

Revamping The Government Budgeting System In Nigeria

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Abstract

Government Budget enables government, to set priorities and monitor progress towards selected goals. There are two basic elements of any Government budget. The two basic elements are the revenues and expenditure. Government revenues are derived primarily from taxes while Government expenditure includes spending on current goods and services, which economists call government consumption; government investment expenditures such as infrastructure investment or research expenditure; and transfer payments like unemployment or retirement benefits. A budget is said to be a failure when it is deficient; it is better when it is balanced; and it is best when it has a surplus. Unfortunately, Nigeria's Federal Budgets since 1997 (last time Nigeria recorded a budget surplus) had been in acute deficit. The Nigerian Budget needs total revamping and in doing this Government efforts should be geared towards Control, Auditing and Accountability in the public sector, Reduction in the cost of public service, Corruption in general and the issue of Security votes should be given primary attention if the country must move forward.

KEYWORDS: Nigerian Government Budget, Revamping the Budget, Stages of Government Budget preparation in Nigeria, Budgeting System in Nigeria.

1.0 Introduction

The Nigerian economy has experienced fluctuation in its growth pursuits. For instance there have been revenue gains with not much to show in terms of development in the economy. This is as a result of poor distribution of the revenue to the different parts or sectors of the economy. Allocation of the government revenue in the economy has to do with budgeting.

A Budget is the forecasting of expenditures and revenues for a specific period of time. As a planning document, a budget enables businesses, governments, private organizations, and households to set priorities and monitor progress towards selected goals. To achieve budgetary objectives, it may be necessary to set aside savings (surpluses) or to borrow from outside sources (deficits).

A government budget is a legal document that is often passed by the legislature, and approved by the chief executive or president. Budgeting has some benefits in the society. Ama (2003) enumerated some of the benefits as follows: Planning and coordinating, clarification of authority and responsibility, communication, control and motivation.

The two basic elements of any budget are the revenues and expenses. In the case of the government, revenues are derived primarily from taxes. Government expenses include spending on current goods and services, which economists call government consumption; government investment expenditures such as infrastructure investment or research expenditure; and transfer payments like unemployment or retirement benefits.

Property tax is frequently the basis for municipal and county revenues, while sales tax and/or income tax are the basis for state revenues and income tax and corporate tax are the basis for national revenues. In all these, a proper check should be carried out by government to insure proper accounting.. Bariyima, and Nwokah, (2009) in their paper, “Boosting Revenue Generation by State Governments in Nigeria”, suggest that external tax consultants should be retained by state governments and indeed by all tiers of government in Nigeria. He further stressed that, to a very great extent the activities of the tax consultants have helped to reduce the prevalence of evasion tricks and other sharp practices among taxpayers.

Mansur (2009), states that the Federal Budget is the Federal Government’s instrument for allocating public resources among the nation’s competing socio-economic needs. He further emphasized that it is a financial representation of government’s spending plans for delivering public goods and services to our key stakeholders – Nigerian citizens. Budgets have an economic, political and technical basis. Unlike a pure economic budget, they are not entirely designed to allocate scarce resources for the best economic use. They also have a political basis wherein different interests push and pull in an attempt to obtain benefits and avoid burdens. The technical element is the forecast of the likely levels of revenues and expenses.

To make Nigerian growth and development even, adjusting the budget to make the distribution of revenue equitable so as to promote economic development is very important. Nigeria should look at some countries especially in Africa that have specific target when preparing their budget. For example the 2011 South African Budget which presented mixed bag of opportunities. This was unveiled by their Finance Minister Pravin Gordhan in Cape Town who made it known that the budget of South Africa was released amongst a stronger fiscal situation whereby the country is prepared to increase spending as the economy grows. Further, Gordhan emphasis was on job creation and a country where millions of more South Africans have decent employment opportunities. He further emphasised that the government of south Africa was determined to ‘address with energy the challenge of creating jobs’ at the outset of the budget.

Revamping is the improvement of the condition, appearance, or structure of something by making sometimes superficial changes. Revamping of budget is the improvement of the government income and expenditure to better the economy. Yemi (2011) correspondent of Nigerian Punch News paper, in his investigation revealed that the legislators had, through the amended 1999 Constitution, removed their budget from the Federal Government’s overheads and made it part of the annual

statutory transfers that must be released directly to beneficiaries. With this, the National Assembly's budget could not be altered even if the national budget must be cut to tackle the effects of an unexpected revenue shortfall as long as it had been signed into law by the President. With this, the Nigerian budget would not deliver its objectives in allocating resources to specific projects that would bring growth in the economy.

2.0 Stages of Government Budget preparation in Nigeria:

Jude (2010) is of the view that for us to meaningfully engage with the budget process, we need a basic understanding of the budget cycle, which consist of the major stages or events that are part of making decisions about the budget, including implementation and assessment of those decisions.

He further stressed that the budget cycle usually has four stages which include; Budget formulation, when the budget plan is put together by the executive arm of government; Enactment, when the budget plan is debated, altered, and approved by the legislative arm; Execution, when the policies of the budget are implemented by the government; Auditing and assessment, when the actual expenditures of the budget are accounted for and assessed for effectiveness. Each of the stages creates different opportunities for the participation of the people.

It is important that during the formulation of the budget, interest groups release analysis on issues known to be under consideration, or that they believe ought to be priorities, with the hope of influencing the budget being formulated. There might also be opportunity for the groups to establish informal lines of communication with the officials of the executive arm of government. The budget enactment stage typically is when public attention on the budget is supposed to be the greatest and information about the budget should be made most broadly available. It is during this stage that groups have the best opportunity for input. Since public discussion of an interest in the budget are typically at their high point when the executive presents its budget to the legislature, this creates opportunities for groups to get media coverage for their budget analyses. These analyses and testimony at budget public hearings can influence the debate in the legislature and highlight important issues about the impact of the budget proposal on the group or the poor as the case may be.

At the budget execution stage, interest groups can also insist on an effective and transparent monitoring system that promotes adherence to the budget and reduces mismanagement or corruption. They may engage in some monitoring activities. For instance, they can focus on whether the amounts set aside for specific projects, such as a road, hospital, school, or market, have been used for the intended purpose. They can also assess the quality of the job done and the spending to see if the policy goal associated with the budget allocation are being met, and if public funds are being used effectively. The auditing and assessment stage present a great opportunity for groups to obtain information on the effectiveness of particular budget initiatives. It is as well an opportunity to advance accountability by assessing whether the legislature and executive arms respond appropriately to the findings of audit reports.

3.0 BUDGETING SYSTEMS IN NIGERIA

Different countries have different approaches to budgeting Systems and several traditions exist, each with its specific features consistent with the overall administrative “culture.” The following budgeting systems exist and with basic consideration in mind, although it is intended to describe generally the budget systems on common ground. They are as follows:

Traditional – item budgeting / incrementing budgeting.

Performance - budgeting system (PBB).

Zero – Base Budgeting (ZBB).

Traditional –Line- item budgeting / incrementing budgeting:

The line- item budgeting is the traditional or incremental or historical approach to government allocation. A major aim of the traditional budgeting system is to make the budget a tool for financial compliance. Budgets prepared under Traditional – line-item are often very detailed and in some countries include several thousand line items.

A major criticism of the traditional budget system is that it does not deal with key issues of government objectives, their links to the budget, the services to be delivered by the government; the search for the most efficient combination of inputs to deliver services, etc. Thus, since the early 1950s, various Performance / program budgeting reforms in both industrialized and developing countries attempted to address these issues. As reviewed briefly below, the results of these reforms have been usually disappointing compared with their costs, and in a few cases even counterproductive.

Performance - Budgeting system (PBB).

Performance-Based Budgeting System (PBB) is one of the latest techniques which is achieved in the development process of modern budgeting systems. Kamil, Ahmet, Mehmet, Haluk, Ahme, (2000) stated that in its core, the system entails the government to primarily prepare a strategic plan containing their visions and missions and to appropriate an allocation matching most of the operations they will accomplish in the budgets. Also that the relationship between the goals and the allocations should be evaluated within the framework of performance indications.

The performance-based budgeting system is a system which may efficiently function only if all the necessary aspects and factors are considered. It is not possible to state that the system shall rationally function before the required infrastructure is entirely completed. The following aspects must be considered so that the effectiveness expected of the performance-based budgeting system may be achieved:

- a. Need for a simultaneous information network,
- b. Adequate personnel with performance culture,
- c. A public management insight focused on performance,

- d. Stability of the economic and political structure,
- e. Quality of the society's expectations of the public services,
- f. A waging system based on performance,
- g. Political decision-makers' belief in the system.

Indeed, a major problem with performance base budgeting is the disconnect between the program structure and the administrative structure and the resulting complexity, lack of ownership, and loss of accountability.

Zero – Base Budgeting (ZBB).

Method for preparing cash flow budgets and operating plans which every year must start from scratch with no pre-authorized funds. Unlike the traditional (incremental) budgeting in which past sales and expenditure trends are assumed to continue, ZBB requires each activity to be justified on the basis of cost-benefit analysis, assumes that no present commitment exists, and that there is no balance to be carried forward. By forcing the activities to be ranked according to priority, ZBB provides a systematic basis for resource allocation.

Zero based budgeting is a good idea. The only issue is the frequency with which a ZBB review is carried out. Under zero based budgeting (ZBB) ,the review is performed every year. Critics of such type of budgeting charge that properly executed zero based budgeting is too time consuming and too costly to justify on an annual basis.

4.0 Problems with the Nigerian Budgeting Process

A budget is said to be a failure when it is deficient; it is better when it is balanced; and it is best when it has a surplus. Unfortunately, Nigeria's Federal Budgets since 1997 (last time Nigeria recorded a budget surplus) had been in acute deficit. Since 1999, Nigeria's three-tier partners (Federal, States and Local Government Areas) had shared among themselves over N35 trillion (about 250 billion dollars), yet their macro and micro socio-economic sectors have remained dangerously bastardized, Umeagbalasi, (2010).

He further stressed that there are many loopholes inherent in the Federal Budget of 2010 (N4.6 trillion). Apart from criminal increase of N600 billion, from its original sum of N4,009 trillion, the whopping deficit of N1,52 trillion is economically dangerous and socially hazardous or harmful. The allocation of a whopping sum of N2.027 trillion to about 17,500 Nigerian Public Office elites (elected and appointed) and their 500,000-plus foot soldiers (Federal Civil Servants), which is far more above the sum of N1.8 trillion merely allocated to service about 150 million Nigerians (capital expenditures), including those mentioned above, is totalling unacceptable. It is totally indefensible for less than 0.014% of the Nigerian population to take the lion share of the budget, in the name of "recurrent (personnel and over-head costs) expenditures".

However, the 2011 Nigeria budget, some eminent Nigerians faulted the workability of fiscal policies in Nigeria let alone implementing it in order to accelerate the wobbling economy as promised by President Jonathan. One of such Nigerians is Atiku Abubakar, former Vice President and Presidential aspirant on the platform of the People's Democratic Party (PDP) in the just concluded 2011 general elections. According to the former Vice President, in his letter which he personally sent to President Jonathan on this year's budget he was specific that "a budget that is predicated on consumption without corresponding investments in critical infrastructure is a recipe for economic disaster. He also made it known that, our 2011 budget is rich in rhetoric and warned that excessive borrowings that has marked the Jonathan administration as indicated in Budget 2011 is in negation of the Fiscal Responsibility Act, has the potentials of returning Nigeria to a regime of debt overhang.

The faulty nature of the 2010 federal budget originated from its formulation stage. The budget is cloaked in the layers of extra-budgetary provisions. Nigerian lawmakers now engage in formulation and execution of "constituency projects". They have left the art of lawmaking to art of executive functions. The whopping sum of N19.7 billion now goes to the 109 Senators annually in the form of "monthly constituency project funds", while the 360 members of the House of Representatives collect illegally the sum of N56.1 billion from the Consolidated Revenue Fund Account of the Federal Government, in the form of "constituency project funds". These fiscally irresponsible acts are not known to the Constitution of Nigeria 1999. This is also a parliamentary form of "advanced fee fraud".

In fact, in December 2011, the Chairman of Revenue Mobilization, Allocation and Fiscal Commission (RMAFC), Engineer Hamman Tukur, opened the eyes of Nigerians and drew their attention to monumental fraud taking place in Nigeria, especially in the public sector. The RMAFC boss also exposed the Presidency's undue interference with the Federation Account so also criminality and illegality bedevilling budget formulation, defence, approval and implementation. The greatest of his revelations is that all the "four excess resources accounts", opened by the three-tier partners in the Nigerian Project, have almost been emptied. The excess accounts are those of international crude oil sales, local crude oil sales (refinement), natural gas sales and non-crude oil resources.

For instance, the excess crude oil account, which stood at about 20.1 billion dollars as at January 2009, has gone down to less than 5 billion dollars as at December 2009. And the excess non-oil revenue account, which stood at N322 billion in January 2009, has gone down to about N1.47 billion as at December 2009. Engineer Hamman Tukur also informs that our natural gas has been mortgaged for next twenty-years and that while Nigeria has a 60% stake in the crude oil industry, she maintains an acute minority stake in the natural gas exploration.

Further to these is the fact that Nigeria's foreign reserves have depreciated from over 60 billion dollars in 2007 to about 42 billion dollars in December 2009. Our foreign debts have also increased from about 3.2 billion dollars in 2007 to about 5 billion dollars in early 2010 (including the sum of 915 million dollars loan hastily approved by the National Assembly recently). Our local debts recorded a sharp increase, from about N1.7 trillion (about 10.02 billion dollars) in 2006/2007 to

about N3.2 trillion (20.01 billion dollars) as at December 2009. The Debt Management Office of the Presidency acknowledged these in its recent advert justifying Nigeria's drift to the "self-imposed highly indebted country status". In the budgets of 2009 and 2010, a whopping sum of over N1 trillion was allocated to "service" our local and foreign debts, yet our public debts have remained at all time high.

It is utterly worrisome that despite all these borrowings, foreign reserves, excess crude oil and non-crude oil bountiful accounts as well as statutory revenue accruals, Nigerian State still measures with the battered States of Somalia or Afghanistan, in terms of infrastructural decay, bureaucratic rottenness and other tangible and intangible degeneracy. From health, education, agriculture, infrastructure, water, to energy and power sectors, it is thick darkness all through. An average of 1000 industries is shut down in Nigeria annually, no thanks to chronic epileptic power supply and other anti-industrial policies and factors. The moribund Nigerian National Carrier: the Nigerian Airways used to have 28 Aircrafts as at 1976, but by 1999, Nigerian Airways got moribund and the 28 Aircrafts disappeared to the extent that their carcasses were nowhere to be seen. As at December 2009, Nigeria has no State-owned Airline, not to talk of having a single Aircraft. Even the Virgin Nigeria, which Nigeria claims to own in part, is deeply debt-ridden.

National Assemble and fiscal irresponsibility towards the Nigerian budget is also a problem in our budget. Akinyemi, (2009), says that despite the powers, functions and privileges provided for the legislature in most Nigerian constitutions after independence, comments and observations have shown that this organ has not lived up to expectation.

A critical examination of the Nigerian expenditure from 1970 - 2012

YEAR	RECURRENT EXPENDITURE(N'Million)	CAPITAL EXPENDITURE(N'Million)
1961	96.86	67.04
1962	103.61	63.88
1963	119.64	63.87
1964	143.87	76.47
1965	156.84	79.58
1966	177.27	77.87
1967	166.73	91.29
1968	218.75	131.14
1969	433.42	122.78
1970	716.10	187.80
1971	823.60	173.60
1972	1,012.30	451.30
1973	963.50	565.70
1974	1,517.10	1,223.50
1975	2,734.90	3,207.70
1976	3,815.40	4,041.30
1977	3,819.20	5,004.60
1978	2,800.00	5,200.00
1979	3,187.20	4,219.50
1980	4,805.20	10,163.30
1981	4,846.70	6,567.00
1982	5,506.00	6,417.20
1983	4,750.80	4,885.70
1984	5,827.50	4,100.10

1985	7,576.40	5,464.70
1986	7,696.90	8,526.80
1987	15,646.20	6,372.50
1988	19,409.40	8,340.10
1989	25,994.20	15,034.10
1990	36,219.60	24,048.60
1991	38,243.50	28,340.90
1992	53,034.10	39,763.30
1993	136,727.10	54,501.80
1994	89,974.90	70,918.30
1995	127,629.80	212,138.30
1996	124,491.30	212,926.30
1997	158,563.50	269,651.70
1998	178,097.80	309,015.60
1999	449,662.40	498,027.60
2000	461,600.00	239,450.90
2001	579,300.00	438,696.50
2002	696,800.00	321,378.10
2003	984,300.00	241,688.30
2004	1,032,700.00	351,300.00
2005	1,223,700.00	519,500.00
2006	1,290,201.90	552,385.80
2007	1,589,270.00	759,323.00
2008	2,117,362.00	1,123,458.00
2009	2,300,194.30	1,152,796.50
2010	2.1 trillion	1.5 trillion
2011	2.4 trillion	1.01 trillion
2012	3.357 trillion	1.34 trillion

From 1961 to 2012, recurrent expenditure has been on increase except in 1973 that it declined and increased again in 1974. And in each of the years, it is usually higher than the capital expenditure. Then in 1999 when civilians took over the government, the recurrent expenditure increased more than three times than what it was in 1998. Then for capital expenditure, the figure increased a little bit in 1999, that is from N309, 015.60 in 1998 to N498, 027.50m in 1999. The high increase in 1999 is as result of democracy. During this period, the cost of governance became higher because of the national assembly that came in place which was not there during the military. In order to maintain the national assembly, the recurrent expenditure is usually higher than the capital expenditure. This is what made sanusi (2010) to inform the public that 25 percent of what the federal government pays on overhead goes to the National assembly. This statement made everybody in the country to be more informed about the difference between overhead and recurrent expenditure and the size of the pay of our 469 lawmakers. The finance minister (Olusegun Aganga) reaffirmed that recurrent expenditure is killing Nigeria, leaving little for investment. Ngozi (2012) also made it clear that it is easy to notice that the budget is very bloated in favour of recurrent expenditure. She then question, how can we have development when the recurrent expenditure eats up so much of our annual budget?

Nigerian Recurrent and Capital Expenditure

Expenditure is an outflow of resources from government to other sectors of the economy whether required or unrequired. It is divided into recurrent and capital expenditures. While recurrent expenditures are payments for transactions within one year, capital expenditures are payments for non-financial assets used in production process for more than one year. Both recurrent and capital expenditure covers administration, social and community services, economic services, and transfers.

Legal framework for transparency

Nigeria does not have a fiscal transparency code or a budget law specifying roles for ministries and other stakeholders in the drafting of the budget. Existing laws and regulations include provisions that are contradictory and ambiguous. The Constitution provides for parliamentary approval of the annual budget. However, it is vague in many respects. For example, the Constitution does not specifically require parliamentary approval for annual revenue estimates or the financial plan of government.

Clarity of roles and responsibilities

The Constitution assigns roles and responsibilities to the different arms of government in the budget process. However, it does not clarify the role of the various departments in the executive in budget preparation and implementation. Contesting interpretations of the constitutional provisions and a lack of clarity around the role of departments has led to friction and an overlapping of functions in practice.

The poor definition of roles and responsibilities undermines transparency in the budget process and obscures public accountability.

Public availability of information

Budget preparation in Nigeria is a closed process, falling exclusively within the responsibility of nonelected members of the executive. Available budget information is not comprehensive enough and lacks adequate classification. In general, information on actual spending by government is irregular, incoherent and inadequate. The reliability of budget information is questionable, marked by significant discrepancies between projected and actual expenditure and by this you find out that budget information is not explicitly linked to policy objectives and contains very little background on expenditure areas, assumptions and priorities.

Capacity and systems in the budget process

While some improvements are apparent, current financial management systems in Nigeria fall short of ensuring transparency in the budget process. There is lack of capacity for effective fiscal management in the Department of Finance's Budget Office, with a severe shortage of skilled staff and inadequate office infra-structure.

The departments dealing with financial management within the respective ministries similarly lack the skills and equipment needed to carry out their responsibilities. The office of the auditor general confirmed a corresponding lack of capacity and resources, including inadequate information and accounting systems.

5.0 Possible solutions to Budgeting Inadequacies.

Lepper, and Siobham, (2008), are of the opinion that in pursuit of Government objectives to raise prosperity for all, Government needs to achieve an appropriate balance between policies that provides well being and policies that maintain economic incentives to support innovation and growth. Such specific policy proposals need to be evaluated carefully, taking account of their impacts on government objectives for well-being, economic growth, distribution of income and wealth and affordability.

One of the sustainable solutions lies in a bold departure in the approach to budget making. Budget making, both at the federal, state and local levels, must be based on the fundamental principle of living within means and should start from revenue, and not from the expenditure side.

Another solution to the above problem is the issue of tax. . Bariyima, and Nwokah, (2009) in their paper suggested that external tax consultants should be retained by state governments and indeed by all tiers of government in Nigeria. To a very great extent the activities of the tax consultants have helped to reduce the prevalence of evasion tricks and other sharp practices among tax payers. The government should make a realistic estimate of the revenue it can generate at the given tax structure in a given year and then come up with taxation measures it can take to augment its revenue resources. Simultaneously, with a major tax effort, the government should look at ways of cutting expenditure, including austerity measures in civilian current expenditure, a reduction in defense expenditure, and negotiations for restructuring of its foreign debt servicing liabilities. Through this process, revenue budget should be restructured so as to generate a rising surplus in its operations. These savings, in combination with non-debt creating grants and concessionary loans, should determine the level of development expenditure, and not the other way around.

The current approach of sale of national silver and reckless borrowing to make both ends meet is unsustainable and will lead to the collapse of the economy, the federal government should not be compromising the country's sovereignty and security, for this may ultimately take the country on a path that leads to a failed state., the country should first get rid of its begging bowl, revive and restore its self-respect and begin to enter the group of sovereign and respectable developing nation

Early report of DFID suggests that Nigeria's oil wealth should be used systematically to fund the country's development. It is right for donors to provide aid to Nigeria at the relatively low level of 1% of GDP to encourage reform, but it would not be sensible to raise the volume of aid to that received by other poor African countries while corruption and poor governance remain such significant barriers to poverty alleviation.

Total revamping of Government Budgeting System in Nigeria

Development is the process whereby simple, low-income national economies are transformed into modern industrial economies. Once a country gets its budget right, is bound to experience economic growth and generally, a good budget is employed to describe a change in a country's economy which involves qualitative as well as quantitative improvements in an economy. Here, the following issues should be addressed:

1. Corruption: In many parts of the world, the legislature exercise intensive budget secreting as part of instilling financial discipline and, in the process, of the cut down on executive spending proposals contrary to the Nigeria for the legislature to approve self determine top-ups to proposed budget sum without convincing justifications. An example of this, is the initial intention of the federal government to achieve a significant reduction in the budget compared with the 2010 appropriation. This informed a proposal of N4.23trillion for 2011 against N5.16trillion 2010 appropriation, but National Assemble on Wednesday 15, April, 2011 financially approved N4.97 trillion giving reason on the ground of reducing budget deficit, which should not be so. Nigerians should be sensitive to the issue of corruption and fight it when noticed. Take the case of Tunisians of recent concerning President Ben Ali and his family on their new and conspicuous riches, which fueled an extraordinary extended uprising by Tunisians. They blamed corruption among the elites for the joblessness afflicting their country. Daniel (2011) stated that if Nigeria were Tunisia...the revelation by CBN Governor, Lamidi Sanusi and Speaker House of Reps, Dimeji Bankole that Nigeria Lawmakers and the Executive arm of government respectively consume 25% and 50% of the Federal Budget would have inspired nationwide riots .

2. Reduction in the cost of public service:

The federal government is evidently sensitive to costs and to its constitutional obligation to improve the nation's outlook and enhance the productivity and quality of life of the citizenry. Drawing attention to Nigeria's weak economic base, Prof Anya. O. Anya deployed "a situation where more than 80 Per cent of the financial resources of the nation were devoted to recurrent expenditure". The federal government should put tactical cost reduction measures in place to control the scandalous salaries and allowances of members of the National Assemble which has generated so much dust in the economy.

3. Control, Auditing and Accountability:

The main purposes of control in the federal government Budgeting is to prevent excess expenditure while the primary purpose of auditing is for examining, investigating, and verifying the financial statement of the government to establish the opinion about the truth, accuracy, validity, reliability and fairness of the statements and of the records on which the statements are based and concerning with any statutory or other requirement. With these two proper, accountability is achieved.

4. Security votes:

This is money allocated to Governors for security in the states. It has been discovered that this is wasteful because the Governors do not make use of the money for the purpose of which is accounted for. Emmanuel, O, Chukwudi, A. Olalekan, A. Segun, O, Sunday, A, Sesan, O, Mustapha, S, Success, N, and Ozioma, U(2011) made it known that most state

governments in the country are hiding the security votes in their budgets as the funds are not expressly stated in their appropriation acts, Kwankwaso, whose first tenure ended in 2003, described security votes as another way of stealing public funds and vowed not to touch it, while Okorochoa slashed his state's security vote from N6.5bn to N2.5bn. The President should look into allocation security vote fund and cut down or rechanneled the fund to a project that will bring growth in the economy.

6.0. Effects of Revamping the Budget

Charles, (2009) in his study, reported that Nigeria's democratic government faces a daunting set of challenges and its success or failure will have lasting consequences for the region and the international community. The revamping of The Nigeria Budget will help in development of the economy in the sense that there will be more funds allocated to all the sectors of the economy. For instance, if revamping takes place, there will be more funds allocated to the educational sector, the oil sector, the agricultural sector and so on; and if more funds are allocated to these sectors, there will be development in all sectors of the economy especially in developing the human capital. Harry (2010) in his paper on "the centrality of human capital development to the attainment of Nigeria's vision 2020 development program" argued that human beings are the greatest wealth and resources of a nation, which will coordinate all other resources to achieve development, therefore any country, which fails to lay the foundation of its development on its human resources, will also fail to achieve development. The author described human capital development as the totality of efforts aimed at developing and grooming of human beings so as to present them fit and qualified to be productive to themselves, in particular, and the society, in general.

If revamping of our budget is done, we stand the chance to benefit in the following areas:

1.Increment of the level of the standard of living of the individuals: The term is applied specifically to a measure of the consumption of goods and services by an individual or group, sometimes called "level of living" (what is) as opposed to "standard" (what is desired). Currently, most Nigerians have low standard of living; but with the revamping, there will be proper distribution of funds to the desired projects that will bring economic growth in the country and also create jobs.

2. Increment in productivity of the country: Productivity in Nigeria has been to its minimal level for the past years in the sense that Nigeria mostly imports goods into the country. This is because enough funds are not injected into manufacturing sectors of the economy that would bring growth in the country.

3. Increment of the Nation's GNP: It is the total market value of the final goods and services produced by a nation's economy excluding the value of goods made by foreigners in the country and including value of goods made by its citizens outside the country during a specific period of time (usually a year). This is affected in the sense that since proper budgeting leads to an increase in the country's productivity, there will also be increase in the GNP of the country.

4. Prevention of inflation and deflation: Inflation is increase in the supply of money, in money incomes, or in prices. Inflation is generally thought of as an inordinate rise in the general level of prices and deflation is a state of the economy when

things are slow. When the government is able to allocate the funds in to the right sector, the prices of goods and services will be balanced.

5. Reduction in crime rate: When the revamping has taken place, it will lead to a balanced budget thereby creating of employment in the society that will keep the youths busy and won't have time to think crime.

6. Elimination of budget deficit: An economy would have a budget deficit when its expenditure has surpassed its income. And the main causes of this are debt. So if there is a good budget formation in an economy there would be less borrowing and there would not be any worry for budget deficit.

7. Stabilization the economy: There will be a stable economy when there is a balanced budget. This can only be gotten when the government of the economy can distribute revenue to all sectors of the economy according to its need.

8. Creation of employment: This has being one of the greatest problems of the economy. The problem starts with the commutation of the budget, because areas of necessity are neglected. But when employment is created through the allocation of fund to the needing sectors like agriculture, there would be changes in the economy's GNP thereby making the economy have a budget surplus. Elumilade, Asaolu and Ologunde (2006), recommend that economics rhetoric must be matched with economic action. Enabling legislations and conducive social climate must be provided for economic activities in Nigeria.

7.0 Conclusion

With all the problems highlighted above and the solutions provided for them, the federal government should come up with a positive policy response on improving the public expenditure management Okogu, (2009), suggested that, improving the efficiency of government expenditure and adopting belt tightening measures in line with resource constraints, Sound budget preparation and effective execution, focusing on accountability and results and also eliminating inefficiencies, corruption, leakages and rent-seeking activities, including in the downstream petroleum sector will help.

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