Budget Process in Nigeria: What Role for the Legislature?

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Abstract

Budget process in Nigeria is an annual ritual that involves participation of different stakeholders with each exercising its role to make the process complete. This paper examines the roles played by the legislature in the budgetary process in Nigeria. Specifically, it assessed the role played by the National Assembly in the planning and formulation, approving, implementing and evaluation of the budget in the country. Data used for the study were derived from secondary source. The paper found that the legislature in Nigeria, although faced with several challenges, is a significant player in the budget process whose role is necessary in the budget exercise. It concludes that successful budgetary process in Nigeria will continue to suffer setbacks unless those hitches bedeviling the National Assembly in the appropriation process are squarely addressed.

Keywords: Legislature, appropriation, budget formulation, budget approval, budget oversight

Introduction

One of the critical instruments used by the governments the world over; in the attainment of the public policy objectives is the budget. Budget manifests as the financial and economic plan that stipulates how resources are to be mobilised and allocated in order to achieve developmental quests by the government for a given period of time. Budget entails a comprehensive financial plan of the government that outlines both economic and non-economic activities which government wants to undertake over a specific period of time with special focus on its policies and programmes that are substantiated with revenue and expenditure projections for the period in view as approved by the legislature.

Nigeria's National Assembly (NASS), just as most legislatures in other democracies, is the arm of government charged with the responsibility for law making, approving national budget and oversight functions among others. This basic and core law making responsibility is conferred on the National Assembly by the 1999 Constitution. Section 4 of the constitution empowers the National Assembly to make laws for the peace, order and good government of the Federation or any part thereof. This power covers matters on both the Exclusive and Concurrent Legislative Lists set out in the First and Second Schedules of Part 1 of the Constitution which impliedly includes the Appropriation Act.

Through the guide of certain legal frameworks such as the Constitution of the Federal Republic of Nigeria, Fiscal Responsibility Act (FRA) 2007; Public Procurement Act (PPA) 2007 and Finance (Control and Management Act) of 1958 among others, legislature in Nigeria is expected to play a significant role in the budget process at various stages of the budget exercise.

The fundamental question is that, what role has the legislature played in the budget process in Nigeria? This serves as the thrust of the paper. Answers to the following questions were equally examined in addressing the issue: what has been the contribution of the legislature in the budget planning and formulation? What role has the legislature played in the budget approval? Of what role is the legislature in the budget implementation and oversight? What contribution has been rendered by the legislature in budget evaluation? What challenges characterised budget process in Nigeria? The paper assumes that legislature plays a significant role in the entire stages of budget in Nigeria. The paper covers the period between 1999 and 2019 which reflected the period of return to democracy in the country termed as 4th Republic. The period involved participation of the legislative organ in the budget process due to democratic practice.

Literature Review

Budget is a financial statement of the government's proposed expenditure and revenue during a particular period of time, usually a year; usually carried out to attain the objectives of full-employment in the economy, price stability, rising growth in national output, balance of payments equilibrium and equity in income distribution. The inherent elements that makes budget from other exercises are that it always involves financial plan of operation, a fixed period, an authorization to collect revenue and incur expenditure, a mechanism of control of both revenue and expenditure, and objective oriented. It is both an instrument for economic and social policies and an instrument for planning, co-ordination and communication (Anyanwu 1997).

Budget is a document from the government that sums up its revenue and expenditure for a fiscal year, which runs from January 1 to December 31". It is a financial plan which spells out government's estimated revenue and proposed expenditure for a fiscal year. It is a quantitative expression of a proposed plan of action by management for a specified period and an aid to coordinating what needs to be done to implement the plan. It covers the sum of money allocated for a particular purpose reflecting the summary of intended expenditures along with proposals for how to meet them. Usually ministries, departments and agencies (MDAs) translate their services through budget as it has to do with financial plan or estimate of proposed income and expenditure for a particular period normally a year (Suleiman, 2015; Horngren, Stratton, Sutton and Teall, 2004; Vintage, 2014).

According to Smith and Lynch (2004: 37), a budget is seen as a plan for the accomplishment of programmes related to objectives and goals within a definite time period including an estimate of resources required together with an estimate of resources available, usually compared with one or more past periods and showing future requirements. The entire budget exercise in Nigeria covers the budget planning and formulation, enactment/approval, implementation and monitoring and evaluation. The process involves the executive and the legislative arms and other non-governmental actors in the polity. This process begins with the government articulating its vision and plans for the economy to the Federal Ministry of Finance and the Budget Office of the Federation, in order to be captured in the budget. The plans give details on government agenda on how to boost growth through infrastructure improvement, poverty reduction, among others. Budget undergoes some processes before it becomes both a law and an economic tool. The process involves all the executive and legislative processes, that is, collection of estimate from the various government departments to the defense before the various committees of the legislatures and debates in the floor of the houses, the passage into law and the final implementation and monitoring (Suleiman, 2015).

Budget process goes through 4 critical processes of drafting, legislative approval, implementation and; monitoring and evaluation. At drafting, the Executive arm of the government usually represented by the President or Governor in a Presidential system of government is mandated by law to produce and submit projections of earnings and disbursements for the fiscal year to the National or State Assembly respectively. Preparing the budget involves first reflecting on past performance and setting goals for the future, in particular goals for the coming year to advance the government's policies. According to sections 81 and 121 of the Constitution of the Federal Republic of Nigeria 1999 (CFRN, 1999), the President shall cause to be prepared and laid before each House of the National Assembly (NASS) at any time in each financial year estimates of the revenues and expenditure of the federation for the next financial year while the Governor performs about the same functions at the state and submits to the State House of Assembly.

According to Oshisami and Bhattacharya (2000), budgetary system includes the following stages:

(a) Preparation of Estimate: At this stage, the political executive decides the overall financial policy, on the basis of which estimate are prepared. On the basis of the instruction from finance ministry, various agencies prepare their estimate which are examined and scrutinized by departmental heads. This stage is usually characterized with stiff competition among various departments who push their claims for acceptance;

(b) The budget office devices a more detailed version of the plan and issues circular to ministries, requesting estimates to be prepared according to budget guidelines;

(c) The ministries submit their estimates to the budget office which reviews them and adjusts them where necessary.

(d) The budget office then aggregates the budgets in the form of Consolidated Revenue and Expenditure which is passed to the president for his approval;

(e) The president lays it before the National Assembly in the form of Appropriation Bill;

(f) The National Assembly debates the bill and invite ministries and other agencies to defend their budget proposals where necessary, modifies before passing the budget and returning to president for his assent;

(g) The president gives his assent to the appropriation bill which becomes an Act, and finally,

(h) After this, the minister of finance is empowered to release funds to the ministries. This is done by the issuing of warrants and implementation of the budget begins.

The legal framework or in other words, the laws, administrative manuals and policies that guide and regulate the budgeting process in Nigeria are the Constitution of the Federal Republic of Nigeria 1999, the Finance (Control and Management) Act, the Fiscal Responsibility Act, the Appropriation Acts, Financial Regulations, Treasury circulars from the Federal Ministry of Finance (FMOF) or the office of the Accountant General, Administrative Manuals and documents bearing on budget matters, Annual Budget Call Circulars, etc.

However, the National Assembly has little or no control over the time the Appropriation Bill is presented to it by the President. This is because from both the letters and spirit of the Constitution, the National Assembly is nowhere empowered to compel the President to make the presentation under Section 81(1) of the Constitution, nor make one itself should the President fail, as has always been the case, to make a timely presentation. According to Ekeocha (2012), the ability to make timely and sensible fiscal choices is one of the hallmarks of good governance Timely presentation and enactment of the national budget have become a matter of great concern. Timely budget presentation to the NASS has, over the years, become an exception rather than the norm. Both the Constitution and extant legislation seem to proffer no adequate remedy. Section 81 of the Constitution which mandates the President to lay the Appropriation Bill before the National Assembly gives the President the unparalleled latitude to do so at any time in each financial year before the next following financial year. The financial year in Nigeria, by virtue of Section 318(1) of the Constitution, runs from the 1st of January to the 31st day of December.

Theoretical Framework

The theoretical framework adopted in this paper is an exposition of the Doctrine of Separation of powers. According to Craddle (2000) the source of the doctrine was in the ancient and medieval theories of government. The theory of separation of powers had its early elements in the political thoughts of the legendary Greek philosophers, Aristotle. At that time, he argued that government ought to be in a mix form and should not be concentrated in the hands of a single authority. Aristotle's thinking received early support from Bodin. Bodin (1576) prolific French writer of his time, held the view that separation of powers was an essential ingredients for good governance. He had this to say:

> *To be at once legislator and judge is to mingle together, justice and the prerogative of mercy, adherence to the law and arbitrary departure form it: if justice is not well administered, the integrating parties are not free enough; they are crushed by the authority of the sovereign.*

This theory, however, gained global momentum following the work of Baron Montesquieu (1748: xi, ch.vi). It was he who formally conceptualized the theory for the first time. In his book: The Spirit of Laws, Montesquieu's elaboration of the concept was based on a study of John Locke's writings. In his *Second Treatise Civil Government*, Locke laid the basis of Separation of Powers that it may be too great a temptation to human frailty apt to gab at power, for the same person who have the power of making laws to have the power to execute than, thereby they may exempt themselves from obedience to the laws they made, and sit the law, both in the making and execution, to their own private advantage. Thus Locke stated two postulates of democracy: the separation of King from parliament. The King representing the Executive, should be separate from Parliament as its own entity should be the seat of the legislature.

Just like Locke, Montesquieu was concerned with preservation of liberty and the preservation of oppression and abuse of power. Montesquieu added the third estate, the Judiciary. Today, the doctrine of separation of power connotes that any government based on the Rule of Law and Democracy must consist of the three great arms, namely the legislature, the Executive and the Judiciary. The doctrine of separation of powers advocates the independent exercise if these three power of constitutional function by different bodies of persons, without interference or domination, by one of the other or others. However, the doctrine does not preclude the three arms of government from cooperation in the exercise of their respective powers.

Therefore, this theory emphasizes on separation of governmental powers as it is a critical ingredient for budgetary processes that involve participation of different organs. The legislature in this regard exercises functions different from those of the executive organ in the entire budgetary processes although in close collaboration with the executive.

Methodology

This study adopts qualitative method using secondary sources such as journals, official publications, scholarly articles, text books, magazines and the internet etc to examine the role played by the legislature in the budget process in Nigeria. Content analysis was employed and the variables focused revolved around planning and formulation, approval, implementation/oversight and evaluation in relation to budget as well as the challenges being faced in the process.

Results, Discussions and Findings

The data generated for the paper were basically secondary; as such content analysis was carried out. The results and discussion as well as findings arrived at in the after data collection and analysis are presented as follows:

a. Legislature and the Budget Planning and Formulation

The preparation of the annual budget in Nigeria is based on the Medium term Expenditure Framework (MTEF) and Fiscal Strategy Paper (FSP) as stipulate by the FRA 2007 which clearly states in the section 18(1 & 2) that the MTEF should be the basis for the preparation of the national budget's estimates of revenue and expenditure and that the sectoral and compositional distribution of the budget should be consistent with the medium-term development priorities set out in the MTEF.

However, the legislature is expected to ensure that the following documents accompanied the annual national budget as directed by the Section 19 of the FRA 2007:

- A detailed report of revenue and expenditure performance for the 18 months up to June of the preceding financial year;
- Monthly revenue collection targets prepared on the basis of the oil price benchmark in the approved MTEF;
- Macroeconomic and fiscal targets such as the inflation rate and budget deficit; and
- An evaluation of fiscal and other related risks to the annual budget and the proposed measures to mitigate against them.

As clearly spelt out by FRA 2007 section 11(1)(b), the National Assembly's Joint Committee on Finance has the responsibility of reviewing the proposed MTEF/FSP. It provides that the Federal Government causes to be prepared and laid before the National Assembly an MTEF for the next three financial years. This is to take place not later than four months before the commencement of the next financial year. Both finance committees consider the proposed framework for approval. After any necessary amendments, the MTEF is passed by resolutions in both houses. Where there are differences between the frameworks approved by each house, the Joint Conference Committee, comprising of an equal number of members from each house, will be constituted. Their mandate is to harmonise the two chambers' differences.

Based on the FRA 2007, a performance report on oversight is expected to accompany the Appropriations Bill. Both the upper (Senate) and lower (House of Representatives) chambers of the National Assembly have budget finance committees, whose principal role is to consider and approve the MTEF/FSP.

However, the formulation and planning powers are drawn from FRA 2007 section 18, which clearly stipulates that the MTEF should form the basis for preparing the estimates of revenue and expenditure in the national budget. In both cases, the Senate and the House of Representatives must pass the same version of the budget (or MTEF) for it to qualify for the state president's assent. In the event of a disagreement between the two houses of the National Assembly, the Joint Committee on Appropriations will refer both versions of the passed bills (from the two houses) to the Conference Committee for harmonisation and concurrence. This committee is usually made up of an equal number of senators and members of the House of Representatives.

b. Legislature and the Budget Approval

FRA 2007 section 14(1) requires the Minister of Finance to present the MTEF to the Federal Executive Council (FEC) for consideration and endorsement before the end of June. FRA 2007 section 11(2) requires the National Assembly, through resolutions passed by both houses, to consider and approve the FEC-endorsed framework with necessary modifications.

Nigeria's National Assembly is a budget-making legislature; its power is conferred on it by the 1999 Constitution (sections 80–84) and FRA 2007. Both the 1999 Constitution and FRA 2007 provide for no limitations on the National Assembly's power to amend the annual Appropriations Bill. Essentially, the National Assembly can amend the draft budget even if this implies a higher level of projected total expenditure, a lower level of projected total revenue, an increase in projected revenue or an increase in the deficit.

Specifically, section 80(4) of the 1999 Constitution states that 'No money shall be withdrawn from the Consolidated Revenue Fund or any other public fund of the Federation, except in the manner prescribed by the National Assembly.' And section 81(1) provides the time frame for submitting the budget proposal for consideration: 'The President shall cause to be prepared and laid before each House of the National Assembly at any time in each financial year estimates of the revenues and expenditure of the Federation for the next following financial year.'

However, it is argued that late submission of the budget robs the National Assembly of the required time for proper and adequate debate and scrutiny of the budget. External pressure by the electorates for the budget to pass on time often leads to a rubber stamped Appropriation Act. If a thorough debate and scrutiny of the budget were to be done, it would eventually lead to late approval, so attempts to prevent late approval, permit the executive to continue expending funds from the Consolidated Revenue Fund, not appropriated for by the National Assembly in line with Section 82. Such is the dilemma of the Nigerian National Assembly in the budget and appropriation process. For the executive, it is a win-win situation (Sam-Tsokwa & Ngara, 2016).

It is very obvious that a lot of delays are involved in the budget passage by the legislature due to several complexities. For instance, during the 2016, budget deliberation, the National Assembly postponed voting and passage of the 2016 budget on February 25 because ministers failed to agree on revised public spending plans as presented by President Muhammadu Buhari in December 2015. This suspension came as a result of budget fraud, the missing budget and withdrawal controversies between the two arms of government. The National Assembly sessions also witnessed disagreements between various ministers and top civil servants. Goje adds: "*the government wanted more "more time to do a thorough job" but did not give a new date. "We don't want to pass a budget that will be returned to us. We need to remove all ambiguities and padding,*" (Salaudeen, 2016:43). For instance, Buhari's health minister Isaac Adewole sharply criticized the planned allocations for his ministry. According to him, In the revised budget as re-submitted, 15.7 billion naira for capital allocation (expenditure) has been moved to other areas. Some allocations made are not in line with our priorities. We have to look into the details of the budget and re-submit it to the committee. This was not what we submitted (Onuba & Nnodim, 2016:3). In April, 2017, the Senate of the Federal Republic of Nigeria alleged that the Nigeria Police had stolen all relevant documents needed for the processing and passage into law of the nation's 2017 budget. Subsequently, the Upper Legislative Chamber directed the Inspector-General of Police (IGP), Mr. Ibrahim Idris, to immediately return those documents and a computer which were taken away from the official residence of the chairman of the Senate Committee on Appropriations, Senator Danjuma Goje. The Police had invaded the residence of Goje, in respect of what turned out to be the wrong information from a whistle blower (Itua, 2017). The legislators had further accused the executive branch of government of complicity in the police raid on the residence of the Chairman of the Senate Committee on Appropriation. But it must be considered preposterous to declare a nation's national budgetary documents missing in the 21st century.

The Daily Times of Nigeria additionally recalled on this occasion that it would be the second time the nation's Appropriation Bill was declared missing, under President Muhammadu Buhari's administration. The first being the 2016 budget which the Senate also declared missing while the National Assembly members were on short recess. It took several accusations and counter accusations between the executive and the legislature, to get the impasse surrounding the budget sorted out, before the document was passed and assented to by the President (Emetoh, Omunu & Olufemi, 2017). The Senate had as at that time accused the Senior Special Assistant to President Muhammadu Buhari on Senate Matters, Ita Enang, of changing the contents of the 2016 appropriation bill, before making the document available to the lawmakers. The President had earlier presented the budget proposals before a joint session of the National Assembly. The Senators posited that the version of the budget-estimates presented by the President was missing. The Senate later asked a committee to investigate the matter. The senators said Mr. Enang, (himself a former senator), changed the contents of the original document as presented by President Buhari (Adebayo, 2016). Essentially, these are the typical narratives that mark the public-sector budget process in the country.

c. Legislature and the Budget Implementation/Oversight

In Nigeria, Sections 88 and 89 of the 1999 Constitution as well as from FRA 2007 section 30(1) provide for budget oversight by the legislature. Specifically, section 88(1) stipulates that, subject to other provisions of the 1999 Constitution, each house of the National Assembly shall have the power, by passing resolutions, to direct, or cause to be directed, an investigation into any matter or thing with respect to which it has power to make laws, and into the conduct of affairs of any person, authority, ministry or government department charged, or intended to be charged, with the duty of, or responsibility, for executing or administering laws enacted by the National Assembly and for disbursing or administering moneys appropriated, or to be appropriated, by the National Assembly.

The 1999 Constitution in section 88(2)(b) stipulates that the powers conferred on the

National Assembly under the provisions of this section are exercisable only for the purpose of enabling it to expose corruption, inefficiency or waste in the execution or administration of laws within its legislative competence and in the disbursement or administration of funds appropriated by it. In addition, FRA 2007 section 30 requires the Minister of Finance, through the BOF, to monitor and evaluate the implementation of the annual budget, assess the attainment of fiscal targets and to report on them on a quarterly basis to the FRC and the Joint Committee on Finance of the National Assembly. The report is to be forwarded to the FRC every quarter and published in the mass and electronic media and on the MF's website within 30 days of the following quarter. According to FRA 2007 section 50, a consolidated budget execution report is to be submitted to the National Assembly and disseminated to the public within six months after the end of the financial year.

In Nigeria, the legislature's oversight powers are constitutionally guaranteed by the 1999 Constitution in sections 88 and 89, and by FRA 2007 section 30(1). Section 30 empowers the Minister of Finance via the BOF to monitor, evaluate and report on the implementation of the annual budget; to assess the attainment of fiscal targets; and to report, on a quarterly basis, to the FRC and the Joint Committee on Finance of the National Assembly. FRA 2007 section 50 further mandates the BOF to publish, on a quarterly basis and not later than 30 days after the end of each quarter, a summarised report on budget execution in the form prescribed by the FRC. It also requires, not later than six months after the end of the financial year, a consolidated budget execution report that compares actual implementation against physical and financial performance targets. This report is to be published by the Minister of Finance for submission to the National Assembly and for dissemination to the public.

Legislative committees monitor budget execution in all Nigerian MDAs, but do not provide feedback to the BOF or to the MDAs themselves. They merely seek information to guide their inputs into the consideration and approval of the next budget. All virements in Nigeria require legislative approval (FRA 2007 section 27), which must be sought by the particular MDAs (virements are requested at programme level). After which, such requests are sent to the Minister of Finance, who will recommend the virements to the National Assembly for the approval as long as the virements are to be taken from subheads under heads of account and don't exceed the amount appropriated to that particular head of account (FRA 2007 section 27).

Another critical role played by the legislature is in the event of revenue shortfall, when legislative approval is required for any type of borrowing (domestic and foreign) needed by the Federal Government to augment such revenue shortfalls. However, it is pertinent to point out that this key stage in the budget process is also not without its challenges.

Budget implementation in Nigeria has always been characterised by poor performance for reasons including: late presentation of the budget to the nation's parliament by the executive branch of government, untimely passage of the enabling bill into law by the parliament, and delayed assent to the budget by the President; late release of funds to and poor capacity utilization by Federal Ministries, Departments and Agencies (MDAs) and ineffectiveness in legislative oversight functions (Ehigiamusoe and Umar (2013).

d. Legislature and the Budget Evaluation

The National Assembly is vested with power to evaluate the audit report of all public accounts submitted by the Accountant

General of the deration. Sections 85 and 86 confer public accountability powers on the National Assembly's Public Accounts Committee (PAC). Specifically, the 1999 Constitution, in section 85(2), empowers the Auditor General to audit and report on the public accounts of all the Federation's offices and courts, with the exception of the accounts of statutory corporations, commissions, agencies, etc.

As per section 85(5), the Auditor General is to submit his/ her reports on the government accounts to each house of the National Assembly within 90 days of their receipt of the Auditor General's financial statement. In Nigeria, the Public Accounts Committee (PAC) of the Senate and House of Representatives considers the Auditor General's report and makes recommendations to the plenary of the entire house, the outcomes of which are then communicated to the state president for follow-up actions and sanctions where necessary. Each house of the National Assembly is expected to cause the reports to be considered by their individual PACs. Borrowing from its colonial heritage, Nigeria's public accountability system mimics the Westminster Parliamentary System. As earlier highlighted, the auditing aspect of budget control is carried out by the Auditor General and he/she expresses their opinion on the government accounts submitted to it by the Accountant General. The Auditor General's Report is sent to the National Assembly which, after considering the report, sends its findings to the executive arm for any necessary corrective actions and sanctions.

However, the Auditor General is only required to submit the report 90 days after getting the annual accounts from the Accountant General's office – even if it takes years to get there. FRA 2007 section 49(1) states that the Federal Government shall publish their audited accounts not later than six months following the end of the financial year. Section 49(2) requires the Federal Government to consolidate and publish its audited accounts for the previous year in the mass media, not later than seven months following the end of each financial year. This is not the practice in Nigeria, as these audited accounts sometimes take as many as 12 to 18 months – which is beyond the statutory time frame. There is no statutory limit on the time it takes for the Accountant General to make the statement of account available to the Auditor General. While the OAuGF is staffed with personnel who have policy expertise across the different sectors (e.g. health, education), the PACs of the National Assembly do not have such capacity. In addition, PACs and other committees do have access to financial and non-financial data. Their power to request information from any government MDA is constitutionally protected by the provisions of sections 88 and 89 of the 1999 Constitution. After reviewing the audit report, the PAC's recommendations are sent to the Committee of the Whole House, which then votes on the PAC's recommendations. Thereafter, the report is sent to the state president for action (Akongwale, 2019).

e. Challenges of Budget Process in Nigeria

According to Akongwale (2019), the challenges of budget process in Nigeria include:

i. Lack of clear rules regulating the budget process

Nigeria has never had an organic budget law, which has resulted in the absence of a timeline, a legal framework and a set of rules for structuring and streamlining the budget process in spite of the available public finance law, and the 1999 Constitution, which confers on the legislature the three statutory functions of representation, law-making and oversight. Section 16 of FRA 2007 allows the state president to authorise corrections of manifest error and to change fiscal indicators considered significant without reverting to the National Assembly for concurrence. This is a major limitation on the role of the legislature in the formulation stage of the budget. At the stage of approval of the budget, there is also absence of a clear timeline for presenting the budget to the National Assembly – other than that the state president must present the Appropriations Bill before 31 December, a day before the commencement of the new fiscal year – does not allow for a realistic consideration of the budget. The current budget regulations do not provide for a fixed and realistic budget calendar, and neither has a statutory role been created for the public.

ii. Delays in the MTEF/FSP process

MTEF/FSP which serves as basis for the preparation and approval of the national budget has been consistently submitted for approval late due to delays in the MTEF process. From 2010 to 2018, all MTEF/FSPs prepared by the Federal Government have been submitted to the National Assembly from between 18 days to two months late. This delay impacts negatively on other stages of the budget process, including late approval of the budget and coinciding with the recess period of the National Assembly (usually June and late September) among others. Other delays also usually come from the vagueness of the legal framework and the absence of an organic budget law in Nigeria and the high number of bureaucratic inputs and required approvals – such as from the National Economic Intelligence Committee, the Economic Management Team, CSOs, etc also delay the process (Akongwale 2019).

iii. Poor level of executive–legislature engagement at the formulation stage

A poor level of executive–legislature engagement serves as another challenge in the budget formulation phase in Nigeria. There is usually a gridlock which mostly emanates from disagreements on key budget assumption parameters such as oil benchmark price and projected oil production. While the executive generally prefers conservative estimates, the legislature prefers them to be less conservative to help accommodate legislature-recommended projects in the budget. The seeming mutual suspicion from the technical teams of both arms of government, as well as that between their principals does not help. However, there exists poor engagement between the technical teams that provide the analysis upon which both arms of government engage each other during the budget process.

iv. Absence of independence, capabilities and resources in NABRO

Although it was established to provide the National Assembly with an independent, unbiased and non-partisan analysis of the information and estimates needed for economic and budget decisions, especially those estimates emanating from the executive, NABRO’s capacity in this regard has been bedevilled by lack of institutional and legal framework support to guarantee its independence as a parliamentary budget office (PBO) due to the fact that the bill establishing it is yet to be passed since 2012 and this has implications for its operational and financial independence since its capacity needs cannot be met. Also, its staffing continues to be managed by National Assembly bureaucracy, the very body to which it is supposed to render non-partisan analysis and reviews of budget-related issues.

v. Delays in submitting the Appropriations Bill

One of the recurring challenges faced by the passage of the Appropriations Bill is the issue of its late submission. The annual

Appropriations Bill has always been submitted about one or two months before the commencement of the new fiscal year, on 1 January.

vi. Lack of robust engagement between the executive and legislature

A poor level of executive–legislature engagement is a key cause of gridlock in the budget approval phase in Nigeria. Also, there is not enough engagement between the technical teams that provide the analysis upon which both arms of government engage each other during the budget process. This can be attributed to a number of reasons. First, there seems to be a level of mutual distrust and an eagerness to take advantage of the legal framework's lack of clarity. Also, the absence of a formal provision in the current budget framework for dispute resolution during the budget approval stage makes it difficult to address discrepancies between the propositions from both arms of government.

vii. Delays in approving the Appropriations Bill

In Nigeria, annual appropriations bills are submitted between October and November, and the deliberations on them usually last for a four- to seven-month period until March and June of the following year (the fiscal year for which the bills are being considered).

The absence of legislative timelines and deadlines for approving the budget proposal is a major cause of the delay. Currently, the 1999 Constitution spells out a very vague deadline, which does not guarantee an approved budget before the start date of the fiscal year, viz. 1 January. This constitutionally approved deadline for submitting the budget proposal on, or before, 31 December provides the leeway for the budget's late submission and consideration. It takes an average of five months from submission to approval between 2000 to 2018. During this gap in time, most of the assumptions and projections of the annual Appropriations Bill are likely to change, especially in a country like Nigeria, which is heavily dependent on the volatile trajectory of the price of oil. This has implications for budget implementation.

viii. Lack of coordination between, and duplication of, reporting agencies

Budget monitoring and evaluation in Nigeria has its own challenges. The lack of coordination between agencies is compounded by the overlapping roles and responsibilities of various MDAs of the executive, namely the MBNP (previously known as the National Planning Commission [NPC]), the National Economic Intelligence Committee (NEIC), BOF, OAuGF, and the Presidency – all of which have either monitoring units or departments. While sections 88 and 89 of the 1999 Constitution confer oversight powers and responsibilities on the National Assembly, numerous agencies from the executive also carry oversight functions. This amounts to duplication. FRA 2007 section 30(1), for instance, empowers the MF via the BOF to 'monitor and evaluate the implementation of the Annual Budget, assess the attainment of fiscal targets and report on a quarterly basis to the Fiscal Responsibility Council and the Joint Finance Committee of the National Assembly'. This is the basis for having a Department of Budget Monitoring and Evaluation (DBME) at the BOF. In addition, section 4(e) of the NPC, Decree 71 (1993) and Decree 17 (1994) empower the NPC and the NEIC to monitor and to enforce the implementation of budgets, respectively. These roles are in addition to the 'self-accounting' status of the OAuGF, via which it monitors the implementation of capital expenditure in those MDAs to which OuAGF accountants have been posted. This indicates that agencies created by military decrees function concurrently with those created during the democratic era. The consequence of such duplication is a lack of proper oversight accountability on the part of those MDAs obliged to report to several institutional authorities while performing their duties.

ix. Delays in budget implementation report and the lack of oversight thereof

FRA 2007 section 30(2) states that 'the Minister of Finance shall cause the report prepared pursuant to subsection (1) of this section to be published in the mass and electronic media and on the Ministry of Finance website, not later than 30 days after the end of each quarter'. While the BOF does produce budget implementation reports, they are not always released in a timely manner. This limits the accountability role that the National Assembly can play and has impacted negatively on the budget formulation and approval stages of the next fiscal year. Inconsistency and debates on the capital expenditure budget calendar have always been identified as causes of delays in budget performance reporting.

x. Delays in budget implementation report and the lack of oversight thereof

One of the problems during the oversight stage in the budget process is the delay in receiving the Accountant General's Report, which, for many years, has often arrived at the OAuGF very late and thus could not be reviewed and put to use in good time, nor could it inform inputs into the consideration of the next Appropriations Bill, thereby constituting an incomplete evaluation and review process. The reasons for this situation are the late implementation of the budget (especially on capital expenditure); inconsistencies in the budget calendar; and non-congruence between the government accounting calendar, which terminates at midnight of 31 December, and the budget calendar, whose capital component sometimes extends to March of the next fiscal year.

xi. Delays in receiving the Auditor General's Report and the lack of review thereof

Sections 85 and 86 of the 1999 Constitution empower the Auditor General to audit the public accounts of all offices and courts of the Federation, with the exception of the accounts of statutory corporations, commissions, agencies, etc. This is reinforced by FRA 2007 section 49, which stipulates that the government shall publish audited accounts not later than six months following the end of the fiscal year. In practice, this has never happened owing to factors such as: late submission of the Accountant General's statement of account; late implementation of the budget (especially on capital expenditure); and inconsistencies in the budget calendar.

xii. Auditor General's lack of independence, capacity and resources

The OAuGF lacks the independence, capacity and resources to fulfil its role as a 'watch dog' of public resources. The Auditor General of the Federation is appointed by the president. Since the Auditor General can be removed from office by the president, there are no incentives to hold the executive to account. From 1999 to date, no audit report has ever led to an indictment. This lack of independence leads to limited capacity to produce timely and thorough audit reports.

After the presentation and discussion of the data above, the paper made the following findings:

i. The planning and formulation of budgets in Nigeria is strictly based on the MTEF/FSP as provided by the legal and regulatory frameworks. Compliance with these provisions usually resulted in delay in the submission and passage of the country's national budget due to unclear timelines stipulations.

ii. Being a budget-making legislature, the National Assembly has unlimited power to amend the annual appropriations bill. This power also resulted to budget padding and delays in the approval of the bill which resulted to untimely implementation of the budget.

iii. Although budget implementation lies with the executive organ, the legislature also contributes at the stage through the conduct of the oversight functions as enshrined in the Sections 88 and 89 of the 1999 Constitution. In addition, Section 30 of the FRA 2007 requires the Joint Committee on Finance of the National Assembly to receive and review the budget implementation report from the Ministry of Finance. Also, legislative committees monitor budget execution in all Nigerian MDAs.

iv. The National Assembly plays role in the budget evaluation stage following the powers vested in it to evaluate the audit report of all public accounts submitted by the Accountant General of the Federation. This is contained in the Sections 85 and 86 of the 1999 Constitution.

v. The budgetary process in Nigeria has been characterised by serious challenges revolving around regulatory rules, delays at various stages, poor executive-legislative engagements and poor coordination among stakeholders among others. These contributed to the failure of the budgets to fully achieve their targets.

Conclusions and Recommendations

National Budget in Nigeria is a critical undertaking annually performed through the series of engagements involving both governmental and nongovernmental actor with bulk of the responsibilities handled by the executive and the legislative organs of the government. Legislature is key to the whole process without which the entire exercise cannot be completed. Its role in the process is influenced by certain rules and regulations and actions of the executive organ among others which resulted to setbacks delays in the passage and implementation of the Appropriation Act. Thus, budgetary process in Nigeria will continue to suffer and to be delayed at various stages until those identified regulatory and engagement issues affecting the process are squarely addressed. The paper offers the following recommendations:

i. There should be clear rules, guides, responsibilities, timelines and budget calendar throughout the budgetary process to avoid delays and overlapping responsibilities among the stakeholders in the process.

ii. There should also be proper coordination and information sharing among the stakeholders particularly at the budget formulation and execution phases. In this case, extensive stakeholder consultation is needed during preparation of the Budget. A robust Pre-budget interface between the Executive and Legislature, to reduce areas of friction during the Appropriation process will also improve the situation.

iii. Civil Society Organizations (CSOs), pressure groups, Media and members of the public should stand and voice out against the unnecessary delays by the Executive (President) and the Legislature (National Assembly) for the deliberate late presentation and late enactment of the Appropriation Act respectively so that the implementation will commence on the 1st January as stipulated by the 1999 Constitution.

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