Quest Journals
Journal of Research in Business and Management
Volume 14 ~ Issue 11 (November 2026) pp: 01-30
ISSN(Online):2347-3002
www.questjournals.org

Research Paper

Integrating Programme-Based Budgeting and International Public Sector Accounting Standards: A Narrative Review of Public Financial Management Reforms in Sub-Saharan Africa

*IDRIS Sani[1] and KABIR Nabila[2]
[1&2]*Department of Accounting, Umaru Musa Yar'adua University, Katsina, Nigeria*

Abstract
This is a narrative review on the interplay of Programme-Based Budgeting (PBB) and International Public Sector Accounting Standards (IPSAS) as complementary public financial management reforms with particular reference to Sub-Saharan Africa and illustrative lessons from Nigeria. The review is based on a conceptual framework that connects strategic planning, performance measurement and financial accountability and draws on literature, international standards and policy frameworks from the IPSAS Board, IMF, World Bank and OECD. The review reflects how PBB embeds results-based management in the new approach to public financial management, tying resources to measurable outputs and outcomes; IPSAS builds upon this paradigm with a focus on accrual-based accounting and transparent financial reporting, which all contribute to evidence-based decision-making, fiscal discipline and value-for-money. However, implementation faces continuing challenges in Sub-Saharan Africa, such as poor institutional capability, lack of performance information systems, technical skills, and poor monitoring and evaluation systems. There is a need for ministries, departments and agencies to be open to integrated planning and reporting techniques and for finance officers to be constantly developed to move from compliance to strategic advisory roles. This review provides a coherent synthesis of how PBB and IPSAS together contribute to strengthening governance and offers practical insights for the policy makers and practitioners in developing economies looking to performance-oriented budgeting in the context of internationally standardised financial reporting.

Keywords: *Budgeting, IPSAS, Accountability, Governance, Reforms.*

*Received 27 Oct., 2026; **R**evised 04 Nov., 2026; **A**ccepted 06 Nov., 2026 © The author(s) 2026.*
P**ublished with open access at **www.questjournals.org

I. Introduction

Public financial management (PFM) is fundamental to good governance and the way public resources are raised, allocated and spent is how governments pursue socio-economic development goals (Andrews, 2013; World Bank, 2018; So et al., 2018). As the main tool of PFM, the budget reflects government policies and sets the financial framework for public institutions to deliver services to citizens (OECD, 2019). Thus, the effectiveness of budgeting processes directly impacts on the effectiveness of the government, the outcomes of service delivery and the citizens' welfare (Schick, 2014). In both developed and developing economies, the pressure for transparency and accountability in public financial management and value for money has pushed governments to embark on a broad-based PFM reform process that is intended to improve the connection between finance and development outcomes (IMF, 2021).

In the past, governments have largely used line item budgeting systems that categorize spending by inputs like administrative costs, overheads, capital projects, and personnel costs (Robinson, 2007; WHO, 2025). This was a way of controlling expenditure and making it easier to adhere to financial rules, but did not give much indication whether the public spending was actually leading to better services or to the desired policy results (Diamond, 2003; U.S. NCES, 2014). A government might claim to have high budget implementation rates, and citizens might not notice any changes in education, health, infrastructure or social welfare (Schick, 1998). This disconnect between financial inputs and development results revealed a significant gap in traditional PFM approaches and led to international momentum towards promoting PFM reforms based on performance (Shah, 2007; WHO, 2025).

To address these gaps, Programme Based Budgeting (PBB) has emerged as an innovative PFM reform which shifts the focus of governments from the amount that they spend, to the outcomes that they achieve with the money that they spend (Robinson & Last, 2009; CABRI, 2024). A PBB budget is organized in terms of well-defined programmes which describe the policy objectives, activities, outputs, outcomes and measurable performance indicators (World Bank, 2013; OECD, 2025). It allows governments to assess whether public spending has real impacts on citizens' lives and improves the accountability of government for both resource management and the delivery of public services and programmes (Bandy, 2014). For this reason, PBB has seen widespread use in many countries in the world as a means of enhancing service delivery and supporting sustainable development (OECD 2007; CABRI, 2023).

At the same time, the adoption of International Public Sector Accounting Standards (IPSAS) has made a significant contribution to the quality and credibility of financial reporting of governments (IPSASB, 2023). IPSAS is the International Public Sector Accounting Standards, which are accounting principles specifically for public sector entities administered by the International Public Sector Accounting Standards Board (IFAC, 2022; PSASB Kenya, 2025). IPSAS encourages governments to fully acknowledge and report on assets, liabilities, revenues, expenses and contingent obligations, thus giving stakeholders a complete picture of the government's financial position and performance (IMF 2018; World Bank, 2022). This increased financial transparency will aid evidence-based decision making, improve fiscal discipline and enable financial reports to be internationally comparable (IPSASB, 2023; IFAC, 2025; Sharif & Osman, 2026).

The merging of PBB and IPSAS is an important development in PFM since the changes are naturally complementary (Robinson, 2007). PBB is concerned with strategic planning, resource allocation, programme implementation, and performance measurement, while IPSAS is aimed at ensuring that the financial resources used to deliver programme outcomes are recognized, measured, recorded and reported (IFAC, 2022). They can be integrated into a complete PFM system that connects financial investments with development results, ensuring strict financial accountability (IMF, 2021). This synergy allows governments to address the strategic question, "What does government intend to achieve?" and the financial question, "How should the resources used to achieve those objectives be recognised, measured and reported? (IPSASB, 2023).

As much as these reforms are desirable in theory and have been welcomed in other countries, empirical evidence and experience suggest that they can be difficult to implement, especially in countries in Sub-Saharan Africa (World Bank, 2018). Factors that have hindered the successful institutionalisation of PBB and IPSAS in the region include institutional capacity constraints, inadequate performance information systems, limited technical expertise, weak monitoring and evaluation framework and insufficient political commitment (Andrews, 2013; Diamond, 2003). Therefore, although most African governments have implemented PFM reforms, the impact of the policy intention on tangible improvements in public service delivery and governance outcomes is uneven and controversial (OECD, 2019).

This paper is a narrative review of the complementary PFM reforms of Programme-Based Budgeting and International Public Sector Accounting Standards (IPSSAS), and draws illustrative lessons from Nigeria, with a specific focus on Sub-Saharan Africa. The review draws on existing literature, international standards and policy frameworks from trusted sources such as the IPSAS Board, the International Monetary Fund, the World Bank and The Organisation for Economic Co-operation and Development (OECD). The paper adopts a conceptual umbrella integrating strategic planning, performance measurement and financial accountability and has four interconnected goals: to review the theory and practice of Programme Based Budgeting; to discuss the contribution of IPSAS in improving public financial reporting and accountability; to analyse how the two reforms are complementary in enhancing public performance; and to explain the implementation challenges and strategic recommendations for effective institutionalization of the two reforms, specifically in Sub-Saharan African situations.

The rest of this paper is structured as follows. Section 2 examines the Programme Based Budgeting (PBB) framework, its conceptual foundation, evolution from traditional budgeting, objectives, components, principles and benefits. Section 3 covers International Public Sector Accounting Standards and the relationship between these standards and public financial management and the complementary role to PBB. Section 4 examines the use of Programme-Based Budgeting to improve government performance through results-based management, performance measurement, monitoring and evaluation. Section 5 deals with the principles of accountability, transparency, internal control and value for money in the context of Programme Based Budgeting. Section 6 explores implementation trends in Ministries, Departments and Agencies using illustrative examples from selected sectors. Section 7 provides an implementation roadmap, strategic recommendations and concludes the review.

II. PROGRAMME-BASED BUDGETING FRAMEWORK

2.1 Programme-based Budgeting conceptual foundations

Programme-Based Budgeting (PBB) is a paradigm shift in government budgeting, moving from an exclusive focus on expenditure to a greater focus on results, performance and creation of public value (Robinson, 2007). PBB is essentially a budgeting process whereby public funds are spent on explicitly defined programmes for the purposes of achieving government outcomes and goals, and the linkages between financial inputs, programme operations, expected outputs, intended outcomes and long-term developmental impacts are clearly mapped out (World Bank, 2013). PBB differs from traditional line-item budgeting, which allocates expenditure by categories of input – such as personnel expenses, overheads and capital investments – and allows governments to see whether public expenditure leads to tangible results for citizens (Schick, 2014).

PBB is conceptually based on the notion that public value (PV) should be measurable for every unit of public expenditure (Bandy, 2014). This philosophy refocuses budgeting from an essentially administrative process to a management tool that involves planning, resource allocation, implementation, monitoring and evaluation in a comprehensive results-oriented framework (OECD, 2019). PBB makes budget preparation a part of strategic planning, and not just an annual exercise in allocating funding to government institutions (Robinson & Last, 2009). Thus, PBB reinforces the linkage between the government policies, medium term development plans, sectoral strategies and implementation of annual budgets (IMF, 2021).

Programme-Based Budgeting has intellectual roots in the wider results-based management (RBM) movement which emerged in public administration in the late 1900s (Schick, 1998). Governments around the world wanted to introduce the performance orientation to the delivery of public services (Hood, 1991) due to the influence of private sector management practices and the New Public Management reforms. This movement highlighted that public institutions must be held accountable on two fronts: the financial prudence that they demonstrate in their management and the improvements they can be seen making in service delivery and development outcomes (Andrews, 2013). ProgrammeBased Budgeting proved to be the main tool for applying the principles within the government budgeting systems (Shah, 2007).

2.2 The process of shifting from the traditional budgeting to the programme-based budgeting.

In the past, government used to budget primarily in terms of lines of input, which includes payrolls, travel, office supplies, utilities, equipment, and capital projects (Diamond, 2003; Boykin et al., 2026). It played an important role: to reinforce expenditure control, and make it easier to follow financial regulations and legislative appropriations (Wildavsky, 1986; Joharji& Willoughby, 2014). Line-item budgeting made auditing easier, as well as financial reporting and monitoring the use of public funds to see if they were being allocated according to the approved budget (Schick, 2014; Zemmit, 2025). But, even with their merits, traditional budgeting had serious drawbacks that detracted from its usefulness as a strategic management tool.

The basic problem with line item budgeting was that it did not allow the public and policy makers to ask the key question, What did government do with the resources allocated? (Robinson, 2007). Under this system, a Ministry of Health could claim to be using the full amount of its annual allowance on salaries, medicine, equipment, vehicles, and so on, without showing any change in maternal mortality, the prevalence of disease, immunization coverage, or the extent to which people access health care (World Bank, 2018; Onana, 2024). In a similar way, an education ministry may have spent its budget without any evidence of an increased number of children in school, an improvement in teacher quality, student learning outcomes, or literacy (OECD, 2019). This gap between the financial inputs and the development outcomes identified a key weakness of the traditional PFM approaches and provided the impetus for the reform efforts.

Many nations, in the 1990s and 2000s, started to undertake PFM reforms, the majority of which involved the gradual introduction of Programme Based Budgeting, acknowledging these weaknesses (Diamond, 2003). The shift from the traditional budgeting to PBB was not only a technical change but also a fundamental reorientation of public sector accountability (Schick, 2014). The PBB framework goes beyond just financial compliance to programme effectiveness, efficiency and value-for-money (Bandy, 2014). But the public institutions must not only be able to account for the money that has been spent, but also for the measurable improvement in service delivery and the measurable contribution to the national development priorities that have been made through the use of the money (Robinson & Last, 2009). This means that budgeting turns into a strategic management instrument and becomes a tool which connects the financial resources with the policy objectives and development outcomes (World Bank, 2013).

2.3 Comparative Analysis: Traditional Budgeting and Programme Based Budgeting

The key difference between traditional budgeting and Programme-Based Budgeting is in the purposes, metrics and accountability mechanisms (Schick, 1998; Oh & Lee, 1995). The traditional budgeting process is mainly input based, meaning that it is mainly concerned with the financial resources that are used by government agencies (Robinson, 2007). In general, performance is measured by whether expenditure conforms

with budgeted amounts and financial rules and procedures for procurement (Wildavsky, 1986; Ellul & Hodges, 2019). Within the scope of such an accountability, regulation is focused on making sure that money is spent within rules and regulations and that all financial transactions are documented and audited (Diamond, 2003). Yet, this does not offer a good indication whether public expenditure is effective at delivering better public services or whether it is effective at delivering socio-economic development goals (OECD, 2019; Kabeya, 2025).

Programme-Based Budgeting, on the other hand, focuses on outcomes, outputs and longerterm impacts (Robinson & Last, 2009; Niu& Zhang, 2022). Instead of asking if the money was spent as approved, PBB asks if the money spent resulted in an improvement in the quality of public services, performance of institutions and welfare of citizens (Shah, 2007; Sari et al., 2025). Thus, accountability doesn't just mean financial compliance, but also programme effectiveness, efficiency of operations, and value-for-money (World Bank, 2018). PBB requires that each programme states the policy goal(s), planned activities, necessary resources, programme outputs, programme outcomes, and measurable performance indicators (Bandy, 2014). This methodical framework helps governments identify if public funds are returning real results for citizens or just book-keeping for expenditures (IMF, 2021).

Table 1 summarizes the key distinctions between traditional and programme-based budgeting:

Dimension	Traditional Budgeting	Programme-Based Budgeting
Focus	Financial inputs and expenditure control	Results, outputs, outcomes, and impacts
Budget Structure	Line items (salaries, overheads, capital)	Programmes, sub-programmes, activities
Performance Criteria	Compliance with regulations and budget limits	Achievement of objectives and value-for-money
Accountability	Financial stewardship and rule compliance	Both financial and performance accountability
Planning Horizon	Primarily annual	Medium-term linked to development plans
Decision-Making Basis	Historical allocations and incremental changes	Performance evidence and strategic priorities
Stakeholder Information	Expenditure reports	Integrated financial and performance reports

Source: Adapted from Robinson (2007); Schick (2014); World Bank (2018)

This comparative analysis shows that PB allows for medium- and long-term planning, facilitates decisions based on evidence and helps governments to identify programmes that need to be expanded, modified or discontinued depending on their performance measurement. PBB fundamentally changes the nature of the budgeting in public sector management from what government spends to what government delivers (Andrews, 2013).

2.4 The Objectives of Programme-based Budgeting

Programme Based Budgeting (PBB) aims to accomplish a number of interrelated goals that enhance public sector performance, accountability and governance, all at once (Robinson, 2007). First, PBB helps to improve the linkage between the levels of government and budgets as it ensures that public resources are focused on programmes that will directly support the strategic development goals (World Bank, 2013). This alignment is realized through the systematic linkages between national development plans, medium-term expenditure frameworks, sectoral strategies, and annual budgets, which enables government policy intentions and resource allocation to be consistent (IMF, 2021).

Secondly, PBB supports efficiency in the use of available resources by urging Ministries, Departments and Agencies to focus on programmes that can make the most development impact with available resources (Schick, 2014). Programme performance information can help governments to develop programmes that are successful and worth expanding, redesign programmes that are not successful, and end activities that are not value-for-money (Bandy, 2014). It is an evidence-based method of resource allocation, which means public resources can be allocated where they can reach the largest possible share of the public and be of maximum benefit (OECD, 2019).

Third, Programme Based Budgeting also increases accountability as the programme manager must prove that they have spent the money wisely, and that the desired results have been delivered. (Robinson & Last, 2009). Public officials thus are accountable for not only using public resources properly but also for providing tangible improvements in public service delivery (Shah, 2007). Such a two-way accountability, one financial, and the other based on performance, bolsters public confidence in public institutions and public governance in general (Andrews, 2013).

Fourth, PBB helps to inform evidence-based decision-making by creating reliable performance information to guide future resource management decisions, including decisions to expand, restructure or terminate programmes, by policymakers (World Bank, 2018). Such information can help governments prioritise their programmes and interventions, and identify those that provide the most value where they are implemented in what ways (Diamond, 2003). Lastly, the ultimate goal of Programme-Based Budgeting is to increase citizens' welfare by delivering high quality public services and achieving sustainable socio-economic development (OECD, 2019; WHO, 2025).

2.5 Components of the Programme-Based Budgeting Framework

An effective Programme-Based Budget is based on a logical structure, which expresses the causal link between government resources and measurable development results (Robinson, 2007). This framework, also known as the results chain, offers the conceptual framework in which inputs are successfully translated into activities, outputs, outcomes and then long-term developmental impacts (World Bank, 2013). The key elements of this framework are.

Policy Objective is broad development goal that government is aiming to reach, for example better healthcare delivery, food security, more access to education or economic growth (OECD, 2019). These objectives are normally based on national development plans, sectoral plans and government policy statements (IMF, 2021).

Programme is a significant government intervention that has been set up to attain the policy goal, and involves a cluster of activities, sub-programmes, and resource allocations (Robinson & Last, 2009). These programmes can be, for instance, the Basic Education Quality Improvement Programme, the Primary Healthcare Revitalization Programme, or the Agricultural Transformation Programme (World Bank, 2018).

Sub-programmes are the special elements of the overall programme that deal with specific areas of the programme (Bandy, 2014). For example, a Basic Education Programme can consist of teacher development sub-programmes, infrastructural sub-programmes, sub-programmes for instructional materials and sub-programmes for school supervision (Schick, 2014).

Activities are the specific operational tasks that are undertaken in relation to each programme, such as constructing, training, purchasing, delivering services and administrative tasks (Diamond, 2003). These activities take resources and give returns in the short term (Shah, 2007).

Inputs are the resources needed to implement the programme such as funds, staff, equipment and supplies (Robinson, 2007).

Outputs are the products that are directly created as a result of the programme's implementation, e.g., classrooms built, teachers trained, patients treated, or kilometres of roads built (World Bank, 2013). Outputs are outputs of activities that can be directly linked to the programme, and that are usually quantifiable (OECD, 2019).

Outcomes are medium-term positive changes that come from programme activities, such as an increase in the number of children in school, better access to health care, better agricultural output, or higher income generation (Robinson & Last, 2009; Mayne, 2004). Outcomes are what programmes are expected to bring to citizens (Bandy, 2014).

Impact refers to the socio-economic effect that will be sustained for the citizens and communities – like poverty reduction, improved standard of living, sustainable economic growth, and increased national competitiveness (IMF, 2021). The ultimate purpose of government intervention is impact (World Bank 2018).

The results chain, as it's known, represents a logical framework that shows how government resources can lead to measurable development results. Inputs mobilized for activity implementation produce immediate outputs that result in medium-term outcomes and ultimately in long-term developmental impact as illustrated in Fig. 1. This is the conceptual architecture for Programme-Based Budgeting, which allows governments to connect budget programming, Programme performance and citizens' welfare (World Bank, 2013; OECD, 2019; Schick, 2014).

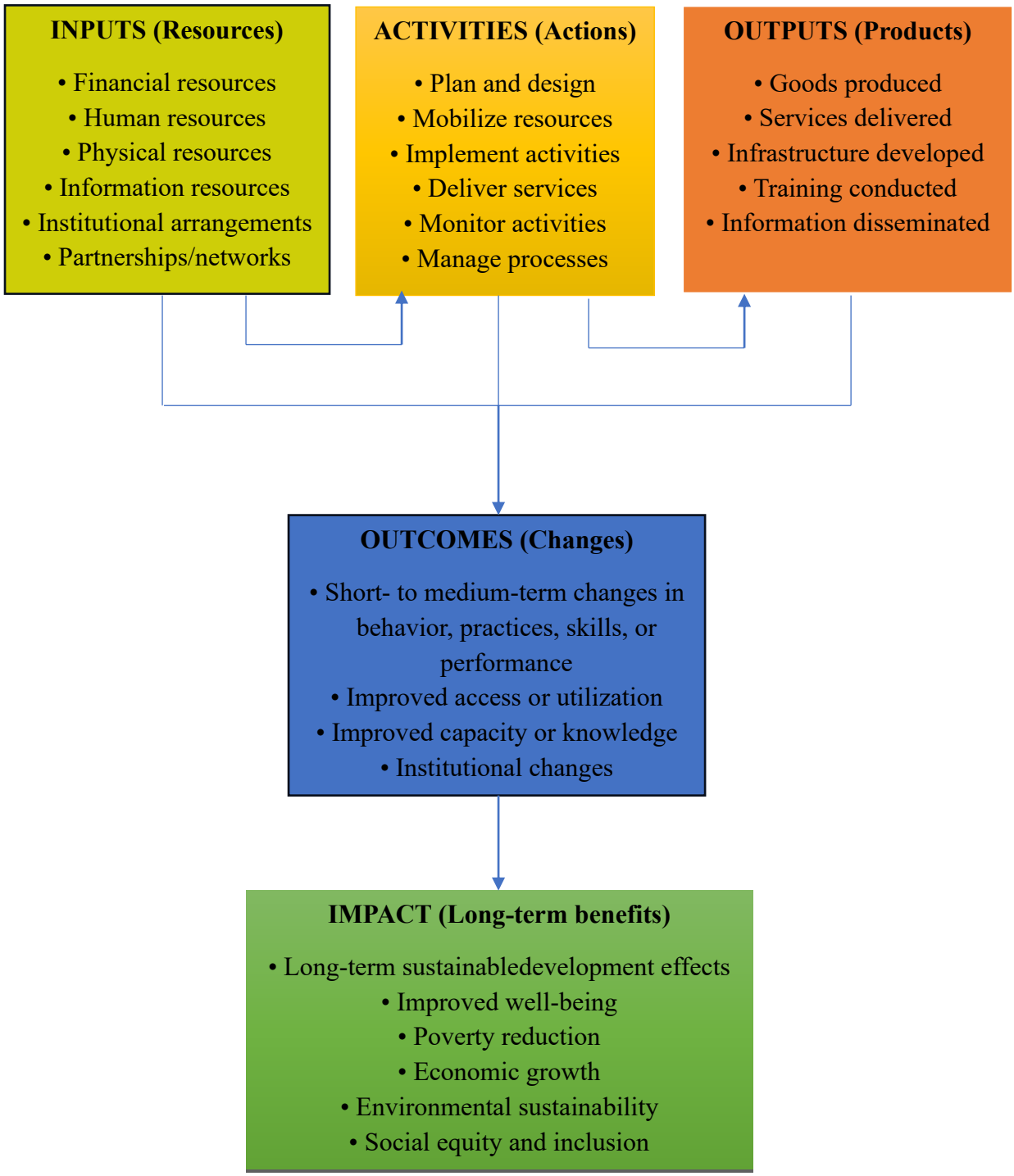


Figure 1: The Results Chain Framework

Source: Adapted from World Bank (2013); OECD (2019)

2.6 Principles Underpinning Programme-Based Budgeting

Programme-Based Budgeting relies on a number of basic principles, the overall effect of which is to enhance public financial management and increase the effectiveness of government (Robinson, 2007). These principles form the values and standards that PBB systems are built and assessed on.

Strategic Alignment means that all programmes must be directly tied to government policies, sectoral priorities and development plans; and that programmes should be budgeted towards strategic goals, not historical funding or incremental changes (World Bank, 2013). This principle guarantees that budgeting is a tool to implement policy, and not just an administrative procedure (IMF, 2021).

Results Orientation requires that all programmes clearly define outputs, outcomes and measurable indicators prior to resource allocation (Schick, 2014). This principle moves the focus from inputs to outputs, and makes

government agencies responsible for the results they deliver, instead of the money they spend and the projects they complete (Robinson & Last, 2009).

Performance Measurement demands that government institutions set objective indicators to measure implementation and to assess the success of the programme (OECD, 2019; Celestin & Mishra, 2025). These indicators should meet the SMART criteria – Specific, Measurable, Achievable, Relevant and Time-bound (Doran, 1981) and are viable for assessment of programme performance (Bandy, 2014).

Transparency fosters openness through the publication of programme goals, spending allocations, intended results, and performance data to stakeholders, from legislators to oversight bodies, civil society organizations and citizens (Andrews, 2013; Tsofa et al., 2021). Transparency builds trust, improves democratic accountability, and can enable citizens to engage in governance (World Bank, 2018).

Programme managers must justify the financial resources used and the results produced – this is called accountability. In this regard, it can be said that public officials have the responsibility for prudent financial management and effective programme implementation (Shah, 2007; Afif et al., 2025).

Continuous Monitoring and Evaluation can ensure that feedback is available for improving programme implementation, for detecting new challenges emerging, for corrective actions, and for future resource allocation decisions (Robinson, 2007). This principle is about programmes being responsive to changing circumstances and about systematic use of performance information for management and decision-making (OECD, 2019).

2.7 Benefits of Programme-Based Budgeting

Programme Based Budgeting has many benefits for governments, public institutions and citizens (Robinson, 2007). They are applicable throughout the public financial management cycle, from planning and budgeting to implementation, monitoring and evaluation (World Bank, 2018).

Firstly, PBB enhances resource allocation by making sure financial resources are allocated to programmes that yield the highest developmental impact (Schick, 2014). Performance information helps governments to sort out good and bad interventions, maximizing the use of limited public resources (IMF, 2021).

Second, with a greater emphasis on measurable outcomes over expenditure levels, PBB improves government performance (OECD, 2019). PBB sets clear goals and outcome measures, which provides an incentive to public institutions to deliver improved services and gain development results (Robinson & Last, 2009).

Third, PBB enhances accountability, as programme managers are held accountable for programme results as well as financial management (Bandy, 2014). This dual responsibility makes public officials responsible not only for the use of funds, but also for the outcomes that were produced from the money (Andrews, 2013).

Fourth, PBB can help to build transparency, by giving stakeholders better information about what the government is doing, what it is spending, what it expects to achieve and what it has. Such transparency contributes to better democratic governance and to increase public confidence in government institutions (Shah, 2007).

Fifth, PBB enhances strategic planning, monitoring and evaluation through the provision of accurate performance information that can be used to make evidence-based decisions (Diamond, 2003). This information can be used by governments to improve the design of interventions that are not working, to stop activities that are no longer valuable, and to identify those that are successful (OECD, 2019).

Finally, PBB helps improve the delivery of services by making sure that government spending results in an improvement in citizens' quality of life and not just higher public spending (Robinson, 2007; BCG, 2017). The underlying goal of Programme-Based Budgeting (World Bank, 2018) is this citizen-centric approach.

2.8 Implications for Public Finance Professionals

Programme-Based Budgeting introduces an entirely new role for public finance specialists such as Directors of Finance, Accountants, Budget Officers and Financial Controllers (Bandy, 2014). They are no longer just the people who read, process payments and make financial statements, but only part of the professional team (Andrews, 2013).

Today's finance professional is expected to be involved in the programme planning process, bringing financial expertise to bear in the design of programme structures, activity costing and resource estimation (Robinson & Last, 2009). They also have to be able to deliver financial analysis to inform strategic decisions, programmeprioritisation and resource allocation (Schick, 2014). Furthermore, finance actors need to perform performance monitoring, connecting financial and non-financial performance information and evaluating the effectiveness and value for money of the programme (OECD, 2019).

In addition, finance specialists are crucial in risk management, finding financing and operational risks that could hinder programme success and designing risk mitigation options to respond to these risks (IMF, 2021). They will also carry out value for money exercises, which comprise reviewing whether programme outputs and outcomes will be worth the monetary inputs of the programme (World Bank, 2018).

As such, Directors of Finance are now partners in public sector management, and not just custodians of financial records (Bandy, 2014). They are expected to deliver to decision-makers reliable financial and performance data

and information that enables effective implementation of programmes, accountability and sustainable fiscal management (Andrews, 2013). Such a strategic approach is crucial to realising the Programme-Based Budgeting's desired goal of enhanced government performance and public service delivery (Robinson, 2007).

III. INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS AND PUBLIC FINANCIAL MANAGEMENT

3.1 Introduction to International Public Sector Accounting Standards

The introduction of International Public Sector Accounting Standards (IPSAS) is one of the most important changes in public financial management (PFM) in recent times, which has brought about a revolution in the quality, credibility and comparability of public financial reporting (IPSASB, 2023). These standards are developed by the International Public Sector Accounting Standards Board (IPSASB) and are internationally recognized accounting standards that are particular to public sector entities, including central governments, state governments, local governments, and other public sector organizations (IFAC, 2022). The growing demand on government for greater accountability, transparency and wise management of public resources makes this focus on the quality of financial reporting more crucial than ever (IMF, 2018).

Public sector accounting differs from private sector accounting, which is more concerned with profitability and maximising shareholder wealth, in that it is more concerned with stewardship, accountability, efficient use of resources and improving the delivery of public services (Bandy, 2014). The primary function of government is to produce public goods and services instead of making profit, so the financial statements should show how the public funds have been raised, controlled and spent in order to meet the country's development goals (Andrews, 2013). Reliable financial data is thus essential for enhancing fiscal discipline, public trust in government and evidence-based policy making (World Bank, 2018).

IPSAS has grown out of a global movement to press for leaders in government finances to adopt accounting standards that improve transparency, accountability, and consistency in public sector financial reporting (IPSASB, 2023). These standards are developed and maintained by the IPSASB, an inclusive and consultative mechanism under the umbrella of International Federation of Accountants (IFAC) involving the inputs from governments, accounting profession, academia, international financial institutions and other stakeholders (IFAC, 2022). This collaboration allows for IPSAS to incorporate the best practices of the world while still being relevant and flexible to different national circumstances and institutional strengths (IMF, 2021).

3.2 The Rationale for IPSAS in Public Financial Management

Many governments used to have accounting systems that were based on cash receipts and payments, which meant that a transaction was only recognised when cash was received or paid (IPSASB, 2023). Cash accounting, which was used to provide information on cash flows and the execution of budgets, was in some cases insufficient to provide a complete picture of the financial situation of government institutions (Bandy, 2014). Often, important information about public assets, liabilities, pension obligations, infrastructure investments and future financial commitments related to these areas was not disclosed, which restricted the usefulness of financial statements for strategic decision-making (IMF, 2018). This information asymmetry affected fiscal transparency and limited fiscal assessment and sustainability of the government by the policymakers, legislators and citizens (Andrews, 2013).

IPSAS are intended to eliminate these deficiencies by encouraging accrual-based accounting, which aims to account for economic events as they occur, not at the time cash is transacted (IPSASB, 2023). This will give a more complete picture of government finances because it will include assets, liabilities, revenues, and expenses, as well as contingent obligations, in the period of time to which they belong (IFAC, 2022). This provides policymakers, legislators, development partners and citizens with a better understanding of the government's real financial position and long-term sustainability of government programmes (IMF, 2018). Accrual accounting can also help governments to value the total costs of public services, infrastructure investments and social programmes, which helps to make better-informed decisions on resource allocation (World Bank, 2018).

In addition, IPSAS helps to improve the credibility of government financial statements, to make them more comparable with statements from other countries, and to increase investors' and development partners' confidence in government financial statements (IPSASB, 2023). The adoption of IPSAS is a significant step in the modernization of public financial management (PFM) in developing economies like Nigeria and its integration into international best practices in national accounting (Federal Government of Nigeria, 2020). This alignment can improve domestic accountability, and countries can more effectively access international development financing and technical assistance (IMF, 2021).

3.3 Objectives of IPSAS Implementation

The adoption of IPSAS aims to pursue multiple strategic goals that taken together will enhance public financial management, fiscal transparency, and governance (IPSASB, 2023). The objectives are used to give IPSAS adoption a normative rationale and to guide its evaluation.

Firstly, IPSAS helps to increase transparency through better quality, consistency, and comprehensiveness of the government financial reporting (IFAC, 2022). Financial statements produced on the basis of IPSAS offer stakeholders detailed information on government revenues, expenditures, assets, liabilities and government financial commitments that helps them understand the financial implications of government policies (IMF, 2018). This transparency enhances democratic accountability and facilitates citizens, legislators and oversight institutions to better monitor the financial performance of the government (Andrews, 2013).

Secondly, IPSAS enhances accountability through the provision for public officials to be able to prove responsible stewardship of public resources (Bandy, 2014). Governments are more empowered to account for revenue collection, spending, and asset purchases and liabilities incurred (World Bank, 2018). This accountability is not only for the current financial year, but across the long term to consider fiscal sustainability and intergenerational equity (IPSASB, 2023).

Thirdly, IPSAS helps to make good decisions through the provision of reliable financial information, which can be used for strategic planning, budget formulation, investment decision, and programme evaluation (IMF, 2021). Thus, reliable financial data can help governments to prioritise spending, guard against fiscal risks and increase spending efficiency (OECD, 2019). This evidence-based financial management approach reinforces the relationship between policy goals and allocation of resources (Robinson, 2007).

Fourth, IPSAS helps to ensure long-term fiscal sustainability as it gives a detailed account of government assets, debts, pension commitments, and future financial obligations (IPSASB, 2023). This information helps policy makers to understand fiscal capacity, the sustainability of ongoing policies and to formulate sustainable public financing strategies (IFAC, 2022). IPSAS highlights long-term financial commitments and will allow governments to foresee future financial strains and take precautionary corrective measures (IMF, 2018).

IPSAS also helps to create international comparability by introducing standard accounting principles which allow governments to compare their financial performance with their international counterparts (World Bank, 2018). This comparability allows knowledge sharing between countries, to provide international development cooperation, and to increase the transparency of government budgets in international capital markets (IMF, 2021).

3.4 Relationship Between IPSAS and Programme-Based Budgeting

IPSAS and Programme-Based Budgeting (PBB) have different roles in the public financial management system but are very complementary and reinforcing (Robinson, 2007). The difference between Programme Based Budgeting and IPSAS is that the former is primarily concerned with planning, resource allocation, programme implementation and performance measurement while the latter is primarily concerned with accounting, financial reporting and stewardship of public resources (IPSASB, 2023). Their integration forms a holistic PFM architecture connecting financial inputs with development outcomes, and ensuring strict financial accountability (IMF, 2021).

Programme Based Budgeting is a response to the strategic question: What is government planning to do? (Robinson & Last, 2009). It sets development goals, indicators of performance, outputs and outcomes to be achieved, and directs resource allocation and programme implementation (OECD, 2019). IPSAS addresses the complementary financial question of how should the resources that are used to achieve those objectives be recognised, measured and reported? (IPSASB, 2023). It helps to ensure that financial transactions are properly recorded, assets and liabilities are accurately reported and that financial statements give a complete picture of government financial position and performance (IFAC, 2022).

These two reforms, combined in one, facilitate governments to tie funding directly to programme outcomes (World Bank, 2018). Programme Based Budgeting sets out the parameters for a performance-based approach to the allocation of resources and IPSAS deliver reliable financial information about the costs of achieving programme outcomes (Bandy, 2014). Together, they help governments to evaluate both financial stewardship and the effectiveness of programmes, to support evidence-based decision making and to hold governments to account for these programmes (Robinson, 2007).

Table 2 illustrates the complementary relationship between PBB and IPSAS:

Dimension	Programme-Based Budgeting	IPSAS
Primary Focus	Planning, resource allocation, performance measurement	Financial reporting, accounting, stewardship
Key Question	What does government intend to achieve?	How should resources be recognized and reported?
Time Horizon	Forward-looking (budget preparation and implementation)	Historical and forward-looking (financial reporting)
Information Type	Performance information (outputs, outcomes,	Financial information (revenues, expenses, assets,

	indicators)	liabilities)
Accountability Focus	Performance accountability (results achieved)	Financial accountability (stewardship of resources)
Primary Users	Policymakers, programme managers, citizens	Legislators, oversight institutions, creditors, citizens

Source: Adapted from Robinson (2007); IPSASB (2023); IMF (2021)

For instance, in a health care improvement programme, Programme-Based Budgeting can include goals to build or upgrade primary health care centres, train health care workers, and boost immunization rates (OECD, 2019). IPSAS does this by adding to the requirement that all programme costs, including infrastructure assets, medical equipment, maintenance liabilities and personnel costs are recognised, measured and reported in the government's financial statements (IPSASB, 2023). This combines approach allows governments to evaluate the impact of public programmes, both financial and developmental (World Bank, 2018).

3.5 How IPSAS Supports the Budget Cycle

Accurate, timely and reliable financial information is crucial for effective Programme-Based Budgeting throughout the budget cycle (Robinson, 2007). IPSAS facilitates the entire process by maintaining a methodical record of financial transactions, by recognising assets and liabilities, and by producing financial reports that paint a complete picture of the financial position and performance of government (IMF, 2018).

The budget cycle typically comprises four interrelated stages: strategic planning, budget preparation, budget implementation, and performance evaluation (OECD, 2019). In the strategic planning phase, governments prioritize development, establish policy goals and prepare medium-term expenditure frameworks (World Bank, 2013). IPSAS helps facilitate this phase by offering comprehensive historical financial information on which to base planning assumptions, revenue forecasts and expenditure estimates (IPSASB, 2023).

Governments prepare budgets, funding programmes and activities to achieve strategic goals (Robinson & Last, 2009). IPSAS facilitates this step through accurate estimation of programme costs; by identifying all relevant financial obligations; and by ensuring budget proposals are consistent with international accounting standards (IFAC, 2022). This alignment helps guarantee that budget documents are a good foundation for later financial reporting (IMF, 2021).

In the implementation of the budget, the government institutions implement the approved budgets, mobilize revenue, make payments, provide services, and keep track of financial transactions (Bandy, 2014). It is at this stage that IPSAS is crucial as it ensures that all financial transactions, assets, liabilities, and expenditures are recognized, measured, and recorded correctly, adhering to international standards (IPSASB, 2023). This is an accurate recording which serves as the basis for future financial reporting and performance evaluation (World Bank, 2018).

Lastly, when evaluating a programme's performance, governments check if the goals of the programme have been met and if the public dollars have been spent in a way that has been cost-effective (OECD, 2019). IPSAS assists with this by delivering reliable financial information which can be used by government to compare financial inputs to programme outputs, outcomes and long-term developmental impacts (Robinson, 2007). This is the integration of financial and performance information, it enhances evidence-based decision making and facilitates continuous improvement in programme implementation (IMF, 2018).

As shown in Figure 2, IPSAS plays an important role at every phase of the budget process. In the strategic planning process, IPSAS makes sure that historical financial data guides planning assumptions and that medium term expenditure plans meet international standards. IPSAS will guarantee that when the budget is being prepared, the programme costing is accurate and the financial obligations are fully recognised. In the implementation of the budget, IPSAS guarantees correct recording of transactions and recognition of assets and liabilities. Lastly, IPSAS delivers accurate financial information that is reliable for performance evaluation, which allows for inputs to be compared to outcomes and evidence-based decision-making (IPSASB, 2023; IMF, 2018, OECD, 2019).

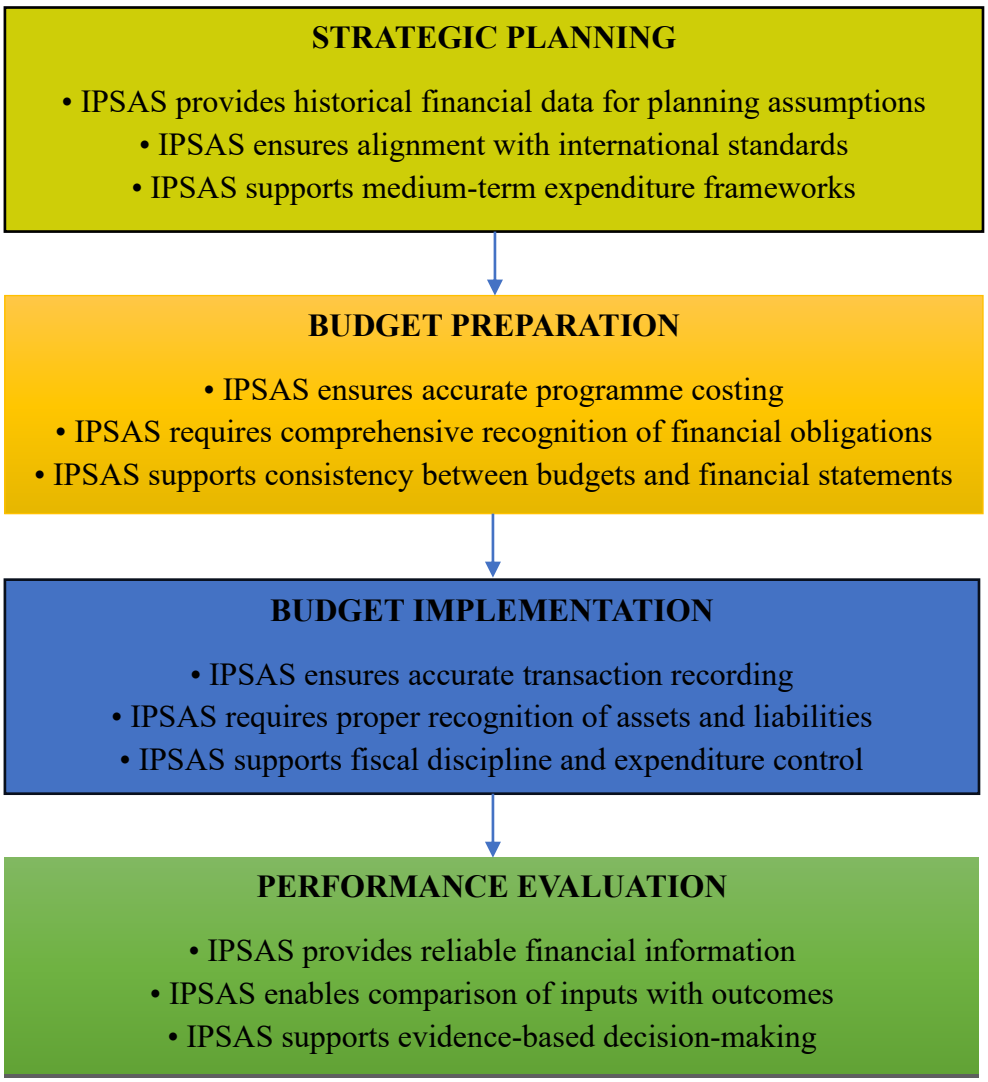


Figure 2: IPSAS Support Across the Budget Cycle

3.6 IPSAS Adoption in Sub-Saharan Africa

IPSAS has taken off in Sub-Saharan Africa over the last decade, with momentum from international development partners, regional integration processes and domestic reform needs (World Bank, 2018). It has been acknowledged that high-quality financial reporting is vital to enhancing fiscal transparency, obtaining development finance, and earning public confidence in government institutions in many African governments (IMF, 2021). As a result, complete PFM reforms have been embarked upon by countries throughout the area to harmonize national accounting practices to align with IPSAS (Andrews, 2013).

Nigeria is an illustrative case of the adoption of IPSAS in Sub-Saharan Africa. With the adoption of the Public Financial Management Reforms Strategy (Federal Government of Nigeria, 2016), the Federal Government of Nigeria began transitioning to IPSAS accrual-based accounting in 2016. The reform agenda, with the assistance of international development partners, aimed to strengthen public financial management at all levels of government, increase the quality of financial reporting, improve transparency and foster accountability (Federal Government of Nigeria, 2020). The Office of the Accountant-General of the Federation then released the guidelines for implementation to effect the transition which stressed the need for capacity building, upgrading of systems and institutional coordination (Office of the Accountant-General of the Federation, 2018).

On the sub-national level, other states like Katsina have also started the implementation of IPSAS as part of the general PFM reforms. These have been complemented by State Chart of Accounts, the adoption of an integrated financial management information system and ongoing capacity building of finance Officers (Federal Government of Nigeria, 2020). Yet, the advancement has been unevenly distributed between states, as depending on institutional capacities, political will and technical skills (World Bank, 2018).

Even though there has been considerable progress, IPSAS implementation in Sub-Saharan Africa still faces ongoing challenges (IMF, 2021). These challenges involve a lack of technical skills of finance officers, poor IT infrastructure, weak internal control systems, weak political will and competing reform agendas (Andrews,

2013). Many governments have faced challenges in adopting from cash to accrual accounting, especially in the area of public assets, liabilities, and contingent obligations (IPSASB, 2023). Also, the ability to implement the IPSAS-based financial reporting and performance-oriented budgeting systems is an issue that is still being faced by many countries (Robinson, 2007).

3.7 Strategic Implications for Finance Professionals

The introduction of IPSAS and Program Based Budgeting (PBB) have had a profound impact on the role of finance professionals in Ministries, Departments and Agencies (Bandy, 2014). Finance is no longer seen as just custodians of financial records, executing the processing of payments and the preparation of financial statements, but now expected to provide strategic advice to support the formulation of policy, costing of programmes, financial analysis, reporting on performance and managing risk (Andrews, 2013).

Directors of Finance and other public finance professionals should therefore be involved at a high level in the programme planning process and be able to provide financial input into the programme structure, activity costing and the estimation of resources (Robinson & Last, 2009). They are expected to provide assurance that financial information is accurate by having sound internal control systems, keeping proper accounting books and preparing financial statements as per IPSAS (IPSASB, 2023). They also have a key role to play in promoting transparency, by providing comprehensive and transparent disclosure of financial information to stakeholders (IMF, 2018).

In addition, finance staff are expected to enhance internal control, including through the establishment of policies, procedures, and institutional arrangements, to help protect public funds from fraud, to promote adherence to the laws, and to help achieve programme goals (World Bank, 2018). They also make sure to offer management reliable evidence for decision-making by creating financial analysis, performance reports and value-for-money assessment in a timely fashion (OECD, 2019).

Further, finance officers are essential in ensuring that government spending is value for money and that IPSAS and other financial laws are adhered to (Bandy, 2014). This involves combining skills in accounting with those of strategy management, in order to enhance the effectiveness of the programme, increase accountability and aid in sustainable development (Robinson, 2007).

Thus, the modern public financial management demands that financial actors must adopt a strategic approach, which combines accounting knowledge with results-based management (Andrews, 2013). In line with the Public Financial Management Reforms Strategy of Nigeria, finance officers need to move beyond the traditional compliance role to a more strategic advisory role, and are therefore key enablers of government performance and service delivery (Federal Government of Nigeria, 2016).

IV. ENHANCING GOVERNMENT PERFORMANCE THROUGH PROGRAMME-BASED BUDGETING

4.1 Introduction to Performance-Oriented Public Financial Management

Every government budget's fundamental aim is to enhance the socio-economic well-being of citizens by ensuring they are efficient in allocating and using public resources (OECD, 2019). The traditional measure of budget performance was the amount of money that was spent and adherence to the rules of finance (Schick, 1998). However, modern public financial management acknowledges that good budgeting should go beyond financial compliance and show measurable improvement in public service delivery, institutional performance and national development outcomes (World Bank, 2018). The change is a part of a wider understanding that budgets are not just financial statements, but strategic tools for realising policy goals and changing citizens' lives (Robinson, 2007).

Programme-Based Budgeting is a paradigm shift from expenditure focus to results focus (Diamond, 2003). It highlights the need for government institutions to not only keep track of the financial resources entrusted to them but to also highlight how these resources help them reach strategic objectives and carry out their mission of improving the quality of life of citizens (Bandy, 2014). Thus, performance is becoming the main basis of measuring the effectiveness of public spending as opposed to simply spending the budget provisions (Shah, 2007). This performance orientation is consistent with the overall results-based management movement that is reshaping public management in developed and developing economies (Andrews, 2013).

The benefits of Programme Based Budgeting in enhancing performance is the ability to create clear connections between financial inputs, activities, outputs, development outcomes and long-term impact to society (Robinson & Last, 2009). PBB makes these relationships more clear, allowing governments to consider if public expenditure is value for money and if it is making a meaningful contribution to national development priorities (IMF, 2021). An evidence-based framework for public financial management enhances public sector accountability, makes better use of resources, and facilitates ongoing efforts to improve public sector performance (OECD, 2019).

4.2 Results-Based Management and Programme-Based Budgeting

Programme-Based Budgeting is based on Results-Based Management (RBM), a philosophy of management that emphasizes planning, implementing, monitoring and evaluating programmes in terms of clearly defined results (World Bank, 2013). However, RBM is not just focused on administrative activities: it is about public institutions recognizing the problem that needs to be addressed, setting up measurable objectives, allocating resources to the problem and constantly evaluating programme performance (United Nations Development Group, 2011). In this way, public institutions are changed from activity organisations to results-oriented organisations that hold themselves accountable for measurable improvements in citizens' welfare (Andrews, 2013).

RBM is based on the idea that public sector organisations should be run for results not just for compliance (Schick, 2014). It has significant consequences for budgeting, planning, implementing, monitoring and evaluation (Robinson, 2007). Within RBM, each programme should clearly state the development challenge it is addressing, the resources needed, the activities, the outputs, the intended outcomes and the performance indicators that will be used to assess the success of the programme (OECD, 2019). This systematic method helps governments determine if public spending is doing what it is supposed to do and if they should allocate more or less resources (World Bank, 2018).

The RBM framework calls for an assignment of a clear description of each programme, which includes:

i. The policy goal to be met, based on national development plans and sectoral strategies (IMF, 2021);

ii. Resources needed to implement, such as financial, human, technological and material resources (Bandy, 2014);

iii. Operational actions that transform the inputs into the outputs (Robinson & Last, 2009) are:

iv. Expected outputs, which are the immediate outcome and services provided in the programme implementation (World Bank, 2013);

The intended outcomes v., medium-term changes that follow from programme activities (OECD, 2019); and

vi. Performance indicators to measure success, as objective measures of programme success (Shah, 2007).

For instance, in an education programme, it is not enough to report that a sum of N5 billion was spent during the financial year (Diamond, 2003). To the contrary, according to RBM, it should show how many classrooms are built, how many teachers are trained, how many sets of learning materials are distributed, how many students are enrolled in school and how they perform academically (Robinson, 2007). This ensures greater accountability in that there is a direct relationship between financial outlay and development outcomes that can be measured (Andrews, 2013).

4.3 The Results Chain Framework

A key element of Programme Based Budgeting is the results chain which, as introduced in Section 2.5 and shown in Figure 1, is a representation of the logical relationship between financial resources and development outcomes (World Bank, 2013). With this framework, policymakers can check if government spending actually leads to tangible improvements in citizens' lives and whether it is being spent in a way that supports sustainable development (OECD, 2019). The results chain offers the conceptual framework for performance-based budgeting, which specifies a causal link from inputs to longer-term impact (Robinson & Last, 2009).

The results chain consists of five interrelated parts which denote various steps in the process of turning public resources into development results (Bandy, 2014):

The inputs are the funds, human resources, technology and materials used for the implementation of the government programmes (Shah, 2007). This includes budgetary resources, personnel, equipment and infrastructure, and institutional arrangements (World Bank, 2018). The basic resources that allow government institutions to carry out functions and provide services are called inputs (IMF, 2021).

Activities are the operational activities that are performed with these resources, such as infrastructure development, capacity building, procurement, service delivery and administrative activities (Robinson, 2007). Activities are the use of inputs to create outputs (OECD, 2019).

Outputs are the direct outputs or services produced immediately after implementation of the programme, e.g. classrooms built, hospitals renovated, farmers trained, or kilometres of roads built (World Bank, 2013). The outputs are those that are clearly a result of the programme activities, and can usually be quantified (Diamond, 2003).

Outcomes are the medium term changes that can be attributed to the programme, such as higher school enrolment rates, better access to health care, better agricultural output and increased tax compliance (Robinson & Last, 2009). Programme Outcomes are the benefits that programmes are designed to provide to citizens (Andrews, 2013).

Lastly, Impact is the socio-economic benefits of government action that last beyond the immediate short-term, including the reduction of poverty, improvement in the standard of living, economy growth and enhanced national competitiveness (IMF, 2021). The ultimate goal of government action and the main rationale for public spending is impact (OECD, 2019).

This logical structure (as illustrated in Figure 1) allows government institutions to link directly budget allocations to development outcomes at the societal level, and can help to reinforce strategic planning and evidence-based decision making (World Bank, 2018). The results chain offers a logical structure for measuring and monitoring performance and for evaluating impact and a causal connection between inputs and impact (Bandy, 2014).

4.4 Performance Measurement and Key Performance Indicators

One of the most crucial aspects of Programme Based Budgeting (PBB) is performance measurement (Robinson, 2007). It helps governments to evaluate if programmes are delivering their intended results and if public funds are being used effectively and efficiently (OECD, 2019). A strong performance measurement system should have clearly stated objectives, sound performance data, measurable indicators, regular performance reporting, and appropriate management actions taken if necessary (World Bank, 2013). If not properly measured, Programme Based Budgeting is simply a budgeting methodology and not a strategic management tool (Schick, 2014).

The most important tool that is used to measure performance is the Key Performance Indicator (KPI) (Bandy, 2014). KPIs offer a method of objectively measuring programme implementation and institutional performance (Diamond, 2003). A good KPI should be Specific, Measurable, Achievable, Relevant, and Time bound (SMART) (Doran, 1981). This allows performance indicators to be operationally useful, practically feasible, and able to provide reliable evidence to inform decision making (Robinson & Last, 2009).

When choosing the right KPIs, it is important to consider the nature of the programme, its desired outcome, the existing data, and the ability to collect and analyse the data (Shah, 2007). KPIs should be aimed at measuring programme outputs (products / services) and programme outcomes (changes / benefits) in the medium term (IMF, 2021). Also, KPIs should be balanced in terms of different aspects of performance, such as economy, efficiency, effectiveness and equity (Andrews, 2013).

Examples of sector-specific KPIs that can be used in Programme-Based Budgeting frameworks are given in Table 3:

Table 3: Illustrative Key Performance Indicators by Sector

Sector	Illustrative Key Performance Indicators
Education	• School enrolment rate (primary, secondary, tertiary) • Classrooms constructed or renovated • Teachers recruited and trained • Student-to-teacher ratio • Examination pass rates • Literacy and numeracy levels • School completion and dropout rates
Health	• Functional healthcare facilities • Immunization coverage rates • Maternal and child mortality rates • Patient satisfaction scores • Average waiting times • Disease prevalence and incidence rates • Access to essential medicines
Agriculture	• Farmers reached with extension services • Crop yield improvements • Irrigated land area • Agricultural input distribution • Farmer income growth • Food security indicators • Value-added agricultural production
Infrastructure	• Kilometres of roads constructed or rehabilitated • Bridges and drainage systems completed • Access to clean water and sanitation • Electricity connection rates • Infrastructure maintenance rates • Commuter satisfaction
Revenue Administration	• Internally generated revenue growth • Taxpayer registration rates • Tax compliance rates • Digital payment adoption • Cost of revenue collection • Revenue leakage reduction
Social Welfare	• Beneficiaries reached with social protection • Poverty reduction rates • Employment generation • Vulnerable groups supported • Food and nutrition security

Source: Adapted from OECD (2019); World Bank (2018); Robinson (2007)

Including these indicators in annual budgets gives Ministries, Departments and Agencies a better chance of tracking programme implementation, objectively assessing performance and better allocating resources in the future (IMF, 2021). Performance indicators also help governments to tell citizens, legislators and other stakeholders about the achievements of programmes and contribute to transparency and accountability (OECD, 2019).

4.5 Monitoring and Evaluation

Monitoring and Evaluation (M&E) are institutional mechanisms which facilitate continuous assessment of programme performance (World Bank, 2018). M&E are the feedback loop that allows governments to learn from the experience in implementing a programme, and to identify new challenges and make decisions about whether to continue, modify, or terminate a programme (Robinson, 2007). However, the full potential of Programme-Based Budgeting can only be realised through effective M&E systems (Schick, 2014).

Monitoring is the regular and systematic gathering and analysing of information as the programme is implemented to assess if programme activities are on track (Bandy, 2014). Monitoring is the process of monitoring inputs, activities, outputs and immediate results, which allows for the detection of implementation challenges early on and allows implementing managers to take corrective measures (OECD, 2019). Well-defined indicators, reliable data collection systems, regular reporting and clear accountability for implementation are

necessary for effective monitoring (Shah, 2007). Monitoring should usually be done on a continuous basis and there should be periodic reports (e.g., monthly, quarterly) to give timely feedback to programme managers and decision-makers (IMF, 2021).

Evaluation, by contrast, looks at the effectiveness, efficiency, sustainability and impact of finished or ongoing programmes (Robinson & Last, 2009). Evaluations are normally undertaken at regular intervals (mid-term, end of programme), and tend to use more rigorous methods such as performance evaluations, impact evaluations and value for money analyses (World Bank, 2013). Evaluations provide answers to questions which monitoring cannot answer, including: did the results of the programme reflect the intervention; and did the benefits outweigh the costs; could the results be sustained over time (Andrews, 2013).

The effective M&E framework facilitates government institutions to accomplish various interrelated goals (OECD, 2019):

i. Help to identify early on the implementation challenges that might arise so that corrective actions can be taken in time and failure of the programme can be prevented (Diamond, 2003);

ii. Monitor progress towards programme targets and offer evidence if interventions are on track to achieve their goals (Bandy, 2014);

iii. Evaluate cost-effectiveness and value for money, which helps governments to decide if the benefits of a programme are worth the cost to them (Robinson, 2007);

iv. Enhance accountability and transparency, with reliable evidence of programme performance and achievements provided to stakeholders (IMF, 2021); and

v. Develop evidence for future policy formulation; Governments can learn from experiences of implementation and evidence-based decision making for future resource allocation (World Bank, 2018).

Inroads, for example, have been made in enabling the government to monitor road construction projects quarterly, thus evaluating if they are being built on time, on budget and to quality specifications approved by the government (Shah, 2007). Periodic assessments are carried out to determine if completed roads have enhanced transportation, shortened travel time, and boosted local economic development (OECD, 2019). This combined monitoring and evaluation enhances the evidence base for public financial management and constant improvement of programme implementation (Andrews, 2013).

4.6 Performance Reporting

Today, public financial management is increasingly integrated, in terms of combining both financial and non-financial performance information (Robinson, 2007). Financial information on its own is not a good indicator of programme performance without being supported by evidence of service delivery and development outcomes (IPSASB, 2023). Thus, performance reporting has become an important element of Programme-Based Budgeting, and a way for governments to report not just on resource usage, but also on outcomes (World Bank, 2018).

A good performance report will respond to the four basic questions (OECD, 2019):

i. What monetary resources were provided? This helps to ensure that there is transparency in the budget provision, expenditure and deviations (IFAC, 2022);

ii. What was the use of those resources? It describes the work done, what is produced, and what is offered (Bandy, 2014);

iii. What was produced (outcome) and what services were provided? This represents the products and services that are achieved as a result of programme implementation (Robinson & Last, 2009); and

iv. What tangible gains did we see from the government's action? This is a measure of outcomes and impacts, and it shows if there was tangible benefit for citizens from public expenditure (IMF, 2021).

Integrated performance reporting helps to make things transparent, allowing decision makers, legislators, development actors and the people themselves to assess if public spending has actually created public value or if it has just been able to spend the allocated amounts (Andrews, 2013). This transparency further enhances democratic accountability and allows stakeholders to hold governments to account both financially and in terms of programme effectiveness (Schick, 2014).

Regular performance reports (e.g., quarterly and/or annual) and their broad dissemination to stakeholders (World Bank, 2018). Reports should be easily accessible, readily understandable, and relevant to various audiences, such as policymakers, programme managers and oversight institutions, citizens, and civil society organisations (OECD, 2019). The use of citizen-friendly reporting formats such as summary reporting, infographics and online reporting dashboards can further increase transparency and public engagement (IMF, 2021).

4.7 Strategic Role of Directors of Finance

Programme-Based Budgeting (PBB) significantly increases the role of the Directors of Finance and other public finance professionals (Bandy, 2014). Today's financial professionals should be seen as strategic consultants involved in programme planning, financial analysis, monitoring performance and assessing policies (Robinson,

2007). The strategic orientation is very different from the traditional one that had mainly looked at transaction processing, financial reporting, and compliance verification (Andrews, 2013).
Under Programme-Based Budgeting, the roles of Finance Directors have increased to (World Bank, 2018):
i. Supporting programme costing and budget formulation, making programme budgets realistic, comprehensive and in line with the strategic goals (OECD, 2019);
ii. Monitoring programme performance both financial and non-financial, combining financial and performance information to deliver a comprehensive picture of programme performance (IMF, 2021);
iii. Ensuring timely financial analysis for management, to facilitate evidence-based decision making and strategic resource allocation (Robinson & Last, 2009);
iv. The integration of financial reporting with performance reporting, which promotes consistency and reinforcement between financial statements and performance reports (IPSASB, 2023);
v. Promoting value-for-money in public expenditure, deciding whether the benefit from a programme is worth the money spent on it (Bandy, 2014); and
vi. Providing advice to decision makers on resource optimization and fiscal sustainability, participation in strategic planning and long-term fiscal management (Shah, 2007).
Directors of Finance have thus been thrust into a key role in meeting government performance targets, providing financial management that promotes accountability and sustainable development (Andrews, 2013). They are an essential part in the successful implementation of Programme Based Budgeting and the realization of its desired outcomes (Robinson, 2007). Thus, capacity building, including IPSAS and PBB, performance measurement and strategic management, of finance officers is key to embed performance-oriented public financial management (World Bank, 2018).

V. ACCOUNTABILITY, TRANSPARENCY, INTERNAL CONTROL, AND VALUE FOR MONEY UNDER PROGRAMME-BASED BUDGETING

5.1 Introduction to Governance and Public Financial Management

Accountability and transparency are key concepts of good public financial management and are central to good governance (OECD, 2019). Governments are responsible to manage resources on behalf of citizens and public officials are expected to ensure public funds are used efficiently, economically, effectively and for the purposes they are intended to be used for (Andrews, 2013). Hence, current notions of public financial management go beyond adherence to financial rules to include accountability for delivering measurable development results and value for money (World Bank, 2018). These principles are not just administrative conditions, but fundamental parts of democratic governance that would allow citizens to call to account the performance of governments (Schick, 2014).
Programme-Based Budgeting (PBB) enhances accountability by focusing financial resources on programme objectives, outputs, outcomes and impacts (Robinson, 2007). PBB is not like traditional forms of budgeting, which were mainly concerned with whether expenditure was within the rules of the game; instead, PBB asks public institutions to show that public resources have led to improvements in the delivery of public services and, ultimately, to the welfare of citizens (Diamond, 2003). This is the transition from expenditure accountability to performance accountability and one of the greatest reform in the current public administration (Bandy, 2014). A programme budget becomes a programme manager's budget through PBB, establishing a complete accountability system which enables good governance and sustainable development (IMF, 2021).
The implementation of PBB in combination with International Public Sector Accounting Standards (IPSAS) further boosts governance by developing a financial information that is reliable, transparent and comprehensive (IPSASB, 2023). As the accounting backbone for accountability, IPSAS helps governments to show prudent stewardship of public resources, while PBB serves as a performance-based framework to demonstrate effectiveness of programmes (IFAC, 2022). These changes combine to form a governance system that is synergistic, enabling fiscal discipline, transparency and results-oriented public management (Robinson & Last, 2009).

5.2 Accountability under Programme-Based Budgeting

Accountability in public sector is the requirement of public institutions and public actors to explain, justify and accept responsibility to the public for the way in which they use public resources and for the results they obtain (Bovens, 2007). In Programme Based Budgeting the concept of accountability is broadened beyond the stewardship of financial resources to that of programme effectiveness and service delivery (Schick, 2014). This broadened view of accountability underscores that governments should be held accountable for what they spend public funds on, but also for what they get from those funds (Andrews, 2013).
There are three interrelated dimensions of accountability which are of critical importance under Programme Based Budgeting (OECD, 2019):

Financial Accountability

Financial accountability means government institutions need to make sure that public resources are only used for the purposes that they were approved for, that all transactions are accurately documented, that all financial rules are followed, and that public property is properly protected (Bandy, 2014). IPSAS financial statements provides the evidence needed to demonstrate prudent stewardship of government resources (IPSASB, 2023). Financial accountability serves as the bedrock of other aspects of accountability; if financial management is not done properly, then there is no way performance accountability can be achieved (IMF, 2018).

Financial accountability has a number of important facets, such as (World Bank, 2018):

i. Budget execution: Making sure that budgeted expenditures are spent and that any deviations are explained and allowed (Robinson, 2007);

ii. Transaction recording: Ensuring complete and accurate records of all transactions are kept according to IPSAS (IFAC, 2022);

iii. Asset management: This is the process of the protection of public assets, asset registers and the efficient and effective use of assets (IPSASB, 2023);

iv. Compliance: following of financial rules, procurement rules and internal control procedures (IMF, 2021); and

Financial reporting: Preparing timely, accurate and comprehensive financial statements that provide reliable information on government's financial position and performance (OECD, 2019).

Performance Accountability

Performance accountability is about whether or not government programmes have achieved their desired outcomes (Robinson & Last, 2009). Ministries, Departments, and Agencies (MDAs) should show measurable improvement that stems from public spending instead of just report the utilization of the budget (Schick, 2014). As a result, programme managers are responsible for financial management and development outcomes (Andrews, 2013).

To achieve performance accountability the World Bank (2018) calls for:

i. Clear objectives: Setting specific, measurable, achievable, relevant and time bound (SMART) objectives for each programme (Doran, 1981);

ii. Performance indicators: reliable indicators of programme outputs, outcomes and impacts (OECD, 2019);

iii. Data collection: setting up systems to help collect, analyse and report performance data (IMF, 2021);

iv. Performance reporting: Making routine reports comparing the achieved with the planned (Bandy, 2014); and

v. Corrective action: Making corrective steps when the programmes are not delivering the desired results (Robinson, 2007).

Public Accountability

In the end, governments are responsible for citizens (Bovens, 2007). Public accountability thus demands prompt and ready release of information on budget distribution, programme implementation, service provision and development results (Schick, 2014). This transparency fosters trust on the part of the public, improves the governance of democratic systems and enables the implementation of participatory governance processes in the decision-making of government bodies (Andrews, 2013).

Public accountability encompasses (OECD, 2019):

i. Information disclosure: Providing public access to budget documents, financial statements and performance reports (IMF, 2018);

ii. Citizen engagement: Developing opportunities for citizens to be involved in the budget formulation, programme design and programme performance monitoring (World Bank, 2018);

iii. Oversight: empowering legislatures, audit bodies and civil society groups to challenge the performance of government (Bandy, 2014);

iv. Responsiveness—making sure government institutions react to the citizen feedback and address the concerns expressed by stakeholders (Robinson, 2007).

5.3 Transparency in Public Financial Management

Transparency is the capacity to provide clear and easily understood information on the performance of government programmes and their financial activities that is accurate and reliable (IMF, 2018). It allows policy makers, monitoring agencies, development actors, civil society and citizens to monitor if government policies and spending are achieving the intended outcomes (OECD, 2019). Transparency is a pre-condition for accountability and is a natural part of good governance (Andrews, 2013).

Programme-Based Budgeting makes a significant contribution towards transparency by clearly identifying (World Bank, 2018):

i. Policy priorities of government, which provide understanding to stakeholders on what the government aims to accomplish (Robinson, 2007);

ii. Programme objectives, stating the specific aims of Government interventions (Schick, 2014);

iii. Budget allocations (IMF, 2021), i.e. the financial resources allocated to each programme;
iv. Planned activities, how resources will be used to fulfil the programme objectives (Bandy, 2014);
Expected outputs (OECD, 2019): immediate products/services to be delivered (v.
vi. Performance indicators, which give indicators of programme achievement (Robinson & Last, 2009); and
vii. Programme achievements as reported – based on actual outcomes achieved with public resources (World Bank, 2018).
For instance a Programme-Based Budget for the Ministry of Works indicates that the allocation of N30 billion will be used to construct rural roads, rehabilitate bridges and maintain roads, as well as measurable outcomes like kilometres of new roads built and reduction in travel time (Diamond, 2003). This is because it gives stakeholders substantive information about government intentions and accomplishments, thus increasing democratic accountability and public confidence (Andrews, 2013).
The transparency-enhancing attributes of Programme-Based Budgeting are summarised in Table 4:

Table 4: Transparency-Enhancing Features of Programme-Based Budgeting

Feature	Description	Benefit
Programme Structure	Budgets organized around programmes with clear objectives	Stakeholders understand government priorities
Performance Indicators	Measurable targets for outputs and outcomes	Stakeholders can assess programme achievement
Results Chain	Explicit linkage between inputs, activities, outputs, outcomes, and impact	Stakeholders understand how resources produce results
Performance Reporting	Regular reports on programme achievement	Stakeholders can track progress and hold government accountable
Citizen-Friendly Formats	Simplified budget and performance summaries	Citizens can understand and engage with government programmes

Source: Adapted from IMF (2018); OECD (2019); World Bank (2018)

5.4 Internal Control Framework

The internal control system can be said to be critical to successful implementation of the Programme Based Budgeting (Bandy, 2014). Internal controls include the policies, procedures and institutional arrangements designed to provide reasonable assurance that public resources are safeguarded against fraud and that applicable laws and regulations are being adhered to and that programme objectives are met (IFAC, 2022). Even the most carefully-designed programme budget cannot achieve its desired results if there is no effective internal control system. (Robinson, 2007).
As with internationally accepted public sector governance practices, an effective internal control framework is comprised of five interrelated components as described in the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework (COSO, 2013):

Control Environment

The ethical values, integrity and leadership commitment, and the institutional culture are all a part of the control environment that supports accountability (IMF, 2018). It involves the leadership, governance framework, culture, and human resource policies as well as the leadership's commitment to integrity and ethical values (Bandy, 2014). All of this other internal control is built on top of a strong control environment (COSO, 2013).
Some of the important aspects of an effective control environment are (World Bank, 2018):
i. Leadership commitment: Senior management's demonstrated commitment to integrity, ethical values and accountability (Andrews, 2013);
ii. Organizational structure: Clear roles, responsibilities and reporting relationships (OECD, 2019);
iii. Human resource policies: recruitment and training, and performance management systems that encourage accountability (Robinson, 2007);
iv. Ethical framework: Pre-existing ethical standards and expectations of public officials (IMF, 2021).

Risk Assessment

Risk assessment is the process of understanding potential threats that could prevent the programme from being successful (Schick, 2014). These risks can range from procurement to project delays and cost overruns, fraud, implementation failures, and external shocks like economic downturns and political unrest (World Bank, 2018). Good risk assessment helps governments to predict what might arise and mitigate those risks (Bandy, 2014).
Risk assessment processes should include (IMF, 2018):
i. Risk identification: The systematic identification of the internal and external risks which could impact on programme achievement (OECD, 2019)
ii. Risk analysis: Evaluation of the probability and consequences of risks identified (COSO, 2013);
iii. Risk prioritization: Prioritisation and ranking of risks according to their importance and urgency (Andrews, 2013); and
iv. Risk response: The creation of risk reduction strategies, including transferring, accepting and avoiding risks (Robinson, 2007).

Control Activities

Control activities are the policies, procedures and mechanisms used to implement management directives (IFAC, 2022). These involve authorization, segregation of duties, procurement controls, budget monitoring, assets verification and financial reviews aimed at reducing operational and financial risks (Bandy, 2014). The control activities need to be effective in preventing errors, frauds and irregularities (World Bank, 2018).

Key control activities are (IPSASB, 2023):

i. Authorization and approval: making sure that transactions are authorized by the proper officials (OECD, 2019);

ii. Segregation of duties – Separation of duties of authorisation, custody and recording of assets (IMF, 2021);

iii. Procurement controls: Making sure that goods and services are bought following relevant rules and regulations (Robinson, 2007);

iv. Budget controls: Tracking how the budget is spent and keeping spending within the limits (Schick, 2014);

v. Asset verification: Regular checks and balances of the actual assets against the records (Bandy, 2014); and

vi. Financial reviews: Periodic checks on financial transactions and the balances in the accounts (IFAC, 2022).

Information and Communication

Information and communication systems provide the information relevant, reliable, and timely for decision-making (COSO, 2013). This encompasses financial data, performance data and operational data to aid programme management and accountability (IMF, 2018). Good communication means information flows both within the organisation, and to external parties, in this case the World Bank (World Bank, 2018).

It is important to have (OECD, 2019):

i. Information systems: There are reliable systems in place to gather, process and report financial and performance information (Bandy, 2014);

ii. Internal communication – making sure that the information that is needed is made available to the right people (Andrews, 2013); and

iii. External communication: providing timely, accurate and relevant information to stakeholders (IPSASB, 2023); and

iv. Feedback mechanisms – there are systems to gather and act on stakeholder concerns (Robinson, 2007).

Monitoring Activities

Monitoring consists of ongoing reviews, internal audits, and management assessments to make sure internal controls continue to be effective and any necessary corrective actions are taken (IFAC, 2022). Monitoring helps to ensure that internal controls remain responsive to changing circumstances and remain supportive of programme objectives (IMF, 2021).

Monitoring activities include (World Bank, 2018):

i. Ongoing monitoring: Continuous monitoring and reconciliations as part of ongoing business activity (COSO, 2013);

ii. Separate evaluations: Internal audits and management reviews of control effectiveness (Bandy, 2014);

iii. Performance monitoring: Monitoring the implementation and outcomes of the programme (Robinson, 2007); and

iv. Corrective action: Taking steps to remedy the weaknesses and deficiencies identified (OECD, 2019).

5.5 Internal Audit and Programme Performance

Under Programme-Based Budgeting (PBB) the role of the internal audit has significantly increased (Bandy, 2014). In the past, internal auditors were mainly focused on the verification of financial transactions, compliance with regulations and supporting documentation (Andrews, 2013). Modern public sector auditing, however, focuses more on programme effectiveness, risk management, governance and value for money (World Bank, 2018). This development is part of the overall move from compliance-based to performance-based public management (Schick, 2014).

Increased expectations for internal auditors include the assessment of whether (IFAC, 2022):

i. Programme objectives have been achieved (Robinson, 2007) and whether government interventions have produced their intended results;

ii. Resources have been used efficiently – whether programme outputs have been achieved using the minimum amount of resources (OECD, 2019);

iii. Internal controls are in place and operating effectively, policies and procedures are operating as intended (IPSASB, 2023);

iv. Significant risks have been suitably managed, including determining if risk mitigation strategies are sufficient and effective (IMF, 2021); and

v. Government interventions have produced quantifiable public value, and an independent evaluation of programme effectiveness and value for money (Bandy, 2014).

This wider view makes internal audit a strategic partner to enhance the performance of the programme, instead of just uncovering financial irregularity (Andrews, 2013). Internal audit can help with accountability, transparency and ongoing improvement in the performance of public institutions (World Bank, 2018).

5.6 Value for Money in Public Expenditure

Programme-Based Budgeting (Robinson, 2007) is based on the principle of Value for Money (VFM). It demands governments to get the most from the public resources they have while ensuring some level of quality and accountability (OECD, 2019). It is important to remember that VFM is not just about reducing costs, but about finding the optimal balance between economy, efficiency and effectiveness (Bandy, 2014).

The Three Es Framework (World Bank, 2018) is commonly used tool for assessing Value for Money:

Economy

Economy is the ability to obtain resources of the desired quality at the lowest reasonable cost (Andrews, 2013). It focuses on the good procurement practices and on the effective use of financial resources, inputs being purchased at reasonable prices, while maintaining quality (IMF, 2021). Economy is based on the ratio of costs of inputs to the market benchmark and whether the resources could have been bought for less. (Robinson, 2007)

Economy factors are (OECD, 2019):

i. Procurement practices: competitive bidding and transparent procurement practices (Bandy, 2014);
ii. Cost minimization: Keeping costs of the necessary inputs as low as possible (Schick, 2014);
iii. Quality standards: Providing good quality at a reasonable price (World Bank, 2018); and
iv. Resource utilization: Waste avoidance and avoiding unnecessary spending (IFAC, 2022).

Efficiency

Efficiency is about the ratio of inputs to outputs (Robinson & Last, 2009). It aims to deliver as much as possible with the least amount of resources involved in the production of programme outputs (Diamond, 2003). An effective programme is one which does more with the same or less with the same (OECD, 2019).

Measurements of efficiency involve (IMF, 2021):

i. Input Output Analysis: The comparison of resources used and the resources produced (Bandy, 2014);
ii. Productivity measure - measure of output per unit of input (Andrews, 2013);
iii. Process optimization: finding and removing process bottlenecks and inefficiencies (Schick, 2014); and
iv. Cost effectiveness: Finding out which way is cheaper to get the same results (Robinson, 2007).

Effectiveness

Effectiveness is a measure of whether programme goals have been realized or not (World Bank, 2018). It reflects the degree to which government measures achieve the desired social, economic and development goals (OECD, 2019). An effective programme is one that gets the job done, whatever it is and no matter how expensive or how inefficient (Bandy, 2014).

Assessment of effectiveness comprises of: (IMF 2021):

i. Outcome measurement: to determine if a programme has met its objectives (Robinson, 2007);
ii. Impact assessment: Assessing the developmental impacts of interventions over the long-term (World Bank, 2018);
iii. Attribution: Deciding whether the outcomes that are observed are due to programme interventions (Andrews, 2013); and
iv. Stakeholder satisfaction: Measuring the satisfaction of beneficiaries with the results of the programme (OECD, 2019).

Combined, the three principles of economy, efficiency and effectiveness allow governments to measure whether public money has been spent in a way that offers citizens the greatest benefit and has helped contribute to national development (Robinson & Last, 2009). The Three Es Framework is a complete methodology for making an assessment of value for money in public spending, focusing on the effectiveness of the use of inputs, the efficiency of the conversion of inputs into outputs, and the effectiveness in achieving outputs, as shown in Figure 3 (World Bank, 2018; OECD, 2019).

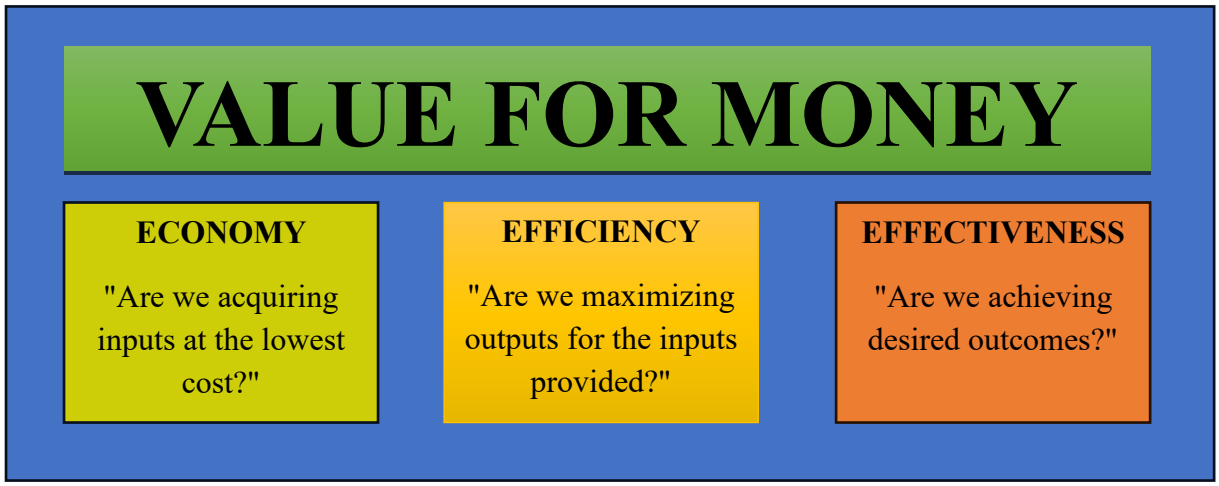


Figure 3: The Three Es Framework for Value for Money
Source: Adapted from World Bank (2018); OECD (2019)

5.7 Procurement Accountability

The procurement sector is one of the biggest public spending sectors and needs the most robust accountability mechanisms (World Bank, 2018). Programme Based Budgeting fosters procurement accountability by making sure that procurement decisions are directly connected to programme objectives and expectations for outcomes (Robinson, 2007). Purchasing is no longer only a performance indicator of the delivery of goods or services; but for Programme-Based Budgeting, the ability to deliver goods and/or services is also an indicator of whether they were used appropriately and whether they helped the programme to achieve results (Bandy, 2014).

In the context of PBB, procurement accountability includes (OECD, 2019):

i. Strategic alignment: Making sure that procurement decisions are aligned with the programme goals and help to achieve the desired results (IMF, 2021);

ii. Transparency: openness of procurement processes, clear criteria and fair competition (Andrews, 2013);

iii. Economy: Obtaining goods, works and services at reasonable prices (World Bank, 2018);

iv. Quality assurance: Making sure that purchased items fulfill specifications and quality requirements (Schick, 2014);

v. Timely delivery: Making sure that goods and services are delivered on time (Robinson, 2007); and

vi. Value for Money: determine if procurement spending is generating best value (Bandy, 2014).

As another illustration, the procurement of agricultural machinery should not be judged by the mere completion of procurement processes but rather by the gains of productivity, farmer income and food security in the agriculture sector (OECD, 2019). This is an outcomes-based way of holding procurement accountable, so that the government is able to measure the welfare gains from public spending on goods and services (World Bank, 2018).

5.8 Challenges to Accountability and Transparency

Yet, even though major institutional changes have been made, the implementation of Programme-Based Budgeting still has several institutional issues to be addressed in order to enhance accountability and transparency (Andrews, 2013). These challenges are especially acute in the developing economies such as Sub-Saharan Africa, where capacity, skills, and political will can be low (Diamond, 2003).

Issues include (World Bank, 2018):

i. Weak linkage between budget and programme performance, which could arise from poor programme design, poorly defined programme objectives, and/or weak performance information systems (Robinson, 2007);

ii. A lack of performance information systems which restrict access to reliable information for monitoring, evaluation and accountability (IMF, 2021);

iii. Technical capacity among public officials is limited, which hinders the effective design, implementation and evaluation of programme budgets (Bandy, 2014);

iv. The resistance to organizational change, which is the inertia of the institution and resistance to new ways of working (Andrews, 2013);

v. Poor monitoring and evaluation systems, restricted possibilities to produce performance evidence for accountability (OECD, 2019);

vi. Lack of political commitment, jeopardising the sustainability of PFM reforms (Schick, 2014); and

vii. Poor involvement of stakeholders resulting in low transparency and public access to budget processes (World Bank, 2018).

These challenges call for ongoing institutional changes, investment in human capacity development, increased commitment from leadership, better financial management and monitoring through the use of digital technologies and continuous stakeholder engagement (IMF, 2021). If these are not addressed, the accountability and transparency benefits of Programme Based Budgeting cannot be realised in its entirety (Andrews, 2013).

5.9 Implications for Directors of Finance

The role of Directors of Finance is strategic in terms of accountability and good governance in government institutions (Bandy, 2014). They are not only expected to be responsible for financial reporting, but also to be responsible for programme costing, performance analysis, monitoring of budget, financial advisory services and strengthening of internal control systems (Robinson, 2007). This increased role reflects the perception that financial management is an intrinsic part of programme effectiveness and governance (World Bank, 2018).

Finance professionals, therefore, should be able to: (OECD, 2019):

i. Deliver timely and accurate financial data to inform evidence-based decision-making and accountability (IPSASB, 2023); and

ii. Practice value-for-money decision making, which involves economy, efficiency and effectiveness (Bandy, 2014);

iii. Embed financial and performance reporting so that stakeholders have a full picture of programme performance (IFAC, 2022);

iv. Improve internal control mechanisms to protect the public assets and to prevent malfeasance and frauds (IMF, 2021);

v. Support performance management, including programme design, monitoring and evaluation (Robinson & Last, 2009);

vi. Improve transparency, making more information about money and performance available to stakeholders (Andrews, 2013); and

vii. Give policy makers strategic guidance on allocation of resources, financial sustainability and effectiveness of programmes (Schick, 2014).

They play an critical role in the implementation of Programme-Based Budgeting, IPSAS reforms and the delivery of better governance, accountability and public service delivery (World Bank, 2018). In turn, investments in professional development, technical support and institutional capacity are needed to help Directors of Finance meet the new demands on their roles (Andrews, 2013).

VI. PRACTICAL APPLICATIONS OF PROGRAMME-BASED BUDGETING IN SUB-SAHARAN AFRICAN MDAs

6.1 Introduction to Practical Implementation

The success of programme-based budgeting (PBB) relies heavily on the implementation of PBB in Ministries, Departments and Agencies (MDAs) (Robinson, 2007). The concepts and principles of PBB are useful for providing a theoretical framework, but its true power is in the measurable contribution it can make to improvements in public service delivery (World Bank, 2018). PBB offers the chance for Sub-Saharan African countries to improve the linkages between government policies, strategic plans, annual budgets, programme implementation and measurable development outcomes (Andrews, 2013).

Each MDA should thus develop budgets that explicitly specify the development problems that will be addressed, the resources that will be used, the outputs that will be achieved, the outcomes that are desired, and performance indicators (Bandy, 2014). In this way, annual budgets can be used as strategic tools to attain government priorities and not just as a tool to authorize spending (Schick, 2014). It offers real-world examples of PBB implementation in various key sectors based on experiences in Sub-Saharan African countries, including Nigeria and Katsina State (OECD 2019).

Practical implementation of PBB will need a paradigm shift in the MDAs vision and approach to fulfil their obligations (Diamond, 2003). MDAs need to shift their focus from administrative systems and compliance of expenditure to results—programme effectiveness, service delivery and citizen impact (Robinson & Last, 2009). This transformation is accompanied with changes in organizational culture, institutional arrangements, technical capacity, and management practices (IMF, 2021).

6.2 Programme-Based Budgeting Framework for MDAs

A good programme budget should reflect a logical linkage between government priorities and tangible outcome of development (World Bank, 2013). All of the programmes must have the following key elements (OECD, 2019) as described in Section 2.5 and shown in Figure 1:

i. Policy Objective: A general development target to be realized, based on national development plans and sectoral strategies (IMF, 2021);

ii. Programme: The big project to achieve the aim, including a logical sequence of activities and sub-programmes (Robinson, 2007);

iii. Sub-programme: Areas of intervention within the programme which addresses particular aspects of the overall objective (Bandy, 2014);
iv. Activities: Operational actions needed to implement activities, transform inputs into outputs (World Bank, 2018);
Input: Financial, human and material resources needed to implement the programme (Schick, 2014);
vi. Outputs: Products or services produced immediately as a result of programme activities (OECD, 2019);
vii. Outcomes: medium-term changes which are the result of programme implementation (Robinson & Last, 2009); and
viii. Impact: Long-term socio-economic benefits experienced by citizens and communities (Andrews, 2013).
This framework allows government institutions to have a clear structure of accountability of the programme, and it allows for effective monitoring and evaluation during the implementation of the programme (IMF, 2021). MDAs can provide evidence of the causal link between inputs and impact and thus how budget allocations relate to development results (World Bank, 2018).
The structure for a programme is outlined in table 5 and can be modified by the MDAs as per their specific context:

Table 5: Template for Programme Structure in MDAs

Component	Description	Example
Policy Objective	Broad development goal	Improve access to quality education
Programme	Major intervention	Basic Education Quality Improvement Programme
Sub-programme 1	Specific intervention area	Infrastructure Development
Sub-programme 2	Specific intervention area	Teacher Development
Sub-programme 3	Specific intervention area	Curriculum and Materials
Activities	Operational actions	Construct classrooms, train teachers, distribute materials
Inputs	Resources required	Budget allocation, personnel, equipment
Outputs	Immediate products	Classrooms completed, teachers trained, materials distributed
Outcomes	Medium-term changes	Increased enrolment, improved learning outcomes
Impact	Long-term benefits	Enhanced human capital, economic growth

Source: Adapted from Robinson (2007); World Bank (2018); OECD (2019)

6.3 Practical Application Across Key Sectors

Education Sector

Programme Based Budgeting in the education sector should prioritize access, quality and learning outcomes over financing education activities (World Bank, 2018). A programme can consist of sub-programmes of classroom construction, teacher development, instructional material provision and strengthened school supervision, as is the case with the Basic Education Quality Improvement Programme (Robinson, 2007).
For instance, an education MDA in Sub-Saharan Africa could design its scheme of work as below (OECD, 2019):
Policy Goal: Better access to quality basic education and better learning outcomes
Programme: Basic Education Quality Improvement Programme
Sub-programmes:
Infrastructure Development (classroom construction, renovation, furniture)

- Enhanced learning opportunities for teachers (recruitment, teacher training, teacher professional development)
- School Leadership (administration, teachers, students, parents)
- Quality Control and Assurance of school supervision (Inspection, Monitoring, Performance Management)

Performance indicators can include (IMF, 2021):
Construct/renovate number of classrooms.

- Teachers recruited and trained
- Student-to-teacher ratio
- Access to and utilisation of school facilities (by gender, location, and level)
- Participation in schooling and sports development programmes
- Students' performance in examinations and learning achievement levels

The following are literacy and numeracy outcomes:
These indicators allow policymakers to determine if the investments in education have led to improvements in the quality of education and human capital development (Bandy, 2014). This evidence-based way enhances accountability and facilitates strategic resource allocation (Schick, 2014).

Health Sector

For the health sector, Programme-Based Budgeting should focus on greater access to health services, the quality of health services, disease prevention and maternal and child health (World Bank, 2018). Activities can include

upgrading primary health care centres, training health care workers, procurement of vital medicines, and conducting community health campaigns (Robinson, 2007).
For instance, a health MDA can design its programme as follows (OECD, 2019):
Policy Target: Better access to quality health care, and decrease disease burden
Programme: Primary Healthcare Revitalization Programme
Sub-programmes:
Infrastructure and Equipment (health facility renovation, medical equipment).
- Health Worker Recruitment, Training, and Retention – Human Resources (HR)
- Essential Medicines and Supplies (Purchasing, distribution and stock management)
- Community Health Services (outreach, immunization, health education)

Performance indicators could include (IMF, 2021):
- Number of working health care providers
- Health worker-to-population ratio
- Immunization coverage rates
- Birth and birth-related complications
- Prevalence and incidence rates of diseases
- Patient satisfaction scores
- Use of basic drugs

These indicators are objective measures of the effectiveness of public investment in healthcare delivery (Bandy, 2014). These measures can be used to determine if health expenditure is improving health outcomes and strengthening health systems (Andrews, 2013).

Agriculture Sector
Despite the poor performance of agriculture, it is still a strategic sector to be considered for economic growth and poverty reduction in many Sub-Saharan African countries (World Bank, 2018). Programme Based Budgeting allows MDAs to increase investments in programmes that will directly increase agricultural productivity and food security (Robinson, 2007).
For instance, an agriculture MDA may design its programme in the following way (OECD, 2019):
Goal of the policy: Improve productivity, food security and rural livelihoods in agriculture
Implementer: Agricultural Transformation Programme (Programme)
Sub-programmes:
- Input Supply and Distribution (seeds, fertilisers, agrochemicals)
- Extension Services (farmer training, advisory services, technology transfer)
- Training in Agriculture (farm mechanization, agricultural production, land tenure, contract farming, mechanization, distribution of the beneficiaries' seeds, fertilizers, and farm tools)
- Tractors, equipment, processing facilities – mechanization

Market Access (storage, processing, market linkages)
Performance indicators can include (IMF, 2021):
- Change in cropland area (by crop type)
- Number of farmers reached with extension services
- Hectares under irrigation
- The volume of agricultural inputs distributed.
- Farmer income growth
- Food security indicators
- Value-added agricultural production

These indicators are used to demonstrate if agricultural investments are helping to achieve food security and rural economic development (Bandy, 2014). This approach can help governments determine the impact of agricultural policies and programmes, since the amount of funding is related to the outcomes achieved in agriculture (Andrews, 2013).

Water Resources Sector
Access to safe drinking water and sanitation is an important development priority in Sub-Saharan Africa (World Bank, 2018). According to Programme-Based Budgeting water sector programmes should cover the construction and rehabilitation of water facilities, borehole development, water quality monitoring and participation of communities in water management (Robinson, 2007).
An example of a water resources MDA programme could be the following (OECD, 2019):
Policy Priority: Make safe water and sanitation services more accessible.
Programme: Water Supply and Sanitation Programme (WASHplus)
Sub-programmes:
- Improved sanitation (Latrines, hand washing stations, sanitation education)

- Solar Water Supply & Scaffolding (for solar powered treatment facilities)
- Sewage systems and services (sitting, running, and Pouring the Future)
- Water Quality Management (planning, implementation, enforcement, tools, and processes)
- Programme Management (planning, design, construction, running and supervision)

Performance indicators can include (IMF, 2021):

- Number of communities served with safe water

- Access to improved water sources among people (percentage of population)

- Water functional rates of water facilities
- Water quality percentage meets
- Sanitation coverage
- Decrease in diseases related to water.

These measures enable governments to assess if investments in the water sector have led to a positive change in the quality of people's lives and health (Bandy, 2014). MDAs can measure the developmental impact of water expenditure by measuring both outputs and outcomes.

Revenue Administration

Programme-Based Budgeting should help increase internally generated revenues through better taxpayer registration, digital payments, better compliance monitoring and less revenue leakages for revenue-generating agencies (World Bank, 2018).

A revenue administration MDA may, for instance, adopt the following programme (OECD, 2019):

Policy Target: Improve domestic revenue mobilization and fiscal sustainability

Programme: Revenue Enhancement Programme (REP)

Sub-programmes:

- Taxpayer Registration and Education (enrolment, awareness, assistance)
- Agri-environmental payments (CAPs) and the Schengen visa regime for agricultural workers from third countries.
- e-payment/e-filing/integrated systems (Digital Revenue Systems)

Compliance Monitoring (audit, investigation, enforcement)

Revenue Protection (fraud prevention, leakages, border controls)

Performance indicators can include, among other things (IMF, 2021):

- Increase in generated income from within the organization.
- Taxpayer registration rates
- Tax compliance rates
- Digital payment adoption
- Cost of collecting revenues (as percentage of revenue)
- Revenue leakage reduction

The indicators allow governments to check the effectiveness and sustainability of the revenue mobilization strategies, and also facilitate fiscal sustainability (Bandy, 2014). MDAs can connect budget allocations to revenue results, which is a demonstration of the effectiveness of their revenue administration (Andrews, 2013).

6.4 Implementation Challenges in Sub-Saharan Africa

However, there are certain institutional problems that could hinder the implementation of Programme-Based Budgeting in Sub-Saharan Africa (Andrews, 2013). These issues are indicative of the overall PFM shortcomings that are common in many developing economies (Diamond, 2003).

Common challenges are, among others, the ones listed below (World Bank, 2018):

i. Limited technical capacity of public officials, which limits the ability to design, implement and effectively evaluate programme budgets (Robinson, 2007);

ii. Lack of adequate information systems for performance, which affect the availability of reliable data for monitoring, evaluation and accountability (IMF, 2021);

iii. Resistance to change in the organisation – institutional inertia and resistance to change (Schick, 2014);

iv. Lack of coordination in finance, planning and programme implementation units, which has a negative impact on planning, budgeting and reporting (Bandy, 2014);

Ineffective monitoring and evaluation frameworks that restrict performance evidence for accountability (OECD, 2019);

vi. Lack of political will which compromises the sustainability of PFM reforms (Andrews, 2013);

vii. The lack of stakeholder engagement, which limits transparency and public involvement in budget processes (World Bank, 2018); and

viii. Limited investment in systems, technology and human capacity development (IMF, 2021).

If they are not addressed effectively, these challenges can impact programme performance, through institutional improvements and ongoing capacity development (Robinson, 2007). Governments need to take a pragmatic and

step-wise approach to PBB implementation, which will be based on existing systems and capacities, and then steadily improve institutional arrangements (Diamond, 2003).

6.5 Strategies for Successful Implementation

To achieve effective implementation of Programme-Based Budgeting in Sub-Saharan African MDAs, a number of strategic interventions are recommended (World Bank, 2018):

Crucially, ongoing capacity development has to be made available for Directors of Finance, accountants, budget officers, programme managers, as well as monitoring and evaluation staff (Bandy, 2014). The trainings should include IPSAS, Programme Based Budgeting, Results Based Management, Monitoring and Evaluation and performance reporting (IMF, 2021). Capacity development must be ongoing, hands-on and targeted to the needs of various levels of public officials (Andrews, 2013).

Second, all MDAs need to put in place clearly stated programme structures that are based on their statutory mandate and the government development priorities (Robinson, 2007). Programme structures must be logical, coherent, and ability to support performance measurement and accountability (OECD, 2019). MDAs need to periodically review and revise their programme structures to keep up current relevance and effectiveness (Schick, 2014).

Third, effective performance monitoring systems need to be put in place to enable regular programme implementation to be assessed (World Bank, 2018). They must provide management decision making (MDM) information in a timely, reliable and actionable manner (IMF, 2021). Monitoring should be part of the normal management process, and should trigger corrective measures if needed (Bandy, 2014).

Fourth, governments need to invest in integrated financial management and information systems that can provide reliable financial and performance information for evidence-based decision making (Robinson, 2007). The programme budgeting, financial reporting, performance monitoring and audit functions should be supported by such systems (Andrews, 2013). Alongside investments in technology, adequate capacity building and change management should be implemented (World Bank, 2018).

Fifth, the commitment and collaboration of politicians and departments, and leadership are crucial for the maintenance of Programme-Based Budgeting (PBB) reforms (Schick, 2014). Political leaders, Permanent Secretaries, Accounting Officers and Directors of Finance have to lead the way and be committed to results oriented public management (Diamond, 2003). Leadership commitment needs to be evident, continual, and ongoing (IMF, 2021).

Lastly, governments ought to involve stakeholders in the budget process, such as legislators, civil society organisations, development partners and citizens (OECD, 2019). Engaging stakeholders increases transparency, fosters accountability, and builds trust of the public in government institutions (World Bank, 2018). Participatory budgeting and performance monitoring can also help to strengthen programme design and implementation (Andrews, 2013).

VII. Implementation Roadmap, Strategic Recommendations, and Conclusion

7.1 Strategic Recommendations

Recommendations for institutionalisingProgramme-Based Budgeting under IPSAS in Sub-Saharan Africa, based on international best practices and the experiences of countries that have successfully implemented these reforms are provided below (World Bank, 2018; IMF, 2021):

i. Increase political and administrative support.

For successful implementation, there needs to be ongoing support by the Executive Council, Accounting Officers, Permanent Secretaries and Directors of Finance (Schick, 2014). Political commitment is seen in clearly stated policies, the provision of resources for implementing reform, and in the involvement of political leaders (Andrews, 2013). Commitment should be integrated into performance management systems, accountability structures and institutional set-ups (Robinson, 2007).

Recommendations include (IMF, 2021):

- Create steering committees at a senior level to coordinate PBB and IPSAS implementation
- Include PBB reforms in national development plans and government policy documents
- Provide sufficient resources to implement reform (capacity development and systems investment)
- Identify and incentivize institutions and persons that are committed to Results Oriented Public Management (ROPM)

ii. Institutionalize Capacity Building

There is need to ensure that there is Continuous Professional Development (CPD) on IPSAS, Programme-Based Budgeting (PBB), Results Based Management (RBM), Monitoring and Evaluation (M&E) and performance reporting (Bandy, 2014). Capacity building should be systematic and sustained, with activities being differentiated based on the needs of the various categories of public officials (World Bank, 2018).

Recommendations include (OECD, 2019):

- Create in-depth and detailed training programs for finance officers, budget officers and programme managers

Partnerships with professional accounting bodies, universities and training institutions are set up.

- Give feedback on their performance and professional growth to both individuals and teams of officials in the public sector, and suggest ways to enhance it.
- Create and share practical guidance materials such as manuals, templates and case studies
- Support professional certification and continuous professional development

iii. Improve Performance Information Systems

MDAs should have integrated digital systems that create timely and reliable financial and non-financial performance information (Robinson 2007). Information systems must enable programme planning, budgeting, monitoring of programme implementation and evaluation (IMF, 2021).

Recommendations include (World Bank, 2018):

Invest in integrated financial management information systems (IFMIS) and programme budgeting.

- Build, execute and sustain extensive performance libraries
- Institute regular data collection, analysis and reporting mechanisms
- Enforce the quality of data by validation, verification and audit procedures
- Enable stakeholders to have access to performance information via online platforms

iv. Incorporate planning, budgeting and financial reporting

Medium-Term Sector Strategies (MTSS), annual budgets, IPSAS based financial statements and performance reports need to be within a single planning and reporting framework (Schick, 2014). This integration guarantees coherence between policy intentions, resource allocation, implementation and accountability (Andrews, 2013).

Recommendations include (OECD, 2019):

- Increase programme budgets in line with medium-term expenditure frameworks (MTEF)
- Include performance in budget documents and financial statements
- Prepare consolidated reports that combine financial and performance information

Mantel activities are automatically synced to the budget classifications and accounting classifications.

Create a national results framework to connect programme results to development objectives

v. Enhance Monitoring and Evaluation

Future resource allocation and policy decisions should be guided by regular programme reviews, quarterly performance reports and independent evaluations (Robinson, 2007). M&E must be part of normal management procedures and not as a standalone exercise (World Bank, 2018).

Recommendations include (IMF, 2021):

- Provide clear assignment of M&E responsibilities and accountability in MDAs
- Create detailed M&E programmes for all programmes
- Carry out on a regular basis performance assessments at programme and institutional levels.
- Carry out independent assessments of key programmes.
- Make sure that M&E results are used in budget and policy-making processes

vi. Work to foster Transparency and Citizen Engagement

Programme targets, funding commitments, action plans and results should be made public so as to build citizens' trust and engagement in programmes (Bandy, 2014). Transparency should be proactive – information should be available to a variety of stakeholders (Andrews, 2013).

Recommendations include (OECD, 2019):

- Make programme budgets and programme performance reports public on government websites.
- Create citizen friendly budget and performance summaries

Monitoring the budget and review of performance with civil society organisations.

- Ensure citizen input to implementation of the programme
- Use social media and other online tools to increase the level of public engagement

vii. Improve Internal Audit & Risk Management.

Internal audit functions need to move beyond compliance reviews towards performance audit and value for money assessments (Robinson, 2007). It is important to incorporate risk management into programme planning and implementation processes (IMF, 2021).

World Bank (2018) suggests the following recommendations:

- Develop the internal audit function by training and development
- Manufacture internal audit to incorporate performance and value-for-money evaluations
- Develop programme and institutional risk management frameworks
- Ensure that the results of the audit are reported back to management and corrective action is taken
- Encourage an attitude of honesty, openness and responsibility

viii. Foster Intergovernmental Coordination

Co-ordination between the Federal Government, State Governments and Local Government Areas (LGA) is important for coherent PBB and IPSAS implementation in federal systems like Nigeria (Federal Government of Nigeria, 2016). Intergovernmental coordination helps to ensure consistency, promotes learning, and helps mobilize resources (Andrews, 2013).

Recommendations include (OECD, 2019):

- Set up mechanisms of intergovernmental coordination of PFM reforms
- Discuss innovative solutions and strategies for multi-level coordination and cooperation on disaster risk reduction efforts and achievements
- Create joint framework and guidelines for PBB and IPSAS implementation
- Support sub-national governments with technical assistance
- Integrate the new planning of State and Local Government with the national planning.

7.2 Conclusion

Programme-Based Budgeting is a key change in public financial management which involves a change of policy from a focus on expenditure control to measurable development outcomes (Robinson, 2007). Together with International Public Sector Accounting Standards (IPSAS), it introduces a holistic framework to enhance transparency, accountability, fiscal discipline, and evidence-based decision-making (IPSASB, 2023; IFAC, 2022). These reforms, when combined, establish a PFM system that is synergic with financial inputs tied to development outcomes, and with strong financial accountability (IMF, 2021).

Programme-Based Budgeting presents a chance for Sub-Saharan African countries to enhance service delivery in all Ministries, Departments, and Agencies (MDAs) by aligning budget spending with strategic priorities, measurable outputs and sustainable development outcomes (World Bank, 2018). Directors of Finance, budget officers and programme managers thus have a pivotal role to play in leading this change in culture by embedding financial and performance management within the culture and environment, and by ensuring a culture of continuous improvement (Andrews, 2013).

This narrative review has analyzed the conceptual underpinnings of Programme-Based Budgeting; examined the contribution of IPSAS to public financial reporting and accountability; analysed the complementarity of the reforms to improve government performance; and explored implementation challenges and strategic recommendations for programme-based budgeting to be successfully institutionalized in Sub-Saharan Africa contexts. However, the review has indicated that PBB can reorient the public financial management from expenditure control to results-based management, with links between resources and measurable outputs and outcome, while IPSAS supports the reorientation with accrual-based accounting and transparent financial reporting (Robinson & Last, 2009; IPSASB, 2023).

However, the implementation of this in Sub-Saharan Africa is still faced with challenges such as low institutional capacity, poor performance information systems, technical expertise and poor monitoring and evaluation frameworks (Andrews, 2013; Diamond, 2003). This demands ongoing political effort, robust institutional structures, credible information on performance, good monitoring and evaluation and respect of transparency, accountability, and value-for-money principles (World Bank, 2018).

Finally, the implementation of the IPSAS for Programme-Based Budgeting will be dependent on (IMF, 2021):

i. A strong government will, through both policy statements and the allocation of resources, as well as through visible engagement and leadership from the highest level of government,

ii. Good institutional capacity, including ongoing professional development, technical assistance, and institutional strengthening (Bandy, 2014);

iii. Reliable performance information systems that can provide timely, accurate, and actionable data that can be used for decision making (Robinson, 2007);

iv. Monitoring and evaluation that is effective and linked to routine management and provides for corrective action and strategic choices (OECD, 2019).

v. Respect for transparency, accountability and value for money, and that public resources deliver tangible results for citizens (World Bank, 2018); and

vi. Ongoing learning and adaptation, which allows governments to improve their approaches as they learn from their experience and identify new good practice (Andrews, 2013).

With these conditions, the countries of Sub-Saharan Africa will be better positioned to maximize the developmental impact of public expenditure, improve public trust in the government institutions and achieve sustainable socio-economic development (Robinson, 2007). The adoption of PB-IPSAS is thus not only a technical change but a paradigm shift in government's approach to managing public resources and reporting on government's performance (Schick, 2014).

REFERENCES

[1]. Afif, R., Boualem, B., Abd El Mouniem, B. M., &Zouhir, K. (2025). Implementing program-based budgeting to optimize performance efficiency: Application to the Algerian context. Journal of Contemporary Business and Economic Studies, 11(1), 879-897. https://asjp.cerist.dz/en/article/272791

[2]. Andrews, M. (2013). *The limits of institutional reform in development: Changing rules for realistic solutions*. Cambridge University Press. https://doi.org/10.1017/CBO9781139060974

[3]. Bandy, G. (2014). *Financial management and accounting in the public sector*. Routledge. https://doi.org/10.4324/9781315766034

[4]. Baringo County Government (BCG). (2017). *Baringo County Programme Based Budget 2017/2018*. County Government of Baringo. https://baringo.go.ke/assets/file/Budget_Documents/Baringo-County-PBB-For-2017-2018.pdf

[5]. Boykin, E., McCue, C., & Goldman, D. (2026). Rethinking budgeting? An analysis of budget theory and reform for modernizing municipal practice. *Public Administration Review*. 1-13. https://doi.org/10.1111%2Fpuar.70151

[6]. CABRI. (2023). *Reflections on Programme Based Budgeting reforms in Africa: In-country mission to Maputo*. Collaborative Africa Budget Reform Initiative. https://www.cabri-sbo.org/en/blog/in-country-mission-to-maputo

[7]. CABRI. (2024). *A Pragmatic Programme-Based Budgeting Manual for the Government of Algeria*. Collaborative Africa Budget Reform Initiative. https://www.cabri-sbo.org/en/blog/a-pragmatic-programme-based-budgeting-manual-for-the-government-of-algeria

[8]. Celestin, M., & Mishra, A. K. (2025). The Effectiveness of Performance-Based Budgeting in Government Agencies: Can It Lead to Greater Fiscal Responsibility?. *Chaturbhujeshwar Academic Journal*, *3*(1), 107–126. https://doi.org/10.3126/caj.v3i1.86874

[9]. Diamond, J. (2003). From program to performance budgeting: The challenge for emerging market economies (IMF Working Paper No. 03/169). *International Monetary Fund*, 1-24. https://doi.org/10.5089/9781451845204.001

[10]. Doran, G. T. (1981). There's a S.M.A.R.T. way to write management's goals and objectives. *Management Review*, 70(11), 35-36. https://www.eval.fr/wp-content/uploads/2020/01/S.M.A.R.T-Way-Management-Review-eval.fr_.pdf

[11]. Ellul, L., & Hodges, R. (2019). Reforming the government budgeting system in Malta. *Journal of Public Budgeting, Accounting & Financial Management,* 31(4), 518-538. https://doi.org/10.1108/JPBAFM-10-2018-0108

[12]. Hood, C. (1991). A public management for all seasons? *Public Administration*, 69(1), 3-19. https://doi.org/10.1111/j.1467-9299.1991.tb00779.x

[13]. IFAC. (2025). It's Time to Accelerate the Implementation of Accrual-Based IPSAS Standards in the Caribbean. New York: International Federation of Accountants. https://www.ifac.org/knowledge-gateway/discussion/it-s-time-accelerate-implementation-accrual-based-ipsas-standards-caribbean

[14]. International Federation of Accountants. (2022). *International Public Sector Accounting Standards Board Handbook of International Public Sector Accounting Pronouncements*. https://www.ipsasb.org/publications/2022-handbook-international-public-sector-accounting-pronouncements

[15]. International Monetary Fund. (2018). *Fiscal transparency handbook*. https://www.elibrary.imf.org/downloadpdf/book/9781484331859/9781484331859.pdf

[16]. International Monetary Fund. (2021). *Public financial management: International best practices and reforms*. https://www.imf.org/en/capacity-development/training/icdtc/schedule/ol/2021/pfmxol21-128

[17]. International Public Sector Accounting Standards Board. (2023). *Handbook of International Public Sector Accounting Pronouncements*.

[18]. Joharji, G., & Willoughby, J. (2014). The Saudi Arabian budgeting system: An institutional assessment. *Public Administration and Development,* 34(1), 63-80. https://doi.org/10.1002/pad.1608

[19]. Kabeya, P. K. (2025). Budgeting for Growth: Is BED a Game Changer? In *Development and the Power Theory of Economics*. Palgrave Macmillan, Cham. https://doi.org/10.1007/978-3-032-07926-8_10

[20]. Mayne, J. (2004). Reporting on outcomes: Setting performance expectations and telling performance stories. Canadian Journal of Program Evaluation, 19(1), 31–60. https://doi.org/10.3138/cjpe.019.002

[21]. Niu, M., & Zhang, P. (2022). Performance budgeting in China. In *Dilemmas in Public Management in Greater China and Australia: Rising Tensions but Common Challenges*. ANU Press. https://doi.org/10.22459/dpmgca.2023.10

[22]. OECD. (2025). *Programme and performance budgeting in OECD countries*. Paris: OECD Publishing. https://www.oecd.org/en/publications/programme-and-performance-budgeting-in-chile_247170c2-en/full-report/component-4.html#section-d1e401-8f66e50e45

[23]. Oh, Y.-C., & Lee, J.-W. (1995). Managerial discretion and accountability for performance in budgeting: Evolution of spending authority, results oriented management, performance measurement, and policy program evaluation. *Korean Journal of Policy Studies*, 10(0), 1-20. https://doi.org/10.52372/kjps10001

[24]. Onana, S. P. (2024). Do programme budget mechanisms improve the efficiency of public spending? Elements of theory and empirical data from Cameroon. *International Review of Administrative Sciences,* 90(1), 185–202. https://doi.org/10.1177/00208523231201256

[25]. Organisation for Economic Co-operation and Development. (2007). *Performance budgeting in OECD countries*. https://www.oecd.org/en/publications/2007/09/performance-budgeting-in-oecd-countries_g1gh8028.html

[26]. Organisation for Economic Co-operation and Development. (2019). *Budgeting and public expenditures in OECD countries*. https://www.oecd.org/en/publications/budgeting-and-public-expenditures-in-oecd-countries-2018_9789264307957-en.html

[27]. PSASB Kenya. (2025). *New Accounting Standards Guidelines*. Nairobi: Public Sector Accounting Standards Board. https://psasb.go.ke/author/benuel/page/3/

[28]. Robinson, M. (2007). *Performance budgeting: Linking funding and results*. Palgrave Macmillan. https://doi.org/10.1057/9781137001528_2

[29]. Robinson, M., & Last, D. (2009). A basic model of performance-based budgeting (Technical Notes and Manuals). *International Monetary Fund*. https://doi.org/10.5089/9781462320271.005

[30]. Sari, I., Hawwari, A., &Hadi, S. (2025). Adopting program and performance budgeting as an alternative to the traditional budget: a strategic vision for fiscal discipline and deficit reduction in the Algerian budget: Canada's experience as a model. *Journal of Contemporary Business and Economic Studies*, 8(2), 118-137. https://asjp.cerist.dz/en/article/274105

[31]. Schick, A. (1998). Why most developing countries should not try New Zealand reforms. *The World Bank Research Observer*, 13(1), 123-131. https://doi.org/10.1093/wbro/13.1.123

[32]. Schick, A. (2014). The metamorphoses of performance budgeting. *OECD Journal on Budgeting*, 13(2), 49-79. https://doi.org/10.1787/budget-v13-2-en

[33]. Shah, A. (Ed.). (2007). *Budgeting and budgetary institutions*. World Bank. https://doi.org/10.1596/978-0-8213-6939-5

[34]. Sharif, A. A., & Osman, A. I. (2026). IPSAS adoption associations with perceived financial reporting quality and institutiona1 sustainability in the fragile state context of Somalia. *Discover Sustainability, 6*, 1-18. Springer. https://doi.org/10.1007/s43621-026-03784-8

[35]. So, S., Woolcock, M., April, L., Hughes, C., & Smithers, N. (Eds.). (2018). *Alternative paths to public financial management and public sector reform: Experiences from East Asia*. Washington, DC: World Bank. https://documents1.worldbank.org/curated/en/160591530074821767/pdf/Alternative-paths-to-public-financial-management-and-public-sector-reform-experiences-from-East-Asia.pdf or https://doi.org/10.1596/978-1-4648-1316-0

[36]. Tsofa, B., Musotsi, P., Kagwanja, N., Waithaka, D., Molyneux, S., Barasa, E., Maina, T., &Chuma, J. (2021). Examining health sector application and utility of program-based budgeting: County level experiences in Kenya. *The International journal of health planning and management*, *36*(5), 1521–1532. https://doi.org/10.1002/hpm.3174

[37]. U.S. National Center for Education Statistics. (2014). *Financial accounting for local and state school systems: 2014 edition*. Chapter 3: Budgeting — Budgetary Approaches. Washington, DC: U.S. Department of Education. https://nces.ed.gov/pubs2015/fin_acct/chapter3_2.asp

[38]. WHO. (2025).*Programme-based budgeting for primary care financing: Insights for practitioners*. World Health Organization. B09324. https://www.who.int/publications/i/item/B09324

[39]. Wildavsky, A. (1986). *Budgeting: A comparative theory of budgetary processes* (2nd ed.). Transaction Publishers. https://books.google.com/books/about/Budgeting.html?id=p1OMngEACAAJ

[40]. World Bank. (2013). *Beyond the annual budget: Global experience with medium-term expenditure frameworks*. https://documents1.worldbank.org/curated/en/354601468330959258/pdf/Beyond-the-annual-budget-global-experience-with-medium-term-expenditure-frameworks.pdf

[41]. World Bank. (2018). *Improving public sector performance through innovation and inter-agency coordination.* https://blogs.worldbank.org/en/eastasiapacific/improving-public-sector-performance-through-innovation-and-inter-agency-coordination

[42]. World Bank. (2022). *Debt Transparency in Developing Economies*. Washington, DC: World Bank. https://documents1.worldbank.org/curated/en/743881635526394087/pdf/Debt-Transparency-in-Developing-Economies.pdf#page=6#18#8

[43]. Zemmit, F. (2025). An Analytical Study of the Budget Implementation Process in the Decentralized State Services in Light of the Transition from Line-Item Budgeting to Program and Performance Budgeting in Algeria. *Journal of Research in Finance and Accounting*, *10*(02), 374–396. Retrieved from https://journals.univ-msila.dz/index.php/jorfa/article/view/3301