

## **Budget as an Instrument of Accountability in Democratic Governance of Akwa Ibom State 2013- 2022**

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### **Abstract**

Accountability in governance has been one of the major concerns of successive administrations and the citizens in Nigeria and other developing and developed countries. Despite the continuous release of funds to various ministries, departments and agencies of government for the implementation of government policies and programmes, it has been observed that governance in Nigeria and other developing economies lack substantial level of accountability with regards to public expenditure. This study was a critical examination of the budget as an instrument of accountability. The theoretical framework adopted for this study was structural functional theory and the data for this study were sourced from secondary sources. The data gathered were analyzed using content analysis and the findings in the study revealed that lack of transparency and due process in the budgetary process, made it difficult for accountability to be enthroned in governance particularly in Nigeria and other developing economies. The study recommended that certain measures be put in place to add credibility to the budget process including early commencement, passage of the budget including proactive and forward looking approach to be adopted by the public accounts committee of the State House of Assembly.

**Key words:** Accountability, Budget, Instrument and Democratic Governance

### **Introduction**

Governments all over the world plan their revenue and expenditure in order to carry out programmes in the interest of the public. To achieve this, governments draw up planned revenue targets and planned expenditure which is generally referred to as budget in a given financial circle. This all important document of government has been of great concern to scholars, stakeholders and governments the world over in recent years and focus has been on how to ensure accountability in governance. This concern has become an issue of national discourse, mostly in developing countries, owing to widespread corruption, abuse of office by public office holders for pecuniary interest and the prevailing culture of lack of transparency in governmental business. In view of such concerns, there has been a consensus among scholars that one of the ways of ensuring accountability in governance, is through budgetary process. It was on such grounds that Eminue (2005:365) argued that:

the budget is usually the main opportunity for examining all aspects of a country's economic position and making overall national economic forecast estimating the financial requirements of government and for avoiding chaos in financial affairs, by facilitating a thorough stock-taking of the financial and economic situation for the year ahead.

It follows therefore, that the budget process, from planning to implementation, constitutes the cynosure of all eyes. This paper therefore seeks to discuss the budget and its effectiveness as an instrument of accountability in democratic governance.

### **Statement of the Problem**

It is true that the budget process has become an annual ritual in government and also has constitutional provisions for it to become a legal instrument in governance. It is also true that there are various agencies, ministries and departments of government that have been put in place to ensure accountability in governance particularly in the expenditure of government (public) funds. However, the lack of transparency in the budget process and non-compliance with budgetary provisions in most cases and the seeming delay in the passage of budgets, has created a problem that has, to a large extent, affected accountability in governance, consequently, the study seeks to find out the extent to which budget has helped in accountability in a democratic governance.

### **Conceptual Clarification**

**Accountability:** The concept of accountability implies being liable to be called to account. It means that the administration has to be accountable for the exercise of authority which it possesses. Sharma et al., (2013) argued that administrative accountability seeks to ensure optimization of the available resources and at the same time to realize the organizational goals.

**Budget:** The term budget refers to the plan of the expenditure of government and of revenue to balance that expenditure. Eminue (2005) defined budget as “a short-term financial plan for securing the right relationship between income and expenditure”. He went further to state that the budget is “a device for ensuring a continuous monitoring procedure, reviewing and evaluating performance from preparation, through authorization to execution”. It should be noted that though private concerns and individuals also have their budgets, public administration is however concerned with the budget of governmental authorities only and it is almost a universal practice to prepare budgets on an annual basis. Budget remains an important instrument for the coordination and making of short-term plans of government. Budget communicates financial income and expenditure among government ministries, paratata. More so, the budget serves as an instrument of democratic control of the legislature over the executive.

**Budgeting System:** Eminue (2005) has outlined four budgeting systems:

- (1) **Traditional Line Budgeting:** This is where expenditures are based primarily on items or objects of expenditure. It is also called “Cash Accounting System” due to its tendency to overemphasize cost with little or no attention to the benefit derivable from a particular expenditure and the efficiency of such expenditure.
- (2) **Programme Budgeting:** Where emphasis is placed on programmes in the budget. It is important to note that programme budgeting seeks to provide answers to two questions; what programme is budgeted for and for whom?
- (3) **Performance Budgeting:** Here, emphasis in the budget process is placed on measurable performance of activities. It is important to note at this point that performance budgeting

takes over where programme budgeting ends, by asking a very critical question such as how? This question tends to query efficiency and cost. A more appropriate or specific question, 'how well?' raises the issue of effectiveness, thus making performance budgeting more superior to programme budgeting.

- (4) **Planning, Programming and Budgeting System (PPBS):** It is a mechanism for systematically gathering and analyzing relevant information and preventing alternative choices to the decision-makers with a view to helping them make better decisions on the allocation of resources among alternative ways of achieving governmental objectives. It is also aimed at minimizing the amount of piecemeal, fragmented and last-minute programme evaluation which characterize the traditional line budgeting system. It is important to note, that PPBS is generally perceived as a device for finding new ways to do new jobs faster, better and less expensive, with the most up-to-date method.

### **Democratic Governance**

This refers to a system of government where institutions function according to democratic processes and norms, both internally and in their interaction with other institutions. Democratic governance enables citizens to have a say in how decisions are made. It creates a system of government that is characterized by transparency and accountability in both the public and private sectors. For CIPE (2022), “an open participatory governance process responds to citizen and business needs, resulting in better and fairer government policies. Commenting on the negative effects posed by the seeming absence of democratic governance in Nigeria, CIPE (2022) argued that, in recent years, the country has struggled through an economic recession with high unemployment, rampant inflation and crumbling infrastructure. Concurrent corruption scandals plague the public sector while the private sector struggles to clamp down on the flows of illicit funds. Unfortunately, persistent governance gaps and weak institutions hamper much needed economic reforms to address these issues.

Highlighting the relevance of democratic governance, USIP (2022) argued that, democratic governance embodies responsive and responsible governance, role of law, human rights, civic participation and peaceful transfers of power through electoral processes. Each of these underpins a peaceful and stable society. What can be deduced from the above argument is that there are democratic principles, democratization processes and techniques that are critical to both peace building and effective governance. Therefore, what is needed in supporting the governance system in Nigeria and Akwa Ibom State in particular, is to ensure an inclusive and accountable government with strong institutions.

### **Theoretical Framework**

The structural functional theory, otherwise known as structural functionalism is adopted in this study. Scholars like Harold Laswell, Marion Levy, Talcott Parson and Robert Merton, have written extensively on the above mentioned theory. However, their various perspectives of the approach, emphasizes the role of structures and functions as well as the conditions under which structures can perform and how the functions could be fulfilled (Eminue 2001:89). The structural functional approach emphasizes the role of structures and functions in understanding politics, political processes and the conditions under which structures can perform and the functions the structure could fulfill. Viewed within this context, a structure can be referred to any human organization that can do things and have an effect on human beings and other human organizations – a family, a public corporation, a court, a bureau, a legislature etc. Function refers to conduct or state of affairs resultant from the operation of a structure through time. It also refers to the activity of the structure and its external effects.

The structural functional approach postulates that for any social system, there is a set of functional

requirements-operational conditions that must be satisfied if the structure is to continue to exist. However, analysts have been interested in identifying the structures that exist in given societies, what functions they perform, how effectively they perform these functions.

However, there are other perspectives of this theory; Robert Merton cited in Bill & Hargrave, (1973:203) provides one such perspective, which appears appropriate for this study. The tenets of Merton's approach are as follows:

- (i) Certain functional requirements (operational conditions) of the organism are conditions which must be satisfied if,
- (ii) The organism is to survive or to operate with some degree of effectiveness.
- (iii) There is a concrete and detailed description of the arrangement (structure and processes) through which these functions are typically met in moral cases.
- (iv) If some of the typical mechanisms (structures) for meeting these functions are destroyed or are found to be functioning inadequately, there is a need for detecting compensating mechanism which will fulfill the necessary functions.
- (v) Implicit in all that precedes, there is a detailed account of the structure for which the functional requirements hold, as well as a detailed account of the arrangements through which the function is fulfilled.

Applied to this study, the executive arm of government with its ministries, departments and agencies concerned with the preparation of the national budget and the legislature which is constitutionally empowered to scrutinize and approve the budget, are structures within the political system with specific functions to perform, so as to make the budget a credible document and an instrument of accountability. It is equally important to note Merton's need for detecting compensating mechanisms: to change and improve something by correcting faults, removing inconsistencies and abuses. Viewed within this context, the governmental structures concerned with or involved in the budget process should be strengthened and the unnecessary political manipulation removed, to allow these structures function effectively, with a view to making the budget an instrument of accountability.

### **The Budget as Instrument of Accountability in Democratic Governance in Akwa Ibom State**

The importance of the budget as an instrument of accountability cannot be exhaustively discussed without looking at the budget cycle. Njemanze (2004) has given an elaborate budget cycle that culminate in the national budget containing different phases. They are:

1. **Preparation Phase:** This phase involves -
  - (a) Issuance of call circulars to government ministries and departments to submit their estimates for the coming year,
  - (b) Evaluation of responses to call circulars to ensure that guidelines set out in the call circular have been followed,
  - (c) Evaluation of draft estimate to determine relationship between the provisions and available resources.
2. **Executive Council Phase:** This is the phase where the head of the executive (usually the President or Governor) convenes a meeting of the executive council and various units are called upon to defend their estimates. This phase seeks to ensure that adequate provisions have been made for the key sectors of the economy and also ensure that the goals of the government have been complied with in the preparation of the budget.
3. **National Assembly Phase (the legislative phase):** At this point, the legislators would

deliberate on the budget (appropriation bill) presented to them by the president. The legislature, if satisfied with the budget, may approve it in full or in part, or sometimes with amendments or it may choose to reject it. The legislature (National Assembly) has a finance and appropriation committee which is usually mandated to handle the budget process, call for public hearing and also look into areas of disagreement if any, before submitting its report for adoption and passage of the budget.

- 4. Implementation and Audit Phase:** The appropriation bill once passed (approved) by the legislature, becomes an appropriation Act and is returned to the executive (president) for his assent and implementation. The review and audit phase of the budget is a joint responsibility of the executive and the legislature. At this point, the legislature plays its role through over-sight functions, and the public accounts committee of the legislature is responsible for auditing the budget after implementation to ensure that the implementation has been done in accordance with legislative approval. The emphasis here is on transparency in the budget process and proper expenditure in line with legislative approval. These different phases in the budget cycle seek to ensure accountability in expenditure of public funds.

It is generally believed that the task before any government is to provide good governance to the citizen. To achieve this, budgeting is very necessary. The budget contains what the government intend to do within a particular fiscal year. At the beginning of any fiscal year, the Chief Executive (The State Governor) is empowered by the 1999 constitution Section 121 (1) (as amended) to present the proposed estimates of revenue and expenditure to the Legislative Assembly for consideration and approval.

The table below shows sectoral allocation of the total estimated capital expenditures from 2014-

**Table 1: Sectoral Allocation of the Total Estimated Capital Expenditures from 2014-2022 Using IPSAS Model**

S/No.	Sector	Allocation ₦ (Billion)	Percentage of Allocation
<b>2013</b>			
1	Administration	62.711	18.40%
2	Economic	174.389	51.20%
3	Social services	68.782	20.20%
4	Environmental and urban development	34.633	10.20%
	<b>Total</b>	<b>340.515</b>	<b>100.0</b>
<b>2014</b>			
1	Administration	93.2535	30.7%
2	Economic	130.8560	43.7%
3	Law and justice	6.0610	2.0%
4	Regional	4.5000	1.5%
5	Social	69.1995	22.8%
	<b>Total</b>	<b>303.8700</b>	<b>100.0</b>

<b>2016</b>			
1	Administration	66.862	27.3%
2	Economic	145.555	59.4%
3	Law and justice	4.276	1.8%
4	Regional	2.976	1.2%
5	Social	25.331	10.3%
	<b>Total</b>	<b>245.000</b>	<b>100.0</b>
<b>2017</b>			
1	Administration	42.204	21.8%
2	Economic	128.021	66.0%
3	Law and justice	19.953	10.3%
4	Regional	2.978	1.5%
5	Social	0.800	0.4%
	<b>Total</b>	<b>193.956</b>	<b>100.0</b>
<b>2018</b>			
1	Administration	48.342	11.0%
2	Economic	355.851	81.3%
3	Law and justice	3.813	0.9%
4	Regional	1.529	0.4%
5	Social	28.139	6.4%
	<b>Total</b>	<b>437.674</b>	<b>100.0</b>
<b>2019</b>			
1	Administration	100.660	22.6%
2	Economic	286.116	64.2%
3	Law and justice	10.069	2.2%
4	Regional	1.963	0.4%
5	Social	47.128	10.6%
	<b>Total</b>	<b>445.936</b>	<b>100.0</b>
<b>2020</b>			
1	Administration	102.007	27.6%
2	Economic	237.6	64.3%
3	Law and justice	2.645	0.7%
4	Regional	0.700	0.2%
5	Social	26.67	7.2%
	<b>Total</b>	<b>369.642</b>	<b>100.0</b>

<b>2021</b>			
1	Administration	100.018	23.0%
2	Economic	267.557	61.4%
3	Law and justice	9.419	2.1%
4	Regional	1.235	0.3%
5	Social	57.423	13.2%
	<b>Total</b>	<b>435.652</b>	<b>100.0</b>
<b>2022</b>			
1	Administration	132.565	22.8%
2	Economic	347.349	59.7%
3	Law and justice	10.378	1.8%
4	Regional	1.991	0.3%
5	Social	89.832	15.4%
	<b>Total</b>	<b>582.115</b>	<b>100.0</b>

Source: Akwa Ibom State Government Approved Recurrent and Capital Estimates (2013-2022).

From the sectoral analysis in Table 1, it can be seen that attention is given to projects and programmes under the economic sector, with a view to creating job opportunities through industrialization, aviation development, small and medium scale enterprises, agriculture and human capital development. For the period under review, budgets so presented by the governors became instruments for making, coordination and implementation of short and long term plans of government which have helped to reduce friction between the arms of government and making one arm of government not to unilaterally execute projects by impulse. Thus, the budget as an instrument of accountability has helped the government and the governed to assess and appraise yearly performance, where this has also enhanced comparison.

Over the years under study, the budget has helped to reduce the tension of political maneuvering in a dynamic society such as Akwa Ibom State, thus contributing to good governance. It also assisted the government in translating her policies into action since the plans are already listed.

Within the period under review, the following projects/programmes budgeted for, were actualized by the government, though not exhaustive:

- Building of bridges linking communities
- Completion of part of the Ibom International Airport
- Construction of new international terminal building and second runway
- Construction of roads across the state
- Construction of four new flyovers
- Building of ultra-modern Governors lodge
- E-library
- Five new general hospitals
- Training and empowerment of youth
- Governor's office
- Banquet Hall

- New deputy governor's lodge
- Building of prison in Ikot Ekpene
- Construction of Olympic size stadium in Uyo
- Housing estate in the three senatorial district
- Egg hatchery
- Rural electrification
- Mini water schemes in the 31 local government area
- Flood control, among others
- 21 storey smart building (at Banking Layout, Udo Udoma Avenue, Uyo)
- Four Points by Sharaton Hotels (at Ikot Ekpene)
- Etinan-Onna Road, dual carriage way with cable bridge
- Coconut refinery
- Ibom Air
- Ibom Specialist Hospital

However, there are some projects budgeted for but not completed fully, such as the Tropicana Entertainment Centre, Ibaka Deep Sea Port Road, among others.

### **Implementation Strategies**

To achieve the above projects/programmes, the government of Akwa Ibom State, while presenting budget estimates also included the implementation strategies, which can be summarized as follows:

- Building a strong fiscal regime through the expansion of revenue base and the elimination of wastages and leakages in Akwa Ibom State expenditure profile.
- Consolidating on the infrastructural development by employing effective public- private partnership
- Increasing the viability of Akwa Ibom maritime, the air space-airport facilities and expansion of road infrastructure.
- Reinvigorating agriculture and agro-allied industries
- Sustaining women and youth empowerment through capacity building
- Developing the tourism potentials
- Building efficient security network
- Making public service efficient and effective
- Industrialization drive
- To strengthen the industrial base of the state through the development of a mega industrial city: Liberty Free Trade Zone and 2 mini-AKEES Industrial parks, to provide a conducive environment for rapid industrialization.
- Pay priority attention to the completion of all on-going projects in the key sectors of the economy
- Build on the current foundation so far laid and consolidate on the gains of a world class infrastructural development by employing effective public/private partnership synergy.
- Increase the viability of Akwa Ibom Maritime, air space, airport facilities and expansion of road infrastructure.
- Re-invigorate agriculture and agro-allied industries by making the sector attractive and responsive to national requirement.
- Sustain women and youth empowerment through capacity building and elimination of

- gender discrimination practices against women and enforcing the child rights law.
- Expand the revenue base of the state by eliminating wastages and leakages in expenditure, and improving IGR collection and development of tourism potentials.
- Employ effective public-private partnership strategies to provide much needed industrial and infrastructural development
- Attract potential investors and donor agencies to invest in relevant and key sectors of the state economy and also undertake robust human capital development.
- Develop the tourism potentials in the state in order to expand revenue base and enhance employment opportunities.
- Build an efficient security network around the state that is proactive to minimize crime and make the state more peaceful thereby encouraging and attracting investments.
- Make the public service more efficient and effective to meet the challenges of good governance.

### **Conclusion**

It is observed that some government officials may for one reason or the other, divert or misappropriate public funds for personal use. However, the citizens expect adequate accountability on the part of those who hold public office in trust for them. The general belief is that the budget, if allowed to go through due process, would act as an important instrument of accountability. The emphasis is on running an open system that allows for transparency and due process, encouraging a high level of commitment on the part of the political leadership with a view to enthroning good governance and accountability in our political system.

### **Recommendations**

It is recommended that for the budget to act as an instrument of accountability, certain measures be put in place to add credibility to the process:

1. The budget process be made transparent so as to ensure inclusiveness and take into consideration, the opinion of key stakeholders.
2. For effective implementation of budget and to ensure accountability, the budget process should henceforth commence on time for early passage to enable early implementation by government in the year ahead.
3. That the public account committee of the legislature should be proactive and forward looking, by ensuring that unspent funds which were appropriate for in the budget be returned to government account (treasury single account).

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