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Budgetary Control and Evaluation: Administrative Tool for Public Sector Performance in Nigeria

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Abstract: *Over the years, it has been a course for concern that the Nigerian public sector has been characterized by immensity of fiscal recklessness. The study is set to determine how budgetary control and evaluation can be used as a veritable instrument of public sector performance assessment. The paper adopted qualitative research design and content analytical approach. It was discovered that budgetary control and evaluation can be used as administrative tool to check the excesses of public officers in the implementation of public policies. Findings also revealed that rigidity of budgetary process, uncertainty of budget data and psychological feelings of encroachment in official duties and responsibilities among others inhibit budgetary control and evaluation in public sector organizations in Nigeria. The paper therefore, suggested that government should institute a mechanism that will evaluate and control budget proposals right from beginning to the end to avoid sharp and corrupt practices from implementing officers and it is important to make a realistic forecast among others.*
Keywords*: Budget, Budgetary Control, Budget Evaluation, Public Sector Performance*

I. Introduction

Over the years, it has been a course for concern that the Nigerian public sector has been characterized by immensity of fiscal recklessness. The national budgetary processes and their deficiencies are accordingly central to fiscal irresponsibility [1]. Budgeting and budget control occupies an important place among the various techniques used in improving public sector performance. [2] opined that budget is a comprehensive and coordinated plan expressed in financial terms for the operations of an enterprise for some specific periods in the future. It is a functional statement prepared prior to a predetermined period of time of the policy to be pursued during that period for the purpose of obtaining given objectives. Such important document requires control and evaluation.

Budgeting and budgetary control systems play a leading role in every institution as it is vital in establishing an efficient management control system. Budgetary control as noted by [3] is the establishment of budgets, relating the responsibilities of executives to the requirements of a policy and the continuous comparisons of actual with budgeted outcomes, either to secure by individual action, the objectives of that policy, or to provide a basis for its revision. As such, budgetary control is a system which utilizes budget as a means of planning and controlling all aspects of an organization. The philosophy underlying budget and budgetary control and evaluation therefore is that they serve as indicators of costs and revenues linked to the daily operational activities of organizational managers, a means of providing information and supporting management decisions throughout the budget cycle and monitoring and controlling the organization, particularly in analyzing the differences between the budgeted and actual.

Nigeria since independence in 1960, has engaged in detailed planning exercises of various types and this has resulted in a wide range of effort on planning. Little attention has been paid to budgetary control and evaluation despite its recognition as the main instrument for allocating resources to specific recurrent and development activities. In recent years, however, budget systems have received more attention and literature on public expenditure management has become more common. A country can have a sound budget and financial system and still fail to achieve its intended targets. This situation presents a worrying concern as the problems seem to spiral among all public organizations.

According to [4], a budget is based on estimates; it may or may not be true. This makes organizational managers to focus more on management issues than on budgetary control and evaluation. The need for accountability and efficiency of service delivery in public organizations in Nigeria puts public organizations at the fore front in establishment of control systems. Budgets are necessary to prudently manage scarce financial resources and at the same time serve as means of expenditure authorization, control and evaluation bases. Public institutions ought to consider budgets and budgetary controls important elements in their policy making. The success of organizations depends largely on good budget preparation and effective budgetary controls [5].

In Nigeria, year in year out, budgets are prepared Public institutions prepare budgets but the degree and extent to which budgets are prepared and monitored into performance budgets continues to dwindle. The Nigeria budget has been facing a myriad of challenges dispossessing it of the powers to achieve its expected goals. Failure of many organizations erupts from the fact that budgets and budgetary control which are the bedrock of any successful organizations is weak or absent. Such organizations are characterized by financial, administrative, production and managerial constraints resulting from poor budgetary control. This results in embezzlements, misappropriations and misapplication of funds. As such, no public sector can afford to overlook the importance of clearly defining its objectives and priorities, and assessing performance against well-defined benchmarks.

Statement of the Problem

In the Nigerian public sector today, it has become a course for concern that deserved attention has not been paid to budgetary control and evaluation. This seems to permit system leakages and corruption. This situation necessitates the need to develop models for effective control and performance evaluation criteria on budget. The situation has been corroborated by the recent claims of the United States of America's government that "Nigerian government lacks fiscal transparency" (The Punch Newspaper, 2019).

An assessment of the budgeting process in the public sector leaves much to be desired. The practice today is that a certain percentage is added to previous period's budget to arrive at current budget figures without reference to the environmental inhibitions being encountered or the realities of present day situation. The budgets are centrally prepared and the result passed down the line for all and sundry to implement without questions of control, monitoring and evaluation. The outcome of such practice cannot be objective or realistic. Therefore, it cannot be relied upon to achieve any meaningful analysis or interpretation of the performance of the units involved. In the circumstances, it is not possible to talk of the budget being used as a tool for performance evaluation. It is against this background that the study was poised into evaluating budgetary control and evaluation as tool for performance of public sector organizations in Nigeria.

Objectives of the Study

The general objective of the study is to examine budgetary control and evaluation as tool for performance of public sector organizations in Nigeria. Specifically, this study was aimed at:

1. Ascertaining the role of budgetary control and evaluation in improving the performance of public sector organizations in Nigeria.
2. Determining the factors inhibiting effective budgetary control and evaluation in public sector organizations in Nigeria.
3. Suggesting possible measures for improving budgetary control and evaluation for improved performance of public sector organizations in Nigeria.

II. METHODOLOGY

The methodology adopted for the study is content analytical design. Relevant literature on budgetary control and evaluation as tool for performance of public sector organizations in Nigeria were reviewed from available sources, namely; journals, internet materials, newspapers and magazines.

Theoretical Framework

This study was anchored on the budget theory propounded by Henry C Adams in 1985. The Budget Theory presupposes the motivation behind government budgeting. The theory assumes that through budgeting organizations look at the future and lays down what has to be achieved and how to achieve it with the associated cost. Control checks whether the plans are being realized and puts into effect corrective measures where deviation or short-fall is occurring. When a budgeting and control system is in use, budgets are established which set out in financial terms, the responsibility of managers in relation to the requirement of the overall policy of the organization. Continuous comparison is made between the actual and budgeted results, which are intended to either secure, thorough action of managers, the objectives of policy or to even provide a basis for policy revision.

The theoretical framework gave a rationale for development of budget concept, and highlights the development of the budget concept from a tool of directing actions within an organization to a more complex managerial tool that managers would use to provide focus for organizations, set objectives and undertake performance evaluations. This framework provides a basic perspective through which the researcher viewed budgetary control and evaluation as tool for influencing organizations performance**.**

Conceptual Clarifications

Concept of Budget: Budget as a concept, defies a consensual conceptualization. Drury cited in [6] defined budget as a plan expressed in quantitative, usually monetary term covering a specific period of time usually one year. In other words, a budget is a systematic plan for the utilization of manpower and material resources. The above definition covered some salient features of budget. First, budget is a plan expressed in money terms. It is prepared and approved prior to the budget cycle and may show income, expenditure and the capital to be employed. It may be drawn up showing incremental effects of former budgeted or actual figure, or be compiled by zero-based budgeting. Budgets help to allocate resources, coordinate operations and provide a means for performance measurement.

Budget as a concept has also been viewed from the perspectives of the economist, the accountant and the public administrator. The public administrator perceives a budget as a policy tool to describe the implementation of public policy. The accountant perspective focuses on the accountability value in budgeting, which compares the amounts budgeted for with the actual expenditures thereby describing the 'wisdom of the original policy. The economist views budgeting as a matter of allocating resources in terms of opportunity cost where allocating resources to one consumer takes resources away from another consumer.

[7] explained that budgeting is the way and means of preparing budgets and that a budgets is a plan of action which has been prepared and approved prior to the period when it will be used, detailing monetary, quantitative or other descriptive terms, the event to be accomplished in the budget period. A budget is different from a mere forecast, in that it is a formal management of events which are desired by management to take place in an organization within a defined period of time. These authors emphasized that to be effective, budget must be aligned with the organizations strategies, appropriate for the organization performance management processes and must be involve processes that are valued based, consequential and continuous. Control, checks whether the plans are realize and put into effective corrective measures, where deviation or short-fall is occurring.

The Chartered Institute of Management Accountants (CIMA), as cited in [8] maintained that budget is a quantitative statement for a defined time which may include planned revenues, expenses, assets, liabilities and cash flow. A budget provides a focus for the organization and aids the coordination of activities. Planning actualizes by means of a fixed master budget whereas the comparison of actual costs with a flexible budget fosters control.

From the foregoing conceptualizations, it is deducible that budget is a plan for the accomplishment of programs 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.

Budget Evaluation: Evaluation in general terms involves feedback into the process which in turn results to policy, programme and budget change. Evaluation acts an engine of change in budget and policies. It determines the need for change in goals and purpose and how they can be prioritize.

It is the final stage of budget cycle where an assessment of the effective, efficient and appropriate use of public resources is made. In public organizations, there are exigencies of changing the needs and goals of the people over time, so it is expected that budget is evaluated over periods of time. This is to enable government prioritize the needs of the people in the order of scale of preference.

Political process determining who gets what, how and when, it contains the decision of organization. It is the increased importance of public financial report by comparing budgeted and actual expenditure or amount.

Government budgets are backed by the force of law and officials guide and oversee spending based on the banking of. It is a control device that complements accounting and reporting system. Public/government budgets are expression of public policy. They carry authority of the law that prevents public officials from spending outsides their budget unit. Revenue agencies and expenditures of government are controlled by the budgetary process.

Budgetary Control: Lexicon in [9] defined budgetary control as a system of management control in which the actual income and spending are compared with planned income and spending so that one can see if plans are being followed to determined whether there is need for change or not.

It is the core value of central logic units to adhere to the desired or required results. Flexibility and systematic evaluation to reallocate resources to more pressing and important areas that will justify the use of the resource is always applied. This budgetary process is mostly futuristic as the need and costs of every function of the organization for the upcoming year's budget is put into consideration.

Benefits of Budgeting: According to Lucy cited in [9], budgeting has a number of benefits namely:

1. **Performance Evaluation:** A manager's performance is often evaluated by measuring his success in meeting the budgets. In some companies bonuses are awarded on the basis of an employee's ability to achieve the target specified in the target specified in the periodic budgets, or promotion may be partly dependent upon a

manager's budget record. The budget thus provides a useful means of informing managers of how well they are performing in meeting targets that they have previously helped to set.

2. **Coordination of Activities:** Without any guidance, managers may each make their own decisions, believing that they are working in the best interests of the organization. For instance, the purchasing manager may prefer to place large orders so as to obtain large discounts; the production manager will be concerned with avoiding high stock levels; and the accountant will be concerned with the impact of the decision on the cash recourses of the business. It is the aim of budgeting to reconcile these differences for the good of the organization as a whole.

3. **Plans implementation:** This serves as a guide for implementing plans that are set to achieve the organizational objective as the aspect of planning in budgeting first of all enables management to determine those policies needed to achieve the desired goals or objectives.

4. **Communication:** If an organization is to function effectively, there must be definite lines of communication so that all the parts will be kept fully informed of the plans and the policies, and constraints, to which the organization is expected to conform. Everyone in the organization should have a clear understanding of the part they are expected to play in achieving the annual budget. Through the budget, top management communicates its expectation to lower level management, so that all members of the organization may understand these expectations and can coordinate their activities to attain them.

5. **Motivation and Goal Congruence:** If the goal congruence that is the objective of an organization and that of the individual participating in its achieving agree, there will be a motivational impact on the participants to achieve the planned goal congruence. This aspect of the benefit of budget is known as the behavioral aspects of budgeting.

6. **Control:** A budget assists managers in managing and controlling the activities for which they are responsible. By comparing the actual results with the budgeted amounts for different categories of expenses, managers can ascertain which costs do not conform to the original plan and thus require their attention.

Budgetary Processes in Nigerian Public Sector Organization: In other to provide for a responsible government, budgeting is embedded in a cycle. The cycle allows for the system to absorb and respond to new information and in doing so, the government is held accountable for its action though it should be recognized that many factors curtail the extent to which the president can make major changes in the budget. In some states, preparation and authority is not always given to governors while some have responsibility for preparation and submission, some share budget making authority with other elected officers, civil servant, political appointees, legislature, or some combination of these officers.

[10] explained that at the federal government level, preparations start from agencies. The agencies begin by assessing their programmes and considering which programmes required revision and whether new programmes should be recommended. At same time, estimates are made by the president's staff regarding anticipated economic trends in order to determine available revenue under existing tax legislation. The budget approval in the public sector (Government) occurs at three stages namely ministerial approval, executive approval and legislative approval. The preparation of budget phase commences five months before the beginning of the fiscal year. Guidelines are issued from the ministry of budget and planning in a form of circular. When the circular demanding the budget estimates to prepare is received by each ministries and department, a departmental committee of budget estimate is set up by each ministry and extra ministerial department. The committee is headed by the ministerial head of budget and personnel. It has its function as consideration and reconciliation of the budget proposals submitted by various departmental branches, division and units of the ministry.

Each ministry submits their estimates to the ministry of Budget and planning for further consideration and approval. The Ministry of Budget and Planning in turn set up a committee called "Draft Committee" for the review of draft estimates submitted by the ministries. These committee asked each ministry or department to come and defend its proposals; having concord on the proposal, the budget department aggregate the budget in the form of a consolidated estimates of revenue and expenditure. This is sent to the presidents for its approval.

The president on receipt of the advanced proposal as approved by the budget and planning present the draft estimate before his cabinets members known as the council of ministers for further consideration and approval. This council discusses and agrees the estimates with the president's political priorities of government and therefore the president gives his executives approval of the draft estimates before sending it to the National Assembly in form of appropriation bills.

The National Assembly comprises the House of Representatives and the house of senate. The president presents his budget packages to the National Assembly at a joint meeting of two houses of assembly. This meeting is known as "budget session". It is up to the national assembly to approve, modify or rejects the Bills. In each house there are standing committees, which relates to the ministries and departments. At such committees, each ministries and departments are invited to defend the increasing budgeting allocation, in justification of their programmes. The house debates the bill and makes modifications where necessary. After the house must have considered and reconciled the budgets estimates in the light of national economic and priorities then the appropriation committee is brought for appropriation purposes. If the house are convinced and satisfied with the proposals, each of them will approve the budget. Where there are discrepancies in opinion on some particular items, the two houses appoint finance committee that would resolve such differences. The resolution of the finance committee is final on the difference. Afterward they both sit to approve the budget. On approval of the national assembly the budget is sent back to the president for his assents and signature. And consequently it becomes the appropriation act. These will now be printed and distribute to the ministries and department in form of approved estimates for implementation which is the final stage.

Approaches to Budgeting in Nigerian Public Sector Organizations

The Line Item Budgeting: The Line Item Budgeting is the simplest form of budgeting connects the inputs of the system to the system. These budgets arguably and typically appear in the form of accounting documents express minimal information regards purpose/or an explicit object within the system.

The Program Budgeting: The Program Budgeting takes a normative approach to budgeting in decision-making regards allocating resources is determines by the funding of one program instead of another base on what that program offers. This approach quickly lends itself to the PPBS budgeting approach.

The Program Planning Budgeting System (PPBS): The Program Planning Budgeting System (PPBS Budgeting) is the link between the *line-item* and *program budgets* and the more complex performance budget. As opposes to the more simple programs budget in decision- making tool links the program under consideration to the ways and means of facilitating the programme [11]. This intends to serve as a long-term planning tool for decision makers aware of the future implications of their actions. These are typically and most useful in capital projects. The planning portion of the approach seeks to link goals to objects/ or expects outcomes from specific outputs then sorts into programs that convert inputs to outputs. The budgeting of PPBS helps determine how to fund the program. A leader in the promotion of PPBS is Robert McNamara's uses in the US Government's Department of Defense in the 1960s [12].

The Performance-Based Budgeting: The Performance-Based Budgeting attempts to solve decision-making problems base on a program's ability to convert inputs to outputs and/or use inputs to affect certain outcomes. Performance may be judge by a certain program's ability to meet certain objectives contribute to a more abstract goal as calculate by that program's ability to use resources/or inputs efficiently linking inputs to outputs and/or effectively linking inputs to outcomes. A decision-making/or allocation of scarce resources problem is solves by determining which project maximizes efficiency and effectiveness.

The Zero-Based Budgeting: The Zero-Based Budgeting is a response to an incremental decision making process whereby the budget of a given fiscal year [FY] is largely decided upon by the existing budget of FY-1. In contrast to incremental, the allocation of scarce resources funding is determine from a zero-sum accounting method. In government, each function of a department's section proposes a certain purpose relates to some goal the section could achieve if allocate x dollars.

Incremental Budgeting: Incremental budgets are like ordinary budgets, except that in the case of incremental budget, in the next budget period a fresh budget is not prepared only a percentage increase or decrease is made to either the previous budgetary estimates or the actual results. Thus with the previous budget as the base, adjust for inflation and other changes in the economy, market conditions and the desire of management to attain some objectives are incorporated as adjustments.

Nature of Budgetary Control and Evaluation in Public Sector Organizations

Budgetary control and evaluation refer to the principles, procedures and practices of achieving given objectives through budgets through monitoring and assessment. Budgetary Control is define by the Chartered of Management Accountants (CIMA) in [13] as the establishment of mechanism, authorising responsibilities of executives to the requirements of a policy and the continuous comparison of actual with budgeted results either to secure by individual action the objective of a policy or to provide a basis for its revision. In this context, budgetary control concerns planning translated into monetary terms.

At the beginning, a budget is a plan and at the end it is a control device for measurement. [11] maintained that budgetary control and evaluation aims at providing a formal basis for monitoring the progress of an organization as a whole and of its component parts towards the achievement of the objectives specified in the budget. Budgetary controls predetermine plans or standards of output and estimated incomes are compared with actual results and necessary corrective actions taken. In the Nigerian public sector, budgetary control and evaluation is the main integrative control method for most public enterprises. [2] observed that no system of planning can be successful without having an effective and efficient system of control. Budgeting is closely connected with control. The exercise of control in the organization with the help of the budget is known as budgetary control.

[5] highlighted that the process of budgetary control includes: preparation of various budgets; continuous comparison of actual performance with budgetary performance and revision of budgets in the light of changed circumstances. Drury in [8] opines that two main budgetary controls and evaluation exist; these are feed forward and feedback control. The feed forward control comes into being when the predictions are matched against desired outcomes. The purpose of feed forward control system is to anticipate errors or variances before they happen and to take steps to minimize them. The feedback control system is the measure of differences between planned and actual results so that subsequent actions can be modified to achieve the required results.

Budgetary controls are also achieved through enforcement of internal controls in the form of internal audits; internal checks within functions and activities; administrative controls in terms of ensuring effective personnel policies, operational rules, regulation, procedures and methods; segregation of duties into initiation, approval ,authorizations, execution and recording of transactions; chart of accounts which indicate cost items, cost centers, cost levels and expenditure boundaries; maintenance of proper books of accounts which are books of prime entry, cash book, journals and ledgers; issuing accounting instructions in respect of purchase, stock and receipts, periodic stock-taking and imprest retirement and reimbursements; issue of accounting manuals and adoption of accounting policies in respect of assets disposals and depreciation [12].

Audits of financial transactions and the final accounts periodically at least annually and the issuing of audit reports timely cannot be over emphasized in budgetary controls. However this is something which is usually lacking with public accounts. Preparation of government accounts sometimes delays leading to weak accountability and transparency in the MDAs as well as the government machinery. Financial statements of the government are useful for external control purposes and are subject to external verifications by tax payers, donors, investors, suppliers, bankers and constituents. They help key stakeholders to make informed financial decisions.

[3] maintained that, for MDAs to be effective, their budgets must be aligned with their strategies, strategic management and performance. Budgets and budget control measures are used as a tool for various reasons such as: to set the objective of governmental organizations; to achieve measurable results; to measure operational processes; to achieve accountability. Similarly, [4] asserted that in assuring that funds are clearly budgeted, the managers conduct auditing procedures and financial reporting to observe if there is any evidence of its misuse or to seek the call for additional budgetary allowance.

[8] observed that for budgetary control to be effective, certain essential features must be put in place. These features according to them include: a sound and clearly defined organization with a clearly defined manager’s responsibility; an effective accounting record keeping and procedures; support and commitment of top management for the budgetary control system in place; training of managers in the development, interpretation and use of budgets; and flexibility of budgets to ensure revision of budgets where amendments are needed to make them appropriate and useful.

Deducing from the foregoing, there are basic stages in budgetary control processes and they include setting of pre-determined standards, measurement of actual performance against pre-determined standards and corrective measures if necessary to bring the actual performances in line with the pre-determined standard. Thus, the overall purpose of budgetary control and evaluation is to assist managers’ plan and control the use of resources in systematic and logical manner to ensure that they achieve their financial objectives.

Review of Empirical Studies

Empirical studies relevant to this study were reviewed thus:

[9] carried out a study titled “Budgetary Control as a Measure of Financial Performance of State Corporations in Kenya”. The study sought to investigate the relationship between budgetary controls and financial performance of state corporations in Kenya. A descriptive survey design was adopted. 14 corporations were selected from the 138 state corporations to participate in the study. Purposive sampling was used to select 42 corporate services manager, finance manager and budget officer from each corporation to participate in the study. A questionnaire, whose content validity was checked through an expertise opinion and reliability through test pre-test methods, was used to gather information. Findings indicated that a positive significant relationship exists between budgetary control and financial performance of state corporations. Budgetary control process exhibited a positive significant influence on financial performance of state corporations through influence on financial objectives, the allocation of funds as well as investment ventures that organization undertakes. The study recommended sensitization of management and employees of state corporations on the importance of budgetary controls in enhancing financial performance, avoidance of political interference in the budgetary process and use of budgets as tools for management efficiency. This

study however, was carried out in Kenya and cannot be a basis for examining budgetary control and evaluation as tool for performance of public sector organizations in Nigeria.

[4] carried out a study titled "A Critical Appraisal of Budgeting and Budgetary Control in the Public Sector: A Case Study of Ministry of Finance, Makurdi". The study was aimed at finding out the effectiveness of budgetary control and the problems affecting budgeting and budgetary control. Content analysis was adopted for the study. Findings revealed that budgeting and budgetary control in the public sector is weak and despite the effort of government, budget and budgetary control has failed because of dependence on federation account, untrained budget staff, non-adherence to budgetary control measures, corruption, inflation and political environment. The study therefore recommended among others that there is a need for budget culture in the public sector, sharpening the budget monitoring and implementation procedures in the public sector, sustaining greater accountability and transparency and making the need for budgeting realistic and not just a formality.

[10] carried out a study titled "Budgeting, Budgetary Control And Performance Evaluation: Evidence From Hospitality Firms In Nigeria" This study was carried out with the view to address two fundamental issues: first, to determine if there is any association between budget, budgetary control and performance evaluation; second, to ascertain if there is any significant variation in the budget, budgetary control and performance evaluation measures of hospitality firms in Nigeria. The study employed descriptive design and primary data (questionnaire) was the major source of data collection. Questionnaire was administered to a total of six hundred (600) employees of ten (10) selected hospitality firms in Nigeria. The questionnaire obtained were analyzed using both descriptive (frequency counts, mean and standard deviation) and inferential statistics (Pearson correlation and t-test). Findings indicated that budget and budgetary control could serve as an avenue through which hospitality firms in Nigeria can be evaluated. In addition, it was revealed that there is a significant variation in the budget, budgetary control and performance evaluation of hospitality firms in Nigeria. On the basis of the findings, it was recommended that hospitality firms in Nigeria should carry out performance evaluation on every aspect of their budget and budgetary activities as a way of ensuring that budgeted outcomes are met. Also, budgetary costs should be a basis of choosing the most-fit performance evaluation technique for hospitality firms since such performance evaluation systems can provide economic benefits of different sorts to them. Though the study made remarkable achievements, it however focused on the private sector and failed to cover public sector organizations. This is the gap the present study is set to fill.

[5] carried out a research titled "Impact of Budgetary Control on the Organizational Performance of Public Institutions in Tanzania: A Case Study of Ministry of Home Affairs, Police Force Unit". A casual research design was used with questionnaire and interview as a technique for data collection. A sample size of 50 respondents who were police force administrators, accountants as well as suppliers was interviewed. Data was analysed with through regression analysis. Findings revealed that there is a significant relationship between budgetary control and the performance of public institutions in Tanzania. The study therefore recommended improved budgetary control and evaluation for improved performance of public institutions in Tanzania. Though significant this study in addressing the subject matter, the study was however conducted in Tanzaniz and as such, cannot give a picture of Nigeria. This is the gap the present study is poised to fill.

[3] carried out a survey titled "Budget Management and Control in the Nigerian Public Sector: Empirical Investigation of Kwara State Ministry of Finance, Ilorin". The study examined the challenges posed in budget management and control in the Nigerian Public Sector using Kwara State ministry of Finance as a case study. Data were primarily obtained through questionnaire design on sixty-four (64) respondents through purposive random sampling technique. The study used descriptive statistics (frequency distribution and percentages) in data analysis. Results revealed that, despite some limited shortcomings including abuses of laid down rules and regulations, and budgets preparation without considering reasonable estimations and current market prices, the apparatus used to ensure the effectiveness and efficiency of budget utilization is sound. The study among others recommends that the government at various levels of governance should enact stiffer punishment for non-compliance with laid down rules and regulations on budget management and control. Though this study made significant effort in addressing budgetary control issues in Nigeria, it however failed to examine the impact of budgetary control and evaluation as tool for public sector performance in Nigeria which is the gap the present study is set to fill.

Impact of Budgetary Control and Evaluation on the Performance of Public Sector Organizations

There is no gain saying the fact that budgetary control and evaluation is a sinequanon for setting of pre-determined standards, measurement of actual performance against pre-determined standards and corrective measures if necessary to bring the actual performances in line with the pre-determined standard. Such process drives performance of public sector organizations. According to [7], government budget has to be well design, effectively and efficiently implemented and adequately monitored; its performance must be effectively evaluated. Implicit in their view is that if administered wisely, budgeting drives management planning, provides best framework for judging performance, and promotes effective communication and coordination among various segments of public sector organizations. The budgetary control system helps in fixing the goals for the organization as a whole and concerted efforts made for its achievements. It enables economies in the enterprise. [9] argued that budgetary control and evaluation aim at maximization of profits of an organization through proper planning and co-ordination of different functions, proper control over various capital and revenue expenditures and putting resources into best use. Coordination is also achieved through working of different departments and sectors. As noted by [8], within an organization, different departments have a bearing on one another; this therefore makes coordination of various executive and subordinates necessary in achieving budgetary targets.

Furthermore, [6] asserted that through budgetary control and evaluation, plans, policies and goals are decided by the top management. All efforts are put together to reach the common goal of the organization. Every department is given a target to be achieved. The efforts are directed towards achieving come specific aims. If there is no control and evaluation, then the efforts will be wasted in pursuing different aims.

As a tool for measuring performance, budgetary controls provide comparisons between the budget targets and actual targets and deviation determined; performance of each department is reported to the top management which enables introduction of management by exception [7]. Budgetary controls are important tools for a county's economy because, it allows planning for expenditure; thus, facilitating systematic spending. Finances are put into optimum use and this reduces wastage of national resources.

A budgetary control could help in determination of organizational weaknesses. According to Merika cited in [10], the deviations in budgeted and actual performance will enable the determination of weak spots. This enables an organization to concentrate on those aspects where performance is less than stipulated. The management moreover takes a corrective action measures whenever there is a discrepancy in performance. By fixing targets for the employees, they are made conscious of their responsibility. Everybody knows what he is expected to do and he continues with his work uninterrupted.

In résumé, budgetary control and evaluation in public sector organizations serve as tool for fiscal transparency, efficient use of national resources, achievement of targeted results and overall national development.

Factors Inhibiting Budgetary Control and Evaluation in Public Sector Organizations in Nigeria

Existing literature has evidently revealed that budget control and evaluation have myriad of challenges that most times inhibit it towards achieving the overall objective. Such encumbrances include:

- **Rigidity of Budgetary Processes in Public Sector Organizations:** According to Margah cited in [9], presenting a fixed, preset and unchanging target account for increasing problems experienced by organisations attempting to manage their budgetary control and evaluation procedures. In a world of constant change and uncertainty, a budget can become outdated during the budget year or even before it begins; thus, rendering little or no value to its intended purpose. Present day economic environment demands that public organizations adapt new practices. Given the new competitive realities, there is need for management of public organizations to embrace flexible and adaptable budgetary planning, control and evaluation systems which have the ability to quickly respond to environmental changes and complexities. A good budgetary planning and control system must involve not only an analysis of capital allocation requests, but also an analysis of all the capital needed to generate information such as market research prior to implementing budgeted activities [13].
- **Uncertainty of Budget Data:** Budgets are based on assumptions that often turn out to be inaccurate. The fact that budget data are based on assumptions of revenue and expenditure patterns makes evaluation very difficult. Efforts at budgetary control and evaluation in the public sector hardly give adequate attention to unforeseen circumstances which might have been encountered by organizational managers in the course of budget implementation. Such situation lends a major blow on budgetary control and evaluation processes.
- **Psychological Feelings of Encroachment in Official Duties and Responsibility:** Budgetary control and evaluation processes tend to vitiate psychological reaction and restriction of freedom of action on the part of budget implementers. Many of them are often resentful of budget restrictions. The point being made here is that monitoring and evaluation of budget processes tends to receive resentments from the implementers because they feel their activities are being over checked. This becomes a major hindrance to budget control and evaluation process.

III. CONCLUSION

From the foregoing analysis, it is deducible that a budget is seen as an effective and efficient tool for management in planning, organizing, controlling and coordinating the affairs of an organization. A system of budgetary control compels management to look into the future and use all techniques that can be used to mold it. The budgeted figures must be compared with the actual results on timely basis throughout the year to ensure that management knows where divergence is occurring and to take corrective measures. Budgetary control is extremely important and effective for management in piloting the affairs of the public sector organizations.

Finally, budget and budgetary control and evaluation serve as instrument for appraising management performance and the efficient and effective use of budget and budgetary control improves performance of public sector organizations.

IV. RECOMMENDATIONS

On the basis of the findings from this study, the following recommendations are made:

1. Government should institute mechanism that would evaluate and control the budgetary process from proposal to implementation to avoid sharp and corrupt practices from implementing officers.
2. Public sector organizations should adopt sound accounting techniques, procedures, and robust corrective measures should be in place in the event that negative variance occurs.
3. There should be budgetary and financial discipline, while public officials should spend funds lawfully for the purposes provided by law otherwise face impeachment or dismissal and also made to bear the full brunt of the law.
4. It is important to make a realistic forecast: The budget set by the management should be that which is attainable. The figures contained in the budget should be attainable no matter the prevailing economic circumstances. This is because the cause of variation between the budgeted and actual figures is unrealistic targets. If the targets are realistic, employees will strive hard to meet the target.
5. Employee participation should be involved in budget preparation because active participation of employees is more effective than when budget is being imposed on them.

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