2) Ho: The present internal budget monitoring and control mechanism is adequate and fully takes care of the deviations arising in the state budgets.

Hi: The existing internal budget monitoring and control mechanism is inadequate thus needs to be overhauled to take care of the deviations that arise between the estimated and actual budgetary figures.

1.5 SCOPE AND LIMITATIONS

The topic "Budget Monitoring and Control as a Panacea for Efficient Economic Management" may seem too broad for an academic discussion if at all standards are to to be maintained. The study therefore will not attempt to go into the details of the budget policy framework of the sixties and the seventies, but will only focus on the challenges of the late eighties to date. In

essence, the study shall cover a period of ten years (1985- 19940. It will also attempt to unravel the peculiar and persistent constraints that shape the Plateau state annual budgets, its techniques monitoring and control system within the stipulated period, especially as it affects efficient economic tolls on the nation's economy generally.

The study therefore shall be limited to Plateau state is likely not exempted from the hardship of the devastated national economy. Necessary funds and materials needed to exhaustively and conveniently accomplish the task set forth may constitute a major set back. Also, some of the listed publications for the review may be out of reach. This is because the environmental, social and cultural factors cannot be over looked in conducting a research of this nature. Traditionally, the bureaucratic nature of the entire civil service, buttressed by the "cultural secrecy" of the Government may not permit the collection of the relevant information for the study. Consequently, the study will resort to make do with the publications and data at hand, corroborated with experience, observation and personal interview.

The researcher shall lmit himself to the existing data in approved budget booklets of the state, other unpublised sources, as well as the monthly expenditure returns submitted to the Budget Department by the various Government agencies.

This study therefore does not claim to be exhaustive, rather it is only meant to sensitise both Government and the entire citizenry on the need for proper and continuous monitoring and control of its budgets if it will attain its desired goals. The study is aimed at stimulating further in-dept research on the topic of discussion.

Consequently, attempts at using our findings to generalise for the entire country mab ye faulty as there exist differences in structure and performance of internal monitoring and control mechanisms in place in different states of the Federation, thus the problems enumerated here may significantly differ.

1.6 SIGNIFICANCE OF THE STUDY

Mamzhi (1992) maintains that the budget has long been the focal point of financial procedure of public authorities the world over, and would continue to occupy such a crucial position, particularly in developing economies where the resources are not only inadequate and scarce, but are dwindling every passing day. The examinatin of budgeting, its structure, monitoring and control therefore in the public sector is of paramount importance because of the following:

(i) It will awaken the consciousness of the Government towards the fulfilment of its responsibities to its citizens through the budget process on one hand, and the expectation of the citizens on the other. The Government has a responsibility to its society to contribute to the value added, provide employment to its citizens as well as other social welfare services. The citizens who hear the tax burden expect the Government of the day to provide them with the basic necessities in life.

(ii) It will also enhance the ability of Governments in identifying development problems and subsequently, the formation of appropriate policies.

(iii) It will help in introducing Forecasters and Accounting Officers alike to the basic framework and quantitative techniques in budget monitoring and control as well as familiarising them with appropriate methods of resource management.

(iv) It will help in facilitating the completion of actual cost with the budgeted by simply relating what happen with what ought to have happened.

(v) It will guide the budget Departments, Accounting Officers, Heads of Departments, Extra-Ministerial Departments, Chief Executives of Parastatals and Government owned companies, staff of various Departments, including state and local Government Legislative arms, and of course their Appropriation Committees etc to cooperate

in the preparation, implementation and review of annual budgets, being policy documents.

(vi) It will help in bringing the various activities of Government into sharp focus and assist both the Executive and the Legislative arms of Government to take forward-look in keeping Government polies and progammes generally under constant review. This, will no doubt, serve as the basis for avoiding neglect and lopsided development.

(vii) It will assist the Government of the day to correct adverse deviations, particularly through and acceptable measure of what costs should be in relation to any given set of conditions

(viii) Above all, the study will also help in exposing our academicians beyond classroom experience to the practical working of the Nigerian economy.

1.7 OPERATIONAL DEFINITION OF TERMS

This section tries to explain further, terms or phrases which may seem very strange to our numerous readers. In essence, these terms are used over and over again in the course of our on-going discussion. They include the following:

BUDGE: This is perceived as a statement of activities to be carried out by either a unit, a person, an organisation or Government etc, usually expressed in quantitative terms within a specified period of time. A budget to a Government, is simply an estimate of projected revenues and expenditures within a calendar year. The budget here, is also perceived as a means of ensuring effective and efficient resource mobilization, efficient management of expenditure, and slso as effective control and coordination by and large, of economic activities.

BUDGET CONTROL: Budgetary control here is regarded as the process of regulating the smooth implementation of the budget in order to meet up set goals and objectives as well as to e nsure satisfactory performance of the

economy. This may be sustained through the imposition of guidelines, restrictions or strict measures.

BUDGET IMPLEMENTATION: This simply defined as the various processs or stages which a budget has to undergo if it is to be efficient.

Usually, the budget is prepared according to the current policy objectives of the Government by relating expenditure decisions to specific policy objectives; whether it facilitates effective and efficient process in the implementation of Government progammes.

BUDGET MONITORING: This is seen as an instrument or measure dsigned to eliminate or reduce costs and wastages to the barest minimum, check distrortions that may be brought to bear on the budget at its implementation stage and of course to ensure effective use of the resources allocated in order to achieve the desired goals and objectives.

CALL CIRCULARS: This is usually issued by the budget Department to all Ministries and Extra-Ministerial Departments to forward ther advanced proposals for the coming year. The call circular, among other requirements will require Government agencies to submit their:

(a) actual collected revenue for the current year and projection s for the following year from each source,

(b) actual expenditure on each sub-head for the current year and projected expenditure in the following year,

(c) a comprehensive staff list showing grade level of each staff and date of his last promotion. This will guide the Forecasters to compute their personal emoluments (salaries) for coming year.

CAPITAL EXPENDITURE: This refers to all expendituresn on projects which are of long-term duration, or whose period of construction stretches over along period of time or years. These include construction of Schools, Hospitals,. Offices, Roads, and Bridges, Dams, Provision of Water supply,Electricity, Purchase of Capital Equipment such as tractors, caterpilars, etc.

CAPITAL RECEIPTS: Here, this conists of Transfer from the consolidated Revenue and Fund to Capital Development Fund. This, in essence is the execess of revenue from the Consolidated Revenue Fund after all Recurrent Expenditures have been taken from internal and external loans, Grants or Development loan, etc. Funds which occur from these sources are used only for capital projects.

CAPITAL EXPENDITURE: Simply perceived as what accrue to the State Government, especially from taxes, fines, licenses,, sales, rents, investments and statutory allocation from the Federation Account. The total earnings from the sources form the Consolidated Revenue Fund.

STABIILIZATION FUND: simply defined as money set aside by Government from her revenue reserve for either unforeseen expenses, contingencies or security purposes.

TENDERS BOARD: These are bodies constituted to control the award of contracts. In it, the element of control of large expenditures by Ministry of Finance is guaranteed by the membership composition of the Tenders Board, which in all cases must include at least an official of the Ministry of Finance.

VARIANCES: A variance is simply the difference between standard prices and quantities, and actual prices and quantities. Variances which relates the analysis into constituent parts of variances between planned and actual performance. Variance analysis is also a mathematical manipulation of two insights into the underlying casues of variation. One amount is treated as the base, standard, or reference point.

VIREMENT: This is a French budgetary-term which despicts transfer of savings from one or more sub-heads to meet excess expenditure on another sub-heads in the same vote.

Virement is also a useful, flexible device in the judicious use of funds in the process of implementing a budget, while others criticise it as capable of being employed to sustantially alter the wishes of legislators who approve the original appropriation limits.

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VOUCHERS: This is a means or rather a procedure of payment of any public funds of the consolidated Funds for any services/purposes whatsoever. A mechanism of control, it ensures th at payments are made only to beneficiaries. In it, the details of such payments are shown on the voucher which then lends itself to auditing aso to the basis of the payment. Vouchers can be raised for payment from one station to another especially where the treasury named in the voucher is obliged to pay cash.

WARRANTS: These are authority in writing by designed persons, usually the Finance Commissioner to Officers controlling votes to spend money provided for in the annual estimates and approved by the legislature under the Appropriation Act. Traditionally, such warrants are addressed to the Accountant General of the State concerned. This, of course is a form of control at the executive level which gives the Commissioner for Finance power to withhold certain expenditures or transfer certain funds or make provision for additional funds (augmentation) whenever such need arises.

CHAPTER TWO

2.0 REVIEW OF RELATED LITERATURE

2.1 INTRODUCTION

This section of the research work shall dwell much more on the review of related materials and texts written by the scholas. This shall involve pruning into write-ups including periodicals and dailies of related issues and updating such to justify the said topic, and to avail ourselves the oppurtunity to add to knowledge in areas discovered not to have been tapped, aimed at giving the profession its due recognition if the dreams of efficient budgeting in Nigeria are to be achieved.

In essence, this chapter shall attempt to present a comprehensive survey of existing thought on the subject, aimed at shading more light on the questions raised by the problems inhibiting efficient budgeting and budgeting and budgetary control system generally in Nigeria. The chapter also trace the evolution of bugeting and budgetary control in Nigeria.

2.2 MEANING, OBJECTIVES AND TYPES OF BUDGETING.

Budgeting, whether in the private or public sector is an essential process to be followed in order to mobilize available limited resourses to achieve set objectives. Pearce (1992:2) has this to say about bugeting:

> *Budgeting in public sector could be defined as a process by which a Government formulates its goals and objectives for the fiscal year, establishes priorities for the use of scarce resources, mobilises and allocates resouces among sopecific programmes and activities, identifies policies and operational modalities to implement programmes and projects efficiently, and provides for an evaluation of results in relation to onjectives, targets and utilisation of resources, The budget is a continous flexible process which should respond to changing conditions.*

Similarly, Peter (1987:5) contributed saying that

"a budget is a plan of action. It is dynamic rather than static. It provieds equally well for strategic retreat and for accelerated attack. Success will come to those whose plans are carefully conceived."

In yet another development, Mamzhi (990:2) provides an elaborate defination of a Government budget and in his words:

"A budget to a Government, (be it Federal. State or Local) is a statement of activities to be carried out within a financial year, expressed in quantitative terms. It is an estimate for the year ahead of revenue and expenditure on current or capital accounts. Budget is considered as:

(i) *a forecast of what expenditure will be necessary or desirable;*

(ii) *a plan to ensure the right relationship between income and expenditure;*

(iii) *an authorisation to raise and spend the amount specified; and*

(iv) *a means of controlling expenditure and other activities of Government.*

Nevertheless, the defination which tends to embrace all the above is that provided by the Institute of Cost and Management Accountants (now known as the Chartered Institute of Management Accounts) otherwise referred to as ICMA. The ICMA Terminology (1974:26) states that:

Budget are financxial and /or quantitative statements, prepared and approved prior to a defined period of time, of the policies to be pursued during that period for the purpose of attaining a given objective. They may include income, expenditure and control, budgets required regular review and modification to reflect rapidly changing conditions in the business environment.

2.2.1 OBJECTIVES OF A GOOD BUDGET

Adjekughele (1994) suggest that a good budget should have the following objectives:

(a) It must be goal-oriented, and the goal must feasible and properly defined.

(b) The goals of each Ministry and Extra-Ministerial Department should be clearly stated and identified with the goals set by the Government.

(c) There should be means of evaluating the objectives, achievements and methods adopted in achieving them.

(d) The budget must be seen in the conyext of national economy sothat measures taken would increase the welfare of the citizens generally.

(e) Budget should make long-term planning possible.

(f) The budget most be cost-effective. Benefits should exceed cost or the unit of expenditure.

(g) The budget must estimate the economy soas to prevent unemplomeni, foster development, and reduce inflation against others.

In another contrary opinion, Ohey(1987:11) provided the order of operational preparation of budget which appear more logical:

(1) The determination of the level of Government expenditure for the next budget period.

(2) The setting of general priorities among and within the various sectors or main fields of Government activity by the planning authority.

(3) The formulation of proposed projects by the operating departments.

(4) The review and selection of projects by the palnning authority.

(5) The submission of financial estimates of the projects to the budget office for review and inclusion in the budget.

(6) The establishment of financial form in which the budget estimates will be presented to the legislature.

(7) The discussion and authorization of the budget by the Leguslature.

2.3 ORIGIN OF BUDGETING

One way of conceptualising a budget is to appreciate the inherent desire in man from time immemorial, to predict the future. Alhaji (1990) contended that in the olden days, (may be it is the case in certain quarters even today), kings, wealthy elites, etc. were prepared to pay huge sums of money to sorcerers, Crystal ballgazers etc., to predict for them the outcome of certain

events in the future including outcome of intended war, expected harvest etc. Today, however, Government and other big organisations are prepared to hire Economist, Financial Expert, Planners, Econometrists, Computer Analysts, Accountants etc. to forecast today what happen financially and economically in the future; be it a year or two or more from the time of forecast.

The word "budget" is perhaps as old as mankind, and is derived from the Latin word "bulga" meaning a leather sack in which the Romans used to carry a supply of food. At a later time, Nixon (1935:46) maintained that " the meaning could slightly be altered from the mere bag to the contents of the bag". The fundamental basis of the budget therfore was to curtail the extravagance of national representative Governments. Umorent (1985) arguement vehemently that if budgeting is percieved as a means of control, being one of its functions, then the early antecedents of budgeting can be traced back to the signing of the Magna Carta in 1215. Indeed, Article 12 of this document placed several specific limits upon the ability of the crown to impose taxes in the kingdom.

The Madna Carta, no doubt, dealt only with revenue (tax) aspect of public finace, the document established the idea of certain limitations over the financial matters of the Crown. This principle was gradually modified over the centuries.

Alhaji (1990) postulates that the establishment of formal budgeting in Great Britain can be dated frm about 1822, when an annual statement of Government finance was established, and the Chancellor of the Exchequer presented an annual statement of proposed expenditure to Parliament. It was against this baeground therfore that Griesemer(1983:4) maintained that "if one accepts 1822 as the birth-date of formal budget activity, then budgeting as a human enterprise is well under 200 years old". This arguement was later confirmed by Alhaji (1990:3) when he said that:

By 1822, The Chancellor of the Exchequer had adopted the practice of presenting annual budget statement to Parliament. In 1822, Parliament created a Public Accounts Commitee for retrospective review of Government expenditures, and in 1866, an independent post audit was provided by the Exchequer and Audit Act.

At this jucture, therfore, it is important to note that a budget in the 20th century is more than just the issue of raising money to pay Government Expenditures. In most countries, the budget is the single most comprehensivc policy to guide the action of the Government concerned.

Mamzhi(1992:7) support this fact when he said that "the budget, today, serves as a pattern for , and control over future operationsof the Government. It is an estimate of future costs and benefits and a planned allocating resources to completing demands of the various components of public service".

The budget today has become a significant aspect of general economic policy of Government. Towards the end of the 19th century, the frame work of the Modern British Financial System was well constituted in the United Kingdom.

2.4.0 PROCESSES OF BUDGETING AND BUDGET CONTROL.

While presenting a paper on budgeting and budget contrl in the public sector, Mamzhi (1990) subnits that the state that employs the following basic stages (fig. 2.1) in the preparation budgets:

(i) **Issuance of Call Circulars** by the Budget Department to all Ministries and Extra-Ministerial Establishments for the submission of advanced proposals. The circular which is usually issued towards the end of the third quater, will among other requirements, request Ministries and agencies to submit their:

(a) actual revenue collected for the current year and projection of the following year from each source.

(b) actual expenditure on each sub-Head for the current year and projected expenditure in the following year.

(c) a comprehensive staff list showing grade level of each staff and date of list last promotion.

(ii) After the advanced proposals have been received from all the Ministries and Extr-ministerial Departments, a Preliminary Discussion is immediately made on such submissions or proposals. Usually, at these meetings,each Ministry and agency is expected to defend its submission. They provided adequate explanations as to why targeted revenue has not been generated where there is under-collection, and proffer reasons for theirprojection into the next financial year. they are also expected at this meeting to give reasonable explanations as to why expenditures were not uncurred or exceeded if any, and their projection in the next year. At this stage, however, the Budget Department makes appropriatealteration in their submissions ready for presentation at the State Budget Committee Meeting.

(iii) At the Budget Committee Meeting, he maintains,agencies are expected to make appeal if any against the decision at the preliminary discussiuon meeting, Afterlistening keenly to the defence of the Preliminary Meeting, the submissions of the Preliminary meting are accepted or changes are affected where the need arises.

At the end of the Budget Committee Meeting, a draft budget for the state emerges.

(iv) The next stage as Mamzhi puts it is the National Budget Committee. According to him, this stage depends largely on what system of Government is in power. If it is a Military Adminitration, the draft budget will go for defence at the National Headquaters in Lagos. The state Government concern will therefore defend its budget for the year before this Committee. This is to enable the Committee ascertain whether or not the State budget is realistic, and of course in confirmity with its earlier stipulated guidelines. At the end of this

meeting, the National Budget Committee pegs a budget ceiling for the State in question.

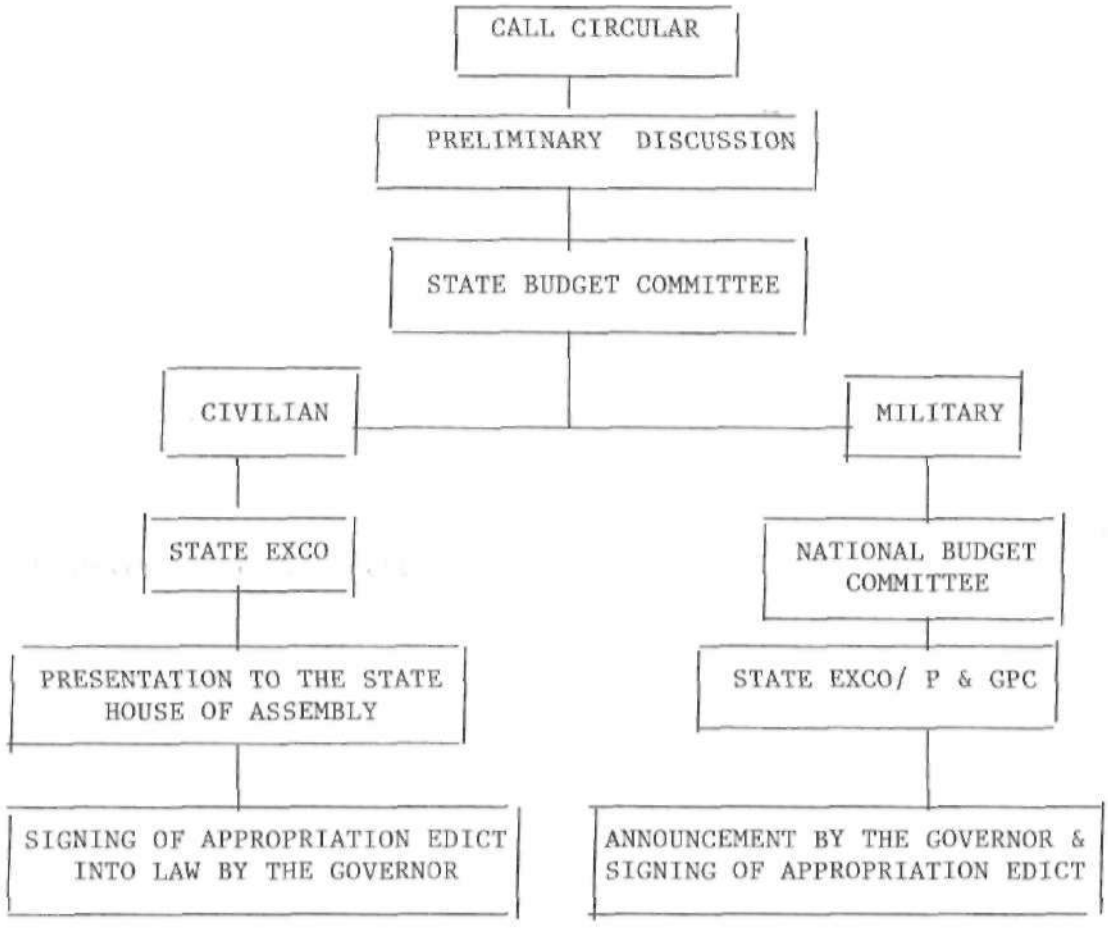
(v) The next stage after effecting all necessary amendments, as he observed, is that the budget will be presented to the State Exucutive Council, at tyhe Executive council, the emphasis here in not to change the size of the budget, rather the Council can transfer funds from one project programme to the other depending on the priority of the Governmet. All these manoeuvering of funds must be within the budget ceiling, as under the Military Regime, States are not allowed to prepare a deficit budget.

(vi) The Budget Announcement, he urged, is the next stage of budgeting and budgetary control.

At the end of recording of priorities by the Executive Council within the budget ceiling, pegged by the National Budget Committee, the budget is the ready for financial announcement. This, however, is affected by the Military Governor. But during Civilian administration after the State Budget Committee has finally completed its work on the Budget, it will be forwarded straight to the State Executive Council for consideration. In like manner, the Governor will present the Budget to the State House Of Assembly for consideration after which an appropriation law is passed to be signed by the Governor or Administrator.

One significant differences between the budget during the Military and Civilian Administration, is the factthat State Governments are not allowed to prepare a dificit budget during the Military Regime whereas deficit budgeting appears to be the order of the dat during Civilian Adminitration. This explains that at the budgeting processes, there seems to be little or no control mechanism, particulaly in a civilian set up.

Fig. 2.1 PROCESSES OF BUDGETING AND BUDGETARY CONTROL



SOURCE: Mamzini G. 1991, Budgeting and Budgetary Control: A Case of Plateau State.

2.5.0 BUDGETING PROCEDURE AT THE FEDERAL LEVEL

It an established fact that budgeting procedure at the Federal level involves a number of steps. Alhaji (1990) recount that the formal starting point is the "call-circular" which is usually issued about four (4) months to the beginning of the next financial year. The call-circular, which was issued by the Federal Ministry of Finance contains instructions on the procedure in presenting Ministerial and Departmental estimates. In the course of the following weeks, the estimate would be prepared and submitted to the Federal Minitry Of Finance. The examination of the budget proposals, he maintaines, takes the form of "budget hearing" during which time budget officials of the Federal Ministry of Finance go through the estimates in detail with the representatives of the Federal Ministries concerned with a view to reaching compromise at the official level, on the scope and scale of the estimates. If agreement can be reached at that level, then the agreement forms the basis of the proposals to be incorporated in the budget. If on the other hand agreement cannot be reached, then afurther effort has to be made to do so by further deliberation at the Ministerial level between the Ministry concerned and the Ministry of Finance. Of course, if agreement cannot be reached, the issue is finally settled in thc cabinet. Only the cabinet has the power to determine finally, what the overall priority programme of the Government should be and if there is no enough financial resources to match all the desired programmes, which of the programmes shall have priority.

The next step depends largerly on which Government is in power. In a civilian regime, for instance, the estimates of revenue and expenditure is presented to a joint session of the House of Representatives and Senate by the President. After the estimates have been presented, it is accompanied by a general debate and a detailed or item by item consideration by the Public Accounts Committee. Having exhausted all these procedures, an appropriation Act is passed, which gives authority for the expenditure as approved in the estimates. The Act also authorises the President to borrow in anticipation of revenue.

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However, in the case of a Military Administration after the estimate is approved by the cabinet, it is then presented to the Armed Forces Ruling Council (AFRC) for scrutiny and approval. After approval by the AFRC, the budget (National Budget) is finally announced to the nation by the President.

At this juncture, therefore, it is fundamental to highlight some of the significant developments which took place in Nigerian budgeting system over the years. In 979, the Federal Government took a bold step by transfering the Budget Department from the Federal Ministry of Finance to the office of the President. In 980, Nigeria adopted the Programme-Performance Budgeting System (PPBS) and changed its financial year from April st to March 31st, to January 1st to December 31st. This development is the current practice and period in place in the country today.

2.6.0 BASIS/IMPORTANCE OF BUDGETING

The needs and circumstance that compel individuals, households, corporate and non-corporate bodies, Government and non-Government Organisations, etc. to engage in various forms of budgetingg (annual planning) are numerous. Hopwood (1983:16) once provided that:

> *The modern economic environment, especially of the developing and underdevelop world is vulnerable to the dynamic and competitive domestic and external conflicts of economic interests, and full of uncertainties and unpredictable economic, social and polical events. All modern organisations thereofore must budget and plan to survive the rigours of these complicated, complex, competetive and unpredictable global and domestic environments.*

In like manner, Agyina (1992) provides that the need for budgeting becomes more desirable at this time of permissive economic activities, especially under the prevailing Structural Adjustment Programme (SAP) which has made competition more dynamic and subject to abuses, particularly the private sector.

Contributing further on the need for budgeting, Rgwu (1991.5) has this to say:

> *To the Politicians and Government, budgeting whether in the public or private sector, is an essential process to be followed in order to mobilise available limited resources to accomplish set objectives. It is an important administrative instrument for the effective control and manipulation of important macro- economic or socio-economic and political variables for the very purpose of attaining desirable public policy goals, objectives and targets especially given the watchful eyes of the opposition or rival party.*

Similarly, contributing further to the reasons for public budget,

Gobum (1984:6) maintains that

> *No Government in the modern World would be prepared to give room for the opposition or even the public to attribute its failure to planlessness. Government will prefer to blame her failure on unforseen domestic and external economic, social and political forces that admit or attribute them to poor planning and budgeting. Moreover, a Government that engages in the formulation and implementation of good (sophisticated and elaborate), and well conceived budget will have every reason to demonstrate to the electorates that it is serious in the business of Government in its burning desire to fulfil its electioneering and campaign promises. It is through the budget that the Government demonstrates to all her citizens that it is consciously concerned about their general welfare.*

Lamenting further on the significance of budgeting, Hopwod (1983:21) opined that:

> *The budget represents an important political document of the Government, therefore, it is mainly geared towards the attainment of improved macro-economic conditions for the purpose of improving socio-economic and or political welfare by way of raising the living standard of the general public. The budget also provides opportunities for fine-tuning economic, social and political activities to bring about desired progress (development and growth) through constant reconciliation of the budgeted and the actual*

achievements, to bring the economy on cofurse for proper control and attainment of desired social gains or benefits.

Umoren (1985) also maintained that all budgets are designed too, not only control the variations of actuals from the planned targets, but to also control public expenditures, and maximise resources mobilisation for the purpose of guarding against exceeding planned or budgeted expenditure limits, and to maximise public service delivery. The budget, he said, represents a constitutional provision which imposes a legal limit and discipline on unrestrained expenditures by Government agencies. Although the public budgets, sometimes can be easily manipulated to score political gains, yet budgets are important for the achievement of maximum balance of interests in developing and multi-ethnic societiess.

To crown it all, Alhaji (1990:13) submits that:

The budget, to the British people is the most important occasion during the year when the Chancellor (of Chequer) reviews the progress of the economy against the world economic background, describes the economic policies of the Government, and sets out or explains any new measures and financial fiscal framework for which he seeks parliament approval for implementing important policies of the Government in the given budget or fiscal year.

In essence, therefore, a budget is an instrument for executing on annual bais, the previously established short and long-terms commitments of a Government. It is an instrument for proper management or expenditure, policy adjustments, and effective control and coordination of economic activities at all levels of Government. It must evolve an effective and efficient resources mobilization, high accountability for expenditure and strong administrative control.

2.6.1 CRITERIA OF GOOD BUDGETING

Contributing on the requirements for good budgeting, Adjekughele (1992:31) opined that "for a budgeting system to be effective and practicable, it is not only important to have a sound organisational structure, but it must

also possess a clear-cut designation of lines of authorities and responsibilities.

The essence of organisational structure and the assignment of authority is to set up a framework within which orgaisation objectives may be achieved in a co-ordinated and effective way on a regular basis. It is then possible to create a budget centre within such a structure with clearly defined responsibilities. Units may be considered as budget centres or, if such units are large, then sub-groupings may be planned. Each centre will then have a manager or head who will be responsible not only for the preparation of the budget information for this centre, but also for the actual results as compared with the original estimates".

Of course, it is of great help for top management to employ full communications, particularly the concept of feed forward. To buttress this idea, Koontz and O'Donnel (1972:63) recommend "Three primary flows of information". This, however, can be achieved through the preparation of a budget manual which sets out the responsibilities of all persons connected with the budgeting system and the procedure to be followed when submitting relevant information, such as deadline dates and the various codes in use.

Also, it is very vital to have an officer responsible for budget preparation. Fot instance, Murphy (1978) postulates that in a small organisation, this may be the duty of the Accountant whereas in a large organisation a Budget Committee is frequently established which exercise overall control over the budgeting procedures. Such a Committee will usually be chaired by the Chief Executive and may well comprise of all the heads of the different departments.

The Accountant may act as Budget Officer or Budget Director, co-ordinating the committee's work in addition to preparing her own budget such as the cash, capital and administration budgets. Murphy (1978:100) further submits that:

It is important that the individual carrying out a particular task should be contacted when the budget for that task is being prepared. It is probably a good idea to allow individua to prepare his own budget, which can then be incorporated in the general budget for the particular cost centre.

2.7.0 CONSTRAINTS IN CONCEIVING A BUDGET

The whole idea of conceiving a budget is not a simple task. In establishing the difficulties therein, Singer (1982:146) observed that:

The budgeting process, is generally acknowledged that behavioural factors can dominate technical consideration when it comes to agreeing and acting on a budget. Budgeting requires the exercise of judgement, it is a bargaining process in which corporate policies can loom large, and it is a powerful instrument for motivating or de-motivating those responsible for conforming to its reference standards.

In this direction, therefore, Singer (1982) presented some of the practical constraints of agreeing, or rather conceiving a corporate budget:

1. Should the budget be determined by "top-down" directives (top management), or should it represent a synthesis of objectives and ideas "bubbled up" from lower (departmental) levels?
2. How can the departmental manager estimate what level of expenditure to be accepted by senior management?
3. Will next year's budget be "anchored" to this year's? If so, should we aim to over-expend this year's budget in case things look tough later on?
4. When is it appropriate to impose capital rationing, thereby curtailing some projects having long-term profitability?
5. Is there a real understanding of the problems of the various departments - do the Personnel Director and Financial Controller speak the same language?

Even though the idea of individual preparation of the budget estimate is vital to a successful budgeting programme, such estimates, due to the problems enumerated above, cannot be necessarily accepted without questions by higher levels of management. If no system of checks and balances is present, the danger exists that self-imposed budgets will be too loose and allow too much freedom in activities. There will be inefficiency and wate. This, of course, is a problem of padding the budget and it is often characterised with participatory budgeting.

Singer (1982:41) argued:

This problem may be demonstrated by examples such as:

1. Sales budget estimates are understated "to protect ourselves and exceeding the sales budget cannot be criticised.
2. Overestimating expenses "so we have plenty of money and spending less than the budget looks good to the management.
3. Requesting more cash than needed "so that we won't have to ask for moe and if we turn some back it will look good.

A similar problem to padding the budget is the possibility of lower management spending money unwisely at the end of the budget period especially when there is an excess since it is believed that the budget allowance for the next period will be cut if some money is returned. This practice is common in the public sector. Olarewaju (1990) was right when he insisted that the author is firmly convinced that these problems exists because of insufficient attention to policy making, communication, the budget approval process, and the motivational aspects of managing. These problems often are identified with Governmental budgeting....

In view of the foregoing, therefore, budgets should be critically reviewed by immediate superior before they are accepted. If changes from the original budget seem inevitable, then the itmes in question are discussed and compromises are reached which appear acceptable to all concerned. The solution to most of the problems of participatory budget, Olarewaju (1990)

maintains, can be tackled using budget education aimed at developing positive attitudes towards budgeting. Management should ensure that both favourable and unfavourable variations are carefully looked into. For instance, an important factor in preventing overestimates of expenses and cash requirements is a clear-cut policy relative to the approval of plans and estimates. Starting with the lower levels of management and advancing up in the management hierarchy, requests for cash and expense allowance should stand the test of logic, realism and identification of specific needs as anticipated. Then, management should be able to convince the lower cadre officers that additional allowances may be approved at any time, notwithstanding the budget as originally developed, should be implemented. Lack of definete policies and failure by the higher management to take sufficient time to evaluate such requests usually are common where padding persists.

The problems of spending unwisely at the end of the budget period when there are excesses can also be addressed through enlightened management policies, flexibility, and the attitudes of top management as perceived by the lower levels of management. Organisaions should therefore be encouragee to save time being assured by both policy and action, that subsequent budget allowances for their activity will not be adversely affected by this prior favourable action. Subsequent budget approvals should be evaluated on the basis of proposed programmes and demonstrated needs rather than upon the level of prior expenditures.

The budget task should be behaviourablly inclined because people will (perform well, just so long as personal objective broadly conform to the requirements of the job. Of course, in the absence of such a match, then internal conflicts can easily induce paralysis thereby preventing effective action.

2.8.0 TYPES OF BUDGETING

The budget being a very important, can take a variety of forms. Most families, individuals and organisations formulate and execute their programmes using different processes and approaches. Organisations have capital budgets that list and describe capital acquisitions, cash budgets that summarises planned cash receipts and disbursements, operating and expenses budgets that describe planned operating activities, usually for a year.

Fred (1989) said to achieve results, the elected official, administrator or Government adviser must understand the type of budget to draft, matching the strengths of each to meet the situation at hand. The kind of budget structure selected (the tools chosen), and the way in which revenue and expenditure are grouped for decision making are the most important aspects of budgeting.

2.8.1 LINE ITEM BUDGETING

The line item budgeting is conceived to aid the allocation of funds and monitoring and control of expenditure against approval by the controlling organ of a country or state. It is concerned pricipally with the expenditure on goods and services which public money is spent.

Greemer (1983) provided that the Progressive Movement and the Municapal Reform Movements introduced modern budget in European Cities.

The Reformers then selected the line item budget as a model for implementation. Because of the early origin of the line item budgeting, it has earned the name traditional budgeting. This type of budgeting is based largely on "line itemisation" in which unit of appropriation often coincides with Ministries or Departments.

Justifying the early introduction of the line item budget, Fred (1989:13) says:

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They were, afterall, trying to control abuses in Government spending, a task for which the line item budget is well suited. By listing the amount to be expended for each time, object or purpose, the line item budget provides an effective means for controlling Government expenditure.

Griesemer (1983) further argued that the line item budgeting is good for the purpose of legislative control and accountability, but not very reliable as a source of information for planning, for decision making, and for understanding the economic cost of the Government.

2.8.2 RECURRENT AND CAPITAL BUDGETS

Fred (1989) perceives the Recurrent budget (operating budget) as that established for use over a short period of item, usually one calendar year, but sometimes less and often related to current conditions. Current budgets on the other hand are based on along term plan and are used as a basis for developing recurrent budget. A capital budget is usually much broader in scope and less detailed than recurrent budget. Capital budgets, however, in Nigeria are in the form of development plans of five years duration, and most recently the three-year rolling plan. The capital budgets are usually implemented by first transferring them into recurrent budgets on yearly basis.

2.8.3 ROLLING BUDGETS

The ICMA Terminology (1974:26) defines a rolling budget as: The continuous up-grading of a short-term budget by adding, say, a further month or quarter and deducating the earliest month or quarter so that the budget can reflect current conditions. Such procedures are beneficial where future costs and/or activities cannot be forecasted with any degree of accuracy.

The rolling budget, in other words, referred to as the continuos budget is an attempt to prepare a budget with objectives and goals which are feasible or realistically removing the time-lag between budget preparation and implementation. Olarewaju (1990:67) submits that:

Instead of preparing a budget annually, there would be budgets every one, two, three or four months. Each of these budgets would plan for the next twelve months so that the current budget is extended by an extra period as the current ends hence the name rolling budgets.

The rolling budget, in essence, is a bold attempt to tackle the problem of high rate of inflation which renders the objectives of budgets, particularly Government budgets meaningless. The main advantage of the rolling budget is that it provides a more unique opportunity for frequent reassessments and adjustments in the light of inflationary trends.

The main disadvantage of this system on the other hand is the high cost involved as well as the management effort needed.

2.8.4 ZERO BASE BUDGETING

Griesemer (1983) maintains that Zero Base Budgeting (ZBB) is a mechanism structured to deal with the evaluation and prioritisation of a wide variety of programmes through the budget process. It is particularly useful in organisations where one Chief Executive makes the final programme direction and financial management decisions. Zero base analysis (ZBA) encourages a more rational allocation of resources, replanning of support function expenses by asking what is desired from each overhead activity. The zero base tool compels the Chief Executive or the Finance Officer to decide whether or not a programme will be funded, if it is, at what level; and what priority ranking of each programme is in relationship with other programmes competing for scarce resources.

According to Mamzhi (1991), the zero base budget gets its name from the fact that managers are expected to commence at zero base levels every year and justify all costs as if the programmes involved were initiated for the first time. In essence, it is meant that no costs are considered as being on-going in nature. The Executive must start at the grass-root level each year and present basis for all costs in the proposed budget, regardless of the type of cost involved. This is done in a series of decision packages in which the Executive ranks all of the activities in the department according to relative

importance, going from those that he considers essential to those he considers of least importance.

To confirm the above, MAYO-BPP (1988:112) provided a very standard definition of ZBB thus:

> *The principle behind Zero Base Budgeting is that the preparation of the master budget should be based on conventional cost centres, but the budget for each cost centre should be made from 'sractch' to zero. It starts from the basic premise that the budget for next year is zero, every process or expenditure is then to be included in the next year's budget.*

The Zero Base Budgeting is based on annual in-depth review of departmental costs and it is applicable to Government. For this very fact, Griesemer (1983) argues that in applying zero base budgeting to the Federal process, the congress as a unit would need to become the Chief Planning and Budgeting Officer of the Federal Governments,... as a unit to make effective and logical programme trade-offs. No single committee executes that for the entire congress. The ZBB, therefore, appeals greatly to both the Government and Organisations.

2.8.5 PERFORMANCE BUDGET

According to Fred (1989), Performance Budgeting, also referred to as Programme Budgeting, is best described as a comprehensive budgeting system which places great emphasis on programming. Programme decision is pre-condition to setting and meeting performance standards and ensuring the systematic phasing out of planned projects. Basically, the Performance Budgeting involves:

(i) The development of a programme/activity structure for each agency,

(ii) identification of measures of performance at the activity level,

(iii) performance measurements using cost effectiveness. Outputs are quantified and related to costs.

(iv) Monitoring and control, where discrepancies between actual and target performance are investigated, and remedial actions taken.

Similarly, the Associatiate Institute of Certified Public Accountants (AICPA) submits an excellent overview of performance budget:

> *The performance budget seeks to present a clear relatationship between the input of resources and the output of service. To accomplish this objective, it lays practical emphasis on the measurement of quantitative data concerning units of work performed or services rendered within orgnisational units (departments) in performance of part or all of a given function or activity. These performance data' are used annually in the preparation of the budget as the basis for increasing or decreasing the number of personnel and the related operating expenses of a given department required to perform the services it renders.*

Fred (1989) therefore argues that the major strength of the performance budget is the idea of analysing operating efficiency. Performance budgeting, on the other hand, has very limited value as a tool for making policy decisions since efficiency is only one aspect upon which to formulate budgeting policy because it is possible to do the wrong thing very efficiently.

2.8.6 INCREMENTAL BUDGET

The incremental (or traditional) budgeting technique, according to Caiden (1978) is a system whereby budgets are generally conceived on an incremental basis, which means that the Forecaster starts with last year's budget and simply adds it to (or subtracts from it according to anticipated needs. In essence, the Forecaster does not need to start at the ground each year and justify ongoing costs for existing programmes. The revised current year's estimates of income and expenditure are used as starting (point for determining the budget for next year.

This process is one of the basic weaknesses of the budget technique as it fails to consider whether a particular item is still needed or whether the amount currently incurred is reasonable. For once an item appears in the budget, its inclusion in future budgets is taken for granted and only incremental changes in the items are considered. Emphasis therefore is focused on the marginal

or incremental difference between this year's budget and last year's budget rather than whole of the budget.

Adjekughele (1992:53) provided that:

The reasons for the adoption of incremental budgeting system, are that most of the activitities executed in the previous years are either mandatory or fundamental to meeting the organisational goals. Also, it is believed that it is not possible to make a thorough analysis of every existing programmes and activity levels. Incremental approach to budgeting narrows area of disputes and thereby reduces conflicts which is consistent with the principle of conservation. Incremental approach to budgeting is more widely applied in the public sector than in the private sector.

2.8.7 PLANNING - PROGRAMMING BUDGETING

The Planning-Programming Budgeting System (PPBS) is result oriented and was associated with municipalities and municipal budgets in America. Griesemer (1983) submits that the planning programming budgeting operating on the premise that, because departments operate to achieve certain objectives, by clearly establishing these objectives, an operating unit can improve both the use of resources and a programme's effectiveness. At the same time, it will provide the community with a clear understanding of the departmental programme and financial resources needed for its support.

Contributing further on programme budgeting, Caiden (1978) said that the system combines both planning with budgeting. The planning as perceive involves:

- formulation of objective
- identification of alternatives
- evaluation of alternatives
- Selection of feasible course

The programming aspect involves:

- formulation of programmes not just for one year, but extending beyond the single year of the annual budget,
- determination of personnel and resources needed for the fulfillment of objectives,
- determination of costs of such resources.

The budgeting aspect on the other hand involves:

- Classification of the budget into functions, programmes and activities-cost elements
- allocating resources for selected programmes
- progress reports on the implementation of the budget.

2.8.8 THE MANAGEMENT BUDGET

While the Reformers had recorded very significant successes with the line-item budgeting, others were advocating a different perspective on budgeting. Although they had no argument with the reformer's desire to curb extravagant expenditures, these new observers, however, were offering a different point of view. Management budgeting was about results and the best way to raise resources towards achieving the desired results. Adjekughele (1992:67) argued that:

> *Control, they say in effect, wa important, but so were outputs. It was not enough simply to keep someone stealing, the public treasury. It was also important to determine the best way to use those resources to achieve useful results for the public.*

The Taft Commission, as early as 1921, suggested that the budget be organised by the type of work to be executed (Commission Report 1912) Lehan reported that by 1917, the Bureau of Municipal Research recommended that New York City's budgeting practice be focused towards policy planning and decision-making rather than of simple financial control. This was the beginning and concept of management budgeting generally.

2.8.9 FLEXIBLE AND FIXED BUDGETS

The ICMA Terminology (1974:26) submits that:

> *A fixed budget is one which is designed to remain unchanged irrespective of the volume of output or turnover attained; while a flexible budget is one which, by recognising the difference in behaviour between fixed and variable assets in relation to fluctuations in output or turnover is designed to change appropriately with such fluctuations.*

Contributing further, Fred (1989) opines that a flexible budget is applicable mostly in the private sector. This is because, in the private sector, he said, materials, labour, direct and indirect expenses need to be flexible in response quickly to successor failure in obtaining new orders and sales. Fixed budgets are used in the private sector for expenses which remain unchaged irrespective of the level of production while variable expenses vary with the level of production.

2.9.0 BUDGET MONITORING AND CONTROL

2.9.1 DEFINATION OF BUDGETARY CONTROL

The term 'budgetary control' connotes different things to different people, each depending largely on the degree of variation of professional inclinations, individuals or organisations. Control to an Accountant could be perceived quite differently by an Engineer. Similarly, the meaning of control to a structural Engineer could vary significantly from a Chemical Engineer or even from a Cost Account to a Financial Accountant.

Contributing to these sharp differences, Fred (1989) confesses that budgetary control to an Engineer is the application of method analysis and job standards to every branch of business; to the Accountant, it is the application of standard costs to every activity and to the executive, it means control - the anticipation and prevention, so far it is humanly possible, of available losses, the ability to apply a measuring device to all the departments or units of the business, or certain conditions which had hitherto, because of their varying complexity, escaped more than a puzzled scrutiny.

Ajekughele (1992:63) perceived budget monitoring and control as:

> *The process of regulating the implementation of the budget in order to meet set goals and objectives as well as to ensure satisfactory performance of the economy which may be sustained through the imposition of guidelines and restrictions, or strict measures - could be such that a Ministry or Department is allowed to spend only 1/12 of its approved provisions under each head and sub-head before the warrant authorising general expenditure is released. Therefore, any excess expenditure over and above the approved provisions must be clearly backed up by special clearance for peculiar cases.*

In like manner, Agyina (1992) difined budget monitoring and control as instruments or measures designed to eliminate or reduce costs and wastages to the barest minimum, check distortions that may be brought to bear on the budget at its implementation stage and to ensure effective use of the resources allocated in order to achieve the desired goals and objectives. As budget monitoring relates to the budget performance, it should be based on effective implementation of the proposals despite constraints. In it, monitoring reports could be prepared through the use of returns which may be monthly, quarterly, half yearly or even yearly depending on how regularly they are required. Such returns as in the case of Government, may consist of detail of expenditures incurred and revenues realised over a given period of time in relation to the approved provisions under the various Heads and sub-Heads within the budget. Monitoring reports, usually could be prepared based on physical inspection of individual approved projects within the budget. The ICMA Terminology (1974:4) on the other hand, embraces budgetary control as:

> *The establishement of budgets relating the responsibility of executives to the requirement of a policy, and the continuous comparison of actual with budgeted results, either to secure by individual action the objective of that policy or to provide a basis for its revision.*

The definition provided by ICMA, no doubt, will be the one to be embraced throughout our discussion. This is because the definition in particular appears more comprehensive and of course covers all the major features of budget monitoring and control which according to the Financial Training Institute (1982) include:

(i) Establishing budgets for each defined area of responsibility, identifying the performance required in order that the objectives of the business as a whole may be achieved;

(ii) The continous comparison of actual with budgeted results; and

(iii) Action resulting from this comparison, either to secure adherence to the defined objectives or to accept some modification of the originial plan.

2.9.2 EVOLUTION OF BUDGETARY CONTROL

In the words of Wixon (1977) the accounts and cost offices have been traditionally pre-occupied with cost of findings, that is, the preparation of job or process costs as the case may be, and a great deal of the development in the past was geared towards making job cost more accurate and of course reconciling them with the final accounts. This system diverted the accounts and cost offices from the problem of cost control with the outcome that relatively few executives receive the service from the accounts and cost offices which they should receive to assist them in the planning of policy and the day to day operation of their businesses. To executives must control policy and decentralise execution of policy with control over results. One of the major tools is properly designed statistical and accouting records.

Commenting on the shortcoming of this concept, Olubanju (1987:31) explains that:

> *The conventional profit and loss account shows the profit that a development of factory has made it does not portray the profit that could have been made if the policy and plans had been adhered to, nor does it explain the reasons for any increase or decrease of profit compared with plan. Because of this shortfall, some engineers*

especially in America were equally dissatisfied with the findings from their accounts offices hence began to conveive a system of control by figures which has been referred to as budgetary control.

Wixon (1977) argued that the basic ideas were conceived by a group of progressive accounts until budgetary control reached its present stage of development. However, it is widely accepted that budgetary control as it is today, evolved just recently. Budgetary control, therefore, originated in the 1920s as a mechanism of planning and control. The objectives then included:

1. The provision of a basis to be used for the presentation of estimates.
2. The continual checking of the accuracy therein, and
3. To provide Top Executives with a means of control.

2.9.3 APPLICATION OF BUDGET MONITORING (AND) CONTROL

Control, generally according to the Financial Training Institute (1982), is attained in an organisation through people, and not through material things, therefore the control function of management also requires sound organisational structure and clear-cut delineation of authorities and responsibilities. As with the budgets, the performance reports must be geared precisely to the organisation. Secondly, the accounting system must be principally oriented towards the budgetary control needs of management because comparisons between budgets and actual results are meaningless if the classifications of costs and revenues adopted in the budgets and in the accounting systems are not in harmony. A code of accounts should be developed by responsibility centres and should be supplemented with standard instructions which precribe in some detail the authorised charges and credits to each type of account. This is a criteria to efficient budget monitoring and control. This is obvious because the recording of an actual value in the wrong account would affect two or more accounts, resulting in erroneous budget variations in each account on the internal performance reports for the respective responsibility centres.

Highlighting the stages invloved in the implementation of budget monitoring and control system, the Financial Training Institute (1982) presented the following:

i Define objectives for the budget period which should be in conformity with the long-term objectives of the organisation;

ii Define responsibilities;

iii Prepare the budgets

iv Compare actual with the budgeted results; and

v Take corrective measures where appropriate.

2.9.4 BUDGET AUTHORISATION AND EXECUTION

Contributing on the implementation of the budget as it relates to the public sectors in Nigeria Alhaji (1990) observed that after the legislature has voted funds for specific projects or programmes, the execution and control of the measures contained in the approved budget shifts back to the Executives. The rate at which the budgetary allocations are committed and expenditures made is determined by the Ministries, Departments and Parastatals in the state, subject to the control of the Treasury Department in the Ministry of Finance.

In yet another development, Ohey (1978:3) maintained that:

> *The authorisation of the budget by the Legislature is in effect, a directive for the attainment of certain objectives through clearly defined projects and activities. Budget autthorisation concerns itself within prescribed cost limits. In controlling expenditure, the Chief Executive has to consider authorisation given by budget unit not as an instruction to spend the total vote, but as providing the wherewithal to obtain certain ends.*

Arguing further, Mamzhi (1991) provided that the procedure through which Government hopes to discharge its duty of linking money provisions to work accomplished. Should also ensure that disbursements are made without delay, and never withheld from Department unnecessarily.

Agyina (1992:8) acknowledged this argument when he said:

> *Funds may be allotted quarterly to projects on the basis of the scheduled phases of work and accomplishment. While the budget estimates are proceeding through the legislature, Departments should submit to the planning authority and to the budget unit, the planned programme of expenditure and work to be accommplished in the first quarter for each of their projects. On the basis of this information, the Buget unit will make the first quarterly allocations. Request for subsequent allocations is then made in conjuction with a progress report on expenditure and physical accomplishments, addressed to the planning authority with a copy to the Budget unit. The planning authority examines the report and note any deviations from work plans, traces the reasons and advise accordingly on possible remedies. The Budget office may withold or reduce allotments on the basis of information given in the quarterly progress report on actual expenditures and physical accomplishments. In cementing the relationship of budget authorisation and execution between the state and Local Governments, Pearce(1994) opined that constitutionally, both the state and Local Governments were expected to prepare and submit their budgets for revenue and expenditure to State House of Assembly and the Local Government, Legislature for consideration and approval. This is a mandatory constitutional requirements, as such there was no easy way to go about it. These were provided for under the provisions of the current and the new Constitutions of the Federal Republic of Nigeria. That of the Local Government was part of the package which introduceds the separation of powers at the Local Government level with a view to conforming with the Presidential system of Government being practiced.*

In the submission of a well articulated budget of the Local Government by the Chairman, it should be devoid of inflated revenue figures which always make the budget look like mere white elephant capable of achieving nothing at the end of the day. To make the implementation, control, review and assessment of budget achievements easier, all those concerned including the leadership down the ranks must be directly involved. Agyina(1992:11) argued that:

The greater percentage of the State Government revenue takes the form of statutory allocation from the Federation Account, taxes, fees and charges. Government could measure in adavance with considerable accuracy, the amount of revenue likely to be accruable. Expenditure could as well be planned in detail with good expectation that the budget could be executed.

Alhaji (1990:13) said that "Since the final authorization of budget proposals rest squarely on the Legislative arm of both the State and Local Governments, it is essential that the ultimate control of the budget should rest with the Legislative. This will ensure effective checks and balances over the implementation of the approved budgets. To make the work of the Legislative easy, it is very important that allocation of funds in the budget should be specified in greater detail. Accounting Officers and Heads of Departments should be able to influence policy decisions with a view to ensuring that no serious variations were made by the Legislature.

2.9.5 BACKGROUND OF BUDGET MONITORING AND CONTROL IN NIGERIA

The entire concept of budget monitoring and control in Nigeria is as old as budgeting itself. In essence, the whole concept of budgeting is a form of control mechanism. This is simply because budgets are the targets against which performance is evaluated or assessed. Budget monitoring and control system in Nigeria acually commenced during the Colonial Rule. Submitting and extract from one of the Colonial estimates, Alhaji (1990:4) provides that:

A number of posts have been shown in the estimates with financial provision for part of the year or without financial provision for the year, such posts must not be filled during the year either substantively or in acting capacity without prior reference to the Office of the Financial Secretary.

Also, according to him, another similar Colonial budget carries or connotes some elements of control thus "it must be emphasised that there is the need to cut our cloth according to our size. This year, there are two basic rules-the first is the need to get value for money and the second rule is that as ye sow so shall you reap".

2.9.6. ORIGIN OF BUDGET MONITORIING AND CONTROL IN PLATEAU STATE

The idea of budget monitoring and control came into being when the then Benue-Plateu state was announced in 1968. While announcing the first budget of the new state, the Government, Police Commissioner, Gomwalk (1968:5) emphasised the need for constant review and amendments by the state where he said "the estimates have been made complete and as accurate as possible. Without previous experience of revenue and expenditure estimates for the area of the state, however, full accuracy could not be reached, and it is possible that experience in the course of this first year of the state Government'S full operation will necessitate amendments and modifications being made. These will be incorporated, as and when necessary in supplementary estimates."

The initial realisation of the need for budget monitoring and control was passed on to Plateau state when it was established in 1976 to the extent that over time the system has developed like that of the Federal Government such as-control by Ministries and Extra-Ministrial departments, and of course that effected by the Public Account Committee.

2.10.0 EXISTING APPROACHES IN MONITORING AND CONTROL OF CAPITAL BUDGETS

Effective plan/budget implementation, particularly of capital projects requires continuouing and systematic monitoring, control and assessment of projects at the levels of performance, sectoral programmes and the economy as a whole. Oluwi (1991) maintains that monitoring and control of capital budgets or projects consists of the collection of information from available statistical sources, periodic and special reports and field missions. It falls under the purview of statistical authorities, technical ministries, state and local authorities and the planning agency. In like manner, Onosode (1992:67) opined that:

> *Monitoring, Control and evaluation of capital budgets or projects is a complex activity. It entails an analysis of information on the state of the progress, a comprison of achievements with the targets and a re-examination of the project concept and design at every step*

of the implementation process. Monitoring and control is designed principally to eliminate bottlenecks, reduce costs, increase the effectiveness. Monitoring takes place both at the macro level usefulness. Monitoring takes place both at the macro level as well as at the project and programme levels. Monitoring of the implementation of projects and programmes embraces both the financial and physical aspects.

Citing African countries as good examples, he argued further that monitoring activities are at an incipient stage and are generally limited to supervising the financial operations of capital projects. According to him, the existing approaches include:

(1) **Financial Monitoring:** Financial monitoring aspect of individual projects and programmes, he said, can only provide rough indication of how the project or programme is faring, Under expenditure and over - expenditure may not necessarily mean that implementation is lagging or acelerating. When aggregated at the sectoral level. Such information can give a general indication of the status of implementation of Government investment programme. Financial monitoring is generally confined to the public sector private sector projects are rarely subjected to Government supervision even when they are included in the national development plans.

(2) **Physical monitoring:** Physical monitoring, according to him, requires a more technical approach than the financial monitoring as far as control of capital budgets or projects is concerned.

Considering the wide variety of investment and production projects, monitoring personel will have to include specialist from various fields, Physical monitoring is essential for the progress made in implementating individuals capital projects and identifying measures to eliminate delays and bottlenecks. The physical completion of an investment project cannot be determined directly by comparing the project and actual expenditureas in the case of finance monitoring.

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(3) **Inspection and Audits:** According to him, these are the control functions related to monitoring but different in scope. They are generally undertaken ad-hoc rather than periodically. Inspections, he maintained, are special on - the - post investigations of financial and management activities to determine if tey conform to predetermined standards and criteria.

(4) **The critical path method (CPM):** This, he said, is particularly well suited for complex management information system. CPM is generally designed to minimise the total duration of the project by showing the interdependence between tasks. It determines also those whose scheduling is critical and identify time reserves for the non - critical tasks.

Programmed Evaluation and review technique (PERT), he added, is an advanced variant of CPM Which takes into account resources constraint other than time, particularly cost and manpower.

Evaluation can be carried out ex -ante, ex - post or on -course.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 INTRODUCTION.

In this chapter, attempt is made to highlight the basic methods or proceduces used by the researcher to conduct his study.

Consequently, the data already collected will be compiled and presented for analysis in the subsequent chapter. Also the justification for the employment of analytical instruments used will also be justified in the chapter.

3.1 RE-STATEMENT OF THE RESEARCH PROBLEMS AND HYPOTHESES

We stated earlier in chapter one that there exist a budget monitoring and control system in the state to serve as a check to budget in -discipline, However it was observed that over the years, there has been a continuous negatives deviation of the actual expenditure figures (capital and recurent) from the estimated figures i.e the actual expanditures are always greater than the estimated. What this seems to portray is that there is either a violation of the laid down control procedures or that the control mechanisms are themselves faulty and need to be corrected.

Budget in -discipline, characterized by over expenditure (spending above the estimated amounts) do always results in budget deficitsas against budget surpluses in many other countries of the world. Budget deficits on the other hand, gives rise to deficit financing which are always done by Government borrowing. This in itself poses problems to the states economy and results to subsequent and continous deviation of the actual from the estimated figures. For a budget monitoring and control to be efficient, the mean (x) of the estimated expanditure figures must equal the mean of the actual expanditures. If this occurs, it implies that there is no significant deviation in the budget, (ie $\overline{X}_1 = \overline{X}_2$).

On the other hand if the mean of the estimated expanditures differ from that of the actual expanditure (X_1 x X_2), then a significant deviation is established which indicates the existance of an inefficient budget monitoring and control mechanism. Simply put, our hypotheses for this work is stated as follows:

$Ho : \overline{X}_1 = \overline{X}_2$

$H_1 : \overline{X}_1 \neq \overline{X}_2$

Where

$\overline{X}_1$ = Mean of the estimated budget (both capital and recurrent).

$\overline{X}_2$ = mean the actual expenditure (capital and current).

In simple terms $Ho : X_1 = X_2$ states that the variation between the actual and estimated figures does not exist or is very negligible to cause any serious problems.

Alternatively, $H_1 : \overline{X}_1 \neq \overline{X}_2$ states that the means of the estimated expanditure differs from the actual thus posing serious problems to budget implementation in the state and indicating the existence of an inefficient budget monitoring and control machanism.

The second set of hypothesis deals with the existence of the control mechanism already in place, thus.

HO_2 : The control mechanism on ground is perfect and efficient.

The deviation could thus be explained by other factors exogenous to the existing structures.

HI_2 : The laid down control and monitoring mechanism is faulty and need reorganisation. Here the areas of faults will be identified and solutions proffered in order to move the budget implementation process of the states towards perfection.

3.2 RESEARCH DESIGN

In this work, the research is designed to broadly cover all areas affected both directly and remotely by the budgetary process in the state. Thus data will be collected in the areas of recurrent and capital expenditures, debt portfolio, unemployment figures and other variaables that may be affected by the budget process in the state.

Consequently, these data so collected will be analysed to study their effects, Atteeempts will also be made to conduct interviews in areas where opinion will most be conducted.

3.3 *DATA COLLECTION AND PROCEDURES*

As stated earlier, this work will rely mostly on secondary data collection ie existing data in budget booklets, progress report and other publications on the budget. Also the states employment/unemployment figures will be obtained from the National Directorate of Employment (NDE) and Federal office of Statistics while figures on debt position of the state will be gotten from the Ministry of Finance and Economic Planing, Jos.

This work will also use to a great extent, unpublished figures of expenditure, debt and dbt commitments, contractual liabilities etc, obtained from the main Accounts Unit of the Ministry of Finance Headquarters jos.

Summarily the following secondry data will be obtained by the researcher:
(a) Government of plateau state of Nigeria statutory Accounts for the years ended 31st December 1985 to 1994 which will shall comprise the following:

i.) Statement of assets and liabilities as at 31st December 1985 to 1994.

ii.) Statement of recurrent revenues for the years ended 31st December 1985 to 1994

iii.) Statement of recurrent expenditures for the ended 31st December 1985 to 1994

bufget are not always accurate as expenditures are incurred on daily basis, therefore, some types of expenditures are excluded from the figures.

Even when unpublished data is used, some expenditures such as security votes and some consolidated expenditures are not always freely supplied for obvious reasons. This will make the data inadequate for a through analysis.

Similarly, the data on debts, both local and external are not always up to date as interest charges, commitment fees, penalty fees and other charges are not always up to date. This also creates some level of error in the data.

The third limitation of the data collection methods used in this research work concerns the primary data collection methods which will be emberked upon in this research (i.e the interviewing of respondents). This has its own problems too since the responses depend largely on the mood, motives and understanding of the respondents.

All these limitations not withstanding, the methods will be used and the margin of error will be greatly minimised by conducting broader interview. The problem of our inability to travel stste wide and conduct interviews will seriously limit the use of this study for generalisation and inference.

3.4 METHODS OF DATA PROCESSING AND ANALYSIS

The collected data will be subjected to a series of analysis. First of all find out whether or not there is a significant variation between the actual and estimated budget figures, the percentage variation will be found both in the recurrent and capital expenditures.

Thus: $$\frac{Estimate - Actual}{Estimate} \times \frac{100}{1}$$

If it is discovered however that there is a great negative deviation (over - expenditures), the effects of this will be determined by the sources of financing the deficit that may be arise if there is over - expenditures. If the source of financing the deficit is by Government borrowing, such effects and consequences will be studied and analysed, and solutions proffered.

Basically, this work will use percentages and variance analysis in testing our hypotheses. In essence, the use of simple percentages deviation and variance analysis in determining the efficiencey of the budget monitoring and control mechanism will be employed. If the deviation of actual figures differ significantly from the budgeted estimates (both recurrent and capital), then there is budget in -discipline. and if there exist budget in discipline, it then means that the existing monitoring and control mechanisms are inefficient.

Also, a critacal evaluation of the effects of inefficient monitoring and control system will be carried out and this will be done by analysing the effects of budget deficits (which is a measures of inefficient monitoring and control on the states economy.

Since all budget deficits must be financed one way or the other, the sources of financing such deficits will be critically examined.

3.5 RATIONALE FOR RESEARCH INTRUMENTS USED

Obviously, to avoid stating the rationale for the research intrument used in this study may be a kin. The researcher is of the opinio n that the completencess, accuracy and validity of any study can only be reached if the problem at hand is crystally defined, correct data being collected timely and appropriately, the research instruments as well as the statistical procedures for the data analysis are all clearly defined.

In this study, therefore, the use of variance analysis, standard deviation and the students test statistical methods were employed. This is suitable for the test of two means as applicable in the on - going study. Attempts at using other required for such analysis. Attempts at correlating, the budget with the yearly growth in the states debts figures to determine the effects of the deficits will be difficult since it was discovered that the growth in the debt result, not necessarily in the acquisition of new loans, but also due to interst and penalty build up. Thus a correlation analysis will be misleading.

Also, we will use the differences in the means of the estimated expanditures with the actual because it is assumed in this work that for there to be an efficient monitoring and control system, the mean of the estimated budget must be equal to that of the actual figures, Any deviation therefore will indicates the existance of a deficit with the resultant expectation of an inefficient budget monitoring and control system.

Besides, the use of these statistical tools are simple and will appeal to the ordinary reader and policy makers to whom this work is meant to sensistise. A complex econometric analysis might not send the desired message across adequately.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.0 INTRODUCTION

The idea of logical analysis is centred on the relationship which exist between a conclusion and the evidence given to support it adequately.

As stated earlier in our Chapter three, budget deficit is characterised by either inefficient monitoring and control mechanism or by other factors exogenous to the existing control mechanism. However, in whatever form the deficists exist, it has its own serious consequences on the rate of debt build-up, unemployment and other ngative socio-economic consequences.

In this chapter, the data collected on the budget and its components will be presented and analysed vis-a-vis its effects on the state's economy. If the data reveals that deficits exist in Plateau State budget, the source of such deficit will be sought and analysed.

The Chapter will also attempt to have a critical evaluation of the existing mechanisms of budget monitoring and control in Plateau State, also benefits of budget monitoring and control as well as the problems therein shall be thoroughly examined.

4.1 DATA PRESENTATION

The aim of data presentation is to make the data more manageable and meaningful. For the purpose of this research, the use of tables for the presentation of data is employed. Here, the secondary data collected have been appropriately summarised and presented in a form suitable for analysis thus:

Table I: Summary of Plateau State Recurrent Budget (Estimated and Actual) 1985 - 1994

Year	Recurrent Expenditures			
	Estimated	Actual	Variation	% Variation
1985	172,971,000	201,833,160	(28,862,160	(16.69)
1986	190,462,000	119,732,814	70,729,186	37.14
1987	259,178,785	204,176,164	55,002,621	21.22
1988	291,044,810	344,800,317	(53,755,506)	(18.47)
1989	350,865,840	408,647,829	(57,781,984)	(16.47)
1990	458,252,000	864,787,993	(406,535,993)	(88.71)
1991	540,911,051	632,337,436	(91,426,385)	(16.90)
1992	461,489,424	429,465,930	32,023,494	6.94
1993	821,998,097	924,131,545	(2,133,448)	(6.94)
1994	1,042,573,282	749,903,940	292,669,342	28.07
Total	4,589,746,289	4,779,817,123	(190,070,834)	(4.14)

Source: *Plateau State Approved Budget, Various Years*

Table II: Summary of Plateau State Capital Budget (Estimated and Actual) 1985 - 1994

Year	Recurrent Expenditures			
	Estimated	Actual	Variation	% Variation
1985	135,891,085	169,561,465	(33,670,380)	(24.78)
1986	20,000,000	55,835,317	(35,855,317	(179.18)
1987	99,750,000	74,992,139	24,757,861	24.82
1988	88,034,000	122,708,830	(34,674,830)	(39.39)
1989	54,883,840	67,896,138	(13,012,298)	(23.71)
1990	66,898,610	161,468,932	(94,570,322)	(141.36)
1991	312,260,146	320,373,920	(8,113,774)	(2.60)
1992	1,307,499,696	726,042,623	581,457,073	44.47
1993	1,440,700,000	510,921,002	929,778,998	44.47
1994	1,844,029,900	848,287,930	995,741,970	54.0
Total	5,369,947,277	3,058,088,296	2,311,858,981	43.05

Source: *Plateau State Approved Budget, various Years*

Table III: SUMNMARY OF PLATEAU STATE BUDGET (1985 - 1994)

Year	Total Estimated Expenditure (Capital + Recurrent)	Total Actual Expenditure (Capital + Recurrent)
1985	308,862,085	371,394,625
1986	210,462,000	175,568,131
1987	358,928,785	279,168,303
1988	379,078,810	467,509,147
1989	405,749,680	476,543,962
1990	525,150,610	1,026,256,925
1991	853,171,197	952,711,356
1992	1,768,989,120	1,155,508,553
1993	2,262,698,097	1,335,052,547
1994	2,886,603,182	1,598,191,870
Total	9,959,693,566	7,837,905,419

$\bar{x}_1 = 995,969,356.6$ $\bar{x}_2 = 783,790,541.9$

Table IV: Summary of Plateau State Government Indebtedness to Internal (Local Banks) and External Creditors: Naira Equivalence as at 31st Dec. 1994

NAME/TYPE OF CREDITOr	TOTAL AMOUNT (PRINT) OF LOAN GRANTED (NMillion)	TOTAL AMOUNT (RE) PAID (NMillion)	BALANCE OUTSTANDING (NMillion)	% OF TOTAL OUTSTANDING BALANCE TO GRAND TOTAL OF OUT-STANDING BALANCE
INTERNAL CREDITORS (LOCAL BANKS/ CONTRACTUAL LIAB.)	130.472	49.290	408.825	3.83%
EXTERNAL	5.332.160	6.752.935	10.277.23	96.17%
GRAND TOTAL	**15,462.632**	**6,802.225**	**10,685.848**	**100.00**

Source: *Report on Plateau State Indebtedness as at 31st Dec. 1994, Ministry of Finance and Economic Planning, Jos.*

Table V: Plateau State Un-Employment Figures

S/No.	Category	1992	1993	1994
1.	Post Primary	8,147	11,615	13,948
2.	National Cert. in Education (NCE)	913	1,694	1,723
3.	National Diploma (OND)	2,614	3,518	5,271
4.	Higher National Diploma (HND)	517	1,093	983
5.	First Degrees	481	869	1,137
6.	Post Graduates	193	211	348
7.	Others	2,169	3,817	4,191
	Total	**15,034**	**22,817**	**27,601**

Source: *Federal office of Statistics, Ikoyi - Lagos*

4.2 DATA ANALYSIS AND INTERPRETATION

A careful observation of the data presented in 4.1 indicates that that the Plateau State budget has been running on a dedficit budget within the period of 1985 - 1994. This deficit is obtained by the deviation of the actual expenditure figures from the estimated figures (See Table I).

The data also reveals that the deviation is more pronounced in the capital budget which include such capital components as the construction of roads, schools, hospitals and other infractructural facilipties.

The deviation in the capital figures rose to a disturbing rate (179%) in 1986 and only very few years (1987-1994) have witnessed positive variation in the capital budget figures. (See Table II for details)

Overall, within the ten (10) years under review, there was a budget deficit of 2,311,858,981.00 which repersents 43.05% of the total estimated expenditure of 5,369,947,277.00 within the same period. This deviation is very significant since deficit budgets must be finnanced in one way or the other.

Also, to establish whether or not a difference exist between the recurrent and capital expenditure figures, the two means were obtained and it was discovered that $\bar{x}_1 + \bar{x}_2$ i.e. the amounts estimated are not always equal to the actual, with the actual always showing a rise. With this, it has been clearly established that budget indiscipline exist. What remains to be shown however is the source of the deviations, whether they arise from the inefficiency of the existing monitoring and control mechanism or whether they are exogenous.

In the case of Plateau State, as shown in Table II, such deficits have always been financed by borrowing, both from within and outside the country. To finance the deficits, Government has had to borrow. As such the debt profile

of the state has risen to an astronomical figure of over N10.6 billion during the period under review. (See Table IV for more details).

The consistent budget deficits in both the recurrent and capital budgets signal one of three things:

i. It is either that the existing budget monitoring and control mechanisms within the system are not efficient and therefore insensitive to unforseen events, or

ii. The budget preparation process does not take cognisance of certain factors thereby resulting in inefficient budgeting, or

iii. Other factors out of the control of (i) and (ii) above are responsible for this deficits.

4.2.1 STATISTICAL ANALYSIS

i) Derivation of Mean Variance and standard Deviation for Estimated Expenditure (1985 - 1994)

n	x (000,000)	$x_1 - \bar{x}$ (000,000)	$(x_1 - \bar{x}1)^2$ (000,000)
1.	308.9	–068.1	1 472.106.41
2.	210.5	–785.5	617.010.25
3.	358.9	–637.0	405,769.00
4.	379.1	–616.9	380,565.61
5.	405.7	–590.3	348,454.09
6.	525.2	-470.8	221,652.64
7.	853.2	–142.8	2,039.84
8.	1,769.0	773.0	597,529.00
9.	2,262.7	1,266.7	1,604,528.89
10.	2,886.6	1,890.6	3,574.368.36
$\bar{x}_{12}$ =	996.0		$(x_1 - x_1)^2$ = 8,224,024.09

$$\text{Variance } (S_{12}) \quad \therefore \quad = \quad \frac{(x_1 - x_1)^2}{n_1} \quad = \quad \frac{8,224,024.09}{10}$$

$$= \quad 822,402.41$$

$$\text{Std/ Dev/ } (S_1) \quad = \quad \sqrt{\Sigma \frac{(x_2 - \bar{x}_1)^2}{n_1}} \quad = \quad \sqrt{\frac{822,402.41}{10}}$$

$$= \quad 906.8640521$$

$$= \quad 906.9$$

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ii. Derivation of Mean Variance and standard Deviation for Actual Expenditure (1985 - 1994)

	x (000,000)	$x_1 - \bar{x}$ (000,000)	$(x_1 - \bar{x}1)^2$ (000,000)
1.	371.4	-412.4	170,073.76
2.	175.6	-608.2	369,907.24
3.	279.2	-504.6	254,621.16
4.	467.5	-316.3	100,045.69
5.	476.5	-307.3	94,433.29
6.	1,026.3	242.5	58,806.25
7.	952.7	168.9	28,527.21
8.	1,155.5	371.7	138,160.89
9.	1,335.1	551.3	303,931.69
10	1,598.2	814.4	663,247.36
$\bar{x}_1$ =	783.8		$(x_2 - \bar{x}_2)^2$ = 2,181,754.54

$$\text{Variance } (S_{12}) \quad \therefore \quad = \frac{(x_2 - x_2)^2}{n_2} = \frac{2,181,754.54}{10}$$

$$= 218.175.45$$

$$\text{Std/ Dev/ } (S_1) = \sqrt{\Sigma \frac{(x_2 - \bar{x}_2)^2}{n_1}} = \sqrt{\frac{218,175.45}{10}}$$

$$= 467.092554$$

$$= 467.1$$

iii. Pooled Std. Dev. (SP)

$$\textit{Pooled Std. Dev. (SP)} = \sqrt{\frac{(n_1 - 1)\ S1^2 + (n_2 - 1)\ S_{22}}{n_1 + b_2 - 2}}$$

$$= \sqrt{\frac{(10-1)822{,}402.41+(10-1)218{,}175.45}{10+10-2}}$$

$$\sqrt{\frac{9(822{,}402.41)+9(218{,}175.45)}{18}}$$

$$\sqrt{\frac{7{,}401{,}621.69+1{,}963{,}579.05}{18}}$$

$$\sqrt{\frac{9{,}365{,}200.74}{18}} = \sqrt{520{,}288.93}$$

$$= 721.3105642$$

$$= 721.3$$

t–test Cal. =

(iv) t–call. $= \dfrac{x_1 - x_2}{SP\sqrt{\frac{1}{n_1} + \frac{1}{n_2}}}$

$$= \frac{999.0 - 783.8}{721.3\sqrt{\frac{1}{10} + \frac{1}{10}}}$$

$$= \frac{996.0–783.8}{721.3(0.447213595)}$$

$$= \frac{996.0–783.8}{721.3(0.447213595)}$$

$$= \frac{212.2}{322.571664} = 0.657831172$$

$$= 0.66$$

Decision Rule: Since t-calculated (10.66) t-tabulated t (18) 2.101. We reject our and accept Ho means that on the average, in using the t-distribution statistical method, there is no significant difference between the estimated and actual expenditure figures of the state budget.

This in essence means that budget monitoring and control is useful to management if plans, policies and programmes are to be met within specific cost ceilings.

4.2 A CRITICAL EVALUATION OF THE EXISTING BUDGET MONITORING AND CONTROL MECHANISMS IN PLATEAU STATE

In an attempt to evolve an efficient budget monitoring and control mechanism in the state so as to ensure that there does not exist any significant deviation in the course of budget implementation, the study revealed that the state Government has, over the years, set up some agencies/bodies to serve as a system of checks and control in the cours of budget implementation.

Some of these agencies as discovered include:

i. Project Monitoring and Implementation Committee.

ii. Budget Preparation/Economic Planning Committee,

iii. Public Accounts Committee.

iv. The State Tenders Boards, etc.

In addition to the above bodies, it was also discovered that there exist routine desk functions of different Agencies of Government, charged with the responsibility of monitoring and eveluation of projects to ensure that they conform with the budget so as to reduce the level of budget in-discipline. Such functions as discovered include the physical inspection. Preparation and issuance of valuation certificates by the Ministry of Works; Internal auditing of payment vouchers by the Treasury department of Ministry of Finance; Issuance of audit queries by the State's audit Headquarters; and seeking of clearance from the Budget department if additional funds (augmentation) are desired in the course of project implementation.

However, despite these imstalled structures on ground, the study discovered that the state still recorded very significant deficits in its budgets (See Tables II and III for details). The activities of these bodies will be analysed to attempt to find out a solution to the problem.

4.3.1 PROJECT MONITORING AND IMPLEMENTATION COMMITTEE

The findings provide that this committee, which in most states of the Federation is rather more of administrative nature than technical, is usually made up of some selected planning Officers drawn from various Ministries/Extra-Ministrial Establishments to assess the physical progress on the on-going projects and/or to identify those abandoned with a view to advising Government on the next line of action.

Ironically, the researcher gathered that it is rather sad, particularly in Plateau State that the existence of such a Committee only appears to be on paper hence, the fate of most abandoned projects remain undetermined over a number of years because Government has not been adequately briefed or advised on such projects either in terms of their viability or otherwise. Thus, the impact of this Committee on Control and Monitoring of budget performance in Plateau State is yet to be properly established.

4.3.2 BUDGET PREPARATION/ECONOMIC PLANNING COMMITTEE

This Committee, the study provides, is expected to draw guidelines for the annual budgets for the state. It also screens the draft estimates from the various Ministries/extra-ministerial establishments with the approved guidelines, but also ensures that wastages are reduced to the barest minimum in terms of unrealistic estimates. It also ensures that only viable projects

within the priority of Government are recommended from the draft submissions of the various ministries or establishments.

However, the stydu revealed that based on the usual experiences with the yearly budgetary preparations, because of excessive lobbying and competition for resource allocation amongst Ministries/extra-ministerial establishments, this Committee is usually unable to address itself adequately to the approve budget guidelines and priorities.

4.3.3 PUBLIC ACCOUNTS COMMITTEE

This Committee as discovered, is most pronounced during the Civilian administrations where the chairmanship of the Committee is supposd to come from the minority party. The Committee receives all the reports of the Auditor General on Ministries and departments, and examines all irregularities which are contained or exposed in such reports. It has the right to summon any accounting Officer before it to explain those irregularities or the justification for certain iterms of expenditure.

The Committee reports to Government, and any serious breaches of the law or misuse of public funds would normally be debated. In any case, the reports which become public property once they are presented to Government, could be subject of public comment in the press and elsewhere. The study discovers therefore that the whole process is a deterrent against the abuse of responsibilities by public officers, the wrongful appropriations of public funds and fraud and dishonest expenditure.

Contrary to the constitution and expectations of the Committee, the study gathered that reverse is the case with Plateau State. The composition of the Public Accounts Committee members is rather a circle of political stooges

who have no knowledge of Government Accounting System, being pulled together to swift the state of millions through "soft loans". The fact here is that the Public Accounts Committee in the State hardly publishes any reports on misappropriation and recovery; for their existence or activities have never been felt in the direction of saving costs for the Government.

4.3.4. THE FINANCE AND TREASURY DIVISION

Naturally, the control of the budget starts with the Director of Finance and Supplies or the Head of Finance Department. By virtue of his office as the Chief Financial adviser to the Chief Executive and one who should be very conversant with the budget and all its provisions, he should be the one to blow the first whistle whenever he notices any deviation from the budgetary provision or programme. The Director of Finance and Supplies is expected to submit monthly returns of all revenues collected, and expenditures incurred to the Office of the Accountant General and the Budget Office where returns are professionally studied.

The researcher also gathered that, the department having studied the reports and if satisfied with them, uses such reports in preparing its Annual Accounts. The Treasury on the other hand, draws the attention of any ministry of department if it is not satisfied with its report.

Ironically, however, the researcher in the course of his findings gathered that the above functions were only on paper as most ministries and department find it highly difficult to submit their monthly returns of revenues and expenditures talk less of studying them. This therefore makes the whole budget exercise distorted and difficult to implement.

4.3.5 CONTROL BY THE BUDGET UNIT

The Budget department of the Ministry of Finance is expected to carry out periodic review and prepare progress reports on the implementation of the budget to the Executive Council. Here, the researcher established also that the progress reports are prepared quarterly, which is largely due to poor cooperation by the Accounting Officers who hardly forward their monthly returns timely. In these quarterly reports, attention of the Executive Council is drawn to where there are deviations from the budget provisions and programmes on both revenue and expenditure accounts.

4.3.6 RETURNS OF REVENUES AND EXPENDITURES BY GOVERNMENT MINISTRIES/EXTRA-MINISTERIAL DEPARTMENTS

Under this, the researcher gathered that the government Ministries/extra-ministerial departments are expected to make regular (monthly) returns of their total revenue and expenditure figures under the various Head/Sub-heads of the budget. The idea of rendering such return is intended to keep the Ministry of Finance not only fully informed about the position of revenue generation, but also to check over-spending over the and above the approved provisions under the various Head/Sub-heads of the budget.

Unfortunately, the researcher established that Government Ministries/extra-ministerial establishments in attempting to find escape route to over-spending their approved provisions, have tended to give in accurate returns on their actual expenditures only to therefter submit Application to incure Supplementary Expenditures (AISE), of even for Virements (i.e. transferring savings under approved unspent Heads or

sub-heads to some Heads or sub-heads not provided for in the approved budget).

Under such in-discipline behaviour by the ministries and departments, the researcher gathered that the Ministry of Finance is often left with only surcharge options i.e. apply rigidly the penalty of surcharge for over-spending their approved Heads/sub- heads without authorisation as demanded by the Financial Instructions, or to grant requests for supplementation expenditure.

However, our findings revealed that the Ministry of Finance has always obliged to such requests rather than applying the first saction, hence by an large, the control measure through returns has also tended not to yield the desired results on Plateau State budgets generally.

4.3.7 AUDIT INSPECTION AND REPORTS

Conventionally, in virtually all States of the Federation, the Department of Audit exists, and is headed by a Director - a statutory position aimed at enhancing independent operations of the department. Thus, the department is expectd to audit the accounts of all Government Ministries/extra-ministerial departments on a regular basis, and to report discripancies discovered for prompt redress.

However, it is rather sad as discovered that, audit queries or reports are hardly available on a regular basis in the state. What seems to be the order of the day is to have such queries or reports given six months or even two years in arrears, thus rendering them of no significant effects as intended.

The researcher also gathered that such glaring defects in this measure of control introduced to expose frauds in expenditures and to ensure eddective account of revenues may not be unconnected with the inadequate supply of skilled manpower in the audit dfield as well as the lack of funds to undertake regular audi inspection visits to the affected ministries and departments.

The analysis further provides that, though as demanaded by the recent Civil Service Reforms, there are now Internal Audit Units attached to each Ministry and extra-ministerial departments, the impact of such an added control measure is yet to be assessed over time.

4.3.8 PHYSICAL INSPECTION AND PREPARATION OF VALUATION CERTIFICATE ON PROJECTS

Here, the reseacher gathered that this could be closely related to 4.3.1 above, yet such a monitoring measure carries with it a more technical approach involving physical visiting and inspection of individual projects after which the value of work executed is both quantitatively and qualitatively evaluated and valuation certificates are consequently issued for payments to be made in respect of the percentage of work completed.

Contrarily, the researcher established here that such inspections carried out by the technical experts from the Ministry of Works, Housing and Transport have been invariably known to have flaws, ranging from not only poor supervision of work undertaken owing to shortage of skilled manpower, to a few disturbing cases of over-valuing of work doen and/ of acceptance of work poorly executed.

The researcher also gathered that lack of funds and/or motor- vehicles for ensuring regular supervisory visits to the on-going projects sites have tended, by and large, to compound the problem of effective monitoring and

evaluation of such projects. It was also discovered that becayse of the instability in the price level, variation of initial contract sums have often become not only obvious, but also used an instrument of manipulation by unscrupulous technical experts to inflate the value of the costs of projects, using such instability in prices as a cover- up.

From the analysis of our study also, it was discovered that two other exigencies exist which bring pressure on the budgetary control system in the State. These are the political factors and natural hazards, which no doubt cause a lot of distortions in the approved budgets expecially under situations where unplanned projects are introduced into the budget by unexpected exigencies.

4.4 PROBLEMS AND BENEFITS OF BUDGETARY CONTROL

From the analysis of our study, the researcher discovered that the entire budgetary control system in the State experiences a lot of problems. Similarly, it was also discovered that properly planned, controlled and administered budget can yield positive results. However, these benefits do not automatically accrue; they have to be strongly worked for. Problems, the researcher established, can arise and intending accountants and financial experts should have an awareness of the factors which could prevent the organisation from attaining maximum heights.

Here, the researcher devoted considerable energy in discussing the problems and benefits associated with budget monitoring and control generally as discovered in his study.

4.4.1 PROBLEMS OF BUDGETARY CONTROL

Budget monitoring and control as the study revealed, may sound well and excellent in theory, however, there are a lot of obstacles to be overcome in relating theory to practice. Some of the problems as discovered in the study include: difficulty in the preparation of a standard, reliable and acceptable plan to the Chief Executive; measuring actual results with adequate accuracy; coordinating the plans and programmes of different departments in the organisation; measuring actual results with suitable feedback period i.e. the idea of keeping the reporting cycle-time sufficiently short to offer management an opportunity to take prompt action when serious deviations from plan occur. Also, as discovered, there is the problem of identifying the causes of variations betwenn actual results and the standard, and distinguishing controllable from uncontrollable causes; drawing the attention of management to a deviation between actual results and plan, and persuading them to take some corrective measures; keeping everybody adequately informed who cares to know the direction of results; changes in Government policies and priorities as well as those in the international level; and the use of control ratios during periods on inflation may not be an easy task.

4.4.2 BENEFITS OF BUDGETARY CONTROL

In like manner, the researcher established in the course of his study that budget monitoring and control generally, if properly administered yield a lot of positive results. For instance, the analysis discovered that budgetary control measure helps in unveiling the extent by which actual results have exceed or fallen short of the budgeted; assists management in simplifying her objectives and strategies; provides the basis for the assessment of current

budget, or for the preparation of future budgets; helps in establishing reasons why actual results differ from budgeted, and also establilshes the magnitude of such differences; provides a formula whereby resources of an organisation are used in the most economic way possible; provides clear guidlines for both executives and supervisors, being the main basis in which organisational objectives are tanslated into specific tasks related to individual managers: ensures that the profit target is attainable within the limited available resources; improves greatly inter-departmental communication and relationship generally.

The researcher also gathered that budget monitoring relates responsibilities to specific individuals within a specified time- frame; indicates the efficiency with which the various activies of the organisation have been coordinated, being a measure of preventing or curtailing the problems of sub-optimality. Alos, it was discovered that where the activities of the organisation are subject to cyclical or seasonal variations, budget monitoring and control serves as a means of establishing the organisation's activities, saves a lot of useful time, as well as re-directing management policies, plans and programmes to areas of most concern.

4.5 A CRITIQUE OF THE EXISTING BUDGET MONITORING AND CONTROL MECHANISMS IN PLATEAU STATE

Although there exist general problems of monitoring and control in any economy similar to those enumerated above, yet the problems and loopholes within the State are more pronounced and have rendered its monitoring mechanisms inefficient thus resulting in a very high rate of budget deficits which has resulted in debt accumulation in the State with its resultant

CHAPTER FIVE

5.0 SUMMARY, RECOMMENDATIONS AND CONCLUSION

The fundamental principle behind any research work is not just to establish what is wrong with what we already know, but it is essentially to proffer solutions to what has been discovered to be wrong. This chapter therefore attempts to draw the summary of findings, contribution to learning in form of recommendations as well as the conclusion. This, no doubt, will go a long was in assisting our numerous readers and researchers to redirect their future efforts to the issues raised in this work.

5.1 SUMMARY

(1) This research work found out that over theten years under review (1985-1994), there has been great deviations of the estimated budget proposals from the final expenditure figures, with the actual always being higher than the estimated.

(2) In the course of this work, it was discovered that most public policy-makers take the issues of budgeting and the monitoring and control mechanisms that should accompany the act of optimal budgeting for granted.

(3) It was thus discovered that some agencies of Government which should have been viable instruments for budget monitoring were established basically not for that purpose but to satisfy some specific political or other interests. It is therefore very common to find unqualified and unexperienced persons appointed into some sensitive Committees like the Budget Committee, Public Accounts Committee etc.

(4) As a consequence, this work found out that Committees that would have checked budget in-discipline and financial recklessness have tended to abet the crimes themselves.

(5) Also, it was discovered that even those Committees that eventually took off on a very good ooting got abandoned, frustrated and made dormant by not being given the necessary powers for efficient monitoring and control of the budgets. The consequences of the above led to the issue of very high and continuous growth of the budget deficits in the State. In fact, within a period of just ten years under study, the State had accumulated a total budget deficit of over N2 billion. The result of this deficit has been the high and unmanageable debts(both local and foreign). The consequences of which is the current high rate of unemployment in the State, the very low level of industrial development and the low internal revenue base of the Government. This situation, has no doubt limited Government capacity at providing some basic needs to its citizenty.

(6) This work also discovered that as soon as the budget is announced, the budget Officers lost touch with its implementation process. They are not even opportuned to physically carry out inspection of projects to ascertain their viability or needs.

5.2 RECOMMENDATIONS

In spite of the fact that the budget monitoring and control mechanisms in the State have been discovered to be weak and ineffective, the situation is not totally irredeemable if only corrective measures are taken before it gets to an illusionary stage, Based on the findings of this research work, and an attempt to curb the issue of budget indiscipline in the future, it is recommended here that:

1. Government should, as a matter of priority reactivate its already existing budget monitoring and control structures and give them the relevant powers to operate. Committees such as the Public Accounts, Audit and Budget be given particular attention.

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2. Government should also ensure that only people with the technical and managerial know-how be made to head and be members of such sensitive Committees. The Committees should be answerabl only to the Chief Executive. In pursuance of the, Government should therefore limit its interference in such committees and ensure their proper funding.

3. As a matter of urgency, and in a bit to reduce the level of the State's indebtedness, Government through the budget Office should work towards a balanced budget as deficits have resulted in the State's high debt profile.

4. In political regimes, the House of Assembly's Appropriation Committee be elected purely on merit and should be devoid of political considerations. There should also be adequate education of the legislature on their roles in this regard.

5. Since Government intends to boost the private sector, efforts should be made at reducing the State's debts especially the individual contractual liabilities so as to release funds to people who may eventually invest in either small or medium scale businesses. This will go a long way in reducing the existing high rate of unemployment in the state.

6. Any action directed at eliminating corruption in our public life is definitely a step in the right direction as probity and accountability are required to forestall budget in-discipline which often renders monitoring and control impotent. Governement should therefore make sure that appropriate sanctions are devised and applied to any agency which is found guilty of budget distrortions.Penalty for over-spending approved budget provisions by any

   Ministry/extra-ministerial department without prior authorisation should attract surcharge stimulated in the financial instructions.

7. While it should be amde mandatory for all Ministries/extraministerial establishments to respond promptly and adequately to audit-queries

and reports, failure for which attract some panalties, Government should as well minimize the variation of contracts, the instability in prices notwithstanding.Also, funds be made available adequately and timely as projected in the yearly estimates if really budget monitoring and control is to be effective.

8. The techniques of cost benefit analysis should be increasingly applied by the State Government, not only in the formation of their yearly budgetary process, but also as part of their control mechanism. This, no doubt, could help them (the policy-makers) to re-examine their expenditure objectives, relate these expenditures to outputs and achieve a higher allocative efficiency.

9. The State Project Minitoring and Evaluation Committee should endeavour to raise its standards above the level of anthics. In essence, this Committee in particular needs to be seen existing more practically than under the present situation where abandoned projects continue to exist without adequate attention by the Government. This reduces the validity of a budget as a policy document to that of a paper-exercise which of course is not healthy for a developing economy like ours.

10. Expenditure Control Officers should be made to operate vote books effectively and consistently. Such vote books should be balanced regularly and on no account should any expenditure be allowed when the appropriate vote is exhausted. Also, efforts should be made by Government to reduce overhead costs where possiblem especially in the areas of travelling and unnecessary trips.

11. There is urgent need for adequate porovision of motor-vehicles and funds for effective monitoring and implementation of projects as site as relected in the yearly budgets. Also, the tesk of monitoring is often times too risky and involves frequent travel. In the face of critical shortage of requisiste skills needed for excellent performance, it might be necessary for Government to improve the remunerations of

these categories of workers. This, will no doubt, help in motivating, attracting and re-engaging of qualified and experienced staff into the Monitoring and Evaluation Units of the State.

12. For efficient monitoring to be guaranteed in the state, the Government should made efforts to computerise its operations. This will certainly help in facilitating data processing and also aid in the rapid resolution of the timeliness problem.

5.3 CONCLUSION

This work has made a modest attempt at x-raying the issue of budget, the monitoring and control processes currently in existence in Plateau State and has made some very useful findings and recommendations towards rectifying the anomalies discovered within the budget process. However, as thorough as this work may claim, it cannot be said to be an exhaustive treatment of the issue. It is to be categorically stated here that some other factors exist which could contribute to these deficits and which were not fully or partly treated here. This work is therefore intended to be a sensitiser. It is supposed to steer up concerns to the problems identified and should therefore motivate people into further research.

Notwithstanding the above shortcomings, for a budget to be meaningful, and for its objectives to be fully realised and appreciated, there should be an effective and efficient monitoring and control of all its aspects.

We believe to ensure a perfect budget (that which does not deviate significantly from its objectives), the recommendations advanced above should be embraced and accommodated with the required urgency and sincerity.

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DETAILS OF COMPUTED VARIANCES ON GOVERNMENT OF PLATEAU STATE RECURRENT AND CAPITAL EXPENDITURES FOR THE YEARS ENDED 31ST DECEMBER, 1985 – 1994.

1985 Recurrent Expenditure for the Year Ended 31st December

Head	Details of Recurrent Expenditure	Estimated Recurrent Expenditure 1985	Actual Expenditure 1985	Variation	Remarks
412	Government House	666,135.00	842,740.30	176,605.30	A
413	Military Governor's Office	23,204,205.00	21,296,825.79	1,907,379.21	F
414	Ministry of Agric. & Natural Resources	8,758,120.00	9,886,938.10	1,128,818.10	A
415	Ministry of Commerce &Ind.	1,116,545.00	2,084,896.25	968,351.25	A
416	Ministry of Education	32,392,695.00	40,090,063.63	7,697,368.63	A
417	Ministry of Finance & Eco. Planning	1,932,115.00	2,934,668.96	1,002,553.96	A
418	Ministry of Health	6,610,130.00	10,141,572.84	3,531,442.84	A
419	Ministry of Information Social Dev., Youths, Sports & Culture	1,931,275.00	2,130,501.84	199,226.84	A
420	Ministry of Justice	178,505.00	330,865.78	152,360.78	A
421	Ministry of Local Govt. & Chieftaincy Affairs	3,568,260.00	4,455,833.46	887,573.46	A
422	Ministry of Works and Trans.	4,756,440.00	5,627,570.35	871,130.35	A
423	Audit Department	307,070.00	292,511.79	14,558.21	F
424	Civil Service Commission	157,265.00	244,469.82	87,204.82	A
425	Judiciary	2,330,990.00	2,462,201.92	1,131,211.92	A
426	Judicial Service Committee	50,255.00	16,260.42	33,994.58	F
427	Local Goverernment Service Board	91,520.00	87,069.46	4,450.54	F
428	Teachers' Service Board	86,195.00	149,907.41	63,712.41	A
429	Dept. of Land & Survey	934,335.00	1,080,126.75	150,791.75	A
430	Consolidated Revenue Funds	83,898,945.00	96,673,135.36	12,774,190.36	A
431	Transfer to Capital Develop. Fund	–	–	–	–
	TOTAL	**N172,971,000.00**	**N201,833,160.19**	**N28,896,154.20**	**A**

1985 Capital Expenditure for the Year Ended 31st December

Head	Details of Recurrent Expenditure	Estimated Recurrent Expenditure 1985	Actual Expenditure 1985	Variation	Remarks
	External Loan Projects				
400	Agriculture	3,064,022.43	21,331,932.75	18,267,910.32	A
459	Health	9,660,385.30	26,449,314.73	16,788,929.43	A
462	Water Supply	2,801,476.96	25,117,803.93	22,316,326.97	A
463	Educationa and Others	120,365,200.00	96,662,413.73	23,702,786.27	F
	TOTAL	**N135,891,084.69**	**N169,561,465.14**	**N33,670,380.45**	**A**

1985 RecurrenEtxpenditure for the Year Ended 31st December

Head	Details of Recurrent Expenditure	Estimated Recurrent Expenditure 1986	Actual Expenditure 1986	Variation	Remarks
412	Government House	485,055.00	967,871.96	482,816.96	A
413	Military Governor's Office	22,980,230.00	23,001,363.02	21,233.02	A
414	Ministry of Agric. & Natural Resources	8,279,790.00	8,874,442.91	594,652.91	A
415	Ministry of Commerce & Industry	1,043,055.00	1,031,262.70	11,792.30	F
416	Ministry of Education	30,463,615.00	32,841,462.10	2,377,847.10	A
417	Ministry of Finance Eco. Planning	4,277,085.00	4,580,989.88	303,904.88	A
418	Ministry of Health	5,900,555.00	5,280,372.54	620,182.46	F
419	Ministry of Inform. Social Dev., Youths, Sports & Culture	2,020,445.00	2,104,569.35	84,124.35	A
420	Ministry of Justice	301,700.00	231,806.64	69,893.36	F
421	Ministry of Local Govt. & Chieftaincy Affairs	554,520.00	509,982.21	44,537.79	F
422	Ministry of Works and Transport	4,509,970.00	4,999,704.67	489,734.67	A
423	Audit Department	347,560.00	258,050.13	89,509.87	F
424	Civil Service Commission	201,335.00	171,079.12	30,255.88	F
425	Judiciary	1,933,215.00	2,096,989.70	163,774.70	F
426	Judicial Service Committee	57,875.00	24,848.60	33,026.40	F
427	Local Government Service Board	102,945.00	106,365.87	3,420.87	A
428	Teachers' Service Board	114,990.00	90,387.52	24,602.48	F
429	Dept. of Land & Survey	980,160.00	1,084,814.40	104,654.40	A
430	Consolidated Revenue Funds	105,908,000.00	31,476,450.45	74,431,549.55	F
431	Transfer to Capital Dev. Fund	-	-	-	-
	TOTAL	**N190,462,000.00**	**N119,732,813.77**	**N70,729,186.2**	**F**

1986 Capital Etxpenditure for the Year Ended 31st December

Head	Details of Recurrent Expenditure	Estimate Capital Expenditure 1986	Actual Expenditure 1986	Variation	Remarks
	External Loan Projects				
400	Agriculture	3,369,110.00	13,020,122.15	9,651,002.15	A
459	Health	14,418,215.00	25,462,300.12	11,644,085.12	A
462	Water Supply	2,212,675.00	17,352,902.57	15,140,227.57	A
	TOTAL	**N20,000,000.00**	N55,835,314.84	**N35,835,314.84**	**A**

1987 Capital Etxpenditure for the Year Ended 31st December

Head	Details of Recurrent Expenditure	Estimated Recurrent Expenditure 1987	Actual Expenditure 1987	Variation	Remarks
412	Military Governor's Office	835,685.00	3,259,123.75	2,423,438.78	A
413	Cabinet Office	7,755,795.00	8,853,107.12	1,097,312.12	A
414	Ministry of Agric. & Natural Resources	19,227,070.00	10,228,831.38	8,998,838.62	F
415	Ministry of Commerce & Industry	2,353,835.00	2,089,923.98	254,911.02	F
416	Ministry of Education	73,660,045.00	56,903,543.05	16,756,501.95	F
417	Ministry of Finance & Eco. Planning	15,176,705.00	16,650,718.46	1,474,013.46	A
418	Ministry of Health	19,652,310.00	17,463,274.26	2,189,035.74	F
419	Ministry of Inform. Social Dev., Youths, Sports & Culture	6,609,640.00	6,921,059.31	311,419.31	A
420	Ministry of Justice	379,450.00	390,483.04	11,033.04	A
421	Ministry of Local Govt. & Chieftaincy Affairs	2,343,910.00	656,350.66	1,687,559.34	F
422	Ministry of Works and Transport	8,582,645.00	9,947,958.99	1,365,313.99	A
423	Audit Department	373,730.00	898,547.42	524,817.42	A
424	Civil Service Commission	228,750.00	172,276.46	56,473.54	F
425	Judiciary	2,659,835.00	2,573,635.59	86,199.41	F
426	Judicial Service Committee	44,975.00	406,973.98	361,998.98	F
427	Local Govt. Service Commission	76,735.00	89,207.73	12,472.73	A
428	Teachers' Service Board	119,015.14	215,823.14	96,808.14	F
429	Ministry of Land & Survey	1,509,640.00	1,446,165.25	63,474.75	A
430	Consolidated Revenue Funds Charges	97,588,415.00	65,000,160.00	32,588,255.00	F
	TOTAL	**N259,178,785.00**	**N204,176,163.58**	**N55,002,622.42**	F

1987 Capital Etxpenditure for the Year Ended 31st December

Head	Details of Recurrent Expenditure	Estimated Capital Expenditure 1987	Actual Expenditure 1987	Variation	Remarks
	External Loan Projects				
450	Agriculture & Rural Development	13,000,000.00	10,735,441.77	2,264,558.23	F
451	Livestock	2,000,000.00	1,563,704.78	436,295.22	F
452	Forestry	500,000.00	381,356.14	118,643.86	F
453	Fisheries	250,000.00	116,538.90	133,461.10	F
454	Manufacturing	2,000,000.00	702,117.86	1,297,882.14	
455	Rural Electrification	3,000,000.00	1,108,317.13	1,891,682.87	F
456	Hotel Dev., Cooperatives & Tourism	3,000,000.00	1,801,179.00	1,198,821.00	F
457	Transport	10,000,000.00	2,662,857.57	7,337,142.43	F
458	Education & Relevant Technology	10,000,000.00	10,457,584.83	457,584.83	A
459	Health	15,000,000.00	13,442,659.07	1,557,340.93	F
460	Information and PRTVC	21,000,000.00	20,502,782.80	497,217.20	F
461	Town & Country Plannin g	10,000,000.00	5,025,915.94	4,974,084.06	F
462	Cabinet Office	10,000,000.00	6,491,682.91	3,508,317.09	F
	TOTAL	**N99,750,000.00**	**N74,992,138.70**	**N24,757,861.30**	**F**

1988 Capital Etxpenditure for the Year Ended 31st December

Head	Details of Recurrent Expenditure	Estimated Recurrent Expenditure 1988	Actual Expenditure 1988	Variation	Remarks
412	Military Governor's Office	1,601,160.00	5,627,377.12	4,026,212.12	A
413	Cabinet Office	9,824,850.00	14,038,314.64	4,213,464.64	A
414	Ministry Of Agric. & Natural Resources	21,253,580.00	14,753,302.63	6,500,277.37	F
415	Ministry of Commerce & Industry	4,032,030.00	4,488,243.06	456,213.06	A
416	Ministry of Education	84,433,095.00	63,377,540.33	21,055,554.67	F
417	Ministry of Finance & Economic Planning	25,498,198.00	95,518,211.58	70,020,013.58	A
418	Ministry of Health	27,102,445.00	27,848,240.35	745,795.35	A
419	Ministry of Inform. Social Dev., Youths,	10,031,430.00	10,640,808.10	609,378.10	A
420	Ministry of Justice	744,325.00	814,805.85	70,480.85	A
421	Ministry of Local Govt. & Chieftaincy Affairs	2,334,795.00	795,266.29	539,528.71	F
422	Ministry of Works, Housing and Transport	13,417,622.00	18,314,035.48	4,896,413.48	A
423	Audit Department	452,140.00	614,106.20	161,966.20	A
424	Civil Service Commission	212,540.00	369,014.70	156,474.70	A
425	Judiciary	3,653,615.00	4,403,821.80	750,206.80	A
426	Judicial Service Committee	173,470.00	184,500.69	11,030.69	A
427	Local Government Service Commission	102,190.00	203,412.63	101,222.63	A
428	Teachers' Service Board	171,450.00	301,528.33	130,078.33	A
429	Ministry of Lands, Survey & Town Planning	2,119,610.00	1,930,361.58	189,248.42	F
430	Consolidated Revenue Funds. Charges	84,886,260.00	80,577,425.00	4,308,835.00	F
	TOTAL	**N291,044,810.00**	**N344,800,316.36**	**N53,755,506.36**	**A**

1988 Capital Etxpenditure for the Year Ended 31st December

Head	Details of Recurrent Expenditure	Estimated Capital Expenditure 1988	Actual Expenditure 1988	Variation	Remarks
450	External Loan Projects				
451	Agriculture & Rural Development	16,100,000.00	18,262,232.09	2,162,232.09	A
252	Livestock	930,000.00	1,366,108.06	436,108.06	A
453	Forestry	650,000.00	1,158,081.75	508,081.75	A
454	Fisheries	350,000.00	31,732.43	318,267.57	F
455	Manufacturing	3,600,000.00	2,664,294.95	935,705.05	F
456	Rural Electrification	3,500,000.00	1,200,000.00	2,300,000.00	F
457	Hotel Dev., Co-operative &. Tourism	4,665,000.00	2,779,663.65	1,885,336.35	F
458	Transport	11,930,000.00	3,014,603.45	8,915,396.55	F
459	Education & Relevant Technology	13,070,000.00	60,699,051.23	47,629,051.23	A
460	Health	3,250,000.00	2,148,635.49	1,101,364.51	F
461	Plateau Radio Television	6,500,000.00	6,931,724.14	431,724.14	A
462	Sports Council	2,460,000.00	3,693,739.38	1,233,739.38	A
463	Water Supply	4,300,000.00	3,176,865.00	1,123,135.00	F
464	Environmental Dev., Sewage &. Dranage	540,000.00	264,160.00	275,840.00	F
465	Housing	500,000.00	360,676.00	239,324.00	F
466	Town & Country Planning	5,689,000.00	5,096,113.46	592,886.54	F
467	Country Development	500,000.00	978,353.83	478,353.83	A
468	Cabinet Office & Others	9,500,000.00	8,882,795.12	617,204.88	F
	TOTAL	**N88,034,000.00**	**N122,708,830.03**	**N34,674,830.03**	A

1989 Capital Etxpenditure for the Year Ended 31st December

Head	Details of Recurrent Expenditure	Estimated Recurrent Expenditure 1989	Actual Expenditure 1989	Variation	Remarks
412	Military Governor's Office	2,365,840.00	12,664,923.22	10,299,083.22	A
413	Cabinet Office	15,939,255.00	30,608,598.15	14,669,343.15	A
414	Ministry of Agric. & Natural. Resources	26,583,695.00	16,964,357.06	9,619,337.94	F
415	Ministry of Commerce &. Industry	4,972,875.00	6,299,925.27	1,327,050.27	A
416	Ministry of Education	75,796,840.00	61,153,026.40	14,643,813.60	F
417	Ministry of Finanace & Econ. Planning	33,409,150.00	72,695,399.45	39,286,249.45	A
418	Ministry of Health	34,270,990.00	26,785,482.50	7,485,507.50	F
419	Ministry of Inform. & Culture	9,958,250.00	12,912,566.45	2,954,316.45	A
420	Ministry of Justice	873,205.00	1,131,130.34	257,925.34	A
421	Ministry of Social Sev., Youths &. Sports	3,273,750.00	4,165,647.98	891,897.98	A
422	Ministry of Works, Housing and Transport	21,428,635.00	17,170,644.98	4,257,990.02	F
423	Audit Department	672,255.00	613,638.46	58,616.54	F
424	Civil Service Commission	355,120.00	413,101.07	57,981.07	A
425	Judiciary	4,796,195.00	5,478,170.20	681,975.20	A
426	Judicial Service Committee	184,055.00	159,742.69	24,262.31	F
427	Local Government Service Commission	213,620.00	512,605.11	298,985.11	A
428	Teachers' Service Commission	290,665.00	328,863.68	38,198,68	A
429	Department of Lands, Survey &. Town Planning	3,274,715.00	2,827,525.03	447,189.97	F
430	Consolidated Revenue Funds Charges	112,206,780.00	135,762,475.66	23,555,695.66	A
	TOTAL	**N350,865,840.00**	**N408,647,823.70**	**N57,781,983.70**	**A**

1989 Capital Etxpenditure for the Year Ended 31st December

Head	Details of Recurrent Expenditure	Estimated Recurrent Expenditure 1989	Actual Expenditure 1989	Variation	Remarks
	External Loan Projects				
450	Agriculture &Rrual Development	28,500,000.00	22,796,888.60	5,703,111.40	F
451	Livestock	100,000.00	86,241.54	13,758.46	F
452	Forestry	250,000.00	31,429.85	218,570.15	F
453	Fisheries	200,000.00	256,006.82	56,006.82	A
454	Manufacturing	1,000,000.00	8,485.20	991,514.80	F
455	Hotel Development and Toursim	500,000.00	-	500,000.00	F
456	Plateau Industrial Development Agency (PIDA)	1,000,000.00	1,609,583.33	609,583.33	A
457	Transport	2,750,000.00	6,916,111.60	4,166,111.60	A
458	Education	7,733,840.00	8,889,219.60	1,155,397.60	A
459	Health	1,000,000.00	4,707,769.30	3,707,769.30	A
460	Information, Television &. Publishing	650,000.00	731,309.11	81,309.11	A
461	Social Development	3,800,000.00	8,337,475.82	4,537,475.82	A
462	Water Supply	2,500,000.00	4,060,029.91	1,560,029.91	A
463	Evironmental Dev., Sewage &. Drainage (JMDB)	1,000,000.00	4,808,738.00	3,808,738.00	A
464	Housing	-	-	-	-
465	Town & Country Planning	400,000.00	1,776,840.30	1,376,840.30	A
466	Community Development	1,000,000.00	2,880,009.00	1,880,009.00	A
467	Cabinet Office & Others	2,200,000.00	-	2,200,000.00	F
468	Judicial Department	300,000.00	-	300,000.00	F
	TOTAL	**N54,883,840.00**	**N67,896,137.98**	**N13,012,297.98**	A

1990 Capital Etxpenditure for the Year Ended 31st December

Head	Details of Recurrent Expenditure	Estimated Recurrent Expenditure 1990	Actual Expenditure 1990	Variation	Remarks
412	Military Governor's Office	5,936,660.00	31,041,365.01	25,104,705.01	A
413	Cabinet Office	14,367,310.00	28,518,062.71	14,150,752.71	A
414	Military of Agric. &Natural. Resources	40,442,850.00	45,787,988.99	5,343,238.99	A
415	Ministry of Commerce &. Industry	5,711,315.00	7,081,229.91	2,369,914.91	A
416	Ministry of Education	91,763,600.00	71,713,590.89	20,050,009.11	F
417	Ministry of Finance & Econ. Planning	102,137,730.00	84,315,080.06	17,822,646.94	F
418	Ministry of Health	51,659,065.00	88,010,695.61	36,351,630.61	A
419	Ministry of Information	12,890,070.00	61,714,234.29	48,824,164.29	A
420	Ministry of Justice	1,293,360.00	5,255,894.45	3,962,534.45	A
421	Social Dev., & Youths	5,929,365.00	13,031,519.50	7,102,154.50	A
422	Ministry of Works, Housing and Transport	25,349,310.00	52,354,332.56	27,005,022.56	A
423	Audit Department	764,795.00	826,756.18	61,961.18	A
424	Civil Service Commission	6,876,405.00	14,445,829.87	7,569,424.87	A
425	Judiciary	6,124,690.00	15,102,835.62	8,978,145.62	A
426	Judicial Service Committee	327,575.00	221,982.45	105,592.55	F
427	Local Government Service Board	295,485.00	6,222,038.57	5,926,553.57	A
428	Teachers' Service Board	453,510.00	628,266.87	174,756.87	A
429	Dept. of Lands & Survey	3,252,115.00	10,260,983.44	7,008,868.43	A
430	Consolidated Revenue Funds	80,026,790.00	322,937,863.20	242,911,073.20	A
431	House of Assembly	2,650,000.00	5,317,443.13	2,667,443.13	A
	TOTAL	**N458,252,000.00**	**N864,787,993.31**	**N407,536,094.31**	**A**

1985 Capital Expenditure for the Year Ended 31st December

Head	Details of Recurrent Expenditure	Estimated Recurrent Expenditure 1990	Actual Expenditure 1990	Variation	Remarks
	External Loan Projects				
450	Agriculture & Rural Dev.	6,916,856.00	10,256,525.68	3,339,669.68	A
451	Livestock & Veterinary	1,898,144.00	1,950,385.23	52,241.23	A
452	Forestry	440,000.00	612,270.75	172,270,75	A
453	Fisheries	833,500.00	622,809.77	210,690.23	F
454	Manufacturing	2,292,110.00	2,103,937.14	188,172.86	F
455	Rural Electrification	1,500,000.00	5,260,360.07	3,760,360.07	A
456	Hotels Development & Tourism	1,520,000.00	2,342,120.00	822,120.00	A
457	Transport	4,800,000.00	6,497,943.22	1,697,943.22	A
458	Education	4,560,000.00	18,194,018.44	13,634,018.44	A
459	Health	2,935,000.00	15,120,333.61	12,185,333.61	A
460	Information, Radio & Television	2,068,000.00	21,468,631.48	19,400,631.48	A
461	Social Dev., Youths & Sports	9,160,000.00	15,773,045.13	6,613,045.13	A
462	Water Supply	3,050,000.00	15,904,368.90	12,854,368.90	A
463	Sewage & Drainage	1,840,000.00	2,794,083.19	954,083.19	A
464	Housing	325,000.00	-----	325,000.00	F
465	Town & Country Planning (Lands & Survey)	3,250,000.00	20,702,768.01	17,452,768.01	A
466	Town & Country Planning (Community Development)	3,010,000.00	3,473,417.13	463,417.13	A
467	Cabinet Office	9,850,000.00	10,878,231.43	1,028,231.43	A
468	Judicial Department	3,850,000.00	3,187,334.09	662,665.91	F
469	Justice	1,100,000.00	1,252,113.10	152,113.10	F
471	Min. of Finance & Economic Planning.	100,000.00	112,837.20	12,837.20	F
472	Board of Internal Revenue	1,600,000.00	2,961,397.93	1,361,397.93	F
	TOTAL	**N66,898,610.00**	**N161,468,931.50**	**N94,570,321.50**	**A**

1985 Recurrent Expenditure for the Year Ended 31st December

Head	Details of Recurrent Expenditure	Estimated Recurrent Expenditure 1991	Actual Expenditure 1991	Variation	Remarks
412	Military Governor's Office	8,408,420.00	10,746,750.48	2,338,330.48	A
413	Cabinet Office	13,258,775.00	11,995,981.50	1,262,793.50	F
414	Ministry of Agric. & Natural Resources	46,675,608.00	44,164,572.29	2,511,035.71	F
415	Min. of Commerce & Industries	6,299,178.00	10,407,623.05	4,108,445.05	A
416	Ministry of Education	91,735,257.00	98,615,581.93	6,880,324.93	A
417	Min. of Finance & Econ., Planning	94,258,832.00	95,338,347.15	1,079,515.15	A
418	Ministry of Health	45,770,343.00	40,965,609.96	4,804,733.04	F
419	Min. of Information & Culture	13,103,806.00	13,252,099.49	148,293.49	A
420	Ministry of Justice	3,877,215.00	4,509,205.91	631,990.91	A
421	Min. of Social Development Youths & Sports	6,953,879.00	5,496,668.56	1,457,210.44	F
422	Ministry of Works, Housing and Transport	28,277,880.00	20,996,870.77	7,281,009.23	F
423	Audit Department	839,320.00	1,313,170.88	473,850.88	A
424	Civil Service Commission	3,589,844.00	1,318,489.92	2,271,354.08	F
425	Judiciary	8,473,852.00	13,761,639.80	5,287,787.80	A
426	Judiciary Service Committee	426,925.00	330,016.72	96,908.28	F
427	Local Government Service Board	371,164.00	881,657.25	510,493.25	A
428	Teachers' Service Commission	630,000.00	1,714,082.73	1,084,082.73	A
429	Dept., of Lands & Survey	3,924,707.00	3,292,261.62	632,445.38	F
430	Consolidated Revenue Fund Charges	104,377,390.00	250,160,787.94	145,783,397.94	A
431	House of Assembly	5,735,174.00	1,848,035.65	3,887,138.35	F
432	Public Accouts Committee	567,916.00	386,114.37	181,801.63	F
433	Budget Department	50,917,436.00	281,033.29	50,636,402.71	F
434	Plateau State Director orate for Women Affairs	2,034,846.00	90,753.65	1,944.092.35	F
435	Local Government Audit	403,284.00	470,080.91	66,796.91	A
	TOTAL	**N540,911,051.00**	**N632,337,435.82**	**N91,426,384.82**	**A**

1985 Capital Expenditure for the Year Ended 31st December

Head	Details of Recurrent Expenditure	Estimated Recurrent Expenditure 1991	Actual Expenditure 1991	Variation	Remarks
	External Loan Project				
450	Agriculture & Rural Dev.	40,836,856.00	26,932,139.00	13,904,717.00	F
451	Livestock & Veterinary	1,114,644.00	3,014,369.50	1,899,725.50	A
452	Forestry	1.729,000.00	2,265,145.32	536,145.32	A
453	Fisheries	1,830,000.00	2,012,182.17	182,182.17	A
454	Manufacturing	3,289,000.00	5,987,145.33	2,698,145.33	A
455	Rural Electrification	4,500,000.00	3,821,721.01	678,278.99	F
456	Hotels Dev. & Tourism	2,500,000.00	2,000,000.00	500,000.00	F
457	Transport	53,000,000.00	59,330,125.10	6,330,125.10	A
458	Education	33,000,000.00	16,924,845.26	16,075,154.74	F
458	Relevant TEchnology	1,500,000.00	5,248,309.18	3,748,309.18	A
459	Health	33,300,000.00	38,211,320.11	4,911,320.11	A
460	Plateau Radio & TV.	4,570,000.00	36,604,600.00	32,034,600.00	A
461	Information	16,815,323.00	25,101,240.00	8,285,917.00	A
462	Water Supply	7,000,000.00	17,079,952.27	10,079,952.27	A
463	Sewage & Drainage (JMDB)	6,000,000.00	3,387,210.00	2,612,789.80	F
464	Housing	2,039,323.00	5,387,145.11	3,347,822.11	A
465	Town & Country Plan. (Lands)	4,000,000.00	3,820,120.05	179,879.95	F
466	Town & Country Plan. (JMDB)	21,998,000.00	15,212,136.10	6,785,863.90	F
467	Community Development	100,000.00	1,021,330.10	921,330.10	A
468	Cabinet Office	60,100,000.00	34,114,677.80	25,985,322.20	F
469	Judicial Department	2,000,000.00	854,604.12	1,145,395.88	F
470	Justice	3,100,000.00	1,021,365.01	2,078,634.99	F
471	Min. of Finance & Economic Planning	5,700.,000.00	8,920,136.12	3,220,136.12	A
472	Board of Internal Revenue	2,238,000.00	2,102,101.00	135,899.00	F
	TOTAL	**N312,260,146.00**	**N320,373,919.86**	**N8,113,773.86**	**A**

1992 Recurrent Expenditure for the Year Ended 31st December

Head	Details of Recurrent Expenditure	Estimated Recurrent Expenditure 1992	Actual Expenditure 1992	Variation	Remarks
412	Military Governor's Office	6,623,749.00	6,489,313.00	175,436,.00	F
413	Bureau for Budget	3,314,915.00	2,182,379.00	1,132,536.00	F
414	Bureau for Information	6,879,538.00	5,411,518.00	1,468,020.00	F
415	Bureau for Lands & Survey	4,455,033.00	3,928,778.00	526,255.00	F
416	Cabinet Office	11,359,823.00	11,879,808.00	519,985.00	A
417	Deputy Governor's Office	6,484,682.00	6,200,823.00	283,859.00	F
418	House of Assembly	9,924,118.00	11,381,222.00	1,457,104.00	A
419	Ministry of Agriculture	25,112,095.00	24,500,000.00	612,095.00	F
420	Min. of Commerce & Industries	5,425,287.00	4,878,653.00	546,634.00	F
421	Ministry of Education	84,225,648.00	79,919,482.00	4,306,166.00	F
422	Min. of Fin. & Econ. Planning	2,537,383.00	2,896,111.00	358,728.00	A
423	Ministry of Health	30,832,744.00	30,982,001.00	149,257.00	A
424	Ministry of Justice	6,428,794.00	3,284,102.00	3,144,692.00	F
425	Min. of Works Housing & Transp.	25,154,632.00	24,100,832.00	53,800.00	F
426	Audit Department	1,332,631.00	1,102,000.00	230,631.00	F
462	Civil Service Commission	1,496,422.00	901,201.00	595,221.00	F
468	Teachers' Service Commission	691,940.00	496,521.00	195,419.00	F
469	Judiciary	14,162,979.00	16,809,200.00	2,646,221.00	A
470	Judicial Service Commission	512,379.00	409,300.00	103,079.00	F
471	Commission for Women	1,584,566.00	1,366,458.00	218,108.00	F
472	Cons. Revenue Fund Charges	127,794,320.00	158,989,322.00	31,195,002.00	A
473	Public Accounts Committee	263,206.00	192,500.00	70,706.00	F
414	Local Government Audit	1,086,642.00	878,500.00	208,142.00	F
415	Treasury Department	81,803,898.00	30,285,906.00	51,517,992.00	F
	TOTAL	**N461,489,424.00**	**N429,465,930.00**	**N32,023,494.00**	**F**

1992 Capital Expenditure for the Year Ended 31st December

Head	Details of Recurrent Expenditure	Estimated Recurrent Expenditure 1992	Actual Expenditure 1992	Variation	Remarks
	External Loan Projects				
450	Agric. & Rural Development	18,000,000.00	2,349,000.00	15,651,000.00	F
451	Livestock & Veterinary	350,000.00	1,086,600.00	736,600.00	A
452	Forestry	1,000,000.00	1,000,000.00	0	F
453	Fisheries	1,000,000.00	-	1,000,000.00	F
454	Manufacturing	2,000,000.00	120,000.00	1,880,000.00	F
455	Rural Electrification	1,000,000.00	-	1,000,000.00	F
456	Tourism & Hotels Development	500,000.00	-	500,000.00	F
456A	Jos Main Market	1,000,000.00	-	1,000,000.00	F
457	Transport	60,230,024.00	22,100,000.00	38,130,024.00	F
458	Education	230,080,482.00	251,428.00	229,829,054.00	F
459	Health	6,000,000.00	-	6,000,000.00	F
460	Information	3,000,000.00	-	3,000,000.00	F
460A	Pl. Radio & TV Corporation	11,500,000.00	22,100,000.00	10,600,000.00	A
466	Pl. Publishing Company Ltd.	8,300,000.00	850,000.00	7,450,000.00	F
461	Sports	2,000,000.00	24,606,058.00	22,606,058.00	A
461A	Social Development	11,085,000.00	-	1,085,000.00	F
462	Water Supply	920,060,000.00	606,604,400.00	313,455,600.00	F
463	Sewage & Drainage	1,000,000.00	4,373,825.00	3,373,825.00	A
464	Town & Country Planning (JMDB)	4,678,618.00	11,500,000.00	6,821,382.00	A
465	Community Development	100,000.00	-	100,000.00	F
466	Town & Country Plan. (Land & Survey)	6,000,000.00	-	6,000,000.00	F
466B	Cabinet Office	1,185,572.00	-	1,185,572.00	F
467A	Judicial Department	1,000,000.00	-	1,000,000.00	F
467B	Justice	1,000,000.00	-	1,000,000.00	F
467C	Plateau Revenue Commission	1,000,000.00	-	1,000,000.00	F
467D	House of Assembly	10,000,000.00	10,502,312.00	502.312.00	A
467E	Commission for Women	1,000,000.00	-	1,000,000.00	F
467F	DFFRI	14,430,000.00	18,600,000.00	4,170,000,00	A
	TOTAL	**1,307,499,696.00**	**726,042,623.00**	**581,457,073.00**	F

1993 Recurrent Expenditure for the Year Ended 31st December

Head	Details of Recurrent Expenditure	Estimated Recurrent Expenditure 1993	Actual Expenditure 1993	Variation	Remarks
412	Military Governor's Office	10,527,032.00	13,214,613.00	2,687,581.00	A
413	Bureau for Budget	1,604,188.00	918,962.00	685,226.00	F
414	Bureau for Information	9,014,973.00	6,613,156.00	1,593,104.00	F
415	Bureau for Lands & Survey	8,206,260.00	6,613,156.00	1,593,104.00	F
416	Cabinet Office	145,113,478.00	127,609,375.00	17,504,103.00	F
417	Deputy Governor's Office	10,535,632.00	5,096,603.00	5,439,029.00	F
418	House of Assembly	19,999,412.00	15,392,417.00	4,606,995.00	F
419	Ministry of Agriculture	55,362,163.00	61,830,404.00	6,468,241.00	A
420	Min. of Commerce & Industries	9,512,730.00	7,037,953.00	2,474,777.00	F
421	Ministry of Education	215,173,707.00	218,925,107.00	3,751,400.00	A
422	Min. of Finance & Economic Planning	11,183,964.00	13,918,186.00	2,734,222.00	A
423	Ministry of Health	103,189,487.00	101,532,794.00	1,656,691.00	F
424	Ministry of Justice	9,045,928.00	2,689,230.00	6,356,698.00	F
425	Min. of Works, Housing and Transport	38,140,600.00	33,262,233.00	4,878,367.00	F
426	Audit Department	2,385,188.00	1,836,415.00	548,773.00	F
427	Civil Service Commission	2,415,962.00	1,523,778.00	892,184.00	F
428	Teachers' Service Commission	1,583,158.00	1,237,158.00	346,000.00	F
429	Judicial Department	25,829,443.00	27,030,774.00	1,201,331.00	A
430	Judicial Service Commission	1,013,966.00	704,360.00	309,606.00	F
431	Commission for Women	4,113,924.00	4,241,561.00	127,637.00	A
432	Cons. Revenue Fund Charges	103,892,370.00	162,888,553.00	58,996,183.00	A
433	Boundary Commission	1,632,509.00	2,175,299.00	542,790.00	A
434	Treasury Department	22,312,019.00	18,623,714.00	3,688,305.00	F
435	Local Government Audit	1,676,746.00	948,545.00	728,201.00	F
436	Loc. Govt. Service Commission	1,072,314.00	973,158.00	99,156.00	F
437	Bureau for Soc. Development	6,773,884.00	5,915,041.00	858,843.00	F
	TOTAL	**N821,998,097.00**	**N824,131,545.00**	**N2,133,448.00**	**A**

1993 Capital Expenditure for the Year Ended 31st December

Head	Details of Recurrent Expenditure	Estimated Recurrent Expenditure 1993	Actual Expenditure 1993	Variation	Remarks
	External Loan Projects				
450	Agriculture & Rural Dev.	30,210,000.00	40,908,523.00	10,698,523.00	A
450	DFFRI	-	20,906,523.00	20,906,523.00	A
451	Livestock & Veterinary	2,400,000.00	-	2,400,000.00	F
452	Forestry	1,250,000.00	-	1,250,000.00	F
453	Fisheries	600,000.00	-	600,000.00	F
454	Manufacturing	850,000.00	-	850,000.00	F
455	Rural Electrification	200,000.00	-	200,000.00	F
456	Tourism and Hotels Dev.	300,000.00	-	300,000.00	F
466A	Jos Main Market Authority	1,000,000.00	-	1,000,000.00	F
466B	Plateau Investment Company	20,000,000.00	30,000,000.00	10,000,000.00	A
467	Transport	134,750,000.00	7,571,311.00	127,178,689.00	F
467B	Plateau Exp. Service Limited	500,000.00	-	500,000.00	F
468	Education	28,500,000.00	29,400,000.00	900,000.00	A
469	Health	14,550,000.00	7,420,000.00	7,130,000.00	F
470	Information	2,500,000.00	-	2,500,000.00	F
460A	Plateau Radio & TV Corp.	5,000,000.00	500,000.00	4,500,000.00	F
460B	Plateau Pub. Company Ltd.	1,000,000.00	-	1,000,000.00	F
461	Sports	1,000,000.00	-	1,000,000.00	F
461	Arts & Culture	-	4,000,000.00	4,000,000.00	A
461	Social Development	1,000,000.00	-	1,000,000.00	F
462	Water Supply	1,133,990,000.00	325,884,800.00	808,105,200.00	F
463	Sewage & Drainage	101	40,851,350.00	40,851,350.00	A
464	Housing	-	850,000.00	850,000.00	A
465	Town & country Planning (Land & Survey	2,500,000.00	-	2,500,000.00	F
465B	Town & Country Planning (JMDB)	15,800,000.00	2,628,495.00	13,171,505.00	F
466	Community Development	300,000.00	-	300,000.00	F
467	Cabinet Office	29,800,000.00	-	29,800,000.00	F

Head	Details of Recurrent Expenditure	Estimated Recurrent Expenditure 1993	Actual Expenditure 1993	Variation	Remarks
467A	Judicial Department	10t	-	-	F
467B	Justice	10t	-	-	F
467C	Finance	1,000,000.00	-	1,000,000.00	F
467D	Plateau Rev. Commission	2,000,000.00	-	2,000,000.00	F
467E	House of Assembly	7,000,000.00	-	7,000,000.00	F
467F	Commission for Women	1,900,000.00	-	1,900,000.00	F
468	Relevant Technology	800,000.00	-	800,000.00	f
468A	Local Govt. Serv. Commission	500,000.00	-	500,000.00	F
	TOTAL	**1,440,700,000.00**	**510,921,002.00**	**929,778,998.00**	**F**

1994 Recurenit Expenditure for the Year Ended 31st December

Head	Details of Recurrent Expenditure	Estimated Recurrent Expenditure 1994	Actual Expenditure 1994	Variation	Remarks
412	Military Governor's Office	13,710,213.00	14,483,832.00	773,619.00	A
414	Bureau for Information	9,140,648.00	7,480,185.00	1,660,463.00	F
415	Bureau for Lands & Survey	9,512,359.00	9,576,983.00	64,624.00	A
416	Cabinet Office	150,967,000.00	112,598,732.00	38,368,268.00	F
417	Deputy Governor's Office	7,437,832.00	6,320,501.00	1,117,331.00	F
418	House of Assembly	5,898,818.00	2,068,008.00	3,830,810.00	F
419	Ministry of Agriculture	77,252,922.00	56,962,224.00	20,290,698.00	F
420	Ministry of Commerce &. Industries	10,078,255.00	8,969,229.00	1,109,026.00	F
421	Ministry of Education	327,824,523.00	217,625,604.00	110,198,919.00	F
422	Ministry of Finance &. Economic Planning	84,597,795.00	15,805,402.00	68,792,393.00	F
423	Ministry of Health	130,908,813.00	119,622,438.00	11,286,375.00	F
424	Ministry of Justice	5,849,132.00	6,275,994.00	426,862.00	A
425	Ministry of Works, Housing. and Transport	42,122,633.00	21,323,601.00	20,799,032.00	F
426	Audit Department	2,131,000.00	2,031,835.00	99,165.00	F
427	Civil Service Commission	2,616,856.00	1,642,534.00	974,322.00	F
428	Teachers' Service Commission	1,662,362.00	1,090,243.00	572,119.00	F
429	Judiciary	23,566,088.00	9,357,074.00	14,209,014.00	F
430	Judiciary Service Commission	1,023,336.00	473,896.00	549,440.00	F
431	Commission for Women	5,453,859.00	1,623,225.00	3,830,634.00	F
432	Consoldated Revenue Fund. Charges	112,932,600.00	121,582,306.00	8,649,706.00	A
433	Boundary Commission	2,282,713.00	1,438,117.00	844,596.00	F
434	Local Government Audit	1,932,943.00	1,012,749.00	920,194.00	F
435	Local Government Service. Commission	1,773,529.00	822,926.00	950,603.00	F
436	Bureau for Social Development	11,896,044.00	9,716,302.00	2,179,742.00	F
	TOTAL	**1,042,573,282.00**	**749,903,940.00**	**292,669,342.00**	**F**

1994 Capital Expenditure for the Year Ended 31st December

Head	Details of Recurrent Expenditure	Estimated Recurrent Expenditure 1994	Actual Expenditure 1994	Variation	Remarks
	External Loan Projects				
	Agriculture & Rural Development	55,550,000.00	7,320,000.00	48,230,000.00	F
	DFFRI	40,000,000.00	45,000,000.00	5,000,000.00	A
	Livestock & Veterinary	5,950,000.00	-	5,950,000.00	F
	Forestry	250,000.00	-	250,000.00	F
	Fisheries	1,200,000.00	-	1,200,000.00	F
	Manufacturing	1,750,000.00	-	1,750,000.00	F
	Rural Electrification	10,000,000.00	-	10,000,000.00	F
	Tourism and Hotels Dev.	3,400,000.00	-	3,400,000.00	F
	Jos Main Market Authority	3,000,000.00	-	3,000,000.00	F
	Plateau Investment Company	66,000,000.00	33,000,000.00	33,000,000.00	F
	Transport	142,500,000.00	75,300,000.00	67,200,000.00	F
	Plateau Exp. Service Limited	10,000,000.00	10,000,000.00	0	F
	Education	83,000,000.00	14,661,970.00	68,338,030.00	F
	Health	35,000,000.00	1,800,000.00	33,200,000.00	F
	Information	6,500,000.00	-	6,500,000.00	F
	Plateau Radio & Television &. Corporation	10,000,000.00	10,000,000.00	0	F
	Plateau Publishing Company Limited	12,000,000.00	12,000,000.00	0	F
	Sport	2,500,000.00	-	2,500,000.00	F
	Arts and Culture	30,000,000.00	-	30,000,000.00	F
	Social Development	14,000,000.00	-	14,000,000.00	F
	Water Supply	1,210,820,900.00	701,160,000.00	509,660,900.00	F
	Sewage & Drainage	18,000,000.00	2,000,000.00	16,000,000.00	F
	Housing	9,500,000.00	67,000,000.00	57,500,000.00	A
	Town & Country Plan (JMDB)	22,000,000.00	1,500,000.00	20,500,000.00	f
	Community Development	300,000.00	-	300,000.00	F
	Town & Country Planning. (Land & Survey)	15,000,000.00	-	15,000,000.00	F
	Cabinet Office	26,500,000.00	15,000,000.00	11,500,000.00	F

Head	Details of Recurrent Expenditure	Estimated Recurrent Expenditure 1994	Actual Expenditure 1994	Variation	Remarks
	Judicial Department	2,000,000.00	-	2,000,000.00	F
	Justice	3,020,000.00	-	3,020,000.00	F
	Finance	3,000,000.00	-	3,000,000.00	F
	Plateau Revenue	3,000,000.00	-	3,000,000.00	F
	House of Assembly	-	-	-	F
	Commission for Women	1,000,000.00	-	1,000,000.00	F
	Relevant Technology	1,800,000.00	-	1,800,000.00	F
	Local Government Service. Commission	500,000.00	-	500,000.00	F
	TOTAL	**1,844,029,900.00**	**995,741,970.00**	**848,287,930.00**	**F**

Key: F *Reprents favourable variance*

A *Represents adverse variance.*