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Article

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Original Research Article

Budgetary Control Mechanism and Financial Accountability in Ondo State Public Sector

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Abstract
This study examines the effect of budget planning as budgetary control mechanism put in place on financial accountability in the public sector of Ondo State Ministry, Departments and Agencies. The study made use of a structured close-ended questionnaire to obtain the required primary data from the target budget officers. Out of 118 budget officers on the ground in Ondo State Ministries, Departments and Agencies (MDAs) as at the time of this investigation, a purposive sampling technique was used to select 91 of which 85 copies of the questionnaire were returned. Cronbach's Alpha on a threshold of 0.7 was used to ascertain the reliability of the data collected through the research instrument. Logistic regression analysis was employed to test the hypothesised effect of examined budget planning on financial accountability in the public sector. Findings through the analysis revealed that the correlation coefficient between financial accountability and budget planning is 0.530. The univariate model logistic regression results revealed that budget planning has the ability to improve financial accountability in Ondo state public sector since the coefficient B = 0.495 (Wald = 15.601; p-value = 0.000) is positive and statistically significant at 0.01 level. The odd ratio Exp (B) = 1.640 suggests that the higher the improvement on budget planning, the higher the likelihood of improving/increasing financial accountability in Ondo state public sector. This study concludes that in order to achieve financial accountability in Ondo state MDAs, factor such as budget planning should be accorded utmost priority. The study, therefore, recommends that improved adherence to personnel budget ceiling should be accorded prompt attention to enhance financial accountability in the state.

Keywords: Budget, budget planning, budgetary mechanism, financial accountability, public sector

JEL Classification Code: H61

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1. INTRODUCTION

Budgetary control mechanisms are a set of measures put in place by the government to ensure that approved budget plans are actualised. Budgetary control is the set of principles and procedures for achieving given objectives through the budget. Samuelsson (2016) indicated that leaders use budgets for planning, controlling costs, allocating resources, assigning responsibility and determining compensation often aided by proper budgetary control mechanisms. Succinctly, budgetary control mechanisms include budget planning, budget coordination and budget implementation. Since budgeting and budgetary control functions are being carried out by government-appointed, elected or employed officers/officials, demand for accountability becomes imminent.

Budget planning entails budget preparation guidelines received promptly every year; setting up of a departmental committee of the budget estimate which is constituted usually by each MDAs when call circular demanding for preparation of budget estimate is forwarded; likewise, line ministries are made to fully responsible for establishing staff ceilings for their subordinate agencies (Gershon, 2012). Budget planning involves the use of budgets to develop financial forecasts, which can include cash budgets, sales budgets, operational budgets, capital budgets, strategic budgets and budgeted financial statements (Bedford &Malmi, 2015).

Financial accountability in the public sector globally is all about holding and ensuring that public office holders give an accurate account of what they have done with the resources, to ascertain how efficiently the resources have been used and consistently with established regulations. In ensuring enhanced financial accountability, budget planning mustbe held sacrosanct at all Ministries, Departments and Agencies (MDAs) in the public sector (Omolaye, 2015). The requirement of such accountability becomes crucial as a result of its aids to develop a nation and provide relevant data for rational economic decision. Globally, financial accountability in the public sector is associated with a degree of freelance and effective control system that are in place as this may significantly enhance tasks of the public officers (Ademola, 2009).

Financial accountability is expected to enhance a reporting system that permits periodic appraisal of actual budget performance put in place in MDAs. It is also demonstrated by adequate control over the allocation of released fund in MDAs and adequate supervision on the acquisition of goods and services to ensure value-for-money (Thankgod & Fyneface, 2017).

The difference between the time when the final annual budget estimate is ready and the time Presidential assent is made is no longer specific and cannot be predicted. Usually, it is extended to almost the end of the firsthalf of the government fiscal year in Nigeria.

The situation is almost not different at the state level. This means that for the first six months of the year, the Nigerian government sometimes spend unapproved money during the period. Thus, the question about the value and relevance of budget planning in decision making and its effect on financial accountability in the Nigerian public sector comes to mind. As such, the main objective of this study is to examine the effect of budget planning as a budgetary control mechanism on financial accountability in Ondo state public sector.

2. LITERATURE REVIEW

Financial Accountability

Financial accountability results from holding an individual accountable for effectively performing a financial activity, like a key control procedure within a financial transaction process. Financial accountability in the public sector across the world is given utmost attention as a result of public fund entrusted in the care of the public officeholders. Those in authorities assume fiduciary standing with connected responsibilities requiring them to render stewardship accounts to those for whom the authority is held in trust (Gilbert, 2012). A well-defined financial accountability structure serves as the foundation for establishing effective financial processes. An individual accountable for the successful completion of a key control procedure might, as policy permits, assign the responsibility, but not the accountability, for completing the procedure to another qualified individual (Hirst, 2010). Johnson (1996) further explained that financial accountability relates to the budget officers that involved in the budget process that must declare the execution of assigned budgeted project; feedback on budget process improves holding to account in MDAs. According to Okoh and Ohwoyibo (2009), accountability shows the aptness of government and its agencies to serve the entire public well in line with the established laws. With the main focus on laid down rules, regulations and laws put in place in Nigeria and to be specific Ondo state, its ability to support or enhance accountability should be seen as a concern which this study attempted to unravel.

Budget

A budget is a quantitative expression of a thought of action prepared for a corporation as an entity so as for the entity to carry out certain functions like sales and production or for monetary resources items such as cash, cost, man-power purchase and others (Lucey, 2003). Budgeting is the only comprehensive approach to managing an organisation, and if carefully carried out and implemented, the objective of the organisations will be achieved. Budget acknowledges absolutely, the dominant role of managers and provides a framework for implementing the basic aspects of scientific management as management by objectives, effective communication, participative management, dynamic management, continuous feedback, responsibility accounting, and management by exception and management flexibility.

A good budget may be characterised with the following features: Participation which involves as many people as possible in drawing up a budget; Comprehensiveness which embraces the whole organisation; Standards that are based on established standards of performance; Flexibility which gives room for changing circumstances; Feedback which focuses on constant monitoring of performance; and Analysis of Cost and Revenue which allows cost and revenue analysis based on product lines, departments or cost centres. These attributes of budget, especially when it is properly planned will in no doubt portray accountability nature of the body corporate or public entity that possess it.

Budgetary Control System

Budgetary control is the use of the budget as an instrument for steering business operations. While agreeing that budgetary control follows budget preparation, budgets need not only top managerial support but also the participation of the budget officers regarding the investigation of the answer to the issues that may arise (Agu, 2006). According to Serem (2013), budgetary control mechanisms are tools used by the firm, organisations or governments as a framework for their spending and revenue allocation in line with the approved budget. To ensure that organisations or public's resources are not wasted, the organisation must be able to come out with an effective budgetary control mechanism. Consequently, budgetary control mechanisms are needed for enhancing accountability in an organisation. Some of these mechanisms are budget planning, budget coordination and budget implementation.

Budget Planning

Budget planning involves budget ceiling that is mostly subjected to internal and external management equivalent; budget cycle permits for the system to soak up and answer to new information (Hansen, 2013). Budget planning is key to survival and extremely technical while competitive environment and any establishment that fails to plan is doom for business failure (Gershon, 2012). The ~~end~~ result of budget planning is to minimise cost and maximise profit, which is additionally a benchmark for decision making management performance profit planning within the short term, which is mostly stamped out of an agreed or signed-off budget.

Theoretical review and hypothesis development

Budget Theory

The budget theory was propounded by Henry (1985) which explains that the budget and budgeting are concepts traceable to the Bible days, precisely the times of Joseph in Egypt, it was reported that nothing was given out of the treasure without a written order, it was the social motivation behind government budgeting. History has it that Joseph budgeted and stored grains which lasted the Egyptians throughout the seven years of famine (Hildreth, 2002). Joseph also revealed what we tend to understand as accountability and openness to the public today. This pre-empt pratical connection between budgeting art and accountability. That is, ability to forecast and prepare for the future demands that resources put on the line must be adequately accounted for.

Historical development of budget also reveal that budegts were first introduced in the 1920s as a tool for managing costs and cash flows in large industrial organisations. However, over the years, the function and focus of budgeting have shifted significantly as both profit and non-profit making organisations have become additionally complicated, and their settings become dynamic.

Agu (2006) explained that the executive budget in Nigeria was a financial innovation designed to empower states and local government with the capacity to implement needed policy reforms in Nigeria public sector. Since that time, the executive budget has become a tool by which the president of the federation has been able to substantively shape policy and draw power to the president from Congress, which was originally charged with 'holding to account' (and still is constitutionally, as there is no federal-legislative authority to change the constitution outside the amendment process or for congress to legislate away their authority). This has resulted in an ever-increasing role and power base for what is now called the Office of Budget.

Therefore, this theory provides a rationale for the development of a budget concept and highlights the development of the budget concept from a tool of directing actions within an organisation to a more complex managerial tool that managers or government officials use to provide a focus for organisations/public enterprise, set objectives and undertake performance evaluations. This framework provides a basic perspective through which the researchers viewed budget planning as a budgetary control mechanism as a tool for influencing the public sector's financial accountability. Thus, the hypothetical statement spanning from the above review is as stated below.

$H_0$1: There is no significant effect of budget planning on financial accountability in Ondo state public sector.

Empirical Review

Silva and Jayamaha (2012) conducted a study on the relationship between budgetary control and organisational performance in government parastatals in Europe. The sample consists of 40 government parastatals. Secondary data covering ten years were used. Data were analysed using a regression model. The results show a positive relationship between budgetary control and organisational performance of government parastatals. The study did not capture government MDAs but focused on government parastatals, and the attention was on performance.

Mukah (2018) carried out a study on the relationship between budgetary control and performance in the public sector. The objective of the study was to investigate the relationship between budgetary control and performance of local councils in Mezam and Momo Divisions of the North West Region of Cameroon, and the challenges these councils encounter within the process of budgetary control. The study collected primary data through a survey research design and analysed using the Ordinary Least Square (OLS) evaluation technique to find out the association between the budgetary control variables and council performance. The findings indicate that the key budgetary control variables, that is, planning, participation, monitoring and control, motivation, communication, and responsibility, had a positive andstatistically significant effect on the performance of the general public sector beneath study. In terms of population scope, this study divers from Silva and Jayamaha (2012) but has similarity in terms of an explained variable.

Kazeem, Hakeem, and Reuben (2014) conducted research on budgetary and management control system for improved efficiency in the public sector. The objective was to establish the effectiveness of budget control and the issues affecting budgeting and budgetary control and drew information from a wide array of national and international primary and secondary sources. The result showed that the Nigerian budgetary reforms are meshed to achieving aggregate fiscal discipline and enhancing technical effectiveness.

Gershon (2012) conducted a study on budgeting, budgetary control and performance evaluation. The study sought for 44 workers at various managerial levels as sample population. A well-designed questionnaire was used to obtained data through personal interview and administration of the questionnaire. Both qualitative and quantitative methods were used in analysing the data collected, the secondary data source was also used. The analysis of the findings indicates that almost all of the key actors do not work with the budget due to lack of proper induction and proper role profile of the office they occupied and this hindered the financial accountability of the officers.

Onho and Zayol (2017) carried out a research study on critical appraisal of budgeting and budgetary control in the public sector of Makurdi State, Nigeria. The methodology adopted involved the use of primary and secondary sources of data and the use of personal observations. Finding disclosed that budgeting and budgetary control in the public sector is weak and despite the effort of government, budget and budgetary control has failed because of dependence on federation account, untrained budget staff, non-adherence to budgetary control measures, corruption, inflation and political atmosphere.

Olurankinse and Oloruntoba (2017) carry out an empirical analysis of the effect of accountability on budget implementation in Ondo State, Nigeria. The study employs secondary data sourced from the statistical bulletin of the Ministry of Finance. The data was analysed using ordinary least square (OLS). The major finding of the study revealed that budget indiscipline, lack of accountability, non-consideration of reasonable suggestions from interest groups while preparing the budget, inadequate monitoring instruments, political instability, non-usage of accurate data, inconsistent economic planning and policies are the major factors which are responsible for budget failure in the state. Although the study was carried out in the same study area consider in this study, the focus and methodology are quite different.

A deduction from the above empirical studies suggests that not much attention has been accorded the implication of budget planning on financial accountability at the State level knowing fully well that public office holders would be expected to be held accountable for whatever they do specifically on budget planning at all levels of government. This has latent to determine budget performance. It is also very conspicuous that attention has not been well directed at budget officers who are fully involved in the budget planning process at each MDAs in order to showcase how they have been working to enhance accountability in the public sector. Hence, this study made an attempt to fill this gap.

3. METHODOLOGY

The study adopts descriptive research design using the survey strategywith the use of a well-designed structured close-ended questionnaire to obtain data from the targeted budget officers in each MDAs of Ondo state government. The population of this study consists of 118 budget officers in the Ministries, Departments and Agencies (MDAs) in Ondo State. A purposive sampling technique was used in selecting a sample size of 91 budget officers in the MDAs.

The model employed to investigate the effect of budget planning on financial accountability in the state public sector is stated as:

$$Li = \alpha_0 + \alpha_1 BP + \mu i$$

Where

Li = Logit (dependent variable) = financial accountability

BP = Budget Planning

μi = Error Term

αi = Parameters to be estimated.

The a-prior expectation based on literatures reviewed and theories is that the indicator will have positive effect on financial accountability,

$\alpha_0 > 0$, $\alpha_1 > 0$, $\alpha_2 > 0$, $\alpha_3 > 0$

Cronbach alpha was employed to ascertain the reliability of the questionnaire items. Data obtained were analysed using descriptive and inferential statistics. Descriptive statistics helped to describe and understand the features of a specific data set by giving short summaries about the sample and measures of the data. The most recognised types are the mean, median and mode. Inferential statistics are used to make judgments of the probability that an observed difference between groups is a dependable one or one that might have happened by chance in the study. This was done using simple regression analysis to test the stated hypothesis in order to answer the study's research question. To achieve this using data obtained through the questionnaire, the data for independent variable were converted to continuous variable while dependent variable data were processed as dichotomous data with strongly agree and agree being processed as 'yes', otherwise 'no' response. Logistic regression analysis was, therefore employed to make predictions concerning the outcome variable. The analysis was done using Statistical Package for Social Science (SPSS) version 23.

4. RESULTS AND DISCUSSION OF FINDINGS

Reliability Test

To ensure that result obtained from the use of data collected is reliable, Cronbach alpha test was conducted with the test result presented in Table 1. Eight items of measurement were raised to measure financial accountability and budget planning separately.

Table 1: Reliability Statistics

Cronbach's Alpha	Part 1	Value	1.000
		N of Items	1[a]
	Part 2	Value	1.000
		N of Items	1[b]
	Total N of Items		2

Correlation Between Forms		.986
Pearson Product Moment Coefficient	Equal Length	.993
	Unequal Length	.993
Guttman Split-Half Coefficient		.993

Source: SPSS Output
a. The items are: Pilot Study1
b. The items are: Pilot Study 2

Adding all the scores and correlating them with the dependent variable, the value of Cronbach's Alpha is 0.98 which is higher than 0.7 rule of thumb regarding internal consistency of the items used.

Descriptive Analysis
Table 2 presents descriptive nature of the data.

Table 2: Descriptive results for Financial Accountability items

S/A	Items	SA Freq. (%)	A Freq. (%)	D Freq. (%)	SD Freq. (%)	Total Freq. (%)	Mean	SD
FA1	A reporting system that permit periodic appraisal of the actual budget performance is in place in Ondo State MDAs.	38 (44.7)	44 (51.8)	3 (3.5)		85 (100)	3.41	0.563
FA2	There is adequate control over allocation of released fund in Ondo State MDAs.	45 (52.9)	37 (43.5)	3 (3.6)		85 (100)	3.49	0.570
FA3	There is adequate supervision on acquisition of goods and service to ensure value for money spent.	35 (41.2)	45 (52.9)	4 (4.7)	1 (1.2)	85 (100)	3.34	0.628
FA4	Staff that are involve in budget process have obligation to answer for the execution of assigned budgeted project.	26 (30.6)	48 (56.5)	9 (10.6)	2 (2.4)	85 (100)	3.15	0.699
FA5	Feedback on budget process improves holding to account in MDAs.	26 (30.6)	44 (51.8)	15 (17.6)		85 (100)	3.13	0.686
FA6	Corrective action is taking promptly on observed adverse variance.	33 (38.8)	35 (41.2)	12 (14.1)	5 (5.9)	85 (100)	3.13	0.817
FA7	Register of transaction is kept at obligation stage and	29 (34.1)	52 (61.2)	1 (1.2)	3 (3.5)	85 (100)	3.26	0.657

	payment stage.							
FA8	The trend between last period's actual results and results of the current period is monitored closely by top management of your MDAs.	35 (41.2)	41 (48.2)	3 (3.5)	6 (7.1)	85 (100)	3.24	0.826

Source: Authors' computation, 2020

All the eight measures of financial accountability as shown in Table 2 show that the respondents generally agree and strongly agree that reporting system that permits periodic appraisal of the actual budget performance is in place (96.5%), there is adequate control over fund allocated (96.4%), supervision on the acquisition of goods and service is adequate (94.1%), budget officers are held accountable for the execution of the budgeted project (87.1%), holding to account in MDAs is improved through feedback (82.4%), adverse variance is accorded prompt corrective action (80%), obligation and payment stages have transaction registers to strengthen accountability (95.3%), and trend of changes in current and past results are monitored by the top management in the MDAs (89.4%). The mean results are over and above 3.0 out of expected 4.0 with deviation from the mean of between 0.5 and 0.8 which suggest that the data are not very far from the mean values. Summarily, the respondents' responses tend to show that financial accountability is relatively strong in Ondo state public sector.

Table 3: Descriptive Results for budget planning items

		SA	**A**	**D**	**SD**	**Total**		
S/A	**Items**	**Freq. (%)**	**Freq. (%)**	**Freq. (%)**	**Freq. (%)**	**Freq. (%)**	**Mean**	**SD**
BP1	Departmental committee of budget estimate is set up usually in each MDAs when call circular demanding for preparation of budget estimate is received.	39 (45.9)	44 (51.8)	2 (2.4)		85 (100)	3.44	0.544
BP2	Budget preparation guideline is received promptly every year.	45 (52.9)	36 (42.4)	4 (4.7)		85 (100)	3.48	0.590
BP3	Budget ceiling is generally subjected to internal and external control equivalent.	40 (47.1)	40 (47.1)	4 (4.7)	1 (1.2)	85 (100)	3.40	0.640
BP4	Line ministries are made to fully responsible for establishing staff ceilings for their subordinate	31 (36.5)	43 (50.6)	11 (12.9)		85 (100)	3.24	0.666

	agencies.							
BP5	Payroll system is a tool for ensuring adequate personnel expenditures planning and for monitoring staff ceiling.	34 (40.0)	41 (48.2)	10 (11.8)		85 (100)	3.28	0.666
BP6	Personnel expenditure ceilings are often more of a floor than a spending limit.	23 (27.1)	47 (55.3)	10 (11.8)	5 (5.9)	85 (100)	3.04	0.794
BP7	Budget planning is time bond.	32 (37.6)	45 (52.9)	8 (9.4)		85 (100)	3.28	0.629
BP8	Failure to observe budget planning procedures attract sanctions.	35 (41.2)	42 (49.4)	7 (8.2)	1 (1.2)	85 (100)	3.31	0.673

Source: Authors' computation, 2020

As presented in Table 4, the descriptive nature of the respondents' responses shows that 83 out of the 85 respondents agree and strongly agree jointly that departmental committee of the budget is usually set up when call circular in each MDAs, 94.3% says that budget preparation guideline is received on time, 94.2% declare that budget ceiling is generally subjected to internal and external control equivalent which suggests that several parameters were considered before the budget ceiling is established and employed in budget preparation. About 87.1% of the budget officers agree and strongly agree that respective line ministries are made responsible for establishing staff ceilings for their subordinate agencies, which implies that the budget could not have been prepared haphazardly without full consultation that can result to underestimation.

The respondents also agree generally (88.2%) that payroll system is a tool for ensuring adequate personnel expenditures planning and for monitoring staff ceiling but believe that personnel expenditure ceilings are often more of a floor than a spending limit. A deduction from this is that, even though the payroll system is viewed a good support for budget planning, personnel cost is not dependent on the budget plan.

Over 90% of the budget officers strongly agree and agree jointly that budget planning is time bond and failure to keep budget planning procedure attracts sanctions. These could be adduced strong measures that can strengthen budget planning in the state.

It is very explicit from the descriptive results that the majority (far above average) of the respondents assert that budget preparation involved sound planning even though it may be ignored at implementation stage as in the case of personnel expenditure ceiling.

Kenneth and Ambrose (2013) finding which revealed that the majority accounting for about 38% of the respondents were neutral on the assertion that managerial commitment to budgetary controls had not increased profitability of their organisation disagrees with the above submission. Though management of the organisation can accept the budget, it is not a guarantee that complete acceptance would lead to profits and thus consequent implication on financial performance. This was backed up by the majority (49.6%) of the respondents who agreed with the assertion that complete budget acceptance among the management led to profits. The study finding concerning this concurred with Ashok's observation in the sense that 43.5% majority of the respondents agreed with the assertion that use of budgets to pressure employees has led to mismanagement of funds, a situation that could lead to negative financial accountability.

Table 3: Relationship between budget planning and financial accountability in Ondo State public sector

Variables	N	r-cal	p-value
Financial Accountability	85	0.530	0.000
Budget Planning	85		

The result in Table 3 presents the relationship between budget planning as a budgetary control mechanism and financial accountability in Ondo state public sector. The relationship is found positive and fairly strong (r=0.530), which means that an improvement in budget planning tends to lead to (positive) change in financial accountability in Ondo state MDAs. The relationship is statistically significant with $p<0.01$.

The finding supports the submission of Olurankinse and Oloruntoba (2017) who examined the effect of accountability on budget execution and realisation in Nigeria public sector with a conclusion that budget indiscipline, lack of accountability, non-consideration of reasonable suggestions from interest groups while preparing the budget, inadequate monitoring instruments, political instability, non-usage of accurate data, inconsistent economic planning and policies are the major factors responsible for budget failure in the in Nigeria.

Inferential Analysis

Logistic regression was carried out, and the results, as well as the ensuing discussion, are presented as follows.

Table 5: Variables in the Equation

		B	S.E.	Wald	Df	Sig.	Exp(B)
Step 1[a]	TBP	0.495	0.125	15.601	1	0.000	1.640
	Constant	-12.658	3.292	14.783	1	0.000	0.000

a. Variable(s) entered on step 1: TBP.

Regarding the contribution of the tested budget planning as a predictor of financial accountability in the public sector of Ondo state, Table 5 shows the statistics results. The common analogous Wald result was used to establish that the coefficient of the predictor is significantly different from zero. Drawing from the result based on the respondents' submission, budget planning has the ability to improve financial accountability in Ondo state public sector since the coefficient B = 0.495 (Wald = 15.601; p-value = 0.000) is positive and statistically significant at 0.01 level. This implies that a little improvement effort in budget planning has the propensity to enhance financial accountability stance in the State MDAs.

The variable in the equation output Table 5 also gives Exp (B) values. This is better known as odd ratio predicted by the model. The odd ratio (Exp (B), which is 1.640, as shown in Table 5 shows that the higher the improvement in budget planning, the higher the likelihood of improving/increasing financial accountability. The finding corroborates the submission of Mukah (2018) who examined the relationship between budgetary control and performance in the public sector with a conclusion that the key budgetary control variables, that is, planning participation, monitoring and control motivation, communication and responsibility, had a positive and statistical effect on the general public sector beneath study.

Table 6: Omnibus Tests of Model Coefficients

		Chi-square	df	Sig.
Step 1	Step	21.267	1	.000
	Block	21.267	1	.000
	Model	21.267	1	.000

Omnibus tests of model coefficient give a Chi-square of 21.267 with additional 1 degree of freedom, as shown in Table 6. This is a test of the null hypothesis that adding another variable to the model has significantly increased the study's ability to predict the decisions made by the respondents. Since the model is significant at 0.01, the hypothesis is rejected, implying that adding another variable to the model has not significantly changed the prediction about respondents' decision.

Table 7: Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	93.907[a]	0.221	0.298

a. Estimation terminated at iteration number 5 because parameter estimates changed by less than .001.

A good model is the one that results in a high likelihood of the observed results. This translates into a small value for -2LL (if a model fits perfectly, the likelihood=1 and -2LL=0). 93.907 in Table 7 is far from zero, however, since there is no maximum limit, it is difficult to make comments about the meaning of the score. The essence of -2 Log likelihood is to see whether adding another variable to the model would lead to a significant reduction in its value. Cox & Snell R Square can be interpreted like R^2 in multiple regressions but cannot reach the maximum of 1. Nagelkerke R Square can also be interpreted like R^2 in multiple regressions, and it can reach 1. Using Nagelkerke R Square, it can be interpreted that change in budget planning contributes about 30% (29.8%) variations in financial accountability in Ondo state. However, this is a pseudo-R-square, it is not precisely like the R-square in ordinary least square, and it is usually low, hence, caution should be taken in interpreting it.

The study assessed the overall fit of the model using -2 Log-likelihood,which is shown in table 7. Since -2 Log-likelihood in the overall model (93.907) is lower than -2 Log-likelihood for budget planning in table

7, it implies that including budgeting planning in the model is appropriate as the ability of budget planning to bring about changes in financial accountability in Ondo State MDAs is further confirmed.

5. CONCLUSION AND RECOMMENDATIONS

This study was carried out to examine the effect of budget planning as a budgetary control mechanism on financial accountability in Ondo State MDAs. Based on the findings of this study, it is concluded that budget planning has a significant statistical probability of improving financial accountability in the public sector of Ondo state, Nigeria. Even though the study confirmed that departmental committees are established as a response to budget call circular, budget preparation guidelines are received early, budget planning is time-bound, and there is a sanction for failing to adhere to budget planning procedure which is believed to support financial accountability in the state MDAs, personnel expenditure ceilings are more or less of a floor than a spending limit even though line ministries are held responsible for establishing staff ceiling, and that payroll system is used for staff ceiling. It is therefore recommended that Ondo state government should ensure that all MDAs that involve in the budget process should be consistent with the use of budget planning to improve financial accountability in the State's MDAs. Also, personnel expenditure should not be erratic to the approved budget, which may suggest the failure of the government to operate within the approved budget.

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