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Appraisal of Factors Responsible for Delays in Passage of the Budget and its Impact on National Development in Nigeria

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Abstract: *Developed countries of the world always utilize their national budget as viable tool for development. This is because of the potentials of effective budgets for the realization of better life for the citizenry of such countries. But, delay in Nigeria's budgeting process has become the new norm in recent years, and has often been caused by a number of factors which this paper sought to examine. The paper adopted analytical research design by which evidential documented materials from journals, books, official reports, newspaper and magazine publications and Internet materials were used as sources of data collection. Based on the analysis, the paper suspected the dismal failure in the performances of national budgets as a result of irreconcilable disagreement between the Executive and the Legislature leading to delays in budget passage as well as the cumbersome nature of the process leading to the approval of the budget and large corruption among other factors. The paper also envisaged a strong lacuna in the oversight function of the National Assemble as relates to monitoring and evaluation which caused delays in budget presentation by the Executive, which by extension, affects its passage. The paper recommended, very strongly, the strengthening of the budgetary processes and institutions as well as circumscribing a time frame within the legal framework for the executive and the legislature to present and approve the budget without delays.*

Key words: *Delays, Budget Passage, Impact, National Development*

Introduction

Budget is the most important economic policy instrument for public administration/management. It reflects a government's socio and economic policy priorities more than any other document. It translates policies, campaign promises, political commitment and goals into decisions where funds should be spent and how funds should be collected. It is an annual, financial and economic plan for resource mobilisation and allocation, and the vehicle for achieving government's public policy goals (Collaborative Africa Budget Reform Initiative, 2020; Ohanele, 2010). Nations of the world and other entities usually draw up budgets on annual basis in order to properly guide their finance for developmental purposes and is usually a useful tool for directing and driving the nation's economy if properly managed. The management of budgets in terms of their formulation, implementation and monitoring therefore have a lot of implications for the realization of the objectives of budgets to make lives better for the citizenry of a country. The national budgets are even more important to developing countries of the world which are committed to speedy national development. Oyedele (2014) in his study observed the great potential of budgets to serve as instruments of national development cannot be realized if the budget is not executed with utmost commitment and sincerity of purpose. In many developed countries of the world, according to Oyedele (2014), the annual national budget had served as a viable approach to development engineering over the years. However, many developing nations have not really achieved the much needed development through budgets. This is as a result of many factors which are primarily human in nature particularly in the area of the formulation and execution of budgets. Governments in such countries have thus recorded dismal budget failure. This could be as a result of lack of budget implementation monitoring mechanisms of its ineffectiveness. With particular concern about Nigeria, Nafisatu, Nuhu & Shizar (2019) posited that:

> … poor and unrealistic policy implementation has long been the bane of socio-economic development in the developing countries and by implication, Nigeria. Budget implementation is not simply a matter of executing the approved budget. In almost every country, the implemented budget varies from the adopted one which is brought about by the country's fiscal conditions, stability and certainty in the country's finances, the role of the finance ministry, and the type of budget system. A highly itemized budget may experience more variance than one which gives managers spending discretion. The trend in contemporary public management is to give spending units more flexibility in implementing their budgets, even though this may not be appropriate in countries with inadequate management controls (p. 69).

Regarded as 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 accomplishment that are substantiated with revenue and expenditure projections (Samuel and Wilfred, 2009), Ogujiuba and Ehigiamusoe (2013) stated that the focus on the budget has assumed greater prominence in recent years with increasing democratization, civil society participation and the desire to respond to development challenge of poverty. The national budget is basically divided into more current and capital budget. It is necessitated by the limitedness or scarcity of revenue which have alternative uses. In business organization, their primary goals or objectives center well on liquidity, profitability and contribution on the economic and social improvement. In the same way non-business organizations such as federal, state and local governments have their specific objectives which are also economic and non-economic in nature.

The invaluable role of the state government with the attendant development nearer to the people has become a relevant discourse of our time. Development is a matter of inner emotion. It integrates the people into the plans and policies of government. A major and justifiable area of development discourse concerns the appropriate instrument of implementation. In Nigeria, state government has historically provided services of importance to its citizens in rural and urban area which includes provision of basic services like water, roads, health facilities, education. Of late, the role of state government in providing these services has attracted public concern. Furthermore, it has generated national crisis as a result of increasing rate of poverty among the rural people. Some scholars view this development to poor budgeting and implementation while others associate it to the federal government interference. Whatever may be the reason, there is considerable emphasis, possibly on over-emphasis on budgeting in the federal government against the under emphasis on budgeting practices and procedures in public in Nigeria's public sector (Nafisatu, Nuhu & Shizar (2019). Olaoye (2014) agrees that the Nigeria Federal budget has been facing a myriad of challenges dispossessing it of the powers to achieve its expected goals.

This paper looks at the factors responsible for delays in passage of the budget which is a reoccurrence situation in Nigeria since the return of sustainable democracy in 1999 and its impact on national development in Nigeria.

Methodology

This research adopted analytical research design to examine the factors responsible for delays in passage of the budget which is a reoccurrence situation in Nigeria since the return of sustainable democracy in 1999 and its impact on national development in Nigeria. Evidential documented secondary materials relevant to this work were used as sources of data collection in this paper. Thematic, analytical and explanatory techniques were used in the analysis of the secondary data in the context that better addresses the concern of the paper.

Budget

Budget is ascribed a broader meaning and has been defined by various authors in different ways. Ayo (1995) defines a budget as a statement of the activities to be carried out by an entity within a specified period and expressed in qualitative terms. It is an estimate for a year ahead of revenues and expenditure chargeable to revenue and parts of its receipts and payments on the capital accounts. It is a means of ensuring effective and efficient resource mobilization, proper management of expenditure, policy adjustments and effective control and co-ordination of economic activities. Oyedele (2014) defined as a plan or programme set in financial terms. It is a financial or quantitative statement prepared and approved prior to a defined period in time of the policy to be pursued, during that period for the purpose of attaining given objectives. Simply put therefore, a budget is a plan which is stated in financial terms and meant to cover a time interval in an effort directed at achieving specified goals. In order to achieve a rational basis for financial management in a country, the best approach is to set out clearly, a financial plan indicating how the resources would be mobilized and how they would be utilized. Such a plan according to Oyedele should serve as a blue print for achieving the objectives of any nation. Without this, there is no guarantee that the objectives of a nation can be adequately realized. The financial plan of a country is normally presented in the form of a budget which then forms the basis of the financial operations of the nation. The Budget is a key instrument for macroeconomic management in most economies and its efficacy determines the success of governments in meeting societal goals4. The budget is therefore the starting point and for that matter the core of any efficient financial management for national development.

Balmori (2004) described the budget of any government as the technical instrument by which commitment are translated into monetary terms. The budget is a key instrument for macroeconomic management in most economy and its efficacy determine the success of governments in meeting solid goals. Omolehinwa (2003) is of the opinion that budget is a plan of dominant individuals in an organisation expressed in monetary terms and subject to the constraints imposed by other participant and the environment indicating how the available resources may be utilised to achieve whatever the dominant individuals agree to be the organisation priorities. Houlton (1982) says that budgeting control is the establishment of budget relating the responsibility of executives to the requirements of a policy and the continuous comparing actual with budgeted result either to secure by individual action the objectives of that policy or provide a basis for its revision.

A budget is therefore an accounting document which serves as a control mechanism over a nation or agency as a guide for spending and collection of fund. It is a plan based on past, present and future experiences in addition to the control mechanism. It is a document consisting of both control and plan. Because it is an annual plan, budgeting can be perceived to be a process of taking deliberate measures aimed at moving the relevant economic system from its current state towards a specified desired state. In that case, the revenue and expenditure programmes as well as the fiscal, monetary, trade and other development policies enunciated in a budget are normally designed to move the socio-economic system from its present state towards a desired state (Ajakaiye, 1998).

The budget is also an instrument for measuring the performance of the economy. This is because it provides adequate control for monitoring expenditure for proper financial management. It is also used to measure the performance of the economy by indicating the performance of the economy in the previous year, making it possible to account for any wide gap between the expected and exact targets projected under the budget. Since a budget translates specific plan objectives into concrete projects and programmes, it makes for the management of on-going activities or projects. This is done by the effective supervision of resources allotted to the accomplishment of natural objective. It is also a mechanism through which specific tasks or projects are carried out effectively and efficiently. It usually considers necessary and mandatory cases to meet statutory requirements and to act as a guide in the running and administration of the various component parts of a nation for national development.

Development

Development as a concept is broad and therefore, does not subject itself to a single definition. It indeed covers a wide range of human endeavours. According to Asemah (2010), development is a process of change in attitude, social structure and general acceleration of economic growth, through reduction of poverty and inequality. Asemah (2011) notes that development in human society is a many sided process. At the level of the individual, it implies increased skills and capacity, greater freedom, creativity, self-discipline, responsibility and material well being. The achievement of any of these aspects is very much tied in with the state of the society as a whole. Development involves the creation of opportunities for the realisation of human potentials. Human beings have certain basic requirements, which must be satisfied so that they can properly function in the society. Among these are enough food, employment and the elimination of the kinds of inequality, which lead to poverty. Asemah (2010) defined development as a gradual process of bringing about positive attitudinal change in the people. It is a continuous process of improving their living conditions, through positive change. The essence of development according to Asemah is the development of people with change in their attitude, leading to change of habit. This means that just changing things without concurrent change of habit or attitude is not a healthy development. Development is seen as a changing process of knowledge, attitude and practices. It is in this context that the writer looks at development. Keghku (2005) says that development generally implies change.

Importance of Government Budget

The public sector budget is about the most important instrument of economic management tool law and one of the most popular legislative duties in a modern democracy (Otire, 2010; Gbajabiamila, 2014).The seeming lack of in depth understanding of the role of budget on all facets of a nation life have contributed to the disappointing manner its being handled by the political class (Gbajabiamila, 2014). Some sacrosanct importance of a national budget is discussed below. Budget is the most important economic tool of government which provides a comprehensive statement of the priorities of the nation. It is a tool of stabilizing the economy, distributing income, allocating scarce resources to address competing needs as well as the focal point for the reconciliation of competing visions of the public good.

In addition, national budget is a medium of communicating government policy framework, tool to influence economic direction, financial control document and resources' allocation pact. Esu and Inyang (2009) as well as Metawie (2005) and (Gbajabiamila, 2014) assert that performance evaluation and performance indicators are the critical issues about government budget. As observed by Hemsen and Van de Stede (2004), the practical or operational purpose of government budget consists of operational planning, performance evaluation, communication of goals and strategy formation.

Furthermore, Omolehinwa (2011) posited that the specific purpose of public sector budgeting includes: provision of a basis for articulating and working towards the achievement of socio-economic vision of government; the instrument of pursuing the objective of macro-economic growth and development, economic stability and economic equity; basis of allocating resources of government to strategic areas of priorities; a tool to promote managerial efficacy in government and a mechanism for legislative control over the executive. Whilst Abdullahi, Angus (2012) describe government budget as the principal tool of financial planning and control. Carreras, Mujtaba, and Cavica *et al* (2011) argued that budget remains the principal tool in the hand of the executives to evaluate the performance of Ministries, Departments and Agencies (MDAs).

The Stages of the Budget Process

The budget process in Nigeria, according to CNB (2015) has to go through four critical processes which are: drafting, legislative approval, implementation and; monitoring and evaluation.

Drafting: At this stage, Mr. President is mandated by law to produce and submit projections of earnings and disbursements for the fiscal year to NASS. The Budget office of the Federation (BoF) then produces the Fiscal Strategy Paper (FSP) that summarizes government's complete budgetary policy. The FSP also includes the macroeconomic structure, major assumptions, earning estimates and disbursement projections. The Paper details the strategy objectives of Mr. President and is produced in conjunction with other MDAs, like the National Planning Commission and the CBN. The FMOF submits an outline of the budget to the President, who will then present same to FEC for their consideration and approval.

Legislative Approval: The President presents the Appropriation Bill to the Senate and the House of Representatives in a joint sitting. The appropriate committees in the Senate and House of Representatives will then examine and suggest revisions to the different sections of the budget. The process, which involves the legislature is usually long and requires compromise between the executive and legislature. The parameters used to draft the budget are considered throughout the stakeholder discussions during which, the Executive and the Legislature are engaged in extended debates. For example, issues such as appropriate oil price benchmark, oil and gas funding; gas Joint Venture Agreements and reimbursement for the fiscal year are discussed. Furthermore, the discussions also entail the review of the internal allocation of resources. During this stage, Civil Society groups have the chance to get involved and influence the budget process. The modifications are then merged and concluded to become the Appropriation Bill for the fiscal year after approval by the NASS. After this, the Bill is signed by Mr. President and then, it becomes the Appropriation Act.

Implementation Stage: This process involves various federal government MDAs, which receive funds for their capital projects every quarter. MDAs spend these funds based on the share of the budget from the Consolidated Revenue Fund of the Federation (CRF). The FMOF, in 2005, initiated a "Cash Management Committee", to make sure that funds are made accessible to allow for the easy funding of the budget and ensure that it reduces borrowing.

Monitoring and Evaluation Stage: This stage involves monitoring and evaluation of the budget. Starting from 2006, the FMOF prepares an annual Budget Implementation Report which reviews the level of execution of project implementation from various locations in the country, and the quality of each year's budget. MDAs involved in the monitoring process include: the FMOF, NPC, the National Economic Intelligence Agency (NEIA), the Presidential Budget Monitoring Committee (PBMC), the Office of Auditor General of the Federation (OAGF), the Office of the Accountant General of the Federation and the NASS.

The BOF and the NPC together with the spending ministries and agencies, conduct physical inspection of the completed and ongoing projects.

Delay in Passage of Budget

The recurring delay in passage of Nigeria budget according to the findings of CISLAC Admin (2007) are:

Submission Delays: Average time lag between start of fiscal year and submission of draft budget by the executive to the legislature is 1 month 7days. The International benchmark is minimum of 3 months with legal backing.

Consideration Lag: Average time lag between submission of draft budget to legislators by the executive and legislative approval of the budget is 4 months 2 days;

Signing Lag: Average time lag between legislative approval of the budget by the legislature and signing of the approved budget by the President is 19 days.

It is noted that businesses generally record poorer performance in Q1 and Q2 compared to Q3 and Q4. The 1st and 2nd quarters tallies with the period of the year during which the budget is mostly unapproved by the legislature or waiting for the president's assent.

> The Chilean constitution mandates that the executive provide the legislature its budget 60 days before the end of the fiscal year. While this time- frame is comparable with a number of countries, the consequences of Chilean legislative inaction are especially significant. If the legislature does not approve the budget within 60 days, it automatically becomes law in its entirety, thus under- cutting the leverage of the parliament. I have no doubt that the same can be replicated here in Nigeria (Afe News, 2017).

On the 7th of November 2017, President Buhari presented a N8.612 trillion budget proposal for the 2018 fiscal year to a joint session of the National Assembly with an expectation that the Budget would be passed by the end of December and signed into law very early in January. This was an improvement on the date of presentation of the 2017 budgetary proposals which was done in December 2016. It was reported that the Presidency desired a return to the budgetary circle of January to December as opposed to the current system whereby the budget is passed in the middle of the year. However as reported by a national daily, those hopes have been dashed as the National Assembly does not expect that it will be able to pass the budget until April 2018. The report states as follows:

> …Buhari had met with Senate President Bukola Saraki, Speaker of the House of Representatives Yakubu Dogara and other principal officers of both chambers to lobby them to push for the passage of the 2018 Appropriation Bill before the end of the year.

Based on the outcome of the meeting, both chambers on December 5 had suspended plenary to accelerate the budgetary process of meeting with the heads of ministries, departments and agencies (MDAs) of government for the defence of their respective budget estimates. Saraki had also directed the Joint Committee on Finance, Appropriation and National Planning to submit its report on the Appropriation Bill Tuesday. However, the lawmakers said Tuesday that the experience of the past two weeks, during the budget defence sessions with the heads of MDAs that made themselves available, had sounded the death knell on any plan to pass the 2018 budget this year. The debate was facilitated by a point of order raised by the Deputy Senate Leader, Senator Ibn Na'Allah, who harped on the need for the lawmakers to adequately inform Nigerians on why the 2018 budget could not be passed before the end of the year.

By today, we would have passed the budget. The template for doing the budget which we have inherited and which we have continued to put into use has always turned out to be problematic for us, the reason being that it was a template provided under the military regime. "That template cannot give this nation the kind of budget that the nation deserves," Na'Allah argued. Contributing, Senator Barnabas Gemade (Benue APC) said the expectation that the 2018 budget could be passed this year was unrealistic (Afe News, 2017).

Factors Responsible for Delays in Budget Passage and Implementation in Nigeria

The Nigerian budget process like any other country across the globe is characterized by some factors affecting it. The Central Bank of Nigeria (2015) highlighted some of the factors below:

One of the challenges with the budget process in Nigeria is the over bloated nature of the budget. This is due to the partial funding of projects across the country and the high risk of these projects being abandoned in their partial state. While some projects are ongoing and poorly funded, new projects are introduced, thereby increasing the risk of neglect. Some projects are poorly monitored through the various stages of completion; some projects are approved without detailed costing and engineering design.

Another challenge in the budget process is the weak reporting culture of the Ministries Departments and Agencies. Their reports do not adequately reflect projects that are ongoing as various stages of implementation are not stated. The MDAs do not adhere to proper monitoring and evaluation techniques on their projects and the large number of MDA projects makes it difficult to individually visit each project.

Lastly, another challenge with the Federal Government budget is the unplanned size of the recurrent expenditure. Particularly, increases in the wage bill and in allocation to certain MDAs have resulted in bloated budget. This has made the budget skewed towards the recurrent spending while capital expenditure remained inadequate.

Also, the nature of the budget process often poses a challenge. This is because the budget needs to be reviewed at different stages with the possibilities of delays, like the drafting stage, legislative approval stage, implementation stage, and monitoring and evaluation stage.

Empirical Justifications

Budget is the most crucial instrument for economic management because it is an annual, financial and economic plan for resource mobilisation and allocation, and the vehicle for achieving government's public policy goals. The stories of disparity between budget, its passage and implementation in Nigerian public sector are replete in newspapers, public discourses and academic journals. It is therefore important to review some of the empirical works earlier done by different scholars on different aspects of the budget to give us more insight into the direction of our paper.

Ekhator and Chima (2015) in their study on "Budget as an Instrument of Public Policy in Nigeria" found that the goals of most policies are not accomplished in Nigeria due to incessant budget failure at the stage of the formulation and implementation. Critical among the factors responsible for the failure as noted in the study were: delay in preparation, late submission and appropriation, cumbersome bureaucratic process of securing release of funds, short fall in revenue, poor implementation plan and above all corruption. The paper suggested effective monitoring, timely submission of the budget to legislature by the presidency, discouragement of unnecessary lobbying of National Assembly by MDAs and avoidance of temptations of allocating huge amount to new projects while the on-going projects are starved of funds as some of factors that can assist effective passage and implementation of the budget in Nigeria.

Nafisatu, Nuhu & Shizar (2019) focused their study on "*Constraints to Budget Implementation in Nigeria*" to examine the constraints to budget implementation. The result shows that the two ministries did not adequately monitor budget so as to achieve the expected goal. Collaborative Africa Budget Reform Initiative (CABRI) (2020), in its study on "The role of the legislature in the budget process: Country Case Study" found that the challenges facing effective implementation of the budget in Nigeria include: Lack of clear rules regulating the budget process; Delays in producing the Medium-Term Expenditure Framework/Fiscal Strategy Paper (MTEF/FSP); Poor level of executive–legislature engagement at the formulation stage; NABRO's lack of independence, capabilities and resources; Delays in submitting the Appropriations Bill; Lack of robust engagement between the executive and legislature during the budget approval stage; Delays in approving the Appropriations Bill; Lack of coordination between, and duplication of, reporting agencies; Delays in producing budget implementation reports and the lack of oversight thereof; Delays in receiving the Accountant General's Report; Delays in receiving the Auditor General's Report and the lack of review thereof; and Auditor General's lack of independence, capacity and resources. It recommended creating clear rules and designating clear responsibilities throughout the budget process, and establishing a budget calendar; Improving coordination and information-sharing between actors in the formulation and execution process; Increasing the independence, capabilities and resources of NABRO; and Increasing the independence, capacity and resources of the OAuGF as some of the ways to ensure effective implementation of the budget in Nigeria.

Effiom and Edet (2019) conducted a study on the "*Challenges to Capital Budget Implementation in Nigeria*" and found that delay in budget presentation by the presidency as well as delays in approval by the national assembly, leakages associated with corruption and poor monitoring and evaluation of the budget were significant factors militating against effective capital budget implementation in Nigeria. The study recommended, among others, the strengthening of the budgetary processes and institutions as well as circumscribing a time frame within the legal framework for the executive and the legislature to present and approve the budget respectively.

Ehigiamusoe and Umar (2013) have studied on “Legislative Oversights and Budget Performance in Nigeria: Issues and Policy Options” to examines the role of legislative oversights in budget performance and found that the oversight activities have increased tremendously in Nigeria since 1999, but they have not been very effective in reducing corruption and accelerating budget performance of MDAs. The paper therefore recommended for policy options in the utilization of legislative oversight activities as instruments for promoting targeted budget outcomes.

Ifeanyichuku, Ezeamama, Joy & Mgbodile (2016) conducted a study on Nigerian budget implementation and control reforms: tools for macroeconomic growth. The aim of the study was to examine the impact of budget implementation on resource management, level of productivity, efficiency and personnel overhead costs in Nigeria. Using ex-post factor descriptive research design, questionnaires distributed to a sample of 308 were analyzed using simple percentage. The study found out that poor project conceptualization design and planning practices by ministries, department and agencies accounted for low resource management. The study recommended participatory monitoring and assessment of government project by host community members.

Olatunji, Oladipupo & Joshua (2017) investigated the impact of capital budget implementation on economic growth in Nigeria. The aim of the study was to assess the impact of the implementation of capital expenditure on administrative, economic services and socio-community services on the growth of Nigerian economy. The secondary data used for the study were obtained from Central Bank of Nigeria (CBN), Statistical Bulletin. Using Augmented Dicker-Fuller unit root test, co-integration test and Error Correlation Model (ECR) for analysis, it was found that capital expenditure implementation is germane in maintaining and sustaining economic growth in Nigeria. It was recommended that government should ensure adequate implementation of capital expenditure in the country.

Innocent and Christopher (2017) did a study on budget evaluation and government performance: a study of Nigerian economy. The aim of the study was to evaluate Nigeria’s federal budget and its performance. Data for the study were obtained from financial and economic reports of Nigeria. The data were analyzed both descriptively and empirically. The parameter for assessing budget credibility is the international threshold and prescribed limit for budget deficit/GDP, a minimum of 50% score performance rating for regression economic performance. The findings thereof ranks Nigeria’s fiscal performance as sub-optimal but fairly satisfactory. The study recommended that budget performance should be prepared by government at the end of each year as a means of educating the citizenry of government activities.

Nafisatu, Nuhu & Shizar (2019) in their review have identified Corruption; fluctuating revenue and over- dependence on oil revenue; unstable economic parameters such as price level, unemployment; Poor conception of people toward budget; unstable government policies from one fiscal year to another; inadequate finance; lack of qualified manpower; paucity of data; lack of effective budget monitoring; and delay in approval of project proposal by the ministry and the legislature as some of the factors limiting effective passage and implementation of the budget in Nigeria.

Ekhator and Chima (2015) studied on “Budget as an Instrument of Public Policy in Nigeria” and revealed that the goals of most policies are not accomplished in Nigeria due to incessant budget failure at the stage of the formulation and implementation. Critical among the factors responsible for the failure are according their study include: delay in preparation, late submission and appropriation, cumbersome bureaucratic process of securing release of funds, short fall in revenue, poor implementation plan and above all corruption. It recommended effective monitoring, timely submission of the budget to legislature by the presidency, discouragement of unnecessary lobbying of National Assembly by MDAs and avoidance of temptations of allocating huge amount to new projects while the on-going projects are starved of funds as the ways out of the problem (Ekhator and Chima, 2015).

Olurankinse (2013) revealed that in Nigeria, factors such as poor planning, fraudulent manipulation, lack of adequate professional knowledge, delay in passage of budget, late release of fund are all responsible for poor budget performance in the state. The implication is that it discourages investors due to poor condition of the state infrastructures, it reduces the standard of living of the people of the state, and it slows down economic development through wasteful spending, extra budgetary spending and debt accumulation.

Similarly, the Central Bank of Nigeria (CBN, 2015) revealed that the nature of the budget process often poses a challenge. This is because the budget needs to be reviewed at different stages with the possibilities of delays, like the drafting stage, legislative approval stage, implementation stage, and monitoring and evaluation stage. This has coincided with the views of http://cislacnigeria.net/the-legislature-and-budget-process-in-nigeria/(2007) that budget preparation, submission, consideration, approval and signing delays are predominant in the Nigeria’s to an extent that the budget is often not available for implementation in the 1st quarter and a better part of the 2nd quarter over the past one and half decades.

Budget delays lead to escalation of uncertainty in the system, it affect the delivery of infrastructural projects which has profound impact on productivity in the economy. It leads to delay in the payment of contractors for government projects and heightens the risk of breaching contractual agreements on various government projects. And accordingly, CISLAC Admin (2007) observed that delay slowdown in the economic recovery process by postponing the multiplier effect of government spending. If funds for critical projects are not disbursed on time, industrial activity will be reduced, dragging the economy into a state of inertia and economic decline. The late passage of the budget is therefore a threat to achieving the ERGP targets and to Nigeria’s goal of becoming one of the top 20 economies by 2020.

Delays in Budget Passage and its Impact on Nigeria's National Development

This delay in the passage of the budget has gradually become an annual one. After it is passed by the National Assembly, the bill must be signed by the President before it becomes law. If the process of passing the 2017 is anything to go by, then it is to be expected that the Presidency will once again insist on a clause by clause examination and comparison of the bill passed by the legislature with the proposal submitted to the legislature by the executive before assenting to it. This will surely add more weeks to the delay. This delay, as highlighted last year is bound to have grave consequences for the economy. Writing on the subject, Chris Emotoh reported the views of the President of the Nigerian Economic Society, Prof Ben Aigbokhan as follows:

> …Prof. Aigbokhan explained that when there is a delay …it affects economic growth and many jobs would be lost, thereby saturating the labour market and endangering the economy. According to him, when budget is delayed, the implication is that government may not be able to spend or execute 40 percent of the capital expenditure…Another negative effect of delay budget is that it discourages foreign investors from coming in to invest and that could make them to divert their investment capital to other countries (Emotoh, 2018, p. 7).

Olaoye (2014) observed that the first democratic budget in the year 2000 was passed into law by May, what a bad start we had. The 2004 Federal Budget was passed by the NASS into law in May. The 2002 budget was passed into law in March, 2005 in April and 2014 budget in May. Since year 2000 to 2014 no Federal budget was ready for implementation at the appropriate legal time which is December, 31 (Ata, 2013; Olusola-Obasa, 2011 & Eme, 2010). In other nations of the world like the USA, the Federal budget would always be ready months before the commencement of fiscal year.

Secondly, the distortions and foreign projects being introduced at will by the NASS always lead to conflict between it and Executive arm. The President will always withheld assent to the document. No budget since 2000 in Nigeria has been signed by president one week after passage by the NASS. It would always take weeks, months at times to get it signed into law (Ata, 2013; Olusola-Obasa, 2011). The action of the NASS in distorting figures in the budget is more than mere re-allocation of fund it is a matter of policy distortion. It will go root down to affect budget impact on the economy.

A third serious implication is in the area larger than life altitude of the Legislature. Now, when an act of the NASS is illegal or not back-up by any law, they suppose to set a law in place to back it up. Since the commencement of the constitution project idea in 2004, the National Assembly has not deemed it fit to legalise it and subject it to the normal budget procedure like every other expenditure of government (Udefuma, Fadila & Adebayo, 2013; Ndume, 2013).

Fourth in the line of implications is the cat and mouse Executive/Legislature relation and the press war that usually herald the annual budget process in Nigeria. Every year there is always this battle over the pulse. Though this may be normal in every democracy but only if it leads development in our National life. Fifteen years of budget debacle should be long enough for both arms of government to be matured and developed good pulse relationship. It is only the Law Court they have not resulted, they have used every other political weapon to fight each other and settle scores on budget matters (Gbajabiamila, 2014). The study finding by CISLAC Admin Rsearch (2007) revealed the following implications of the late passage of the Budget on the economy and businesses that:

i. Budget delays lead to escalation of uncertainty in the system, It affect the delivery of infrastructural projects which has profound impact on productivity in the economy. It leads to delay in the payment of contractors for government projects and heightens the risk of breaching contractual agreements on various government projects
ii. A slowdown in the economic recovery process by postponing the multiplier effect of government spending. If funds for critical projects are not disbursed on time, industrial activity will be reduced, dragging the economy into a state of inertia and economic decline. The late passage of the budget is therefore a threat to achieving the ERGP targets and to Nigeria's goal of becoming one of the top 20 economies by 2020.
iii. Delay in the release of funds for recurrent expenditure will cause a delay in the payment of salaries and allowances of federal workers. This feeds into the cycle of further slowing down economic recovery by reducing the purchasing power and consumption of citizens;
iv. Capital expenditure such as infrastructural development, construction work and payment of contractors will also be put on hold. This is especially bad when these funds are meant to be channeled towards sectors that improve the ease of doing business, such as transportation and electricity. Performance of these sectors is correlated with the success of Nigerian businesses, which are key players in the effort to combat the country's high unemployment rate. It also affects private sector operators that depend on the budget to plan their activities for each fiscal year. Delay in passing the budget therefore slows down their activities, with negative economic consequences;
v. In addition to adversely affecting the economy, slow provision of critical infrastructure needed to boost industrial activity negatively affects the country's ability to export locally made products, and therefore reduces its revenue and foreign exchange from non-oil exports; and,
vi. There is also the issue of inadequate absorptive capacity as the country may not be able to spend so much money in such little time. This can result in inflationary pressures and may also provide fertile ground for leakages, fraud and inefficiency.

Conclusion

The budgetary process in Nigeria is being improved in terms of transparency. But delay in Nigeria's budget process has become the new norm in recent years, and has often been caused by disagreements between the executive and legislative arms of government. It is crucial that both arms work on improving the schedule of the country's budget process and the steps need to be taken to address the various factors identified for delays in budget so as to further improve the process and free up more funds to fund critical sectors. In order to address the issue of poorly funded and project abandonment, government would need to set up and fund a cost and quality control office in various MDAs. This would enable help to track and easily assess projects at various levels in order to make sure there are no leakages or poorly funded projects. This would improve the quality of the projects delivered and also reduce the amount of abandoned projects as well as improving the standard or well being of the citizens.

Recommendations

i. National budgeting should be based upon and truly reflect the changing views, needs and preferences of the Nigerian people. Nigerians should be allowed to have some say in the type of capital projects they want. This calls for Bottom-Top-Planning-Approach. This probably may enhance greater impact of public budget on the welfare of the people and fast-track development of the country.

ii. The paper also infer that public budget in Nigeria requires radical re-organization and re-orientation coupled with strong political will to make national budgets become powerful instrument for development engineering.

iii. Time limits would have to be set to address delays in the passage of the budget, due to the numerous exchanges during the various stages of the budget process. Each office, MDA and arm of government should be allocated a certain time limit to make their inputs and forward same to the next office for necessary action.

iv. There is need for the government to improve the monitoring and evaluation culture in the various MDAs. This would ensure that various stages of the MDA's project is clearly stated and presented, thereby reducing the bloated figures that are submitted to the BOF.

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