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PUBLIC BUDGET MANAGEMENT TECHNIQUES AND FINANCIAL GOVERNANCE

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ABSTRACT

Purpose of Study: To review the extent of literature of budget management techniques and financial governance with the view to highlight knowledge gaps on public budget management techniques and financial governance suitable to form the basis for future research.

Statement of the Problem: Public budget management techniques and practices have been used by several public institutions across the world to enhance their financial governance systems and achieve objectives of better life and service delivery to all citizens. Public institutions are operating in environment which is complex with different levels of political powers, behaviours, characters, conflicting interests, etc. that is why public funds worldwide are faced to the risks associated with diversion into different purposes. As a result, there is need to alleviate those risks and one of the cures is the adaptation of public budget management techniques to achieve organizational objectives. The public service environment of provision of service is rarely guaranteed because of increased uncertainties of political instabilities and weak complex legal system that contradicts itself sometimes. It is vital to note that public institutions must adopt budget management techniques to avoid unhealthy behaviours and practices that have led to abuse and mismanagement of funds throughout the history. As a result of the adoption of budget management techniques and strategies, public institutions will achieve their objectives of financial governance and public goods and service delivery.

Methodology: This paper reviewed the conceptual, theoretical and empirical literature and raises several issues that present a case for a proposed theoretical model for the purpose of understanding public budget management techniques and financial governance. The theories include stewardship theory, budget theory, Budgetary Control theory, and public finance theory. This study sought to explain techniques that can be used by public institutions to well manage their budgets based on the plans approved by the legislatures and its implications on financial governance. In the new public administration and technology, public organizations need to embrace new techniques for effective budget management and efficient use of public funds.

Result: Effective use of public budget management techniques leads to expansion of public goods and services provision, increase in developmental projects, citizens' satisfaction, efficiency in utilization of funds, and improvement in economic development due to overall prices stability.

Conclusion: Governments and nations must introduce budget management techniques to eliminate challenges facing public officials when discharging their duties of public funds appropriations leading to mismanagement of public funds and zero provision of public goods and services as well as lack of developmental projects.

Keywords: *Public Budget, Budget Management Techniques, Financial Governance, public sector, public service delivery.*

INTRODUCTION

Public sector in the world is faced with challenges of financial governance, which resulted into inefficient provisions of public services to the citizens. Citizens are provided with public services when proper and good financial governance is in place, for those public services are being financed through income collected from people, capital and consumption (Marc & Richard, 2011)but bungling of public funds undermines development and delivery of public services on which the poor persons depend because corruption and bad governance move hand in hand together (Ronald, 2017). Hero, et al., (2019) stated that good financial governance improves and promotes public services, which results into provision of the socio – economic services by the government. Prakash & Cabezon (2008) mentioned that public financial governance leads to healthier fiscal outcomes, in terms of services provision to the common citizens, which benefits the people of that particular Country. ACCA (2010) mentioned that good financial governance is not just essential to improving the quality of public services alone, but also it provides resources for investment and the cost efficiency of public services; and the general public will have more trust in public sector organizations when there is strong financial stewardship, accountability and transparency in the use of public finances. Carole & Nico (2009) concluded that effective financial governance system is beneficial to the citizens, economy and the whole nation as it maximizes the effective use of resources, creates transparency and accountability in government finances and ensures long-term economic achievement and growth; which in turn positively contributes in economic development, services delivery and development of the whole nation.

Francis, et al. (2000) confirmed that good financial governance brings sustainable economic growth; that help millions of persons to come out of poverty, but without proper financial governance many citizens will remain under poverty line. Khalid & Muhammad (2020) noted that financial development plays crucial role in good governance reforms and economic growth that, in turn, develop the financial sector, since interdependent and interaction relationship exist between good governance, growth and financial development that improve the standard of living. Dekoya (2020) agreed with that view and stated that good financial governance increases efficiency, financial capability, transparency and accountability in goods and services provision; which enhances Government performance, whereas the citizens are well served through delivery of socio - economic services. Michael (2018) stated that effective public financial management is essential for economic objective accomplishment, because it builds and maintain trust between the people and their rulers; and enables the citizens to see that the decisions their leaders take are in the public interest. Hence, good financial governance is the source of trust and economic prosperity in any country.

But financial governance is an outcome of good budget management practices; because budget, if well managed, is a valuable control tool that enables organizations to govern their finances and achieve targeted levels of prosperity (Raymond, et al, 2002).This is very true because if budget management processes of public organizations are inefficient due to inadequate or inaccurate information as well as untimely reporting, it endangers corrective actions that were supposed to be taken against malpractices on time (AfDB, 2015). The efficient budget management calls for ensuring that the budget is executed in compliance with the mandate of the legislature, and approved budget management techniques that empowers public institutions to manage public funds efficiently, and avoiding occurrence of risk of abuse and corruption (Shah, 2007).In view of budget management techniques, Mohamed, et al (2015) stated that budget management techniques enhance budget control and improves efficiency and more production, impacts decision making which in turn affects organizational performance. Hence, employment of budget management techniques provides efficiency and productivity that reflects good financial governance.

Rachael (2016) indicated that good budgeting and stakeholder involvement practices and regulatory practices give a positive effect on public services delivery in the counties. That is the positive effect of well managed budget which enhances proper financial governance in the Country, while good financial governance and quality of public governance go together. Odanga (2019) found that involvement budget formulation, budget execution and budget monitoring have a positive relationship with public services delivery in Uganda, and concluded that, participatory budget formulation, budget implementation and budget monitoring positively affects service delivery. That means effective budget management promotes good financial governance, which encourages and enhances public services provision to the citizens.

Khan &Bartley (2002) stated that some states in America uses performance budget type which represents a new way of thinking in relation to the focus, purposes, and target audience in affecting resource allocation decisions between competing institutions, administrative units and activities and the preferences of the outputs and their associated costs determines device of allocating certain amount of dollars to a particular project instead of another; that makes budgets as a strong management tool for achieving good financial governance. In Nigeria, Olola (2019) found that budget is a useful tool that guides all levels of government to evaluate whether their goals and aims are realized. That means budget is a guiding tool for achievement of good financial governance through realization of public goals and aims.

In Turkey, the parliamentary budget management was modernized by introducing the Public Financial Management and Control Law which was approved by the Turkish parliament in December 2003; replacing the General Accounting Law of 1927. The aim of this Law is to regulate the organization and operationalization of the public financial management, the preparation and execution of the public budgets, the accounting and reporting of all financial transactions, and financial management in line with the guidelines and goals covered in the development plans and activities in order to ensure answerability, transparency and the effectiveness, economic and efficient mobilization and utilization of public funds (Dirk, et al. 2007).

PROBLEM STATEMENT

Financial governance in the world is one of the dominating discussion topics, and the recurring global financial crisis are indications that call for reiteration of public authority in the global financial jurisdiction(Eric, 2009).The existing system of global financial governance has proved weaknesses, it is inadequate to predict and contain financial instability. The effective global financial governance needs to be changed to a better one that will balance between the two realms of private financial system on one hand, and public financial governance on the other (David & Kevin, 2012). Huwei & Yanlin (2022) suggested that unless an inclusive intelligent mechanism of financial budget management is embraced, the current traditional financial management system will remain the same, which led to worsening of socio – economic services in many Countries in the world. The financial governance system of each and every nation today determines the welfare of its citizens and economic growth of the country which, in turn results, into prosperity of the common persons in the society through good governance and financial performance of their local, state and national governments (Haeruddin, et al. 2021).

George and James (2021) noted that effective budget management empowers the public institutions to prioritize strategies, allocate funds equitably, and discipline the fiscal administration; because effective budget management makes the government to be transparent, involved and encourage democratic decision making processes, which promote financial governance. But many countries in the world have different techniques of budget management and financial governance, which leaves gap for exploring and reviewing the literature on the relationship between public budget management techniques and financial governance, in order to have better future financial governance in the world.

RESEARCH OBJECTIVES

i. To review the extent of conceptual and theoretical literature on public budget management techniques and financial governance;
ii. To review relevant empirical literature on the constructs of public budget management techniques and financial governance;
iii. To identify emerging conceptual, theoretical and empirical gaps from the relevant literature on public budget management techniques and financial governance.
iv. To propose a suitable theoretical framework in response to the gaps to be identified for guiding future research on public budget management techniques and financial governance.

THEORETICAL AND EMPIRICAL REVIEW

Theoretical Review

Various theories have been formulated to explain budget management and public funds governance. Those theories include stewardship theory, budget theory, budgetary control theory, and theory of public finance.

Stewardship Theory

The theory was advocated for by Donaldson and Davis in 1990, states the concept of relationship between ownership and management of the company. Davis, et al. (1997) observed that “a steward protects and maximizes shareholders' wealth through firm performance, because by so doing, the steward's utility functions are maximized". In this perspective, stewards are company executives and managers working for the shareholders, protects and make profits for the shareholders.

Therefore, the Stewardship theory is used here to explain behaviours of the country officials being stewards that they will take ownership of their jobs and work diligently to mobilize and manage domestic revenue honestly in order to achieve optimum provision of public goods and services throughout the country. Furthermore, stewardship theory advocates for unification of roles of the country authorities and senior civil servants to reduce steward costs and have greater roles as stewards at national, state and local levels of governments as well as legislatures. It is hoped that there shall be better protection of the interests of the common people, by protection country's resources with transparency and honesty through effective budget management with transparency and without diversion of funds one budget line to another (Donaldson & Davis, 1991).

Thomas & Karl (2019) stated that stewardship theory, can help explain when participants find a given governance regime to be most acceptable; and a survey tool is developed which measures the rich concept of stewardship theory in connection with agency theory, adding that agency and stewardship theories are suitable for the study of the governance of independent agencies for they have been developed in different fields of social sciences and have helped scholars in analyzing many governance-related issues, focus on the relationship between a delegator and delegatee, they explain behavior of individuals and organizations that are then converted into comparably developed theories, and they focus on a slimmer level on classic theoretical debates in the field.

Didier, et al. (2015) explained that stewardship draws on notions of accountability and a long-term orientation and responsibility for protecting assets over time. Not like agency theory which assumes that managers will act in their own self-interest at the expense of shareholders, stewardship theory proposes that managers will act as responsible stewards of the assets by controlling them on behalf of the owners; which makes this concept to be applicable in both public and private sectors.

Curtis (2010) concluded that family ownership, presence of associated and community influential directors positively regulates the relationship between the quantity of CEO board memberships and organizational performance, and there is evidence that family ownership and board of director qualities strengthen the relationship between the CEO stewardship constructs and organizational performance; providing reasonable support for stewardship theory as a compliment to agency theory in corporate governance literature.

Budget Theory

This theory was postulated by Bartle and Shields in 2008. The budget theory is concerned with the socio - political motivations behind government budgeting. The budget theory draws from a large number of theories, including but not limited to instrumentalism, organizational process model, the principal-agent theory, portfolio theory, and punctuated equilibrium among others (Bartle & Shields, 2008). Budgeting is related with control, because budgeting processes give much emphasis to financial control to safe financial resources and manages them well; which means budgeting is concerned with good governance of financial resources available to meet organizational goals, and planning. Also, budgeting is concerned with optimization of the available resources to achieve policy goals of such organizations (Schick, 1966).

In the public sector, a budget is a financial planning tool that is used in monitoring, controlling, and guiding the economy towards planned economic development and growth. As a result, it does not only explain the revenues and expenses alone, but also the expectations and advantages in a specified future period of time (Hildreth, 2002). Budget is a tool of policy that the government uses to realize the wishes of the people. According to Mia (2020) budget management processes is a phase that must be implemented after the budget planning process; and it comprises of internal issues of a work unit, and processes from payment procedures that affect the rate of budget absorption. That means that budget management is a crucial phase to make the budget meaningful and beneficial because without it the budget becomes a mere ink on a paper.

Budgetary Control Theory

This theory explains the relationship between budgetary control and financial performance of organization. According to this theory, a budgetary control process is a tool used by an organization as a framework for revenue and expenditure allocation. According to Robinson &Last (2019) budgeting is used by organizations as an agenda for spending and revenues distribution. Organizations should come up with effective budgeting system in order to ensure their funds are not wasted or embezzled. Budgeting system facilitates in ensuring that output produced and services provided achieve their set objectives.

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. Robinson & Last (2009) assert that if a company has less income, however, it might have to finance its estimated budget by loaning and tax reformation. It is very vital that an organization should understand its budgeting system as well as giving priority to urgent matters that require attention for company's control tools.

According to this theory, a good budgetary control system must be able to address the efficiency and effectiveness of the organization's spending. Sawhill and Williamson (2001) argue that good budget management can be used as an evidence of the good governance of the ruling government. It is a statement that shows competency of the government in managing the organization and the national funds. In order to find out the relationship between the budgeting system and the organizational acts, it is crucial for the company to define the trends of the expenditure of the institution and its performance (Phyrr, 1970).

The Theory of Public Finance

The theory of public finance was developed by Musgrave in 1959.The Theory of Public Finance confirmed that fiscal efficiency and equity were the central doctrines of public finance, and established the three main branches of the fiscal department as designating of funds, distributing resources, and stabilizing the financial system (Musgrave, 1959). However, it is important to note that this development drew from earlier scholarship in public finance. Public finance has a long history in economics books, starting with the Wealth of Nations by Adam Smith. The book much emphasized on government expenditures, government revenues, and public debts. In the book of Public Finance, Dalton (1922) noted that public finance is concerned with revenues' sources and amounts, and expenditure plans in the public sector.

Public finance is concerned with financing issues in the public sector. Public finance theory, therefore, differs from general financial theory which is concerned with the money markets, corporate finance, banking, or insurance. Public finance is related to the administrative functions of the government and government agencies in the management of state matters. In essence, the government exercises power on behalf of the people who have entrusted it with the performance of certain responsibilities in the society (Ochrana, 2010). Prest (1960) noted that public finance is concerned with allocation of existing resources, provision of resources, income improvement, equity, and administrative effectiveness. The current theory of public finance originated from the post-World War two era, which corresponded with the increase of government intervention. Currently, public finance includes questions relating to taxation, social welfare policies; provision of public goods, fiscal policies, debt policies and wealth accumulation, and inflation (Hollcombe, 2015).Under circumstances of perfect competition, the market accomplishes its main role of the production of goods and services in the cheapest way possible. However, in achieving this primary function, the market tends to dominate production and worsen the separation of wealth and poverty. As a result, the government intervenes in the market economy by influencing externalities, undertaking social inequality and creating good atmosphere for production efficiency.

These interventions, which are indicators of the fiscal competency of the state, are achieved through the imposition and collection of financial resources in the form of taxation and fees, as well as redistributing the same to provide public goods and services. The basic fiscal functions of a state can be summarized as allocation, (re)distribution and stabilization, in addition to legislation, control, and regulation (Wagner & Harris, 2007).

Empirical Literature Review

Public Budget Management

Budget management is an essential part in financial governance that calls for procedures beyond budgeting, which has been introduced as a new steering mechanism to replace traditional budgeting. Beyond budgeting entails, a change from financial performance procedures to one based on people which must be accredited as a new performance and evaluation mechanism for today's organization (Moolchand, etal. 2012). Amalia (2021) found that budget management is a valuable concept when applied together with the new public management as a new concept for good governance, the institution would be able to govern their finances professionally and efficiently as required by the law, which in turn would results into trust and confidence and initiation of developmental programmes for the institutions. Henri & Fefri (2019) have found a variance between responsibility and public transparency related to financial management and local budgets in Indonesia. Public answerability has improved in the recent years, and represented in the form of all district and city government financial report obtained unqualified opinion by BPK in 2018, although public transparency did not increase meaningfully due to little number of district and city governments provided access and published most of the needed documents related to budget management on the budget management transparency.

Public Sector Operational Environment

Basuki, et al (2019) evaluated accountability mechanism of financial management in the Public Sector on Panggungharjo Village Budget. The main objective of the study was to identify key stages of the accountability model developed by Bovens. He used qualitative approach with descriptive research method, secondary and primary data were collected using interview method of data collection. He found that there was no flexible accountability because politicians did choose forum mechanism, community culture affected the process, and lack of schooling was a big problem. It is stated by this article that many constraints obstruct always financial accountability in the public sector. Those factors include community cultural barriers, and lack of education.

María, et al. (2014) conducted a study on budget transparency and legislative budgetary Oversight; using an international approach. The objectives of the study were to analyze what factors promote budget transparency and to measure budget transparency in each country. They used two simple least square regressions with sample of 93 countries, Questionnaire was used for data collection, budget transparency and determinants were considered as independent and dependent variables, respectively. They found that the Judiciary system, political struggle, and economic level affect budget transparency; two-tier legislatures have more opportunities for budgetary oversight than uni-cameral ones.

Gachoka (2018) found that there is significant effect of budgeting process on performance of the churches; there is an intervening effect of internal relationship between budgeting process and performances of the churches; There is a moderating effect of organizational characteristics on the relationship between budgeting process and performances of the churches; and there is a joint relationship of budgeting process, internal control and organizational characteristics on performance of churches in Kenya.

Paul (2018) concluded that there is significant positive relationship between the perceived accuracy of budgeting, forecasting and student number estimates. There is significant negative relationship between the financial strength of an organization and apparent budgeting accurateness. There is important positive relationship between institutions with low surpluses or even deficits, perceived budgeting accuracy and the employed greater budgetary controls. There is significant positive relationship between the sizes of the organization, the staff employed in the central finance unit and professed budgeting correctness. There is an association between the time taken to complete the start of year budget and the degree to which a careful approach is taken. There is significant negative relationship between budget betting behaviours, the authorization to carry forward un-spent budgets and supposed budgeting accuracy, etc.

Budget Management Techniques

Many scholars have been searching and working hard to discover new budget management techniques, that if employed will replace traditional budgeting methodology; and results into better governance of public finances. Soheil, et al. (2006) have developed a combinatorial framework through which several time budgeting problems can be solved, including maximizing total budget, weighted, bounded, and fair budgeting, and in comparison with different time budgeting policies in terms of the design area under equal timing constraints.

Gösta (2009)stated that top down budgeting(as one of budget management techniques)alters the division of roles and responsibilities between the central budget authority and line ministries, and requires that the process of determining the total expenditure level, sector allocations and individual appropriations is clarified, which entails that strong top down technique in the parliamentary budget voting process can be effective in addressing the risk of excessive and unsustainable amendments during budget approval. Ekanem (2014) concluded that the application of zero based budgeting (ZBB) as budget management technique was found effective especially for university budget if applied by university senior staff for university budget implementation, and when employed together with timely release of funds, and an efficient management accounting system for improved budget implementation in the university.

Nizar (2019) found that Jordan Customs changes to their accounting systems were influenced by the beyond budgeting principles (BBP), with the new budgeting systems implemented based on review and re-enacting of theoretical accounting bases and procedures, while the accounting changes were managed by modifying the rules and regulations; among the accounting changes included in the beyond budgeting approach in Jordan Customs was relative performance evaluation, as an alternate to fixed budget targets. Most beyond budgeting principles (BBP) were successfully implemented as values, controls, crews, aims, rewards, resources, coordination and governance; but other beyond budgeting principles (BBP) have faced some resistance in areas of transparency, trust and accountability.

Budget management techniques and financial governance

Shah (2007) states that budgets are important tools of financial management employed to guide and control the matters of large and diverse organizations. They are used not only by governments where budgeting had originated from, but in industry and commerce and in private families. In this study, a budget acts as a tool for planning and controlling utilization of scarce financial resources in the accomplishment of county governments' goals as outlined in County harmonized development plans. The county budget is an invaluable aid in planning and formulating policy and in keeping check on its execution and management. It stipulates which activities and programmes should be prioritized, emphasized or ignored in the period under scope, considering the limited financial resources available to the organization.

Dodi, et al (2019) examined promotion of good governance in public finance. The objectives that study were to explain public financial governance based on good governance in Jakarta, and to discuss transparency execution and management of the local budget. They have used descriptive research design as a simple research method to use in case of an exploratory research. They analyzed the data and found that openness in open data implementation allows the public to access quality of public data services. Caleb, et al (2012) analyzed good budgeting and good governance with the main objective of comparing the nature and characteristics of good budgeting with good governance. They have used descriptive design of research and there was no theory quoted. They found that based on the analysis, the Nigerian experience shows lack of transparency, accountability and discipline.

Prakaydao (2021) advocated that the level of budget transparency with regard to all the pillars observed by employees of the Ministry of Education is low. Fiscal transparency is a key element of maintaining good governance, accountability, and better performance of public finance if stakeholders are aware of the importance of fiscal transparency and institutional logics, the logic of practice and performer networks active in the budgeting processes and the use of public funds at the Ministry of Education were to serve the interests of individuals in organizations.

Yuriy (2022) he studied transparent budget in the System of public administration. His objective was to study the role and place of budget transparency in the conceptual models of Weberian, new public governance and new public management theories. He used also descriptive research design for management of his data, and analysis as well as reporting the results. He found that some Countries using the Weberian models are not interested in budget transparency and biggest category of developed countries employs the New Public Governance theory. They are interested in society involvement and contribution in budget transparency. Rifqi (2020) scrutinized good local governance through local budget. His objective was to study improvement of the services provided for the community by the creation of good governance. He has used descriptive research design for analyzing his data. He found that local governments influence the implementation of the local budget because they are the implementers.

Bassam (2015) investigated the influence of budget transparency on quality of governance. His objectives were to evaluate the relationship between budget transparency and quality of governance and to diagnose the role of the human development level of nations in determining this relationship. He considered budget transparency as an independent variable and quality of governance as dependent variable. He used WGI and OBI measures for quality of governance and budget transparency; and Kendall Tau correlations as analysis tool. He found that budget transparency in the adoption of good governance practices by governments can increase quality of governance. There is an important relationship between budget transparency and quality of governance. Scott and Tom (2020) advocated that the core argument of "public value budgeting" could encourage more coordination and amalgamation between public funds and community resources, more involvement of societal stakeholders in the budgetary processes and more continuous squeezes and changes to the budget. Also parliamentary vetoes, financial controls and debates about the best use of public money will remain an important techniques of public budgeting management.

Emerging Gaps and proposed model

Introduction

From the literature in the previous sections, the study stated different views of the public Budget management techniques in public sector that were not well emphasized in many of the studies. Budget officers and senior government officials as well as politicians should embrace techniques and policies that will ensure public institutions are able to achieve the objectives of their existence. Budget management in public sector is the most critical phase of all budget cycles, as it educates all spending agencies on methods and purposes of utilization of public funds, and allocates public funds according to the agreed plans based on the approved budget by the legislatures. The governance system and capabilities of policy makers, civil servants responsible for budget and spending agencies as well as characters of the people determine types of budget management techniques and strategies that should be adopted. Of course each nation must adopt certain techniques for budget management of its own, keeps upgrading and updating them every moment to catch up with new development and technology in the field of public financial governance; because every civilization setting has its own characteristics that requires relevant techniques and practices which are different from others; as particular techniques may not suit all the nations Worldwide.

Emerging knowledge gaps

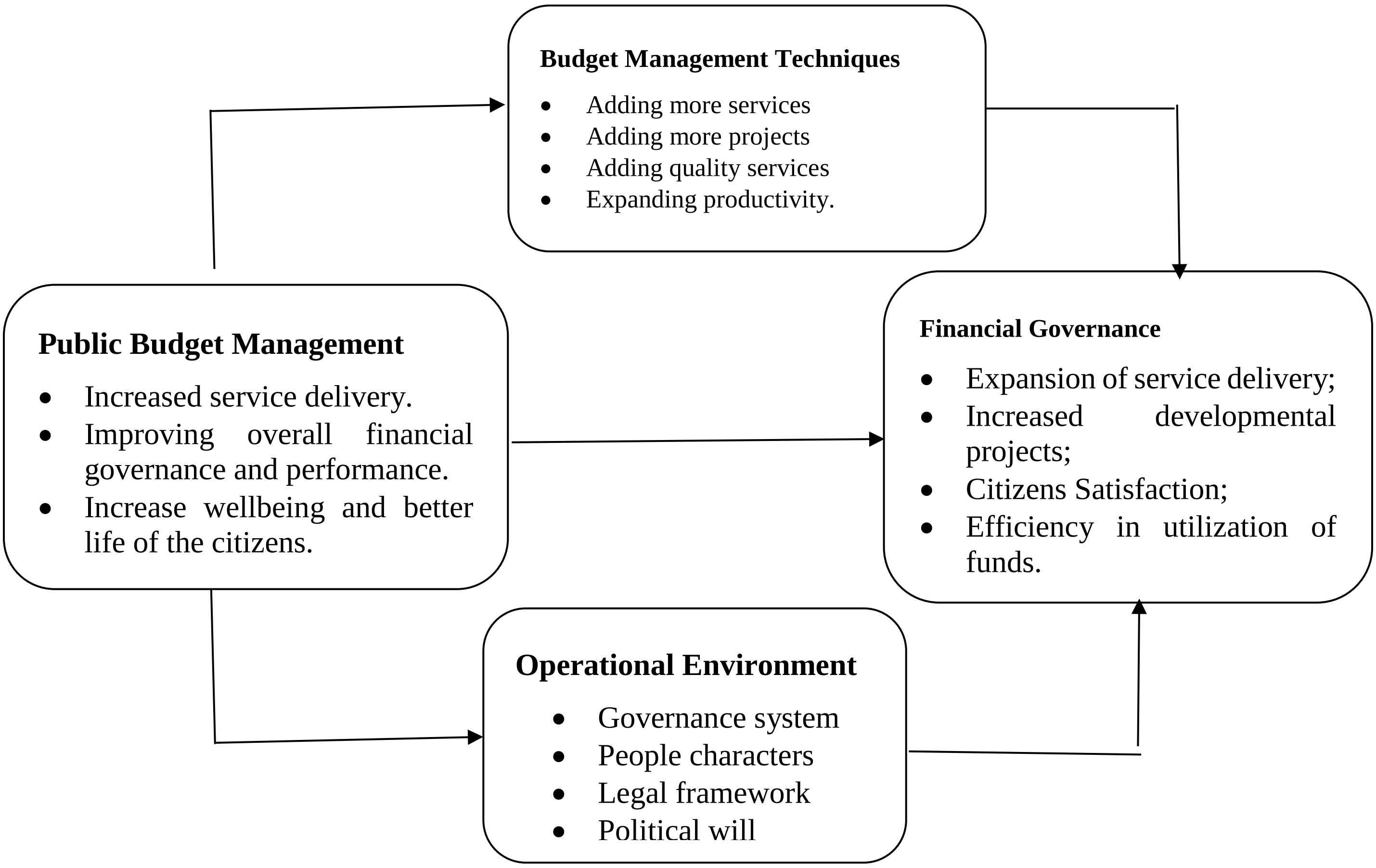
Most of the authors face a number of difficulties in budget management and techniques, which affects financial governance in the public sector but they were not immediate solutions being presented for this problem today. It is worth mentioned that there is lack of consensus among several studies on whether budget management affects financial governance of public institutions. Various studies and literature states that there are challenges in budget execution and therefore, as a result, financial governance fails to be accomplished as a method of achieving ultimate goals. The long term goal of any nation is the efficient utilization of public funds in provision of services and public goods, while the objective of civil servants is to maximize their own interests. In many cases, public budget is being misused by the public officers to benefit at the expense of the citizens. Therefore, it is crucial to ensure that budget management techniques are implemented seriously to achieve objectives of using public funds for common benefits of all citizens.

It is evidenced from the literature above that there are unsatisfactory findings on the relationship between budget execution and financial governance especially in public sector. This is an indication that different nations have different financial performance results as per budget management and financial governance are concerned. That means that the effect of budget execution on financial governance may also have different results from what is known now. Since budget management has varying results due to different challenges among nations and governments created a research gap that need to be filled.

Call for a new theoretical model

In the theoretical and empirical analysis, the study proposes the following model to explain the relationship between budget management techniques and financial governance in the public sector. The model suggests operational environment which is composed of governance system, people characters, political will and legal framework and their effect on financial governance of public institutions in the Country. The model is summarized in Figure 1.

Figure 1: Proposed theoretical Model



Public budget management and financial governance

Public budget management in the third world currently is one of the potential issues in public sector and public policy ideologists. Public positions have been misused by public officials to accumulate wealth for themselves at the expense of the common people (Ronald, 2017). Hence, it essential for governments to apply public budget management techniques to aiming to promote the overall financial governance of the public sector and eliminate risks of office abuses which is rampant in many countries in the world, especially what they called '*grand corruption*' of top level authorities (Susan, 1999).The case of budget management has assumed a strategic position for policy making processes mostly in public sector.

Proposition (1): Public budget management promotes public goods and services delivery and better life of common citizens.

The Role of budget management techniques: Effective use of public budget management techniques leads to expansion of public goods and services provision, increase in developmental projects, citizens' satisfaction, efficiency in utilization of funds, and improvement in economic development due to overall prices stability.

Proposition (2): Public budget management techniques lead to provision of more developmental projects of the government.

Effect of public budget management techniques and financial governance: It is very crucial to indicate that public budget execution strategies and techniques lead to provision of more public goods and services**,** implementation of more developmental projects, provision of quality services, and expansion of productivity. Common citizens always expect to be provided with quality public goods and services, and more developmental projects. Furthermore, citizens will be satisfied with their government; efficiency in utilization of those funds will improve economic development and overall stability in the Country.

Proposition (3): public budget management techniques improve funds utilization efficiency.

Further Future Research: further studies should be conducted to identify challenges that affect efficiency and effectiveness of budget management to enhance financial governance in public sector. Studies should be carried out to provide sustainable solutions in the long run to eliminate challenges affecting public budget management. Research can also be carried out to propose sustainable new budget management techniques as a means of improving financial governance in the public sector. Furthermore, the study can be considered by using both quantitative and qualitative indicators of financial governance which can help in financial decision making and financial governance in public sector.

CONCLUSION

Public budget management is used by public officials to use public funds for the benefits of common man and woman in the Country. Governments and nations must introduce budget management techniques to eliminate challenges facing public officials when discharging their duties of public funds appropriations leading to mismanagement of public funds and zero provision of public goods and services as well as lack of developmental projects. As a result, the adoption of public budget management techniques promotes effective management of public matters and assets, honesty, transparency and answerability. In the changing world of technology, public organizations need to embrace new ideas in order to prevent misuse of public funds. Budget management techniques have been used by various public organizations in Africa and beyond to achieve goals and targets of their governments in service of the people of the concerned country (Ronald, 2017).

RECOMMENDATIONS

Public institutions must design new budget management techniques that will add value and make budget management process to be effective to enable them achieve socio - economic gains and more developmental projects accomplished. In addition, budget management techniques require public institutions to change their methods of operation from traditional one to new techniques that require new knowledge that might be lacking in the traditional mode of operation. If proper planning is not taken into consideration and critical budget management techniques are not employed by the institutions, challenges such as mismanagement and misallocation of funds will continue to affect public institutions' financial governance. The basic capabilities are combination of a pooled knowledge, experience, technical capacities, etc. that allow the institutions to prevent negative characters and behaviours of selfish individuals within public institutions from diverting public funds into their own personal gains to enrich themselves and their relatives.

The study recommends that officials responsible for public institutions should conduct feasibility studies aimed at analyzing the factors and challenges that influence budget management in the public sector; to enable them formulate appropriate measures which will ensure that government annual budget and plans are successfully implemented as they were approved by the legislatures. The studies also recommend that oversight institutions must be strengthened to effectively conduct regular monitoring and evaluation intended to measure the effectiveness of the adopted budget management techniques and ensure that check and balance is practiced in public sector as it is in private one. This is very crucial because public institutions operate in a dilemma environment which is highly affected by socio – economic and political factors.

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