



**KWARA STATE UNIVERSITY, MALETE, NIGERIA**  
**SCHOOL OF POSTGRADUATE STUDIES (SPGS)**

**Determinants of Effective Budget Practices: Evidence from Ministries,  
Departments and Agencies in Kwara State, Nigeria**

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**15/27/MAC023**

**April, 2021**



**SCHOOL OF POSTGRADUATE STUDIES (SPGS)**

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Departments and Agencies in Kwara State, Nigeria**

**M.Sc THESIS SUMITTED**

**BY**

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15/27/MAC023**

**In Partial Fulfillment of the Requirements for the award of Master of  
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**DEPARTMENT OF ACCOUNTING AND FINANCE,  
FACULTY OF HUMANITIES, MANAGEMENT AND SOCIAL  
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NIGERIA**

**April, 2021**

## **DECLARATION**

I hereby declare that this thesis titled ‘Determinants of Effective Budget Practices: Evidence from MDAs Kwara State, Nigeria, is my own work. Precisely speaking, it has not been previously presented or submitted by me, and to the best of my knowledge, not even by any other person for any course or qualification at this or any other academic or research institution. I also declare that the information provided herein are mine, and those that are not, are duly acknowledged by means of references.

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## APPROVAL PAGE

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## **DEDICATION**

This work is dedicated to the Almighty God

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## ABSTRACT

*Budget has gained prominent importance to government and nations as it entails quantitative projected financial plan for the various levels of government. Thus, the need of government in attaining set national objectives give rise to the formulation and formalization of budget. This study examines the determinants of effective budget practice: evidence from ministries, departments and agencies in Kwara state, Nigeria. The specific objectives are to: (i) examine the extent to which public participation affect effective budget practices of MDAs in Kwara State; (ii) assess the effect of information technology on budget practices of MDAs in Kwara State; (iii) investigate the extent to which external pressure influence budget practices of MDAs in Kwara State; (iv) examine the effect of staff competency on effective budget practices of MDAs in Kwara State; and (v) investigate the extent to which budget monitoring and evaluation affect effective budget practices of MDAs in Kwara State. Primary data which were collected through self-administered questionnaires were analyzed using Partial Least Square-Structural Equation Model (PLS-SEM) to identify the determinants of effective budget practices. Results of the study were; that public participation had significant positive relationship with the effective budget practices at 0.05%, level of significance; that information technology had a significant positive impact on effective budget practices among MDAs in kwara state at 0.05% level of significant; that external pressure significantly positive related at 0.05% level of significant to the effective budget practices; staff competency had significant positive relationship with the effective budget practices at 0.05%, level of significance; In line with these findings, the study concluded that public participation, information technology, external pressure and staff competency had a strong positive significant relationship with the effective budget practices. The study recommended that; active participation should be encouraged among public stakeholders during budgeting process, as this is expected to enhance effective budget practice of MDAs in Kwara State, Nigeria; that management should ensure that budgets are being used in a more effective way by using information technology for budget process, as this would make them to be more efficient and effective in their operations in terms of effective budget practices; the study also recommended that, there should be more pressure from external forces so as to enhance effective budget practice among MDAs in Kwara State. The study further recommends that present government in Kwara State should ensure that the competent staffs are properly put in place especially around budgeting and budgetary control to increase the current level of budget practices among MDAs in the State. It is also important that when planning, government should consider the changes that may possibly occur in their skill acquisitions to enable the MDAs to achieve their set effective budget process.*



## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background to the Study**

In every organization, whether private or public set-up, budget serves as an important tool used in planning, controlling, and making effective decision. The strategies used in the formulation and implementation of the budget go a long way in ensuring the sustainability and success of the organization. However, the alarming rate of slow budget processes and non-implementation of budget items, especially among the government ministries, department and agencies around the globe has raised concerns among the member of the public who paid taxes used in funding these budgets. Consequently, the credibility in the level of transparency and accountability of each arms of government (local, state, county and regional government and federal government) has been questioned (Talesh&Zarei, 2016; Mkanjala, 2017). This has been linked to various factors influencing effective budgeting practices around the world.

Different cases of budget failure had been reported in various developed countries such as the United States of America, Russia, and Netherland amongst others due to high budget deficit Burman, Rohaly,Rosenberg & Lim(2010). The developing countries had been largely tagged with large number of budget failures such as Kenya, Indonesia, Ghana, among others. Nigeria is not left out of this problem due to various cases of budget padding. For example, there was a case of budget padding (that is, increasing the amount in the expenditure side of the budget) by forty billion naira (#40,000,000,000) by the two legislative Houses (the Senate and the House of Representative) (Omeje&Ogbu, 2019).

In order to reduce the problems of budget failures and ineffective budget practices, some developed and other developing countries had taking bold step by encouraging public participation in government decision making and budget implementation. In some jurisdictions, for instance, the United States, Russia, Netherlands, Germany, Denmark and Sweden, have mandated public participation have been incorporated into their legal framework and made a seamless system of information sharing (Gomez, Joel & Isaac, 2005). More recently in the New Zealand, numerous laws (e.g. health, local government, environmental management) require government officials to consult those affected by a matter and take their views into consideration when making decisions (World Bank, 2005).

Some countries in the developing economies have also followed the same suit. For instance, countries like Indonesia, Kenya, South-Africa, amongst others have also allow member of the public to participate in the budget processes in order to voice their needs in the budget (Bekink, 2006). The Constitution of South Africa (1996) stresses the need for accessible services, promotion of sustainable economic growth, and equity in citizen participation in development initiatives. The republic of South Africa introduced the principle of Batho-pele' through the Municipal Financial Management Act (2003), which was aimed at putting the interest of the citizens before everything else. The South African Constitution (1996) further requires local authorities to encourage citizen participation in policy-making and other local government activities, such as budgeting.

However in Nigeria, these initiatives seem to be weak. This could be as a result of the form of government practice in Nigeria. Alade, Abiodun and Igbekoyi (2014) observed that few states (Lagos and Ondo states) in Nigeria had implemented the use of information technology and indirectly engaging members of the public. Lagos state invested in the use of ORACLE

software in gathering information for the preparation of budget. This form of initiative seems to be low in Kwara State as the public are only aware after the approval by the legislature.

Budget design is grouped into the three sequential stages which constitute the budget process: the drafting stage (before action), the steering stage (during action) and the review and evaluation stage (after action) (Bouquin, 2010). He further explained that the drafting stage involve participation of managers and negotiation types; steering stage include difficulty of meeting budget targets, variance analysis and budget revisions while the review and evaluation stage involve budget reforecast, budget-based evaluation and budget based rewards. However, the study focused on the three stages of budget practice.

Kwara State is situated in the North-Central region of Nigeria. The state serves as a major link between the North-East and the South-Western region of Nigeria. The importance of this state in terms of economic growth is very important due to the connection it has among several states of the nation in terms of production and distribution of essential and other items. Therefore, this study examined the factors affecting influencing effective budget practices of the MDAs in Kwara State.

## **1.2 Statement of the Problem**

The incessant budget failure at both formulation and implementation stages in Nigeria, especially in Kwara State has raised an eyebrow on the level of infrastructural development in the State. Consequently, this has not only affected the level of capital project implementation but also the standard of living as well as welfare of the workers in the state. For instance, in 2017, the legislative House of Assembly in the state raised the budget submitted by the ex-governor by the sum of twenty-five billion, nine hundred million, three hundred and eighty-eight thousand and seventeen naira (#25,900,388,017) (Herald newspaper, 18<sup>th</sup> March, 2017; Kwara State Bureau of Statistics Bulletin, 2017). Despite the

increase in the amount allocated to various sectors of the state, the implementation level of the projects in every sector was rated low as some sectors were almost out of functioning (for example, Kwara State Radio Corporation, dilapidated school structures, nonpayment of salaries of workers, amongst others). This menace could be linked to some factors that could influence effective budget practices at both formulation and implementation stages.

Little or no engagement of the public during budget process in Nigeria influences the series of failure in budget practices. This has been attributed to the long process as well as the cost involve in gathering information from various member of the state, preventing the member of the public for stating their priority needs as well as assisting effective implementation of the budget items, hence ineffective budget practice (Abogun & Fagbemi, 2012). More so, some factors which are outside the control of the government may also affect budget practices. It could be argued, for instance, that the constant changes in the rate of exchange, oil price in the international market and political influence serve as adverse effect on the processes and implementation of the items in the budget, hence leading to ineffective budget practices.

Furthermore, there is also a concern on limited involvement by government staff in the design and development of the information technology for budget preparation. This is because the development processes are usually driven by consultants and donors in the formative period of the project and could create a dilemma when applying the designed information technology for budget process in the public entities. The nature of the culture and structures in the public sector can be barriers to the use of information technology innovation as the traditional public sector is usually characterized by hierarchical and disparate structures as well as bureaucracy and paper-based processes thereby leading to inefficiencies and delays.

In addition, the competence level of the budget staff could also have adverse effect on budget practices. It has been observed that some aspects of the budget planning and implementation



require high technicality and experience, therefore budget staff with low level of qualification and experience could find it difficult carrying out the tasks in the budget effectively. The weakness in the monitoring and evaluation mechanisms of public funds as a result of poor accountability, improper procurement, over-invoicing and tendering may not only hinder effective budget processes but also effective implementation of the items in the budget. The implication of this is that if these problems persist, it will have adverse effect on the level of development of the State.

Several empirical studies had examined different factors influencing effective budget practice in both developed (see Guo & Neshkova, 2012; Beuermann & Amelina, 2014; Aleksandrov & Kuznetsova 2019) and developing (see Edwin, 2015; Indeché & Ayuma, 2015; Purba, Supriana & Lubis, 2016; Kalola & Kavale, 2017; Nyamari, Agalo & Kinya 2018; Saheb, Redy & Amsalu 2019; Harun, Carter, Mollik & An, 2020) countries and had reported conflicting outcome. Based on the extant literature, it was discovered that a very large number of the empirical studies reviewed used multiple regression analysis (see Beuermann & Amelina, 2014; Edwin, 2015; Indeché & Ayuma, 2015; Purba, Supriana & Lubis, 2016; Kalola & Kavale, 2017; Effiom & Edet, 2019), descriptive statistics (see Kirimi, 2012; Kirande & Rotich, 2014; Malanilo, 2014; Muchunu, 2015; Zweni, 2017; Mkanjala, 2017) and Chi-square analytical method (see Abogun & Fagbemi, 2012; Alade, Abiodun & Olusola, 2014; Ezeagba & Adigwe, 2015) in testing the hypotheses of their studies. This study differs as it employed partial least square- structural regression analysis in testing the hypotheses of the study. In addition, most of the studies reviewed in the Nigerian context focused implementation stage of budget practice (see Abogun & Fabgemi, 2012; Alade, Abiodun & Olusola, 2014; Zweni, 2017; Kipyego & Wanjare, 2017). This study focused on effective budget practices. More so, the studies reviewed in the Nigeria context have not conducted empirical studies in considering the factors determining effective budget practice in Nigeria

(see Abogun&Fagbemi, 2012; Alade, *et al.*, 2014; Ezeagba&Adigwe, 2015). Therefore, this study fills the gaps identified in the literature.

### **1.3 Research Questions**

From the foregoing, the following research questions were raised in the course of the study:

- i. To what extent does public participation affect budget practices in Kwara State MDAs?
- ii. What is the effect of information technology on budget practices of MDAs in Kwara State?
- iii. What is the degree of influence do external pressure have on budget practices of MDAs in Kwara State?
- iv. What is the effect of staff competency on effective budget practices of MDAs in Kwara State?
- v. To what extent does budget monitoring and evaluation affect effective budget practices of MDAs in Kwara State?

### **1.4 Objectives of the Study**

The main objective of this study is to investigate the factors determining effective budget practices of MDAs in Kwara State. The specific objectives are to:

- i. Examine the extent to which public participation affect effective budget practices of MDAs in Kwara State;
- ii. Assess the effect of information technology on budget practices of MDAs in Kwara State;
- iii. Investigate the extent to which external pressure influence budget practices of MDAs in Kwara State;

iv. Examine the effect of staff competency on effective budget practices of MDAs in Kwara State; and

v. Investigate the extent to which budget monitoring and evaluation affect effective budget practices of MDAs in Kwara State.

### **1.5 Research Hypotheses**

In order to achieve the research objectives stated, the following hypotheses were raised in null form and tested accordingly in the course of the study:

**H<sub>01</sub>:** Public participation has no significant influence on effective budgeting practice of MDAs in Kwara State;

**H<sub>02</sub>:** There is no significant effect of information technology on effective budget practices of MDAs in Kwara State;

**H<sub>03</sub>:** External pressure has no significant influence on effective budget practices of MDAs in Kwara State;

**H<sub>04</sub>:** There is no significant effect of staff competency on effective budget practices of MDAs in Kwara State; and

**H<sub>05</sub>:** Budget monitoring and evaluation has no significant influence on effective budget practices of MDAs in Kwara State.

### **1.6 Justification for the Study**

The low level of implementation of the projects (both capital and recurrent) stated in the approved budget in Nigeria, especially in Kwara State which has led to various agitations by the member of the public when compared with the level of development in some states that

were formulated after Kwara State (such as Osun state, Katsina State, Niger State, amongst others) calls for serious concern.

This menace has been attributed to various factors that may be taking into consideration when preparing the budget. Different empirical studies had been conducted on various factors determining effective budgeting practices and had reported divergent results. These conflicting results call for further investigation into the factors that determine effective budget practices.

Methodologically, most of the previous studies reviewed used ordinary least square regression analysis (see Beuermann&Amelina, 2014; Indeche&Ayuma, 2015; Purba, Supriana&Lubis, 2016; Kalola&Kavale, 2017; Effiom&Edet, 2019), Pearson's correlation technique (see Talesh&Zarei, 2016; Hossain, 2016; Kipyego&Wanjare, 2017; Murei, Kidombo&Gakuu, 2017), descriptive analysis (see Kirimi, 2012; Kirande& Rotich, 2014; Malanilo, 2014; Muchunu, 2015; Zweni, 2017; Mkanjala, 2017), t-test and Analysis of Variance (see Victor &Etieno, 2017; Mathenge, Shavulimo& Kiama, 2017); Chi-square (see Abogun&Fagbemi, 2012; Alade, Abiodun & Olusola, 2014; Ezeagba&Adigwe, 2015) and ordinal logistic regression (see Saheb, *et al.*, 2019) statistical method in explaining the relationship between the dependent and independent variables of their studies.

This study employed the use of partial least square – structural equation modeling (PLS-SEM) in testing the relationship between the dependent and independent variables. This statistical method is unique as it carries out some robust diagnostic test such as confirmatory factor analysis (CFA), composite reliability test, discriminant and convergent validity tests, resampling of the sample through bootstrapping or jackknife, amongst others before the regression results.

Conceptually, based on the extant literature reviewed, it was observed that prior studies in Nigeria had not examined the influence of external factors and public participation on budget practices in the Nigerian context as a whole (see Alade, Abiodun & Olusola, 2014; Ezeagba&Adigwe, 2015). More so, the previous literature reviewed in both local and international countries had all focused on implementation (see Alade, Abiodun & Olusola, 2014; Ezeagba&Adigwe, 2015; Zweni, 2017; Purba, *et al.*, 2016; Mathenge, *et al.*, 2017; Nurdin, Stockdale & Scheepers, 2017; Effiom&Edet, 2019) and processes (see Malanilo, 2014; Alade, Abiodun & Olusola, 2014; Muchunu, 2015; Kipyego&Wanjare, 2017) of budget system. Hence, this study is unique as it considers the influence of public factors, public participation on budget practices.

Geographically, the studies conducted in Nigeria had not considered the factors determining budget practices in the North Central region of Nigeria. For instance, the study of Abogun and Fagbemi (2012) focused on the manufacturing companies in Lagos state (South-Western region), Alade, *et al.* (2017) used the ministries in Ondo State (South-Western region), Ezeagba and Adigwe (2015) study was conducted in the South-East geo-political zone while the study of Effiom and Edet was carried out in South-South geo-political zone. This study differs in scope from the previous empirical studies as it investigated the factors determining budget practices in Kwara State which falls in the North Central region of Nigeria. These gaps in literature call for further investigation into the factors that affect effective budget practices of Ministries, Department and Agencies (MDAs) in Kwara State.

The outcome of this study would be relevant to the academic field of knowledge, policy makers, practitioners and the member of the public. In the area of academic field of knowledge, finding on public participation, the use of information technology and external factors would serve as basis of knowledge for both researchers and budget analysts. It will

serve as a point of reference for future researchers that may intend to conduct empirical study in the same or similar area of the subject matter.

The result of this study will assist the policy makers such as the Executive and legislative arm of government, in taking some important factors into consideration such as the use of information technology and employing competent staff in the budget department when preparing and reviewing the contents in the appropriation budget. It will also assist the two organs of governments in making pragmatic policies that will enhance smooth process and implementation of the projects which can subsequently lead to development of the society. Information coming from these findings will be useful as a framework to the Kwara State government in formulating both operational and strategic policy of the state.

In addition, the outcome of this study will assist practitioners like the Commissioner for Finance that deal with the preparation of budget on some factors that can aid smooth preparation as well as understand what causes discrepancies in the implementation of the budget. This can assist the MDAs in taking corrective actions in the future for better budget process and implementation. It will also enlighten the member of the public on the need to participate in the budget as well as assisting in effective implementation of the budget in order to aid economic development.

## **1.7 Scope of the Study**

This study examined the determinants of effective budget practices of MDAs in Kwara State. The choice of this state was as a result of the various agitations on the low level of implementation of capital budgets as well as the level of development in the state. The study covered up to the period of September, 2019 in which questionnaire were administered to the respondents. The study did not attempt to look at the influence of factors affecting budget practices on the performance of budget.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

This chapter examines the concepts of budget, budget process and the factors determining budgeting processes. It also reviewed relevant theories on budget process, the previous empirical studies on the subject matter in order to bring out the gap(s) identified in the literature.

#### **2.1 Conceptual Review**

This sub-chapter examined the concepts of the relevant variables in the study such as budget and budgeting, and the factors influencing effective budget practices.

##### **2.1.1 Budget and Budget Practices**

Budgets are a source of income control used to establish priorities and set targets in order to provide direction and co-ordination, so that business objectives can be turned into practical reality, to assign responsibilities to budget holders (managers) and allocate resources, to communicate targets from management to employees, to motivate staff, to improve efficiency and to monitor performance(Riley, 2012).

According to Uyar and Bilgin (2011), budgets are used to aid longer planning, co-ordinate the operation, control expenses, profitability, aid short-term planning, evaluate performance, motivate managers, motivate employees and communicate plans with employees. Organizations should have both recurrent and capital budgets in order to control and plan for both short term and long term cash flows. According to CIMA (Chartered Institute of Management Accountants) a budget could be defined as a plan stated in quantitative monetary terms which is prepared and approved prior to a defined period of time usually

showing planned income to be generated and, or expenditure to be incurred during that period and capital to be employed to attain a given objective.

According to Blumentritt (2006), budgeting is defined as the process of allocating an organization's financial resources to its units, activities and investments while on the other hand, Horngren, Stratton, Sutton, and Teall (2004) sees budgets as the quantitative expression of a proposed plan of action by management for a specified period and an aid to coordinating what needs to be done to implement that plan. In general, a budget is a financial or quantitative statement, containing the plans and policies to be pursued during a specific time period (typically a year). Kimani (2014) defined budgeting as a document entailing the establishment of predetermined goals, reporting of actual performance results and evaluation of such performance in terms of predetermined goals.

Therefore, it could be deduced from the previous definitions that budget represents a financial plan prepared before a certain period of time, stating the expected revenue and the expected expenditures, in order to compare the actual results with the standard specified which could allow for effective control of any deviances as well as making effective decision. For a budget to be effective, Abd Raahim (2004) stated that it must be a device that can be used to communication with others involved in the preparation and execution of the projects, controlling any variances identified, coordinating, motivating as well as evaluating performance. Abd Rahim (2004) in Kenis (1979) also opined that the budget practices of any set-up depend on the attitudes, behavior and performance of lower managers and the budgeting style of upper management. The concept of budgetary style includes budgetary goal attributes such as participation, feedback, budgetary evaluation and goal difficulty.

Given the arrays of definitions of effective budget practice from different researchers, Kimani's (2014), definitions of effective budget practice was used to guard this study. Thus;



variables discussed in this definition was operationalized to measure effective budget practice.

### **2.1.2 Factors Influencing Effective Budget Practice**

Previous empirical studies (see Beuermann&Amelina, 2014; Edwin, 2015; Indeché&Ayuma, 2015; Purba, Supriana&Lubis, 2016; Kalola&Kavale, 2017;Nyamari, Agalo&Kinya 2018; Aleksandrov& Kuznetsova 2019; Saheb, Redy& Amsalu 2019; Harun, Carter, Mollik& An, 2020) had examined various factors that could influence effective budget practices in different part of the globe. These factors include but not limited to staff competency, monitoring and evaluation, external pressures/factors (like legal framework, cultural factors, political influence, and government influence), behavioural factors, application of information and communication technology, citizen/public participation, budget staff participation. However, this study focused on public participation, the application of I.T., external pressure, budget staff competency and budget monitoring and evaluation.

#### **2.1.2.1 Public Participation**

Public participation is a process through which citizens voice their input in public policy decisions (Malanilo, 2014; Roberts, 2002). Even though public participation and citizen involvement are used interchangeably, they are a means to ensure that citizens have a direct voice in public decisions (Irvin *et al.*, 2004; Russell, 1982). Globally, public participation in budgeting process has become an institutional procedure, being adopted by the European Union (EU) member countries and the Asian countries as a means of promoting transparency and accountability in fiscal policy/budgeting processes (Allegretti& Carsten, 2004).

Odhiambo and Taifa(2009) defined budget participation as the process through which stakeholders' input and share control over development initiatives, decisions and resources

which affect them. Citing Gardiner (1995), Okello, Oenga and Chege(2009) further define it as a process whereby stakeholders influence policy formulation, alternative designs, investment choices and management of decisions affecting their communities. According to Hongo (2010), public participation provides opportunities for citizens to be involved in a number of ways and at different levels namely consultative meetings, consensus meetings, project committees and monitoring and implementation.

At the initial level of consultative meeting, information on the budget process, resource availability, operational and institutional requirements are shared (Wampler, 2000; Souza, 2001 & Navarro, 2001). The right to participation may also be advanced in the context of equality and group rights, which is meant to ensure equal and full participation of a designated group in society (Pickaveret *al.*, 2011). According to Lakin, (2013), public participation is based on the assumption that open, participative processes lead to better decisions. He further argues that where the planner engages directly with stakeholders, an institution is likely to gain support, build consensus, identify acceptable solutions, and secure implementation.

Participation has been instrumental in guarding against abuse of office by public servants and political leaders. It has also provided a control against excessive discretion being vested in civil servants in public procedures. Participation has provided checks and balances against unnecessary political interference in service delivery and disregard for professionalism and meritocracy in the public sector amongst others (Odhiambo & Taifa, 2009). There are two broad dimensions of citizen participation namely, indirect involvement and direct involvement. Indirect involvement acknowledges that electoral officials and professional administrators should act on behalf of the citizens in a representative democracy. Direct involvement suggests that citizens are the owners of the government and should be involved in the decisions of the State (Yang and Callahan, 2005).

Citizen participation in administrative decision-making is thus inclusive of goal setting, determination of strategies, policies, and monitoring and evaluating government services. Citizen participation activities would then relate to the techniques and mechanisms to arrive at these. The techniques include but are not limited to public hearings and sittings, citizen advisory councils and citizen panels, neighborhood or resident association meetings and citizen surveys, public outreach and education, public surveys, budget advisory committees, budget workshops and forums for public/stakeholder deliberations (Avritzer, 2002; Odhiambo & Taifa, 2009; Lakin, 2013). Other budgeting approaches include; consensus conference, citizens' jury and advisory committees (Odhiambo & Taifa, 2009). According to Odhiambo and Taifa (2009) and Lakin, (2013), these budgetary approaches resonate well on both acceptance and process criteria. Other mechanisms used to elicit public input in the budgeting process include; surveys, focus groups, interviews, comment (or point of service) cards, public meetings and use of interactive priority setting tools (Pickaver & Kreiken, 2011).

#### **2.1.2.2 Information and Communication Technology**

Information technology can be defined as a combination of computer technology and telecommunication with other technologies such as hardware, software, databases, network technology, and other telecommunications equipment (Stanic, 2020). Information technology is used in organizational information systems to provide information to users in the framework of decision making (Maharsi, 2000).

Information and communication technologies (ICTs) have made the implementation of the goals of the budget transparency and accountability initiatives much easier in recent years. ICTs are generally perceived as a meaningful, cost-effective and appropriate tool to strengthen budget transparency and openness of governments. Furthermore, many countries have embraced these changes as part of e-government reform programs, thus addressing

efficiency, transparency and innovation in governments' operational activities. This has resulted in an open data movement, forcing governments to increasingly use low-cost technologies to publish information on their websites or on special data portals( Effah& Nuhu, 2017). Such a movement, combined with the growing citizens' use of the internet, mobile technologies and social media, has transformed the relationship between citizens and local governments in ways that allow greater accessibility,answerability, instant reactions, feedback, and direct two-way communication (Stanic, 2020).

Generally, the use of information technology promotes online interactions and offers opportunities to governments to address problems with traditional, paper-based processes (Janowski, 2015). The use of information technology is an innovation to promote efficiency and effectiveness in private and public sectors (Yoo, Boland, Lyytinen, & Majchrzak, 2012). As a form of e-government innovation, the use of information technology has been identified as an initiative to reform internal public administration activities in order to promote efficiency and integration (Haider & Saman, 2012).

In relation to e-government, information and technology involves the conversion of traditional, bureaucratic and paper-based processes onto digital platforms (Janssen & Estevez, 2013). In this context, information and technology is considered as the advanced form of e-government innovation that re-engineers physical processes to promote efficiency and effectiveness (Irani, Love, & Jones, 2008; Weerakkody, Janssen,& Dwivedi, 2011). Information and technologyis noted to help promote democracy, transparency, accountability, and freedom (Falk, Römmele& Silverman,2017). It also offers opportunities for governments to modernize public administration and engagement with citizens and businesses (Falk *et al.*, 2017). One form of public sector modernization is process simplification through standardization of activities to increase efficiencies and reduce response time (Calvo & Campos, 2017). At the same time, information and technology leads to cost savings in public

administration (Falk *et al.*, 2017). Given its benefits, information and technology presents opportunities for governments to address problems of bureaucracy and inefficiency in traditional public sector processes (Davison, Wagner & Ma, 2005; Grönlund & Horan, 2004; West, 2004). In general, information and technology helps to streamline costly and inefficient vertical and horizontal processes (Janowski, 2015; Janssen & Estevez, 2013; Sun *et al.*, 2015).

Notwithstanding the benefits of information and technology, its deployment in the public sector can be a challenge (Falk *et al.*, 2017). Generally, the nature of the culture and structures in the public sector can be barriers to digital innovation (Heeks & Stanforth, 2007; Irani *et al.*, 2007; Weerakkody *et al.*, 2011). The traditional public sector is characterized by hierarchical and disparate structures as well as bureaucracy and paper-based processes (Davison *et al.*, 2005; West, 2004) that cause inefficiencies and delays (Beynon-Davies, 2007). Paradoxically, bureaucracy in the public sector was intended to promote efficiency, equality and democracy (Cordella & Iannacci, 2010). Yet, it has increasingly become a source of delays, inefficiencies (Davison *et al.*, 2005) and excessive paperwork (Wiredu, 2012).

### **2.1.2.3 External Pressure**

External pressure is a power from outside the organization that limits the movement of the organization in carrying out its tasks (Frumkin and Galaskiewicz, 2004). External pressure in institutional theory, better known as a form of coercive isomorphism is the result of formal and informal pressures given to organizations by other organizations where the organization depends on the expectations of the culture of the community in which the organization carries out its functions. Coercive power is external pressure provided by the government, regulations, or other institutions (Ashworth, 2009). According to Nay (2011), external pressure can be felt through the number of legal regulations, the culture of organizational

bureaucracy and the existence of claims or direct demands from stakeholders. The existence of regulations is intended to regulate existing practices for the better. Thus, the success or failure of the planning process is realized depending on how much pressure comes from external parties.

#### **2.1.3.4 Budget Staff Competency**

Competency has been defined as underlying characteristics of a person, which result in effective or superior performance; they include personal skills, knowledge, motives, traits, and self-imaging and social role (Boyatzis, 1982; Wambui & Njuguna, 2017). Brophy and Kelly (2002) thought of competence in terms of knowledge, abilities, skills and attitudes displayed in the concept of a carefully chosen set of realistic occupational tasks that are of an appropriate level of generality. Brophy and Kelly (2002) further opined that a competence is a word that can be used to describe a feature of a personal ability to perform one's job effectively. In other words, competencies focus on how the job or role is performed by identifying those behaviors' that contribute to achieving effective performance. Each individual competency consists of a number of observations, behavior or trait relevant to the performance of that role.

Hedhilia and Boudabbous (2020) in Boyatzis (1982) defined competence as an underlying characteristic of a person in that it may be a motive, trait, skills, aspect of one's self-image or social role, or a body of knowledge which he/she uses. The author argues that competencies proceed and lead to more effective or superior performance in the job. Boyatzis' (1982) definition presents two types of competences: namely, standard competencies and distinctive competencies. The former usually include expertise, experience and knowledge that each individual must have to do their job. The latter differentiate clearly the best and least effective

individuals. Indeed, the assessment of competence helps to identify the different attributes of personality (knowledge, attitudes, skills, etc.).

Spencer and Spencer (1993) consider competence as an underlying characteristic of an individual that is causally related to criterion referenced effective and/or superior performance in a job or situation. They argue that through competence, it is possible to predict the performance of the individual in different contexts during a certain period of time. Durand (2015) defines competence as the ability of an individual, a group or a company to mobilize and combine resources in real work situations. Successful implementation of projects in the budget requires adequate support from the required quarters and technical advice from relevant government department.

Training the employee solely as a resource to meet the technological change often lacks understanding of an individual's total learning needs. New working methods, based on competencies, need competent multi-skilled workers with a broad set of skills and preparation to change. These skills include; learning to learn, putting a new knowledge into practice, questioning and managing self-imaging information, communication and firm work, problem solving, adaptability and flexibility and finally understanding competence development.(Brophy and Kelly, 2002). Albanese (1989), asserts that no single set of competencies can fully capture the mystery of the managerial role and that there are many job-specific skills that influence effectiveness on particular management role. The advantage of empowerment and competence is said to include higher quality product, decision making and problem solving which results into greater organizational effectiveness (Lawley, 2002).

Crawford (2005) developed a competency based. This model is a reference model for most researchers and practitioners in project environment (Medina and Medina, 2015; Bredillet *et al.*, 2015) and it divides the concept of competence into three categories which include input

competency, process competency and output competency. Input competencies include the knowledge and skills that the project actor must have to effectively perform their tasks in a real work situation. Process competencies represent the personality attributes and behaviors of the project actor (motivations, character traits and self-esteem). Although these competencies are difficult to develop or evaluate, they can be determined using measurement tools proposed by academic research. Output competencies are defined as the ability of the project actor to effectively realize his activities in accordance with the AIPM model, and this, by the effective application of his competencies in a real situation.

#### **2.1.2.5 Budget Monitoring and Evaluation**

Budget monitoring is a regular and periodic assessment, and overseeing of the project in the budget in order to ensure that input administered, labor timeline, expected outputs and other needed action proceed in accordance with the plan (Victor & Otieno, 2017). Monitoring is an ongoing function that employs the systematic collection of data related to specified indicators in Public projects. Monitoring and evaluation (M&E) is described as a process that assists project managers in improving performance and achieving results. The goal of monitoring and evaluation is to improve current and future management of outputs, outcomes and impact (United Nations Development Programme, 2002).

Monitoring is a continuous process of gathering information involving on-going projects periodically. Monitoring involves steady and orderly planned gathering and analysis of information in an attempt to focus on the progress of program implementation in line with the set objectives. It aims to answer the question “did we deliver?” Monitoring makes the project objectives clear, connects activities and their resources to objectives, change objectives into performance indicators and sets targets, regularly gathers information on these indicators,



does a comparison of actual results with targets and conveys progress information to top managers notifying them of problems

Budget evaluation involves a systematic collection, analysis and interpretation of project related data that can be used to understand how the project is functioning in relation to the project objectives. It involves determining decision areas of concern choosing the best suitable information, collecting and analyzing data so as to report summary useful to decision makers in selecting among alternatives (Alkin, 1969). Project evaluation is a necessary component that must be included in the project designs. Evaluation involves deep analysis on reasons for achieving or not achieving expected results. It assesses certain informal input from activities all the way to results, inspect the process of implementation, further analyze unexpected outcomes, and highlight the major and noticeable areas of success giving favorable suggestions to push for further improvements. (Nyamwaro, 2011).

Therefore, both budget monitoring and evaluation present shareholders, stakeholders and top managers with constant feedback about execution, interim and terminal evaluations. This is conducted on the on-going projects so as to notify on the needed adjustments to be implemented in designing the project and to analyze its effectiveness (Paul, 2005).

Budget monitoring is a managerial process which aims at generating information to support decision-making and to stimulate cost reduction, value improvement and continuous improvement during budget implementation. Larson and Gray (2011) affirm that monitoring involves regularly measuring progress to ensure that the budget is meeting its objectives and addressing intended needs. The budget manager and other staff monitor progress against plans and take corrective action when necessary. In order to achieve effective budget performance, the variables of time, cost and scope must be closely monitored and controlled since they have a great influence on the performance outcomes of the budget at hand

(Gwaya,Masu, &Githae, 2014). Budget monitoring is therefore a holistic management process that involves collection, recording, reporting and disseminating information concerning performance achieved or forecasted in budgets to ensure budget objectives are achieved within the agreed implementation schedule.

Monitoring systems should be built in such a way that there is a demand for results and information at every level of the budget implementation. Sekaran and Bougie (2011)studied self-evaluation capacity building in a large international development organization where interviewees similarly described a lack of open, transparent, and critical intra-organizational dialogue and a lack of formal structures as an organizational habit. At the same time, there was rather high awareness of the potential for evaluation to be used as a tool for learning after monitoring.

Some of the main components of a functional monitoring system are structure and organizational alignment; Human capacity for Monitoring and evaluation systems, partnerships, Cost of Monitoring work plans, Advocacy, communication and culture for monitoring systems; Routine monitoring; periodic surveys; Databases useful to monitoring systems; Supportive supervision, data auditing and use of information to improve results (Kalola&Kavale, 2017).Iyer and Jha (2005), identified many factors as having influence on project cost performance, these include; project manager's competence, top management support, project manager's coordinating and leadership skills, monitoring and feedback by the participants, decision-making, coordination among project participants, owners' competence, social condition, economic condition, and climatic condition.

## **2.2 Theoretical Review**

This sub-chapter reviewed appropriate theories relating to factors influencing budget practices and effective budget practices which had been used by previous researchers in order

to give a clear picture on the relationship between the dependent and independent variables. These theories include institutional theory; contingency theory; legitimacy theory and agency theory. The researcher discussed the creators of these theories, the philosophy behind the theories and their importance to this study.

### **2.2.1 Institutional Theory**

The origin of institutional theory could be traced to Tobert and Zuxker in 1935 but was popularized by DiMaggio and Powell in 1983. Institutional theory postulates that organizations are influenced by external or internal pressures in forming their structure (Zucker, 1987). This theory explains actions and decision making in public organizations. Institutional theory argues that organizations that prioritize legitimacy will have a tendency to try to adjust to external expectations or social expectations where the organization is located. Adjustments to external expectations or social expectations result in the tendency of organizations to separate internal activities and focus on systems that are symbolic to external parties. Public organizations that tend to gain legitimacy will tend to have similarities or isomorphism with other public organizations (Ridha & Basuki, 2012).

Institutional theory gives the view that external pressures originating from the external environment of organizations such as politics, norms, institutional practices in the form of functional and social pressure, will affect the survival of an organization (Ashworth et al. 2007). Institutional is based on the idea that to survive, organizations must convince the public or society that the organization is a legitimate entity and is worthy of support. Institutional Theory illustrates three types of drivers (i.e., coercive, normative, and mimetic) that generate isomorphism in organizational strategies, structures and processes (DiMaggio & Powell, 1983). Coercive power arises from the pressures applied by those influential

positions and these pressures are vital to driving environment management and sustainability (Kilbourne, Beckmann & Thelen, 2002).

Normative pressures come in the form of professional standards or good practices, most often presented by influential professional communities. The effectiveness of normative pressures and the successful implementation of normative professional practices depend largely on the professional and educational background of individuals in the observed entity, as well as their willingness and commitment to encourage the implementation of professional norms of behavior. In this regard, organizational networking with other units within the same professional field is very important, as it enables the exchange of new ideas and practices, storytelling, insights and up-to-date information and models (DiMaggio & Powell, 1983).

Unlike coercive pressures, normative isomorphism contributes to a genuine change in the mindset of the individuals involved, including the general acceptance of well-defined methods and patterns of behavior within the observed entity (Seyfried, Ansmann & Pohlenz, 2019). In the context of budget transparency, normative pressures in the form of good practices, standards and models come from different networks and groups, such as accountability and transparency initiatives or domestic civil society organizations dealing with transparency issues. These organizations and initiatives can, through their norms, networking capacity and advocacy capabilities, influence the creation of transparency policies at both national and lower levels of government.

The existence of mimetic pressures implies that certain organizations carry out good or best practices in the environment, which is why other organizations follow such behavior. Mimetic occurs when organizations imitate the actions of a successful organization in the system, as an endeavor to follow the pathway and then legitimacy. Since leadership behaviors are considered desirable, serving as a performance indicator in the appropriate field, other

organizations are beginning to imitate and copy the leader. However, it should be noted that mimetic pressures come from uncertain and evasive situations and conditions within the observed entity. Namely, every entity (organization or government) faces many challenges, problems and more or less risky decisions. But often, the entity is incapable or unable to generate methods and techniques that can help address emerging problems and challenges. For this reason, such an entity observes other units in its field of activity, seeking to discover their structures and the way in which they solve similar existing problems. In this way, the observed entity, without much hesitation, imitates the operation and governance mode of other units, considering it a beneficial and adequate solution (DiMaggio & Powell, 1983).

When it comes to the flaws of institutional theory, it is generally objected that theory overemphasizes the role of institutions, while neglecting its primary task - understanding the structures, processes and governance of organizations (Greenwood, Hinings & Whetten, 2014). Greenwood, Hinings and Whetten (2014) also stated that institutional theory, while emphasizing the importance of similarities between organizations for their true understanding, actually neglected differences among organizations, thus reducing added value from potential comparative studies.

### **2.2.2 Legitimacy theory**

The source of legitimacy theory can be traced to Dowling and Pfeffer (1975). This theory assumes that all organizations seek to align their operations following the bounds, standards and rules that exist in the social environment in which they are located. It posits that the actions of an entity are desirable, proper or appropriate within some socially constructed system of norms, values, beliefs, and definitions (Suchman, 1995).

Accordingly, organizations will voluntarily publish information about their activities if they find that society expects them to do so (Denis and Gordon, 2001; Deegan, 2002). In other

words, social expectations and pressures are intertwined with the social perception of organizational operations. On the other hand, if an organization does not align its operations with the social system of values, beliefs and norms through economic and social actions, there is a high probability of sanctioning such behavior by society. This social punishment can even lead to the organization's downfall (SchiopoiuBurlea& Popa, 2013). Several authors have pointed out that legitimacy theory implies some form of social contract between the entity and the culture in which it is located (Shocker &Sethi, 1973; Patten, 1992; Deegan, 2002). The survival, quality and growth of all relationships within this contract depend on the coherence of their social value systems. While, the survival of an entity can be said to depend on two conditions being met (Cuganesan, Ward & Guthrie, 2007): - meeting the expectations of society, and - providing financial, communal and political benefits to certain categories the entity derives its power from.

More generally, the legitimacy proposes that the endurance and growth of an entity rely on the way the entity manages constant change and upcoming challenges, and how it responds to the constant pressures of society.

Although this two-party relationship (entity / organization and society) arose from corporate social responsibility, the same arguments apply to governmental legitimacy, which can be interpreted through a principal-agent relationship. In the context of government transparency, this theory explains the behavior of agents in meeting principal's demands for higher transparency and accountability levels. Since they can be penalized in the case of disrespect for such values, politicians opt to voluntary disclosure to ensure their political survival. If government legitimacy is disrupted, politicians increase transparency in order to restore citizen confidence and the legitimacy of elected public officials, thus securing a good reputation of the government (De Araújo &Tejedo-Romero, 2016).

Mathews (1993) emphasizes the importance of lessening the space between agent's activity and the values and norms expected by principals, in order to achieve greater matching of value systems in more homogenized structures. In this sense, the gap can be reduced by promoting the legitimacy of the agent's decisions and activities, which can be enhanced by providing information on these activities to citizens.

In this regard, public authorities and government institutions are increasingly recognizing the importance of transparency for accountability. Efforts are being made to increase the transparency of the entire political process, and in particular fiscal issues and the budget cycle, to explain the legitimacy of political actions and decisions. Greater transparency and its adequate measurement can significantly affect the perceived government's accountability and legitimacy, and citizens' trust in government (Hood & Heald, 2006).

Fiscal transparency, as a separate segment of government transparency, particularly enhances the legitimacy of government, given its instrumental nature to contribute to improved governance. This instrumental nature of fiscal transparency is best represented through two streams: - its incentive to help divert the focus of attention from inputs to outcomes, and - enhancing the credibility of fiscal policies, giving political and economic actors some power in predicting fiscal activities, which makes them more effective in making decisions (Heald, 2003; De Simone, 2009).

Accordingly, greater fiscal transparency, emerged in response to external pressures, fosters citizens' confidence in government and the modernity of its operations, which underpins good governance. The greater the pressure and demands of the public, the more likely it is that authorities will apply structures and practices that are perceived by society as legitimate and acceptable, thus homogenizing governance practices (DiMaggio & Powell, 1983). In this context, increasing transparency and strengthening accountability policies come from the

influence of environmental factors, as opposed to institutional factors where internal government decisions foster greater transparency levels. In general, they (Serrano-Cinca, Rueda-Tomás and Portillo-Tarragona, 2009) have concluded that, in accordance with the theory of legitimacy, a larger population implies more government funding to provide services to their citizens. In such an environment, citizens are more incentivized to request information about government activities, making larger municipalities more likely to respond to such pressures and offer more information than smaller ones. Likewise, municipalities with more population generally have a greater public administration and the number of councilors in local councils.

Nevertheless, local governments, regardless of their size, can use many website features to enhance their transparency and accountability, which can increase legitimacy and public trust (Pina, Torres & Royo, 2007). In this context, whether it is voluntary disclosure of government information (looking at comprehensiveness, clarity and user-friendliness) or disclosure on request (looking at the timeliness and legitimacy of government response), new technologies and online publishing and interactivity are a great facilitator. Therefore, municipalities can use a variety of new, enhanced ways in which they can express their accountability to citizens, thus gaining more legitimacy as “online distribution channels can reach and influence a large number of citizens” (Mourao, Bronić & Stanić, 2020). However, these are decisions made within the government that represent institutional factors in improving transparency and accountability policies. Finally, the limitations of legitimacy theory are reflected in the agent's constant response to social norms and waiting for the 'approval' of principals to perform socially desirable activities, thus neglecting the agent's proactiveness (Guthrie & Parker, 1989).



### **2.2.3 Agency theory**

Agency theory was first propounded by Mitnick in 1973. Agency theory refers to be the study of the agency relationship and the issues that arise from this, particularly the dilemma that the principal and the agent, while working towards the same goal, may not always share the same interests. An agency relationship is a contract under which one or more persons; the principal(s) engage another person (the agent) to perform some service on their behalf which involves delegating some decision making authority to the agent (Jensen& Meckling, 1976). The objective in agency theory is to structure the contractual relationship between these groups so that agents take actions to maximize the welfare of principals. At the heart of public budgeting are relationships among those who provide agency services and those who allocate resources to service providers. Schick (1988) as cited by (Forrester, 2002) has referred to these individuals as claimants and conservers, respectively. Others have entitled them more generally as agents and principals, respectively (Demski, 1998; Baiman, 1982; Holstrom, 1979) as cited by (Forrester, 2002). In other words, those who make claims on governmental resources are agents and those who allocate and ration the resources are principals. In this relationship, the principals contract with agents to provide services to the public, and the main focus for all those involved is the contract (i.e., the budget) itself. Two key questions for both participants are; “What can be done to draw up the most effective contract possible?” and “How can the contract be upheld?” (Forrester, 2002).

The budgeting process is conducted or steered by public servants who undertake that function on behalf of the citizens of a country or a county. Both the agent and the principals have divergent interests and hence the agents do not necessarily act in the best interest of the principals. Agency theory therefore describes the conflict arising between self-interested managers (agents) and the owners (principals). The principals must try to reduce the agent’s actions in advancing their interest through establishment of appropriate incentives for the

agent and by incurring monitoring costs designed to limit their self-benefiting activities (Michael C. Jensen, 1976). It was also important to point out that currently, the information asymmetry between the principals and agents in counties are being addressed by increased recognition of the role of county assemblies, civic budget groups and the general public in the budget formulation process. (Mutuma, 2016).

Financial accountability asserted that the implementation of public budgets was based on the interests of the people, as who provide the mandate to the government to plan and implement the budget. Budget in favor of the people is the budget not only in terms of expenditure, which meets the allocation of public services as expected, but also from the revenue side. The Office of controller of budget (COB) in liaison with national treasury exercise financial control in all counties and is required to serve the public interest. County governments can be seen as agents of the people (the principal) because they are required to produce a certain level of public output including the quality of county government expenditure returns in exchange for taxes paid by the people.

In view of the above explanation of the agency relationship, failure of the agent to act in the best interest of the principal could be one of the reasons of not attaining effective management of the budget. Public participation and strict adherence to government regulations should be applied to ensure that the agents act in the best interest of the principals who are the citizens. This will ensure an effective management of the budget. The staff should also be capacity built to a high competence level of understanding the law in regard to budgetary provisions.

### **2.3 Empirical Review**

This sub-chapter examined the empirical results of previous research studies on the various factors influencing effective budget practices. This sub-chapter reviewed previous empirical

research evidences on the various factors determining effective practices and their effects on effective budget practices. The empirical review was divided into developed, developing and the Nigerian studies.

### **2.3.1 Studies on Developed Countries**

Relevant research efforts have been conducted on individual component of intellectual capital (public participation, information technology, external pressure, budget staff competency and budget monitoring and evaluation) and their influence on effective budget practice. Based on the extant literature reviewed, it was discovered that there are few research studies conducted on the developed countries. For instance, Zhang and Liao (2011) assessed the likelihood that local government will provide two-way dialogue opportunities in the budgeting process in the New Jersey municipals. The primary data for the present study were obtained from the New Jersey Municipal Manager Survey and the New Jersey Mayor Survey of one hundred and seven (107) municipals and secondary data on municipal budgets were collected from New Jersey Department of Community Affairs and demographic information from city-data.com. The results of the ordered logistic regression shows that public officials' attitudes and perceptions, forms of government, council's diversity and politics, and community characteristics influence the adoption of mechanisms of two-way communication for participatory budgeting.

Guo and Neshkova (2012) examined the effect of citizen participation on budget processing in the United States of America. The data for the stud were obtained from the Bureau of Transportation Statistics bulletins for three years (2003-2005) and were analyzed using panel regression analysis. The results of the study show that citizen participation in the budget process has greatest positive effect on organizational performance at both the early and

ending stages of the budget process, namely, the stages of information sharing and program assessment.

Beuermann and Amelina (2014) investigated whether participatory budgeting improve decentralized public service delivery or not in the USA. Questionnaire administered to one thousand, six hundred and forty-five (1,645) respondents from one hundred and nine (109) settlements serves as the source of data for this study and were analyzed using multiple regression analysis. The results of the study revealed that increased in public participation in the process of public decision making increases local tax revenues collection, channeled larger fractions of public budgets to services stated as top priorities by citizens, and increased satisfaction levels with public services.

Aleksandrov and Kuznetsova (2019) examined the effect of citizens' involvement in financial planning in the Russian North focusing on external pressures and internal dynamics of participatory budgeting experiments. Using a case study approach, the findings show that both PB cases formed limited PG practices. The study also revealed that despite the comprehensive rhetoric of "local voice" in the case of the High North municipality, there was much less potential for PG in practice than in the middle-sized municipality outside the Barents Region with less rhetoric. It was also found that the combination of various institutional aspects influenced the potentials of PB to form PG – and that even though PB in the High North was supposed to involve the local inhabitants; it was rather designed and adopted by mimetic and coercive pressures. As a result, decisions continued to be kept far away from the "local" High North and its internal dynamics. Another PB case, less strategically important than the municipality in the High North, was mainly designed and developed through a combination of normative pressures and internal managerial logic.

### **2.3.2 Studies on Other Developing Countries**

Poorzamani and Naderi (2012) studied the review of the barriers to implementing operational budgeting in Iranian free trade-industrial zones. T-test and median test were employed in analyzing the data obtained through the questionnaire administered to the financial managers, programming and budgeting managers of free trade-industrial zones, and also the staff of secretariat of high council of Iranian Free Trade-Industrial Zones. The results of the study indicated that inability to assess the performance, inefficiency of human resources, lack of legal and procedural authority, and also the lack of motivation for acceptability were identified as the barriers to implementing the operational budgeting based on Shah Model. Nevertheless, factors such as technical ability, organizational authority, political acceptance, and managerial acceptance were not among those identified as barriers.

Kirimi (2012) examined the factors that affect budget utilization by government ministries in Kenya. Questionnaires were administered to the finance officers in various ministries and were analyzed using descriptive statistics and factor analysis. The findings of the study showed that the ministries had documented budget and budgeting process that acts as a reference material on how the funds will be utilized and budgeting control procedures be maintained. The most focal factor that affects budget utilization are structural and cultural factors that exist in the ministry with the training and educational programmes coming out as the least factor that affect the utilization of budget funds in the ministries. Within the ministry, a lack of alignment between the organizational structure and structure of performance reporting requirements, value and usefulness of performance information were found to undermine the budget utilization.

Kwena (2013) examined the factors affecting community participation in the management of development projects through local authority service delivery action plans with evidence

from Kilgoris constituency, Narok County. The data for the study were collected through the questionnaire administered to two hundred (200) community members (officials from the Local Authority and Civil Society Organizations in the study area) and were analyzed using descriptive and pie chart method. The study found that there are contrasting views between community and the Local Authority officials regarding citizen participation in LASDAP development projects. The study established very low community participation in LASDAP process, limited awareness coming out strongly as one of the reasons for poor local involvement in the development projects.

Radebe and Radebe (2014) assessed the behavioural factors determining effective budgeting process in public secondary schools in South Africa. The data for the study were extracted through the structured questionnaire administered to four hundred and ninety-six (496) principals, deputy-principals, heads of department and educators in all schools chosen as sample. Factor loading matrix was computed to identify appropriate items for each factor. The findings from the study indicated that for effective budgeting process to occur in public secondary schools, participation and budget control, budget planning, motivation, training, and development, including co-ordination and communication should be embedded in the process.

Kirande and Rotich (2014) assessed the determinants affecting public procurement performance in Kenyan universities using Co-operative University College of Kenya as a case study. The data for the study were collected through the questionnaire administered to thirty-two (32) respondents at lower, middle, and senior levels of the Co-operative University College of Kenya and were analyzed using descriptive statistical technique. The study revealed that organizational budget, work environment, quality management systems and organizational structure are determinants that affect the performance of public procurement.

Kairu and Ngugi (2014) examined the factors affecting effective implementation of constituency development fund projects in Machakos Town Constituency, Machakos County in Kenya. Primary data were collected through the questionnaire administered on one hundred respondents while secondary data were extracted from the financial records of the Auditor-General's office. The results of the multiple regression analysis showed that the most significant variable was the level of education Project Management Committee members. However, the combined effect of all variables (utilization of allocated budget to various projects; level of education of the Projects Management Committee (PMC); community participation; and the level of involvement of technical officers) had relationships in effective implementation of constituency development fund projects in Machakos Town Constituency.

Malanilo (2014) examined the effect of citizens' participation on budgeting process in local government in Tanzania. The study was conducted in the Ngara District Council in Kagera region. The data obtained through the questionnaire administered to the sample respondents were analyzed using descriptive statistical analyses. The findings from the research indicated that 92% of all respondents did not know how the budget process of the village as well as local government is prepared and 86% had never participated in budget formulation at village level. The findings indicated that there is a diversion from the process proposed by the guiding documents including the guidelines from the ministry of finance and the actual process done by the local government officials which exclude direct citizens' participation in the budgeting process for local government in Tanzania. The study also found that factors that hinder citizens' participation in budgetary process included formation of TUKI committee made by people between 4 to 6, which have confiscated citizens constitutional rights to participate directly in the budget formulation at village level. Another reason was the limited resources in the local government which makes it difficult to pay allowance for the day's facilitators are in the process of formulating the budget for the village.

Sześciło (2015) examined the influence of participatory budgeting on budget process using a quasi-referendum instead of deliberation in Poland. Using a conceptual approach, the study demonstrates that the model disseminated in Poland is based on quasi-referendum that guarantees the citizens direct impact on local budgets. However, the study further revealed that participation is limited to a minor part of local budgets and it is not accompanied by public deliberation over strategic issues.

Muchunu (2015) conducted a study on the influence of stakeholders' participation in the budgetary process implementation of Government funded projects in Isiolo, Kenya. The study focused on civil society organizations, individual citizens, community group participation and funding agencies and donors as the stakeholders. The study adopted descriptive survey design using stratified sampling to access 579 respondents with data collected using questionnaires and interview schedules. Descriptive statistics was used to analyze quantitative data while thematic content analysis was used to analyze qualitative data. The study found that citizens did not have knowledge about the county budgeting process although a sizeable number attended county budget forums. The study did not, however, investigate the influence of the stakeholders' involvement in budgetary process.

Indeche and Ayuma (2015) investigated the effects of citizen participation on the budget preparation process in Mombasa County. The data for the study were collected through the structured questionnaire administered to four hundred respondents chosen from the total population of four thousand employees of Mombasa County Government from all cadres of staff. The results of the multiple regression analysis established that allocated efficiency affects the budgetary allocation in Mombasa County to a great extent. The reviewed study only focused on the effects of budget allocation on public participation but did not provide empirical evidence on effects of public participation on budgeting process.



Edwin (2015) investigated the factors influencing public participation in budget formulation with evidence from the case of Nairobi County. The data for the study were collected through the questionnaire administered to one hundred and four (104) respondents chosen as sample from seven (7) constituencies namely Makadara, Starehe, Dagoreti, Kasarani, Embakasi, Langata and Westlands constituencies. The results of correlation and linear regression revealed that education had the highest influence on the effectiveness of public participation in budget formulation. The study also found that behavioural factors influence participation and the most outstanding factor for public attitude was that people with positive attitude towards county government do participate more effectively while the most outstanding factor for the public trust was that people with higher trust on budget formulation process participate more effectively. The study also revealed that socio-economic factors significant influence on public participation through education.

Purba, Supriana and Lubis (2016) analyzed the influence of the human resources quality, planning and budget implementation with the using of information technology as the moderating variable to budget absorption at North Sumatera Province Government in Indonesia. Primary data were sourced through the questionnaire administered on thirty-nine (39) SKPDs (Regional Work Unit) that consisted of PPK-SKPD (Financial Management Officer of SKPD) and Programming Officer of North Sumatera Province Government while the secondary data were extracted from the financial reports of these provinces. The result of the multiple regression analysis showed that the human resources quality, planning and budget implementation had significant influence on the budget absorption simultaneously. Partially, planning and budget implementation had significant influence on the budget absorption. The use of information technology as moderating variable moderates the correlation of the human resources quality, planning and budget implementation had significant influence on the budget absorption of the North Sumatera Province Government.

Hossain (2016) examined the effect of participatory budgeting as an approach to public accountability as a quest for grass-root institutional strategy at local governance in rural Bangladesh. The survey method was used to collect data through the structured questionnaire administered to ninety-four (94) sample respondents. The result of the Spearman's Rho correlation coefficient shows that the role of the citizen in the budget making is limited which hamper the accountability and development process. The results revealed that citizen involvement through participatory budgeting has a few strong positive effects on accountability and development of local government level; as a result, people will be aware of the responsibility for public matters, increase public commitment, and give the confidence listen to various opinions to contribute a higher level of authenticity of decisions.

Talesh and Zarei (2016) investigated the factors affecting the effectiveness of operational budgeting system in government organizations in Tehran. Questionnaire was used to collect data from one hundred and twenty-one (121) experts in planned budget in government organizations of Iran. The results of the Pearson's product moment correlation coefficient showed that ability, capability, implementation of operational budgeting and acceptance are the factors affecting the effectiveness before its implementing while the quality of communication in the organization, identify priorities and performance-based resource allocation are the factors affecting the effectiveness of the operational budget during its implementing.

Mungai and Nasieku (2016) assessed the factors affecting budget execution by county governments in Kenya. The data for the study was collected through the questionnaire administered to forty-seven (47) respondents and were analyzed using multiple regression analysis. The result of the study indicated that the use of IFMIS e-procurement by a county positively affects its budget execution. The study concluded that the insignificant results of

some factors could be because the counties have just recently adopted the IFMIS e-procurement system.

Wambui and Njuguna (2017) investigated the effect of human resource competency on financial management system effectiveness in health oriented civil society organizations. The study employed correlation, regression, and ANOVA analyses to analyze the data obtained through the structured questionnaire administered to sixty-one (61) financial managers in every selected Nongovernmental organization located in Nairobi County. The results of the study results show that most respondents agreed with the statement that managers empower their employees at the lowest hierarchy who must be competent to achieve the organizational goals and objectives.

Murei, Kidombo and Gakuu (2017) investigated the influence of monitoring and evaluation budget on performance of horticulture projects in Nakuru County, Kenya. Pearson's Product Moment Correlation was used in analyzing the data collected through structured questionnaire administered to one hundred and thirty-five (135) respondents from fifteen (15) Kenya National Farmers Federation groups chosen as sample. Findings showed that monitoring and evaluation budget was a major contribution to high performance of horticulture as shown by a correlation coefficient which was statistically significant. Monitoring and evaluation budget should be clearly delineated within the overall project budget to give the monitoring and evaluation function the due recognition it plays in contributing to high project performance.

Zweni (2017) factors affecting management of budgets at a department in the Western Cape government, South Africa. Descriptive analysis was used in analyzing the data obtained through the questionnaire administered to eighty (80) respondents from financial officers at Western Cape Government of South Africa. The study found that a need for extensive

training as well as empowerment of the budget practitioners would be able to create congruence between budgets, budgeting processes, project implementation and envisage delivery to the citizens.

Victor and Otieno (2017) investigated the factors influencing monitoring and evaluation processes of county road projects in Turkana county government, Kenya. The data for the study were sourced from the secondary data on thirty-five (35) ongoing road projects and the questionnaire administered on fifty (50) respondents comprised of the technical staff in the Ministry of Roads, Transport & Public works (Turkana County), contractor's team and the Monitoring & Evaluation Committee from Ministry of Finance & Planning. The data were analyzed using Analysis of Variance (ANOVA) and t-test statistical techniques. The results of the study indicate that there was no significant relationship between availability of funds, stakeholder participation, involvement of technical personnel and the monitoring and evaluation processes. The researcher concluded that funds available for monitoring and evaluation of most of the county projects are not adequate, unplanned and that there is no timely disbursement. It is further concluded that stakeholder participation is essential in project management as they have significant influence over the project deliverables and finally involvement of technical persons is key in carrying out M&E activities. The study findings therefore indicated that there is a great influence of availability of funds, stakeholder participation and involvement of technical persons on M&E processes of county road projects.

Nurhayati and Djuminah (2017) examined the effect of the use of e-procurement technology on budget absorption through the practice of procurement of goods/services and procurement performance of goods/services in Indonesia. Primary data were collected through the questionnaire administered on seventy-one (71) respondents from units of Local Government Work Unit (SKPD) in East Java Provincial Government while the secondary data were

extracted from Budget Realization Report per Quarter of 2016 obtained from Regional Development Administration Bureau of East Java Province Secretary. The results of the multiple regression analysis show that the utilization of e-procurement technology has a positive effect on budget absorption through the practice of procurement of goods/services. The study further revealed that the use of e-procurement technology has no effect on budget absorption and has no effect on budget absorption through procurement performance of goods/services because of the attitude of the technology users who are reluctant in the utilization of e-procurement technology.

Kalola and Kavale (2017) investigated the factors affecting successful implementation of government funded projects in technical institutions in Garissa County. The data for the study were collected through the questionnaire administered to forty-four (44) respondents and secondary data were extracted from the completed government funded projects documentations. The results of the multiple regression analysis revealed that the delay in the release of funds and the provision of inadequate funds were major factors that negatively affect project implementation, while insecurity led to major price variations as project teams used substantial amounts of money on security. Insecurity also scared away more qualified contractors from other parts of Kenya from bidding for tenders.

Mathenge, Shavulimo and Kiama (2017) examined the financial factors influencing budget implementation in selected counties in Kenya. The study sourced its data through the structured questionnaire administered to seventy-two (72) respondents comprise the Clerk to County Assembly, Executive Committee Members and Chief Officers who are accounting officers in various departments and relevant officers who are involved in budget preparation or executions the four selected counties. The data obtained were analyzed using t-test statistics and analysis of variance. The study found that monitoring, availability of financial

resources and financial policies and government financial regulation affect budget implementation to a greater extent in the selected counties.

Nuridin, Stockdale and Scheepers (2017) evaluated the influence of external institutional pressures on local e-government adoption and implementation using a coercive perspective within an Indonesian local e-government context. The study adopted an interpretive case study approach from the perspective of Jembrana regency in the Bali province in Indonesia to empirically understand the external pressures on local government adoption and implementation of e-government. The study found that four institutional external forces, central government pressure, regulations pressure, local citizens and limitation in financial resources, have strongly influenced the regency to adopt and implement e-government systems to improve their administration and services performance.

Mkanjala (2017) examined factors affecting budget preparation using the United States International University of Africa as a case study. The data obtained through the structured questionnaire administered to thirty-eight (38) respondents comprising the staff of United States International University of Africa based in all the departments were analyzed using descriptive analysis. The study established that inflation, inflationary levels, taxation, and product pricing affected budget preparation. On the other hand, most respondents were neutral on whether inclusion of supply chain management, Receipt of Funding, Politics, and incremental Budgeting affected budget preparation at USIU-A. It was also noted that availability of financial resources was a major factor in budget preparation while staff involvement improves accountability. The study established the challenges in budget preparation as lack of Budget preparation skills, lack of training, rigid and non-adaptable budgetary planning and control systems and failure to respond to environmental changes.

Yusuf, Otonde and Achayo (2017) established the influence of training and Time Allocated on performance of monitoring and evaluation of Government Projects case of CDF projects in Kajiado East Sub-County and determine how Funds available for monitoring and evaluation influence performance of monitoring and evaluation of Government Projects case of CDF projects in Kajiado East Sub- County. The target population was one hundred and thirty-eight (138) respondents from which same sample of one hundred and twenty-two (122) was obtained from. Correlation and regression analyses were employed in analyzing the data obtained through the structured questionnaire administered to one hundred and twenty-two (122) respondents. The findings of the study found that that the level of training on monitoring and evaluation is vital to the performance of public projects. This study also found that the role of training, time management and strength of monitoring team are significant factors that influence performance of monitoring and evaluation.

Kamau, Rotich and Anyango (2017) examined the effect of budgeting process on budget performance of state corporations in Kenya with empirical evidence from Kenyatta National Hospital. Correlation and regression analyses were employed to analyzing the data obtained through the data collected the structured questionnaire administered to seventy-two (72) respondents chosen as sample. The study established that budgetary participation, budgeting sophistication affects budget performance. The study concluded that budgetary participation had the greatest effect on the budget performance of State Corporations of Kenya, followed by budgetary control, then budget feedback while budgeting sophistication had the least effect on the budget performance of State Corporations of Kenya.

Kipyego and Wanjare (2017) investigated public participation and the budgeting process within the county government of Nandi, Kenya. The study Pearson correlation to analyze the data sourced through the questionnaire administered to seventy-five (75) respondents. The study found out that public participation enhances the quality of the budgeting process. The

study also found out that stakeholders' involvement in budgeting process enhances accountability and transparency. Pearson correlation test found that there was a statistically significant positive relationship between stakeholder's involvement and budgeting process. It was also found that socio-cultural factors could also affect public participation in the budgeting process.

Erlina, Tarigan and Iskandar (2017) investigated the antecedents of budget quality with empirical evidence from provincial government in Indonesia. The data collected through the structured questionnaire administered to two hundred (200) respondents and were analyzed using partial least square-structural equation modeling (PLS-SEM) and qualitative approach. By qualitative approach, the results indicate that budget reforms, public participation and budget user commitment contribute significantly to budget quality. According to the result in qualitative approach, there are some other factors such as economic factor, social factor, demographic change, legal factor, and intergovernmental factor, affected local government financing decisions and their impact on the budget quality.

Kipyego and Wanjare (2017) examined the effect of public participation and the budgeting process within the county government of Nandi, Kenya. Data were obtained through the questionnaire administered to seventy-five (75) respondents comprising community-based organizations' (CBOs) members who are residents of Nandi County, CBO officials and officials from the Treasury and Economic Planning department in the County Government of Nandi. The results of the Pearson's correlation tests indicated that public participation and stakeholders' involvement enhance the quality of the budgeting process, accountability, and transparency. It was also found that socio-cultural factors could also affect public participation in the budgeting process.



Naseri and Hosseini (2017) studied the identification and ranking of effective factors on operational budgeting of Municipality of Golestan province in Iran. Questionnaire was administered to ninety-two (92) respondents chosen as sample as data collection method and were analyzed using descriptive analysis and mean weight of the factors. The results of the analysis of the calculated table indicate that the existing software firm, budget requirements of the municipalities, the design of new methods, the mechanization of methods, creativity and innovation, the ability to construct a structure, top documents and educational facilities influence operational budgeting process in Iran.

Nyamari, Agalo and Kinya (2018) studied the effects of social media use in participatory budgeting in county governance with empirical evidence from Kisii County in Kenya. The study employed descriptive statistical technique to analyze the data obtained through the questionnaire administered to three hundred and ninety-nine (399) respondents from Bonchari Sub- County, which is one of the nine (9) administrative Sub-Counties constituting the Kisii County in Kenya. The results of the study revealed that social media platforms, especially Facebook and WhatsApp are popular among the citizens and thus effective for participatory budgeting. Unfortunately, their use by Kisii County government as participatory platforms in the budget preparation process is limited and sporadic.

Nugraheni, Wardayanti and Kustono (2018) analyzed the influence of organizational commitment, understanding of management systems, external pressure and human resources on the absorption and performance of the Government SKPD budget in Jember Regency. The data for the study were obtained through the structured questionnaire administered to seventy (70) employees comprising of the Regional Financial and Asset Management Office of the Government of KabupatenJember. Using path analysis, the results show that organizational commitment, understanding the management system, human resources and external pressure affect the absorption of the budget and budget performance.

Saheb, Redy and Amsalu (2019) investigated the factors affecting budget utilization using Bahirdar City Administration Health Department. The data for the study were collected through primary and secondary sources of data. The Primary data was collected using closed ended questionnaires administered to one hundred and forty-eight (148) respondents and the previous budget of the Hospital. The results of the ordinal logistic regression analysis indicated that management support, organizational work culture, employee's related factor as well as monitoring and evaluation have significant effects on budget utilization.

Nguyen, Evangelista and Kieu (2019) assess the contingent roles of perceived budget fairness, budget goal commitment and vertical information sharing in performance in the Vietnam. Survey data were collected from a sample of five hundred and fifty-six (556) low to middle level managers of business organizations in Vietnam. The of the partial least square – structural equation modeling (PLS-SEM) indicated that both vertical information sharing, and budget goal commitment partially mediate the positive effects of budgetary participation on work performance while both dimensions of perceived budget fairness (distributive and procedural) elevate the positive relationships of budgetary participation – vertical information sharing and budgetary participation – budget goal commitment.

Friyani and Hernando (2019) examined the determinants of the effectiveness of implementation performance based budgeting and budget absorption in local governments in Indonesia. Data were obtained through the questionnaire administered to sixty (60) respondents throughout the Dinas and SKPD in Jambi City Government and were analyzed using partial least square – structural equation modeling (PLS-SEM) statistical technique. The results of showed that training, understanding, education and external pressure had a positive effect on the effectiveness of performance-based budget implementation and budget absorption.

Taffa (2019) assessed the external factors affecting budget utilization in Ethiopian public Universities. The data for the study were obtained through the questionnaire administered to one hundred and seventy-eight (178) respondents chosen from Dilla, Wolaita Sodo, and Bule Hora Universities. The findings indicated a significant improvement in budget allocation to public universities from time to time. However, imposition of the federal agencies to implement unplanned activities by Universities, delay in project implementation, low financial and technical capacity of the contractors in terms of financial and technical matter that cause project implementation delay's particularly for construction projects had adversely affected the budget utilization of the study Universities.

Hu, Zhang, Zhang and Zhang (2020) examined the main factors of public satisfaction with the local government budget transparency based on the theory of customer satisfaction in the context of the Chinese budget transparency policy. Data for the study were collected through an online survey involving two hundred and thirty-five (235) participants and were analyzed using structural equation modeling (SEM). The results indicate that the budget information quality, budget information acquisition method, and public engagement are good indicators of budget transparency perceived quality, which are positively related to public satisfaction. The government image also exerts a positive effect toward public satisfaction. Furthermore, public satisfaction is also positively related to public trust toward the local government, even though the hypotheses linking public expectation to public satisfaction, and to budget transparency perceived quality are statistically insignificant.

Stanic (2020) investigated the factors determining budget transparency in Croatian municipalities. The data for the study were extracted from key budget documents on municipal official websites of Croatia using a unique panel database from 2014 to 2018. Robust empirical analysis is based on Poisson, logistic and spatial regression. The results show that to strengthen municipal budgetary transparency and political accountability, it is

crucial to enhance the following instruments: residents' income per capita, municipal fiscal capacity per capita, political competition, women's representation in local politics, and politicians' education. Also, the results indicate that legal regulation of budgetary reporting is an effective instrument for increasing overall (mandatory and voluntary) budget transparency. Finally, the spatial analysis proved the existence of positive spatial spill overs, showing that the wider environment of the municipality (neighbors) affects the level of budget transparency of the observed municipality.

Harun, Carter, Mollik and Ann (2020) investigated the forces and critical features of a new reporting and budgeting system adoption by Indonesian local government. The study was based on an intensive analysis of document sources and interview scripts around the institutionalization of RBS by the Indonesian government and uses the adaption of Dillard *et al.* (2004) institutional model in informing its findings. The study found that at the national level, the key drivers in RBS adoption were a combination of exogenous economic and coercive pressures and the wish to mimic accounting reforms in developed nations. At the local government level, the internalization of RBS is a response to a legal obligation imposed by the central government. Despite the RBS adoption has strengthened the transparency of local authorities' reports – it limits the roles of other members of citizens in determining how local government budgets are allocated.

### **2.3.3 Studies on Nigerian**

Abogun and Fagbemi (2012) investigated the efficacy of budgeting as a control measure in developing economies with evidence from Nigeria. One hundred and fifty one (151) questionnaires were administered to the staff in the account section; departmental heads; and management staff in each of the sampled manufacturing companies chosen as sample across Lagos state to source for data and were analyzed using Chi-square statistical analysis. The

result of the study indicated that certain factors such as economic, political, and social affect the effectiveness of budgeting.

Alade, Abiodun and Olusola (2014) assessed the impact of information and communication technology (ICTS) on budget processing in Ministries, Departments and Agencies of Ondo State, Nigeria. The study used the primary data obtained through questionnaires obtained from sample respondents selected from 'the state's MDAs and statistically analyzed using chi-square at 5% level of significance. The finding reveals that ICT has significantly reduced budget processing time and cost related to the budget processing as well as fast-tracking timely readiness of the consolidated budget to be forwarded to the legislative arm.

Eghe and Paul (2015) examined budget as instrument of realizing the goal of public policy in Nigeria. Using data generated from secondary sources, it was found that the goals of most policies were not accomplished in Nigeria due to incessant budget failure at the stage of the formulation and implementation. Critical among the factors responsible for the failure were; delay in preparation, late submission and appropriation, cumbersome bureaucratic process of securing release of funds, short fall in revenue, poor implementation plan and above all corruption.

Ezeagba and Adigwe (2015) assessed the factors stemming the tide of low budget implementation in Nigeria public sector using South-East geopolitical zone of Anambra, Enugu, Abia, Imo, Ebonyi and Enugu States as case study. The data collected through the questionnaire administered to ninety (90) respondents were analyzed using Chi-square statistical technique. The results of the study revealed that poor budgetary implementation in the Nigerian public sector have had significant negative effect on the Nigerian economy. The study showed that factors such as late presentation and passage of appropriation bills, delay

in release of funds for capital projects, ineffective planning, corruption in the public sector amongst others have contributed to low budgetary implementation in Nigeria.

Effiom and Edet (2019) assessed the constraints to capital budget implementation in Nigeria. The study used multiple regression and correlation analysis to analyze the data obtained through the semi-structured questionnaires administered to two hundred (200) respondents in twenty (20) federal ministries, departments and agencies within two contiguous states in the South-South geopolitical zone in the Nigeria using purposive sampling technique. The results indicated that delay in budget presentation by the presidency, delays in approval by the national assembly, leakages associated with corruption and poor monitoring and evaluation of the budget were significant factors militating against effective capital budget implementation in Nigeria.

## **2.4 Summary and Gaps Identified in the Literature**

This chapter shows a review on conceptual, theoretical and empirical issues relating to the various factors influencing budget practices. The empirical review showed that a very large number of the previous studies reported that various factors such as public participation, the use of information technology, external factors, competency of staff and budget monitoring and evaluation influence budget process and implementation.

Different empirical studies had been conducted on various factors determining effective budgeting practices and had reported divergent results. For instance, the studies of Indeché and Ayuma (2015); Muchunu (2015); Talesh and Zarei (2016); Kipyego and Wanjare (2017); Mwasi (2017); Nyamari, Agalo and Kinya (2018); Aleksandrov and Kuznetsova (2019); Saheb, Redy and Amsalu (2019); Harun, Carter, Mollik and An (2020) found that public participation, monitoring and evaluation, competence level of budget staff, information technology influence effective budget practices.

Geographically, the studies conducted in Nigeria had not considered the factors determining budget practices in the North Central region of Nigeria. For instance, the study of Abogun and Fagbemi (2012) focused on the manufacturing companies in Lagos state (South-Western region), Alade, *et al.* (2017) used the ministries in Ondo State (South-Western region), Ezeagba and Adigwe (2015) study was conducted in the South-East geo-political zone while the study of Effiom and Edet was carried out in South-South geo-political zone. This study differs in scope from the previous empirical studies as it investigated the factors determining budget practices in Kwara State which falls in the North Central region of Nigeria. These gaps in literature call for further investigation into the factors that affect effective budget practices of Ministries, Department and Agencies (MDAs) in Kwara State.

Conceptually, based on the extant literature reviewed, it was observed that prior studies in Nigeria had not examined the influence of external factors and public participation on budget practices in the Nigerian context as a whole (see Alade, Abiodun & Olusola, 2014; Ezeagba & Adigwe, 2015). More so, the previous literature reviewed in both local and international countries had all focused on implementation (see Alade, Abiodun & Olusola, 2014; Ezeagba & Adigwe, 2015; Zweni, 2017; Purba, *et al.*, 2016; Mathenge, *et al.*, 2017; Nurdin, Stockdale & Scheepers, 2017; Effiom & Edet, 2019) and processes (see Malanilo, 2014; Alade, Abiodun & Olusola, 2014; Muchunu, 2015; Kipyego & Wanjare, 2017) of budget system. Hence, this study is unique as it considers the influence of public factors, public participation and budget practices.

Methodologically, most of the previous studies reviewed used ordinary least square regression analysis (see Beuermann & Amelina, 2014; Edwin, 2015; Indeché & Ayuma, 2015; Purba, Supriana and Lubis, 2016; Kalola and Kavale, 2017; Effiom & Edet, 2019), Pearson's correlation technique (see Talesh & Zarei, 2016; Hossain, 2016; Kipyego & Wanjare, 2017; Murei, Kidombo & Gakuu, 2017), descriptive analysis (see Kiriimi, 2012; Kirande & Rotich,

2014; Malanilo, 2014; Muchunu, 2015; Zweni, 2017; Mkanjala, 2017), t-test and Analysis of Variance (see Victor & Etieno, 2017; Mathenge, Shavulimo & Kiama, 2017); Chi-square (see Abogun&Fagbemi, 2012; Alade, Abiodun & Olusola, 2014; Ezeagba & Adigwe, 2015) and ordinal logistic regression (see Saheb, *et al.*, 2019) statistical method in explaining the relationship between the dependent and independent variables of their studies. This study employed the use of partial least square – structural equation modeling (PLS-SEM) in testing the relationship between the dependent and independent variables. This statistical method is unique as it carries out some robust diagnostic test such as principal factor analysis (PFA), composite reliability test, discriminant and convergent validity tests, resampling of the sample through bootstrapping or jackknife, amongst others before the regression results.

## **2.5 Theoretical Framework**

This study was guided by the assumptions of institutional theory. This theory posits that for any effective budgeting practices, both internal and external factors play crucial role. The theory suggest that when an organization/public sector has effective internal resources such as staff with high level of experience and technical expertise that can analyze and execute any difficulty in the budget, monitor and evaluate the level of completion of the project; possess an updated information technology that can be used to gather information and bring out result as an when due which could enhance the preparation of the budget would go a long way in enhancing effective budget practices in government parastatals.

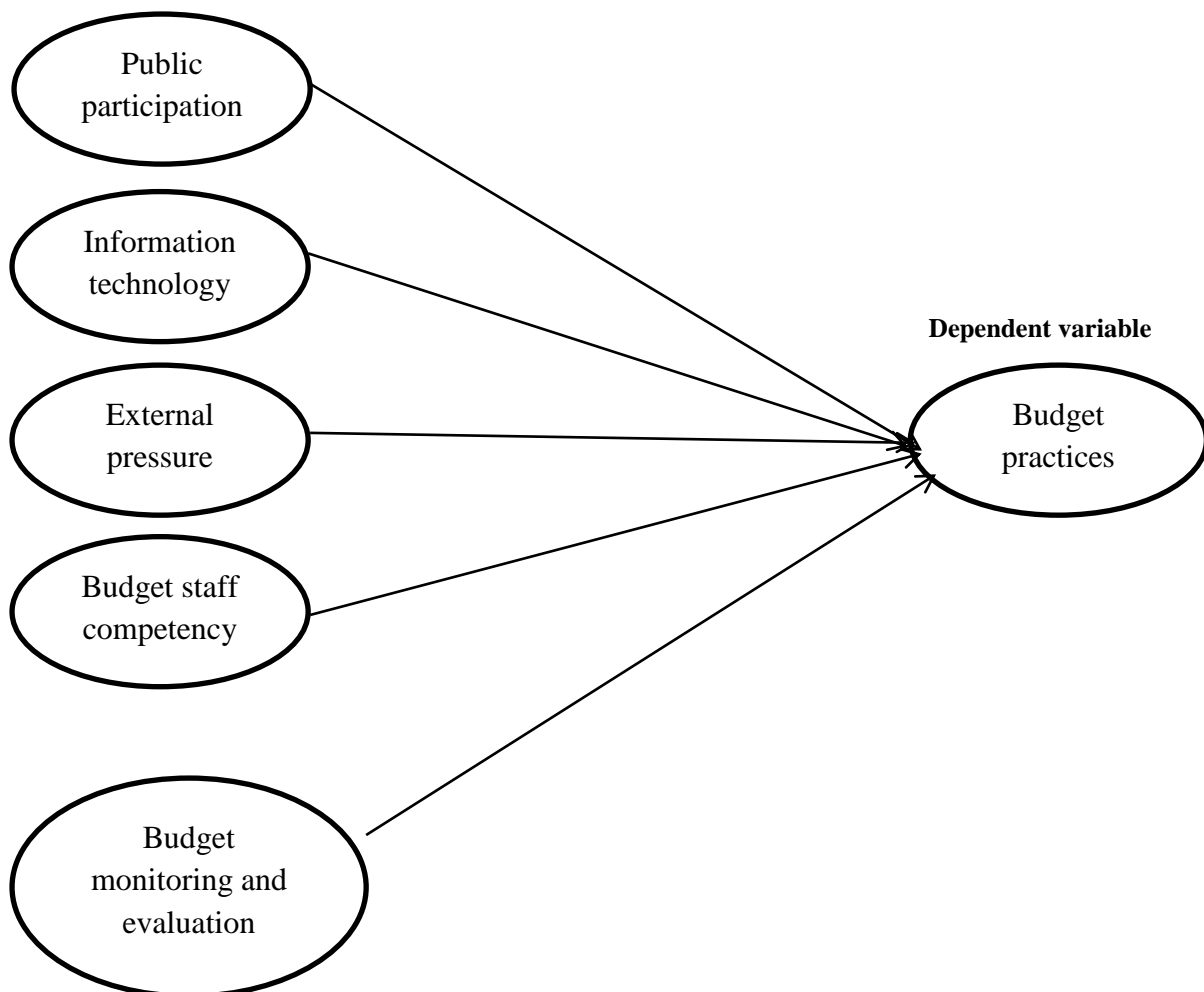
In addition, the normative institutional pressure suggests that when members of the society where project will be carried out are given certain level of contribution in the preparation of the budget by the government, it would give them a sense of belonging, thereby showing their willingness and commitment to support and encourage the effective implementation of the budget items. In contrast, the coercive pressure of the institutional theory posits that



external factors which are out of the control of the government (such as political influence, legal influence, government financial regulation influence, international market regulations) would adversely affect effective budget practices as these limits the stage at which the projects implementation could be achieved.

## 2.6 Conceptual Framework

### Independent variables



Conceptualisation, (2020)

The conceptual framework shows the dependent and the independent variables used during the study. The dependent variable is budget practices of Ministries, Departments and Agencies in Kwara State measured through effective controlling, coordination, and communication while the independent variable are the factors determining effective budget practices which are proxy with public participation, the use of information technology in budget preparation, external factors, budget staff competency and budget monitoring and evaluation.

The researcher suggests that the factors used as independent variables would lead to effective budget practice in MDAs of Kwara State. This assumption was based on the empirical findings of the previous research studies (such as Alade, Abiodun & Olusola, 2014; Malanilo, 2014; Alade, Abiodun & Olusola, 2014; Muchunu, 2015; Ezeagba & Adigwe, 2015; Zweni, 2017; Purba, *et al.*, 2016; Mathenge, *et al.*, 2017; Kipyego & Wanjare, 2017; Nurdin, Stockdale & Scheepers, 2017; Effiom & Edet, 2019) as they reported that public participation, the use of information technology, external pressure, budget staff competency and budget monitoring and evaluation have significant influence on budget process and implementation.

The assumptions of the theory adopted (institutional theory) also posit that both internal and external factors would influence budget practices. The institutional theory assumes that effective internal factors such as the use of information technology, staff competency and budget monitoring and evaluation would not only aid effective planning and preparation of budget but also enhances the implementation of the projects stated in the budget. Furthermore, institutional theory also assumes that external factors such as external pressure would have adverse effect on budget practice due to delay that could be caused by factors which are beyond the control of the government

## **CHAPTER THREE**

### **METHODOLOGY**

This chapter discusses the techniques employed in collecting data for the study and the statistical technique employed in analyzing the data collected. It also discusses the population of the study, the sample size and the sampling technique, the definition and measurement of variables and model specification of the study.

#### **3.1 Research Design**

This study adopted cross-sectional research design. This design is used where the researcher selects a sample of respondent from a population and administered a standardized questionnaire to those respondents. The justification for choosing this design is that the researcher selects a sample of respondents from the whole population to make inferences on the subject matter through administering of standardized questionnaire to the sampled respondents to ascertain the effect of the independent variables on the dependent variable.

#### **3.2 Population of the Study**

The total population for this study is five hundred and twenty (520) respondents, which consists of eight (8) staff each from budget Departments of Kwara State Ministries, Departments and Agencies. In specific term, the total Ministries, Departments and Agencies (hereafter, MDAs) are sixty-five (65) comprising of sixteen (16) Ministries, forty-nine (49) Departments and Agencies. This serves as the major population of this study. This includes the Commissioners in each ministry, permanent secretaries in each ministry, the Directors, Chairmen/Heads of various Agencies and all staff in the budget departments of all MDAs from which the sample size was chosen.

### 3.3 Sample Size and Sampling Technique

The sample size for the study is two hundred and twenty-six (226) respondents. The sample size was determined using Yamane (1967) statistical sampling method of determining sample size of the study. The study employed both judgmental and Yamane (1967) statistical method of determining sample size. The researcher used all the principal officers that have direct relationship with budget preparation and reviewing in all the MDAs. The judgmental sampling technique was employed by using all the principal officers such as the Commissioners, Permanent Secretaries, and the Heads of Budget departments because they have direct link with the preparation and implementation of the budget. This consists of sixteen (16) commissioners, sixteen (16) permanent secretaries, sixteen (16) Directors of Planning, Finance and Accounts in all the ministries, forty-nine (49) chairmen/Heads of all Departments and agencies totaling ninety-seven (97) principal officers. The researcher used stratified and simple random sampling technique in selecting the final sample of the study. The researcher employed stratified sampling technique to select the remaining respondents. This was done based on the number of respondents from MDAs in the total population of the study. Therefore, the sample size from ministries is thirty-nine (39) (based on the population size of one hundred and twenty-eight), while the sample size from departments and agencies is ninety (90) respondents (based on the size of the departments and agencies in the total population). Simple random sampling technique was used in selecting the final sample of the study from all the MDAs. Numbers were written in some papers while some were left blank. Those that picked papers with the numbers made the final sample of the study.

$$n = N / (1 + Ne^2)$$

Where  $n$  = Sample size,  $N$  = Population,  $e$  = Margin of error (0.05)

Sample size for this study goes thus:

$$n = \frac{520}{1 + 520(0.05)^2}$$

n = 226

### **3.4 Source and Method of Data Collection**

The main source of data collection for this study is through the questionnaire administered to the target respondents. The questionnaire was divided into two (2) parts, section A and B. Section A deals with the biography of the respondents while section B focused on the research questions raised in chapter one. The responses to the statements raised in the questionnaire were in form of likert-scale. This comprises of strongly agree, agree, undecided, disagree and strongly disagree. The responses were arranged, and numbers were assigned ranging from 5,4,3,2 and 1 respectively. The questionnaires of Malanilo, 2014; Indeché & Ayuma, 2015; Muchunu, 2015; Kipyego&Wanjare, 2017; Nyamari, *et al.*, 2018; Aleksandrov& Kuznetsova, 2019;Saheb, *et al.*, 2019; and Harun, *et al.*, 2020 were adapted and modified to suit the objective of this study.

### **3.5 Validity and Reliability Test of the Instrument**

Reliability refers to the extent that the instrument (questionnaire) yields the same results over multiple trials. The data collected for the study were subjected to validity and reliability test before testing the hypotheses. The reliability test was conducted using Cronbach-Alpha test. Cronbach-alpha measures the reliability or internal consistency of data set as well as determining whether multiple questions inform of likert scale surveys are reliable or not. The rule of thumb for Cronbach alpha is that a score of more than 0.7 is usually accepted (Woodridge, 2011).

The researcher also subjected the questionnaire to validity test through content validity test method. Content validity test method measures the extent to which a measure covers the construct of interest of a researcher. The questionnaire was given to the supervisor as well as other academicians in the field of accounting and management studies for their perusals which contributed to the quality of the questionnaire.

### 3.6 Method of Data Analysis Techniques

The data collected were analyzed with the use of both descriptive and inferential statistics. The descriptive statistics employed include the frequency, table, and simple percentages to depict the summary of the data collected on both dependent and the independent variables. The inferential statistics employed in testing the hypotheses stated in chapter one is partial least square- structural equation modeling (PLS-SEM). The advantage of PLS-SEM over regression analysis is that it can eradicate multicollinearity problem among the independent variables, effectively deal with the problem of small sample size as well as conduct a robust diagnostic test before testing the relationship between the dependent and independent variables (Garson, 2016). Prior to hypotheses testing, some diagnostic tests were conducted to ascertain the reliability of the data collected. This includes pair-wise correlation matrix, variance inflation factor (VIF) and Cronbach's Alpha test.

### 3.7 Model Specification

This study examined the determinants of effective budget practices of MDAs in Kwara State. The study adapts and modified the model of Mathenge, *et al.* (2017). The model of Mathenge, *et al.* (2017) was stated as:

$$BI = \beta_0 + \beta_1 MON + \beta_2 FINAV + \beta_3 FPOL + \beta_4 GFR + \varepsilon$$

**Where:**

BI represents budget implementation;

MON represents monitoring;

FINAV represents financial availability;

FPOL represents financial policies;

GFR represents government financial regulations; and  $\varepsilon$  is error term.

The model of this study is a modification and an extension of Mathenge, *et al.* (2017) model because their model did not include public participation, external pressure, information technology and competency of budget staff in their model as used in this present study.

The model of this study is written as:

$$EBP = f(DEB) \dots\dots\dots (i)$$

$$EBP = f(PP, I.T., EXP, BSC \text{ and } BMAE) \dots\dots\dots (ii)$$

The model is written in an explicit form as:

$$EBP = \beta_0 + \beta_1 PP + \beta_2 I.T + \beta_3 EXP + \beta_4 BSC + \beta_5 BMAE + \varepsilon \dots\dots\dots (iv)$$

**Where:**

DEB	=	Determinants of effective budget
EBP	=	Effective budget practices
PP	=	Public participation
I.T	=	Information technology
EXP	=	External pressure
BSC	=	Budget staff competency
BMAE	=	Budget monitoring and evaluation
$\beta_0$	=	Constant Coefficient
$\beta_{1-5}$	=	Parameters of the estimate
$\varepsilon$	=	Error term (5% significance level)

***a-priori expectation***

The a-priori expectation of the model is a positive relationship between the dependent variable and independent variables, i.e.  $PP\beta_1 > 0$ ;  $IT\beta_2 > 0$ ;  $EXP\beta_3 > 0$ ;  $BSC\beta_4 > 0$  and  $EXP\beta_5 > 0$

## CHAPTER FOUR

### PRESENTATION OF RESULTS AND DISCUSSION OF FINDINGS

This chapter presents the results of analysis for the quantitative data that were collected via the questionnaire designed for this study, determinants of effective budget practices: evidence from Ministries, Departments and Agencies in Kwara State, Nigeria. The responses from the survey show the respondents' demographic profile, measures of validity and reliability of the measurement model, model specification, path analyses of the structural model through which the result of the hypotheses tested were shown and discussed. The descriptive analysis was carried out using SPSS Version 22 and testing for the relationship test was carried out using Partial Least Square-Structural Equation Modeling (PLS-SEM).

#### 4.1 Analysis of the Data Sampled

##### 4.1.1 Response Rate of Questionnaires Distributed

Table 4.1 below show the questionnaires returned and response rate from the targeted respondents for this study.

**Table 4.1: Response Rate of the Questionnaires**

Responses	Frequency	Rate (%)
No. of questionnaire administered	226	100
Returned questionnaires	224	99
Returned and usable questionnaires	222	98
Returned and excluded questionnaires	2	0.02
Questionnaires not returned	2	0.02

**Source: Research Survey, (2020).**

In this study, as shown in table 4.1 above, 226 questionnaires were distributed to the respondents. An aggregate of 224 copies were returned which represent 99% response rate. However, out of these 224 questionnaires were returned, a total of 222 were usable for data analysis. The remaining 2 questionnaires were excluded due to the issue of unproductive response and outliers.

#### 4.2 Descriptive Statistics of the Respondents Profile

##### 4.2.1 Demographic Profile of the Respondents

In the conduct of field research work, statistics of the sampled respondent dynamics in term of gender, age, educational background and working experience are presented in table 4.2 below.



**Table 4.2: Summary of the Respondents' Demographics**

S/NO	Items	Frequency	Percentage%
1	<b>Sex</b>		
	Male	122	68.1
	Female	57	31.9
2	<b>Age</b>		
	30yrs and below	11	6.1
	31-35yrs	54	30.1
	36-40	67	37.4
	41-55	39	21.8
	46 and above	8	4.5
3	<b>Educational Background</b>		
	ND/NCE	67	43
	HND/B.Sc.	74	35.8
	M.Sc./MBA	38	21.2
4	<b>Working Experience</b>		
	5-9yrs	66	36.9
	10-15	54	30.2
	16-20	52	29.1
	21and above	7	3.9

**Source: Author's Computation, (2020).**

The descriptive analysis reveals in table 4.2 above, that a large percentage of the respondents were male with 68.2%, while the female responds were 31.8%. Descriptive statistics also show the age bracket of respondents between 30years below were 6.1%, followed by the range of 31-35 years which is 30.1%, next is 36-40years which is 37.4%, next is 41-55years which is 21.8% and lastly 46years and above have 4.5%.

The survey revealed that majority of respondents (SSCE holders) is 12.8%, followed by the category of NCE/ND which amounted to 30.2%,HND/B.Sc. amounted to 35.8%, However, there are category of M.Sc./MBA respondents which amounted to 21.2%.The survey revealed the working experience of the respondents, 5-10 years working experience of the respondents amounted to 36.9%, 11- 15 years was 30.2%, 16-20 account for 29.1% and 21 years above amounted to 3.9% respectively.

### 4.3 Descriptive Statistics of the Indicators of the Variables

#### 4.3.1 Descriptive Statistics of all Measurement Items for Public Participation

The mean scores reflect some of the little differences on the items used to measure the public participation constructs were discussed in table 4.3 below

**Table 4.3 Public Participation**

S/N	Items	Min	Max	Mean	S.Dev.
1	Literacy levels of the citizens affect the quality of public participation in the budgeting process.	1	5	4.21	1.024
2	Public outreach and education enhance the budgeting process and thus affects the quality of public participation.	1	5	3.99	1.149
3	Budget workshops are used to collect public views regarding the budgeting process	1	5	4.31	.849
4	Surveys are used to collect public views regarding the budgeting process and thus affect the quality of public participation.	1	5	3.83	1.173
5	Citizen's advisory group enhances the budgeting process and therefore affects the quality of public participation.	1	5	3.93	1.164
6	Inputs by the business community and entrepreneurs enhance the budgeting process and thus affect the quality of public participation.	1	5	3.94	.959

**Source: Author's Computation, (2020).**

The mean scores of the response rate on the effective budget practices appear to be on the low side as shown in Table 4.3 above. The respondent variable was measured by six (6) measurements question of which all focused on effective budget practices. The views of the respondents on the effective budget practices were expressed through items PP1 to PP6 and the results of the descriptive analysis of the items are documented in Table 4.3. Specifically, the results revealed that the perception of the respondents about the public participation among MDAs in Kwara State as convened in item PP1 to PP6 was strong, which is indicated in the strong mean scores of 4.02 to 3.87 together with the standard deviation of 1.169 to 1.035 respectively. However, in a comparison of the items, more respondents (62.1%) expressed strong agreement with item PP1 (i.e., increase in effective budget practices among MDAs in Kwara State) than in the other seven items. Overall mean scores and standard deviation of 3.962 and 0.782, respectively, on all the items on public participation indicate that the respondents strongly agreed on effective budget practices among MDAs in Kwara State.

### 4.3.2 Descriptive Statistics of all Measurement Items for Information Technology

The mean scores reflect some of the little differences on the items used to measure the information technology constructs were discussed in table 4.4 below

**Table 4.4 Information Technology**

S/N	Items	Min	Max	Mean	S.Dev
1	The use of ICT has reduced budget processing cost and improves budget preparation	1	5	4.20	1.097
2	The use of ICT has reduced bureaucracy in budget practices	1	5	4.08	1.036
3	The state government had invested enough to ensure high use of information technology during budget processes	1	5	3.50	1.287
4	Staff are adequately and regularly trained on the use of sophisticated information technology to ensure effective budget practices	1	5	3.33	1.285
5	Some staff in the budget department are usually selected during building/developing of new information technology application for easy understanding	1	5	3.73	.939
6	There is adequate partnership between government and information technology providers for training and re-training on the use of upgraded I.T to ensure that effective use.	1	5	3.65	1.118

**Source: Author's Computation, (2020).**

The mean scores of the response rate on the information technology to be on the low side as shown in Table 4.4 above. The respondent variable was measured by six (6) measurements question of which all focused on internal audit effectiveness. The views of the respondents on the effective budget practices among MDAs in Kwara State were expressed through items IT1 to IT6 and the results of the descriptive analysis of the items are documented in Table 4.4. Specifically, the results revealed that the perception of the respondents about the effective budget practices among MDAs in Kwara State as convened in item IT1 to IT6 was strong, which is indicated in the strong mean scores of 4.02 to 3.87 together with the standard deviation of 1.169 to 1.035 respectively. However, in a comparison of the items, more respondents (62.1%) expressed strong agreement with item IT1 (i.e., increase in effective budget practices among MDAs in Kwara State) than in the other seven items. Overall mean scores and standard deviation of 3.962 and 0.782, respectively, on all the items on information technology indicate that the respondents strongly agreed on effective budget practices among MDAs in Kwara State.

### 4.3.3 Descriptive Statistics of all Measurement Items for External Pressure

The mean scores reflect some of the little differences on the items used to measure the external pressure constructs were discussed in table 4.5 below

**Table 4.5 External Pressure**

S/N	Items	Min	Max	Mean	S.Dev
1	The high degree of devolved authority and accountability to senior managers, subject to limited legal controls influences effective budget practices	1	5	3.98	.780
2	Government response to international pressures changes the policy attention from technical and allocated efficiency to macroeconomic activities	1	5	3.93	.822
3	Exchange rate fluctuations /movements has an influences effective budget preparation and implementation	1	5	4.28	.637
4	Donor policies can influence the governments capacity and commitment in making the budgeting process accountable and transparent	1	5	3.97	.653
5	Federal government financial regulations do not hinder the spending capacity of the state government during preparation and implementation of budget	1	5	3.27	1.259
6	Donor policies can influence the governments capacity and commitment in making the budgeting process accountable and transparent	1	5	3.40	1.112

**Source: Author's Computation, (2020).**

The mean scores of the response rate on the external pressure appear to be on the low side as show in Table 4.5 above. The respondent variable was measured by six (6) measurements question of which all focused on effective budget practices among MDAs in Kwara State. The views of the respondents on the external pressure were expressed through items EP1 to EP6 and the results of the descriptive analysis of the items are documented in Table 4.5. Specifically, the results revealed that the perception of the respondents about the effective budget practices among MDAs in Kwara State as convened in item EP1 to EP6 was strong, which is indicated in the strong mean scores of 4.02 to 3.87 together with the standard deviation of 1.169 to 1.035 respectively. However, in a comparison of the items, more respondents (62.1%) expressed strong agreement with item EP1 (i.e., increase in effective budget practices among MDAs in Kwara State) than in the other seven items. Overall mean scores and standard deviation of 3.962 and 0.782, respectively, on all the items on external

pressure indicate that the respondents strongly agreed on effective budget practices among MDAs in Kwara State.

#### 4.3.4 Descriptive Statistics of all Measurement Items for Staff Competency

The mean scores reflect some of the little differences on the items used to measure the staff competency constructs were discussed in table 4.6 below.

**Table 4.6 Staff Competency**

S/N	Items	Min	Max	Mean	S.Dev
1	There exists a lack of proper training to employees on the functioning and implementation of the budgets	1	5	3.78	1.042
2	A lack of staff adjustment to change resulting from the budget implementation affects the success of the same budget	1	5	4.17	.860
3	Lack of enough skilled manpower leads to misinformed and inaccurate budget practice	1	5	4.30	.684
4	The budget department has the required expertise to deal with complex situation to ensure effective budget practice.	1	5	3.82	1.137
5	The recruitment policies of the budget department give room for every individual whether qualified or not to be recruited	1	5	3.41	1.190
6	There is little or no provision for sponsoring of budget staff for local and international seminars and conferences on new development on budget practices	1	5	3.85	.970

Source: Author's Computation, (2020).

#### 4.3.5 Descriptive Statistics of all Measurement Items for Budget Monitoring and Evaluation

The mean scores reflect some of the little differences on the items used to measure the budget monitoring and evaluation constructs were discussed in table 4.7 below.

**Table 4.7 Budget Monitoring and Evaluation**

S/N	Items	Min	Max	Mean	S.Dev
1	Independence is attained when it is carried out by firms and persons free of the control of those responsible for the design and implementation of the development intervention	1	5	4.10	.813
2	Periodic evaluation of the budget preparation in line with the current context prevents mismanagement of funds.	1	5	4.33	.723

3	Continuous budget monitoring will help reduce budget variances	1	5	4.52	.756
4	Identification and analysis of budget variances during implementation of projects stated in the budget would go a long way to assisting effective budget practices.	1	5	4.16	.849
5	The level of project monitoring, evaluation and sustainability is still high even if there is change of government.	1	5	3.90	.942

**Source: Author's Computation, (2020).**

The mean scores of the response rate on the budget monitoring and evaluation appear to be on the low side as shown in Table 4.7 above. The respondent variable was measured by nine (9) measurements question of which all focused on effective budget practices among MDAs in Kwara State. The views of the respondents on the internal audit effectiveness were expressed through items BME1 to BME5 and the results of the descriptive analysis of the items are documented in Table 4.7. Specifically, the results revealed that the perception of the respondents about the internal audit effective budget practices among MDAs in Kwara State as convened in item BME1 to BME5 was strong, which is indicated in the strong mean scores of 4.02 to 3.87 together with the standard deviation of 1.169 to 1.035 respectively. However, in a comparison of the items, more respondents (62.1%) expressed strong agreement with item BME1 (i.e., increase in effective budget practices among MDAs in Kwara State) than in the other seven items. Overall mean scores and standard deviation of 3.962 and 0.782, respectively, on all the items on budget monitoring and evaluation indicate that the respondents strongly agreed on effective budget practices among MDAs in Kwara State.

#### **4.3.6 Descriptive Statistics of all Measurement Items for Effective Budget Practices**

The mean scores reflect some of the little differences on the items used to measure the effective budget practices constructs were discussed in table 4.8 below.

**Table 4.8 Effective Budget Practice**

S/N	Items	Min	Max	Mean	S.Dev
1	The items in the budget are clear enough to ensure effective communication with the various stakeholders involved	1	5	4.04	.675
2	Late disbursement of funds negatively affects the planning for tasks and activities during projects implementation	1	5	4.46	.680
3	The budget prepared gives room for controlling of	1	5	4.00	.643

	deviances identified during implementation of the project and take effective control measures				
4	There is effective coordination of all MDAs involved in budget preparation for effective budget implementation and feedback is reported to the relevant quarters	1	5	4.16	.737
5	The budget prepared and approved by Kwara State is an attainable budget and serves as motivation for staff.	1	5	4.04	.935

**Source: Author's Computation, (2020).**

The mean scores of the response rate on the effective budget practice appear to be on the low side as shown in Table 4.8 above. The respondent variable was measured by nine (9) measurements question of which all focused on internal audit effectiveness. The views of the respondents on the effective budget practices among MDAs in Kwara State were expressed through items EBP1 to EBP5 and the results of the descriptive analysis of the items are documented in Table 4.8. Specifically, the results revealed that the perception of the respondents about the effective budget practices among MDAs in Kwara State as convened in item EBP1 to EBP5 was strong, which is indicated in the strong mean scores of 4.02 to 3.87 together with the standard deviation of 1.169 to 1.035 respectively. However, in a comparison of the items, more respondents (62.1%) expressed strong agreement with item EBP1 (i.e., increase ineffective budget practices among MDAs in Kwara State) than in the other seven items. Overall mean scores and standard deviation of 3.962 and 0.782, respectively, on all the items on effective budget practices indicate that the respondents strongly agreed on effective budget practices among MDAs in Kwara State.

#### 4. 3.7 Summary of Mean and Standard Deviation of the Variables

Bellow table 4.9 shows the summary of the mean and standard deviation of the variable considered for this study.

**Table 4.9 Summary of the Mean and Standard Deviation of the Variables**

<b>Variables</b>	<b>N</b>	<b>Min</b>	<b>Max</b>	<b>Mean</b>	<b>Std. Dev.</b>
Public Participation(PP)	224	1	5	4.03	.504
Information Technology (IT)	224	1	5	3.74	.729
External Pressure (EP)	224	1	5	3.81	.418
Staff Competency (SC)	224	1	5	3.89	.545
Monitoring and Evaluation (BME)	224	1	5	4.20	.456
Effective Budget Practice (EBP)	224	1	5	4.14	.409

Source: Author's Computation, (2020).

#### 4.3.8 Normality Test

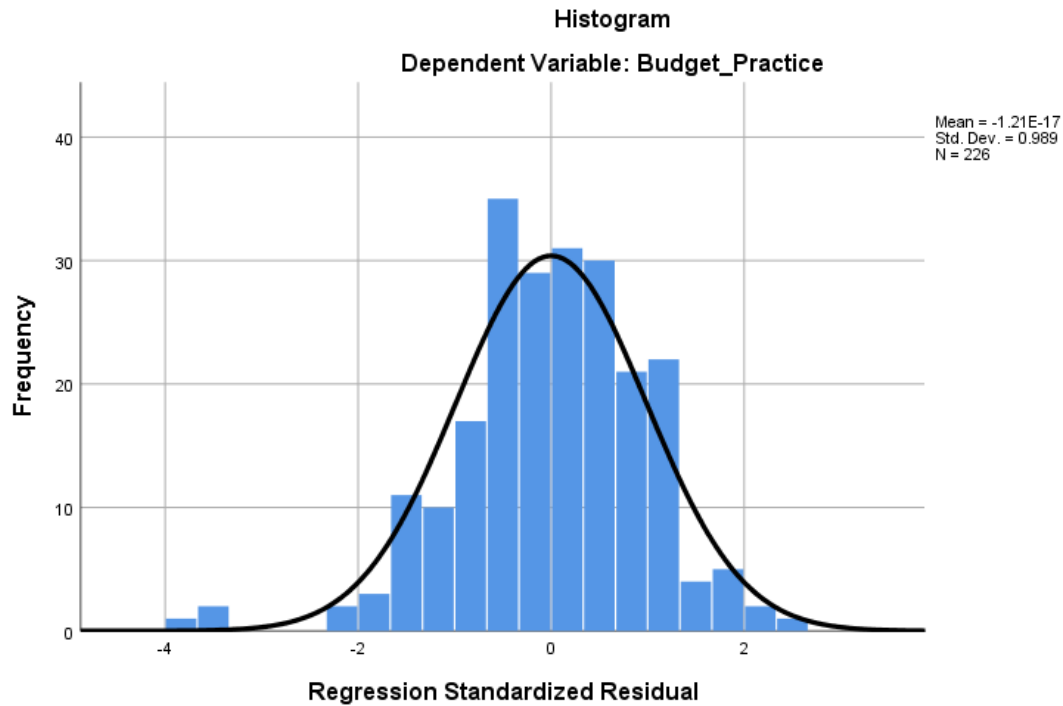
**Table 4.10 Normality Test**

The extent to which the scores on the study variables are normally distributed was measured using skewness and kurtosis as presented in table 4.10 below.	N	Skewness	Kurtosis
<b>Variables</b>			
Public Participation(PP)	226	-.363	-.665
Information Technology (IT)	226	-.789	.152
External Pressure (EP)	226	.076	-.805
Staff Competency (SC)	226	-.199	-.371
Monitoring and Evaluation (ME)	226	-.651	-.373
Effective Budget Practice (EBP)	226	-.829	1.311

Source: Author's Computation, (2020).

The study of Haenlein and Henseler, (2009) has the traditional assumption that PLS-SEM provides accurate model estimations in situations with extremely non-normal. However, this assumption may turn to be false. Hair, *etal.*, (2012) suggested that researchers should perform a normality test on the data. Highly skewed or kurtosis data can inflate the bootstrapped standard error estimates which in turn underestimate the statistical significance of the path coefficients ( Ringle, Sarstedt, & Straub, 2012a).



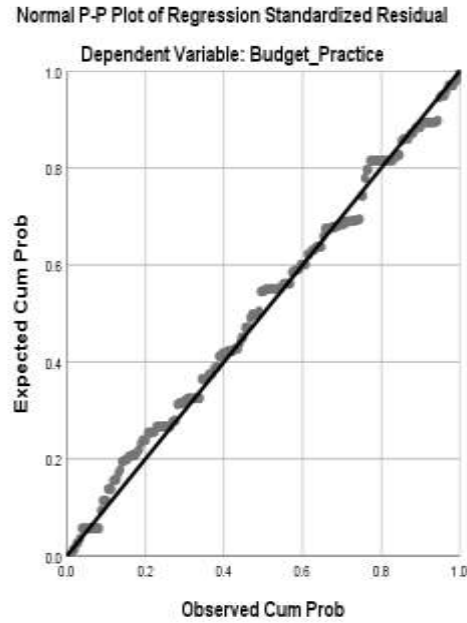


**Figure 4.1: Histogram and normal probability plots for the effective budget practices**

In contrary to this background, this study employed a graphical method to check for the normality of data collected (Tabachnick & Fidell, 2007). Field (2009) suggested that in a large sample of 180 or more, it is more essential to check the shape of the distribution graphically rather than looking at the value of the skewness and kurtosis statistics. Field (2009) also said that a large sample decreases the standard errors, which in turn inflate the value of the skewness and kurtosis statistics. Hence, this justified the reason for using a graphical method of normality test rather than the statistical methods.

#### **4.3.9 Linearity**

Below graph in figure 4.2 shows the linearity among the variables considered in this research work.



***Figure 4.1: Histogram and normal probability plots for the effective budget practices***

The study used residual scatter plot, the residual ought to scatter around 0 and most of the scores should concentrate at 0 points (Ringim (2012)). Figure 4.2 presents the scatter plot between PP, IT, EP, SC, BME and effective budget practices. The assumption was not violated as the plot shows that residual scores converged at the center along the zero point, hence evidencing that the linearity assumption was satisfied.

#### 4.3.10 Multicollinearity Test

To include two constructs with a bivariate correlation, leading to problem of multicollinearity, Pearson correlation analysis was conducted on the independent variables as shown in figure 4.3 and table 11 below.

Table 4.11 *Correlation Analysis of the Variables*

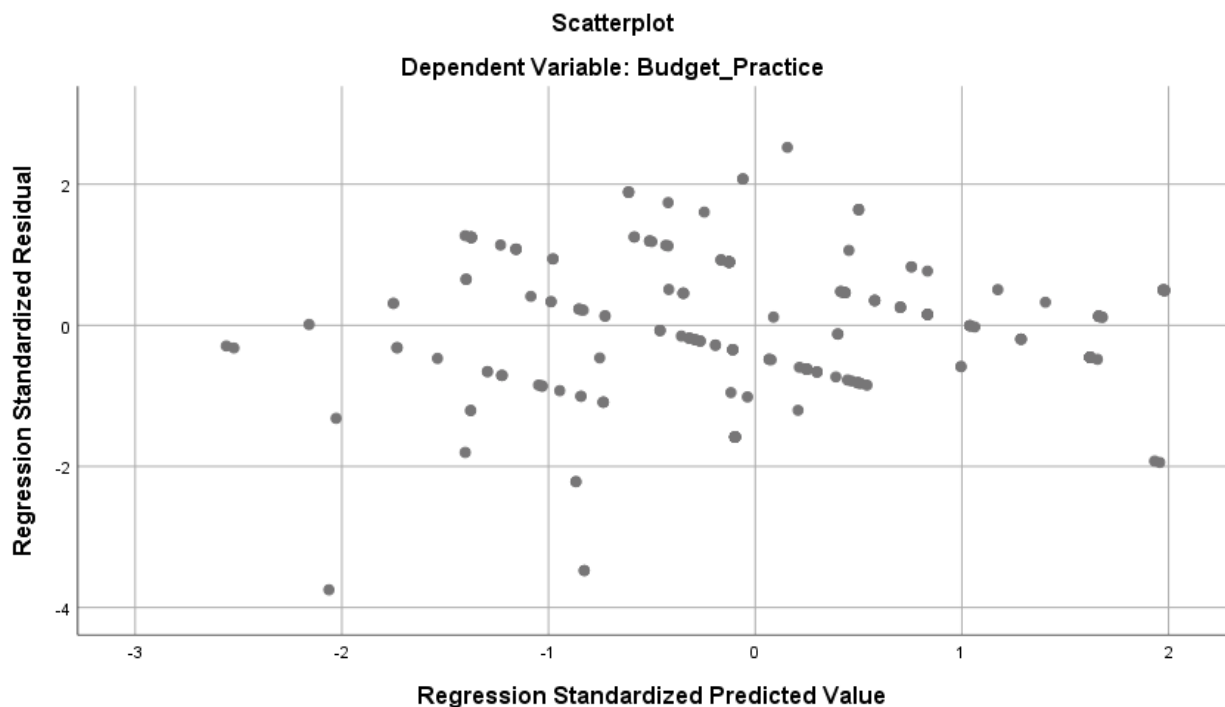


Figure 4.3: *Scatter plots between PP, IT, EP, SC BME and effective budget practices*

To detect multicollinearity, two methods were embraced in the present study (Peng & Lai, 2012). Firstly, the correlation matrix of the exogenous latent constructs was examined. According to Hair, *et al.* (2010), a correlation coefficient of 0.90 and above indicates multicollinearity between exogenous latent constructs. Table 4.11 indicates the correlation matrix of all exogenous latent constructs.

Constructs	PP	IT	EP	SC	ME	EBP
PublicParticipation	1					
Information Technology	.487**	1				
ExternalPressure	.038	.384**	1			
StaffCompetency	.225**	.334**	.412**	1		
Monitoring and Evaluation	.221**	.266**	.408**	.425**	1	
Effective BudgetPractice	.169*	.484**	.534**	.321**	.284**	1

Source: Author's Computation, (2020).

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

As presented in Table 4.11, the correlations between the independent variables were sufficiently below the suggested threshold values of 0.90 or more, which suggests that the independent variables were not highly correlated.

Secondly, variance inflated factor (VIF), and tolerance value were examined to detect multicollinearity problem. Tabachnick, *et al.*, (2007) suggested that multicollinearity is a concern if VIF value is not higher than .1 and tolerance value is not greater than 0.10. Table 4.12 below shows the VIF values and tolerance values for the exogenous latent constructs.

Table 4.12 Normality Test

Variables	Items	Tolerance	VIF
Public Participation(PP)	6	.704	1.420
Information Technology (IT)	6	.621	1.609
External Pressure (EP)	6	.667	1.499
Staff Competency (SC)	6	.720	1.389
Monitoring and Evaluation (ME)	5	.733	1.365

Source: Author's Computation, (2020).

Table 4.11 indicates that multicollinearity did not exist among the exogenous latent constructs as all VIF values were more than .1 and tolerance values were not exceeded .10 as

suggested by Tabachnick, *et al.*, (2007). There, multicollinearity is not an issue in the present study.

#### 4.4 Assessment of PLS-SEM Path Model Results

It is very to mention that a study conducted by Henseler and Sarstedt (2013) suggested that goodness-of-fit (GoF) index is not suitable for model validation (Hair *et al.*, 2014). For instance, using PLS path models with simulated data, the authors show that goodness-of-fit index is not suitable for model because it cannot separate valid models from invalid ones (Hair, Ringle, & Sarstedt, 2013). In validation the light of the recent development about the unsuitability of PLS path modeling in model validation, the present study adopted a two-step process to evaluate and report the results of PLS-SEM path, as suggested by Henseler, Ringle and Sinkovics (2009). This two-step process adopted in the present study comprises the assessment of a measurement model, and the assessment of a structural model.

##### 4.4.1 Assessment of Measurement Model

An examination of the loadings and cross loadings to be able to spot any problem with the items which also serves as a pre-requisite for ascertaining the convergent validity was undertaken as shown in figure 4.4 and Table 4.13 below.

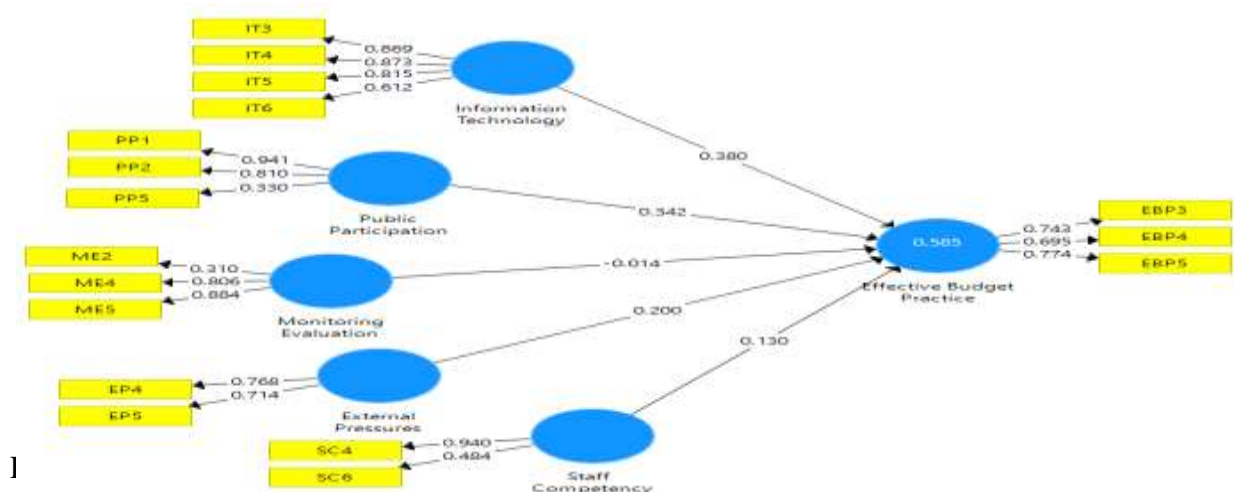


Table 4.13 Summary of the Measurement Model (Composite Reliability and Average Variance Extracted)

Constructs	Items	EBP	CronbachAlpha	CR	AVE
------------	-------	-----	---------------	----	-----

Effective Budget Practice	EBP3	0.743	0.786	0.782	0.545
	EBP4	0.695			
	EBP5	0.774			
External Pressure	EP4	0.768	0.783	0.710	0.550
	EP5	0.714			
Information Technology	IT3	0.869	0.811	0.874	0.639
	IT4	0.873			
	IT5	0.815			
	IT6	0.612			
Monitoring and Evaluation	ME2	0.710	0.720	0.731	0.509
	ME4	0.806			
	ME5	0.884			
Public Participation	PP1	0.941	0.758	0.762	0.550
	PP2	0.810			
	PP5	0.730			
Staff Competency	SC4	0.940	0.771	0.697	0.559
	SC6	0.784			

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**Source: Author's Computation, (2020).**

An assessment of a measurement model involves determining individual item reliability, internal consistency reliability, content, convergent, and discriminant validity (Hair, *et al.*, 2014).

The first attempt that this study undertook was to ensure that the measurement model is valid and reliable. This was done following the argument of Esposito vinziet *al.*, (2010) who pointed out that the rules of thumb are, for an outer loading to be considered, it should be 0.05 and above and for the average variance extracted, it should be greater than 0.5 also. Based on this, all the items with outer loading below 0.05 were deleted beginning with the one with the lowest value, a technique which according to Hair, *et al.*, (2012) is very suitable because it improves data quality. The two approaches are also discussed as measurement model and structural model (Hair, *et al.*, 2012). Since there are several relationship effects involved in this study, the use partial least squares were used as suggested by Chin, *et al.*, (2003) and SmartPLS3 was employed in this study to be able to assess the reliability and validity as well as testing the structural model.

#### 4.4.2 Internal Consistency Reliability

To measure internal consistency reliability of all the items on a particular scale for this study, the cross loading are used to measure the same concept as shown in table 4.14 below.

Table 4.14 Cross Loading

Constructs	Items	EBP	EP	IT	ME	PP	SC
Effective Budget Practice	EBP3	<b>0.743</b>	0.528	0.474	0.247	0.426	0.375
	EBP4	<b>0.695</b>	0.262	0.321	0.230	0.408	0.352
	EBP5	<b>0.774</b>	0.221	0.552	0.228	0.373	0.539
External Pressure	EP4	0.362	<b>0.768</b>	0.198	0.158	0.178	0.191
	EP5	0.331	<b>0.714</b>	0.437	0.105	0.078	0.400
Information Technology	IT3	0.627	0.355	<b>0.869</b>	0.391	0.324	0.544
	IT4	0.535	0.385	<b>0.873</b>	0.177	0.287	0.415
	IT5	0.448	0.343	<b>0.815</b>	0.142	0.182	0.480
	IT6	0.286	0.244	<b>0.612</b>	0.010	-0.045	0.023
Monitoring and Evaluation	ME2	0.054	0.056	0.141	<b>0.710</b>	-0.067	-0.095
	ME4	0.240	0.045	0.189	<b>0.806</b>	0.517	0.271
	ME5	0.303	0.236	0.239	<b>0.884</b>	0.315	0.322
Public Participation	PP1	0.570	0.161	0.273	0.386	<b>0.941</b>	0.504
	PP2	0.366	0.172	0.157	0.441	<b>0.810</b>	0.482
	PP5	0.125	-0.013	0.211	0.107	<b>0.730</b>	-0.041
Staff Competency	SC4	0.564	0.340	0.487	0.380	0.525	<b>0.940</b>
	SC6	0.220	0.262	0.215	-0.019	0.174	<b>0.784</b>

Source: Author's Computation, (2020).

Internal consistency reliability refers to the extent to which all items on a particular scale are measuring the same concept (Sun *et al.*, 2007). Cronbach's alpha coefficient and composite reliability coefficient are the most used estimators of the internal consistency reliability of an instrument in organizational research (e.g., Peterson & Kim, 2013). In this study, composite reliability coefficient was chosen to ascertain the internal consistency reliability of measures adapted.

Two main reasons justified the use of composite reliability coefficient. Firstly, composite reliability coefficient provides a much less biased estimate of reliability than Cronbach's alpha coefficient because the later assumes all items contribute equally to its construct without considering the actual contribution of individual loadings (Gotz, Liehr-Gobbers, & Krafft, 2010).

#### 4.4.3 Discriminant Validity

Discriminant validity was determined following Chin's (1998) criterion by comparing the indicator loadings with other reflective indicators in the cross loadings table. First, as a rule of thumb for evaluating discriminant validity, Fornell and Larcker (1981) suggested the use of AVE with a score of 0.50 or more. To achieve adequate discriminant validity, Fornell and Larcker (1981) further suggest that the square root of the AVE should be greater than the correlations among latent constructs.

Table 4.15 *Discriminant Validity (Fornell-Larcker Criterion)*

<b>Constructs</b>	<b>EBP</b>	<b>EP</b>	<b>IT</b>	<b>ME</b>	<b>PP</b>	<b>SC</b>
Effective Budget Practice	0.738					
External Pressures	0.468	0.742				
Information Technology	0.620	0.420	0.799			
Monitoring & Evaluation	0.319	0.179	0.262	0.713		
Public Participation	0.543	0.176	0.274	0.452	0.742	
Staffs Competency	0.576	0.392	0.506	0.330	0.525	0.748

**Source: Author's Computation, (2020).**

As indicated in Table 4.15 above, the values of the average variances extracted range between 0.505 and 0.708, suggesting acceptable values. In Table 4.15, the correlations among the latent constructs were compared with the square root of the average variances extracted (values in bold face). It also showed that the square root of the average variances extracted were all greater than the correlations among latent constructs, suggesting adequate discriminant validity (Fornell & Larcker, 1981).

#### 4.4.4 Assessment of Significance of the Structural Model

For the evaluation of structural model of the Partial least Square-Structure equation Model, the significant of the path coefficient, the coefficient of determination ( $R^2$ ) and coefficient of prognostic relevance( $q^2$ ) were addressed in the study in figure 4.4 and table 4.16 below.



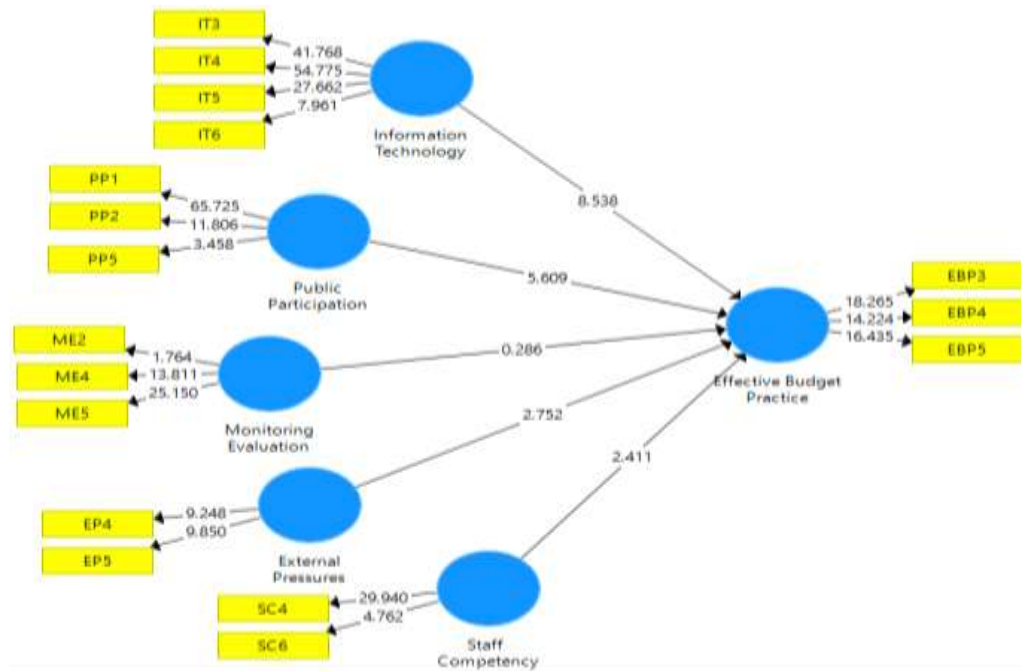


Figure 4.4 Assessment of Structural Model for Effective Budget Practices

**Table 4.16 Assessment of Structural Model for Effective Budget Practices**

Hypotheses	Bet	Se	T-Values	P-Values	Decision
External Pressures -> Effective Budget Practice	0.200	0.073	2.752	0.006	Supported
Information Technology -> Effective Budget Practice	0.380	0.045	8.538	0.000	Supported
Monitoring Evaluation -> Effective Budget Practice	-0.014	0.050	0.286	0.775	Not Supported
Public Participation -> Effective Budget Practice	0.342	0.061	5.609	0.000	Supported
Staff Competency -> Effective Budget Practice	0.130	0.054	2.411	0.016	Supported

**Source: Research Survey, (2020).**

The present study assessed the structural model and applied the standard bootstrapping procedure with several 5000 bootstrap samples and 203 cases to assess significance of the path coefficients (Hair et al., 2014). The t-values in this study were calculated using a 5000 re sampling iterations in repetitive bootstrapping. The justification for the selection of 5000 samples is because it ensures that every model parameter has empirical sampling distribution and the standard deviation of the distribution will serve as proxy of the parameter 's empirical standard error (Hair *et al.*, 2012).

Furthermore, discriminant validity can be ascertained comparing the indicator loadings with cross-loadings (Chin, 1998). To achieve adequate discriminant validity, Chin (1998) suggested that all the indicator loadings should be higher than the cross-loadings. All indicator loadings were greater than the cross loadings, suggesting adequate discriminant validity for further analysis.

**Hypothesis (H<sub>1</sub>)** predicted that public participation is related to effective budget practices among MDAs in Kwara State. Result (Table 4.16, Figure 4.4) revealed significant positive relationship between public participation and effective budget practices among MDAs in Kwara State ( $\beta = 0.130$ ,  $t = 2.7411$ ,  $p < 0.016$ ), is supporting Hypothesis 1.

**Hypothesis (H<sub>2</sub>)** predicted that information technology and effective budget practices among MDAs in Kwara State. Result (Table 4.16, Figure 4.4) revealed a significant positive relationship between information technology and effective budget practices among MDAs in Kwara State ( $\beta = 0.902$ ,  $t = 3.848$ ,  $p < 0.001$ ). In this regards, the hypothesis (H<sub>2</sub>) is supported.

**Hypothesis (H<sub>3</sub>)** predicted that external pressure is related to effective budget practices among MDAs in Kwara State. Result (Table 4.16, Figure 4.4) revealed significant positive relationship between external pressure and effective budget practices among MDAs in Kwara State ( $\beta = 0.200$ ,  $t = 2.752$ ,  $p < 0.006$ ), is supporting Hypothesis 3.

**Hypothesis (H<sub>4</sub>)** predicted that staff competency is related to effective budget practices among MDAs in Kwara State. Result (Table 4.16, Figure 4.4) revealed a significant positive relationship between staff competency and effective budget practices among MDAs in Kwara State ( $\beta = 0.290$ ,  $t = 8.914$ ,  $p < 0.000$ ), therefore, the Hypothesis three (H<sub>4</sub>) is supported

**Hypothesis (H<sub>5</sub>)** predicted that budget monitoring and evaluation is related to effective budget practices among MDAs in Kwara State. Result (Table 4.16, Figure 4.4) revealed budget monitoring and evaluation has positive relationship with effective budget practices

among MDAs in Kwara State but insignificant at level of 0.05 ( $\beta = -0.014$ ,  $t = 5.609$ ,  $p < 0.775$ ). Therefore, hypothesis five ( $H_5$ ) not supported.

#### 4.4.5 Assessment of Co-efficient Determination (Variance Explained in the Endogenous Latent Variables)

The  $R^2$  value represents the proportion of variation in the dependent variable(s) that can be explained by one or more predictor variable were explained in table 4.17 below.

**Table 4.17 Coefficient Determination of  $R^2$**

Variables	$R^2$	Adj. $R^2$
Effective Budget Practices	0.585	0.576

*Source: Research Survey, (2020).*

Co-efficient determination value ( $R^2$ ) is another essential criterion for assessing the structural model in PLS-SEM (Hair, *et al.*, 2012). The  $R^2$  value represents the proportion of variation in the dependent variable(s) that can be explained by one or more predictor variable. Although the acceptable level of  $R^2$  value depends on the research context (Hair, *et al.*, 2010). Falk and Miller (1992) propose an  $R^2$  value of 0.10 as a minimum acceptable level. Meanwhile, Chin (1998) suggests that the  $R^2$  values of 0.67, 0.33, and 0.19 in PLS-SEM can be considered as substantial, moderate, and weak, respectively. Table 4.17 presents the  $R^2$  values of the five endogenous latent variables.

As indicated in Table 4.17, the research model explains 59% of the total variance in internal audit effectiveness. This suggests that the three (3) sets of exogenous latent variables collectively explain 59% of the variance of the internal audit effectiveness.

#### 4.4.7 Assessment of Effect Size ( $f^2$ )

Table 4.18 below shows the effect sizes for the management support, internal and external auditor relationship, competency, and internal audit effectiveness.

**Table 4.18 Assessment of Effect Size ( $f^2$ )**

Variables	Effect size ( $f^2$ )	Decision
External Pressures	0.06	Small
Information Technology	0.24	Medium

Monitoring & Evaluation	<b>0.00</b>	None
Public Participation	<b>0.18</b>	Medium
Staffs Competency	0.02	Small

*Source: Research Survey, (2020).*

Effect size indicates the relative effect of a particular exogenous latent variable on endogenous latent variable(s) by means of changes in the  $R^2$  (Chin, 1998). It is calculated as the increase in  $R^2$  of the latent variable to which the path is connected, relative to the latent variable's proportion of unexplained variance (Chin, 1998).

Table 4.18 above, indicated that the effect sizes for the management support, internal and external auditor relationship, competency, and internal audit effectiveness were 0.47, 0.09, and 0.08 which result to the large, medium, and small, respectively. Similarly, based on Cohen's (1988) guideline for interpretation of the effect size, the results suggest that the effects sizes of these three exogenous latent variables on internal audit effectiveness can be considered as large, medium, and small effect size respectively.

#### 4.4.6 Assessment of Predictive Relevance

In addition, a research model with higher positive  $Q^2$  values suggests more predictive relevance. Table 4.19 below presents the results of the  $Q^2$  test.

**Table 4.19 Predictive Relevant ( $Q^2$ )**

Variables	SSO	SSE	$Q^2 = (1-SSE/SSO)$
Effective Budget Practices	678.000	485.323	0.284

*Source: Research Survey, (2020).*

The present study applied Stone-Geisser test of predictive relevance of the research model using blindfolding procedures (Geisser, 1974; Stone, 1974). The Stone-Geisser test of predictive relevance is usually used as a supplementary assessment of goodness-of-fit in PLS-SEM (Duarte & Raposo, 2010). Even though this study used blindfolding to ascertain the predictive relevance of the research model, blindfolding procedure is only applied to endogenous latent variables that have a reflective measurement model operationalization.

Specifically, a cross-validated redundancy measure ( $Q^2$ ) was applied to assess the predictive relevance of the research model (Geisser, 1974). The  $Q^2$  is a criterion to a measure how well a model predicts the data of omitted cases (Hair *et al.*, 2014). According to Henseler, *et al.*, (2009), a research model with  $Q^2$  statistic (s) greater than zero is considered to have predictive relevance.

Table 4.19 above showed the cross-validation redundancy measure  $Q^2$  for all endogenous latent variables were above zero, suggesting predictive relevance of the model (Henseler *et al.*, 2009). This means that the model are well predicts the data of omitted cases.

## **4.5 Discussion of Findings**

This section presents the discussion of key findings in relation to the research objectives of the study. The discussions are presented in the sequence of the research questions raised in chapter one for the study.

### **4.5.1 Public Participation and Effective Budget Practices among MDAs in Kwara State, Nigeria**

The first research question is used to investigate the first objective of the study. This objective examined the impact of public participation and effective budget practices among MDAs in Kwara State. Result from the PLS-SEM analysis ( $t = 8.914$ ,  $p\text{-value} < 0.000$ ) showed that there is positive and significant relationship between public participation and effective budget practices of MDAs in Kwara State at 0.05% level of significant. The public participation seems to explain partial variation in effective budget practices among MDAs in Kwara State ( $t = 5.609$ ,  $p\text{-value} < 0.000$ ). The result is in line with the findings of (Edwin, 2015; Saheb, Redy & Amsalu 2019; Harun, Carter, Mollik & An, 2020). They found out that public participation and effective budget practices among MDAs in Kwara State. However, the finding is in contrast with the results of (2015; Purba, Supriana & Lubis, 2016; Kalola & Kavale, 2017; Indeché & Ayuma, 2017; Nyamari Agalo & Kinya 2018) where results shows public

participation has no significant positive relationship with effective budget practices among MDAs in Kwara State. The result is in line with the assumption of the institutional theory, which posits that for any effective budgeting practices, both internal and external factors play crucial role. The theory suggest that when an organization/public sector has effective internal resources such as staff with high level of experience and technical expertise that can analyze and execute any difficulty in the budget, monitor and evaluate the level of completion of the project; possess an updated information technology that can be used to gather information and bring out result as an when due which could enhance the preparation of the budget would go a long way in enhancing effective budget practices in government MDAs.

Result also concurs with the a priori expectation that, public participation and effective budget practices among MDAs in Kwara State. This implies that effective budget practices among MDAs in Kwara State through effective and public participation will enhance effective budget practices among MDAs in Kwara State. This could make the effective budget practices of MDAs in Kwara State effective as the researcher expects that adequate public participation would improve the effective budget practices among MDAs in Kwara State.

#### **4.5.2 Information Technology and Effective Budget Practices among MDAs in Kwara State, Nigeria**

The second research question is used to investigate the second objective of the study. This objective examined the impact of information technology and effective budget practices among MDAs in Kwara State. Result from the PLS-SEM analysis ( $t = 8.538$ ,  $p\text{-value} < 0.000$ ) showed that there is positive and significant relationship between information technology and effective budget practices of MDAs in Kwara State at 0.05% level of significant. The information technology seems to explain partial variation in effective budget practices among MDAs in Kwara State ( $t = 5.609$ ,  $p\text{-value} < 0.000$ ). The result is in line with the

findings of (Edwin, 2015; Saheb, Redy& Amsalu 2019; Harun, Carter, Mollik& An, 2020). They found out that information technology and effective budget practices among MDAs in Kwara State. However, the finding is in contrast with the results of (2015; Purba, Supriana & Lubis, 2016; Kalola&Kavale, 2017; Indech&Ayuma, 2017; NyamariAgalo&Kinya, 2018) where results shows information technology has no significant positive relationship with effective budget practices among MDAs in Kwara State. The result is in line with the assumption of the institutional theory, which posits that for any effective budgeting practices, both internal and external factors play crucial role. The theory suggest that when an organization/public sector has effective internal resources such as staff with high level of experience and technical expertise that can analyze and execute any difficulty in the budget, monitor and evaluate the level of completion of the project; possess an updated information technology that can be used to gather information and bring out result as an when due which could enhance the preparation of the budget would go a long way in enhancing effective budget practices in government MDAs.

Result also concurs with the a priori expectation that, information technology and effective budget practices among MDAs in Kwara State. This implies that effective budget practices among MDAs in Kwara State through effective and information technology will enhance effective budget practices among MDAs in Kwara State. This could make the effective budget practices of MDAs in Kwara State effective as the researcher expects that adequate information technology would improve the effective budget practices among MDAs in Kwara State.

#### **4.5.3 External Pressure and Effective Budget Practices among MDAs in Kwara State, Nigeria**

The third research question is used to investigate the third objective of the study. This objective examined the impact of external pressure and effective budget practices among

MDAs in Kwara State. Result from the PLS-SEM analysis ( $t = 8.538$ ,  $p\text{-value} < 0.000$ ) showed that there is positive and significant relationship between external pressure and effective budget practices of MDAs in Kwara State at 0.05% level of significant. The external pressure seems to explain partial variation in effective budget practices among MDAs in Kwara State ( $t = 2.752$ ,  $p\text{-value} < 0.006$ ). The result is in line with the findings of (Edwin, 2015; Saheb, Redy& Amsalu 2019; Harun, Carter, Mollik& An, 2020). They found out that external pressure and effective budget practices among MDAs in Kwara State. However, the finding is in contrast with the results of (2015; Purba, Supriana&Lubis, 2016; Kalola&Kavale, 2017; Indeche&Ayuma, 2017; NyamariAgalo&Kinya, 2018) where results shows external pressure has no significant positive relationship with effective budget practices among MDAs in Kwara State. The result is in line with the assumption of the institutional theory, which posits that for any effective budgeting practices, both internal and external factors play crucial role. The theory suggest that when an organization/public sector has effective internal resources such as staff with high level of experience and technical expertise that can analyze and execute any difficulty in the budget, monitor and evaluate the level of completion of the project; possess an updated external pressure that can be used to gather information and bring out result as an when due which could enhance the preparation of the budget would go a long way in enhancing effective budget practices in government MDAs.

Result also concurs with the a priori expectation that, external pressure and effective budget practices among MDAs in Kwara State. This implies that effective budget practices among MDAs in Kwara State through effective and external pressure will enhance effective budget practices among MDAs in Kwara State. This could make the effective budget practices of MDAs in Kwara State effective as the researcher expects that adequate external pressure would improve the effective budget practices among MDAs in Kwara State.



#### **4.5.4 Staff Competency and Effective Budget Practices among MDAs in Kwara State, Nigeria**

The fourth research question is used to investigate the fourth objective of the study. This objective investigates the impact of staff competency and effective budget practices among MDAs in Kwara State. Result from the PLS-SEM analysis ( $t = 2.411$ ,  $p\text{-value} < 0.061$ ) showed that there is positive and significant relationship between staff competency and effective budget practices of MDAs in Kwara State at 0.05% level of significant. The external pressure seems to explain partial variation in effective budget practices among MDAs in Kwara State ( $t = 2.752$ ,  $p\text{-value} < 0.016$ ). The result is in line with the findings of (Edwin, 2015; Saheb, Redy& Amsalu 2019; Harun, Carter, Mollik& An, 2020). They found out that staff competency and effective budget practices among MDAs in Kwara State. However, the finding is in contrast with the results of (2015; Purba, Supriana&Lubis, 2016; Kalola&Kavale, 2017; Indeche&Ayuma, 2017; NyamariAgalo&Kinya, 2018) where results shows staff competency has no significant positive relationship with effective budget practices among MDAs in Kwara State. The result is in line with the assumption of the institutional theory, which posits that for any effective budgeting practices, both internal and external factors play crucial role. The theory suggest that when an organization/public sector has effective internal resources such as staff with high level of experience and technical expertise that can analyze and execute any difficulty in the budget, monitor and evaluate the level of completion of the project; possess an up dated staff competency that can be used to gather information and bring out result as an when due which could enhance the preparation of the budget would go a long way in enhancing effective budget practices in government MDAs.

Result also concurs with the a priori expectation that, staff competency and effective budget practices among MDAs in Kwara State. This implies that effective budget practices among MDAs in Kwara State through effective and staff competency will enhance effective budget

practices among MDAs in Kwara State. This could make the effective budget practices of MDAs in Kwara State effective as the researcher expects that adequate staff competency would improve the effective budget practices among MDAs in Kwara State.

#### **4.5.4 Budget Monitoring, Evaluation and Effective Budget Practices among MDAs in Kwara State, Nigeria**

The last research question is used to investigate the fifth objective of the study. This objective examined the impact of budget monitoring and evaluation and effective budget practices among MDAs in Kwara State. Result from the PLS-SEM analysis ( $t = 0.286$ ,  $p\text{-value} < 0.775$ ) showed that there is positive and insignificant relationship between budget monitoring and evaluation and effective budget practices of MDAs in Kwara State at 0.05% level of significant. The budget monitoring and evaluation seems not to explain partial variation in effective budget practices among MDAs in Kwara State ( $t = 2.752$ ,  $p\text{-value} < 0.016$ ). The result is in line with the findings of (Indeche & Ayuma, 2015; Purba, Supriana & Lubis, 2016;). They found out that budget monitoring and evaluation and effective budget practices among MDAs in Kwara State. However, the finding is in contrast with the results of (Abogun & Fagbemi, 2012; Alade, Abiodun & Olusola, 2014; Ezeagba & Adigwe, 2015) where results show budget monitoring and evaluation has no significant positive relationship with effective budget practices among MDAs in Kwara State. The result is not in line with the assumption of the institutional theory, which posits that for any effective budgeting practices, both internal and external factors play crucial role. The theory suggest that when an organization/public sector has effective internal resources such as staff with high level of experience and technical expertise that can analyze and execute any difficulty in the budget, monitor and evaluate the level of completion of the project; possess an updated staff competency that can be used to gather information and bring out result as an when due which could enhance the preparation

of the budget would go a long way in enhancing effective budget practices in government MDAs.

This result failed to be in line with the a priori expectation that, budget monitoring and evaluation and effective budget practices among MDAs in Kwara State. This implies that effective budget practices among MDAs in Kwara State through effective and budget evaluation and monitoring will enhance effective budget practices among MDAs in Kwara State. This could make the effective budget practices of MDAs in Kwara State effective as the researcher expects that adequate budget evaluation and monitoring would not improve the effective budget practices among MDAs in Kwara State.

#### 4.5.5 Summary of Findings

Having presented all the results including main effects in preceding sections, Table 4.16 summarizes the results of all hypotheses tested.

**Table 4.20 Summary of the Hypotheses Tested**

Hypotheses	Bet	Se	T-Values	P-Values	Decision
External Pressures -> Effective Budget Practice	0.200	0.073	2.752	0.006	Supported
Information Technology -> Effective Budget Practice	0.380	0.045	8.538	0.000	Supported
Monitoring Evaluation -> Effective Budget Practice	-0.014	0.050	0.286	0.775	Not Supported
Public Participation -> Effective Budget Practice	0.342	0.061	5.609	0.000	Supported
Staff Competency -> Effective Budget Practice	0.130	0.054	2.411	0.016	Supported

*Source: Research Survey, (2020).*

Based on this study, four hypotheses were supported that is public participation, information technology, external pressure and staff competency out of five hypotheses tested. The justification for using PLS path modeling to test the theoretical model in this study was presented. Following the assessment of significance of the path coefficients, the key findings of the study were presented.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

This chapter concludes the empirical investigation on the determinants of effective budget practices: evidence from Ministries, Departments and Agencies in Kwara State, Nigeria. It also presents the summary, conclusions, and corresponding recommendations for the study, based on the findings of the study. In addition, the study further presents the research's contribution to knowledge frontiers and limitation of the study, suggestions for future studies and limitation as well as delimitation of the study.

#### **5.1 Summary**

In every organization, whether private or public set-up, budget serves as an important tool used in planning, controlling, and making effective decision. The strategies used in the formulation and implementation of the budget go a long way in ensuring the sustainability and success of the organization. However, the alarming rate of slow budget processes and non-implementation of budget items, especially among the government ministries, department and agencies around the globe has raised concerns among the member of the public who paid taxes used in funding these budgets. Consequently, the credibility in the level of transparency and accountability of each arms of government (local, state/county/regional government and federal government) has been questioned (Talesh&Zarei, 2016; Mkanjala, 2017). This has been linked to various factors influencing effective budgeting practices around the world.

Different cases of budget failure had been reported in various developed countries such as the United States of America, Russia, and Netherland amongst others due to high budget deficit (Burman, Rohaly, Rosenberg & Lim, 2018). The developing countries had been largely tagged with large number of budget failures such as Kenya, Indonesia, Ghana, among others.

Nigeria is not left out of this problem due to various cases of budget padding. For example, there was a case of budget padding (that is, increasing the amount in the expenditure side of the budget) by forty billion naira (#40,000,000,000) by the two legislative Houses (the Senate and the House of Representative) (Omeje &Ogbu, 2019).

The study reviewed literatures on determinants of effective budget practices of MDAs in Kwara State, Nigeria. The reviews were divided into three; the conceptual review; theoretical framework and empirical review. The study vividly examined the concept of effective budget practices; determinants of internal effective budget practices such as public participation, information technology, external pressure, and staff competency. This study was guided by the institutional theory. Therefore, the results of the previous studies were empirically reviewed and were divided into international and local studies. The international studies were further divided into developed and developing nations for easy understanding and to bring out lacuna on previous studies about effective budget practices.

The aim of this study is to examine the determinants of effective budget practices among MDAs in Kwara State, Nigeria. The population of this study consists of all the staff in budget departments of Kwara State Ministries, Departments and Agencies. In specific term, the total Ministries, Departments and Agencies (hereafter, MDAs) are sixty-five (65) comprising of sixteen (16) Ministries, forty-nine (49) Departments and Agencies. This serves as the major population of this study. The secondary population includes the Commissioners in each ministry, permanent secretaries in each ministry, the Directors, Chairmen/Heads of various Agencies and all staff in the budget departments of all MDAs from which the sample size was chosen.

From the empirical analysis and hypothesis conducted, the first objective examined the effect of public participation on effective budget practice. The study found that public participation

has insignificant effect at 0.05 level of significance on the level of effective budget practice of Ministries, Departments and Agencies in Kwara State, Nigeria. Result from the PLS analysis ( $\beta = 0.342$ ,  $p\text{-value} < 0.000$ ). However, public participation provide support to the hypothesis one ( $H_1$ ) on the influence effective budget practices of Ministries, Departments and Agencies in Kwara State, Nigeria.

The second research question is used to investigate the second objective. This objective examined the impact of information technology on effective budget practice of Ministries, Departments and Agencies in Kwara State, Nigeria. Result from the PLS-SEM analysis ( $\beta = 0.380$ ,  $p\text{-value} < 0.000$ ) showed that there is positive and significant relationship between internal and external relationship on effective budget practice of Ministries, Departments and Agencies in Kwara State, Nigeria at 0.05% level of significant.

Furthermore, the third objective examined the effect of external pressure on effective budget practice. The study found that public external pressure has insignificant effect at 0.05 level of significance on the level of effective budget practice of Ministries, Departments and Agencies in Kwara State, Nigeria. Result from the PLS analysis ( $\beta = 0.200$ ,  $p\text{-value} < 0.006$ ). However, external pressure provide support to the hypothesis three ( $H_3$ ) on the influence effective budget practice of Ministries, Departments and Agencies in Kwara State, Nigeria.

Also, Research question four used to investigate objective four which investigate staff competency on effective budget practices practice of Ministries, Departments and Agencies in Kwara State, Nigeria. The fifth variable which is the staff competency depict a positive and significant relationship with effective budget practices practice of Ministries, Departments and Agencies in Kwara State, Nigeria in the PLS-SEM result at 0.05% level of significant with ( $\beta = 0.130$ ,  $p\text{-value} < 0.061$ ).

Finally, from the empirical analysis and hypothesis conducted, the fifth objective examined the effect of budget monitoring and evaluation on effective budget practice. The study found that budget monitoring and evaluation has no insignificant effect at 0.05 level of significance on the level of effective budget practice of Ministries, Departments and Agencies in Kwara State, Nigeria. Result from the PLS analysis ( $\beta = 0.286$ ,  $p\text{-value} < 0.775$ ). However, it failed to provide support to the hypothesis four ( $H_5$ ) on the influence effective budget practice of Ministries, Departments and Agencies in Kwara State, Nigeria

## **5.2 Conclusion**

Based on the result of the hypotheses tested in chapter four, the study concluded that, public participation, information technology, external pressure, staff competence and effective budget practice of Ministries, Departments and Agencies in Kwara State, Nigeria. The study made influence on public participation, information technology, external pressure and staff competence and effective budget practice of Ministries, Departments and Agencies in Kwara State, Nigeria using descriptive analysis and PLS analysis comes out to show the four major significant relationships. The study concluded that:

- i. Participation of public stakeholders in budgeting process has a positive and significant relationship with effective budget practice. This means that when stakeholders actively contribute to the process and implementation of budget, there is a possibility that the effective budget practice of Ministries, Departments and Agencies in Kwara State will be improved.
- ii. The use of budget for information technology impacts positively on the effective budget practice of Ministries, Departments and Agencies in Kwara State, Nigeria. This shows that as organizations continue to employ budget for setting objectives and designing strategy to achieve the set objectives, there is a tendency for such MDAs to experience effective budget practices

iii. The further concluded that there is significant relationship between external pressure and effective budget practice of Ministries, Departments and Agencies in Kwara State, Nigeria. This means that when stakeholders actively contribute to the process and implementation of budget, there is a possibility that the effective budget practice of Ministries, Departments and Agencies in Kwara State will be enhanced.

iv. Finally, the study concluded that, there is significant relationship between staff competency and effective budget practice of Ministries, Departments and Agencies in Kwara State, Nigeria. This mean that the more the state government deploy and engage competent staff in budgetary process, effective budget practices will be increased among MDAs in Kwara State, Nigeria.

### **5.3 Recommendations**

In accordance with the findings of this study, following recommendations were made for improvement of the existing effective budget practice of Ministries, Departments and Agencies in Kwara State, Nigeria. As related to public participation, information technology, external pressure and staff competence has significant positive effect in increasing the level of effective budget practice of Ministries, Departments and Agencies in Kwara State, Nigeria:

i. Based on the empirical findings of the study in respect of research question one that positive and significant relationship exists between public participation and effective budget practices among MDAs in Kwara Sate, it is therefore recommended that active participation should be encouraged among public stakeholders during budgeting process, as this is expected to enhance effective budget practice of Ministries, Departments and Agencies in Kwara State, Nigeria:



ii. In accordance with the findings of research question two that information technology has a positive and significant effect on effective budget practices among MDAs in Kwara State, the study therefore recommends that management should ensure that budgets are being used in a more effective way by using information technology for budget process, as this would make them to be more efficient and effective in their operations in terms of effective budget practices.

iii. Furtherer more, as evidenced form the finding of the study in respect of research question three that positive and significant relationship exists between external pressure and effective budget practices among MDAs in Kwara Sate. It is therefore recommended that, there should be more pressure from external forces to enhance effective budget practice among Ministries, Departments and Agencies in Kwara State.

iv. Finally, based on the empirical findings of the study in respect of research question one that positive and significant relationship exists between staff competency and effective budget practices among MDAs in Kwara Sate, it is therefore recommended that,the result implies that internal auditor competence would improve the effectiveness performance of public universities through its staff. The study therefore recommends that present government in Kwara State should ensure that the competent staffs are properly put in place especially in the area of budgeting and budgetary control in order to increase the current level of budget practices among Ministry Department and Agencies in the State. It is also important that when planning, government should consider the changes that may possibly occur in their skill acquisitions to enable the MDAs to achieve their set effective budget process.

#### **5.4 Contributions to Knowledge**

This section presents areas in which this study contributes to the existing literature on determinants of effective budget practice of Ministries, Departments and Agencies in Kwara State, Nigeria.

- i. Vividly from prior studies that proxy determinants of effective budget practices among MDAs in Kwara State, Nigeria with a single variable such as Public Participation, the study seems to be the first to use public participation, information technology, external pressure, budget monitoring and staff competency.
- ii. Most studies that examined the determinants of effective budget practices, have used pool OLS, Multiple regression, Logit and Probit estimation. This may, however, lead to a spurious result due to the variables involved which are latent in nature. Therefore, the study used Partial Least Square structural equation model can cater for such bias and shortcomings. Hence, this study is germane and unique as it examined the determinants of effective budget practices among MDAs in Kwara State, Nigeria

#### **5.5 Suggestions for Further Studies**

- i. Further studies may be carried out to compare the determinants of internal audit effectiveness: determinants of effective budget practices among MDAs in Kwara State in other states in Nigeria such as Kogi State, Benue State, Osun State and Nasarawa State etc.
- ii. Further studies may also be extended to cover the whole Nigeria at the federal and state level of government to ascertain whether the same factors explain determinants of effective budget practices among MDAs in Kwara State: evidence from MDAs in Kwara State is also applicable to other MDAs at the federal level.

iii. Future studies may also be considered to cover other variables that are not used to proxy the determinants of effective budget practices among MDAs in Kwara State in this study.

## **5.6 Limitation and Delimitation to the study**

A few limitations are associated with this study. The first limitation to this study is the measurement adopted. The study relied on self-reported behavior of the targeted respondents like most determinants of effective budget practice research; however, scholars have pointed out that the behavior that portray under such a method may not be a truthful representation of their actual behavior (Van Djike & Verboon, 2010). Therefore, drawing conclusion from this study's findings with respect to actual behavior must be done with caution.

The second limitation is in connection with the sampling method. As with other behavioural research, this study was carried out by sample representation but conducting a study with a sample representative of the population is problematic. In this case, generalization is an important issue. However, conducting this study at the state level as well as the use of principal officers from different MDAs in Kwara State enhanced the external validity of the study. Nevertheless, this did not affect the findings of this study due to the fact that adequate empirical supportive evidence available in the study as the results is reliable and fit for policy formulation and implementation.

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## APPENDIX I

Department of Accounting and Finance,  
College of Humanities, Management and Social  
Sciences,  
Kwara State University,  
Malete, Kwara State.

Dear Respondent,

### REQUEST FOR RESPONSE TO RESEARCH QUESTIONNAIRE

I am a student in the Department of Accounting and Finance, Kwara State University, Malete, conducting a research on “**DETERMINANTS OF EFFECTIVE BUDGET PRACTICES: EVIDENCE FROM MINISTRIES, DEPARTMENTS AND AGENCIES IN KWARA STATE, NIGERIA**” in partial fulfillment for the award of Master of Science in Accounting.

It will be appreciated if you respond to these questions sincerely and objectively. Be assured that all information given shall be treated with utmost confidentiality and will be used for research purpose only.

Your prompt response to this questionnaire will be highly appreciated.

Thanks immensely for your anticipated cooperation.

Yours faithfully,

.....  
BUSAYO OLAYIDE OYINLOYE.  
15/27/MAC/023



## INSTRUCTION

Please, tick the appropriate option from the options from the options given in sections A and B.

NOTE: SA = Strongly Agree; A = Agree; U = Undecided; D = Disagree; SD = Strongly Disagree

### SECTION A

#### DEMOGRAPHIC INFORMATION

1. Age: (a) Below 30 years ( ) (b) 30-35 years ( ) (c) 36-40 years ( ) (d) 41-45 years ( ) (e) 46 years & above ( )
2. Gender : (a) Male ( ) (b) Female ( )
3. Marital Status: (a) Single ( ) (b) Married ( ) (c) Divorced ( ) (d) Widowed ( )
4. Years of working Experience: (a) 5-10 years ( ) (b) 11-15 years ( ) (c) 16-20 years ( ) (d) 21 years & above ( )
5. Highest Qualification: (a) M.Sc./MBA ( ) (b) Ph.D. ( ) (c) ICAN/ANAN ( ) (d) Others, specify \_\_\_\_\_
6. Kindly tick the range of the number of employees in your department  
(a) 1 – 5 ( ) (b) 6 – 10 ( ) (c) 11 – 15 ( )

### SECTION B

#### Public participation

Please indicate the extent of your agreement with each statement

Statement	SA	A	U	D	SD
(a) Literacy levels of the citizens affect the quality of public participation in the budgeting process.					
(b) Public outreach and education enhances the budgeting process and thus affects the quality of public participation.					
(c) Budget workshops are used to collect public views regarding the budgeting process					
(d) Surveys are used to collect public views regarding the budgeting process and thus affect the quality of public participation.					
(e) Citizen's advisory group enhances the budgeting process and therefore affects the quality of public					

participation.					
(f) Inputs by the business community and entrepreneurs enhance the budgeting process and thus affect the quality of public participation.					

### Information Technology

**Please indicate the extent of your agreement with each statement**

Statement	SA	A	U	D	SD
(a) The use of ICT has reduced budget processing cost and improves budget preparation					
(b) The use of ICT has reduced bureaucracy in budget practices					
(c) The state government had invested enough to ensure high use of information technology during budget processes					
(d) Staff are adequately and regularly trained on the use of sophisticated information technology to ensure effective budget practices					
(e) Some staff in the budget department are usually selected during building/developing of new information technology application for easy understanding					
(f) There is adequate partnership between government and information technology providers for training and re-training on the use of upgraded I.T in order to ensure that effective use.					

### External Pressure

**Please indicate the extent of your agreement with each statement**

Statement	SA	A	U	D	SD
(a) The high degree of devolved authority and accountability to senior managers, subject to limited legal controls influences effective budget practices					
(b) Government response to international pressures changes the policy attention from technical and allocated efficiency to macroeconomic activities					
(a) Exchange rate fluctuations /movements has an influences effective budget preparation and implementation					

(d) Donor policies can influence the governments capacity and commitment in making the budgeting process accountable and transparent					
(e) Federal government financial regulations do not hinder the spending capacity of the state government during preparation and implementation of budget					
(f) The ruling party request is usually significant in the budget thereby limiting effective budget practice.					

### **Budget Staff Competency**

The following statements relate to your attitudes towards the performance of your university.

**Please indicate the extent of your agreement with each statement**

Statement	SA	A	U	D	SD
(a) There exist a lack of proper training to employees on the functioning and implementation of the budgets					
(b) A lack of staff adjustment to change resulting from the budget implementation affects the success of the same budget					
(c) Lack of enough skilled manpower leads to misinformed and inaccurate budget practice					
(d) The budget department has the required expertise to deal with complex situation to ensure effective budget practice.					
(e) The recruitment policies of the budget department give room for every individual whether qualified or not to be recruited					
(f) There is little or no provision for sponsoring of budget staff for local and international seminars and conferences on new development on budget practices					

### **Budget Monitoring and Evaluation**

**Please indicate the extent of your agreement with each statement**

Statement	SA	A	U	D	SD
(a) Independence is attained when it is carried out by firms and persons free of the control of those responsible for the design and implementation of the development intervention					
(b) Periodic evaluation of the budget preparation in line with the current context prevents					

mismanagement of funds.					
(c) Continuous budget monitoring will help reduce budget variances					
(d) Identification and analysis of budget variances during implementation of projects stated in the budget would go a long way to assisting effective budget practices.					
(e) The level of project monitoring, evaluation and sustainability is still high even if there is change of government.					

### **Effective Budget Practices**

**Please indicate the extent of your agreement with each statement**

Statement	SA	A	U	D	SD
(a) The items in the budget is clear enough to ensure effective communication with the various stakeholders involved					
(b) Late disbursement of funds negatively affects the planning for tasks and activities during projects implementation					
(c) The budget prepared gives room for controlling of deviances identified during implementation of the project and take effective control measures					
(d) There is effective coordination of all MDAs involved in budget preparation for effective budget implementation and feedback is reported to the relevant quarters					
(e) The budget prepared and approved by Kwara State is an attainable budget and serves as motivation for staff.					

### LIST OF MINISTRY, DEPARTMENT AND AGENCIES IN KWARA STATE

S/N	MDAs
1	GOVERNMENT HOUSE
2	DEPUTY GOVERNOR'S OFFICE
3	GOVERNOR'S OFFICE
4	THE LEGISLATURE (HOUSE OF ASSEMBLY)
5	MINISTRY OF INFORMATION
6	OFFICE OF HEAD OF SERVICE
7	STATE AUDIT DEPARTMENT
8	LOCAL GOVERNMENT AUDIT DEPARTMENT
9	CIVIL SERVICE COMMISSION
10	LOCAL GOVERNMENT SERVICE COMMISSION
11	STATE INDEPENDENT ELECTORAL COMMISSION
12	MINISTRY OF AGRIC AND NATURAL RESOURCES
13	MINISTRY OF FINANCE AND PLANINNG
14	KWARA STATE INTERNAL REVENUE SERVICE (KSIRS)
15	MINISTRY OF ENTERPRISES
16	MINISTRY OF ENERGY
17	MINISTRY OF WORKS AND TRANSPORT
18	MINISTRY OF SPECIAL DUTIES
19	STATE BUREAU OF STATISTICS
20	MINISTRY OF WATER RESOURCES
21	OFFICE OF SURVEYOR GENERAL
22	BUREAU OF LANDS
23	JUDICIAL SERVICE COMMISSION
24	MINISTRY OF JUSTICE
25	HIGH COURT OF JUSTICE
26	SHARIA COURT OF APPEAL
27	MINISTRY OF SPORT AND YOUTH DEVELOPMENT
28	MINISTRY OF SOCIAL DEVELOPMENT
29	MINISTRY OF EDUCATION AND HUMAN CAPITAL DEVELOPMENT
30	AGENCY FOR MASS EDUCATION
31	TEACHING SERVICE COMMISSION
32	MINISTRY OF TERTIARY EDUCATION, SCIENCE AND TECHNOLOGY
33	SCHOLARSHIP BOARD
34	MINISTRY OF HEALTH
35	HOSPITAL MANAGEMENT BUREAU
36	PRIMARY HEALTH CARE DEVELOPMENT AGENCY
37	MINISTRY OF ENVIROMENT AND FORESTRY
38	MINISTRY OF LOCAL GOVERNMENT AND CHIEFTAINCY AFFAIRS

39	KWARA STATE COLLEGE OF EDUCATION ORO
40	KWARA STATE COLLEGE OF EDUCATION ILORIN
41	KWARA STATE POLYTECHNIC ILORIN
42	KWARA STATE COLLEGE OF EDUCATION LAFIAGI
43	COLLEGE OF ARABIC AND ISLAMIC LEGAL STUDIES
44	KWARA STATE UNIVERSITY MALETE
45	KWARA STATE COLLEGE OF HEALTH TECHNOLOGY OFFA
46	KWARA STATE COLLEGE OF NURSING AND MIDWIFERY ILORIN
47	KWARA STATE COLLEGE OF NURSING AND MIDWIFERY OKE-ODE
48	KWARA STATE SUBEB
49	SCHORLARSHIP BOARD
50	KWARA STATE TELEVISION SERVICE
51	KWARA STATE BROADCASTING CORPORATION
52	KWARA STATE PRINTING AND PUBLISHING CORPORATION
53	KWARA STATE RURAL ELECTRIFICATION BOARD (REB)
54	ROAD TRAFFIC MANAGEMENT AUTHORITY
55	KWARA STATE COUNCIL FOR ART AND CULTURE
56	KWARA STATE WATER CORPORATION
57	KWARA STATE SPORTS COUNCIL
58	KWARA UNITED FOOTBALL CLUB

Source: Kwara State Bureau of Statistics

<b>S/N</b>	<b>LIST OF PARASTATALS</b>
1	KWARA STATE COLLEGE OF EDUCATION ORO
2	KWARA STATE COLLEGE OF EDUCATION ILORIN
3	KWARA STATE POLYTECHNIC ILORIN
4	KWARA STATE COLLEGE OF EDUCATION LAFIAGI
5	COLLEGE OF ARABIC AND ISLAMIC LEGAL STUDIES
6	KWARA STATE UNIVERSITY MALETE
7	KWARA STATE COLLEGE OF HEALTH TECHNOLOGY OFFA
8	KWARA STATE COLLEGE OF NURSING AND MIDWIFERY ILORIN
9	KWARA STATE COLLEGE OF NURSING AND MIDWIFERY OKE-ODE
10	KWARA STATE SUBEB
11	SCHORLARSHIP BOARD
12	KWARA STATE TELEVISION SERVICE
13	KWARA STATE BROADCASTING CORPORATION
14	KWARA STATE PRINTING AND PUBLISHING CORPORATION
15	KWARA STATE RURAL ELECTRIFICATION BOARD (REB)
16	ROAD TRAFFIC MANAGEMENT AUTHORITY
17	KWARA STATE COUNCIL FOR ART AND CULTURE
18	KWARA STATE WATER CORPORATION
19	KWARA STATE SPORTS COUNCIL
20	KWARA UNITED FOOTBALL CLUB

Source: Kwara State Bureau of Statistics

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