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Effect Of Fiscal Responsibility Act On Budgeting And Fiscal Discipline In Nigeria

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ABSTRACT
Despite the introduction of the Fiscal Responsibility Act (FRA) in Nigeria, concerns about budgetary inefficiencies, fiscal indiscipline, and the mismanagement of public funds persist. While the FRA was designed to curb these issues by establishing a legal framework for prudent fiscal management, yet fiscal indiscipline abounds in Nigeria public sector. The main objective of this study was to ascertain the effect of Fiscal Responsibility Act in budgeting and fiscal discipline in Nigerian public sector. The dependent variables of the study were budgeting, corruption and fiscal discipline while the independent variable was Fiscal Responsibility Act. The research design adopted for this study was survey, primary data obtained through the questionnaire were used. The population of the study consisted of all the staff in the Ministry of Fnance numbering approximately 500 from where a sample size of 55 was drawn using purposive sampling technique. The 55 respondents were selected based on their knowledge of accounting and financial matters. The hypotheses of the study were tested using ordinary least square regression analysis and the statistical package employed was SPSS version 21. The result of the study revealed that Fiscal Responsibility Act has significant effect on budget implementation in Nigeria; Fiscal Responsibility Act has significant effect on fiscal discipline in Nigeria; Fiscal Responsibility Act has significant effect on corruption control in Nigeria. It was thus concluded that Fiscal Responsibility Act has significant effect on budgeting, fiscal discipline and corruption in Nigeria. Based on these findings, it was therefore recommended that government should strengthen compliance and enforcement mechanisms. This can be achieved by enhancing monitoring, evaluation, and oversight processes to ensure that government agencies adhere strictly to the provisions of the Act. Periodic review and evaluation of the Fiscal Responsibility Act should be conducted to assess its impact, identify areas for improvement, and address emerging challenges.
Keywords: Fiscal Responsibility Act, budgeting, fiscal discipline, corruption, public sector.

1.0 INTRODUCTION
The Fiscal Responsibility Act (FRA) was enacted in Nigeria in 2007 as part of the country's broader efforts to promote good governance, transparency, and accountability in the management of public finances. The primary objective of the FRA was to establish a legal framework that ensures prudent management of the nation's resources, promotes long-term fiscal sustainability, and fosters economic stability. It mandates strict adherence to budgetary processes, promote fiscal discipline, control corruption, limit public borrowing, and sets guidelines for fiscal transparency at all levels of government.

The introduction of the FRA was motivated by the need to address persistent challenges in Nigeria's public financial management system, including budget indiscipline, wasteful spending, and the accumulation of unsustainable public debt. Before the enactment of the FRA, Nigeria experienced several instances of fiscal crises, characterized by excessive government spending, large fiscal deficits, and a growing debt burden. According to Tofan et al. (2020) these challenges were exacerbated by weak institutional frameworks and a lack of accountability, leading to inefficiencies in public resource allocation and utilization.

Nigeria quest for sustainable economic growth has been plagued with several challenges over the years. Inspite of the abundant human and material resources endowment, and the many and frequently changing fiscal, and other microeconomic policies, the country has not been able to harness the economic potentials for rapid economic transformation and growth. (Ogbole, 2022). Among the many challenges that impede Nigeria economic growth, corruption and mismanagement of public finances have remained problematic at all levels of government in the country. Various forms of corruption such as theft, fraud, bribery, extortion, request for kickback, nepotism and political patronage exist in Nigeria. The major driver of corruption is the discretionary use of funds by the executives and lack of transparency and accountability in the utilization of fund and approval of expenditure (Alade et al., 2013). Dominant individuals (presidents, governors, local government chairmen, chief accounting officers, accounting officers and directors general of government units, managing directors of companies, heads of department, legislators among others) influences the preparation and implementation of budgets in both profit making and non-profit making organization in Nigeria. They are able to overshadow other participants in the budget preparation and impose constraints on items to be considered in the budget. This attitude made it possible for the dominant individuals to determine what they would corruptly realize during the period of budget implementation. The result is that money meant for provision of amenities are diverted. Because the individuals have a lot of discretionary powers, they have a lot of opportunities to divert public fund leaving budget performance low with the attendant decadence in infrastructural provision. (Oke, 2019).

The FRA sought to address these issues by promoting a more disciplined approach to budgeting and fiscal management. It emphasizes the importance of setting realistic revenue and expenditure targets, aligning budgets with national development plans, and ensuring that public spending is focused on achieving sustainable development outcomes. The Act also requires the publication of regular fiscal reports and audits, thereby enhancing transparency and accountability in the use of public funds. Since its enactment, the FRA has been a significant tool in Nigeria's public financial management reforms. However, the effectiveness of the Act in achieving its intended outcomes has been a subject of debate among policymakers, scholars, and practitioners. There is a growing need to assess the impact of the FRA on budgeting and fiscal discipline in the Nigerian public sector, particularly in light of ongoing economic challenges and the evolving fiscal landscape.

Despite the introduction of the Fiscal Responsibility Act (FRA) in Nigeria, concerns about budgetary inefficiencies, fiscal indiscipline, and the mismanagement of public funds persist. While the FRA was designed to curb these issues by establishing a legal framework for prudent fiscal management. There are indications that the implementation of the Act has faced significant challenges (Evans, 2020). One of the key issues is the extent to which the FRA has influenced the budgeting process in the Nigerian public sector. There are concerns that despite the legal provisions of the Act, budgetary processes continue to be characterized by unrealistic revenue projections, frequent budget revisions, and poor alignment with national development priorities. This has led to instances of unspent funds, abandoned projects, and unmet development goals, raising questions about the effectiveness of the FRA in promoting fiscal discipline.

Another problem is the enforcement of fiscal rules and the compliance of government agencies with the provisions of the FRA. There have been reports of weak enforcement mechanisms, inadequate sanctions for non-compliance, and a lack of political will to fully implement the Act. This has resulted in continued fiscal irresponsibility, with public officials sometimes bypassing the guidelines set out in the FRA for political or personal gain. Moreover, the persistent issue of public debt accumulation raises further concerns about the effectiveness of the FRA in controlling borrowing and managing debt sustainability. Despite the Act's provisions on borrowing limits and debt management, Nigeria's public debt has continued to grow, raising questions about the adequacy of the FRA in addressing the country's fiscal challenges.

Given these concerns, it is imperative to critically examine the impact of the Fiscal Responsibility Act on budgeting and fiscal discipline in the Nigerian public sector. This study aims to explore the extent to which the FRA has achieved its objectives, identify the challenges hindering its effectiveness, and provide recommendations for improving fiscal governance in Nigeria.

2.0 Literature Review

2.1.Fiscal Responsibility Act

The word "fiscal" is generally defined as relating to financial matters, i.e. money and taxes and public revenues belonging to the public treasury. It relates to accounts or the management of revenue and public finances of government. Fiscal policy refers to government's actions with respect to aggregate levels of revenue and expenditure and the resulting surpluses or deficits. It is the primary means by which government influences the economy. Governments set and implement fiscal policy through a number of means including the budget. "Responsibility" as a noun is about something which it is your duty to do or look after and for which you take the credit if it goes right and the blame if things go wrong. It is the state of being answerable for an obligation and includes judgement, skill, capacity and ability (Evans, 2020). Thus, a combination of the words "fiscal" and "responsibility" to produce fiscal responsibility connotes the responsibility of a government in terms of fiscal issues and policy and how the government is able to pilot fiscal policy based on national and international best practices to the advantage or detriment of its citizens

Fiscal responsibility refers to a broad set of measures that have the objective of achieving long-run fiscal sustainability. These include the setting up of independent fiscal institutions, transparency standards, and surveillance and enforcement mechanisms, among others (Carabotta et al., 2017). Fiscal responsibility underpins the political commitment to fiscal discipline. The rationale is to oblige all players in the process to overcome the common pool problem by internalizing fiscal effects of their actions. In many cases, fiscal responsibility components have the goal of limiting the choices of democratic leaders, tying their hands to the proverbial mast to save them and their nations from their own hyper-responsive tendencies. Whether it be delegating choices to a commission or providing for automatic formulas that trigger fiscal actions on cue from certain indicators, the not-so-hidden agendas of fiscal responsibility is to compensate for what are perceived to be the fiscal ambivalence of democratic leaders (Furceri & Sousa, 2019).

Fiscal responsibility addresses issues of aggregate fiscal discipline, allocative and operational efficiencies[1]. Aggregate fiscal discipline communicates medium term fiscal policy and targets and the policy of fiscal sustainability. As such, it disciplines policy making. Allocative efficiency disciplines decision making and highlights the need for action by showing future costs of current policies and investments and communicates decisions of commitment to specific priorities through forward estimates and indicative medium-term allocations. Thus, it opens up budget space for the reallocation of funds to new priorities. Operational efficiency improves predictability of funding and policy for strategic planning, management and operational performance at sector level.

Fiscal responsibility covers the entire life of fiscal policies and processes from programming, planning and budgeting. It includes expenditure conceptualisation within the medium term expenditure framework, the fiscal strategy paper, the revenue and expenditure framework and ensuring that these documentations are produced with the best available data. It also includes the process of appropriation approval, the aggregate expenditure ceiling, the information to be sent by the Executive to the Legislature and the process of public participation at this stage. It reaches out to bring big corporations and institutions such as the Nigeria National Petroleum Corporation and the Central Bank of Nigeria and their profits and losses within budgetary purview and legislative control. It covers budget execution and reporting, issues of increase or decrease in taxation and personnel expenses. It further includes borrowing, deficits, debts and indebtedness and the duties of legislative oversight over fiscal policy implementation.

The Fiscal Responsibility Act 2007 was enacted to provide for prudent management of the nation's resources, ensure long term macroeconomic stability of the economy, secure greater accountability and transparency in fiscal operations. The act is disfigured to improve inter-governmental fiscal co-ordination in the pursuit of greater macroeconomic stability, promote fiscal prudence and sound financial management of public resources. The Act provides legal backing for ensuring compliance with agreed fiscal benchmarks, enabling environment for accelerated economic growth and seeks to curb excessive expenditure and thus, limit the danger of running unsustainable deficits by different tiers of government. The Act established a commission with powers to compel any person or government institution to disclose information relating to public revenue and expenditure; cause an investigation into whether any person has violated the Act and report such to the Attorney-General for possible prosecution of offenders. It requires government to prepare medium term expenditure framework for the next three (3) years which shall contain macroeconomic projections, underlying assumptions, government policies, strategic economic, social and developmental priorities. It also requires government to prepare an expenditure and revenue framework showing expected aggregate revenue and expenditure to match both, and reduce budgetary deficits. The medium term plan is designed to be the basis for drawing annual budgets and annual cash plans. The Act provided legal standards for management of public revenues, expenditure and debt, including public borrowings. It further provided for the conduct of fiscal and financial affairs in a transparent manner and for prompt audit of accounts to ensure accountability.

Budgeting

The word "budget‟ originated from the French word "bougette" meaning little bag. In Britain, the word was used to describe the leather bag used by the chancellor of the exchanger to carry to the parliament the statement of government needs and resources (Omolehinwa and Naiyeju 2021). After many considerations of consensus, the budget became known as the document itself contained in the bag. A budget is the principal instrument of fiscal policy used to encourage stable growth, sustainable development and prosperity in the economy. It is a comprehensive document that outlines what economic and non-economic activities a government wants to undertake with special focus on policies, objectives and strategies for accomplishments that are substantiated with revenue and expenditure projections (Ugoh & Ukpere, 2019). In its simplest form, it is the statement of expected income and expenditure over a time period, usually a year, of the government (Ojo, 2012). The term budgeting is not just a mere economic term. it also should be viewed from a politico-administrative sense. It is based on the above understanding that budgeting is considered to be a part of the political process .

The Budgetary Office of the Finance Ministry of Nigeria develops the budget according to the fiscal policy of the Federal Government. The Budgetary Office convenes early in the financial year with major revenue-generating bodies (including the Federal Inland Revenue Service, Nigerian Customs Service and the NNPC) and other important economic agencies (including NPC, NBS and CBN) to evaluate and determine the direction in revenue performance, macroeconomic indicators and the effects of the trends for the next three financial years. This leads to the preparation of a Medium-Term Revenue Framework ("MTRF") declaration which the projected revenue from oil and non-oil sources is set on over the medium-term. considering this with revenue in mind, the Medium-Term Expenditure Framework ("MTEF") is developed, highlighting the important areas of government expenditure (statutory transfers, debt service, MDAs‟ Expenditure) as well as the projected financial balance. If the financial balance is in deficit, causative sources of this deficit are also considered. MDAs‟ expenditures are defined by both recurrent and capital expenditures. The MTEF is further expanded into a formal Medium-Term Expenditure Framework Report. This includes the Fiscal Strategy Paper and MDAs expenditure ceilings. This formal MTEF/Financial Strategy Paper is needed, under the Fiscal Responsibility Act, presented by the Minister of Finance to the Federal Executive Council, then the National Assembly for evaluation and approval.

The third stage of the budget process is the implementation stage. The implementation of the budget is carried out by the various MDAs of the federal government. Funds for capital projects are released on a quarterly basis to the relevant spending MDAs in line with what is allocated to them in the budget. As the implementation progresses, monitoring and oversight functions are carried out by the different organs of government responsible for that. Ekeocha (2012) has enumerated these governmental organs to include the Ministry of Finance, the National Planning Commission (NPC), the National Assembly, the National Economic Intelligence Agency (NEIA), the Presidential Monitoring Committee (PBMC), the Offices of the Auditor General of the Federation and the Accountant General of the Federation. However, actual inspection of the capital projects is carried out by the Ministry of Finance; the National Planning Commission and the National Assembly.

At this stage of the budget process, the citizens are mere onlookers. With the exception of contractors who bid for contracts during the implementation stage, the citizens are neither aware of when funds are released by the Ministry of Finance to the respective MDAs nor do they have any mechanism for monitoring the implementation of the budget, except of course, through the oversight function of their representatives at the National Assembly.

Fiscal discipline

Fiscal discipline means managing public finances wisely for sustainability, reduced deficits, controlled debt, and efficient resource allocation. It involves measures like balanced budgets, transparency, debt sustainability, and adherence to fiscal rules. Since 1999, Nigeria's fiscal trends show challenges in primary balance, revenue, spending, and debt. According to Evans (2020) corruption remains a major obstacle, evident in low rankings. Policy suggestions include transparent budgets, medium-term plans, debt management, fiscal rules, revenue diversification, and anti-corruption efforts. These steps enhance accountability, growth, and long-term prosperity. Fiscal discipline involves responsible management of public finances, encompassing revenue generation, expenditure control, and debt management. It's evaluated using standard measures that correspond to diverse fiscal discipline theories. Some of the characteristics of poor fiscal discipline in these countries are policy uncertainty, corruption, poor budgeting, non-sustainable fiscal policy and the crowding-out effects of fiscal policy (Ciocchini et al., 2019). As suggested by the literature, increasing levels of policy uncertainty, corruption, poor budgeting, non-sustainable fiscal policy and crowding-out can have substantial adverse implications for financial development and economic growth in these countries (Barbier, 2020; Furceri & Sousa, 2019; Alenoghena and Evans, 2015).

Corruption

The word “corruption” is derived from the Greek word “corruptus” meaning aberration or misnomer. Corruption which is seen as a case in which the public office holder uses their authority to make a personal gain in a manner deemed to be unlawful or contradicts the rule of law. The World Bank views on corruption are the abuse of Public Office for personal gains (Evans, 2020). The budgetary allocation has over time immemorial contributes to the existence and sustenance of corruption in Nigeria. this can be seen clearly in the actions of the corrupt government officeholders. Corruption is a global case that cuts across national borders. Corruption is a symptom of numerous difficulties within contemporary societies. It usually involves more than one party and takes a form of an organized crime. Corruption is found in the award of contracts, promotion of staff, dispensation of justice, misuse of public offices, positions and privileges, embezzlement of public funds, public books, publications, documents, valuable security and accounts. It can be systemic in nature, affecting the whole life of an organization or society. Corruption diverts development resources for private gains, impact negatively on quality of infrastructure and public service and slows economic growth (Shehu, 2020). For these reasons, it is important to take steps to curb corruption to free the society from its grip.

It is a threat that frustrates every country of the world, though the effect differs across countries depending on the attitude of the citizens towards it and the tenacity to which the government tackles it. Some scholars argue that corruption is the abuse of public office which is a persistent feature in human societies throughout time and space (Dong, 2021). In Nigeria corruption is widespread. It is no longer strange news saying it pervades every corner of the country‟s social, political and economic system. It is contagious and malignant to the physiology of any political system and automatically contaminates all the facet of sociopolitical structures in ways similar to the spread of a wildfire (Kayode, 2013). Corruption has been fingered as the main culprit of mal-administration in Nigeria, the negative ethnic separations and the cause of ethnic group conflicts. The average Nigerian is corrupt in the mode of his daily actions and dealing. Another school of thought defines it as an act of reciprocal or transaction behaviour where both the power or officeholder respectively inflate the incentive of each other to grant unlawful preferential treatment or favour against the interest of the respective organizations or within the society, generally, corruption entails such act as using ones office for pecuniary advantage, tardiness, influence peddling, insincerity in advice to gain an advantage, less than full day‟s work for a full day‟s pay, gratification (Akindele, 2022). Corruption is anti-social in character, granting benefits contrary to legal and moral norms and which undermine the rule of law to improve the living conditions of the perpetrators. In a report, is it highlighted that the phenomenon of corruption initiates from the simple act of payment contradicted by law to the general malfunction of a political-economic system (Odd-Helge et al., 2020). Corruption which is seen as a case in which the public office holder uses their authority to make a personal gain in a manner deemed to be unlawful or contradicts the rule of law. The World Bank views on corruption are the abuse of Public Office for personal gains. The budgetary allocation has over time immemorial contributes to the existence and sustenance of corruption in Nigeria. this can be seen clearly in the actions of the corrupt government officeholders. Corruption is moral perversion, depravity, perversion of integrity, dishonest proceedings, bribery, debasement or alteration as of language or a text. It is a problem of routine deviation from established standards and norms by public officials and parties with whom they interact. The various types include bribery, private gain, other benefits to non-existent workers and pensioners (called ghost workers), fraud, and other related offences. It is the abuse or misuse of power or positions of trust for personal or group benefit (monetary or otherwise).

2.2 Theoretical framework

Theory of increasing state activities Wagner (1977)

The theory of increasing state activities posits that as a country develops economically and socially, the role and scope of government intervention in the economy and society tend to expand (Wagner,1977). This theory suggests that with economic growth and modernization, there is a growing demand for public services, infrastructure development, social welfare programs, and regulatory oversight to address market failures and ensure public welfare. The theory highlights the importance of government involvement in economic and social affairs to promote development and address societal needs. According to Evans (2020), the implementation of the Fiscal Responsibility Act represents a proactive step by the Nigerian government to enhance fiscal governance, transparency, and accountability in response to the increasing complexity of public financial management in a developing economy. The theory underscores the significance of the state in formulating and implementing budget policies that support sustainable economic growth and equitable resource allocation. The theory of increasing state activities emphasizes the need for government institutions to adapt and strengthen their capacity to meet the expanding responsibilities of a modernizing economy (Shimawua, 2020). While advocating for increased state activities, the theory also recognizes the importance of maintaining fiscal discipline and sustainability in government operations. By incorporating the theory of increasing state activities into the study on the effect of the Fiscal Responsibility Act on budgeting and fiscal discipline in the Nigerian public sector, researchers can provide a theoretical framework for understanding the rationale behind government initiatives to strengthen fiscal governance mechanisms and promote sustainable development outcomes in an evolving socio-economic context.

2.3 Empirical review

Chenge and Gadma (2023) assess the instrumentality of the Fiscal Responsibility Act (FRA), 2007 on public expenditure in Nigeria. The public choice theory of fiscal responsibility was used as a theoretical basis for the study. The study adopted a mixed methodology comprising of both quantitative and qualitative approaches to carry out investigation. Documentary sources were used for data collection, while descriptive statistics and content analysis were used for the data analysis. Findings of the study showed that the FRA has not served as a potent control mechanism of public expenditure in Nigeria. The study also revealed that shortfalls of the FRA in Nigeria are evidenced by poor fiscal outcomes such as revenue shortages, bloated expenditures, fiscal deficits and public debt accumulation. The study recommends that review of the FRA and strict application of economic principles in financial management are critical measures that should be adopted to improve fiscal responsibility in Nigeria's public expenditure.

Shimawua (2020) Appraised the factors Responsible for delays in passage of the budget and its impact on national development in Nigeria. The paper adopted analytical research design by which evidential documented materials from journals, books, official reports, newspaper and magazine publications and Internet materials were used as sources of data collection. Based on the analysis, the paper suspected the dismal failure in the performances of national budgets as a result of irreconcilable disagreement between the Executive and the Legislature leading to delays in budget passage as well as the cumbersome nature of the process leading to the approval of the budget and large corruption among other factors. The paper also envisaged a strong lacuna in the oversight function of the National Assemble as relates to monitoring and evaluation which caused delays in budget presentation by the Executive, which by extension, affects its passage. The paper recommended, very strongly, the strengthening of the budgetary processes and institutions as well as circumscribing a time frame within the legal framework for the executive and the legislature to present and approve the budget without delays.

Nafisatu et al. (2019) focused their study on "*Constraints to Budget Implementation in Nigeria*" to examine the constraints to budget implementation. The result shows that the two ministries did not adequately monitor budget so as to achieve the expected goal. Collaborative Africa Budget Reform Initiative (CABRI) (2020), in its study on "The role of the legislature in the budget process: Country Case Study" found that the challenges facing effective implementation of the budget in Nigeria include: Lack of clear rules regulating the budget process; Delays in producing the Medium-Term Expenditure Framework/Fiscal Strategy Paper (MTEF/FSP); Poor level of executive–legislature engagement at the formulation stage; NABRO's lack of independence, capabilities and resources; Delays in submitting the Appropriations Bill; Lack of robust engagement between the executive and legislature during the budget approval stage; Delays in approving the Appropriations Bill; Lack of coordination between, and duplication of, reporting agencies; Delays in producing budget implementation reports and the lack of oversight thereof; Delays in receiving the Accountant General's Report; Delays in receiving the Auditor General's Report and the lack of review thereof; and Auditor General's lack of independence, capacity and resources. It recommended creating clear rules and designating clear responsibilities throughout the budget process, and establishing a budget calendar; Improving coordination and information-sharing between actors in the formulation and execution process; Increasing the independence, capabilities and resources of NABRO; and Increasing the independence, capacity and resources of the OAuGF as some of the ways to ensure effective implementation of the budget in Nigeria.

Okegbe (2019) examined the effect of the Fiscal Responsibility Act on budgeting and accountability practice in Nigeria's Fourth Republic. Specifically, the study determines the relationship between the pre and post effect of the Reform Act to ascertain if there is any significant difference in the management of the nation's fiscal operations. The study made use of secondary data obtained from the Central Bank of Nigeria Annual Reports and Accounts, the Central Bank Nigeria Statistical Bulletins and report of the Accountant –General of the Federation as audited by the Auditor - General of the Federation for the period under study. Six research questions and seven hypotheses were formulated to guide the study. The data generated for this study were presented in tables, graphs and mean scores and analyzed using the

Statistical Package for Social Sciences version 22. The hypotheses were tested using the T-test of difference and the Pearson Correlation (r). Results revealed effectiveness in Budget implementation in Nigeria. Based on the findings, the study recommended that budgeting and accountability practice should be made more proactive by imbibing the culture of timely auditing and reporting standards as stated in sections 49 and 50 of the Fiscal Responsibility Act, 2007.

Effiom and Edet (2019) conducted a study on the Challenges to Capital Budget Implementation in Nigeria and found that delay in budget presentation by the presidency as well as 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. The study recommended, among others, the strengthening of the budgetary processes and institutions as well as circumscribing a time frame within the legal framework for the executive and the legislature to present and approve the budget respectively.

Ifeanyichuku et al. (2016) conducted a study on Nigerian budget implementation and control reforms: tools for macroeconomic growth. The aim of the study was to examine the impact of budget implementation on resource management, level of productivity, efficiency and personnel overhead costs in Nigeria. Using ex-post factor descriptive research design, questionnaires distributed to a sample of 308 were analyzed using simple percentage. The study found out that poor project conceptualization design and planning practices by ministries, department and agencies accounted for low resource management. The study recommended participatory monitoring and assessment of government project by host community members.

Ehigiamusoe and Umar (2013) have studied on “Legislative Oversights and Budget Performance in Nigeria: Issues and Policy Options” to examines the role of legislative oversights in budget performance and found that the oversight activities have increased tremendously in Nigeria since 1999, but they have not been very effective in reducing corruption and accelerating budget performance of MDAs. The paper therefore recommended for policy options in the utilization of legislative oversight activities as instruments for promoting targeted budget outcomes.

Olatunji, Oladipupo & Joshua (2017) investigated the impact of capital budget implementation on economic growth in Nigeria. The aim of the study was to assess the impact of the implementation of capital expenditure on administrative, economic services and socio-community services on the growth of Nigerian economy. The secondary data used for the study were obtained from Central Bank of Nigeria (CBN), Statistical Bulletin. Using Augmented Dicker-Fuller unit root test, co-integration test and Error Correlation Model (ECR) for analysis, it was found that capital expenditure implementation is germane in maintaining and sustaining economic growth in Nigeria. It was recommended that government should ensure adequate implementation of capital expenditure in the country.

Innocent and Christopher (2017) did a study on budget evaluation and government performance: a study of Nigerian economy. The aim of the study was to evaluate Nigeria’s federal budget and its performance. Data for the study were obtained from financial and economic reports of Nigeria. The data were analyzed both descriptively and empirically. The parameter for assessing budget credibility is the international threshold and prescribed limit for budget deficit/GDP, a minimum of 50% score performance rating for regression economic performance. The findings thereof ranks Nigeria’s fiscal performance as sub-optimal but fairly satisfactory. The study recommended that budget performance should be prepared by government at the end of each year as a means of educating the citizenry of government activities.

Ekhator and Chima (2015) studied on “Budget as an Instrument of Public Policy in Nigeria” and revealed that the goals of most policies are 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 are according their study include: 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. It recommended effective monitoring, timely submission of the budget to legislature by the presidency, discouragement of unnecessary lobbying of National

Assembly by MDAs and avoidance of temptations of allocating huge amount to new projects while the on-going projects are starved of funds as the ways out of the problem (Ekhator & Chima, 2015).

Olurankinse (2013) revealed that in Nigeria, factors such as poor planning, fraudulent manipulation, lack of adequate professional knowledge, delay in passage of budget, late release of fund are all responsible for poor budget performance in the state. The implication is that it discourages investors due to poor condition of the state infrastructures, it reduces the standard of living of the people of the state, and it slows down economic development through wasteful spending, extra budgetary spending and debt accumulation.

3.0 METHODOLOGY

The study utilized the survey research design. This design was suitable for the study because the data used were primary and acquired through the use a self-constructed questionnaire. The design permitted the examination of independent variables in respect of their relationship with the dependent variable. The choice of this design was informed by the nature of the research problem and the objectives of the study. The population of the study consisted of all the staff in the Ministry of Fnance, Akwa Ibom State numbering approximately 500 from where a sample size of 55 was drawn using purposive sampling technique. The 55 respondents were selected based on their knowledge of accounting and financial matters. This study made use of primary data obtained from the researcher's self-constructed and well-structured questionnaire. These questionnaire were administered to the 55 respondents from Akwa Ibom State ministry of finance. The Linkert 5-point questionnaire was adopted to collect information from the respondents. Thereafter, Microsoft Excel was used to code the information that was used for the analysis. The Questionnaires were coded as 5-Strongly Agree, 4-Agree, 3-Undecided, 2-Disagree, and 1-Strongly Disagree. Furthermore, both the dependent variable and the independent variables were be operationalize using a 5-point Likert Scale Questionnaire. A weighted average was obtained for each response of the participants relating to the Questionnaire question of the variables under study. The ordinary least square (OLS) regression technique was employed in analyzing the data set and the statistical software employed was SPSS version 21.The functional form of the study is expressed as given below;

$$BUGI = \boldsymbol{\beta_0} + \beta_1 FRA + \mu \quad (1)$$

$$FISD = \boldsymbol{\beta_0} + \beta_1 FRA + \mu \quad (2)$$

$$CORC = \boldsymbol{\beta_0} + \beta_1 FRA + \mu \quad (3)$$

Where

BUGI = Budgeting

FISD = Fiscal discipline

CORC = Corruption control

FRA = Fiscal responsibility Act

β_0 = Constant

β_1 = Slope Coefficient

μ = Error term

4. 1 DATA PRESENTATION, ANALYSIS, DISCUSSION AND CONCLUSION

As aforementioned, mathematical, and statistical techniques were used to present the analysis of the questionnaire administered and retrieved from the respondents. However, the number of retrieved questionnaire and age distribution of the respondents are analyzed below;

4.1.1 Analysis of questionnaire

Particularly, a total of 55 questionnaire were sent out to the respondents for data generation as shown in the table below:

Table 4.1: Analysis of questionnaire administration

Questionnaires	**Copies**	**Percentage**
Retrieved	50	91%
Un-retrieved	5	9%
Sent copies	**55**	**100%**

Source: Author's computation (2024)

Table 4.1 shows that out of the 55 copies of the questionnaire that was sent, 50 of them were retrieved. This represented 91% of the total questionnaire sent and this was the number that was used for analysis in the subsequent sections that follow. However, 5 of the questionnaires could not be retrieved representing 9% which is not significant.

4.1.2 Gender distribution of the respondents

The study also presents the analysis of the gender distribution of the respondents of which the questionnaires were successfully retrieved. This is shown in table 2.

Table 4.2Percentage distribution of respondents by sex

Gender	**No**	**Percentage**
Males	30	60%
Females	20	40%
Total	**50**	**100%**

Source: Author Computation (2024)

Also, from the retrieved questionnaire and as seen from the table 4. 2 above, it is observed that 30 of the respondents were males, which represented about 60% of the total questionnaire retrieved. Similarly, 20 of them were females representing 40% of the total questionnaire retrieved.

4.1.3 Age distribution of the respondents

The study also presents the analysis of the age distribution of the respondents of which the questionnaires were successfully retrieved. This is shown in table 4.3.

Table 4.3: Percentage distribution of respondents by age

Age	**No**	**Percentage**
25-40	28	56%
40 and above	22	44%
Total	**50**	**100%**

Source: Author Compilation from field work (2024)

The table 4.3 shows that 28 of the respondents were in the age bracket of 25 to 40, representing 56% of the Respondents. 22 of the respondents was in the age bracket of 40 and above, representing 44 % of the Respondents.

4.3 Test of hypotheses

The research hypotheses were tested in this section of the study. The test was carried out using Ordinary least square regression. This is presented below;

Hypothesis One

H_{01}: Fiscal Responsibility Act does not have any significant effect on budgeting in Nigeria

Table 4.4 Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.514[a]	.264	.232	.36180	1.205

a. Predictors: (Constant), FRA
b. Dependent Variable: BUGI

Table 4.5 Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	tcal	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	4.789	1.370		3.495	.002		
	FRA	.496	.172	.514	2.875	.004	1.000	1.000

a. Dependent Variable: BUGI

Source: Researcher's Computation (2024)

The regression result in table 4.4 shows that Fiscal Responsibility Act has a p-value of 0.004 which is less than 0.05. Thus, the null hypothesis was rejected meaning that Fiscal Responsibility Act has significant effect on budget implementation in Nigeria.

Hypothesis two

H_{02}: Fiscal Responsibility Act does not have any significant effect on fiscal discipline in Nigeria.

Table 4.6 Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.138[a]	.146	.109	.38975	1.121

a. Predictors: (Constant), FRA

b. Dependent Variable: FISD

Source: Researcher's Computation (2024)

Table 4.7 Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	5.978	1.384		4.318	.000		
	FRA	.324	.163	.383	2.986	.003	1.000	1.000

a. Dependent Variable: FISD

Source: Researcher's Computation (2024)

The regression result in table 4.5 shows that Fiscal Responsibility Act has a p-value of 0.003 which is less than 0.05. Thus, the null hypothesis was rejected meaning that Fiscal Responsibility Act has significant effect on fiscal discipline in Nigeria.

Hypothesis three

H_{03}: Fiscal Responsibility Act does not have any significant effect on corruption control in Nigeria.

Table 4.8 Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.356[a]	.291	.123	.46352	1.122

a. Predictors: (Constant), FRA

b. Dependent Variable: CORC

Table 4.9 Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	5.342	1.5462		3.302	.000		
	FRA	.023	.154	.356	2.992	.001	1.000	1.000

a. Dependent Variable: CORC

Source: Researcher's Computation (2024)

The regression result in table 4.5 shows that Fiscal Responsibility Act has a p-value of 0.001 which is less than 0.05. Thus, the null hypothesis was rejected meaning that Fiscal Responsibility Act has significant effect on corruption control in Nigeria.

DISCUSSION OF FINDINGS

The study findings indicate a significant positive effect of the Fiscal Responsibility Act on budget implementation in Nigeria. The act serves as a legal framework that promotes transparency, accountability, and efficiency in the management of public finances. By requiring the government to adhere to fiscal rules and guidelines, the act helps ensure that budgets are prepared realistically, monitored effectively, and executed efficiently. This, in turn, enhances the likelihood of achieving budget targets, promoting fiscal sustainability, and improving overall budget performance.

Similarly, the findings of this study further revealed that Fiscal Responsibility Act has a significant positive effect on fiscal discipline in Nigeria. This implies that Fiscal responsibility Act foster fiscal discipline in Nigeria.The act imposes restrictions on government spending, borrowing, and debt accumulation, thereby helping to curb excessive fiscal deficits and unsustainable fiscal practices. By mandating adherence to fiscal rules and limits, the act promotes responsible fiscal behavior, prudent financial management, and long-term fiscal stability. This contributes to building investor confidence, maintaining macroeconomic stability, and enhancing the credibility of the government's fiscal policy decisions.

Finally, the study revealed that the Fiscal Responsibility Act has a significant positive effect on control corruption in Nigeria. By promoting transparency, accountability, and oversight in fiscal matters, the act helps reduce opportunities for mismanagement, misallocation of funds, and financial malpractices. The disclosure requirements, reporting mechanisms, and monitoring provisions of the act enable closer scrutiny of public expenditures, deterring corrupt practices and enhancing the detection and prosecution of financial wrongdoing. As a result, the act contributes to enhancing integrity, efficiency, and trust in the management of public resources, thereby aiding in the fight against corruption.

CONCLUSION AND RECOMMENDATION

The findings of this study have led to the conclusion that Fiscal Responsibility Act significantly enhance budget implementation, foster fiscal discipline and control the level of corruption in Nigeria. The Act has emerged as a critical tool in promoting transparency, accountability, and efficiency in public financial management. By establishing clear rules and guidelines for fiscal behavior, the Act has helped enhance budget execution, foster fiscal discipline, and mitigate corruption risks in the country's governance system. It was thus recommended that to further maximize the benefits of the Fiscal Responsibility Act, government should strengthen compliance and enforcement mechanisms. This can be achieved by enhancing monitoring, evaluation, and oversight processes to ensure that government agencies adhere strictly to the provisions of the Act. Periodic review and evaluation of the Fiscal Responsibility Act should be conducted to assess its impact, identify areas for improvement, and address emerging challenges. Policymakers should remain vigilant in updating and refining the Act to align with evolving fiscal realities and international best practices. By building on these findings, Nigeria can further enhance its fiscal management, promoting sustainable economic growth and development.

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