

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Virtually everybody and organisation engages in budgeting. A budget is a plan expressed in quantitative usually monetary terms. This plan usually covers specified period of time and the process of preparing and using budget to achieve management objectives is known as budgeting. Budget is prospective in the sense that it refers to expected future revenue and expenditure. Budget is a comprehensive document that outline what economic and non economic activities a government want to undertake with special focus on policies, objectives and strategies for accomplishment that are substantiated with revenue and expenditures projection (Samuel and Wilfred, 2009, P.12). A budget guides the government on a development plan that most times needs to be consolidated to achieved a meaningful aim. Budgeting implementation becomes important because it assesses the government performance, that is, it measures government score card and effective comparison that can be made.

However, a local government budget is the detailed plan of how a local government plan to spends funds in line with its objectives, needs and priorities. Local government have discretionary planning and budgeting powers, but their plan and budget needs to reflect priorities and objective set out in national policies, plan and budgets.

Consequently, the local government planning and budget cycle has to fit into the National planning and budgeting cycle.

The invaluable role of government with the attendant development closer to the people has become a relevant discourse of our time. Rural development is a matter of inner emotion. It integrates the people into the plans and policies of government. It is one that demand outward visible and tangible manifestations of human well being on the part of members of the community. In Nigeria, local government has historically provided services of importance to it citizens in rural and urban areas that include

provision of basic service like water, roads, health facilities, education, electricity etc. The role of the local government providing these services has attracted public concern. Furthermore, it has generate national crisis as a result of increasing rate of poverty among the rural people. Some scholars view this development to poor budgeting and implementing while others associate it to federal and state governments interference. In as that being the case, there is considerable emphasis, possibly and over emphases on budgeting in the federal government against the under-emphasis on budgeting practices and procedures in state and local government in Nigeria. Thus, this work focuses on the implementation of Budget in the local government, how they are implemented, the process, the problems encounter, how they should be resolved, the principles and they sources of revenue to backed up their budget.

The most essential attribute of local government is its representatives and responsible nature. However, Nsit Atai being the case study of this research work was created in 1979 with its capital at Odot by the government of President Ibrahim Babangida and with 62 villages in it, which speaks Ibibio. Nsit Atai local government has high investment potentials in mineral resources in as such this local government is randomly chosen to assess the budget and budgeting implementation as it relates to local government councils in Akwa Ibom State.

1.2 Statement of the Problem

Local government councils in the Niger Delta have received increased revenues from federal allocation and internally generated revenue source since independence but the finances have not contributed to improvements on the quality of life in the region especially at the grassroots. This is because the bulk of the receipts are either embezzled or applied to unproductive projects. The success or failure to any government has to be measured on the basis of the provision or neglect of the welfare of the people, thus factors which may impede proper implementation of the set budget by the local government executives should equally be examined to know whether they

are external or internal.

Other related problems of this study are those caused by improper execution of budgeting plans and poor accounts of government funds (current and reserved revenue). This is based on the fact that all plans are always militated by the problems of implementation. Therefore, investigation is geared towards the hindrance in the implementation of government budget at the grassroot level, thus government should enact laws that will ensure the workability of its budget according to plans and increase the proportion of capital expenditure to recurrent expenditure so that the budget can be well achieved.

1.3 Objectives of the Study

To ascertain the type to budget operated in Nsit Atai Local Government Council.

To ascertain the principles guiding the implementation of Nsit Atai Local Government Budget.

To identify the problem facing Nsit Atai Local Government Council budget.

To highlight the importance of Local Government budget.

To investigate if the local government authorities implement their budgeting provisions in their council.

1.4 Research Questions

What are the types of budget operated in Nsit Atai Local Government Council?

What are the principles guiding the implementation of local government budget?

What are the problems facing Nsi Atai Local Government in implementing the budget?

Of what importance is the Local Government budget?

Do the local government council authority implement their budgeting provisions?

1.5 Significance of the study

This will be useful to students, researchers, etc who may want to undertake research work on this subject matter. This study will also enlighten the readers, government and all those that are involved in budgeting implementation, on the importance of

government budget, principle of budgeting and the problems associated with local government. Also, this study will determine the roles of budget as a tool for efficient and effective management resources.

1.6 Scope and Limitation of the Study

This study focuses on budget and budgeting implementation of local government council, Nsit Atia.

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