

Government of Ghana's Budget: An Assessment of Its Compliance with Fundamental Budgeting Principles

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Abstract : Public sector budgeting, all over the world, is underpinned by some universally accepted principles of sound budget management such as budget unity, universality, annuality, and a balanced budget. These traditional principles, though fundamental, had, in recent years, been augmented by the more modern principles of budgeting within fiscal objective, alignment with medium-term strategic plans as well as the observance of such related concepts as transparency, openness and accessibility. In this paper, we have endeavored to shed light, from literature and practice, on the meaning and purposes of such fundamental budgeting principles. We have also assessed the extent to which the Government of Ghana's budget complies with the four traditional principles of budget unity, universality, annuality, and a balanced budget and the three out of the ten modern principles of budgetary governance of Organisation for Economic Co-operation and Development (OECD). We did so by using a qualitative method of review and analysis of existing documents and the performance assessment reports on Ghana's Public Financial Management (PFM) measured using such frameworks as the Public Expenditure and Financial Accountability (PEFA), the Open Budget Survey (OBS) and its Index (OBI), the reports and action plans of Open Government Partnership (OGP) and the Global Initiative for Fiscal Transparency (GIFT). Other performance assessment reports that were relied on included, but not limited to, the Joint Evaluation Report of PFM in Ghana, 2001-2010, and the Joint Evaluation of Budget Support to Ghana, 2005-2015. We have, through this paper, brought to the fore the lessons that could be learned on how those budgetary principles undergird the Government of Ghana's budget formulation, execution, accounting, control, and oversight. These lessons include, but are not limited to, the need for both scholars and practitioners in the PFM space to be aware of the impact of those principles on public sector budgeting.

Keywords : annulaity, balanced budget, budget unity, budgetary principles, OECD's principles on budgetary governance, open budget index, public expenditure and financial accountability, universality

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