

BUDGETING AND BUDGETARY CONTROL AS TOOLS FOR ACCOUNTABILITY IN GOVERNMENT PARASTATALS

BY

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CERTIFICATION

This is to certify that this project work has been written by **HARUNA TESLIM OPEYEMI** with Matriculation Number **ND/23/ACC/FT/0038** and has been read and approved as meeting part of requirement for the Award of National Diploma (ND) in the Department of Accountancy, Institute of Finance and Management Studies (IFMS), Kwara State Polytechnic, Ilorin, Kwara State

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DEDICATION

This research is work is dedicated to Almighty Allah the most beneficent the most merciful.

ACKNOWLEDGEMENT

I want to acknowledge the **Almighty Allah**, the author and finisher of all things, I want to acknowledge him for the wisdom, knowledge and understanding he grant unto me throughout this journey, for his grace, Mercy and strength May his name be forever praised.

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I will also like to extent my appreciation to all my family and friends. Thank you all for everything you contribute towards the completion of this project

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CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND TO THE STUDY

Budgetary control is a normal planning cycle, the organization will begin with a strategic planning process where the problem that needs to be addressed is looked at and the specific role of the organization in addressing it is defined in New York. This then is related to what actual activities need to be undertaken to achieve the planned impact. This is thus the operational plan and it is the operational plan that cost needed. cannot prepare a budget until they know what it is they are planning to do and that operational costs will only be incurred when they do the actual work (Alan & Emeka, 2018).

Budgetary control is an essential management tool in Nigeria. Without a budget, they are like a pilot navigating in the dark without instruments. Therefore, it is important for an organization, project or department to have a budget to know how much money it needs to carry out its activities and also forces it to be rigorous in thinking through the implications of its activity planning. There are times when the realities of the budgeting process force they to rethink they action plans and used properly, the budget tells they when they will need certain amounts of money to carry out they activities; the budget enables they to monitor they income and expenditure and identify any problems; the budget is a basis for financial accountability and transparency (Owler, 2019).

Budgetary control is well known by everyone to see how much should have been spent and received, they can ask informed questions about discrepancies; one cannot raise money from

donors unless there is a budget in Kenya. Donors use the budget as a basis for deciding whether what they are asking for is reasonable and well-planned, since budgeting involves costs, it is crucial to estimate and control the kind of costs to be realized when preparing a budget (Aslani, 2017).

The Institute of Cost and Management Accountant (ICMA) defined budget as a financial or quantitative statement prepared and approved prior to a defined period of time of the policy to be pursued during the period for the purpose of attaining a given objectives. It may include income, expenditure and the employment of capital.

Therefore, in order to achieve these objectives or goals, the organization must economize resources and discover the means of achieving these goals. These goals can only be realized when the properly planned use of available resources are controlled and co-ordinated effectively. Thus a system of managing a business by making forecasts of the different activities and applying a financial value to each forecast becomes imperative. These forecasts are guided by the formulation and adoption of planned systems such as techniques in budgeting, variance analysis, etc.

Therefore, germane to say that the level of importance that is attached to this plan and effort made in controlling the variance differ in organizations. Once the goals are set, which must be based on the detailed analysis of feasibility within the content of the political and social value then the tactical plans will enable it to strive towards its attainment.

Often than not when these plans are put into operation, conditions prevail which tends to cause deviation from the plan and corrective measures are always taken to steer the business back on

the right track. The process already mentioned as it is applied entails budget and its control. And to lend credence to goal congruence suitable techniques should be applied to specific areas that need special attention hence the measurement of budgeted with actual to arrive at the variance cannot be over-emphasized. A business is said to be on the right track if the outcome of the budgeted estimate is favourable as against the actual. The little that is said concerning this project has not encompassed all avenues in which the subject can aid management decision, rather it should be seen as a guide for people in business (Ajayi, 2020).

1.2 STATEMENT OF THE PROBLEM

The growth of any business hinges, or better put, rests squarely on budgetary control system or techniques – hence they are considered as vital tools in any business situation. This study then is aimed at assessing and evaluating the extent to which budgetary control has been a tool for the growth and goal realization of any organization.

Lack of budgets in planning and control has resulted in the indiscriminate use of funds meant for more viable activities. Again, the inability of many companies to plan and accomplish budget goals is traceable to their inability to apply controls in their budget system.

Budgetary goals are not realized also due to low level of understanding of the budget system by middle and low level management staff. Other problems are shortage of stocks and shutdown. These and many more are some of the problems of lack of budgetary control.

1.3 RESEARCH QUESTIONS

- i. Is there any importance of budgeting and budgetary controls in government parastatals, which has the maximization of profit as its principle business objective?
- ii. What are the connections between the type of budget implemented and their actual performance?

- iii. What is the use of budgetary control as an appraisal parameter for assessing managers' budget or cost centers?

1.4 OBJECTIVE OF THE STUDY

The objectives of this study is as follows:

- i. To find out the importance of budgeting and budgetary controls in government parastatals, which has the maximization of profit as its principle business objective.
- ii. To determine if there is a connection between the type of budget implemented and their actual performance.
- iii. To determine whether or not budgetary controls as a management tool contributes to the improvement of management efficiency and high productivity.
- iv. To find out the use of budgetary control as an appraisal parameter for assessing managers' budget or cost centers.

1.5 RESEARCH HYPOTHESES

H1: There is no any importance of budgeting and budgetary controls in government parastatals, which has the maximization of profit as its principle business objective

H2: There is no connection between the type of budget implemented and their actual performance

H3: There is no use of budgetary control as an appraisal parameter for assessing managers' budget or cost centers

1.6 SCOPE OF THE STUDY

This study is aimed at finding out the impact of budget and budgetary control as tools for accountability in government parastatals

1.7 LIMITATION OF THE STUDY

- a. **Time constraint:** a lot of a sacrifice has to be made so that the researchers could have enough time for this study. The time lag is a serious problem faced by the researcher, that is the time space between the period it was submitted which was not sufficient enough as the researcher has to combine academic activities with the research work which was not all that easy. Additionally, the time constraint made quite challenging following up on respondents to collect questionnaire feedback for the necessary required data for analysis as well as meeting with supervisor for consultation.
- b. **Financial constraint:** the researcher encountered some financial difficulties as I could not get enough adequate funds for some activities which have great impact on the success of the researcher as well.
- c. **Availability of Data:** the statistical data to be collected were scarcely recorded in almost all department in the organization and not properly kept, not updated and this made it difficult for the researcher to get sufficient and adequate information needed.

1.8 SIGNIFICANCE OF THE STUDY:

Budgeting and Budgetary control is a function that is very important and of great significant to any of organization. It is not peculiar to only the manufacturing organization but also necessary to service of the government The study will contribute towards enhancing profits of the organization, business or an individual. It will help to control one's income. Budgeting is necessary to make matters simple and hence life easy to handle.

Budgeting guides people towards the allocation of money in different sectors, such as food, shelter, clothing, household expenses, medical care, utilities etc.

In case of an annual budget of a nation budgeting makes a blueprint of the overall funds that the concerned government will spend on various sectors, the kinds of tax that would be levied and how the prices of essential commodities would increase or decrease in the month ahead.

In summary, this study will be a guide to scholars, researchers or writers who may wish to carry further study on budget and its control apparatus.

1.9 DEFINITION OF TERMS:

BUDGET: In a short term, financial plan which guide managers in achieving the objectives of a firm. A budget may be defined as a comprehensive and coordinated plan, expressed in financial terms, for the operations and resources of an enterprise for some specific period in future. Alternatively, a budget is a formal expression of managerial plans in quantitative and financial terms encompassing different phases of business operations, and aimed at assisting management in attaining the organizational objectives.

BUDGETARY CONTROL: This means a system of managing a business by making forecasts of the different activities and applying of financial value to each forecast. Actual performance is subsequently with the estimates.

VARIANCES: This is the difference between the estimates and actual result.

THE BUDGETING PERIOD: The budget period coincides with accounting period. The period varies according to different organization

THE MASTER BUDGET: This is a total budget package which effectively combines in one statement, the sells, expenses, production and cash budget of an organization.

CHAPTER TWO

LITERATURE REVIEW

2.1 PREAMBLE

This chapter reviews relevant literature relating to the study variables and covered the theories of inflation, review of empirical studies related to the topic, the concept of inflation and the concept of loan repayment. It also provides a conclusion identifying the gap of the study.

2.2 CONCEPTUAL FRAMEWORK

2.2.1 CONCEPT OF BUDGETING AND BUDGETARY CONTROL

Budget acts as a numerical road map that directs operations concerning sales, production, and the distribution of resources, such as money, labor, and supplies. A well planned and well-implemented budgeting system makes it easier for a public sector organization to accomplish its set goals (Ross, 2020). Budgeting highlights the critical roles of managers and management concepts, which include management by objectives (MBO), continuous feedback, participative management, management by exception and responsibility accounting. Modern viewpoints highlight budgeting's wider function in directing managerial decision-making processes and weighing the advantages and disadvantages of ideas, in contrast to conventional views that limit its use to controlling expenditures. In addition to allocating money, a budget also influences how management responds to ideas while taking the present and potential future economic climates into account (Mehryar & Surminski, 2021).

2.2.2 TYPES OF BUDGET

Operating Budgeting: These budgets cover the revenues and expenses related to an organization's normal operations and are centered on the income statement and its accompanying schedules. Program and activity budgets, which project expenses and revenues related to certain product lines or programs and offer insights into the profitability of individual programs, are among its constituents. Furthermore, responsibility budgets, which specify the expected performance of a particular person or department, enable the assessment of individual

accountability and the of budgeted and actual performance (Tzenios, 2022). **Financial Budgets:** A financial budget includes the organization's cash flow, balance sheet, and financial condition. It focuses on the financial effects of the operating budget. The main components of this budget include the cash budget, which is an essential component that projects cash inflows and outflows to guarantee there is enough money on hand to pay obligations and maximize idle cash use.

Additionally, performance financial statements offer information about the organization's expected future status with regard to its assets, liabilities, and income statement items (Nosov et al., 2021).

Capital Budgets: A capital budget is used to plan large, multi-year capital expenditures that are associated with expanding, replacing, or buying property, plant, and equipment (PPE). This budget type has several attributes, including a long-term focus, project selection, challenges, and risks (Hadzic, 2023).

2.2.3 Budgetary Control System

Using the budget as a tool to direct and assess organizational operations is a critical management strategy known as budgetary control. It involves more than just making a budget; in order to look into and resolve any new problems, budget officers and upper management must actively participate.

Budgetary control mechanisms function as a structure that enables entities, such as governments and corporations, to oversee the distribution of their revenues and expenses in compliance with the approved budget (Augustine, 2022). By putting in place efficient budgetary control, an organization may prevent the misappropriation of resources and promote responsibility.

2.2.4 Importance of Budgetary Control Mechanisms

According to Government Finance Officers Association, (2023) below are some of the importance of budgetary control mechanisms.

Enhanced Accountability: Budgetary control mechanisms provide a systematic approach to ensuring that individuals and departments are held accountable for their financial performance

against the predetermined budget. This fosters responsible resource management and discourages wasteful spending.

Improved Operational Efficiency: By regularly measuring actual performance with budgeted figures, organizations can easily identify some areas necessary for improvement and where necessary take corrective measures in order to optimize resource utilization. This continuous monitoring helps streamline operations and enhance overall efficiency.

2.3 THEORETICAL REVIEW

2.3.1 BUDGET THEORY

The theory was started by classical theorist in public budgeting Henry and Hirst in 1987. It states that an effective budgetary control explains an organizations need to plan and consider how to confront future potential risks and opportunities by establishing an efficient system of control. Hence the theory of budgeting is a detector of variances between organizational objectives and performance. Budgets are considered to be the core component of an efficient control process and subsequently a vital part to the umbrella concept of an effective budgetary control. Theory in budgeting, like much of public administration, has been both descriptive and normative (Nyambura, 2016).

The theory assumes that the trends, sequences of events, and infer causes, paying attention to restricted variations as well as uniformities across budgets. Theory is based on normative where much attention is given to spending range of observations than descriptive theory and its proposed solutions may be based on values rather than observations. If the explanatory power of the descriptive theory is too strong, or if the advice of normative theory is not adopted by public officials or is adopted and abandoned because it does work, the gap between theory and budget approval practice may become inappropriately. The decision on how to distribute scarce financial resources is assumed to be but in practices may be effective and efficient manner with its fundamental role in all organizations. In most organizations, these controls would be nearly impractical without budgeting and budgetary control. Effective budget analysis and feedback answers budgetary challenges in organizations (Siyanbola, 2017).

This theory can be criticized by its definitions of budget as a plan quantified in monetary terms, prepared and ratified prior to a defined period of time, showing planned income to be generated or expenditure to be incurred during the period is not capital employed to achieve a given objective. From this meaning, the depict budget as tool aimed at making and directing short range plans; failed to explain budget as an instrument for communicating plans and objectives to various responsibility centers and a basic monitoring of performance (Sharma, 2012)

The theory is relevance to this study because, budget reveals the monetary implications of business plans, ascertaining the amount, quantity and timing of resource required in budget formulation. It enables to explain different execution of budgetary procedures. The establishing of short to medium-term objectives serves the need of availing estimates of future revenues and expenses, to provide short and long-term objectives for a harmonized management policy. It is yardsticks for management and task controls are provided by comparing actual results with budgeted plans and to take remedial actions if necessary.

2.3.2 PRINCIPAL AGENT THEORY

Leruth and Paul (2017) submitted that public sector budgeting involves specifying an observable contract between the principal and the agent. They illustrate their theory with the case of a minister or any political appointee in the executive arm of government and equate such as a principal whose main objective is to drive the civil servant (the agents) deployed or posted to his/her designated MDAs to carry out and implement the government's manifesto and campaign promises made during election period. This study was anchored on principal agent theory with the objective that a higher level of improvement in budget planning is likely to result in increased financial accountability among the civil servant (the agents) deployed in designated MDAs in the public sector.

2.4 EMPIRICAL REVIEW

Dubus (2015) studied the effect of budget formulation on financial accountability of two non-profit performing arts organizations (theaters) to understand how the usage of budgets, such as for different complex organizations. The study collected secondary data from 34 firms for financial year 2009 to 2013 reports. The study used descriptive analysis. The study determined

common liquidity ratio of working capital efficiency by use of performance index model and the efficiency index models. It was shown that liquidity efficiency had impact on the overall performance in tea factories, but the study fails to indicate the level of liquidity on financial performance. The study underscored the inherent use of budgets for planning.

Foster (2017) examined the extent, to which budget formulation; significantly predict financial performance in small businesses. The target population consisted of 77 small business leaders in the Midwest. Churchill and Lewis's theory on the relative importance of selected management factors of small businesses through 5 stages of development formed the theoretical framework for this study. A convenience sampling technique was employed to select Midwest U.S. small business leaders identified through Survey Monkeys crowd sourcing pool resulted in 77 managers with useable responses. The study used Standard multiple linear regression to determine the extent to which budget planning, budget approval, and age of the business predicted the value of financial performance. The model as a whole was able to significantly predict financial performance. Budget formulation significantly predicted financial performance. Better planning using budgets may help leaders improve the financial health of their small businesses, potentially reducing business failures and job losses. Financially strong and healthy small businesses can create jobs and improve the economic health of local communities.

Isaac (2020) assessed the impact of budget formulation on the performance of financial institutions in Nigeria. It examined 56 financial institutions considered in developing budget formulation programmes. The study used census to determine the sample size. Descriptive statistics was used to analyze budgeting and planning programmes of Nigerian Banks. The finding indicated that appraise the impact of budgeting and planning on their effective performance. The findings revealed that budgetary and planning programs are restricted to few top management staff of Nigerian Banks, but indicated that budgeting and planning can be utilized as a major policy instrument to align commercial banking operations with the policy framework of regulatory bodies, particularly the Central Bank of Nigeria. It was also discovered that overtime budgeting and planning has impacted positively on effective

performance of Nigerian banks. It is recommended that for greater improvements in overall operations and for maximum impact of budgetary provisions, financial institutions as a whole must function as a single system, in which all its constituent units are intimately inter-linked. Kiambi (2018) sought to establish the relationship between the budget formulation and the performance of firms in Kenya to address identified gaps in the literature review. Data was collected from 96 churches which were analyzed out of the 97 targeted reporting a response rate of 99%. The study used a positivistic research design and descriptive design. The study further used statistical tests that include Cronbach alpha, descriptive statistics such as the mean, standard deviation, skewness, and kurtosis. Other analysis included correlational analysis while regression analysis was used to test the hypothesis. The study findings were that there was a statistically significant effect of budgeting planning on the performance of churches. The study recommends development of church policies and enhanced training of church leaders around these variables. The study further recommends that future research consider inclusion of external factors and attempt to establish whether membership financial accountability translates to revenue in Kenya.

Kiriria (2013) analyzed budget formulation on county financial accountability. Public Finance Management Act, 2013 sets out the rules of how 47 county governments can raise and spend money. The Public Finance Management Act, 2013 section 125 provides the procedure to be followed in the budget making process at the County level. The study isolated various literatures from other studies to arrive at the research gap. The study adopted descriptive research design. The study used linear regression to explain the effect of liquidity management and financial performance of the firm. The study adopted census sampling by use of research questionnaires to collected data. Pearson correlation matrix was used to establish the relationships by null hypothesis. He argues that as there must be an effective PFM system at the county level to ensure successful management of the public sector and the economy.

Research by World Bank (2012) assessed the effects of budget formulation on banks' financial accountability. The study was conducted in 13 Nigerian banks. Descriptive research design was used. The simple linear regression model was used to analyze quantitative data from closed

ended questions. The standard level of 0.05 was used to test the level of significance. This was carried out randomly using regression equation to test hypothesis that it did not affect the company financial performance. The study found that guidelines and templates need to be developed to guide the formulation of county budgets. More so the World Bank advocate for country-wide chart of accounts for preparing, executing and reporting the budget. In addition to this, the counties would be expected to develop adequate PFM, Human resource and service delivery capacity.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 INTRODUCTION

This chapter highlights the procedures used in conducting the study. Pertinent issues discussed in this section include the research design, population of the study, sample size and sampling techniques, sources and methods of data collection, instrument of data collection and techniques for data analysis.

3.2 RESEARCH DESIGN

A research design is the basic plan which guide the data collection and analysis phase of the research project. It is structuring of investigation aimed at identifying variables and their relationships to one another. It is basically a preconceived notion of what the information, the investigation needs to generate to complete the study, why it is needed, how it is needed to be secured and how it is to be referred and related to the statement of the problem.

In management science, the research methods employed include historical, empirical, case study and survey method. Survey method was therefore employed for this study.

3.3 POPULATION OF THE STUDY

A population is an aggregate of similar things, that is the total head count of the element involved in the programme affected. Cherisnall (2020) described population as any group of people or objects which are similar in more ways and which forms the subject of the study in a particular survey.

In this research work, the population is involves the staff in the administration department and accounting department of First bank, Ilorin, Under investigation formed the population of the study since it would be impossible for the researcher to study and investigate all the staff responsible for the information sort for. The population of the study is the entire staff of Accounting Department of First bank, Ilorin. The entire staff of this department is 30 staff.

This is according to the information provided by the Human Resources Department as at December, 2022. The sample size for this study consist of 28 staff of Accounting Department of First bank, Ilorin this is arrived at according to Yaro Yammane formula.

Sample size of the population is 30 and the researcher issue the same number of the questionnaire to the staff of the company to answer. To determine the minimum number of response from each of the section of work in the population Bowley's proportional method or formula was applied.

3.4 SAMPLE/SAMPLING TECHNIQUES

Sampling of the opinion has been drawn using simple random sampling method. The population is 30 respondents. Random sampling is used because it is the only method that gives the respondents equal chance of being selected and it is an unbiased techniques.

3.5 SOURCES AND METHOD OF DATA COLLECTION

The two basic sources of data collection used include primary and secondary data collection

- 1. PRIMARY DATA COLLECTION:** This refers to data collected fresh in relation to this research work. They could also refer to as first hand raw information. These data are obtained through questionnaire administration. The use of the accessibility of the designed respondent. Also as long as they are properly designed, respondents identifies kept confidential, reliable responses are obtained.
- 2. SECONDARY DATA COLLECTION:** These are existing reformation which is useful for the purpose for the specific surveys, it includes readily available data which have been collected and used for other purpose. These sources include magazines, journal, textbooks, newspaper, abstract and annual report etc.

Therefore in course of paper conduct of this research work, important and relevant information will be obtained from the members of staff and management of First bank, Ilorin. Professional journal will also be used in this regard. Also literature relevant to this

thesis of high value in the theoretical framework. Discussion with colleagues and members of staff of First bank, Ilorin will also serve as part of the sources.

3.6 RESEARCH INSTRUMENT

The primary data was employed in gathering information from staff of all cadres. Interviews were also conducted with other stakeholders, including customers of the company. The questionnaire consists of two sections. Section A elicits demographic information like gender, working experience, while Section B contained structured items relating to the research questions that necessitated this research.

3.7 TECHNIQUES FOR DATA ANALYSIS

Data collected for the testing of the hypothesis were analyzed using simple statistical tools like mean, standard deviation, tables and percentages.

The standard hypotheses of the study were tested with the use of χ^2 = chi square test statistics which is expressed as $\chi^2 = \sum (O - E)^2$ with the degree of freedom of $v = k-1$

Here, O = observed frequency

E = Expected frequency

The maximum response rating for each question is 5% and this gives an expected mean score of 2.5.

In analyzing the responses to the questions, the decision rule applied is that, if calculated mean is greater than expected mean of 2.5, we accept the statement, otherwise, we reject it. With respect to the hypothesis testing, if the calculated value of χ^2 is greater than the table value, we reject the null hypothesis and accept the alternative.

CHAPTER FOUR

ANALYSIS AND DISCUSSION

4.1 INTRODUCTION

This chapter deals with the actual making of decision based on the computation and analytical process under which information collected from questionnaire will be made fifty-two questionnaire were sent out but thirty was returned, the information gathered from the analysis in section A below give insight into the cadre of the respondents. Therefore, the analysis of the study was based on the 30 questionnaire returned.

4.2 RESPONDENTS CHARACTERISTICS AND CLASSIFICATION

Having enumerated the questionnaire in previous chapters they will now be analyzed so that conclusions would be reached as to whether to accept or reject the ideals put across based on the response obtained. In doing this, the questions will be picked on after the other.

SECTION A - BIO DATA OF RESPONDENTS

TABLE 4:2:1: Gender of respondent

1	Gender group	Number of Respondents	Percentage (%)
A	Male	18	60
B	Female	12	40
	Total	30	100

Sources: Researcher's Survey, 2025

From the table 4:2:1 above, it shows the sex group of the respondents. However the male respondent are 18 about 60% of the total respondent and female respondent are 12 about 40% of the total respondent. Therefore the male respondents are more than the female respondent.

TABLE 4:2:2 Marital status of respondent

2	Marital Status	Number of Respondents	Percentage (%)
A	Single	12	40
B	Married	16	53
C	Divorced	2	7
	Total	30	100

Sources: Researcher's Survey, 2025

The table 4:2:2 above shows the marital status of the respondents. However the single one are 12 about 40% of the respondent, the married are 16 about 53% and the divorced ones are 2 about 7% of the respondents.

TABLE: 4:2:3: Length of work experience

3	Length of work experience	Number of Respondents	Percentage (%)
A	Between 1-10 years	7	27
B	Between 11-20 years	6	57
C	Between 21-35 years	17	17
	Total	30	100

Sources: Researcher's Survey, 2025

The table 4:2:3 above shows the length of work experience of the respondents. However, between 1-10 years are 7 about 27% of the respondent, between 11-20 years are 6 about 57% of the respondent and between 21-35 years are 17 about 17% of the respondents.

TABLE 4:2:4: Educational qualification

4	Qualification	Number of Respondents	Percentage (%)
A	WSC/SSCE/NCE	7	24
B	OND/A' LEVEL	17	56
C	BSC/HND	6	20
	Total	30	100

Sources: Researcher's Survey, 2025

Table 4:2:4 above shows the qualification of the respondents. However, WSC/SSCE/NCE are 7 about 24% of the respondent, OND/A' LEVEL are 17 about 56% of the respondent and BSC/HND are 6 about 20% of the respondents.

TABLE 4:2:5: Department specification of respondent

5	Department specification	Number of Respondents	Percentage (%)
A	Account/Finance	13	43
B	Personnel	11	20
C	Administrative	6	37
	Total	30	100

Sources: Researcher's Survey, 2025

The table 4:2:5 above shows the department specification of the respondents. However, the Account/Finance are 13 about 43% of the respondents, personnel are 11 about 20% of the respondents and administrative are 6 about 37% of the respondents.

4.3 PRESENTATION AND ANALYSIS OF DATA ACCORDING TO RESEARCH QUESTION

SECTION B: TABLE 4:2:6

TABLE 4.2: DOES BUDGETING AND BUDGETARY CONTROL HAS POSITIVE EFFECT IN YOUR COMPANY?

CHOICE	NO OF RESPONDENTS	PERCENTAGE (%)
Strongly Agree	21	75
Agree	7	25
Strongly Disagree	00	00.0
Disagree	00	00.0
TOTAL	28	100

Source: Researcher's Survey, 2025

From the table above, 21 respondents representing 75% of the total respondents strongly agreed that budgeting and budgetary control has positive effect in their company, 7 respondents representing 25% also agreed to the question. No respondent Disagreed to the posed question and No respondent strongly disagreed that budgeting and budgetary control has positive effect in their company.

TABLE 4.3: DOES BUDGETING AND BUDGETARY CONTROL INCREASE THE PROFITABILITY AND PRODUCTIVITY IN YOUR COMPANY?

CHOICE	NO. OF RESPONDENTS	PERCENTAGE (%)
Strongly Agree	14	50.0
Agree	10	47.8
Strongly Disagree	0	00.0
Disagree	4	2.2
TOTAL	28	100

Source: Researcher's Survey, 2025

From the table above, 14 respondents representing 50% of the total respondents strongly agreed that budgeting and budgetary control increase the profitability and productivity in their company, 10 respondents representing 47.8% also agreed to the question. 0 respondents representing 00.0% of the total respondents Strongly Disagreed while 4 respondents representing 2.2% also Disagreed. The researcher therefore believes that budgeting and budgetary control increase the profitability and productivity in their company.

TABLE 4.4: DOES BUDGETING AND BUDGETARY CONTROL INFLUENCE THE OPERATIONAL EFFICIENCY IN YOUR COMPANY?

CHOICE	NO. OF RESPONDENTS	PERCENTAGE (%)
Strongly Agree	20	71.6
Agree	8	28.64
Strongly Disagree	0	00.0
Disagree	0	00.0
TOTAL	28	100

Source: Researcher's Survey, 2025

From the table above, 20 respondents representing 71.6% of the total respondents strongly agreed that budgeting and budgetary control influence the operational efficiency in their company, 8 respondents representing 28.64% also agreed to the question. 0 respondents representing 00.0% of the total respondents Strongly Disagreed while 0 respondents

representing 0.00% also Disagreed that budgeting and budgetary control influence the operational efficiency in their company.

TABLE 4.5: ARE THERE ANY SIGNIFICANT DIFFERERECE BETWEEN THE BUDGETING AND BUDGETARY CONTROL AND ACCOUNTABILITY IN GOVERNMENT PARASTATALS?

CHOICE	NO OF RESPONDENTS	PERCENTAGE (%)
Strongly Agree	21	75
Agree	7	25
Strongly Disagree	00	00.0
Disagree	00	00.0
TOTAL	28	100

Source: Researcher's Survey, 2025

From the table above, 21 respondents representing 75% of the total respondents strongly agreed that there is significant difference between the money invested and revenue in their company, 7 respondents representing 25% also agreed to the question. No respondent Disagreed to the posed question and No respondent strongly disagreed that there is significant difference between the budgeting and budgetary control and accountability in government parastatals.

TABLE 4.6: DOES BUDGETING AND BUDGETARY CONTROL BRING DOWN INTEREST RATE AND MAKE LONG TERM FUND AVAILABLE IN YOUR COMPANY?

CHOICE	NO. OF RESPONDENTS	PERCENTAGE (%)
Strongly Agree	14	50.0
Agree	10	47.8
Strongly Disagree	0	00.0
Disagree	4	2.2
TOTAL	28	100

Source: Researcher's Survey, 2025

From the table above, 14 respondents representing 50% of the total respondents strongly agreed that budgeting and budgetary control bring down interest rate and make long term fund available in their company, 10 respondents representing 47.8% also agreed to the question. 0 respondents representing 00.0% of the total respondents Strongly Disagreed while 4 respondents representing 2.2% also Disagreed that budgeting and budgetary control bring down interest rate and make long term fund available in their company. The researcher therefore believes that budgeting and budgetary control bring down interest rate and make long term fund available.

TABLE 4.7: DOES BUDGETING AND BUDGETARY CONTROL HELP IN ATTAINING TARGET PROFIT IN YOUR COMPANY?

CHOICE	NO. OF RESPONDENTS	PERCENTAGE (%)
Strongly Agree	14	50.0
Agree	10	47.8
Strongly Disagree	0	00.0
Disagree	4	2.2
TOTAL	28	100

Source: Researcher's Survey, 2025

From the table above, 14 respondents representing 50% of the total respondents strongly agreed that budgeting and budgetary control help in attaining target profit in their company, 10 respondents representing 47.8% also agreed to the question. 0 respondents representing 00.0% of the total respondents Strongly Disagreed while 4 respondents representing 2.2% also Disagreed that budgeting and budgetary control help in attaining target profit in their company. The researcher therefore believes that budgeting and budgetary control help in attaining target profit in their company.

TABLE 4.8: DOES STAFF AND MANAGEMENT IN YOUR COMPANY HAVE EXPERIENCE ON BUDGETING AND BUDGETARY CONTROL?

CHOICE	NO. OF RESPONDENTS	PERCENTAGE (%)
Strongly Agree	20	71.6
Agree	8	28.64
Strongly Disagree	0	00.0
Disagree	0	00.0
TOTAL	28	100

Source: Researcher's Survey, 2025

From the table above, 20 respondents representing 71.6% of the total respondents strongly agreed that staff and management in their company have experience on budgeting and budgetary control, 8 respondents representing 28.64% also agreed to the question. 0 respondents representing 00.0% of the total respondents Strongly Disagreed while 0 respondents representing 0.00% also Disagreed that staff and management in their company have experience on budgeting and budgetary control.

TABLE 4.9: DOES BUDGETING AND BUDGETARY CONTROL ENHANCE EFFECTIVE PERFORMANCE OF STAFF AND MANAGEMENT IN YOUR COMPANY?

CHOICE	NO. OF RESPONDENTS	PERCENTAGE (%)
Strongly Agree	14	50.0
Agree	10	47.8
Strongly Disagree	0	00.0
Disagree	4	2.2
TOTAL	28	100

Source: Researcher's Survey, 2025

From the table above, 14 respondents representing 50% of the total respondents strongly agreed that budgeting and budgetary control enhance effective performance of staff and management in their company, 10 respondents representing 47.8% also agreed to the question.

0 respondents representing 00.0% of the total respondents Strongly Disagreed while 4 respondents representing 2.2% also Disagreed that budgeting and budgetary control enhance effective performance of staff and management in their company. The researcher therefore believes that budgeting and budgetary control enhance effective performance of staff and management in their company.

TABLE 4.11: DOES CONTINUOUS BUDGET FOR TRAINING INFLUENCE YOUR COMPANY COST?

CHOICE	NO. OF RESPONDENTS	PERCENTAGE (%)
Strongly Agree	16	57.28
Agree	12	42.96
Strongly Disagree	0	00.0
Disagree	0	00.0
TOTAL	28	100

Source: Researcher's Survey, 2025

From the table above, 16 respondents representing 57.28% of the total respondents strongly agreed that continuous budget for training influence their company cost, 12 respondents representing 42.96% also agreed to the question. 0 respondents representing 00.0% of the total respondents Strongly Disagreed while 0 respondents representing 00.0% also Disagreed that continuous budget for training influence their company cost. The researcher therefore believes that continuous budget for training influence your company cost.

TABLE 4.12: DOES LACK OF TRAINING AFFECT THE COMPANY COST IN A POSITIVE WAY?

CHOICE	NO OF RESPONDENTS	PERCENTAGE (%)
Strongly Agree	21	75
Agree	7	25
Strongly Disagree	00	00.0
Disagree	00	00.0
TOTAL	28	100

Source: Researcher's Survey, 2025

From the table above, 21 respondents representing 75% of the total respondents strongly agreed that lack of training affect the company cost in a positive way, 7 respondents representing 25% also agreed to the question. No respondent Disagreed to the posed question and No respondent strongly disagreed that lack of training affect the company cost in a positive way.

4.4 TEST OF HYPOTHESES

HYPOTHESIS 1

H₀₁: Budgeting and budgetary control has no significance effect on productivity and profitability in the manufacturing industry.

Table 4.4.1

Option	No. of Respondent	Percentage (%)
Strongly agreed	14	50.0
Agreed	10	47.8
Undecided	0	0.00
Disagree	4	2.2
Strongly disagreed	0	0.0
Total	28	100

Field survey, 2025

Option	F _o	F _e	F _o – F _e	(F _o – F _e) ²	(F _o – F _e) ² /e
Strongly agreed	14	10	4	16	1.6
Agreed	10	10	0	0	0.0
Undecided	0	10	-10	100	10
Disagree	4	10	-6	36	3.6
Strongly disagreed	0	10	-10	100	10
Total	28				25.2

Therefore, D_f(r-1) (c -1)

$$= (5 -) (2 - 1)$$

$$= (4) (1)$$

$$= 4$$

Level of significance = 0.5

$$X^2 = \sum \frac{(F_o - F_e)^2}{F_e} = 25.2$$

Therefore, X^2 calculated = 2.52

X^2 Tabulated = 9.49

Decision rule

If X^2 tabulated is $> X^2$ calculated, accepted the null hypothesis (H_o) and reject the alternative hypothesis (H_1) but if X^2 tabulated is $< X^2$ calculated, accept the alternative (H_1) and reject the null hypothesis

Decision

Since X^2 tabulated 9.49 is less than X^2 calculated 2.52 alternative hypothesis (H_1) which stated that budgeting and budgetary control has significant effect on productivity and profitability in the manufacturing industry is accepted while the H_o that stated that budgeting and budgetary control has no effect on productivity and profitability in the manufacturing industry is rejected.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 SUMMARY

Budgetary control is a normal planning cycle, the organization will begin with a strategic planning process where the problem that needs to be addressed is looked at and the specific role of the organization in addressing it is defined in New York. This then is related to what actual activities need to be undertaken to achieve the planned impact. This is thus the operational plan and it is the operational plan that cost needed. cannot prepare a budget until they know what it is they are planning to do and that operational costs will only be incurred when they do the actual work.

Budgetary control is an essential management tool in Nigeria. Without a budget, they are like a pilot navigating in the dark without instruments. Therefore, it is important for an organization, project or department to have a budget to know how much money it needs to carry out its activities and also forces it to be rigorous in thinking through the implications of its activity planning. There are times when the realities of the budgeting process force them to rethink their action plans and used properly, the budget tells them when they will need certain amounts of money to carry out their activities; the budget enables them to monitor their income and expenditure and identify any problems; the budget is a basis for financial accountability and transparency

5.2 CONCLUSION

Having examined in details the use and importance of budgeting and budgeting control in the organization and roles they play toward determining the cooperative objectives, profit making, one could rightly conclude that it is, indispensable to any organization if budget are carefully planned and implemented by managers it could lead to decrease in cost and increase in revenue, which in turn will lead to increase in profit. Though budgeting and budgeting control could enhance the efficiency of the organization's performance, it should be noted that it is not magic stick that could replace effective management or ensure that fairly profit are made.

The findings of the research shows that when budgets are effectively used, it serves as a means of meting and coordinating plans, for communicating those plans to those responsible for their execution or motivating managers at all levels and as a standard for measuring actual performance.

5.3 RECOMMENDATIONS

- i. The approval of budget should be made public and should avoid corruption.
- ii. Budget committee should budget well in order to control expenditure in the cooperation because without budgeting well, the corporation will keep spending money without meaningful achievement for it.
- iii. Since budgeting and budgetary control contribute in the improvement of management efficiency and high productivity, the budget committee should be educated in the implementation of budget. This would enable them to understand the importance of adhering to budget and the minimization of loses. Thus a budget education should be conducted at least once a year by the financial or an independent accounting or management consulting firm. Its usefulness cannot be questioned or over emphasized.
- iv. The budgetary provision should be practiced by top management. If they make arbitrary actions, the realization of the budget would be impossible.

Constant review and periodic review of the budget at intervals would enable them to correct deviations, which occurred within the interval before they get out.

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