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The Role of Legislators and Budget Process in Nigeria

Imuetinyan Eguavoen* Isaac Ukarin Peter Oghenebrozie Avinyeze

Department of Accounting, University of Benin, Benin City, Edo State, Nigeria

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ABSTRACT

This study examined the role of the legislators and budget process in Nigeria. For the objective of the study to be achieved, the study embraces the library research which involves a review of extant literature and this forms the basis for drawing up the conclusion. Flowing from the review, the study shows that argument has been raised by several analysts that legislative oversight committees have found not to be very effective in stimulating Ministries, Departments and Agencies (MDAs) for budget outcomes attainment. The argument is that oversight activities are used by some legislative committees to intimidate rather than encouraging (MDAs) to perform at the optimum levels especially in the areas of budget implementation. The study therefore recommends that the legislators in the Nigeria budget process should ensure that the MDAs make proper use of the funds allocated to them efficiently and effectively with a view to preventing careless spending, diversion as well as the misappropriation of public funds. The oversight activities of the legislative committees should be used to encourage MDAs to perform at the optimum levels especially in the areas of budget implementation and not to intimidate.

1. Introduction

Extant literature on the issues of budget process is noticed to be on the increase because of the importance attached to it. Budgetary issues are considered important as a result of their relevance to various stakeholders around the world. The process that takes place when a country's budget is considered by the legislative bodies of that country is of great importance, because the budget process consists of many supervisory measures. The budgeting process is a process in the development and implemen-

tation of which public administration entities are largely involved. A relevant document which can be used to focus any organization towards specific goals and ensure overall accountability is provided in financial management is regarded as a budget^[1]. An excerpt from the work of Ugoh and Ukpere (2009, p. 837) reads that a "budget is said to be a comprehensive document that outlines what economic and non-economic activities a government wants to undertake with special focus on policies, objectives and strategies for accomplishments that are substantiated with revenue and expenditure projections"^[2]. Budgets are an-

*Corresponding Author:

Imuetinyan Eguavoen,

Department of Accounting, University of Benin, Benin City, Edo State, Nigeria,

Email: kingmueti@yahoo.com

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nual estimates that are prepared and contain government plan for a financial or fiscal year. Any plan that is prepared before the use of time is referred to as a budget. The “budget of a nation which can be situated under the Public Finance Management is a detailed plan that contains source of revenue as well as expenditure for a fiscal year”^[3].

The process that takes place when a country’s budget is considered by the legislative bodies of that country is of great importance, because the budget process consists of many supervisory measures. According to Abdulrasheed and Ruth (2015), the one that largely involves governmental actors in its formulation and implementation is the process of budgeting^[4]. The budget process consists of several oversight activities, because for the annual appropriation process period, the National Assembly need to relate the whole value of a program to other programs that are competing for funding from limited state resources^[5].

The role of the legislature in budget formation in Nigeria is to ensure that Ministries, Departments and Agencies (MDAs) properly use the funds allocated to them effectively and efficiently. The budget process is often cyclical in nature and it runs in phases^[6]. The phases comprises of the enactment of budget, budget formulation, budget execution as well as budget oversight and assessment. It can be ascertained from the foregoing, that the issues that made up the whole process of budgeting which entail primarily the executive arms of the government and legislature was proficient to slow down the running of the government at the entire levels. The body that is statutorily responsible to make laws in Nigeria is the legislature which perform the oversight function of screening, vetting and passing of appropriation bill. Several analysts have raised issues concerning transparency and accountability and that of the resources expended in oversight activities when put together with the benefits of such investigations. Argument has been raised by several analysts that legislative oversight committees have been found not to be very effective in stimulating Ministries, Departments and Agencies (MDAs) for budget outcomes attainment.

The argument is that oversight activities are used by some legislative committees to intimidate rather than encouraging MDAs to perform at the optimum levels especially in the areas of budget implementation^[7]. They further explained that among other things, these made them to reach a conclusion that oversight activities have not in any way be very beneficial to Nigeria. However, the “oversight function of the legislature is faced with a lot of challenges that must be addressed if the legislature must be able to perform effectively its oversight of the executive and thus contribute meaningfully to democratic good governance in Nigeria”^[8]. Ewuim, Nnamani and Eberin-

wa (2014) highlighted that the score card of the legislature in Nigeria shows that in other to ensure or promote good governance in Nigeria, a lot is required to be put in place by the legislature. In modern democracy, legislative oversight is a crucial tool that is essential to ensure accountability, transparency as well as good governance. It is to this extent that this study is meant to assess the role of legislators and budget process in Nigeria^[9].

2. Literature Review

Appropriate literature regarding the role of the legislators and budget process as well as the research theoretical foundation are discussed in this very section.

2.1 The Concept of Budget

The budget is found to be the most essential instrument for economic management and this is because it is a yearly, financial and economic plan for resource mobilisation and allocation as well as the vehicle for accomplishing the goal of government’s public policy. The budget is an important tool for socioeconomic development and it is therefore vital to comprehend the tasks to its effective implementation so as to perfect the entire budgetary process. A document that is important and can be used to focus any organization towards specific goals and then provides overall accountability in financial management serves as a budget^[1]. A budget is regarded as a detailed statement of a government’s expected expenditures and revenues^[10]. Fransic and Peter (2016) viewed the term budget as a future plan of action, stating in detail the anticipated revenues and expenditures during an accounting period to meet the organisation’s objective^[11]. It usually contains details of anticipated income, spending for the upcoming fiscal/accounting year and recommendations. An excerpt from the wok of Ugoh and Ukpere (2009, p. 837) reads that a “budget is said to be a comprehensive document that outlines what economic and non-economic activities a government wants to undertake with special focus on policies, objectives and strategies for accomplishments that are substantiated with revenue and expenditure projections”^[2]. It is a framework for revenue as well as expenditure outlays over a particular period normally a year.

2.2 Budget Process in Nigeria

The budget procedure in Nigeria like several other nations goes through certain process before it can become a law. The process of budget is one that fundamentally consists of the actors of government in its formulation as well as implementation. Budget process refers to the stages through which governments initiate, consider and approve

budget proposals (Ngara & Dasat, 2020) ^[12]. According to Abdulrasheed and Ruth (2015, p. 54), “the process of budgeting is one that largely involves governmental actors in its formulation and implementation” ^[4]. Sam-Tsokwa and Ngara (2016) stated in their work that the dynamics of the process of budgeting in Nigeria cannot be fully understood except the procedure for law making is appreciated in the National Assembly ^[13]. The process undergone when the budget of a country is looked at by the National Assembly members of that country matters a lot, because the process of budgeting is made up of many oversight activities. The National Assembly which functions under the constitution of that country is the body that is elected by the people to represent them and then ensure that they are the government of the people and by the people. Many oversight activities are included in the budget process, because the overall value of the program must be related to the National Assembly to other programs that will compete for fund from limited resources of the state during the annual appropriation process ^[14]. The process of budgeting in Nigeria entail basic sectors of the economy which range from the Budget office, CBN, Debt Management Office, Federal Ministry of Finance, which are all ministries department and agencies components and the legislative arm of government and just to mention some of them ^[3].

2.3 Role of the Legislators

Legislature is usually “referred to as an official body, usually chosen by election, with the power to make, change, and repeal laws; as well as powers to represent the constituent units and control government” ^[15]. Legislature is labeled as the stronghold of democracy because it can be considered to be the only organ of government that distinguishes the military government from that of democracy. The role performed by the legislators when making policies is to predominantly gather the opinions, interests, challenges and demands of their different constituents, harmonize and then translate them to policy proposal for the legislature. The roles of the legislators do vary from one system to another as well as from one country to another ^[16]. The legislature is the organ that is statutorily in charge of law making and this consists of screening, vetting as well as passing of appropriation bill. “The roles of the Nigerian legislature which consists of 109 Senators and 360 House of Representatives members in the budgetary process is not in doubt as they are statutorily empowered to work on the budget and authorise it before it becomes law and policy document” ^[3]. Nigeria as a country is operating a bi-cameral legislative system which comprises the House of Representative and Senate known as the National Assembly. According to Agba, Chukwurah

and Achimgu (2014), Nigeria operates a bi-cameral legislative system which comprises of 109 members of the Senate and 306 House of Representative members ^[17].

2.4 Budget Implementation in Nigeria

The need for a well-informed and properly implemented budget cannot be overemphasized in the achievement of development for a nation like Nigeria. Budget implementation is as important as the budget plan itself. If budgets are implemented fully, it will positively have great impact on the lives of the citizens. A “well-implemented budget helps to translate government policies and programs into outcomes that have a direct, positive impact on people, such as the development of critical infrastructure (electricity, roads, water, hospitals, schools, etc.), the provision of employment opportunities, the reduction of poverty, and the supply of transport, health, and educational facilities” ^[18]. The implementation of budget requires that the plans of revenue as well as the expenditure framework that are contained in the approved budget document are achieved within the fiscal years. Proper implementation of budget will bring about efficiency in government, whereas poor budget implementation will bring about inefficiency and unaccountability ^[19]. If the budget is not implemented effectively there is the tendency of mismanagement and/or misappropriation of funds that are allocated to institutions ^[20].

It is the responsibility of the executive to draft and implement the budget while the parliament has the role to check and ensure the responsibility is fulfilled successfully. The Government Departments and Agencies can be assisted by the parliament to plan and implement budgets more effectively and efficiently and assist to reduce the gaps between planned and actual budgets, curb corruption and engender greater efficiency in departmental spending in the process (Warren & Joachim, 2004) ^[21]. The implementation of budget at any level of government reveals to a large extent the measure of transparency and accountability in the systems ^[22]. Ezeagba and Adigwe (2015) elucidated that for over a decade there has been poor implementation of budget in Nigeria ^[23]. For instance, Ianna (2018) investigated budget implementation and governance in Nigeria and further explained that poor governance can lead to poor implementation of budget which occurs when the desired result on the target beneficiaries is not actualized ^[18]. The problem of budget implementation arises when the expected result on the target beneficiaries is not actualized. It must be emphasized that for effective and efficient budget implementation to be attained, the right budget basics, strategy, and managerial accountability have to be in place (Ezenwafor, 2011) ^[24].

3. Related Empirical Studies

Nwankpa and Okeke (2017) investigated budgeting for change in the Nigerian public sector. The method of qualitative and secondary sources of data was used to carry out the analysis. The result of the findings shows that the Nigeria national budgetary processes are characterized by procedural indiscipline as well as the crises of implementation^[1].

Adetunji (2018) examined the implications for democratic consolidation in relations to executive-legislature and budgetary process. The aim of the study was to investigate the processes that are involved in the budgeting process of Nigeria and continuous bickering implications, frictions and hostility existing between the legislative and executive dealings on smooth government running. In drawing conclusions, the descriptive and analytical approach was adopted. The finding of the study shows that continuous face-off among the legislature and the executive over their functions and roles respectively were considered to be an invitation to anarchy as well as threat to democracy^[3].

Ngozi and Adebola (2019) examined legislators and their oversight functions in policy implementation in Nigeria. The use of qualitative as well as in-depth interview was employed as the techniques for collecting data in the study. Fifteen (15) legislators which comprises of seven (7) members of the House of Representative and eight (8) senators were interviewed. In the analysis of data, the approach of narrative interpretative was employed. In conclusion, the findings indicate that leadership of political parties interference as well as personal interests of the legislators hindered oversight function performance and this leads to failure of implement public policies effectively in Nigeria^[25].

Sam-Tsokwa and Ngara (2016) conducted research on the national assembly and budget process in Nigeria's fourth republic with the opinion to tackle the persistent challenges of not presenting appropriation bill on time to the national assembly by the successive presidents; a laxity that has resulted to delay in the passage of the appropriation acts. The study concluded that budget law like the US Congressional Budget as well as the Impoundment Control Act, 1974, has to be enacted^[12].

Adah and Akogu (2019) conducted study on the Problems and prospects of budget implementation and economic development in Nigeria. In the analysis of data, the model of OLS regression was used. Conclusively, the study shows that the budget implementation rate has not directly realized the aim that it was actually meant. The Nigeria budget implementation has been found not to be

optimal but it has been tilted mostly in the direction of recurrent expenditures while the expectations of the capital expenditure is still found to be falling short^[26].

Afeez, Ndalu and Micah (2021) examined legislatures and the budget process in Nigeria. Descriptive research design was used in the study. The findings of the study show that corruption as well as poor budget implementation still permeates the spheres of government parastatals and MDAs in Nigeria. It was also noted that the advent of 1999 constitutional democracy, however, saw significant changes in the dynamics of the process of budget in establishment of appropriate legal framework that likewise outlined the budgetary responsibilities for civil society organizations (CSOs) and the National Assembly^[27].

4. Theoretical Framework

Several theories are used to explain the assessment of legislative oversights in relation to budget process. For the purpose of this study, system theory is used.

System Theory

This study is anchored on the system theory. It is an interdisciplinary field that studied the entire systems and it is credited to^[28]. The system theory can be employed to give the analyses as well as the explanation of the relationship existing between the legislature and the executive, particularly as it is concerned with the process that leads to that of preparation, passage as well as the process of budgeting implementation of the country. The process that leads to passage of the yearly budget of a country is required by the contribution of the organs of government so as to come up with the needed results. As explained by Enemu (2008), the conclusion of the theory is that except there is a workable system in a relationship that is harmonious, inputs might not meet up with output and this will therefore lead to a dysfunction of such a system because the theory identifies that the different sub systems that is needed to interact in a relationship that is harmonious towards the achievement of societal and governmental objectives^[29]. According to (Adetunji, 2018, p. 6), "a good working between the executive and the legislature will produce desired result that would for instance lead to the passage of annual budget in good timing and ensure full implementation of same"^[3]. In case there is any disparity among the executive and the legislature or deviation such as the parts of a system that is not working, the coordination as well as the cooperation that is required to produce workable outputs will be lost. Budgets, administration, governance and among others are issues that call for co-ordination and cooperation among the executive and

legislative organs of government so that the desired goals and objectives that are stated will be achieved. For the frictions between the executive and legislative organs of government to be avoided, there should be co-ordination between the various groups that are found to be involved in the process of budgeting.

5. Conclusions and Recommendation

This study reviewed extant literature on the role of legislators and budget process in Nigeria. Budgetary issues are considered important as a result of their relevance to various stakeholders around the world. The process that takes place when a country's budget is considered by the legislative bodies of that country is of great importance, because the budget process consists of many supervisory measures. The budgeting process is a process in the development and implementation of which public administration entities are largely involved. The role of the legislature in the budget process in Nigeria is to make sure that the MDAs make proper use of the funds allocated to them efficiently and effectively with a view to preventing careless spending, diversion as well as the misappropriation of public funds. Flowing from the review, the study shows that argument has been raised by several analysts that legislative oversight committees have been found not to be very effective in stimulating MDAs for budget outcomes attainment. The argument is that oversight activities are used by some legislative committees to intimidate rather than encouraging MDAs to perform at the optimum levels especially in the areas of budget implementation. Oversight activities have not in any way be very beneficial to Nigeria. However, the oversight function of the legislature is faced with a lot of challenges that need to be addressed if the legislature must be able to perform effectively its oversight of the executive and therefore contribute meaningfully to democratic good governance in Nigeria. It is to this extent that this study is meant to assess the role of legislators and budget process in Nigeria. Consequently, the study therefore recommends that the legislators in the Nigeria budget process should ensure that the MDAs make proper use of the funds allocated to them efficiently and effectively with a view to preventing careless spending, diversion as well as the misappropriation of public funds. The oversight activities of the legislative committees should be used to encourage MDAs to perform at the optimum levels especially in the areas of implementation budget. There is a reason to further substantiate the conclusions that the oversight activities of legislative committees should be used to encourage the activities of MDAs at an optimal level, especially in the field of implementation budget.

Conflict of Interest

There is no conflict of interest.

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