Research Article

Evaluation of Expenditure Control Measures on State Spending in Nigeria: An Empirical Approach with Internal Auditors of Ministries, Departments, and Agencies

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This study presents an evaluation of the effectiveness of expenditure controls on the spending of the state MDAs in the year 2022. The population of the study comprises three strata: ninety-seven (97) internal auditors of Ministries, Departments, and Agencies (MDAs) and the eight members of the State House Assembly for the purpose of the questionnaire survey. A simple random sampling technique was used to select the sample of internal auditors, a census was taken of the eight (8) members of the State House Appropriation Committee, and a purposive sampling method was employed in selecting the nine (9) senior staff for the interviews. In an explanatory sequential mixed approach, the quantitative data were generated through structured questionnaire administration from the auditors and legislators, while the qualitative data were generated from semi-structured interviews. Descriptive statistics were used to summarize data on the study variables, and PLS-SEM was used to confirm the influence of expenditure controls on government spending. The results show that there is a rare use of the existing expenditure controls by the MDAs in the State and that the current control mechanisms do not have a significant influence on the spending of MDAs in the State, and personal and external relationships affect the use of the control mechanisms.

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1. Introduction

Largely, governments of any nation have numerous objectives to achieve that include securing lives and properties, provision of infrastructure and other social amenities, creating an enabling business environment, employment creation, and jobs protection, among others, for its citizens. These objectives could be achieved through expenditures by the respective government over a given period of time (Adenugba & Ogechi, 2013; Mohammed & Asfaw, 2014).

Expenditure, in the context of this study, refers to government or public expenditure which is generally categorized into expenditures on administration, internal security, health, education, foreign affairs, among others, and has both capital and recurrent components (Oziengbe, 2013). Government expenditure is a major component of national income. This implies that government expenditure is a key determinant of the size of the economy and of economic growth (Wang & Wen, 2013).

The effectiveness of government expenditure in expanding the economy and fostering rapid economic growth depends on whether it is productive or unproductive (Oziengbe, 2013). The direction and magnitude of the relationship between government expenditure and economic growth has continued to generate a series of debates among scholars. It is obviously presumed that government performs two basic functions: protection and provision of certain public goods.

The protective function entails the creation of the rule of law and enforcement of property rights, which helps to minimize risks of criminality, protect life and property, and defend the nation from external attacks; while defence, roads, education, health, and power, etc., are goods provided by the government (Ogundipe, & Oluwatobi, 2013). Hence, expenditure control is absolutely necessary for good public financial management because fiscal rules, medium-term budget plans, and annual budgets are meaningless if expenditure cannot be controlled during execution.

However, the objective of expenditure control is to ensure that public resources are spent as intended, within authorized limits, and following sound financial management principles. A distinguishing feature of a government's budget, unlike the budget of a typical business entity, is that it is funded primarily via compulsory taxation of citizens and authorized via an act of Parliament. The role of an expenditure control system is to ensure that the level and allocation of government expenditure reflects the will of the legislature as voted for in the budget. Expenditure controls also reflect sound financial management principles in ensuring that public resources are utilized efficiently, incurred obligations are cleared in a timely manner, abuse/misappropriation of public money is prevented, and private actors compete on a level playing field for government contracts. A lack of effective expenditure controls not only threatens macroeconomic stability and fiscal discipline but can also call into question the integrity of the public financial management system and undermine trust in a government's stewardship of public resources (Sailendra, 2016).

Nevertheless, it has become increasingly complex to manage expenditure allocation because the roles of the government have been expanded and financial resources are in scarce supply to meet these ever-increasing social needs and population growth. Hence, the inadequate financial resources, as opposed to an increasing demand for public service, can be addressed by effective resource allocation through proper economic policy and expenditure control (Mohammed, 2015).

The amount of expenditure to be incurred by the government in any fiscal year is contained in the annual budget. The budget prepares the government to ensure that the required resources are available at the right time and in the right amount in order to facilitate the completion of proposed actions and accomplish planned objectives (Omosidi, *et al.,* 2019). Thus, the budgetary policy and the budget documents are important parts of fiscal policy. Fiscal policy, as a part of economic policy, deals with public expenditure, public borrowing, and debt management (Routiya, 2013). Budgetary control is a technique applied to the control of total expenditure on materials, wages, and overhead by comparing actual performance with planned performance. This technique is also believed to be another valuable aid in cost control and coordination.

On the other hand, the role of accounting in the control of expenditures relates mostly to the setting of standards via budgeting and ensuring that the standards set are adhered to. The accounting controls also ensure the actualization of the macro-economic goals, which include maintaining the total framework of the planned expenses; adjusting the expenditure rate to the rate of the reception of incomes; regular follow-up of compliance with deficit goals; planning the financing of the deficit in order to reduce the national debt-product ratio, among others. The Nigerian government is engaged in a variety of economic activities which result in government expenditure. Thus, accounting is primarily used to ensure accurate accountability in the execution of such expenditures. There are reported cases of misappropriation of funds in the public enterprises, and improper accountability led to a lot of public enterprises into problems (Dickson, 2013). The role of accounting in the control of expenditure deals with the process of setting cost standards and ensuring that the standards set are maintained.

The need for auditing has gained considerable expansion throughout the world, especially in the public sector. According to the report by the Transparency Initiative, Nigeria has continued to be rated amongst the most corrupt countries in the world for many years consecutively since 2001 due to the collapse of public sector accountability. As a result of the increasing financial scandals and public agitation over the inability of the executive arm of government to turn things around, there is a demand for greater accountability and transparency in the public sector. The reason for this is a growing need for transparency and accountability at all levels of government activities, such as those related to revenue allocation and government spending. Also, a significant percentage of the asset base and other productive resources of the country comes under the control of the public sector of the economy, and the increasing public outcry with respect to mismanagement of public funds, embezzlement on the part of government officials, high recurrent expenditures, and poor budget performance by the various government agencies brings about the need for auditing in expenditure control (Odia, 2014). However, the primary role of auditing in expenditure control is not to detect fraud and error but to examine the books of account so as to determine whether or not they give/show a true and fair view of the state of affairs of the economy during the period under review. Lack of transparency and accountability brings about auditing as an expenditure control mechanism.

Therefore, budget control, accounting control, and audit control have significant roles towards effective expenditure control. This is corroborated by the position of Scott (2016), who established that expenditure control is a mix of interlinked systems, processes, and practices which include budgeting, revenue mobilization, public expenditure management, financial reporting, auditing, and the public financial management regulatory framework. However, there are several suggestions aimed at enhancing efficiency in expenditure management, some of which are in alignment with the philosophy of equity on which Scott (2016)'s study was premised. For example, Broback and Sjolander (2002) indicated that expenditure control improves the financial situation of the citizens and generates economic growth. This requires clear statements in government policy which indicate that expenditure is targeted at areas which have a direct or indirect impact on the citizens and foster greater economic efficiency and improved distribution of incomes.

To this end, there has been long interest and concern on government expenditure controls by stakeholders, local and foreign agencies, and academicians. However, there is a paucity of literature on the effectiveness of subnational expenditure controls in ensuring controlled government spending. The few studies are Akpan (2001), James (2010), Amassoma, et al., (2011), Eivani, et al., (2012), Mohammed & Sagir (2018), George (2019), among others. Little or nothing is known about the efficacy of expenditure controls on the spending of MDAs in Katsina State. Thus, the need to evaluate the efficacy of existing expenditure controls on the Katsina State government with a view to measuring their strength in promoting effective public financial management. Katsina State has been blessed with abundant mineral resources found in many locations across the state, and these locations are well connected with an excellent road network, beside an International Airport located in the heart of the state capital. Against this background, therefore, the study evaluates the effectiveness of expenditure controls of the MDAs in Katsina State.

2.

2.1. Institutional Framework for Expenditure Control

Expenditure controls at the state level, with by the Governor, are subject to the approval of the Legislature within the ambit of the Constitution. Consequently, in accordance with Section 81(1) of the Constitution, “The Governor shall cause to be prepared and laid before each House of the State Assembly in each financial year, estimates of revenue and expenditure of the State for the following financial year. The National Assembly is the supreme authority on matters of state finance. The control exercised by the Legislature is both ‘ex-ante’ and ‘ex-post’. The ‘ex-ante’ control is in the sense in which the Legislature considers and approves the estimates submitted to it by the Governor. ‘Ex-post’ control is the review of transactions after payment. No amount of public funds may be spent without the approval of the State Assembly.

The Auditor-General for the State is expected to scrutinize all accounts and records of the money collected and spent and report to the State Assembly appropriately on the instances of waste, extravagance, inefficiency, or fraud. The Auditor-General’s duty is post-payment audit, except in matters relating to pension and gratuity payments, on which he performs pre-payment audit. The Commissioner of Finance has to approve requests of Ministries/Departments requiring to incur expenditure as contained in the approved estimates. Although the Estimates and Appropriation Acts guide the disbursement of public funds, the release of money is subject to the issuance of relevant warrants by the Commissioner of Finance for the expenditure. The warrant authorizes the Accountant-General to release funds as appropriate. The Accountant-General has overall responsibility for the total expenditure of the Government. His office would keep necessary books of accounts to record all the receipts and expenditure of the various Ministries, Departments, and Agencies.

Ministries/Departments are expected to maintain a Vote Book for each Head or Sub-Head of expenditure. It is an integral part of the Budgetary Control System and is designed to facilitate vote watching to ensure that expenditures incurred are not in excess of appropriation. Over-expenditure of vote amounts to reckless use of public funds and is seriously frowned upon by the Government. Finally, the 1979 and 1989 Constitutions brought into existence the Public Accounts Committee. The purpose of the Committee is to expose waste, corruption, or inefficiency in the handling of public funds or projects. It is empowered to examine the audited accounts of the State and those of public offices as well as the Auditor-General's report thereon.

2.2. Literature review and hypotheses development

Expenditure control includes elements such as administrative and financial sanctions, ascertaining availability of budgets, recording and processing controls including delegation and segregation, proper recording and processing, verification and certification, and finally approving and disbursing the payments. According to Adenugba and Ogechi (2013), expenditure control will have a significant impact on the internally generated revenues of municipalities if well and adequately managed by enhancing the allocation of scarce resources on the basis of established objectives.

Expenditure controls in governments are tools for achieving economic development plan targets. Subnational governments in Nigeria are faced with myriads of problems ranging from corruption and embezzlement, poor financing, mismanagement of funds to poor leadership (Adejoh & Sule, 2013). These have therefore deterred the development of subnational governments in Nigeria. As a result, it has become necessary to evaluate the government expenditure control of subnational governments in Nigeria. Moreover, previous studies have examined the effect and relationship between Internally Generated Revenue and government expenditure, internal control and internally generated revenue, or internal control system and government expenditure (Mbedzi & Gondo, 2010; Muhammad, 2012; Adenugba & Ogechi, 2013; Abba, *et al.,* 2015). In this study, emphasis will be placed on the following components of expenditure controls.

2.2.1. Accounting control and government expenditure

Controls are an essential ingredient of modern business, since they can reduce error rates, minimize fraud, and ensure that procedures are completed in a consistent manner. The Accounting Controls Guidebook reveals the controls you need for every accounting system, from billings to financial reporting, in addition to such operational areas as order processing, shipping, and receiving. Controls are separately stated for manual and computerized accounting systems (Abubakar U. Farouk *et al.*, 2021; Abubakar Umar Farouk *et al.*, 2021).

The course also addresses types of controls, control principles, the proper balance of control systems, and how to construct a system of controls. In short, this is the essential desk reference for the accountant who wants to install and maintain a well-constructed system of controls. Accounting controls are measures instilled by a good accounting system to ensure the accurate recording of transactions, adherence to rules, and safety of assets, and accuracy of financial statements (Magablih, 2018) (Jibril, Isa, and Maigoshi, 2022).

There are few studies conducted in relation to whether accounting control influences expenditure. Previous studies established a positive relationship between accounting control and expenditures. Iyoha and Oyerinde (2010) investigated accounting infrastructure and accountability in the management of public expenditure in developing countries. Accountability in the control and management of public funds is one of the most sensitive aspects of the activities of government in all democracies. Hence, the 1999 Constitution of the Federal Republic of Nigeria contains provisions relating to legislative powers and control over public funds. However, the required level of accountability in public expenditure has not been achieved in Nigeria. The situation has remained worrisome even though the country does not lack the appropriate laws and regulations required to bring sanity into the system. Though there have been some bold steps and initiatives in the past by the government through strengthening existing institutions and creating new ones with responsibility for fraud and other controls, the issue of weak accounting infrastructure has not been addressed. The study argues that accountability in public expenditure can more easily be realized within the context of a sound accounting infrastructure and a robust accounting profession and not in the multiplicity of laws and anti-corruption agencies, all of which are reactive in nature. Therefore, the study reports on the current state of accounting infrastructure in Nigeria and concludes with an assessment of the existing agencies and current reform initiatives in ensuring accountability in public expenditure in Nigeria.

Magablih (2018) aimed at identifying the effectiveness of the control of accounting and its relationship to adjust the internal oversight and renewal of the strengths and weaknesses in the control system, where distribution was designed to identify a sample of (200) members of the community of study and retrieve (180). One of the most important findings of the study is the role of the staff in the process of adjusting government spending as a result of being trained by the use of technology in the interest of supervision and auditing, which facilitated the setting process and expenditure control and reduced corruption. As recommended, the study given of internal controls and auditing, accounting debt service, and the fight against corruption of sufficient care for spending control to reduce tax evasion and to increase government revenue, drying up the sources of administrative and financial corruption in governmental units and workshops of each of the staff members and the community. The establishment of controls and the lack of exchange outside the budget items.

The theory of Wagner's Law is named after the German political economist Adolph Wagner (1835-1917), who developed a "law of increasing state activity" after empirical analysis in Western Europe at the end of the 19th century. He argued that government growth is a function of increased industrialization and economic development. Wagner stated that during the industrialization process, as the real income per capita of a nation increases, the share of public expenditures in total expenditures increases. The law cited that "The advent of modern industrial society will result in increasing political pressure for social progress and increased allowance for social consideration by industry."

Based on the above findings and theory, the study hypothesizes in a null form that

- *H1: Accounting controls do not have a significant impact on the spending of Katsina State MDAs,*

2.2.2. Audit control and government expenditure

Audit control can be explained as an independent and objective assurance and consulting function designed to help an organization achieve its objectives. The objectives of audit control are unarguably broad, but governments differ in their commitment to them. This is why it is generally asserted that the effectiveness of audit control can only be as good as the commitment of government to pursue these objectives. Many studies evaluate the effect of audit committee effectiveness on a company's general reporting system (Jibril, 2019; Jibril, Usman and Kibiya, 2022).

According to Unegbu and Obi (2012), audit control is part of the control system put in place by the management of an organization to ensure adherence to stipulated work procedures and as an aid to management. They believe that audit control measures, analyses, and evaluates the efficiency and effectiveness of other controls established by management in order to ensure smooth administration, control cost minimization, capacity utilization, and maximum benefit derivation. This implies that audit control is an integral part of a complex system designed by the management of any organization to ensure the orderly conduct of its business and prevent abuse of assets. The Institute of Internal Auditors (1999) defines audit control as an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It assists an organization to achieve its objectives by bringing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Prior studies have examined the relation between audit controls and expenditure, most of which established an insignificant or negative relationship among the variables.

In Nigeria, Abayomi (2016) asserted as a statement of fact that fraudulent practices have been extensively accommodated, entertained, and celebrated within the local government administration in Nigeria. Fraud in public institutions is more easily accomplished in an environment where there is administrative and fiscal laxity. Indeed, it may well be said that a significant proportion of public resources is lost each year because of fraud as a result of inefficient internal and external auditing. His research evaluated the effectiveness of the internal audit unit on fraud control in local government administration in Osun State. Two hypotheses were formulated and tested. The primary data was obtained through the administration of questionnaires, interviews, and actual observation. This was supplemented with secondary data. The findings of the research indicated that the Internal Audit unit did not fulfil and in reality does not contribute significantly to fraud prevention and control in local government administration in Osun State.

Abba and Kakanda (2017) examined the moderating effect of the internal control system on the relationship between government revenue (statutory allocation and internally generated revenue) and expenditure. All the sixteen (16) local governments in Taraba State, Nigeria, were considered the population and were as well maintained as the sample size of the study. Secondary data was gathered from the official websites of the Federal Ministry of Finance and the Office of the Accountant General of the Federation, and others from the annual accounts and reports of the population of this study. The study utilizes an ex-post facto research design to examine the relationship between the study variables. Descriptive statistics, correlation, and hierarchical multiple regression analyses were carried out to answer the research questions raised in this study. The study finds that statutory allocation and internally generated revenue are positively related to government expenditure, which may cause more government spending that may lead to fiscal imbalances. When further analysis was conducted, the result revealed that the internal control system moderates both statutory allocation and internally generated revenue towards government expenditure, but the internal control system is not effectively applied in the local governments.

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In addition, Uremadu and Chinwoeke (2019) examined the responsiveness of economic growth to public expenditure in Nigeria for the period 1980 – 2016. Data were sourced from the Central Bank of Nigeria (CBN) Statistical Bulletin, and the study employed the Ordinary Least Square (OLS) multiple regression technique for its tests and analysis. The findings of the study revealed that government recurrent expenditure had an insignificant negative impact on economic growth in Nigeria, while government capital expenditure exerted a positive significant impact on economic growth for the period covered by the study. However, the domestic inflation rate had the greatest but negative influence on the growth of the economy.

Francis (2019) asserted that effectiveness relates the input or the output to the final objectives to be achieved, i.e., the outcome. The outcome is often linked to welfare or growth objectives and therefore may be influenced by multiple factors (including outputs but also exogenous 'environment' factors). They examined the effect of value for money effectiveness on capital expenditure in the Nigerian public sector. Specifically, it investigated the extent to which value for money affects effectiveness in the capital expenditure of the Nigerian public sector. Primary data were collected from structured questionnaires retrieved from two hundred and ninety-three respondents across different Anambra State ministries. Binary logistic regression was used to analyse the data and make decisions on the formulated hypotheses. The findings of this study revealed that value for money effectiveness reduces the economy of capital expenditure.

Abubakar, *et al.,* (2017), examined the performance audit and the New Public Management (NPM) Reforms to address public sector inefficiency in Nigeria. With the advent of new public management in the public sector, the auditing profession has been elaborately transformed to include many other classes of audits. NPM has been a guiding public sector reform template for over 25 years. Performance audit is one of the audit exercises promoted by the NPM regime. Over the years, the emphasis on efficiency, effectiveness, and economy has necessitated government agencies in many countries around the globe to bring government activities under meticulous scrutiny. Thus, performance audit is a formal tool for evaluating the 3Es in the public sector by ensuring that conformity and compliance with the principles and procedures of public governance are adequately guaranteed. Specifically, the performance audit practice is at the infant stage in Nigeria. Hence, public agencies that have adopted performance audit are poised to face unanticipated challenges. Therefore, deriving from that emphasis, this study presents a multilevel experience of OECD countries on performance audit. Explicitly, this study is a conceptual review of views and experiences of the OECD countries on the impact of the performance audit with regards to NPM reforms. Equally, the study also reflects on the consensus that 3Es determine public sector organizational performance. Additionally, a study conducted by Nwannebuike and Nwadialor (2016) evaluated the effectiveness of internal audit in the Nigerian Public Sector. The study adopted a survey design and administered 127 questionnaires to accountants and 55 to internal auditors of four federal parastatals in Enugu State. While the mean was employed in data analysis, chi-square was used to test the postulated hypotheses. The study found, among other things, that in spite of the availability of adequate punishments, they were not effectively applied across the board for violations of internal audit procedures. It concluded that efforts should be geared towards updating the knowledge of internal auditors rather than engaging in an interminable search for error-proof internal audit procedures.

In contrast, the study of Osioru, *et al.,* (2017), sought to establish the relationship between auditing effectiveness variables and management of public finances in Kenya. The research design for this study was a descriptive research design. The target population of interest was all the Government ministries in Kenya. There were 21 ministries in Kenya which were all considered for the study. The target population for the study was 444 auditing staff from the 21 government ministries in Kenya. This study used a stratified proportionate random sampling method to select the respondents, giving a sample size of 96 respondents. Primary data was used for this study. Primary data was obtained by issuing questionnaires to the participants of various ministries. The quantitative data collected was analysed using descriptive statistics such as frequency, percentages, mean, and standard deviation. A multivariate regression model was applied to determine the relative importance of each of the four variables with respect to management of the public finances in Kenya. The findings showed that audit independence and audit staff competence had a positive and significant relationship with the management of public finances in the government ministries in Kenya. From the findings, the study concluded that audit committees must have a high level of independence and financial competence in order to execute their roles and mandate effectively.

In 1961, Peacock and Wiseman elicited a salient shaft of light about the nature of increase in expenditure control based on their study of expenditure control in England. Peacock and Wiseman (1967) suggested that the growth in expenditure control does not occur in the same way that Wagner theorized. Peacock and Wiseman chose the political propositions instead of the organic state where it is deemed that governments like to spend money, people do not like increasing taxation, and the population voting for ever-increasing social services. There may be divergence of ideas about desirable public spending and limits of taxation, but these can be narrowed by large-scale disturbances, such as major wars. According to Peacock and Wiseman, these disturbances will cause a displacement effect, shifting public revenue and expenditure control to new levels. Governments will fall short of revenue, and there will be an upward revision of taxation. Initially, citizens will engender displeasure, but later on, will accept the verdict in times of crisis. There will be a new level of "tax tolerance." Individuals will now accept new taxation levels, previously thought to be intolerable. Furthermore, the public expects the state to heal up the economy and adjust to the new social ideas, or otherwise, there will be the inspection effect.

Peacock and Wiseman viewed the period of displacement as reducing barriers that protect local autonomy and increasing the concentration of power over expenditure control to the Central government. During the process of expenditure control centralization, the role of state activities tended to grow larger and larger. This can be referred to as the concentration process of increasing public sector activities. Nowadays, the growth in expenditure control has become a compulsion, and thus, the disturbance situations matter little. Based on the above findings and theory, the study hypothesizes in a null form that

- *H2: Audit controls do not have a significant impact on the spending of Katsina State MDAs*

2.2.3. Budgetary control and government expenditure

Budgetary control is a crude accounting tool for a number of reasons. First, it is difficult to accurately estimate museum expenditure, partly because of accounting inconsistencies and partly due to disaggregating museum costs from the larger units they sit in. Public service budgets are increasingly operationally devolved to local cost-centre university departments, council departments, museums – but strategically controlled by the Centre (Arnaboldi, *et al.* 2015). In local government, devolved budgets are particularly open to manipulation as elected members need to justify spending to constituents at election time and to central government in order not to be penalized for overspending (Jibril and Maikano, 2022).

Prior studies established a positive relation between budgetary control and expenditure. In a study conducted in Portugal, Castro and Martins (2017), analysed the presence of political cycles in Portuguese governments' expenditures using monthly data over the period 1991-2013 for the main categories of government expenditures. The results indicated that Portuguese governments act opportunistically regarding the budget surplus and that they favour capital instead of current spending near the elections.

In Asia, Shastri, *et al.,* (2017), examined the budget deficit sustainability and revenue expenditure in five South Asian countries, namely India, Pakistan, Bangladesh, Sri Lanka, and Nepal, for the period 1985-2014. Maintaining a sustainable fiscal position to ensure macroeconomic and financial stability is currently a key policy issue in both developed and developing economies. The study combined individual-country analysis with recent panel data approaches for robustness of results. Their results support the existence of a long-run relationship between government revenues and expenditures for the countries in a specification allowing for unknown structural break.

Egbunike and Unamma (2017) carried out a study on budgeting, budgetary control, and performance evaluation in hospitality firms in Nigeria. The study addressed two fundamental issues: first, it determined if there is any association between budget, budgetary control, and performance evaluation; second, it ascertained if there is any significant variation in the budget, budgetary control, and performance evaluation measures of hospitality firms in Nigeria. The study employed a descriptive design and primary data (questionnaires) as the major source of data collection. Findings indicated that budget and budgetary control could serve as avenues through which hospitality firms in Nigeria can be evaluated. In addition, it was revealed that there is a significant variation in the budget, budgetary control, and performance evaluation of hospitality firms in Nigeria.

Similarly, Oyebode (2018) also evaluated budget and budgetary control and used a pragmatic approach to the Nigerian infrastructure dilemma. Unlike the previous studies, this study examined only one firm (Cadbury Nigeria Plc.) as a case study. The researcher argued that firms seek to adopt the concept of budgeting and budgetary control to satisfy their needs at the least possible cost and at the same time fulfil their stewardship obligations to the numerous stakeholders. The study revealed that budgeting is a useful tool that guides firms to evaluate whether their goals and objectives are actualized and concluded that budget, which is a continuous management activity, adapts to changes in the dynamic business environment in order to avoid an infrastructural dilemma. In the same vein, Odero (2019) examined the effect of budgetary control usage on the financial performance of public universities in Nairobi. The study used planning and coordination as the independent variables and also as mechanisms of budgetary control on financial performance. The results indicated the existence of a significant relationship between Budget Planning, Budget Coordination, Budget Control, and Financial Performance of public universities in Kenya.

Similarly, a study was conducted by Nganyi, *et al.,* (2019) to evaluate the determinants of governments' expenditure on public flagship projects. This study differs from the previous ones so far reviewed in the sense that it dwelled on Kenya Vision 2030 flagship projects expected to generate rapid economic growth in the country, which are threatened by inadequate sources of funding, financial management problems, and failure to link policy, planning, and expenditure budgeting. Therefore, the study reviewed theories such as public finance, budget, cost-benefit analysis, and principal-agent, which provided grounds for the conceptual framework. The study employed a descriptive research design, positivist philosophy, and a multiple regression model. The target population was the planned 348 flagship projects for the period 2008-2012. The unit of analysis was projects based on a sample size of 96 from a stratified random sample, while data was collected using a questionnaire. The findings showed that the planning process, source of funds, and management responsibility had a significant positive influence on determining government expenditure on public flagship projects in Kenya.

Nwanyanwu, *et al.,* (2018), examined the relationship between budgetary control and financial performance of Small and Medium-sized Enterprises in Rivers State. A population of 74 members (manufacturing, construction & engineering, and services) of the Port Harcourt Chambers of Commerce and a sample size of 63 were determined using the Taro-Yemen formula. Both primary and secondary data were used, with hypothesis testing mostly based on the primary data and secondary data used in a supportive role. Management accounting practices were studied from two dimensions, budgetary control and marginal costing, while financial performance was measured by net profit and return on equity. Technology was employed as the moderating variable. Data were analysed using both parametric and non-parametric techniques complementarily. The findings showed that there is a significant relationship between budgetary control and financial performance. It is the conclusion of this study that budgetary control can be used to drive the growth and sustainability of Small and Medium-sized Enterprises in Rivers State.

Similarly, Abubakar and Stephen (2018) examined the effect of budgeting and budgetary control on accountability at Ahmadu Bello University, Zaria. A primary source of data was used. The study data were gathered through the aid of structured questionnaires distributed to the respondents. A total of 273 questionnaires were used in this study. However, due to the nature of the data, multiple regression estimates were used for the analysis. The findings revealed that budgeting control, budgeting process, and budgeting implementation have a positive and statistically significant effect on accountability. The study therefore concluded that budgeting and budgetary control have a significant influence on the level of accountability in public tertiary institutions in Nigeria.

Ibrahim (2018) investigated the impact of budgeting and budgetary controls on the accountability of government parastatals in Abuja. He identified a focal problem as the incapability of organizations to draw out plans and accomplish goals, which can be attributed to their inability to apply controls and accountability in the budgeting system. The researcher used both primary and secondary data, but dependence was placed more on primary data because of its relative factual nature. They included personal observation, interviews, questionnaires; about 52 personnel of the organization were interviewed, and their responses were analyzed by simple percentage. The major findings reveal that there is a great degree of relationship between budgetary implementation and actual performance. The researcher concluded that when the budget is effectively implemented at all levels, it will become an essential standard in ensuring actual performance.

Imo and Deswosu (2018) assessed the effect of budgetary control on the return on assets and net profit of government-owned companies in Rivers State. A descriptive survey research design was used for this study. Questionnaires were administered to the organizations under investigation. The Pearson product moment correlation coefficient and frequency tables were used to analyse the returned data. The study reveals a positive significant relationship between budgetary control and the financial performance of government-owned companies in Rivers State on the basis of net profit and returns on assets. Based on the findings, the study concludes that a budgetary control system can be used as a control mechanism to strengthen performance measurement systems.

Variance in the budget is a fundamental factor that requires control and exists in two ways: either overspending or underspending. In view of this, Hla, *et al.,* (2016), introduced a concept known as public budget ratcheting to examine Malaysian government spending behavior and the process of budget preparation based on expenditure variances. They used dynamic panel regression analysis and extracted data from forty-four government agencies, covering the period from 2010 until 2014. The contribution of the research highlights that the presence of budget ratcheting among the federal government agencies/programs of public organizations needs to be indicated to enhance budget administration regarding ratcheting.

However, budgetary control theory explains the relationship between budgetary control and the financial performance of organizations. According to this theory, a budgetary control process is a tool used by organizations as a framework for revenue and expenditure allocation. According to Robinson and Last (2009), budgeting is used by firms as a framework for spending and revenue allocation. Organizations should come up with effective budgeting systems in order to ensure that their resources are not wasted. Budgeting systems help in ensuring that outputs produced and services delivered achieve their set objectives. Financial viability is determined by the level of income a firm is able to maintain at any given time (Robinson & Last, 2009). The firm has to put clear controls that ensure the budget is well maintained and allocated as required and strictly followed so that variances can be explained and mitigated as much as possible. Based on the above findings and theory, the study hypothesizes in a null form that

- *H3: Budget controls do not have a significant impact on the spending of Katsina State MDAs.*

3.

3.1. Research methodology

This study used a mixed research design that includes qualitative and quantitative approaches. According to Saunders, Lewis, and Thornhill (2007), research that employs mixed methods will use both quantitative and qualitative data in the same research simultaneously. Campbell and Fiske were the first to analyze both quantitative and qualitative data in one research study in 1959 (Creswell & Clark, 2011). To verify the psychological traits, Campbell and Fiske examined in detail the incorporation of quantitative data from several different sources. Since then, mixed methods have been recognized as one of the major methods in helping researchers to interpret the two different types of data. This has led to the growth of the significance of mixed methods lately (Molina-Azorin, 2012).

Creswell and Clark (2011) suggest that mixed-methods take more factors into account and that the result produced from the analysis of both the quantitative and qualitative data is more significant compared to the research that employs only quantitative or qualitative data. Hence, the mixed-methods approach plays a crucial role in overcoming the deficiencies of using only a single type of data in research by yielding more detailed explanations and enhancing the comprehension of events (Johl *et al.,* 2012; Bryman, 2012). In view of the above, this study used both qualitative and quantitative methods to gather data for analysis and interpretation.

3.2. Population and sample of the study

The population of the research includes the financial officers of Katsina State MDAs and legislative members of the Katsina State House of Assembly (KSHOA) of north-western Nigeria, and the target respondents are internal auditors of the MDAs and finance committee members of the State Assembly. The population is made up of 97 internal auditors in the Katsina State MDAs: twenty (20) in Ministries, thirty-seven (37) in Departments, and forty (40) in Agencies. Also, the nine (9) members of the Katsina State House of Assembly Finance Committee. The internal auditors provided data used to evaluate budget controls, accounting controls, and government spending, while the legislators provided data used to evaluate audit controls. The population is stratified along the MDAs, and stratified sampling techniques were used to select the sample for the study. The sample size for this study is 67.9, approximately 68 internal auditors, which represents 70 percent of the auditors in the MDAs, and 9 State House finance committee members.

MDAs	Population	Sample
Ministries	20	14
Departments	37	27
Agencies	40	29
	97	**70**

Table 1. Population and Sample

Note: The sample size from each stratum is based on its proportion to the population.

3.3. Sources and methods of data collection

This study used primary sources of data. The primary data was obtained through questionnaires and semi-structured interviews with a sample of 8 persons. The semi-structured questions were used to guide the discussion, and examples were elicited where necessary to provide additional insight into response issues throughout the interview session.

3.3.1. Research Questionnaire

A likert questionnaire was adopted for all the items, the respondents were asked to indicate their responses to each question on a five-point scale. A survey data on compliance with budgetary estimates and the adequacy of the financial regulations was generated through research assistants and retrieved via the same channel. Two sets of questionnaires were developed and administered. The first set is administered on the sampled internal auditors in the Katsina State MDAs to generate data on the effectiveness of the budget controls, accounting controls and government expenditure among the MDAs. The other set was administered on the State legislators to evaluate the effectiveness of the audit controls among the MDAs.

3.3.2. Interviews

Interviews play a crucial role in a qualitative research framework. Interview is a research approach to gather data via the experiences and opinions of individuals or groups (Scott& Garner, 2013). Researchers such as Tellis (1997) suggested that interviewing is the best data collection method in qualitative research. Moreover, Bryman (2004) proposes interview as one of the most commonly used approaches in qualitative study as it enables the process of data collection and interpretation of data to be done in a more flexible way. There are three different forms of interviews: structured, semi-structured and unstructured. In a structured interview, some specified research questions will be raised and asked (Bryman, 2012). On the other hand, in semi-structured interviews, the interviewer is flexible to ask other questions relating to other topics which are not in the list of prepared research questions during the interview, enabling the researcher to raise spontaneous questions during the interview (Collis & Hussey, 2009).

According to Scott and Garner (2013), structured interviews are widely employed in quantifying results as the researches depend heavily on certain answers. However, in semi-structured interviews, the researcher has the flexibility to ask unprepared questions based on the answers provided by the interviewees (Haniffa & Hudaib, 2007; Liew, 2007 and Johl, *et al.,* 2012). Thus, in exploring in-depth expenditure control issue, the most suitable and relevant type of interview will be the semi-structured interview (Bailey & Peck, 2013). Bryman (2004) also agrees that the application of semi-structured interviews will help the researcher to get the significant results correspond to the research questions. To conclude, most of the researchers favour semi-structured interviews than the structured interviews due to the unique flexibility thus less detail (Bryman, 2004; Soobaroyen & Mahadeo, 2012; McNulty, *et al.,* 2013).

In this study, semi-structured interviews are employed because they are helpful in providing and improving comprehension of expenditure control measure issues. In addition, the semi-structured interview approach enables the researcher to evaluate the reliability of interviews and investigate the motives straightforwardly (Humphrey & Lee, 2004).

3.3.3. Justification of the selection of interviewees

Corbin and Strauss (2008) suggest that data collection using theoretical sampling can help the researcher identify concepts and themes pertinent to the research problem. In this study, theoretical sampling was used to select the interviewees using two sequential phases. In the first phase, targeted groups of interviewees were identified (practitioners). A judgemental sampling technique was used; this was to ensure respondents are knowledgeable of the phenomenon under study and can provide appropriate responses to the interview questions. The interviews targeted four key groups: staff from the Department of Budget, Ministry of Finance/Agencies, Office of the Auditor-General of the State, and Members/Staff of the State Assembly. These groups were selected because they are knowledgeable, experienced, and with good information in this area. Subsequently, the researcher contacted the targeted interviewees to confirm their availability. Generally, with the use of telephone and e-mail, the researcher contacted the interviewees and provided them a set of interview questions and a letter concerning the objective of the study, the aim of the interview, information regarding the researcher as well as the university, the date and venue of the interview, and how anonymity would be protected to enhance the reliability of the study and encourage the practitioners to partake in the study (Bailey & Peck, 2013).

3.3.4. Interview Procedures

As described before, the main source of qualitative data in my study was semi-structured interviews. In comparison to quantitative methods, qualitative methods usually require a small amount of sample, and these methods usually analyze a subject in an in-depth manner. Owing to this, Miles and Huberman (1994) proposed that the time and other resources 'restriction' have to be considered when making decisions on the sample size in qualitative research. Data saturation, which is the point at which no more interviews are necessitated owing to the nonexistence of fresh or pertinent information, is expected to occur from added respondents (Corbin & Strauss, 2014). Merriam (2009) mentioned that there is no answer about how many interviewers should be in the sample, as it depends on the questions, the conditions, etc. Hence, Merriam (2009) recommends sampling until a point of saturation or redundancy is reached. "In judgemental sampling, the size of the sample is determined by informational considerations. If the purpose is to maximize information, the sampling is terminated when no new information is forthcoming from new sampled units; thus, redundancy is the primary criterion."

The study sent them letters of recommendation for data collection and research work via mailing services. I also asked the prospective interview participants about the time to hold the interviews and the options to conduct the interviews (physical, phone, or virtual). Only nine of them found time to be interviewed; one of them, after agreeing to hold the interview, did not respond to my contact because of their concern as the directors are always busy. Therefore, the semi-structured interviews were conducted with a sample of 9 persons, and all of the interviewees gave me permission to record their interviews. I emailed the interview questions to the interview participants several days before holding the interviews, which may enable the interviewees to think more deeply and to give better answers.

All of the interviews were recorded as MP3 files via a radio recorder. The interviews took between 15 to 20 minutes. The interviews were conducted in three stages. Firstly, explain the nature of the research and solicit if any clarification is required before proceeding with the questions. Then follow by explaining how the research is going to be conducted. Next, obtain some non-sensitive background information, and engage in a general conversation about government spending and expenditure control measures. Lastly, the semi-structured questions are used to guide the discussion, and examples will be elicited where necessary to provide additional insight into response issues. At the end of the interview, the interviewers thanked the interviewees and expressed their gratitude for their time and assured them of the confidentiality of the information.

3.4. Method of Data Analysis

Partial Least Squares-Structural Equation Modelling (PLS-SEM) was adopted for this study because it is well enhanced to be used as a research tool in strategic management and other social fields. Structural equation modeling (SEM), a versatile statistical modeling tool, and also called simultaneous equation models, is a multivariate (i.e., multiequation) regression model. The key criteria for assessing the structural model in PLS-SEM are assessing the significance of the path coefficients, the level of the R squared values, the f squared effect size, and the predictive relevance (Q and Q squared effect sizes). This would be used to measure the effects of the independent variables (budget controls (BUC), accounting controls (ACC), and audit controls (AUC)) on the dependent variable (government expenditure (GXP)). The model specification for this technique is set as follows:

$$GXP = \beta_0 + \beta_2 ACC_i + \beta_3 AUC_i + \beta_1 BUC_i u_i$$

Where:

1. β_0 is the intercept of the population regression line.
2. u_i is the error term
3. GXP (Government Expenditure) is a dependent variable
4. ACC (Accounting Controls) is an explanatory variable
5. AUD (Audit Controls) is an explanatory variable
6. BUC (Budget Controls) is an explanatory variable

4.

4.1. Results and Discussion (Descriptive Analysis of the Survey Variables)

This part presents the analysis of the responses generated from the questionnaire survey on the internal auditors of sampled MDAs and members of the Katsina State House of Assembly. The survey seeks to generate data that is used to evaluate the expenditure controls in the MDAs. The auditor's questionnaire is used to evaluate accounting controls, budget controls, and government spending, while the legislator's questionnaire is used to evaluate audit controls. The instrument was developed from the State Financial Regulations and covered various aspects of expenditure control in the State.

4.2. Analysis of Questionnaire Responses

Although the sample of internal auditors was increased to 70 to avoid non-response problems and sample size errors, and that of the legislators remained 9 questionnaires, the procedure of data screening and cleaning resulted in 54 and 9 usable questionnaires and a response rate of about 77.1% and 100% from internal auditors and legislators, respectively. The rate is significant enough to avoid non-response bias.

MDAs	Sent	Returned	Response rate (%)	Non-response rate (%)
Ministries	14	11	78.57	21.43
Departments	27	21	77.78	22.22
Agencies	29	22	75.86	24.14
	70	54	77.14	22.86

Table 2. Analysis of Response Rates

Note: Table 2 provides details about the usable responses to the questionnaire survey. Particularly, it provides details on the number of questionnaires sent (S), returned (R), and the percentage returned (%R). This information is generated from the questionnaire survey, 2022.

The table shows that 11 of the 14 questionnaires sent to Ministries were received, which represents a 78.57% response rate, the highest in the strata. For the Departments, 21 of the 27 questionnaires sent were received, which represents a 77.78% response rate. And 22 of the 29 questionnaires sent to the Agencies were received, representing 75.86%. On the average, the response rate is 77.14% for the sample, which is considered high enough to avoid biased conclusions on the findings of the survey. A non-response rate of 22.86% is not significant. As a result, the case of bias is limited, and the views could fairly represent those of the sample.

4.3. Perceptions on Expenditure Controls and Government Spending among MDAs

This section presents the frequency and descriptive statistics of the questionnaire survey responses on the effectiveness of accounting controls, budget controls, and government spending in Katsina State MDAs. The internal auditors, being the custodians of accounting procedures, were asked to agree or disagree on the application of seven procedures on 5-scale Likert options, while the legislators were asked to evaluate the audit controls.

4.4. Evaluation of Government Spending in MDAs

Items	Mean	Std. Dev.	A	O	S	R	N	Total
EXP1	1.61	0.91	0.02	0.06	0.02	0.33	0.57	1.00
EXP2	1.91	0.96	0.04	0.06	0.02	0.56	0.33	1.00
EXP3	1.85	0.96	0.02	0.02	0.22	0.28	0.46	1.00
EXP4	2.33	0.95	0.06	0.06	0.17	0.61	0.11	1.00
EXP5	2.15	0.77	0.02	0.02	0.22	0.57	0.17	1.00
EXP6	2.00	0.82	0.02	0.06	0.06	0.65	0.22	1.00
EXP7	1.92	0.79	0.02	0.06	0.02	0.69	0.22	1.00

Table 3. Frequency of Responses on Government Spending

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*Note: This table summarizes the views of the participants regarding their choice of answers over options of 5-point Likert scale, which ranges from 5 for "Always = A," 4 for "Often = O," 3 for "Sometimes = S," 2 for "Rarely = R," and 1 for "Never = N." An * indicates that the mean is significantly different from the Sometimes responses of 3.00. The results were computed by the researcher from the questionnaire survey (2022) using Microsoft Excel 2019 version.*

An analysis of the table shows that the majority of the participants (57%) indicated that money is never spent only on statutory and appropriated expenditures (EXP1), with a mean response of 1.61, and 46% also indicated that payment vouchers are never written in non-washable ink or with a ball-pointed pen to prevent the addition of extra figures and words (EXP3), with a mean response of 1.85, respectively. Most of the participants (61%) indicated that all contracts awarded are rarely reviewed by an independent organ which follows due process (EXP4), with a mean response of 2.33, and 57% of the participants showed that the provisions of the Bureau of Public Procurement and Tenders Boards are rarely considered and strictly applied in all contracts in the MDA (EXP5), with a mean response of 2.15. Most of the participants (65%) indicated that payments to firms and corporations are rarely made by crossed cheque and not by means of direct payment to the bank under a Bank Certificate (EXP6), with a mean response of 2.00. And, 69% of the participants ranked that budgetary allocations are not spent and that excess budgetary allocations are not spent at the end of the financial year, as provided in the law, are rarely retired (EXP7), with a mean response of 1.92. Lastly, 56% of the participants indicated that rarely do officers controlling expenditure ensure that money is not spent merely because it has been voted for, if there is no need for the expenditure (EXP2), with a mean response of 1.91. This implies that the mean responses of the items are all significantly different from 3.00, undecided, which indicates that the respondents consistently rank that the audit controls in the MDAs are ineffective. The responses from the participants indicate that the various aspects of expenditure controls, which include accounting controls, budget controls, and audit controls, are rarely, that is, not frequently, applied in the management of MDAs′ financial resources.

4.5. Impact of Expenditure Control on Government Spending

4.5.1. PLS-SEM Measurement Model (Outer Model)

At first, the reliability was assessed, which included the individual questionnaire items′ reliabilities (factor loadings) and internal consistency reliability using composite reliability (CR) and Cronbach's alpha. Table 2 shows the loading ranges from 0.85 to 0.99, which exceeded the suggested threshold of 0.50. Furthermore, Table 2 indicates that the composite reliability (CR) values are 0.90 and higher, and the alpha values are also higher than the threshold of 0.70. These provide evidence of the construct measures' internal consistency reliability. Equally, Table 2 shows all average variance extracted (AVE) values are higher than the threshold value of 0.50, providing support for the measures' convergent validity.

Construct	Items	Loadings	Cronbach's Alpha	Composite Reliability	Average Variance Extracted
Accounting Controls	ACC1	0.897	0.968	0.974	0.842
	ACC2	0.959			
	ACC3	0.952			
	ACC4	0.950			
	ACC5	0.879			
	ACC6	0.850			
	ACC7	0.930			
Audit Controls	AUC1	0.987	0.994	0.995	0.970
	AUC2	0.990			
	AUC3	0.973			
	AUC4	0.993			
	AUC5	0.982			
	AUC6	0.983			
Budget Controls	BUC1	0.935	0.982	0.985	0.905
	BUC2	0.974			
	BUC3	0.971			
	BUC4	0.922			
	BUC5	0.977			
	BUC6	0.968			
	BUC7	0.909			
Government Expenditure	EXP1	0.930	0.971	0.976	0.853
	EXP2	0.939			
	EXP3	0.898			
	EXP4	0.941			

Construct	Items	Loadings	Cronbach's Alpha	Composite Reliability	Average Variance Extracted
	EXP5	0.922			
	EXP6	0.952			
	EXP7	0.883			

Table 4. Loadings, Reliability and Convergent Validity Values

Discriminant validity is considered, which concerns the extent to which the construct (BUC, ACC, AUC, and EXP) is actually different from other constructs. In this study, discriminant validity is assessed by taking the square root of the AVE for each construct and comparing it with the correlations presented in the correlation matrix. Table 4 shows the results of Fornell-Larcker Criterion assessment, with the square root of the construct's AVE in bold being greater than its highest construct's correlation with any other construct. Thus, it is concluded that discriminant validity on the construct is established. **Table 5: Discriminant Validity**

	ACC	AUC	BUC	EXP
Accounting Controls	**0.917**			
Audit Controls	0.877	**0.985**		
Budget Control	0.956	0.869	**0.951**	
Government Expenditure	0.980	0.837	0.974	**0.924**

Note: The bolded values represent the square root of Average Variance Extracted (AVE)

4.5.2. Structural Model (Inner Model)

The evaluation of the inner model continues with an examination of the direct relationships between the independent variables (BUC, ACC, and AUC) and the dependent variable (EXP). The size of the path coefficients is examined through the PLS-SEM Algorithm, and the significance of the relationships has been examined through the PLS-SEM bootstrapping procedure in SmartPLS 3.0. The original number of cases was used as the number of cases, and 5000 was used as the bootstrapping samples, as suggested by

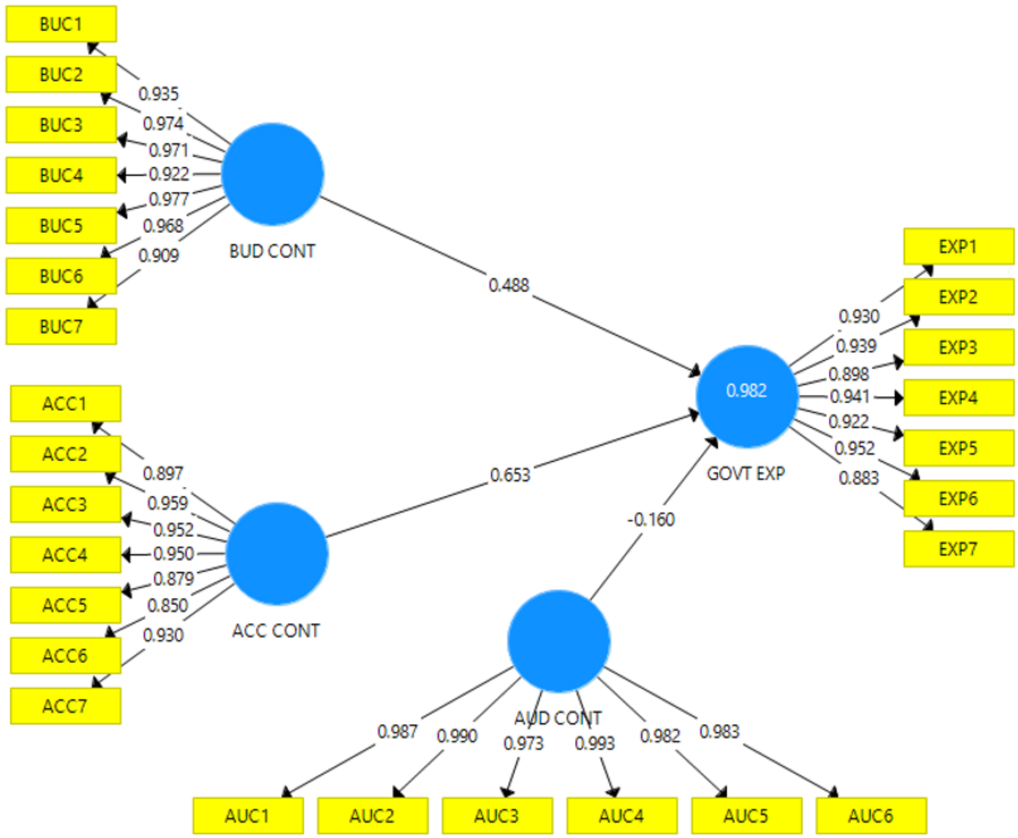

Figure 1. PLS Algorithm

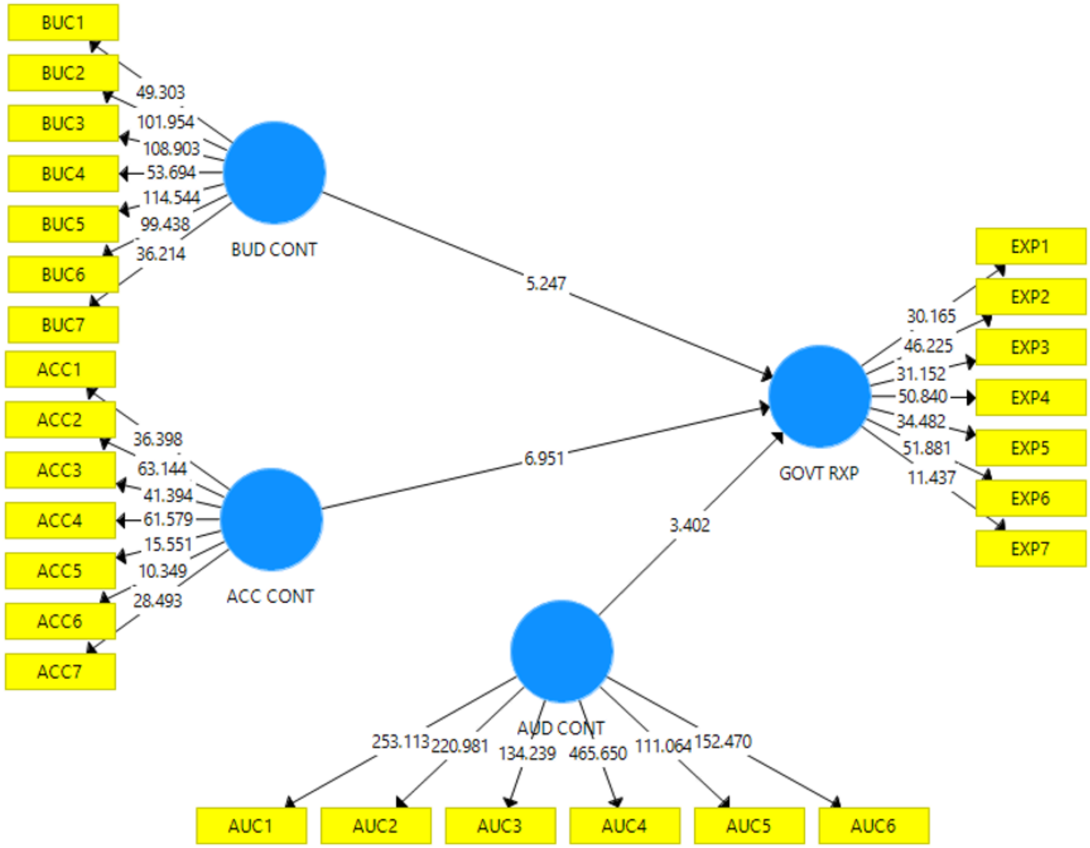

Figure 2. PLS-SEM Bootstrapping

Based on the PLS-SEM algorithm and bootstrapping procedure as presented, Figure 2 indicates the path coefficients of the BUC, ACC, and AUC variables and the EXP variable. The results revealed that all the exogenous variables have a positive coefficient with the endogenous variable.

The bootstrapping result in Figure 2 indicates that the relationships between three independent variables and the dependent variable are significant at $p<0.05$, while one is not significant. Table 4.3 presents the path coefficients, t-statistics, and p-values. Therefore, with respect to null H1, the results indicate that there is a positive influence of budget controls (BUC) on government expenditure (EXP) (β = 0.625; t = 6.951; p<000); therefore, null H1 is supported. Again, null H2 is supported because the result indicates a significant influence of audit controls (AUC) on government expenditure (EXP) (β = -0.154; t = 3.402; p<001) in a negative relationship. With regard to null H3, results show a significant positive influence of budget controls (BUC) on government expenditure (EXP) (β = 0.510; t = 5.247; p<005), so H3 is also supported. Therefore, these findings provide support for H1, H2, and H3.

	Hypotheses	Path Coefficient	Standard Error	T Statistics	P-Value	Decision
H1	ACC CONT -> EXP	0.625	0.094	6.951	0.000	Supported
H2	AUD CONT -> EXP	-0.154	0.047	3.402	0.001	Supported
H3	BUD CONT -> EXP	0.510	0.093	5.247	0.000	Supported

Table 6. Results of Hypotheses Testing

*Note: *:p<0.1; **:p<0.05;***:p<0.01*

Other criteria for the structural model were assessed; regarding adjusted R^2, the value is 0.981, which is considered acceptable as Cohen recommended 13% as a moderate R-squared value. The effect size F^2 for ACC has a value of 1.827; AUC has a value of 0.313, and BUC has a value of 1.077, which are all considered small. Saidu, Junaidu, and Jibril (2018) stressed that even the smallest strength of F^2 should be considered as it can influence the dependent variable in its particular ways.

4.6. Factors Affecting the Effectiveness of Expenditure Controls

After the questionnaire survey, which evaluated the effectiveness of the expenditure controls in the State MDAs, a semi-structured interview was conducted to determine factors that contribute to the rare observance of the controls. The interview was answered by nine (9) senior staff selected across the MDAs in the State. The selected personnel are those who have deep knowledge of internal control and have worked in MDAs for years with experience. Below are the interview issues and analysis:

1. Factors against budgetary controls

The respondents identified the following as factors affecting the efficacy of the budgetary controls.

i. lack of clearly defined methods or plans right from the start or a template for the monitoring and control of the budget, or where there is one, it is not followed strictly;
ii. Administrative interference from top government bureaucrats who take unilateral decisions on how to allocate resources based on their personal dispositions, not based on planned spending;

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iii. empire building or turf protection by powerful Commissioners, Permanent Secretaries, and Heads of MDAs;
iv. not giving Audit and Budget Departments the powers to oversee the running and implementation of the budget;
v. Lukewarm attitude on the part of the Legislature to evolve viable and concrete mechanisms for effective budget tracking and performance. Often, this tendency on the part of the Legislature has over time jeopardized effective control and implementation of annual budgets in the state; and;
vi. High level of corruption on the parts of both the implementers and the controllers. Invariably, what we tend to see at the end of the day is a fine budget that only exists in name; thus, a budget in theory, not a budget in practice.

2. Factors against accounting controls

The respondents identified the following as factors affecting the efficacy of the accounting controls:

i. The respondents identified poor revenue collection capacity, leakages, and wastages as some of the factors mitigating the application of the accounting controls by the MDAs in the State.
ii. They mentioned that lack of compliance with various laws, edited financial instructions, and store regulations by the MDAs in the State are contributors to the weaknesses of the internal control system.

3. Factors against audit controls

The respondents identified the following as factors affecting the efficacy of the audit controls.

i. The lack of and inability to disclose full financial information of transactions by some MDAs, and their inability to answer queries issued on time, is considered by the respondents as one of the major obstacles to successful expenditure controls on MDA spending. The lack of a state legal framework for audits adversely affects the functionality of the audit institutions in discharging their responsibilities. However, the recent Katsina State Audit Law No. 12 of 2020 grants the audit institutions operational and financial autonomy. The operational autonomy is to provide for the creation of the Katsina State Audit Service Commission for the audit institutions to be self-accounting and for the remuneration of the Auditor General to be charged on Consolidated Revenue Fund charges.
ii. Political influence, relatives, and friends are the external factors that mitigate against the successful implementation of audit control by the MDAs in the state and serve as significant threats to

compliance with fundamental principles of general operations in the state.

In summary, the interviewees confirmed the practical problems that have been hindering the effectiveness of expenditure controls at the State Budget Department, Ministry of Finance, and Office of the Auditor General of Katsina State.

5.

5.1. Conclusions

Based on the findings of this study, which is on the evaluation of expenditure controls on the spending of the MDAs in the state, the following conclusions are drawn: There is a low level of controls enforcement in the state, which implies a poor public financial management strategy and the absence of an effective internal control system to ensure compliance with operating procedures and policies. The study also established the inability of the control mechanism to check the spending of the state would lead to a progression over budgetary expenditure, which implies that the state would have to borrow to finance its budget. Thus, financial indiscipline would be the order of the day. There are ineffective monitoring and enforcement mechanisms to check on the expenditure processes among the MDAs that ensure professionalism among the financial officers and auditors to block internal and external forces against non-compliance with existing procedures, personal and external interests.

5.2. Recommendations

Based on the findings of this study, the following recommendations were made:

i. The State should ensure that the managements of the MDAs deploy frequently the existing control mechanisms on expenditure in order to guarantee compliance with their provisions.
ii. The State should devise a means of ensuring the continuous professional development of the internal auditors and financial officers of the MDAs so that controlling expenditures becomes more effective through the integrity, objectivity, responsibility, and honesty of the officers.
iii. The State should work to ensure that budgets are strictly adhered to in order to control expenditure through periodic comparison of the MDAs' budgeted spending with actual spending for corrective measures on significant variances.
iv. The State Government should prioritize institutions to stabilize and enforce effective expenditure controls in order to avoid over-spending and borrowings; and instill budget discipline among the

MDAs.

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