

# The Role of Civil Society Organisations in the Public Financial Management Process of Sub-nationals in Nigeria

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## Abstract

The purpose of this paper is to evaluate the role of civil society organizations as stakeholders in the public financial management process of sub-nationals in Nigeria. A qualitative research approach and a thematic research design were used in this paper. The study population included all civil society organizations registered in Plateau State, one of the 36 sub-nationals in the Federal Republic of Nigeria. A census sample approach was used, and 10 civil society organizations with public financial management thematic focus were identified using the state authorities' register. Data was collected from the civil society organizations using a semi-structured interview guide, and the data were analyzed using thematic analysis. Findings suggest that the inclusion and participation of CSOs in the public financial management process helps entrenches public financial management transparency and accountability of sub-nationals in Nigeria. The paper concludes that civil society organizations can play a critical role in entrenching accountability and transparency in the public finance process in developing countries. The paper proposes a comprehensive and robust framework for the public financial management process among sub-nationals that includes civil society organizations as key actors. Furthermore, information asymmetry can be reduced by demystification and simplification of published financial reports regularly by CSOs, allowing for feedback and input from the citizenry.

**Keywords:** Sub-Nationals, Civil society organization, Public financial management, Transparency, Accountability.

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## 1. Introduction

Sovereign nations are looking for the most efficient and effective ways to manage their public finances. Lawson (2015) defines public finance management as "the set of rules, laws, systems, and processes used by sovereign nations to mobilize revenue and allocate public funds for public spending." Every sovereign country is responsible for the effective, efficient, and transparent use of its finances, as laid down in the Addis Ababa Action Plan of 2015. According to Baltaci and Yilmaz (2007), the absence of an effective public financial management system results in weak accountability and transparency, deterioration in public services, and societal imbalances. As a result, public finance around the world is undergoing extensive reforms in search of the best way to manage public finances (Antwi-Boasiako and Nkrumah, 2017). In developing countries where corruption and mismanagement of public resources are widespread, special attention is being paid to the public finance of sub-national governments, where resources are scarce, needs are plentiful, and the impact of mismanagement on communities is more devastating.

Nigeria's federal legislature passed the Fiscal Responsibility Act in 2007 and the Freedom of Information Act in 2011. This was intended, among other things, to compel any person or government institution to disclose information relating to public revenues and expenditures, as well as to launch an investigation into whether anyone was violating any provisions of the Acts. However, the actions of the Fiscal Responsibility Commission, the government agency tasked with enforcing the Fiscal Responsibility Act, appear advisory rather than critical to ensuring probity, accountability, and transparency in the public finance of all tiers of government. Thus, fiscal outcomes among Nigerian sub-nationals have been less efficient, especially given consistent sub-national government borrowing in the face of significant revenue declines.

Several policy initiatives were launched at the national level to create savings buffers against future adverse economic headwinds. The Excess Crude Account (ECA), in particular, was established in 2004 as an oil-based fiscal rule to save excess crude oil revenues above established benchmarks based on projected oil revenue and to align government expenditures with the international and domestic macroeconomic environments. This, too, has

not yielded the desired results given significant depletions. In 2012, the government established a sovereign wealth fund (NSIA) to manage excess oil revenues belonging to the Nigerian federation's three tiers of government. The overall goal is to manage oil and gas revenues efficiently while also using them as a stabilization instrument or window during times of economic stress and as a savings vehicle for future generations. Nonetheless, given the plethora of issues confronting the Nigerian public financial management process, these policy initiatives appear to have had little impact on the citizenry.

Key decision makers at sub-national levels in Nigeria's public financial management process, such as state ministries of finance, state assemblies, state accountant generals, public accounts committees, and state auditor generals, are constantly working in silos without involving other stakeholders. As a result, civil society organizations are shifting their focus from national to sub-national levels, shining a spotlight on their public financial management process. States budgets are frequently approved on the spot by state legislators and rarely published; project selection is frequently poor; project implementation is frequently erratic, and the procurement process is not always transparent (Okonjo-Iweala & Osafo-Kwaako, 2013). Civil society organizations are recognized as key stakeholders in the public financial management process (Salamon, Wojciech, and Helmut, 2000; Andrews, 2010; Okonjo-Iweala & Osafo-Kwaako, 2013; Lawson, 2015; Antwi-Boasiako & Nkrumah, 2017). Their roles are more emphasized at the national level in Nigeria, but they are absent or underutilized at the subnational level. As a result, the study's motivation and relevance are established.

### **1.1 Statement of the Research Problem**

The role of civil society organizations in public finance is becoming more widely recognized (Khan 2006; Salamon et al, 2000; Andrews, 2010; Carlitz, 2013; Okonjo-Iweala & Osafo-Kwaako, 2013 Lawson, 2015; Antwi-Boasiako & Nkrumah, 2017). Despite this, some scholars believe that research on their role in literature is lacking and mostly concentrated at the national levels of government. According to Petrie (2003) and Okonjo-Iweala & Osafo-Kwaako (2013) in many developing countries, particularly at the subnational level, the role of civil society in public financial management has received relatively little attention. Civil society organizations participating in developing countries public financial management processes, according to academics and multilateral development agencies, would help improve and make public financial management transparent and accountable, in addition to ensuring probity (World Bank 2002; Petrie, 2003; Ramkumar & Krafchik, 2007).

According to Okonjo-Iweala and Osafo-Kwaako, (2013), CSO advocacy work at the sub-national level remains quite shallow, presenting significant opportunities for Nigerian CSOs if they have the desire, ability, and capability to seize them. In addition, to recent reviews by the Nigerian National Planning Commission, sub-national governments frequently have poor public expenditure systems: state budgets are frequently approved on the spot by state legislators and rarely published; project selection is often poor; project implementation is often erratic, and the procurement process is not always transparent (NPC, 2007). All of these flaws in subnational public expenditure systems provide opportunities for local civil society groups to act as whistleblowers and process enhancers, ensuring more prudent and transparent resource management.

Furthermore, at the sub-national level, key decision makers in Nigeria's public financial management process, such as state ministries of finance, state assemblies, state accountant generals, public accounts committees, and state auditor generals, work in silos, not including or allowing other stakeholders to participate in the public financial management process. Mismanagement of state resources at the sub-national level in Nigeria has continued to devastate communities, create feelings of exclusion and resentment, and give rise to agitations from various segments of society. This single factor can remotely be attributed to the current wave of widespread insecurity, criminality, kidnappings, and banditry in Nigeria. A by-product of decades of exclusion and neglect in determining how the common patrimony is allocated and distributed.

### **Objectives of the Study**

1. To ascertain if civil society organizations' inclusion and participation in the public financial management process would entrench public financial management transparency and accountability of sub-nationals in Nigeria.

## **Research question**

1. Civil society organizations' inclusion and participation in the public financial management process would not entrench public financial management transparency and accountability of sub-nationals in Nigeria.

## **2.0. LITERATURE REVIEW**

### **2.1. Civil Society Organization**

To arrive at an acceptable definition of civil society organization, various scholars have proposed various definitions for the understanding of the term civil society. However, because the concept varies from place to place, there is no universally accepted definition. Civicus (2011) defined civil society as the arena outside the family, the state, and the market that is created by individual and collective actions, organizations, and institutions to advance the shared interests of members of a specific group or members of the public toward achieving a balance in shared public interest issues. Civil society, according to Vandyck (2017), is a form of ecosystem of organized and organic social and cultural relations that exist in the space between the state, business, and family, and that rely on indigenous and external knowledge, values, traditions, and principles to foster collaboration and the achievement of specific goals by and among citizens and other stakeholders.

Lawson (2015) opines that civil society is an arena in which people work together to achieve common goals without the reward of profit or political power. These organizations include associations, unions, mass organizations, networks, social organizations, and social movements. In most cases, these organizations have voluntary membership, self-management, non-profit motives, and a diverse set of resources. According to Garcia-Rivero, Kotzé, and Du Toit (2002), non-profit organizations that promoting and participate in a variety of development-related activities. They must account for both their donors and the communities in which they work. Garcia-Rivero et al (2002) emphasize that non-governmental organizations (NGOs) are often committed to the idea of popular participation in human (resource) development and community (social) education. The term "civil society" organizations will be used in this paper to refer to voluntary non-governmental organizations that promote development and engage in a wide range of development-related activities. They must account for both their donors and the communities in which they work.

### **2.2. Public Financial Management**

Public Financial Management (PFM) refers to the procedures, established by law or regulation, for the management of public monies through the budget process, which includes formulation, execution, reporting, and analysis (Diamond & Potter, 1999). As conventionally applied in the literature, tend to focus on the expenditure side not minding that government expenditure ought to be derived from the revenue forecast and projections. Nonetheless, the management of public finance hinges generally on the expenditure and revenue sides.

Thus, this paper considers both considerations. PFM refers to the set of laws, rules, systems, and processes used by sovereign nations (and sub-national governments), to mobilize revenue, allocate public funds, undertake public spending, and account for funds and audit results (Lawson, 2015). It encompasses a broader set of functions than financial management and is commonly thought of as a six-phase cycle that begins with policy design and ends with external audit and evaluation. PFM is a branch of financial management concerned with the collection of revenue and the allocation of national (public) funds to reduce waste and poverty (Allen, Hemming & Potter, 2013).

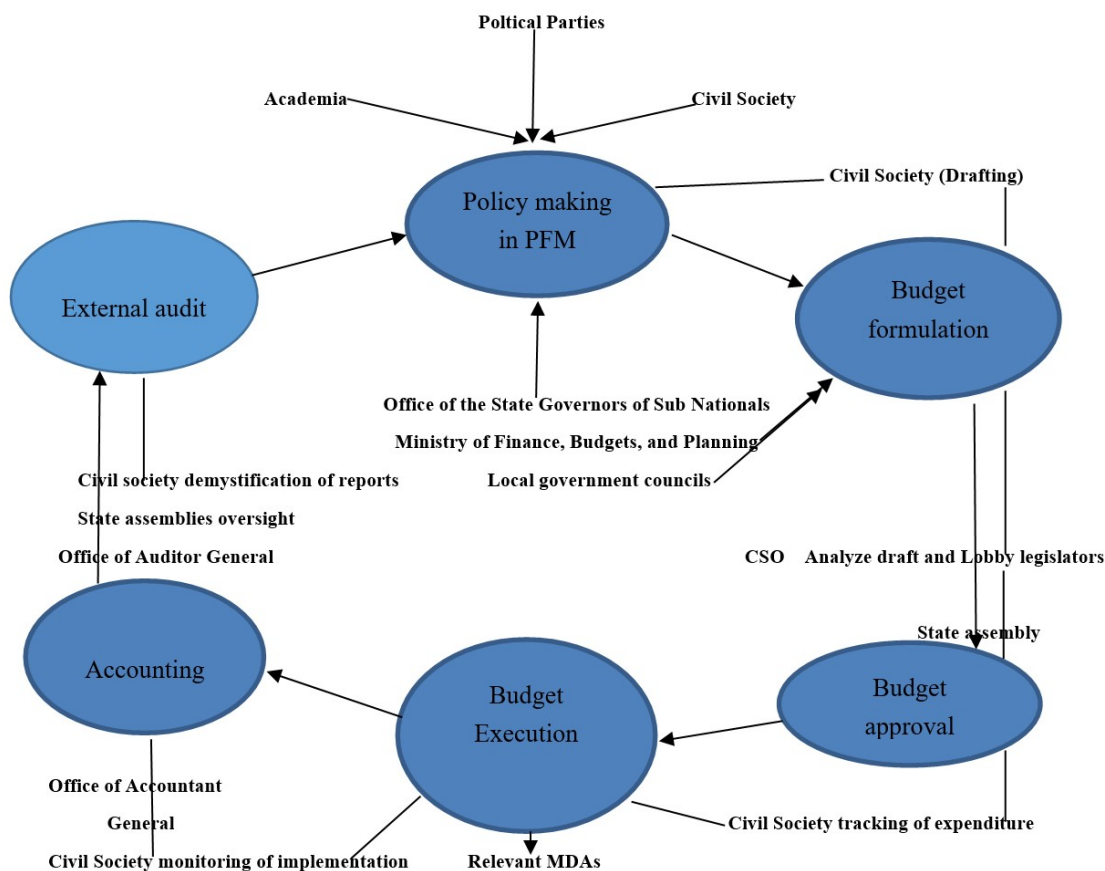
### **2.3. Accountability**

Accountability refers to entities or individuals acknowledging that their actions have an impact on the external environment and, as a result, accepting responsibility for the consequences of those actions. As a result, this concept implies that public financial management is part of a larger societal network and has obligations to the entire network rather than just the governmental stakeholders (Aras & Crowther, 2016). Accountability should aim for long-term improvements in economic management rather than just naming and shaming officials or pursuing sleaze.

#### 2.4. Transparency

Transparency, on the other hand, is the obligation to act in a visible, predictable, and understandable manner to encourage participation and accountability. It is the responsibility of public officials entrusted with public funds to act in a visible, predictable, and undeniable manner. Transparency must have the following characteristics: relevance and ease of access, accuracy, and timeliness. Transparency necessitates making information freely available and directly accessible to those who will be affected by such decisions and their implementation (Aras & Crowther, 2016). Transparency can thus be seen as part of the process of public financial management process accepting responsibility for the external consequences of its actions, as well as part of the process of redistributing power more equitably to all stakeholders.

### Conceptual framework of the role of civil society organizations in the public financial management process of sub-nationals in Nigeria



**Source:** Researchers adaptation of Lawson 2015 in Antwi-Boasiako (2018) and Okonjo-Iweala and Osafo-Kwaako, (2013)

The conceptual framework depicts the various stages of the process in which CSOs are involved in the public financial management process. They can contribute to the budget formulation process in advance by making contributions during the drafting stages. When the government's budget proposal is presented during the budget

drafting stages, the views of civil society groups are solicited. This allows civil society groups to criticize the government's policy priorities as reflected in its proposed resource allocation. During the budget's legislative phase, civil society organizations analyze drafts and lobby legislators for desired amendments. Additionally, lobbying lawmakers to ensure adequate funding for specific programs. Ex post, civil society can ensure budget implementation effectiveness through expenditure tracking and performance monitoring activities.

## **2.5.Theoretical Underpinning**

### **2.5.1.Stakeholders Theory**

The stakeholder theory was developed by Freeman (2010), in 1984. Stakeholder theory is considered one of the most important theoretical frameworks in the field of social accounting by Gray, Owen, and Adams (1996). The stakeholder theory adapted within the concepts of CSOs and public finance explains and predicts the balance reached by civil society organizations, public officials, and the general public in addressing challenges and identifying complementarities between the state and stakeholders. Collaboration between the state and civil society organizations strengthened mutual relationships, ensuring that the state delivers social programs and goods effectively, improves governance, and fulfills its obligations to other members of society (Freeman, Harrison, Wicks, Parmar, & De Colle, 2010).

The theory is founded on three key attributes: power, legitimacy, and urgency, and it acknowledges the changing nature of stakeholder salience over time (for example, some stakeholders may gain or lose power, legitimacy, or urgency). The theory serves as a framework within which divergent public issues concerning financial management can be managed for efficiency in the utilization of public resources toward achieving a societal balance of growth and development.

## **2.6. Empirical Review**

Antwi-Boasiako and Nkrumah (2017) evaluated civil society organizations' roles as stakeholders in Ghana's public financial management process. The study used a qualitative research approach and thematic research design. The study sampled ten Ghanaian civil society organizations and thematic analysis to analyze the data collected. Results suggest that civil society organizations, according to the study, rely on participatory approaches during the planning and budgeting stages of the public financial management process. Furthermore, civil society organizations in Ghana monitor government spending analyze government contracts for leaks and follow up on the Auditor General's report to address discrepancies. The study concludes that if civil society organizations are successful in fulfilling these roles, they can help Ghana improve its public financial management

Akinoyemi (2016) examined civil society's roles in anti-corruption crusades from 2011 to 2015. The study argued, based on qualitative data that civil society groups in Nigeria are critical in the fight against corruption for good governance to thrive because they have helped to expose and condemn corrupt practices, assisted in the passage of some anticorruption legislation, and protested against public policies deemed inimical to the public interest. Chikoto-Schultz and Uzochukwu (2016) investigated the policy controls that govern civil society organizations in Nigeria and Zimbabwe. The Advocacy Coalition Framework was used in the context of policy change to trace the policy process in these two countries. Finding suggests that CSO-focused policies reflect distorted beliefs rooted in the West's obsession with a homogeneous, governance-focused African civil society.

Mallya (2015) investigated the role of civil society organizations in Tanzanian popular participation. The finding suggested that because many citizens are not politically competent, CSOs have had to take the lead in strengthening the demand side of the political equation. However, the study called into question instances in which CSOs represented people in a variety of forums without the consent of those they claimed to represent. Mgba (2015) investigated the historical struggles of popular civil society organizations in Nigeria's democratization movement. Historically, past struggles are linked to democratization, which is deeply rooted in the Nigerian state's unpopular colonial/postcolonial policies. A theoretical examination of the literature on civil society was also conducted, with a focus on the liberal and Marxian schools of thought, as well as the relevance of civil society to democratization discourses. According to the study, the Marxian perspective more broadly reflects the approach and interpretation of civil society in Nigeria's democratization history

Songonuga (2015) investigated the masses' and civil society's roles in fostering democratic governance in Nigeria. The underlying premise was that civil society can play a role in facilitating representative governance, particularly in terms of service delivery and the security of the Nigerian people. According to the study, civil society has been hampered in fulfilling its mandate due to weakened traditional institutions, a lack of social capital and trust between the masses, civil society, and the state, and the negative impact of the primary oil- and mineral-based economic model. Igbokwe-Ibeto, Ewuim, Anazodo, and Osawe (2014) used an eclectic approach to investigate civil society issues and the role it plays in Nigeria's democratic consolidation. According to the paper, the nature of civil society engagement with the state has not changed Nigerians' sociopolitical and economic situation. Due to daunting challenges of leadership, internal democracy, autonomy, finance, and cohesion, the country's CSOs are more reactive than proactive, affecting how it conflates and or co-operate with the state and society at large.

Omede and Bakare (2014) examined the impact of civil society organizations and their contribution to Nigeria's sustainable development. The study also investigates the factors impeding civil society groups' performance in national development. To gather information, the study used a secondary method of data collection. Findings suggest that civil society organizations in Nigeria and other developing countries face several challenges, including political insecurity, disconnection from rural organizations, a lack of unity, insufficient funding, government patronage, a lack of internal democracy, a lack of skills, corruption, and a lack of state support and partnership. Zhou (2014) investigated civil society's role in promoting good governance and development in Zimbabwe. As a case study, the National Constitutional Assembly (NCA) was chosen. The study took a historical approach and concluded by questioning civil society's strategies for engaging with the government and arguing that in their current structure, they should not be antagonistic to the state but should work in tandem with the state to achieve good governance and development.

Okonjo-Iweala and Osafo-Kwaako, (2013), examine some recent measures to improve fiscal transparency in Nigeria, emphasizing the role of civil society organizations. More effective participation of civil society groups in public debates on fiscal transparency will necessitate strengthening these organizations' capacity to participate in such debates. Simultaneously, senior government officials must welcome increased civil society involvement as an opportunity to increase transparency and debate on public finance issues. The paper concludes by outlining potential strategies that civil society organizations and senior government officials in various African countries could employ to promote more constructive and transparent dialogue on fiscal management issues.

For the period 1961 to 2008, Onuorah (2012) investigated the management of public funds in terms of how public office holders provide accountability reports on their stewardship. Adopting ordinary least squares regression, the findings revealed that the level of accountability in Nigeria is very low because the attributes of accessibility, comprehensiveness, relevance, quality, reliability, and timely disclosure of economic, social, and political information about government activities are completely or partially unavailable for citizens to assess the performance of public officers, primarily political officeholders. Banks and Hulme (2012) looked into the role of non-governmental organizations (NGOs) and civil society in development and poverty alleviation. According to the study, non-governmental organizations (NGOs) and civil society organizations (CSOs) contribute to development and poverty reduction by transitioning from service providers to key stakeholders, assisting low-income communities in dialogue and negotiations to strengthen their collective assets and capabilities.

Jivani (2010) investigated the effects of Non-Governmental Organizations on Tanzanian citizens' lives. Using the survey design method, the findings revealed that NGOs were successful in influencing the lives of the beneficiaries. While some NGOs face support challenges, bureaucratic roadblocks, and the overall partnership with the state, others have worked very closely with the government and have been successful in influencing change and creating new policies, with programs being rolled out nationally. Andrews (2010) evaluated the strength of African public financial management (PFM) after a decade or more of reform. The study discovered that budgets are created better than they are implemented, that practice lags behind the creation of processes and laws and that processes are stronger where concentrated actors are involved. In terms of the latter, the study discovered that different countries fall into different 'PFM performance leagues,' with countries in each league looking very different from one another. Economic growth, stability, reform tenure, and colonial heritage are all factors that influence which leagues a country is associated with.

Amundsen and Abreu (2006) investigated the role of civil society in enhancing accountability in Angola. According to the study, civil society advocacy is inherently weak in Angola, and civil society has limited political and societal space. Furthermore, there is evidence that Angolan authorities have not fully accepted civil society advocacy as a watchdog and control mechanism. Nordtveit (2005) investigated the role of civil society

organizations in developing countries through public-private partnerships. The survey method was used in the study, and the results revealed that Senegal adopted a set of policies in 1993 that reflected pro-market solutions, specifically outsourcing, to deliver literacy education. Before the 1990s, local civil society organizations were more involved in literacy delivery than public organizations. As a result, the government had a dual incentive to use civil society organizations.

### **3.0.METHODOLOGY**

#### **3.1.Research design**

The study used a qualitative research method. According to McCusker and SauGunaydin (2015), qualitative research entails gathering non-numerical data through observational methods to investigate the phenomenon under investigation. A thematic research design was also adopted in the paper. According to Khokhar, Pathan, Raheem, and Abbasi (2020), thematic design entails transcribing and analyzing in-depth interviews. Coding is a systematic process in thematic research that condenses collected data into more manageable analyzable units, and codes, which are then classified and developed into themes that allow for theory building. Researchers were eventually able to develop a broad theoretical concept about qualitative evidence thanks to the coding process. The qualitative research approach used in this study is similar to that of Antwi-Boasiako and Nkrumah (2017), Akinyemi (2016), Jivani (2010), and Nordtveit (2005).

#### **3.2.Population**

Civil society organizations in Nigeria are expected to be registered with either national or sub-national authorities following Nigerian laws. The study population included all civil society organizations registered with the Plateau State Ministry of Women Affairs and Social Development, as well as those registered with the Plateau State Ministry of Intergovernmental Affairs/NGOs and Special duties. In Plateau state, Nigeria, the Plateau State Ministry of Intergovernmental Affairs/NGOs and Special Duties maintains a database that is regularly updated with the number of civil society organizations operating in the state. There were 800 civil society organizations registered with various thematic areas ranging from women and gender equality, health and reproductive health, civic education, religious and culture, environment, youth empowerment and social development, water and sanitation, good governance and political orientation, etc. as of March 2021 (Akubo, 2021).

#### **3.3.Sample**

The sample consists of only civil society organizations focused on public finance issues from Plateau state, Nigeria. A census sample approach was adopted and 10 civil society organizations with public financial management orientation/focus were identified based on the register maintained by the Ministry of Intergovernmental Affairs/NGOs and Special Duties. The justification for the adoption of only civil society organizations with good governance orientation/focus is based on the objectives of the underlying study.

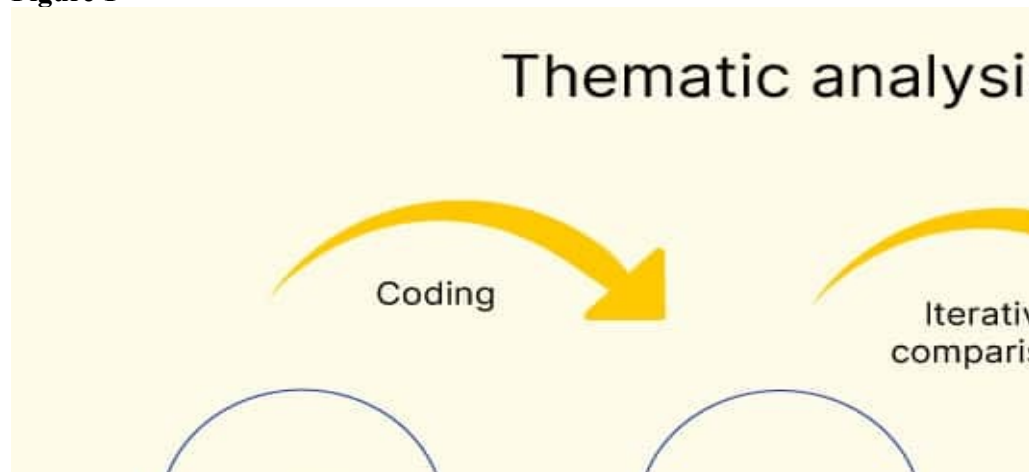
#### **3.4.Data Collection Instrument**

The data collection instrument used to achieve the study objectives was a semi-structured interview guide and a documentary review of data obtained from civil society organizations (CSOs) under study. This instrument collection method is consistent with that of similar studies by Antwi-Boasiako and Nkrumah (2017) as elaborated in studies by Khokhar et al (2020).

#### **3.5.Method of Data Analysis**

Thematic Analysis was used to examine the information gathered from the sampled civil society organizations. According to Khokhar et al (2020), thematic data analysis entails transcribing in-depth interviews for analysis and subjecting them to analysis. Coding is a systematic process in thematic research in which collected data is condensed into more manageable analyzable units, codes, which are then classified and developed into themes to enable theory building. The coding process eventually aided researchers in developing a broad theoretical concept about qualitative evidence. Thematic research, according to Miles et al. (2014), allows researchers to create codes, compare similar and dissimilar categories, identify themes, formulate relationships, and construct theories. This method of analysis is consistent with that of similar studies by Antwi-Boasiako and Nkrumah (2017).

**Figure 1**



**3.6.The Procedure of Thematic Analysis**

We obtained 10 in-depth structured interviews from civil society organizations focusing on good governance and public finance in plateau states, to perform an analysis and interpretation of the qualitative dataset. The research team transcribed all of the interviews and prepared them for analysis (Braun & Clarke, 2020; Khokhar et al, 2020). Figure 2 depicts various stages of qualitative data analysis using thematic analysis. Phase 1 necessitates familiarization with transcriptions through repetitive reading. This is a critical stage that allows the research team to read the text between the lines to find codes or meaningful patterns that could be potential codes. The research team prepares initial codes in phase 2 after becoming acquainted with transcriptions. At this point, the team is paying close attention to codes, labels, and categories in preparation for the next stage of the process (Gibbs, 2007; Peel, 2020; Braun & Clarke, 2020).

**Figure 2: Phases of Coding in Thematic Analysis**

<b>Phases 1</b>	Familiarization with Data
<b>Phases 2</b>	Generating Codes
<b>Phases 3</b>	Searching for themes
<b>Phases 4</b>	Reviewing the themes
<b>Phases 5</b>	Naming the themes
<b>Phases 6</b>	Producing the report

**Source:** Researchers adaptation from Khokhar et al, 2020 in Gibbs (2007).

The study prepares for theme identification in phase 3. This is a crucial stage in which correct decisions allow the study to construct a theoretical framework. Phase 4 allows the study to go over its initial thematic themes again. At this point, the research team will go over their previous codes and categories before making a final decision. In phase 5, the researchers assigned names to the themes they created from codes and categories. In the sixth and final phase, the research team interprets and prepares a report to justify the underlying theory building.

**4.0. Discussion of Findings**

Figure 2 depicts the step-by-step thematic analysis procedure used by Gibbs (2007) and elaborated in Khokhar et al (2020). According to Creswell (2009), qualitative data analysis is a repetitive process in which an analyst must read and re-read the same interview transcripts several times to identify similar and dissimilar codes, patterns, and categories of codes. Thematic analysis of 10 in-depth interviews was performed by the researcher team for the current study. Appendix A contains one of the transcripts from the ten interviews that were conducted and analyzed for this paper. In the first stage, we began the analysis process by reading and re-reading the text to become acquainted with it. We attempted to locate significant phrases, words, or patterns and coded them (stage



1 in figure 3).

In the second stage, the research team classified the codes into various similar and dissimilar categories (stage 2 in figure 3). In the third stage, the research team looked for potential themes in the similar and dissimilar categories. The research team reviewed themes identified from categories and also reread the dataset to ensure nothing important was missed. The research team was able to develop a unified theme after reviewing and revising the themes (stage 4 in figure 3). Themes were given appropriate names in the following stage, and a preliminary theory was developed in the final stage. Figure 3 depicts the investigators' thematic analysis based on ten in-depth interview transcriptions.

#### **4.1. Stage 1: Preparing Codes**

After thoroughly reviewing all interview transcripts, the research team created a list of relevant codes and meaningful patterns. Figure 3 shows Stage 1 of several codes developed from extensive reading of the text from 10 interviews. The first stage of qualitative data analysis is carried out very carefully and with numerous readings of the transcripts to ensure that every important and meaningful pattern is captured or highlighted. Several common meaningful patterns that appeared frequently in the current dataset were highlighted. For example, while being interviewed, civil society organizations discussed public finance advocacy, which could lead to the identification of priority areas of concern, requiring CSO input. CSOs should have the capacity to conduct thorough budgetary reviews and legislative engagements in the public financial management process. Following approval, CSOs must conduct tracking and expenditure monitoring to evaluate impact. The result would be enhanced transparency and accountability in public financial management. CSOs would then undertake de-mystification and simplification of budget and audit reports to all stakeholders.

#### **4.2. Stage 2: Categories of Codes**

From the list of codes in figure 3, the research team created categories of similar and dissimilar codes. Separating similar and dissimilar categories reduces redundancy and repetition in the coding scheme and produce nuanced and clear categories that aid in theme development. The first set of codes can be expressed as participatory planning and budgeting, while the second set of codes can be implied as expenditure monitoring, audit report follow-ups, and contract analysis. Contract analysis involves review and assessment of capacity and capability of contractors and vendors selected to execute the jobs. In addition to matching budgetary approvals with contract disbursements, to check for contract inflation or padding.

#### **4.3. Stage 3 and 4 Reviewing and Naming Themes**

These stages allowed the research team to go over codes, categories, and developed themes and give them appropriate titles. Figure 3 depicts two themes with interpretations that emerged after the categorization of the codes in stage 1 and stage 2.

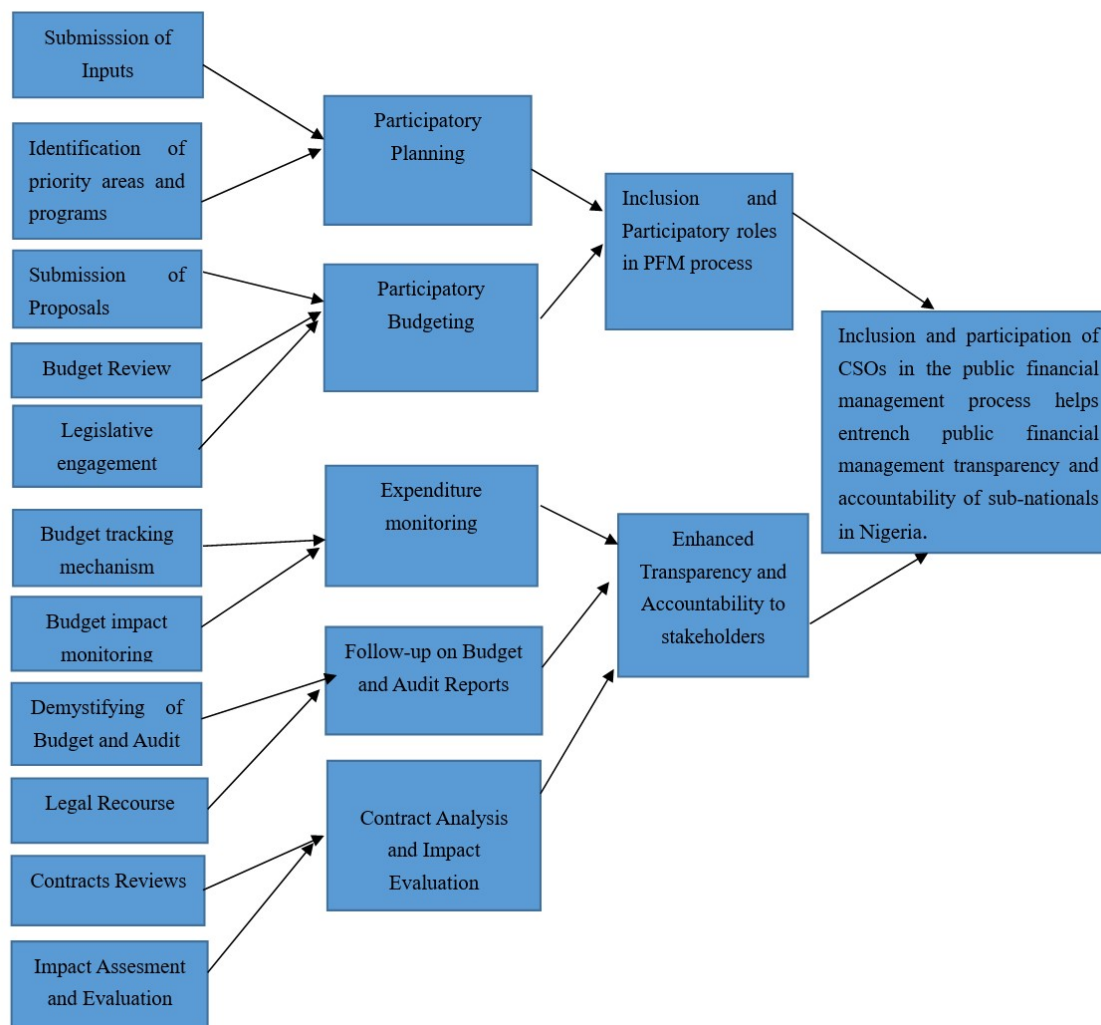
#### **4.4. Theme 1: Inclusion and Participatory roles in the PFM process**

Figure 3 shows the number of codes (i.e., stage 1) generated from a detailed analysis of ten transcriptions. Following the coding of the dataset, similar and dissimilar codes were separated into categories (i.e., stage 2) so that themes could be developed in (i.e., stage 3), with 'Inclusion and Participation' emerging as a major theme. This theme is more than just a single term; it tells the entire story, which is depicted in codes and categories. This theme also leads to the next stage, which is to decide on a theory.

#### **4.5. Theme 2: Enhanced Transparency and Accountability to stakeholders**

Figure 3 depicts the second theme created using the same method. Stakeholders will benefit from increased transparency and accountability. This is an expression of the CSOs' experiences and thought processes that show what may be possible outcomes from the codes and categories, which include budget tracking and monitoring, impact reviews, report demystification and simplification for stakeholders, advocacy, and legal recourse.

**Figure 3 Framework of Thematic Analysis from Coding to Theory Building**  
**Code (Stage 1) Categories (stage 2) Themes (stage 3 and 4) Theory (stage 5)**



#### 4.6. Stage 5: Theory building

This paper attempts to theorize about the phenomenon under investigation using a coding scheme, similar and dissimilar categories, and themes (Creswell, 2009; Mackieson, et al. 2018; Vaismoradi & Snelgrove, 2019; Clarke & Braun, 2020). In this paper, we used Braun and Clarke's (2006) and Khokhar et al (2020), approaches to explain the theoretical underpinnings of the data analysis themes. We hypothesized that including and involving CSOs in the public financial management process entrenches transparency and accountability and by extension those of sub-national governments in Nigeria. This reasoning is heavily based on themes, categories, and data codes. This finding agrees with similar studies by Okonjo-Iweala and Osafo-Kwaako, (2013) and Antwi-Boasiako (2018).

#### 5.0. Conclusion

The study concludes that civil society organizations can play a critical role in entrenching accountability and transparency in the public finance of sub-nationals in developing countries. Findings suggest that civil society involvement in the public financial management process is generally desirable because it forces elected officials to be more accountable with public funds and also ensures better execution of government projects. At the same

time, civic participation in public policy issues can be problematic because it can be captured by a dominant or vocal elite who may not represent the interests of the general population. To the extent that civil society participation in the public financial management process is desired, we also argue that improved technical capacity is required for effective participation.

### 5.1. Policy Implication

1. The paper proposes a comprehensive and robust framework public financial management process among sub-nationals that includes civil society organizations as key actors.
2. Information asymmetry can be reduced by demystification and simplification of published financial reports regularly by CSOs, allowing for feedback and input from the citizenry.

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