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Budgeting and Budgetary Control in Public Sector: A Case Study on Gombe State Government of Nigeria

[1] **Mohammed Bose Ahmed, &** [2] **Yahaya Umar Usman**

[1] Department of Accounting, Faculty of Arts and Social Science, Gombe State University – Nigeria
[2]Department of Accounting, Abubakar Tafawa Balewa University Bauchi– Nigeria

Corresponding Author's; E – mail: bose344@gmail.com

Abstract

This study examines the budgeting and budgetary control in the Gombe State government of Nigeria for fifteen years (2006 – 2020). The study analyses state revenue and expenditures (capital and recurrent) variances and adopted the modified model of actual expenditure (AEX), representing budgetary control as the dependent variable. Capital expenditure budget (CEB) and recurrent expenditure budget (REB) were used as the independent variables. Time series data on the variables were obtained from the accountant general's financial statement for the period under review (2006 to 2020). Data collected was analysed using Descriptive Statistics and regression analysis using Stata. Findings reveal a significant budgetary control on capital expenditure and none on recurrent expenditure. This means there is a link between budgeting and budgetary control on capital expenditures and none on recurrent expenditure in Gombe State. The study recommended, among others, that the government should control its recurrent expenditure by employing qualified and highly skilled personnel to ensure budgetary control of all of its expenditures.

Keywords: Budgeting, Budgeting control, Gombe State Government, Nigeria
JEL Classification:

1.0 Introduction

A budget is a financial plan prepared and approved before a defined period, showing capital to be invested, planned income to be generated, and expenditure to be incurred during the period under consideration. A Budget is a plan expressed in quantitative, usually monetary terms covering a specific period, usually one year. In other words, a budget is a systematic plan for utilising workforce and material resources. The above definition covered some salient features of the budget. A budget is a plan expressed in monetary 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 figures or be compiled by zero-based budgeting. Budgets help to allocate resources, coordinate operations, and provide a means for performance measurement (ICAN, 2021; Omeje et. al., 2019).

On the other hand, budget control is the process of developing a spending plan and periodically comparing actual expenditure against that plan to determine if the spending patterns need adjustment to stay on track (Dunk, 2009). Budgetary control is a system of controlling costs that includes preparing budgets, coordinating the department and establishing responsibilities, comparing actual performance with a budget, and acting upon results to achieve maximum profitability (Brown & Howard, 2002). In other words, budgetary control is a process for managers to align financial and performance goals with budget, compare results, and adjust performance (Maina, 2017). Budgetary control, therefore, relates to the use of the budget as a control device whereby predetermined plans or standard output, income, and expenditure are compared with actual attainment so that, if necessary, corrective actions may be taken before it is too late (Nwoye, 2015). As a tool for measuring financial resources' performance, budgetary control compares the budget target and actual targets and deviations determined. The performance of each department is reported to the top management, which enables the introduction of management by exception (Thuita & Kibati, 2016)

Muinta (2018) views budgetary control as the establishment of budgets relating to the responsibilities of the executives of a policy and the continuous comparison of the actual with the budgeted results aimed at securing the policy's objective or providing a basis for revision. Budgetary control is an important tool used to monitor the organisation's performance, which is done through variance analysis. Factors responsible for variances can be favourable or unfavourable, controllable or uncontrollable; management must keep close eyes on those that can be controlled and capitalise on them to minimise future variances. It is traditional for most organisations to establish a budget at the beginning of each period that guides toward meeting the organisation's objectives within the specified predetermined estimate that depends on the organisation's management (Bashuna, 2013; Muinta, 2018).

In Nigeria, the Government at all levels prepares an annual budget. According to Orebeyi and Oghuchuku (2005), this aims at attaining specific objectives of the national budget, which include the enhancement of increased production and productive capacity and resources. Encouragement of export promotion and growth; agriculture and solid minerals as the nation's primary foreign exchange earner; improvement of capacity utilisation in the manufacturing sector and local sourcing of raw materials through targeted incentives; alleviation of poverty, creation of jobs and promotion of industrial peace and reduction of inflation among others.

Olalere et al. (2021) view that government ministries and agencies lack practical budget analysis and feedback about budgetary problems, resulting in their inability to meet their targeted goals. Nigeria faces the challenge of running a sound government accounting system that guarantees accountability and transparency. Governments at all levels could not fully or significantly execute their projects effectively, hence unable to attain all their objectives. They fail to satisfy their citizenry at the grassroots even though they may draft and adopt remarkable budgets. (Agbolade et al, 2020)

Inadequate financial control affects the amount of expenditure and its propriety. Fraud and abuse have become widespread concerns at all government levels in Nigeria, and the controls that can be guarded against the misuse of public funds seem incapable of restoring trust in public expenditure. The erosion of financial control has seriously weakened the effectiveness of government budgeting. The primary function of budgeting, upon which other critical uses are predicated, is to ensure that public funds are spent only for authorised purposes. Without reliable financial controls, the budget cannot be used for other important government functions, such as managing the economy, improving administrative efficiency, and formulating public objectives and priorities. If actual expenditures do not conform to the levels specified in the budget, or if accurate spending decisions are made outside of the budget framework, it is of little value for the government to go through the rituals of deciding what should be in the budget. Only when it controls spending can the budget be effectively applied to larger political, economic and management purposes (Schick, 2007)

According to Nigeria's Financial Regulations, before ministries and spending agencies can incur an obligation to make expenditures, they must secure spending authorisation from the Ministry of Finance through warrants. The warrants will authorise officers controlling votes to incur expenditures according to the approved estimates, subject to reserved items. If the Appropriation Act has not come into operation at the beginning of the year, a provisional General Warrant may be issued to ensure continuity of the services of government at a level not exceeding those of the previous year (ICAN, 2021; Adams, 2014; Adah & Akogu, 2019)

Over the years, budget implementation in Nigeria has been constrained and plagued by factors including politics of accommodation, poor budget implementation, compromised budget monitoring and the culture of corruption. These factors have not only constituted a cog in the wheel of budget implementation, but they have also negatively affected the translation of budget plans into action programmes and projects. Consequently, gaps exist between approved budget plans and actual implementation in such a way that the needs, yearnings and aspirations, as well as the expectations of the Nigerian states and its teeming citizens, are largely not met. Budget control and evaluation are critical aspects or stages of the functional governmental budgetary activity; it appears that budget implementation in Nigeria has faced several challenges over the decades. Such challenges have arguably affected the effectiveness and quality of budget implementation and the actualisation of budget plans in the context of government programmes and projects (Ejumodo & Ejumodo, 2020).

Like other states of the federation, Gombe State also faces challenges in budgeting and budgetary control. The state's personnel cost budget rose from N4 billion to N17 billion within a decade (2006 to 2016). In view of the above, this study examined budget and budgeting control in the Gombe State Government of Nigeria from 2006 to 2020; the rest of the paper is structured as 2. literature review, 3. methodology, 4. Data Presentation and Analysis, and 5. summary, Conclusion, and Recommendation.

2.0 Literature Review

Omeje et al. (2019) determined how budgetary control and evaluation can be used as a veritable public sector performance assessment instrument. The study adopted a qualitative research design and content analytical approach. It was discovered that budgetary control and evaluation could be used as administrative tools to check the excesses of public officers in implementing public policies. Findings also revealed that rigidity of the 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 organisations in Nigeria. The study suggested that the government should institute a mechanism that will evaluate and control budget proposals from beginning to end to avoid sharp and corrupt practices from implementing officers, and it is important to make a realistic forecast among others.

Daniel (2020) assessed Budgetary Control Systems (BCS), which control budget utilisation in the Ministry of Education. The study used descriptive and analytic methods to assess budgetary control systems at the ministry head office in Arada and the Communication and Information Centre in Addis Ababa. To collect data, the study used a questionnaire and analysed it using SPSS. The results revealed that gap-like feedback from budget users regarding the previous year's budget utilisation was not collected to update the new budget. The study recommended the involvement of management at every level of budget utilisation is required, a strong audit department for monitoring, solutions on time to adjust misalignment of planned budget, to avoid unplanned activities, and it was strongly recommended that there should be a budget committee for accountability and transparency regarding budget issues.

Orebeyi and Ugochukwu (2005) evaluated the procedures, practices and policy issues involved in budget and budgetary control in Nigeria from 1986 to 2000. Results from the documentary and time series data showed a progressive increase in the total expenditure of the Federal Government with a corresponding decrease in revenue. This has led to fiscal and operational deficits, and the government has faced the problem of not possessing the political will and financial discipline to adequately control its budgetary expenditure to sustain and achieve a surplus budget. The study recommended that the government adopt a pragmatic approach to controlling its budgetary expenditure through an efficient monitoring system.

Jimoh et al. (2020) assessed the relationship between budget and budgetary control and performance in the local government of Osun State, Nigeria. This study adopted a survey research design. The sampling techniques employed are stratified and simple random sampling methods. The primary data was obtained through a structured questionnaire. The data collected was analysed using descriptive and inferential statistical techniques. In descriptive statistics, simple frequency and percentages were used to answer the research questions, while inferential statistics was used to test the hypothesis generated for the study. The study found a significant relationship between the implementation of the budget and budgetary control system and the adequate performance of the local government in Osun State.

Mat et al. (2018) examine the influence of budgetary practices, specifically budget participation, budget emphasis and budget control, on creating budgetary slack in Malaysian local authorities. Two hundred questionnaires were randomly distributed to employees involved in budget preparation from 99 local authorities located in Peninsular Malaysia, and 109 responded (54.5%). Hypotheses were analysed using simple linear regression. Results show that budget participation, budget emphasis, and budget control influence the creation of budgetary slack among local Malaysian authorities. It also reveals that the propensity of the subordinates to create budgetary slack increases when subordinates are influenced and involved in the budget setting and the use of the budget in evaluating performance. High involvement and control in budgeting allow one to manipulate the budget. The findings contribute to the public sector management accounting literature on the budget area of local Malaysian authorities.

Effendi (2017) investigates the influence of budgetary participation, reliance on accounting performance measures, and local government standard operating procedures toward dysfunctional behaviour and examines dysfunctional behaviour on local government performance. The research surveyed the population of the local government in Bandar Lampung using a nonprobability sampling technique. Regression was used to analyse data and to test hypotheses. Findings reveal that budgetary participation and standard operating procedure simultaneously affect the dysfunctional behaviour of the local government in Bandar Lampung. Reliance on accounting performance measures the partially negative significant effect on the dysfunctional behaviour of the local government in Bandar Lampung. Variable dysfunctional behaviour positively affects local government performance in Bandar Lampung.

Hemsing and Baker (2013) studied the effects of tight budgetary control on managerial behaviour in the Swedish public sector. The study focuses on managerial behaviour and is based on the public sector. An online questionnaire was created and distributed via email to the different participants in the data collection process. Moreover, the study is based on a sample of 62 managers from different municipalities and universities throughout Sweden. The result of the thesis research study revealed that most local managers in the Swedish public sector experience tight budgetary control. Furthermore, the statistical test of the created hypotheses showed that the behavioural factors, both organisational commitment and stress, were respectively negatively and positively related to tight budgetary control. However, no significant results have been found for the behavioural variables of motivation and satisfaction.

Shingiro (2015) investigates the impact of budgetary controls on performance contracts in local government. The study adopted a cross-sectional and descriptive survey design using structured questionnaires to collect data from respondents. The data were presented using percentages and frequencies of responses from the answered questionnaires. The data analysis showed a significant impact of budgetary controls in attaining performance contracts in Huye District. Even if Huye District faced many problems while budgeting and implementing the budget, the level of attaining performance contracts is attributed to the budget because performance would be zero without the budget for certain activities to be attained. The findings indicate that budgeting, planning, monitoring, control, analysing and feedback significantly correlated with performance contracts in Huye District.

Isaac et al. (2015) systematically reviewed budgeting and budgetary control in Government-owned organisations. Given the importance of the preceding, attention was focused on the Nigerian National Petroleum Cooperation (NNPC). The study used primary data from a well-structured questionnaire administered to the respondents. In contrast, the secondary data was obtained from the annual financial statements, files, memos, tax laws, and gazette of the NNPC. The findings revealed that a necessary and sufficient condition for achieving effective budgeting and budgetary control is the involvement of all relevant stakeholders in the preparation of the budget, given the established processes in government circles, while emphasising a deliberate and faithful implementation by all responsible officers. The study recommended that all relevant stakeholders must be involved in the budget process, from preparation to implementation, to guarantee overall goal attainment.

Kengara and Makina (2020) assess the effect of budgetary processes and the performance of an organisation of non-commercial marine agencies in Mombasa County in Kenya. The study utilised a descriptive research design, and the target population was the heads of departments in financial and procurement audits, monitoring and evaluation in the marine sector, and chief executive officers. The sample size of the study was 70 respondents. The data collection tool was questionnaires that were distributed among 70 respondents. Both primary and secondary data were collected. Collected data was analysed through multiple regression analysis to determine the relationship between the variables. It was revealed that there was a significant positive relationship between budgetary processes for intense budgetary planning, budgetary control, and budgetary implementation, as well as monitoring and evaluation of organisational performance.

Nyongesa et al. (2016) studied the effect of budgetary control on the financial performance of public institutions of higher learning. This study was conducted in higher learning institutions in Vihiga, Kakamega, Bungoma, and Busia counties. Finance Officers, Accountants, Bursars, and principals were the respondents. The study used a descriptive survey design. Findings established that budgetary control statistically affected financial performance in public institutions of higher learning.

Adongo and Jagongo (2013) investigate the relationship between budgetary controls and the financial performance of state corporations in Kenya. The study sought to determine the salient features of budgetary controls in state corporations, establish the human factors within budgetary controls, the budgetary control process in public organisations, and the budgetary control challenges. A descriptive survey design was used to gather data from the state corporation's managers of the sampled state corporations. Fourteen corporations were selected from the 138 to participate in the study. Findings indicate that a positive relationship exists between budgetary control and the financial performance of state corporations. Budgetary features reflect the ability to predict the financial milestones of organisations. Factors within budgetary controls, such as managerial commitment, employee motivation, training, competence, and attitude, affect the budget control process. The budgetary control process exhibited a positive significant influence on the financial performance of state corporations through influence on financial objectives, the allocation of funds, and investment ventures that the organisation undertakes.

Chaudhary and Chaudhary (2018) examined the relationship between budgetary control and the financial performance of Nepal Oil Corporation (NOC). A descriptive survey design was adopted for the study, and data was gathered through a structured questionnaire distributed to

60 respondents from the Account, Finance, Administration, Engineering and Project Department. The findings of this study reveal that budgetary control leads to increased profitability, but management commitment is indispensable. The study concludes that the budgetary control process has a significant positive bearing on the financial performance of NOC through its influence on financial objectives, allocation of funds, and investment ventures.

Etale and Idumesaro (2019) examined the link between budgetary control and performance, focusing on Bayelsa State of Nigeria as a case study. The study adopted actual expenditure (AEX) representing performance as the dependent variable, while capital expenditure budget (CEB) and recurrent expenditure budget (REB) were used as the independent variables. Time series data on the variables were obtained from the Budget Department of the Ministry of Budget covering 2007 to 2016. The type of research design adopted in the study was ex-post facto research design. Data was analysed using descriptive statistics and multiple regression analysis using the E-view version 10 computer software. Based on the findings, the study concluded that the two independent variables have no statistical effect on actual budget performance. This means there was no link between budgetary control and performance in Bayelsa State. The study recommended, among others, that the government should encourage budgetary participation, consider resource availability in budgeting, strive to improve the state's internally generated revenue and employ qualified and highly skilled personnel in budget administration to ensure that budgetary control would bring about improved performance.

Almahroqi and Mariano (2021) assess the effect of budgetary control on the financial performance of the Oman Telecommunications Company and verify the effectiveness of budgetary control techniques in the company, the research methodology used in the study, the survey method based on questionnaires and interviews were used. Data were analysed using frequency distribution, correlations, and regression analysis. The results indicated that there is a positive relationship between budgetary control and the financial performance of the company, the differential impact of budgetary control techniques, and the confirmation of the company's use of the technique of variance analysis and accounting responsibility, as well as the importance of budgetary control procedures. The results also indicate the importance of support and the role of top management in budgetary control techniques.

Egbunike and Unamma (2017) studied the association between budget, budgetary control and performance evaluation. The study employed a descriptive design, and primary data (questionnaire) was the major source of data collection. The questionnaire was administered to six hundred (600) employees of ten (10) selected hospitality firms in Nigeria. The data obtained were analysed using both descriptive and inferential statistics. Findings indicated that budget and budgetary control could serve as an avenue to evaluate hospitality firms in Nigeria. In addition, it was revealed that there is a significant variation in the budget, budgetary control and performance evaluation of hospitality firms in Nigeria.

2.1 Theoretical Framework

2.1.1 Agency Theory

Agency theory is based on a principal-agent relationship; the theory assumes a goal conflict between principals and agents and an informational advantage on the part of agents. Public budgeting is the relationship between those who provide agency services and those who allocate resources to service providers. In other words, those claiming governmental resources are agents, and those allocating and rating the resources are principals. In this relationship, the principal contract with agents to provide services to the public (Forrester, 2009 in Iyoha, 2021)

Where each is true, agents control the information, and the resulting behaviour is modelled as "Agency Dominance." By relaxing the third assumption, where either the legislature or the executive controls the distribution of information, the resulting behaviour is modelled as "Legislative Dominance" or "Executive Dominance," respectively. Further relaxing the third assumption so there is not necessarily an informational advantage by either the principal or the agent and relaxing the second assumption such that goals are not necessarily in conflict, then the resulting behaviour can be modelled as an "Issue Network." Each model is reviewed below.

2.1.2 Budgetary Control Model

Robinson and Last (2009) state that a budgeting system is a tool firms use as a framework for their spending and revenue allocation. To ensure the firm's resources are not wasted, the organisation must be able to come up with an effective budgeting system. This is important as it ensures that the outputs and services delivered achieve the objectives. According to this theory, a sound budgeting system must address the efficiency and effectiveness of the organisation's expenditure. The level of income of the organisation. Determines a good budget

According to Robinson and Last (2009), each firm or organisation has a framework that shows all of its spending and allocating resources. This framework is budgetary control used to manage a firm's activities. The budget ensures that resources are not wasted and effectively allocated. It is essential to ensure that firms' output deliveries meet what was planned by management. According to the budgetary control model, a reasonable budget considers the organisation's expenditures effectively and efficiently; a sound budget control system can be determined by observing an entity's cash inflows or income (Pfeffer & Salancik, 2003). An organisation should have a system that ensures that budgets are well administered and controlled to allocate resources appropriately. If an organisation plans correctly for its resources, it will help it increase its revenues and income. An organisation will only achieve this by cutting down costs to increase the quality of what it offers. In contrast, if an organisation does not have enough financial backing to fund what is estimated in the budget so far, it has to fund its budget estimate through borrowing or other means (Robinson & Last, 2009). This makes budgets the most regarded tool for controlling expenditures.

3.0 Methodology

This study used a descriptive research design. Data was collected from the annual report and account of Gombe State Accountant General for the period of fifteen years, 2006 to 2020. The study used both actual and original budgeted data for the period under study. The techniques used for data analysis are descriptive statistics and regression analysis using Stata. Etale and Idumesaro (2019) adopted the following regression model.

$$AEX = \beta 0 + \beta 1CEB + \beta 2REB + e$$

Where: AEX = Actual expenditure

CEB = Capital expenditure budget

REB = Recurrent expenditure budget

e = error term.

$\beta 1 - \beta 2$ = partial derivatives or the gradient of the independent variable.

Hypothesis of the study

H 01 Capital expenditure budget (CEB) does not significantly impact actual expenditure.

H 02 Recurrent expenditure budget (REB) does not significantly impact actual expenditure.

4.0 Data Presentation and Analysis

This section presents, analyses and interprets data to test the study's hypothesis empirically.

4.1 Descriptive Analysis of Variances

The tables below show the budgeted, actual and variances of expenditure for the period under study.

Table 1: Budget (in billions of Nigerian Naira)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Personnel Cost	4.06	5.12	6.283	7.46	8.45	9.52	15.2	15.77	17.1	16.55	16.8	17.73	19.51	22.73	21.81
Pension, Gratuities and Social Benefits	0.65	0.65	1.2	1.1	1.4	1.65	1.55	2.6	3.25	2.34	2.51	3.95	3.91	5.75	5.15
Overhead Cost	7.66	8.42	9.31	9.69	12.33	13.84	15.88	16.36	17.81	16.15	11.71	14.45	18.65	22.52	16.73
Public Debt charges	2.04	3.58	1.98	2.44	2.36	2.56	5.58	7.1	8.7	11.33	10.74	10.3	10.4	10.4	15.43
Other CRF charges	8.29	8.1	15.78	3.04	11.19	9.69	6.81	8.37	0.46	0.42	0.46	0.46	0.5	0.42	0.66
Capital Expenditures	12.5	2.92	31.52	31.76	30.87	32.17	55.14	66.12	60.49	24.34	34.58	43.66	61.23	60.94	71.05

Table 2: Actual (in billions of Nigerian Naira)	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Personnel Cost	4.87	4.6	5.92	7.17	7.47	9.05	12.28	14.33	17.02	16.12	16.34	17.4	19.28	19.33	18.78
Pension, Gratuities and Social Benefits	0.56	0.81	1.02	1.07	1.09	1.31	1.34	1.25	3.33	1.97	2.73	3.04	3.32	4.67	3.78
Overhead Cost	6.87	8.54	11.72	11.55	14.4	18.94	15.2	17.01	17.41	15.05	11.84	13.82	19.88	18.72	9.89
Public Debt charges	3.88	3.7	0.55	2.53	4.02	5.03	8.58	10.84	10.11	14.08	11.69	10.39	13.52	13.92	14.54
Other CRF charges	7.21	3.6	17.06	13.73	9.33	18.9	7.38	5.62	0.42	0.46	0.18	0.69	0.17	0.17	0.18
Capital Expenditures	15.35	14.61	27.64	24.34	24.6	25.75	44.17	37.4	31.42	14.42	20.93	17.37	25.78	30.72	29.03

Table 3: Variances (in billions of Nigerian Naira)	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Personnel Cost	(0.81)*	0.52	0.36	0.29	0.98	0.47	2.92	1.44	0.08	0.43	0.46	0.33	0.23	3.40	3.03
Pension, Gratuities and Social Benefits	0.09	(0.16)*	0.18	0.03	0.31	0.34	0.21	1.35	(0.08)*	0.37	(0.22)*	0.91	0.59	1.08	1.37
Overhead Cost	0.79	(0.12)*	(2.41)*	(1.86)*	(2.07)*	(5.10)*	0.68	(0.65)*	0.40	1.10	(0.13)*	0.63	(1.23)*	3.80	6.84
Public Debt charges	(1.84)*	(0.12)*	1.43	(0.09)*	(1.66)*	(2.47)*	(3.00)*	(3.74)*	(1.41)*	(2.75)*	(0.95)*	(0.09)*	(3.12)*	(3.52)*	0.89
OtherCRF charges	1.08	4.50	(1.28)*	(10.69)*	1.86	(9.21)*	(0.57)*	2.75	0.04	(0.04)*	0.28	(0.23)*	0.33	0.25	0.48
Capital Expenditures	(2.85)*	(11.69)*	3.88	7.42	6.27	6.42	10.97	28.72	29.07	9.92	13.65	26.29	35.45	30.22	42.02

***Unfavorable variances**

Source: Computed by Authors from Gombe State Accountant's General Report and Financial Statements

Tables 1, 2, and 3 above show the budgeted expenditure, actual expenditure, and variances, respectively, for the study period (2006 to 2020). As indicated in the tables, the state budget increased throughout the study. For instance, overhead rose from ₦7.66b to ₦16.73. Likewise, capital expenditure rose from ₦12.5 to ₦71.05. The descriptive shows extra budgeting spending as some expenditures show unfavourable variance (negative).

4.2 Presentation of Regression Results

Table 4: Regression Results

```
      Source |       SS       df       MS              Number of obs =      15
-------------+------------------------------           F(  2,    12) =   19.83
       Model |  3384.47251     2  1692.23626           Prob > F      =  0.0002
    Residual |  1023.99119    12  85.3325995           R-squared     =  0.7677
-------------+------------------------------           Adj R-squared =  0.7290
       Total |  4408.46371    14  314.890265           Root MSE      =  9.2376

------------------------------------------------------------------------------
actualexpe~e |      Coef.   Std. Err.      t    P>|t|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
         reb |   .3891881   .3789802     1.03   0.325    -.4365389    1.214915
         ceb |   .6176456   .2493875     2.48   0.029      .074277    1.161014
       _cons |   28.97418   9.366729     3.09   0.009     8.565834    49.38253
------------------------------------------------------------------------------
Stata version 13 results
```

The results from Table 4 show that the adjusted coefficient of determination (Adj. R-squared), which gives the proportion or percentage of the total variation in the dependent variable explained by the independent variables jointly, is 0.7290. This implies that about 72.9% of changes in the dependent variable are caused by the independent variables captured by the models. At the same time, the remaining changes result from other variables that the models do not address. On the other hand, the overall R-squared is 77%, meaning that the independent variables cumulatively bring 77% changes in the dependent variable. The remaining changes are, however, caused by other factors not considered by the models.

Hypotheses Testing

In testing the hypotheses, the researcher adopts the 5% significance level, commonly used in social sciences research. To determine if a hypothesis can be rejected at a 5% significance level, the p >|t| value in the regression result would be compared with 0.05. The null hypothesis is not rejected if the p >|t| value is more than 0.05 and rejected if otherwise.

Research hypothesis one of this study is restated in null form: Capital expenditure budget (CEB) has no significant effect on actual expenditure. From Table 4. Shows p-values of 0.029. Based on these results, the capital expenditure budget is assumed to impact budgetary control in Gombe State of Nigeria significantly. As such, the null hypothesis stands rejected.

Research hypothesis two of this study is restated in null form: Recurrent expenditure budget (REB) has no significant effect on actual expenditure. From Table 4. Shows p-values of 0.325. Based on these results, the recurrent expenditure budget is assumed to have an insignificant impact on budgetary control in Gombe State of Nigeria. As such, the null hypothesis cannot be rejected.

5.0 Summary, Conclusion and Recommendation

This study examined the impact of Budgeting on budgetary control in the Gombe State Government of Nigeria; data was generated from the annual report of the accountant general for fifteen years. Descriptive statistics and regression were used to analyse the data. The results show that the capital expenditure budget significantly impacts budgetary control, while the recurrent expenditure budget has an insignificant impact. Findings imply significant adherence to the budget on capital expenditure and no on recurrent expenditure. Based on the preceding, the study recommended that:

i. The state government has to put additional effort into recurrent expenditure control to avoid unfavourable variances.
ii. Employ qualified employees to handle budget and account matters rather than consultants.

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