An assessment of capital budget performances: The study of Gombe State, Nigeria 2008-2011

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Abstract

The objective of the study is to examine the extent to which Gombe state government harnessed and channelled its financial resources in executing capital projects in the four sectors (Economic, social services, regional development and administrative sector) of the state for the period under review (2008-2011). The paper relied solely on secondary source of data and ratio analysis was employed and served as method of data analysis. The study discovered that Gombe state government between 2008and 2011 was able to spend more than fifty percent (50%) from the approved budgeted capital allocations in the (3) main sectors namely economic, social service and regional development. It is pertinent to say that performance of Gombe state government in terms of economic, social, and regional development between 2008 and 2011 was tremendously high and quite encouraging. This was reflected in the high standard of living of people, provision of infrastructure and above all promotion of economic and commercial activities in the state. Also, the performance of administrative sector in the state was low. The study concluded that the performance of Gombe state's budgets between 2008 and 2011 was tremendously high and quite encouraging. The study recommended that the internal social and technological processes of Gombe state political and administrative system should be maintained because the palpable commendation to Gombe state from within and outside the state is an indication that its internal humans and material processes are good.

Keywords: Budget, capital budgeting and performance budgeting

1. Introduction

Gombe state is one of the 36 states of the Federal Republic of Nigeria, located in the center of the north east of the country which is bordering Borno state to the east, Yobe state to the north, Adamawa and Taraba states to the south and Bauchi state to the West and North-West. The state has the land area of 20, 265, sq km. The state was carved out from defunct Bauchi state on 1st October, 1996 by the then military

Head of State and commander in chief of Armed Forces, Federal Republic of Nigeria, late General Sani Abacha GCFR. The state as at 2016 census has approximate population of 2, 857,042 and the capital city of the state is Gombe. Topographically, the state is mainly mountainous and Hilly to the south-east and flat open plains in the central, north, north-east, west and north-west. Geographically, the state is located at latitude 9"30' and '12"30'N, Longitude 8"5' and 11"45'E. The state lies in the Centre of North east geopolitical zone of Nigeria. The ethnic composition of the state is multi-ethnic, mainly made up of Fulani, Tangale, Waja, Bolawa, Tera, Jukun, Jara, Pero, Tula, Cham, Dadiya, Kamo, Awak, Lunguda, Kanuri, Hausa, Yoruba and Igbo. The state has eleven Local Government Areas namely, Akko, Balanga, Billiri, Dukku, Funakaye, Gombe, Kaltungo, Kwami, Nafada, Shongom and Yamaltu Deba. These local governments metamorphosed from the two emirates during Osman Dan Fodio Jihad namely, Gombe north emirate and Gombe South emirates and the Headquarters were Gombe Abba until the emergence of British government in the early 20th century. Under the colonial administration the state was grouped into two units namely, Gombe Native Authority and Tangale Waja Native authority. These two authorities constituted Gombe Division during the British administration.

At inception, Gombe state was administered by group captain Joseph Orji from 7th October, 1996 to August 1998. He was succeeded by another administrator in person of Muhammad Bawa (1998-1999), then Governor Abubakar Hashidu (1999-2003), Muhammad Danjuma Goje (2003-2011) and lastly Ibrahim Hassan Dankwambo 2011-2019). The first two persons were sole administrators whereas the last three were civilian governors respectively.

Gombe state under civilian administration especially in the current democratic dispensation received a palpable commendation both from within and outside the state in the area of infrastructural development, financial discipline and above all continuity in delivering services to the people of the state. This has attracted the attention of scholars and practitioners which prompted them to ask so many questions such as why is it that people from other states praised the administration of Gombe state. What make Gombe state became so unique from other states in the north east? The study is motivated by same, and it aimed at measuring the performances of the state administration in the area of capital projects from 2008 to 2011. Furthermore, the study is a time series research.

According to many observers, the problem of persistent underdevelopment in most African country with particular reference to Nigeria is due in large part to the poor governance environment. Underlying the litany of African's development problems is a crisis of governance (World Bank, 1989). Governance simply referred to as the exercise of political power to manage a nation's affairs (Adamolekun, 2011). Politics is all about efficient authoritative allocation of resources to where it will yield positive results. The most important

resource apart from human is the financial resource which needs to be managed efficiently and effectively. One way of ensuring proper management of financial resources is budgeting. Budgeting is paramount in every form or level of government because it serves as useful guide for the allocation of scarce resources. It is pertinent to say that without Budgeting government may indulge in to what is known as misplacement of priority because it may not allocate it financial resources to issues that can yield fruitful results, instead government may waste the scarce resources at its disposal. Sometimes there could be well designed budget but it performance could be poor. Therefore, measuring performance of governmental budget should not be avoided in order to know the extent of its financial discipline that is, whether government spent reasonable amount from its total revenue generated or not.

The rationale behind this study is that government officials in many states of the country have served their own interest without fear of being called to account, politics becomes personalised, and budgets are not fully implemented in many states. Despite all these challenges in the country, people within and outside Gombe state are commending the current and past administration of the state. This motivated the researcher to embark on empirical analysis on how Gombe state governments were able to harness and channel its financial resources to developmental projects in the state. The study assessed the performance of Gombe state government's capital budget from 2008 to

2011 with a view to ascertaining the extent of its financial discipline.

The main objective of the study is to assess the capital budget s performances of Gombe state government for 2008 to 2011 and the specific objectives includes measuring performance of Gombe state government in terms of economic activities in the state, social services delivery, regional development and lastly measuring it performance administratively.

The study covered the area of capital expenditures of four (4) sectors of the Gombe state government, namely, Economic, Social Service, Regional Development and Administrative sector. The justification for choosing these sectors is that they are the only sectors in which the government of Gombe state spent its capital allocations. This study is limited to the period between 2008 and 2011 being the period in which Gombe state witnessed tremendous improvement within the four sectors. Also, the administration of that period received a palpable commendation by the general public within and outside Gombe state.

The study will be of great important in terms of it contribution to policy, theory and practice. In terms of policy, the outcomes of the study indicating low or high performances of capital budget serve as green light for the present and future policy makers to maintain or otherwise of their economic, social, developmental and administrative policies. The study serves as a positive response to the outcome of Gombe state political system and feedback normally keeps the system on course.

In terms of theory, the study promotes the frontier of knowledge by serving as an additional literature in the field of public sector accounting, public finance and public administration.

In terms of practice, the knowledge the study claimed will definitely have great influences on policy and decision-making process because theory informed practice. The study is of great importance if its policy recommendations will be utilized by the beneficiaries. The beneficiaries include students, researchers, governments and the general public.

Generally, the study will serve as empirical evidence for the palpable commendation or otherwise of Gombe state governments by the general public within and outside state.

2. Literature Review and Conceptual Frame Work
2.1. Budget
By budget it literary means a leather bag or satchel for carrying in official papers or the papers themselves particularly those papers containing the financial proposals of the year, Sharma (2012). In the same vein Bhagwan (2008) also stated that budget derived from a French word "Bougette" which means leather bag or wallet. It was first coined in 1733 when the then Chancellor of the Exchequer used to carry leather bag containing papers on the financial plans for the country to the House of Commons. The financial statement of a country has come to be known as budget because of its association with the French word "Bougette".Budgetis required in every government in order to carry on its activities or operations and as

measure for the efficient and effective distribution of resources which are limited and to estimate the fund to be received or expended by the government. Without budgeting government may misplace its priority. Budget is a financial statement prepared and approved by authorities for a period of time for the purpose of achieving stated objective, (Bammeke, 2012). Governmental budget usually covers one year as coined by (Anyaele, 2003) that "budget is a financial statement of the total estimated revenue and the proposed expenditure of a government in a given period: usually a year". Therefore, a budget must be approved by an authority and must be within a specific period of time usually one year. It gives an account of the year's house-keeping and of the year to come so far as the state is concerned as well as a basis of control of the financial affairs of the state regarded as household, Bhagwan (2008). It is also futuristic and can be for a particular portion of the government or for the whole. This means that budget must be prepared before the period in which it will be utilized. In the same vein, Adams (2013) is of the view that "budget is a quantitative statement prepared and approved prior to a defined period of time of the policies to be pursued by the organisation in order to achieve organisational goals and objectives" Though objectives vary between private and public organisation, budget became inevitable in both sectors i.e. each sector requires budget in order to efficiently and effectively allocate the scarce resources. For instance the objective behind budgeting in private organisations is to measure the profitability of the organisation where as in the Public sector

the objectives are numerous and it include desire to efficiently and effectively distribute the scarce resources, motivate the workers to act willingly to the realization of the stated goals,   serves as an inevitable tool for evaluating the management and workers performances and above all it serve as a guide for the present and future financial activities of the state (house-hold).Even the international community uses budget to appraise the performance of the government, (Anyaele, 2003).

Budget must be guided by certain principles. Sharma (2012) outlined some of these principles to include the following; Firstly, budget must be a balanced one i.e. the estimated expenditure should not exceed the estimated revenue or income. Budget always is a balanced one when the amount of expenditure is equal or nearly equal to the revenue. Secondly, budget estimate must be on a cash basis. This implies that its estimates of expenditure and income should relate to what is expected to be actually spent or received during the year. Thirdly, budget should be gross not net i.e. all the transactions both the receipts and expenditure should be fully shown and not merely the resultant net position. If this rule is not fully applied there will be incomplete accounts and adequate control will be impossible. Fourthly, the budgetary principle of rule of lapse which implies that any part of the grant not spent within the financial year expires at its close and cannot be kept over for the future. In other word no reserve funds can be built up without statutory authorization.   This principle is very essential because it serves

as controlling device. Another budgetary principle is that estimating should be a close i.e. gross over estimating and gross under estimating should be avoided. For example, if there is over estimating on expenditure, unnecessary heavy taxation may be imposed on the people in order to raise the required amounts. If there is under estimating, the whole budget may be thrown out of gear during implementation. To achieve close estimating the three years, average figures of receipts and expenditure should be taken at the initial stage. And lastly, there should be distinction between recurring expenditure and income on the one hand and capital payments and receipts on the other. This should be maintained and be shown in two separate parts of the budget known as the current or revenue budget and the capital budget. Budget is of different types. Bhagwan (2008) in his book titled "Public Administration" has rightly summed up the typology of budget to include the following: (1) Annual or long-term budget. (2) Single and Plural budgets. (3) Cash or revenue budget. (4) Surplus, deficit or balanced budget. (5). Departmental or performance budget. The classification above indicates that budget can be group according the period covered, number of budgets introduced to the law makers for legitimization, the principle adopted in taking the items of income and expenditure in the budget, the overall financial position depicted in the budget and lastly budget can be classified by the classification of the receipts and expenditure in the budget. Furthermore, Annual budget is prepared for one year but the starting and ending period depending on the practice in that country. For

instance, in most of the commonwealth countries the financial year started from 1st April to 31st of March in the subsequent year, whereas the long-term budget is prepared for three (3) or more years. The single budget is one that involved all government undertakings and significantly disclosed the financial position of the government. On the other hand, the plural budgeting implies passing a separate department-wise budget in addition to the main budget. For instance, in India, railways budget is presented separately from the budgets of other departments. The surplus budget is one that the estimated revenues exceeded its estimated expenditures, deficit budget is the opposite of surplus budget in the sense that its estimated revenues are less than the estimated expenditure while the balanced budget is one wherein the expected revenues are equal to the expected expenditures. By virtue of its name, the cash budget is one which its estimates of the various items of income and expenditure include the amounts actually to be received and spent in one year whereas in the revenue budget the income and expenditure accruing in one year are budgeted in that financial year irrespective of the fact whether the revenues are realised or the expenditure is incurred in that financial year. The departmental budget is quite different from the performance budget in the sense that the former implies the grouping of the revenues and expenditures under one department without disclosing any information related to the activity or performance for which the money is budgeted while the performance budget is one that is prepared in terms of functions, programmes, activities and projects.

However, budget has a lot of benefits especially in managing public organisations and or in governance. It serves as a useful performance monitoring tool (Adeniji, 2012). It is therefore pertinent to say that budget is a document containing a financial plan of a government which can be used in comparing what is on ground and what is already planned with the aim of minimizing the implementation gap. Furthermore, budget help in ensuring consistency in government expenditure to the extent no government official will expend financial resources outside the budget.

2.2. Capital Budgeting

Unlike recurrent budget, Capital budget is important because of its ability to create accountability and measurability in governance. Capital budget implies the use funds to obtain operational assets that will assists in earning future revenues and reduce future cost (Adeniji, 2012). The above affirmation indicates that capital budgeting involves certain outlay of financial resources in order to earn benefits in the future. It is a decision-making process by which government evaluates the purchase of major fixed assets, such as buildings, machinery and equipment, (Hamton, 1992). These kinds of resources are invested for long period of time. One importance of capital budgeting is that the productive use of these capital projects cannot be reversible unless they are sold out (Kurfi, 2003).

In preparing capital budget by the government, certain factors should be considered among others are economic changes, technological changes socio-political changes, future prospects of the government in terms of equipment needed to meet the future demands, and lastly government should consider its ability to finance the projects.

Capital budgeting takes different dimensions as Hamton, 1992 rightly observed four (4) typologies of capital budgeting to include replacement of fixed assets, expansion due to successful operations, diversification and lastly research and developments. Therefore capital expenditure can take the form of purchasing new assets to replace the outdated ones, buying additional equipment to meet the new demands of the general public, investing in several markets and line of business, rather than in a single market or line or expending large amount of money for research and development purposes. For instance, researching for new products as well as training and retraining of workers are parts of capital budget.

Projects in the capital budgeting proposals are of three types, viz: Mutually Exclusive Projects, independent projects and contingent or dependent projects (Kurfi, 2003). Following the above typology, projects can be either serving the same purpose and competes with one another (mutually exclusive project) or serving different purpose and do not compete with one another (independent project) or it may be one in which it choice may lead to

undertaking one or more other projects (Contingent Project).

Capital Expenditure decision is a means to an end which involves many processes. Kurfi (2003) identified seven (7) processes that are normally followed in capital expenditure decision to include the following:

i. Identification of the capital expenditure required by the top management in order to provide the needed operating capacity to achieve the organizational long-term goals.

ii. Obtaining relevant information about the costs of the investments requested and the benefits expected from them (cost and benefit analysis).

iii. Selecting the suitable capital budgeting methods to be employed in evaluating each of the investment opportunities for the organisation or government.

iv. Evaluating each of the investments requested with the capital budgeting methods chosen.

v. Ranking the investment opportunities in terms of their potential benefits and risks.

vi. Selecting the best investments from the opportunities and the resources available and lastly

vii. As new information regarding business conditions and alternative investments become available re-evaluate each of the unfunded capital expenditures contained in the long-term budget.

2.3. Performance Budgeting

According to Bammake (2012) performance budgeting denotes a budget which analyses public expenditures by activity undertaken and compare them with the physical and financial endeavours of the budgetary items. Performance Budgeting is generally understood as a system of presentation of public expenditure in terms of functions, programmes and activities. In the same vein, Bhagwan (2008) said: "performance budgeting is a budget prepared in terms of functions, programmes, activities and project. For instance, health (as function) will be divided in to programmes like those of primary, secondary and tertiary health care. Each will further be divided in to activities e.g. training of health personnel is an activity and lastly project like construction of laboratories, theatre rooms, etc. Performance budgeting therefore focuses on results or outputs achieved. As a target, it measures performances because what is achieved is recorded and compared with target already set. It is usually applied in the public sector organisations to show the link between taxpayers' funds and the outcome of services provided. Performance budgeting has numerous advantages such as facilitating the process of decision making, enhances management's accountability, it serves as a tool for controlling the financial operation by the management and above all it correlates between the physical and financial aspects of every programme and activity, Bhagwan (2008).Performance budgeting enables the organisation to make optimal decision and ensure accountability of its various components parts since all activities and the amount to be spent on each project or programme are clearly spelt out. It should also be noted that, performance budgeting makes self-evaluation possible because each individual department, units and or individual will be guided by the budget of what he/she should or should not do.

2.4. Theoretical Framework

For the purpose of this study, system theory was utilised as a guide. Thus Gombe state government as an open system has the following characteristics: Gombe State as open systems "constantly seek and import resources (inputs) in form of personnel and money in form of grand and transform these inputs into products and services (outputs) by using social and technological processes called throughput. Gombe State as open systems 'export their products in form of social services (outputs) to the general public (internal and external environment). Souse these outputs as their inputs for instance social services provided by the state can be emulated by other states as an input. Feedback in form of information about environmental responses to Gombe state government activities (outputs) is used to keep the state government on course with regard to its goals and help to evaluate the performances of the Gombe state and its sub-units. Gombe state as open systems seek equilibrium "or stable state", both internally and externally. They achieve equilibrium through a constant process of adaption to their environment. Gombe state as a system is dependent upon the effective functioning of its components

parts known as sub-systems i.e. the various Local Governments, the three organs of its government and ministries. Each sub-system performs a series of needed activities which helps in converting the inputs into outputs.

Figure 1.1 The Variant Diagram of system theory designed by the Author
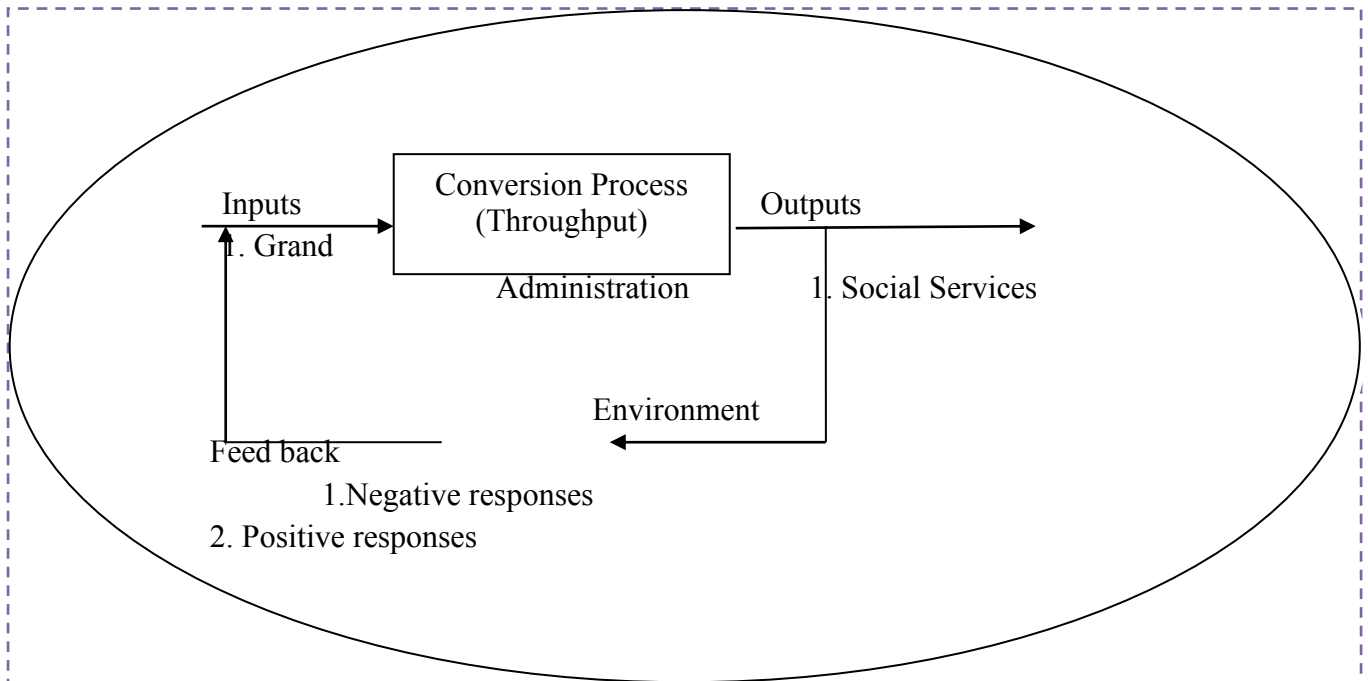
Source: Adopted from Sharma M.P and B. Sadana. (2012). *Public Administration, Theory and Practice.* New Delhi: Kitab Mahal.

3. Methodology

Data for this study was obtained from secondary source which includes text books, journals, annual approved budgets, reports of accountant general of the state etc. The population of the state is approximately2, 857,042 as per 2016 session. Data are presented in tables such as table for approved budgeted capital allocations for the period under review (2008-2011) and table for actual spending for (2008-2011).

The ratio analysis was employed in analyzing the comparative level of performance of the four sectors under study which comprises of economic, social service, regional development and administrative sectors. Ratios are simply relationships between two financial balances or financial calculations. A ratio is therefore one figure expressed in terms of another to show the relationship between them. The ratio expresses the actual capital spending in terms of the total budgeted capital allocations for 2008 to 2011. That is the proportion of the total budgeted capital allocation that was actually spent on capital projects in four sectors that were mentioned above.

The ratio is expressed as P= $\underline{AAS}$

AABA

Where:

P=Proportion of Actual Spending from the budgeted capital allocation (4years period), AAS=Aggregate Actual Spending (4 years period)., AABA=Aggregate Actual Budgeted Allocations (4 years period)

The four sectors of Gombe State Government are: Economic Sector, Social Service Sector, Regional Development Sector and Administrative Sector respectively.

The Decision Criteria is: (i). Ratio>50 = Pass, (ii). Ratio<50 = Fail.

The computation table is as follows:

S/N	SECTORS	Aggregate Actual Budgeted Allocation on Capital Projects	Aggregate Actual Spending on Capital Projects	Difference (AABA-AAS)	P= $\frac{AAS}{AABA}$	Percentage (%)	Decision

Source: Field Survey, 2018

4. Data Presentation and Analysis

4.1 Approved Actual Budgeted Capital Allocations

Table: 4.1: Approved Budgeted Capital Allocations for 2008 to 2011

S/N	SECTORS	2008 N	2009 N	2010 N	2011 N	TOTAL
1.	ECONOMIC	16,988,200,000	17,902,800,000	15,839,500,000	13,311,500,000	**N64,042,000,000**
2.	SOCIAL SERVICE	7,754,500,000	7,325,000,000	8,249,500,000	9,467,000,000	**N32,796,000,000**
3.	REGIONAL DEV.	3,666,173,001	2,150,800,000	3,097,650,000	3,278,650,000	**N12,193,273,001**
4.	ADMINISTRATION	3,111,750,000	4,380,000,000	3,685,100,000	6,112,500,000	**N17,289,350,000**
	TOTAL	**31,520,603,001**	**N31758600000**	N30871750000	**32,169,650,000**	**N97,320,623,001**

Source: Ministry of finance, Gombe State.

Table 4.1 shows the proportion of approved budgeted capital allocations of the four sectors for the period under review (2008-2011). It also revealed the rising and falling of the budgeted allocations over the years. In the economic sector which is the highest has the initial capital allocation of over N16 billion in 2008, it increased to over N17 billion in 2009, but in 2010 and 2011 there were decreases in the capital allocations to economic sector to N15 and N13 billions respectively. The second sector is the social services which has the total capital allocations of over N7 billion in 2008 and 2009 with a difference of N429,500,000

but the capital allocations to social services sector was subsequently increased to over N8 and N9 billions. in 2010 and 2011 respectively. The third sector is the regional development sector which has initial capital allocation of N3, 666,173,001 in 2008 with a decrease of just N568523001 in 2010, N 387523001 in 2011 and with a drastic decline of N 1, 515, 373, 001 in 2009. The last but not the least is the administrative sector which has

the initial capital budgeted allocation of N3, 111, 750, 000 with an increment of N573350000 in 2010, N1, 268, 250, 000 in 2009 and N3, 000, 750, 000 in 2011.

4.2 Actual Spending on Capital Projects in the four sectors

The study also found out the actual money spent out of the budgeted allocated funds with a view to measuring performances. Below are the details of in table 4.2.

Table: 4.2: Actual Spending on Capital Projects for 2008 to 2011

S/N	Sectors	2008	2009	2010	2011	Total
1.	Economic	20,320,597,358	14,865,963,787	15,411,605,069	15,016,018,360	N65,614,184,574
2.	Social Service	4,727,301,314	6,055,154,164	5,919,606,452	6,773,768,196	N23,475,830,126
3.	Regional Development	1,276,796,422	1,715,879,357	2,392,503,872	1,509,890,434	N6,895,070,085
4.	Administration	1,316,409,447	1,707,051,521	881,034,687	2,454,630,354	N6,359,126,009
	TOTAL	27,641,104,543	N24,344,048,831	N24,604,750,081	25,754307,346	N102,344,210,794

Source: Ministry of finance, Gombe State.

Table 4.2 shows the Actual money spent on capital project from 208 to 2011. The table also revealed the trends of the expenditure for the years under review (2008-2011). In the initial year (2008), Gombe state spent over N20 billion for the economic sector which is more than the amount budgeted for the year but it was drastically reduced to over N14 billion in 2009, over N15 billion in 2010 and 2011 respectively. If you sum up all the money spent for the economic sector it will give you the approximate total of N65.6 billion which is greater than N64.0 billion that was earlier budgeted for capital projects in the sector. This indicates that Gombe state spent more than 100% of the budgeted capital allocations to economic sector. In fact the performance of economic sector is highly appreciated.

Subsequently, Gombe state government spent over N4 billion for social service sector in 2008 but the amount tremendously increased to over N6 billion in in 2009 and 2011 while in 2010 the amount increased to over N5 billion. The sum total of the money spent in the sector is N23, 475, 830, 126 which is equivalent to 71.5% of the approved budgeted capital allocations to this sector. This is also a clear indication that the performance of Gombe state in terms of social services is quite encouraging.

In terms of regional development, Gombe state government also performed credibly because more than fifty per cent (>50) of the budgeted capital allocation to regional development was spent. The total amount spent is N6, 895, 070, 085 which is equivalent to 56.5% of the amount

budgeted on regional development for the period covered (2008-2011).

In terms of Administration, Gombe state government spent over N1 billion for capital projects in 2008 and 2009. The amount declined to less than billion (N881,034,687) in 2010 and tremendously increased to over N2 billions in the subsequent year (2011). The total amount spent in four years period is N6, 359, 126, 009 which is equivalent to 36.7% of the total allocation for this sector. The performance of Gombe state government in terms of execution of capital projects in

the administrative sector is abysmally low and quite discouraging. This is because Gombe state government spent less than fifty percent (<50%) budgeted capital allocation earlier approved to the sector.

4.3 Aggregate Approved Budgeted Capital Allocation and the Aggregate Actual Spending

The study further analyzed the data with the aim of measuring the comparative performances of the four sectors, namely economic, social, regional development and administration. The Details Can Be Seen In Table 4.3 Below

Table 4.3: Aggregate Approved Budgeted Allocations For 2008 To 2011

S/N	Sectors	Aggregate Actual Capital Budgeted Allocation	Aggregate Actual Spending.	Difference	$P= \frac{Aas}{Aaba}$	(%)	Decision (Sectoral Performance)
1.	Economic	N64,042,000,000	N65,614,184,574	N1, 572, 184, 574	1.02	102 %	P
2.	Social Service	N32,796,000,000	N23,475,830,126	N9, 320, 169, 874	0.71	71.5%	P
3.	Regional Development	N12,193,273,001	N6,895,070,085	N5, 298, 202, 916	0.56	56.5%	P
4.	Administration	N17,289,350,000	N6,359,126,009	N10, 930, 223, 991	0.36	36.7%	F
	Total	**N126, 320, 623, 001**	**N104, 344, 210, 794**	**N27, 120, 781, 355**	**2.65**	**266.7**	

Source: Ministry of finance and economic planning, Gombe State, Nigeria.

Table 4.3 shows the Aggregate Actual Budgeted Capital Allocation and the Aggregate Actual Spending for 2008 to 2011. It also revealed the differences between the Aggregate Actual Budgeted Capital Allocations and the Aggregate Actual Spending for the period under review. The differences have been arrived at by subtracting the aggregate spending from the aggregate budgeted capital

allocation. The ratio is obtained by dividing the aggregate actual spending by the aggregate budgeted allocations. To obtain the percentage, you now multiply the ratio by hundred (100). The analysis on the table above indicates that Gombe state government performed credibly in the three (3) out of the four sectors under review. The economic sector has the highest percentage of 102% because the

amount spent outweighs the budgeted allocations earlier approved and implemented by Gombe state government. It also indicates that social service was ranked second with 71.5% which is greater than the bench mark of 50% and lastly the regional development sector placed in the third position with 56.7% also greater than the passing mark of 50%. Unlike in the previous discussion, the performance of Gombe state in terms of administration is abysmally low, poor and quite discouraging. This is because the analysis of the table above shows that capital expenditure in the administrative sector has 36% which is below the bench mark of 50%. It is an indication that infrastructure, human resource development through training and retraining of workers and other working conditions in Gombe state civil service are lacking. Generally speaking, the performance of Gombe state between 2008 and 2011 was tremendously high and quite encouraging.

4.4 Discussion of Major Findings

The essence of this study is to find out to what extent Gombe state government has been able to harness and channeled the financial resources at its disposal in providing the economic, social, developmental and administrative needs of the people of Gombe state. Table 4.3 shows the Aggregate Capital Allocations for the four years period of study and the proportion of actual spending from the Budgeted Allocations. Decision benchmark of 50% and above was set as a basis for performance measurement among the four sectors namely economic, social services, regional and administrative sectors. It is pertinent to say that any sector recording a percentage of 50% and above is deemed passed and similarly, a percentage of lower

than 50% is deemed failed. This percentage is arrived at by expressing the proportion of Actual Spending in terms of Capital Allocations. Analysis from the table specified above reveals that Gombe state government between 2008 and 2011 was seen to have spent more than 50% of their Capital Allocations in all the four sectors under review except in the administrative sector. These were marked with letter "P". This goes to say that performance of Gombe state government in terms of economic, social, and regional development between 2008 and 2011 was tremendously high and quite encouraging. This was reflected in the high standard of living of people, provision of infrastructure and above all promotion of economic and commercial activities in the state. Only one sector out of the four sectors failed and was marked with letter "F". The poor performance in the administrative sector has been reflected in poor working condition of the civil service.

4.5 Summary of Findings

The study made the following significant findings:
Gombe state government was seen to have spent more than fifty percent of its approved budgeted capital allocations in the economic, social services and regional development sectors. This is an indicative of the extent of financial discipline the government of Gombe state has. The he percentage scores of these sectors are; over 100% for economic sector, 71.5% for social service and 56.7% for regional development.
The study also discovered that the performance of Gombe state government in terms of economic activities, social service delivery and regional development is tremendously high and quite encouraging.
The study has also empirically proved that the commendations that the state is receiving within and outside the state is in order and has bases which can be seen in the way and manner state government allocated and spent

more financial resources in three important sectors namely economic, social services and regional development.

The study also found out that Gombe state government was not able to spent at least 50% of its budgeted capital allocation to administrative sector only. This is an indicative of the fact that human resources development is suffering in the state civil service. Thus, performance of Gombe state Government in terms of administration is abysmally low, poor and quite discouraging.

5. Conclusion and Recommendations
5.1 Conclusion

The study concluded that budget performance of Gombe state between 2008 and 2011 is tremendously high and quite encouraging. Thus, administration of Gombe state in those days deserves commendation and more importantly this study is one of the applauders of budget performance of Gombe state, since only one sector out of four important sectors failed to perform.

5.2 Recommendation

The study recommended that the internal social and technological processes of Gombe state's political and administrative system should be maintained. It is suffix to say that the palpable commendations within and outside the state is an indication that the conversion processes of the political and administrative system of Gombe state is good and it(commendation) serve as feedback which normally keeps the system on course.

The study also recommended that more resources should be allocated to the administrative sector of the state by the future governments so that working condition in Gombe state civil service can be adequately provided and improved. The

justification of the above affirmation is that administration is the nerve or brain centre of all organisation, without pumping adequate resources for it operations it may lead to poor administration which affects the other sectors. It has to be noted that government (as an organisation) works as a system with different parts that function harmoniously in such a way that the malfunctioning of one part may lead to the impairment of the entire system.

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