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Challenges to Capital Budget Implementation in Nigeria

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Abstract

This study empirically assessed the constraints to capital budget implementation in Nigeria. The methodology employed was both descriptive and analytical. Primary survey instrument was developed and distributed to 200 respondents in 20 federal ministries, departments and agencies within two contiguous states in the South-south geopolitical zone in the country. The ensuing data were analysed using multiple regression as well as correlation analyses. Results indicated, inter alia, 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.

Key words: *Capital Budget Implementation, Nigeria, Fiscal Policy, Multiple Regression Analysis*

Introduction

Economic theory of the Keynesian tradition ascribes a pivotal role to government. This is in contrast to the minimalist perspective of the classical and neoclassical school that government should assume less active and restrained role in economic management. In typical capitalist economies, the economic role of government is limited to providing the enabling environment for the private sector to thrive. Governments do this by guaranteeing the security of lives and property, enforcing property rights, and ensuring that institutions of state work efficiently to provide the necessary incentives for the proper allocation of resources.

In discharging its responsibility, the government employs a variety of instruments, one of which is the budget. The budget defines priority sectors and areas where private investments are critically needed for national development. Such private-sector led investment could either be locally sourced or engineered through foreign direct investment (FDI). Ogujiuba and Ehigiamusoe (2014) averred that a country's budget is a vital economic policy device which reflects government's priorities regarding social and economic policies.

Structurally, government budget is broadly divided into capital and recurrent components. The recurrent component deals generally with payments associated with goods and services that do not represent capital assets and is divided into recurrent non-debt expenditure, debt service and statutory transfers. The capital budget focuses on the expenditure for acquisition of capital assets required to accelerate economic productivity. In essence, the panacea for economic growth is the extent to which annual government capital expenditure is implemented. However, Oke (2013) argued that available evidence points to the fact that successive government budgets in Nigeria have not significantly impacted growth due to poor implementation, especially its capital expenditure components. It is believed that the huge disparity in budgetary allocation estimated at 70:30 ratio between recurrent and capital expenditure is responsible.

The trend of capital expenditure implementation over the years has been appalling. For instance, Oladipo, Anaro, Anthony-Uko, and Idowu (2012) argued that, only 43.9% in 2008, and 54% in 2009 of capital expenditure of the budgets were successfully implemented. A similar mediocre performance was noticed in 2012 and 2013 where 51% and 47.54% of the capital component of the budget was implemented respectively (Edeme & Nkalu, 2017). While annual budgets perennially underperform, due largely to poor implementation especially of their capital elements, the economy suffocates under the weight of inadequate and dilapidated infrastructure – transportation, electricity, water supply, communication, and other critical public utilities. Unemployment remains unacceptably high as capacity utilization in firms and industries continue a downward slide. In the light of this, could there be a correlation between non-implementation of capital budget and the poor performance of the economy? What factors impede the implementation of capital budget in Nigeria? To what extent have the fiscal authorities addressed these constraints? Our enquiry is limited to federal capital budgets between 2008 -2017. Our emphasis on capital budget component is predicated on the Keynesian theoretical paradigm, namely, that the budget is a fiscal policy tool for demand management which provides the stimulus to lifting an ailing economy out of the woods.

Budgeting Process in Nigeria

Statutorily, Section 81(1) of the 1999 Constitution of the Federal Republic of Nigeria (CFRN) as amended, places the responsibility of budget preparation on the President. The President in turn traditionally delegates this function to the Ministry of Finance. The creation of Budget Office of the Federation (BOF) as well as the Federal Ministry of Budget and National Planning (FMBNP) heralded a departure from the traditional practice of centralizing federal government budget-related matters in the Federal Ministry of Finance (FMF). Thus, the responsibility of preparing national budget in Nigeria is now a function of multi-agency collaboration, facilitated mainly by FMBNP, BOF and FMF.

Procedurally, the federal budget passes through four major phases: First, is the Ministerial Approval Phase, where each Ministry Departments and Agencies (MDAs) as well as statutory bodies present their draft budget estimates, indicating projects and timelines for completion to the "Draft Committee" of the FMBNP. This is usually based on a circular earlier issued called *Budget Call Circular*. The Draft Committee in turn schedules MDAs to defend their respective budget proposals. Defense outcomes are then consolidated into a single document and presented to the President. Second, is the Executive Council Approval Phase whereupon the receipt of consolidated draft estimates as approved by the Minister responsible for budget is presented before the President who, in turn tables same before the Federal Executive Council (FEC) for deliberations and ratification.

Third, is the Legislative Approval Stage. Here, the Nigerian legislative arm of government comprising of the Senate and House of Representatives, collectively known as National Assembly (NASS), take another critical review of the budget. It is on the basis of this critical role that the Constitution mandates the President in Section 81 (CFRN 1999) to present annual Appropriation Bill to the NASS for approval before expenditures are incurred. The NASS upon receipt of the Bill in a joint session, consider it separately through its various Standing Committees, with the Appropriation Committees in both chambers serving as clearing houses. After defense by MDAs and inputs from other critical stakeholders the budget may be approved as presented by the Executive or its original content modified. Where discrepancies exist on projects or amount, a Harmonization Committee comprising of members of the NASS Appropriations Committees meet to iron out grey areas. Thereafter a *clean copy* of the Appropriation Act is transmitted to the President for assent.

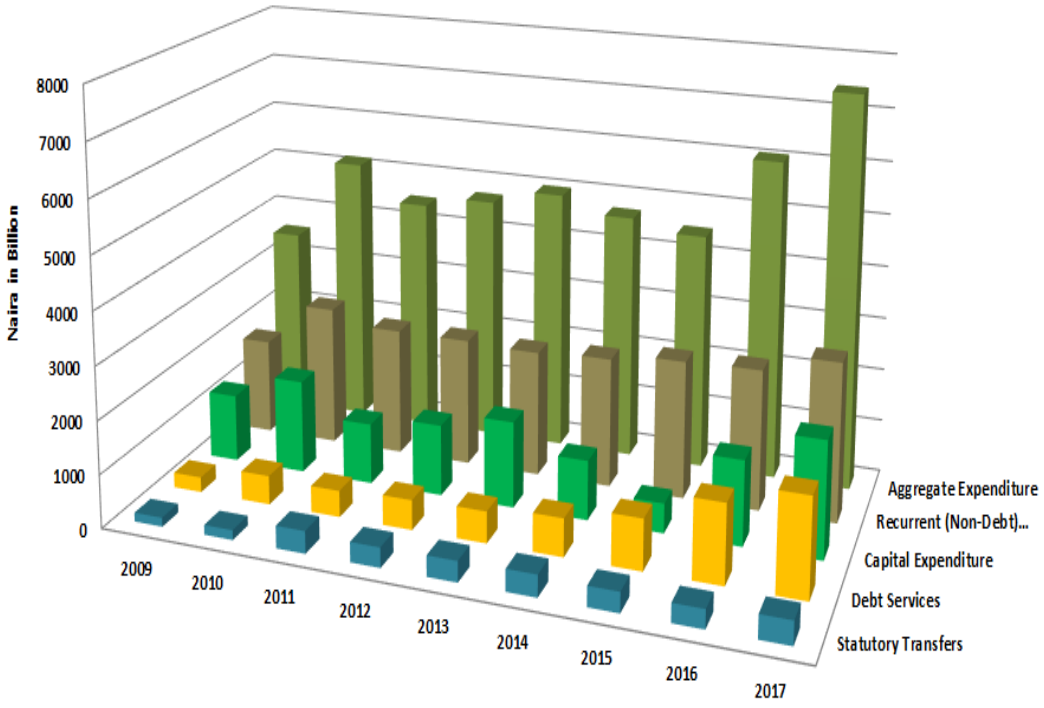
Finally, there is also the Implementation, Monitoring and Evaluation phase. At the implementation phase, MDAs are empowered to translate the budget estimates into concrete action in form of physical project execution. Approved funds are released to MDAs on a quarterly basis. Monitoring and evaluation (M&E) are carried-out in other to ascertain MDAs' actual projects implementation vis-à-vis released funds. It should be noted that although Nigeria traditionally operates January – December budget calendar, there is however no legal requirement mandating clear timelines to guide the budget process.

The State of Capital Budget (2008- 2017)

A clear picture of capital budget in Nigeria will be elusive without an understanding of other components that make up the entire federal budget. Thus, Figure 1 presents

compartmentalization of federal budget from 2008 to 2017. Analysis reveals that while aggregate expenditure for 2008 was ₦2,806.74 trillion., capital expenditure as component of aggregate was ₦787.17billion. This represented 28.1% of aggregate expenditure. In 2009 and 2010 aggregate expenditure stood at N3, 557.69 billion and ₦5,159.66 billion respectively.

Fig 1: State of Federal budget in Nigeria between 2008- 2017



	2009	2010	2011	2012	2013	2014	2015	2016	2017
Statutory Transfers	168.62	183.58	417.83	372.59	387.98	408.69	375.62	351.37	434.41
Debt Services	283.65	542.38	495.1	559.58	591.76	712	953.62	1,475.32	1,841.35
Capital Expenditure	1,280.71	1,764.69	1,146.75	1,339.99	1,621.48	1,119.62	557.00	1,587.40	2,174.50
Recurrent (Non-Debt) Expenditure	1,824.71	2,669.01	2,425.07	2,425.05	2,386.03	2,454.89	2,607.13	2,646.39	2,990.92
Aggregate Expenditure	3,557.69	5,159.66	4,484.74	4,697.21	4,987.24	4,695.19	4,493.36	6,060.48	7,441.18

Source: BOF (2017)

Fig. 1 shows the state of federal budget in Nigeria between 2008- 2017. The table indicates a steady rise in aggregate expenditure over the period, aligning with government expansionary fiscal posture. In line with the trend, there was a corresponding increase in recurrent expenditure including debt services, statutory transfers and non-debt expenditure. In contrast, capital expenditure as percentage of aggregate expenditure has witnessed a lopsided and marked decline within the time frame.

Global Budgeting Best Practices

Existing laws and regulations do not provide adequately for a fixed and realistic budget calendar. As such, there is no legally binding and clear timelines for presenting the budget before the legislative body as practiced in other countries. For instance, in Austria, budget is presented to Parliament in October and approval must be obtained in early December each year. In Canada, budget estimates are tabled before the House of Commons not later than 1st March and must be approved or rejected by June 23rd. Similarly, in most OECD countries, Parliaments are required to debate and approve budgets 2 – 4 months before the commencement of a new fiscal year. In France and Brazil, the legal requirement mandates that budgets must be approved 8 and 6 months respectively before the commencement of another fiscal year. Although in Nigeria fiscal year starts on January 1st and ends December 31st, there are always delays by both the Executive and the National Assembly in presenting and approving budgets. Table 1. Shows federal budget presentation and approval timelines in Nigeria between 2000 and 2017.

Methodology

The Study Area

Nigeria is a Federation of 36 states and the Federal Capital Territory (FCT) Abuja. These federating states and the FCT constitute Nigeria's geo-political structure of six zones. These are the North-west, North-east, North-central, South-west, South-east and South-south geopolitical zones. The latter is our focal study area consisting of the following states: Cross River, Akwa Ibom, Rivers, Edo, and Delta. A federal structure means that each of the component states are autonomous, deriving their powers from the CFRN (1999) as amended in matters prescribed in the Concurrent List. It also means that the federal bureaucracy is replicated in each of the states. Thus, a federal ministry of education, for instance, is replicated in all the 36 states and the FCT. This bureaucratic template ensured that any state which became the subject of data collection was representative of the national character.

Survey research design was adopted to enable the researcher elicit comprehensive response on the challenges of capital budget implementation (CBI). The population of the study consisted of all Federal MDAs. We purposively selected 250 respondents from 30 Federal MDAs within two contiguous states in the South-south region (namely, Cross River and Akwa Ibom States) for the administration of the study questionnaire to form the study sample. Respondents were drawn from Account/Finance/Budget, Planning, Research & Statistics, as well as Procurement units, and only those with at least 10 years cognate experience were included in the analysis. As such, their responses were based on knowledgeable insights in view of their involvement in successive budgets implementation during the time frame covered in the study. The questionnaire was presented in two sections. Section one elicited information on the respondents'bio data, while section two focused on the factors likely to impede CBI using a four-point Likert scale. The measurement instrument was ranked along the continuum of: very high extent, high extent, some extent, low extent and respectively coded as 4, 3, 2 and 1. Data analysis involved a two-pronged approach. First, they were analyzed descriptively using tables and simple percentages; secondly, the coded responses were subjected to multiple regression and correlation analyses.

Consistency and Reliability of Survey instrument

We tested for the internal consistency and reliability of our measurement instrument by deploying the Cronbach test, which produced values ranging from α= 0.73 to α = 0.89. This was much larger than the threshold value of .70 proposed by Katou (2008) and Nunnally (1978). On the other hand, the constructs and instrument validity were tested in the spirit of Hair, Anderson, Tatham, & Black, (1995) who employed confirmatory factor analysis (CFA). This produced a percentage total variance that was significantly greater than 50 percent.

1. The model

Our model is specified to capture factors which influence CBI in Nigeria. Literature reviewed and data obtained indicate that CBI is dependent on a host of variables outlined below. In effect, our dependent variable (CBI) is empirically operationalized to mean improvements in critical infrastructure including roads, public health services, education and power supply.

The Big Push theory of Rosentein-Rodan (1943), as well as the Unbalanced Growth theory of Hirschmann (1958), provide the theoretical underpinning of our model. While the latter emphasizes the need for government to deliberately select and invest in key sectors of the economy (rather than in all) in view of resource constraint, the former underlines the fact that developing countries require a large chunk of investments for economic growth to occur. It contends that for a development programme to be successful, some minimum level of resource must be dedicated to it. In our context, this minimum level is legally provided through the mechanism of the budgetary process. These priority sectors would catalyze and produce multiplier effects on other sectors of the economy. The study's model is functionally specified thus:

$$CBI = f(DBP, PRI, LTE, UBB, COR, DATA, NRF, MEV, NRR, VOL) \ldots\ldots\ldots\ldots \quad (1)$$

Econometrically, equation (1) assumes the form:

$$CBI = a_0 + a_1DBP + a_2PRI + a_3LTE + a_4UBB + a_5COR + a_6DATA + a_7NRF + a_8MEV + a_9NRR + a_{10}VOL + e\ldots\ldots\ldots\ldots \quad (2)$$

Where:

$a_{0\ \text{to}}\ a_{10}$ are the parameters to be estimated; e is the white noise error term, the unexplained variance in the dependent variable.

CBI	=	Capital Budget Implementation
DBP	=	Delay in presentation and approval of budget
PRI	=	Procurement related issues
LTE	=	Lack of technical expertise in MDAs
UBB	=	Unrealistic budget benchmark
COR	=	Leakages associated with corruption
DATA	=	Lack of adequate data for budget preparation
NRF	=	Non-release of approved funds to MDAs
MEV	=	Poor monitoring and evaluation report
NRR	=	Under or non-remittance of considerable portion of revenues

VOL = Volatility in crude oil production target

The dependent Variable

Theory and respondents' opinion show that CBI is best proxied by how well resources are deployed to improve the quality of education, health, roads and power supply in the country. These constitute social overheads with huge positive ripple effects on other sectors. Because of the feature of indivisibilities, consistent lump sum investment must be made over long periods of time. Realizing that the most significant productive input is a nation's human resource, investment in both health and education guarantees long term growth. Good road infrastructure reduces cost of travel time, improves efficiency in business operations, and diminishes the spate of accidents as well as depreciation on other physical capital. Improvements in power supply would also decrease the operation costs of firms, enhance savings, conserve foreign exchange arising from the extant pervasive generator economy, improve efficiency and open up hitherto dormant and unproductive sectors.

Independent Variables

As indicated above, factors which influence CBI were distilled from the literature and tested by our measurement instrument. While these factors impact on CBI generally, some though have more significant influence on the DV than others. A preliminary confirmation of this is noted in the correlation table discussed below. On a priori, we expect the signs of the estimated coefficients of these variables to be negatively correlated with the DV, showing that they all act as constraints to CBI.

Data presentation

Table 2: Distribution of respondents by returned questionnaire

Status	**Number of respondents**	**Percentage**
Returned	200	80
Unreturned	50	20
Total issued	**250**	**100.00**

Source: Fieldwork, 2018

Table 3: Distribution of Respondents by Sex

Sex	**Number of respondents**	**Percentage**
Male	122	61
Female	78	39
Total	**200**	**100.00**

Source: Fieldwork, 2018

Table 4: Distribution of Respondents' Location

Sex	Number of respondents	Percentage
Cross River	114	57
Akwa Ibom	86	43
Total	**200**	**100.00**

Source: Fieldwork, 2018

Table 5: Responses on factors affecting capital budget implementation

Variable	Responses			
	Very high extent	High extent	Some extent	Low extent
Delay in presentation and approval of budget	180 (90 %)	14 (7%)	6 (3%)	0
Procurement related issues	70(35 %)	69 (35%)	54 (27%)	6 (3%)
Lack of technical expertise in MDAs	0	41 (26%)	76 (38%)	82 (41%)
Unrealistic budget benchmark	42 (21 %)	76 (38%)	74 (37%)	7 (4%)
Leakages associated with corruption	68 (34%)	90(45 %)	42 (21%)	0
Lack of adequate data for budget preparation	7 (3.5%)	54 (27 %)	83 (41.5 %)	56 (28%)
Non-release of approved funds to MDAs	62 (31%)	63 (31.5%)	41 (20.5%)	34 (17%)
Poor monitoring and evaluation report	7 (3.5%)	61 (30.5 %)	118 (59%)	14 (7 %)
Under or non-remittance of considerable portion of revenues	56 (28%)	63 (31.5 %)	41(20.5 %)	40 (20%)
Volatility in crude oil production target	47 (23.5%)	48 (24%)	35 (17.5)	70 (35%)

Source: Field survey, 2018

Table 2 shows that a total of 250 questionnaires were issued to respondents in federal MDAs. Of this, 50 representing 20% were either not returned or properly filled, while 200 representing 80% of issued questionnaires were used. Table 3, shows the distribution of respondents by sex. 122 (61%) were male, while 78 (39 %) were female. Table 4, shows distribution of respondents based on location with Cross River State constituting 114 (57%) and Akwa Ibom State 86(43 %), while Table 5 presents responses on factors affecting CBI. Altogether, respondents were drawn from employees responsible for budget in 30 MDAs across the study area.

Table 6: Correlation Matrix

VAR	Mean	STD	A	DBP	PRI	LTE	UBB	COR	DATA	NRF	MEV	NRR	VOL	CBI
DBP	3.87	.417	0.85	1.00										
PRI	3.02	.865	0.73	0.21	1.00									
LTE	1.79	.760	0.78	-0.17	0.24	1.00								
UBB	2.77	.820	0.80	0.39	0.24	-0.28	1.00							
COR	3.13	.731	0.89	0.26	-0.39	-0.33	-0.26	1.00						
DATA	2.06	.830	0.83	-0.15	0.41	0.29	0.39	-0.38	1.00					
NRF	2.77	1.070	0.74	0.21	0.31	0.34	-0.48	0.15	-0.31	1.00				
MEV	2.31	.651	0.76	-0.38	-0.18	-0.28	-0.14	-0.49	0.48	0.22	1.00			
NRR	2.68	1.088	0.85	-0.24	0.29	0.22	0.25	-0.37	0.43	-0.36	0.26	1.00		
VOL	2.36	1.186	0.81	0.44	-0.18	0.21	-0.34	-0.28	0.38	-0.36	-0.17	-0.35	1.00	
CBI	1.95	.928	0.76	-0.78	-0.31	-0.36	0.21	-0.69	-0.11	-0.37	-0.22	-0.46	-0.45	1.00

Source: Authors' Computation

The correlation matric presented in Table 6 reveals the extent of relationship amongst the study variables. We observe generally that the problem of multicollinearity is ruled out because the independent variables (apart from the two cases of very strong correlation between CBI and DBP and COR) exhibited moderate negative and positive correlations which did not exceed 0.50 (Jennings, Jennings & Sharifian, 2014). These two exceptions are not significant enough to detract from our conclusion of the absence of multicollinearity. The correlation matrix suggests a strong conformity with a priori as CBI indicated negative relationships with almost all the independent variables, showing that it is a decreasing function of these factors. Mean values of the IVs exhibited common range with a minimum mean value of 1.79 to a maximum of 3.87. The standard deviation (mostly less than one) reveals that the variables are not significantly different from their mean values. Thus, we conclude that the assumption of homogeneity of variance is met.

Table 7: Regression Results

Dependent Variable: CBI

Variable	Coefficient	Std. Error	t-Statistic	Prob.
DBP	-0.533026	0.166439	-3.202533	0.0045
PRI	0.059089	0.090743	0.651175	0.5157
LTE	-13.25731	3.858172	-3.436164	0.0026
UBB	0.067982	0.088631	0.767024	0.4440
COR	-11.40586	2.243980	-5.082871	0.0001
DATA	0.089494	0.100478	0.890684	0.3742
NRF	-9.952838	1.670050	-5.959605	0.0000
MEV	-0.025697	0.108822	-0.236140	0.8136
NRR	-0.069718	0.015290	-4.559697	0.0002
VOL	0.533026	0.166439	3.202533	0.0045
C	2.475405	0.926951	2.670481	0.0082

R-squared = 0.936924 Adjusted R-squared = 0.867540. Durbin-Watson 2.013

F-statistic = 13.50346 Prob.(F-statistic) = .000000

Source: Authors' Computation

Regression results present very interesting scenario, revealing that delay in budget presentation (DBP) negatively and significantly impacts on CBI. However, procurement related issues (PRI), unrealistic budget benchmarks (UBB), data paucity for budget preparation (DATA), and poor monitoring and evaluation (MEV) issues were not significant factors that influenced capital budget implementation in Nigeria in the period under investigation. Besides, none of the coefficients of these variables turned out with the right a priori signs. For instance, there was a positive relationship between UBB, MEV, PRI and the dependent variable CBI. In other words, a quantitative increase in these factors led to increases in CBI. This is theoretically unexpected.

Results also indicated that besides DBP, corruption (COR), non-release of funds to MDAs (NRF), lack of technical expertise (LTE), non-remittance of significant portion of revenue (NRR) and volatility in crude oil production (VOL) target were significant factors that negatively affected capital budget implementation in Nigeria. It should be emphasized that the estimated coefficients of LTE (13.25) and COR (11.4) speak volumes of the extent to which these factors affect CBI.

The diagnostic properties of our results are indicated by the adjusted R-squared, the Durbin-Watson statistic and the F-probability ratio. Our adjusted R-squared is 86.7%, indicating that almost 87% of changes in CBI is explained by the explanatory variables. This means that the model has a good fit and that the identified IVs sufficiently account for variations in CBI in Nigeria. The unexplained variation takes up the balance of 13%. There is no evidence of serial

autocorrelation as indicated by the D-W statistic of 2.01. The F-statistic and its associated probability value shows that the entire model is well specified.

We further confirmed the absence of multicollinearity in our model despite having obtained an initial positive result in the correlation matrix reported earlier. This we did by testing for variance inflation factors (VIF) in our regression results. This indicated a VIF ranging from a minimum of 1.13 to a maximum of 1.66 for all the estimated model parameters. The outcome seemed satisfactory and robust considering that it was much lower than threshold value of 10 as suggested by Kremelberg (2011).

Table 8: Variance Inflation Factor

Variable	Coefficient Variance	Centred VIF
DBP	0.029385	1.154190
PRI	0.008234	1.391565
LTE	0.009495	1.240778
UBB	0.007855	1.193862
COR	0.011314	1.368650
DATA	0.010096	1.572445
NRF	0.005838	1.509869
MEV	0.011842	1.133893
NRR	0.006235	1.668588
VOL	0.004592	1.459034
C	0.859238	NA

Source: Authors' Computation

Discussion of Results

A clear picture emerges when a comparison is made between respondents' opinion on CBI in Nigeria within the study period and the associated analytical procedures reported above. First, we note that respondents attach less weight to factors like procurement related issues, data paucity with regards to budget preparation, unrealistic budget benchmark and poor monitoring and evaluation report. They do not regard these variables to significantly impact on the implementation of capital budget. This position has a twin corroboration in the moderate correlation coefficient reported in Table 6 between CBI and these factors on the one hand and the positive and insignificant estimated regression results reported above on the other hand. It is however the view of respondents that the militating factors against capital budget implementation are first corruption, which also expresses itself in non-remittance of a significant portion of government revenues to the right coffers. A third factor is the non-release of funds to respective MDAs, and closely followed by volatility in crude oil production target. Lack of technical expertise by MDAs is considered the least factor constraining the

implementation of capital budget in Nigeria. Tables 6, exhibits field analysis of respondents' opinion on these factors.

The above findings are in tandem with some previous studies (see for instance, Ogbuagu, Ubi and Effiom, 2014). Again, Idris and Salisu (2016) found a strong negative correlation between incidence of corruption and infrastructural development in Nigeria. The power sector, for instance, has been operating at less than 40 percent of its installed capacity utilization in the last 40 years (Emeka, et al. 2016), and presently with an installed capacity of 12.5GW, only one-third of this is operational, while only 15 percent of this capacity is ultimately distributed to consumers (Nigeria Economic Recovery and Growth Plan, 2017).

Nigeria's monoproduct economy means that her economic fortunes are dependent on the vagaries of international price of crude oil. It thus becomes apparent that the capacity of the government across all levels to implement their capital budgets is significantly constrained whenever there is oil glut and its associated tumbling of prices. For instance, the implementation of 2017 federal budget of N7.28 trillion was greatly hampered when oil prices plummeted to $49.26 per barrel from a moderate budgeted benchmark price of $57 per barrel. Equally constraining on CBI is the untimely or sometimes outright non-release of funds for the execution of those infrastructure budgeted for as well as the technical capacity of stakeholders to make the budget work. These are institutional issues which are apparently addressed by extant legal structures and mechanisms.

Conclusion and Recommendations

Governments of all ideological persuasions perceive and rely on the budget as a crucial tool in economic management. It is the main instrument of fiscal policy. Broadly disaggregated into revenue and expenditure components, the budget not only reflects the socio-economic character of the government of the day, but it also defines how the projected revenues are to be used.

All government expenditure is important, but some have more catalytic and multiplier effect on the economy than others. While recurrent expenditure helps stimulate aggregate demand in the short run by putting more money in the hands of households, capital expenditure plays a more profound role beyond demand stimulation. Capital is both a demand and productive good and so expenditure on it builds the support and productive base of the society. Capital expenditure guarantees long term economic growth that goes beyond mere short-term demand management.

Following from this context, this paper undertook an empirical study of capital budget implementation in Nigeria from 2008 to 2017. Our methodology involved both field work and the deployment of analytical techniques to the data generated. First, there was the field survey which extracted data from respondents through the use of questionnaires. Second, we subjected the responses to a critical content analysis via the use of tables and percentages. Third, we coded the qualitative responses of the respondents and subjected same to correlation analysis to determine the extent of relationship among the study variables. We finally deployed the multiple regression analysis to determine the effect of the IVs on CBI. Empirical evidence points overwhelmingly to corruption as the greatest and single most significant factor inhibiting CBI in Nigeria. Other factors impacting negatively on CBI include delay in budget

implementation, volatility in crude oil production and prices, non-release of funds to relevant MDAs, as well as lack of technical capacity on the part of these MDAs.

Our recommendations speak directly to these empirical findings. First, the war against corruption must be comprehensive and clinical. On this score, government should desist from its reactionary approach to fighting corruption. It is regrettable that even with the hue and cry about fighting corruption, government has not clinically defined and articulated conceptually what corruption is. For an effective war against corruption, the latter must be conceptualized as constituting inflated government contracts, unremitted revenue to appropriate government coffers, extortion, conversion of public property, misuse of security vote, wastefulness, and nepotism. As it stands, government seems to be dealing with the symptoms of corruption and not the root cause. It must be committed to building institutions, fighting poverty, jettisoning nepotism in the public domain, and initiating a credible citizenry education with regards to the war on corruption. Secondly, The NASS must circumscribe the presentation of the budget and its ultimate approval within a legal time frame. This is to forestall the current dithering and blame-game tendency where Nigerians have to wait endlessly either for the President to lay the budget before the NASS or the latter to approve the document. Finally, Government might also consider stopping the outsourcing of duties and responsibilities of MDAs to consultants. This will help improve the technical capacity of public and civil servants in dealing with their core mandates.

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