UNIVERSITY OF CAPE COAST

EFFECT OF BUDGETARY CONTROL ON FINANCIAL PERFORMANCE OF SELECTED SMALL AND MEDIUM-SIZED ENTREPRISES IN THE TRANSPORT INDUSTRY

BY

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DECLARATION

Candidate's Declaration

I hereby declare that this dissertation is the result of my own original research work and that no part of it has been presented for another degree in this university or elsewhere.

Candidate's Signature ………………….. Date: …………………………..

Name: Andrews Boama-Secu

Supervisors' Declaration

I hereby declare that the preparation and presentation of the dissertation were supervised in accordance with the guidelines on supervision of dissertation laid down by the University of Cape Coast.

Supervisor's Signature ………………….. Date: …………………………..

Name: Dr. Clement Lamboi Arthur

ABSTRACT

The current study sought to investigate the effect of budgetary control on financial performance of selected small and medium-sized enterprises in the transport industry in Accra. The specific objectives of the study were: to ascertain evidence of budgetary control practices in the selected firms; to examine the relationship between budget planning and financial performance; analyse the effect of monitoring and control on financial performance; and to examine the relationship between budgetary control and financial performance. Data on financial performance were sourced from financial statements of the selected firms, while data on budgetary control were sourced from questionnaires administered to employees in the selected firms, signifying that, both primary and secondary data sourced were employed. Research approach was quantitative and research design was explanatory. The multi-stage sampling method was adopted to select samples for the study. The selected firms were Aaron's Home Removals, Secure Travel and Tours, De-Genesis Travel and Tours Limited, Grassroots Tours Ghana, Silverwhite Groopp Inc., Netplink Travel Consult, Educate Global Limited, Africa Express Travelling and Tour Agency, West Travel and Tour, and Easy Travel Consult. Data collected were analysed using both descriptive and inferential statistical techniques, using Statistical Package for Social Sciences Software for windows, version 22. Multiple regression analysis revealed a positive significant relationship between budgetary control and financial performance in the selected firms. The study, therefore, concluded that better planning and control helps to improve the financial health of small businesses in the transport industry, potentially reducing business failures and job losses. The study recommends that staff should be trained on other budgetary control techniques, such as participatory budgeting, to enhance business decision making and improve efficiency and productivity. Future research should consider modelling the moderating role of financial knowledge in the relationship between budgetary control and financial performance in small businesses.

KEY WORDS

Budget planning

Budgetary control

Financial performance

Monitoring and control

Small and medium-sized enterprises

Travel and transport

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DEDICATION

To wife, Juliana; children, Gilda, Nhyira Dumah, and Kwaku Agyare

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LIST OF ACRONYMS

EU	European Union
GDP	Gross Domestic Product
GEDC	The Ghana Enterprise Development Commission
NBSSI	National Board for Small Scale Industries
NMTDP	The National Medium Term Development Plan
ROA	Return on Assets
SACCOs	Savings and Credit Cooperative Organisations
SASRA	Sacco Societies Regulatory Authority
SD	Standard Deviation
SMEs	Small and Medium-sized Enterprises
SPSS	Statistical Package for Service Solution

CHAPTER ONE

INTRODUCTION

The development of small and medium-sized enterprises' sector is of paramount importance for any country irrespective of their level of development, since this sector has great potential to generate maximum socio-economic benefits to the country with minimum level of investment (Rathnasiri, 2015). However, most small and medium-sized enterprises, particularly those in the transport industry, face challenges that are associated with poor business planning and poor monitoring and control (Foster, 2017; Siyannola, 2013; U.S. Small Business Administration, 2015). As a consequence, their survival and continuity is threatened (Bureau of Labour Statistics, 2017). With this in mind, the present study seek to investigate the effect of budgetary control on financial performance of selected small and medium sized enterprises in the transport industry in Accra. Return on assets is used as the proxy for financial performance, which is sourced from financial statements of the selected firms.

Background to the Study

A budget shows a quantitative expression of a proposed plan of action by management for a specified period and aids in coordinating what needs to be done to implement the plan (Harelimana, 2017). Budgets are central to the process of planning and control, which are major activities of management in all organisations (Okpanachi & Muhammed, 2013). According to Kpedor (2012), budget as a profit planning device sets standard of performance for managers. It is seen as a document, which predicts revenues and expenditures of a particular economic entity, for a specified period (Rutto & Oluoch, 2017). The major objective of budgeting is to keep control of the activities done in an organisation by providing a roadmap for future activities and setting a series of goals to be achieved and the means to achieve those (Abdullahi, Kuwata, Abubakar, & Muhammed, 2015).

Budgetary control is a tool implored by management to keep track of actual performance to ensure that budgeted standards are met (Kpedor, 2012). It entails a repetitive circle of planning and control, which is usually followed by appropriate information about actual result to management for comparing them against the budgeted and initiating a control action if necessary (Koech, 2015). According to Okapnachi and Muhammed (2013), the absence of effective budgetary control breeds disregard for laid down procedures, loss of focus and sloppy coordination of activities and these are capable of crippling an organisation. Better planning using budgets, on the other hand, may help leaders improve the financial health of their small businesses, potentially reducing business failures and job losses particularly among small and medium-sized enterprises (SMEs).

Worldwide, SMEs contribute to over 55% of Gross Domestic Product (GDP) and over 65% of total employment in high-income countries (Hallberg, 2001). SMEs and the informal enterprises accounts for over 60% of GDP and over 70% of total employment in low-income countries, while they contribute over 95% of total employment and about 70% of GDP in middle-income countries (Ayyagari, Thorsten, & Asli, 2003). The sector is said to be the bedrock of developed and developing nations. In Ghana, Agyapong (2010) finds that SMEs contribution to Ghana's economy and employment is significant as they provide the stimulus to economic growth, fosters backward and forward linkages, develops human assets and develops entrepreneurial skills in the society.

Studies show that budgetary control leads to financial performance of companies (Abdullahi, Kuwata, Abubakar, & Mohammed, 2015; Harelima, 2017; Nyongesa, Odhiambo, & Moses, 2016; Rutto & Oluoch, 2017). For instance, Rutto and Oluoch (2017) find a positive effect of budgetary control on financial performance of savings and credit cooperative organisation in Kenya. Similarly, Nyongesa et al. (2016) reveal a statistically significant effect on financial performance in public institutions of higher learning in Western Kenya. A study by Harelima (2017) also obtains a positive effect of budgetary control on financial performance of Kiglati Serena Hotel in Rwanda. In a similar manner, Abdullahi et al. (2015) reveal that budgetary control have significant impact on organisational performance of Tahir Guest Palace.

Firm performance is the analysis of a firm's actual output compared to its goals and objectives. The most widely used measure of financial performance in the literature is return on assets (Abdullahi et al., 2015; Harelima, 2017; Koech, 2015; Onduso, 2013; Rutto & Oluoch, 2017). Return on assets divides a firm's annual net income by its total assets to show how much income per cedi earned in relation to the firm's asset. As such, return on assets is the performance index employed for this work. Additionally, the choice for return on assets by this research work is premised on the argument of McClure (2005) that, it is a better metric of financial performance and it gives a clear picture of corporate health. It is also argued that Return on Assets determines whether a firm is able to generate an adequate return on its assets rather than simply showing robust return on sales (Hagel, Brown, & Lang, 2010). Therefore, the current study seeks to investigate the effect of budgetary control on performance of selected small and medium-sized enterprises in the transport industry in Accra.

The transport industry in Ghana is under the umbrella of the Ministry of Roads and Highways. Being one of the sectors that provide huge income to the Government of Ghana, the government has committed an amount of GH¢5,090,000 for policy, planning as well as monitoring and control in the sector in 2019 and 2020, separately. The National Medium Term Development Plan (NMTDP) contains policy objectives that are relevant to the Ministry of Roads and Highways. Of importance is to integrate transport planning, development planning and service provision; to establish Ghana as a transportation hub for the West African Sub-Region and; to ensure sustainable development in the Transport Sector (Ministry of Roads and Highways, 2018).

Statement of the Problem

In spite of the contributions of small and medium-sized enterprises to the economy, locally and globally, small and medium enterprises face serious problems associated with their survival and continuity. The Bureau of Labour Statistics (2017) in the United States reveals that about 20% of small businesses fail in the first year of operation, about 20% of small businesses fail in the second year, about 30% of small businesses fail in the third year, about 50% fail in the fifth year, and about 70% of small businesses fail in their 10th year in business. The primary cause of these challenges has been found to result from poor budgetary control: poor business planning and poor monitoring and control (Bureau of Labour Statistics, 2017; U.S. Small Business Administration, 2015), and budgets are a primary means of planning (Foster, 2017).

In Sub-Saharan Africa, SMEs, particularly those in the transport industry, are faced with a number of challenges prominent among them is poor budgetary control activities resulting from lack of required expertise in budgeting, inadequate training for staff, improper planning, and inadequate supervision by top managers (Onduso, 2013; Siyannola, 2013). Better planning using budgets may help leaders in the transport industry to improve the financial health of their small businesses, potentially reducing business failures and job losses. Also, financially strong and healthy travel and transport firms can create jobs and improve the economic health of local communities (Foster, 2017).

Acknowledging that the effect of budgetary control on financial performance have been studied in area such as hospitality (Abdullahi et al., 2015: Harelima, 2017), large manufacturing (Koech, 2015; Onduso, 2013; Siyannola, 2013), public corporations (Adongo & Jagongo, 2013; Nyongesa, Odhiambo, & Moses, 2016; Olaoye & Ogunmakin, 2014), banking (Mohammed, Evans, & Tirimba, 2015), and savings and credit organisations (Rutto & Oluoch, 2017), extant transportation literature addressing the effect of budgetary control on financial performance is yet to be studied. Additionally, most of the available literature exists in a non-Ghanaian context. As a consequence, the present study seeks to bridge the gap in literature by investigating the effect of budgetary control on financial performance of selected small and medium-sized enterprises in the transport industry.

Research Objectives

Overall, the study seeks to investigate the effect of budgetary control on financial performance of selected SMEs in the transport industry. The following specific objectives were formulated to give the study direction: to

1. Ascertain evidence of budgetary control practices in the selected firms;
2. Examine the relationship between budget planning and financial performance.
3. Analyse the effect of monitoring and control on financial performance; and
4. Examine the relationship between budgetary control and financial performance.

Research Questions

Based on the stated research objectives, the following research questions were formulated:

1. What budgetary control practices are in place by the selected firms?
2. What is the relationship between planning and financial performance?
3. What is the effect of monitoring and control on financial performance measured by return on assets?
4. What is the relationship between budgetary control and financial performance?

Significance of the Study

The overriding purpose of the study is to investigate the effect of budgetary control on financial performance of selected SMEs in the transport industry. Studying the effect of budgetary control on financial performance of SMEs in the transport industry is crucial since it would present: evidence of budgetary control practices in the selected firms; the relationship between planning and financial performance; the effect of monitoring and control on financial performance and most importantly, the relationship between budgetary control and financial performance of the selected firms. Hence, the result of this research project will provide relevant information to policy makers and local development planners working on the development of SMEs in the transport industry.

Furthermore, the study will provide additional information on the importance of budgetary control in SMEs in the transport industry for interested researchers, prospective entrepreneurs, and business consulting firms. Proper planning using budgets may help owner-managers improve the financial health of their small businesses, potentially reducing business failures and job losses. Moreover, financially strong and healthy small businesses can create jobs and improve the economic health of local communities.

Delimitations

The present study seeks to investigate the effect of budgetary control on financial performance of SMEs in the transport industry. In terms of geographical location, the study uses ten selected firms in Accra. Variables included in the study are budgetary control and financial performance. Budgetary control served as the independent variable whereas financial performance is used as the dependent variable. Budgetary control is measured by two dimensions: planning, and monitoring and control. On the other hand, financial performance is measured by return on assets.

Organisation of the Study

This study was organised into five main chapters. Chapter One presents the introduction which comprised background to the study, statement of the problem, purpose of the study, research objectives, research questions, significance of the study, delimitations, and organisation of the study. Chapter Two reviews various literatures relevant to this research project and Chapter Three describes the methodology adopted for the study. Chapter Four captures the results and discussion whiles Chapter Five finalises the report with the summary, conclusions and recommendations.

CHAPTER TWO

LITERATURE REVIEW

Introduction

The literature review is in four parts: theoretical review, conceptual issues, empirical review, and conceptual framework. The theoretical review discussed the budget theory and Locke's goal-setting theory. Subsequently, the conceptual issues explain the budgetary control activities, and provide the various definitions of SMEs. Then, the empirical review documents the results of closely related studies and the lessons emanating from the literature review. Finally, the conceptual framework shows how the "effect of budgetary control on financial performance of selected SMEs in the transport industry" is explored.

Theoretical Review

The study used the budget theory propounded by Adams (1985) to explain budget and budgetary control in organisations and adopted Locke's (1981) theory of goal-setting to explain the concept of business performance.

The budget theory

The budget theory proposed by Adams (1985) explains the social motivation behind firm budgeting. "Budget" and "Budgeting" are concepts traceable to the bible days, precisely the days of Joseph in Egypt. It was reported that nothing was given out of the treasure without a written order. History has it that Joseph budgeted and stored grains which lasted the Egyptians throughout the seven years of famine. Budgets were first introduced in the 1920s as a tool to manage costs and cash flows in large industrial organisations (Bartle, 2001). The emergence of scientific management philosophy however laid emphasis on detailed information as a basis for taking decisions thus leading to tremendous development of management accounting and budgeting techniques (Bartle, 2008).

At early stage of development, budgeting was concerned with preparing and presenting credible information to legitimise accountability and to permit correct performance evaluation and consequently, rewards (Hildreth, 2002), However, over the years, the function and focus of budgeting has shifted considerably as business organisation became more complex and their environment become dynamic. Bartle (2008) indicated that budgets today provide a focus for the organisation, aid in the coordination of activities and facilitates control. Through budgeting, both management level and operation level look at the future and lay down what has to be achieved. Controls check whether the plans are being realized and put into effect corrective measures, where deviation or short-fall is occurring (Bartle, 2001).

Bartle (2008) emphasised that without effective controls, an enterprise was at the mercy of internal and external forces that can disrupt its efficiency, and be unaware; such enterprise will not be able to combat such forces. When a budgeting and control system is in use, budgets are established which set out in financial terms, the responsibility of managers in relation to the requirement of the overall policy of the company. Continuous comparison is made between the actual and budgeted results, which are intended to either secure, thorough action of managers, the objectives of policy or to even provide a basis for policy revision. This theory provides a basic perspective through which the researcher viewed budgetary controls as tool for influencing organisations' performance

Locke's theory of goal-setting

The concept of business performance is theoretically under-pinned on the theory of motivation. There are several motivational theories: Maslow's needs hierarchy theory, Herzberg's two-factor theory, expectancy theory, goal-setting theory, McClelland's needs achievement theory among others (Bateman & Zeithaml, 1993; Esu & Inyang, 2009; Kreitner, 1998). Of all these theories, the goal-setting theory fits business performance concept best. The reason being that, performance standards are antecedent situations in employee's work environment. Goals are performance levels which the management and staff of small scale businesses have agreed upon as performance standards. Philosophically, the goal-setting theory is based on the assumption that people have conscious goals that energised them and direct their thoughts and behaviours toward one end (Bateman & Zeithaml, 1993).

SMEs across the world obtained the position they are today because they were goal-oriented. Many of these businesses have been turned into empires and conglomerates because they are/or were goal-oriented. Lessons from researchers in goal-setting theory show that properly conceived goals trigger a motivational process that improves business performance (Locke, 1981). A general goal-setting model has four components: goal, motivation, improved performance and feedback on performance as shown in Figure 1. Goals motivate by directing employee's attention, encouraging effort, encouraging persistence and fostering goal attainment strategies and action plan. For there to be a performance, there must first be goal-setting in organisations (Esu & Inyang, 2009).

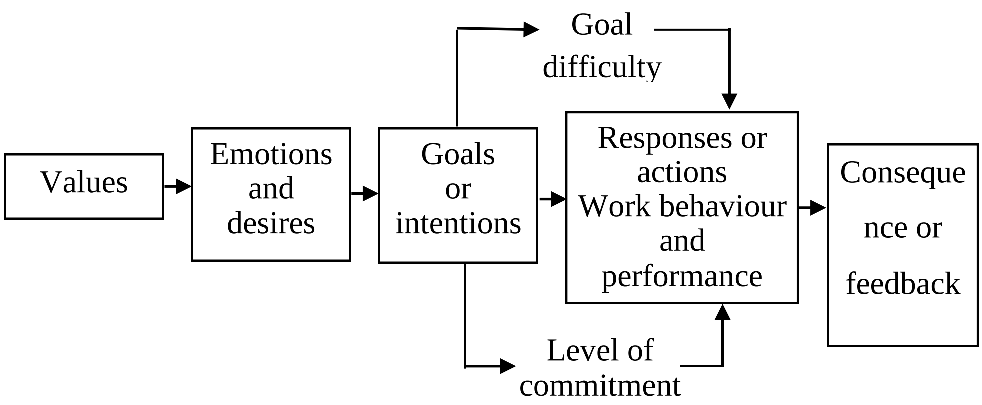

Figure 1: Locke's theory of goal-setting

Source: Mullins (2010, p. 277)

The combination of goal difficulty and the extent of the person's commitment to achieving the goal regulate the level of effort expended. People with specific quantitative goals, such as a defined level of performance or a given deadline for completion of a task, will perform better than people with no set goal or only a vague goal such as 'do the best you can'. People who have difficult goals will perform better than people with easier goals (Mullins, 2010).

Conceptual Review

The conceptual review comprise budget planning and monitoring and control, definition and classification of SMEs globally, and definition of SMEs in Ghana. Each of these activities is discussed below.

Budget planning

Sizer (1989) states that planning as part of the budgeting system involves a long range planning, strategic planning and short term planning. Further, Sizer emphasizes that short term budgeting must accept the environment of today, and the physical human and financial resources at present available to the organisation. Arora (1995) argues that planning as involves selecting objectives and action to achieve them. It is looking ahead and preparing for it, which links it to budgeting. Through planning the organisation is able to assess where it is supposed to be in terms of objectives and goals. This comes from the information system.

Sound planning mentions priorities and the planning control cycle. Since there are so many activities to be performed, it's imperative that they are listed in order of preference. Budgets are put in place in advance of the budget periods based on anticipated set of circumstances or environment. The major decisions are made as part of the long term planning process. Benefits of budgeting accrue to the whole organisation if both the short and long term consequences of the budgets are considered (Otley, 1987). However, the annual budgeting process leads to the refinement of those plans, since managers must produce detailed plans for the implementation of the long range plans. Without the annual budgeting process, the pressures of day-to-day operating problems may tempt managers not to plan for future operations (Scott, 1987).

Monitoring and control

According to Drury (2006) budgetary monitoring and control process is a systematic and continuous one which, is characterized by establishing targeted performance or level of activity for each department of the organisation by way of setting targets to be achieved. Communicating details of the budgetary policy to all the stakeholders for easy appreciation of the set targets and objectives enhances ownership of the results achieved at end of the budget period. This is done by way of continuous comparison of actual performance with the budgeted performance and regular reporting of variances to the responsible officers. This helps in asserting the reasons for the differences between actual and budgeted performance and taking the suitable corrective action.

Briston (1981) says that financial control and monitoring ensures efficient and cost-effective program implementation within a system of accountability. He however, notes that the existing financial control arrangements must be complemented by further improvements in the overall program monitoring for better budget implementation in accordance with approved work Programmes. According to Drury (2006) budgetary control is a strong tool of business that always advocates on the proper planning, effective coordination and control in order to maximize profits and competitive organisations nowadays can never avoid.

Comparison is made between plans and actual performance. The difference between the two is reported to management for taking corrective action. This control process is not possible without planning (Arora, 1995).By means of budgetary control that is, comparing actual results with planned results and reporting on the variations, a control model is set for management. It helps expenditure to be kept within the planned limits (Alesina & Perotti, 1996). Carr (2000) argues that in order to achieve the expected output results, monitoring and evaluation is necessary. Hokal and Shaw (1999) notes that, monitoring and evaluation requires only raw data to test and examine performance which is time consuming yet contributes little to Performance. An effective control system helps accomplish the purpose for which it is designed. Effective control systems rely on good information, are well communicated, well-coordinated, timely and economical to the organization (Arora, 1995).

Carr (2000) asserts that managers can budget to control the activities for which they are responsible. Analyses of variances allow managers to identify those costs which do not conform to the long term plan and therefore may require alteration. By investigating the reasons for budget deviations managers may also be able to identify inefficiencies. The budget forms the basis of a controlling mechanism for the various resources of an organisation which is achieved by comparing the resource measured to the end of a given period with that which was expected.

This approach can be used for all measurable resources and activities within the organisation – not just those which are directly financial. Budgetary control highlights variations from the expected in order that management can take remedial action to ensure that the policy objectives set in the budget can be met. It is a constant monitoring process and requires continual updating and amendment of the budget through operational feedback. This also allows for performance against objectives or targets to be measured (Carr, 2000).

Definition and classification of SMEs globally

Definitions of SMEs vary from country to country, depending on one or more thresholds laid down in respect of investment, employment and turnover. The issue of what constitutes a small or micro enterprise is a major concern in literature. Different writers have usually given different definitions to this category of business. SMEs have indeed not been spared with the definition problem that is usually associated with concepts which have many components. The definition of firms by size varies among researchers as well as writers. Others define SMEs in terms of their legal status and method of production. Some attempt to use the capital assets while others use labour and turnover level (Cacciolatti & Lee, 2015).

Bolton Report first formulated an "economic" and "statistical" definition of a small firm. Under the "economic" definition, a firm is said to be small if it meets the following three criteria: it has a relatively small share of their market place; it is managed by owners or part owners in a personalized way, and not through the medium of a formalized management structure; and it is independent, in the sense of not forming part of a large enterprise. Under the "statistical" definition, the Committee proposed the following criteria: the size of the small firm sector and its contribution to GDP, employment and exports; the extent to which the small firm sector's economic contribution has changed over time; and applying the statistical definition in a cross-country comparison of the small firm's economic contribution (Afrifa, 2015).

The Bolton Committee applied different definitions of the small firm to different sectors. Whereas firms in manufacturing, construction and mining were defined in terms of number of employees (in which case, 200 or less qualified the firm to be a small firm), those in the retail, services, and wholesale were defined in terms of monetary turnover (in which case the range is 50,000-200,000 British Pounds to be classified as small firm). Firms in the road transport industry are classified as small if they have five or fewer vehicles. There have been criticisms of the Bolton definitions. These centre mainly on the apparent inconsistencies between defining characteristics based on number of employees and those based on managerial approach.

In Japan, small-scale industry is defined according to the type of industry, paid-up capital and number of paid employees. Consequently, small and medium-scale enterprises are defined as: those in manufacturing with 100 million yen paid-up capital and 300 employees, those in wholesale trade with 30 million yen paid-up capital and 100 employees, and those in the retail and service trades with 10 million yen paid-up capital and 50 employees (Cacciolatti & Lee, 2015).

European Union (EU) Member States, traditionally have their own definition of what constitutes an SME, for example the traditional definition in Germany had a limit of 250 employees, while, for example, in Belgium it could have been 100. But now the European Union (EU) has started to standardize the concept. Its current definition categorizes companies with fewer than 10 employees as “micro”, those with fewer than 50 employees as “small”, and those with fewer than 250 as “medium”. By contrast, in the United States, when small business is defined by the number of employees, it often refers to those with fewer than 100 employees, while medium-sized business often refers to those with fewer than 500 employees. Canada also defines a small business as one that has fewer than 100 employees (if the business is a goods-producing business) or fewer than 50 employees (if the business is a service-based business), and a medium-sized business as fewer than 500 (Harney, 2015).

Small-scale industries are defined as manufacturing units employing not more than 30 persons. For the purpose of differentiating them from the other small-scale non-farm economic activities, the emphasis is placed on the manufacturing aspect. Manufacturing means producing or making physical items. This means that pure service activities such as government services, retail trade, banking, recreation and insurance services are not included. However, repair services are included in the manufacturing enterprises because they have something to do with formally manufactured goods. The argument is that manufacturers do not always produce a finished good but only perform one stage in a sequence of a process The fact that an item can be repaired implies that there is a further stage in the manufacturing process (Cacciolatti & Lee, 2015). After looking at the definitions and classifications of SMEs in the global perspective, it is proper to examine definitions of SMEs given in the context of Ghana since the study covers that jurisdiction.

Definition of SMEs in Ghana

In Ghana, various definitions have been given for SMEs but the most commonly used criterion is the number of employees of the enterprise (Augustine & Asiedu, 2017). By using this definition, confusion often arises in respect of the unpredictability and cut off points used by the various official sources. According to the National Board for Small Scale Industries (NBSSI), a small business is any business that employs up to 29 people, and small business is divided into: the micro, small and medium enterprises. The micro enterprises employ up to five employees with fixed assets (excluding land and building) not exceeding the value of $10,000; small enterprises are those employing between six and twenty-nine employees or having fixed assets excluding land and building not exceeding $100,000 and; a medium enterprises employ between 30 and 99 employees with fixed assets of up to $1m (Selase-Asamoah, 2014).

According to Haselip, Desgain and Mackenzie (2014), SMEs are dominated by one person, with the owner/manager taking all major decisions. The entrepreneur may possess limited formal education, access to and use of new technology, market information, and access to credit from the banking sector is severely limited; they have weak management skills, thus inhibiting the development of a strategic plan for sustainable growth; they experience extreme working capital volatility; and lack of technical know-how and inability to acquire skills and modern technology impede growth opportunities. The Ghana Enterprise Development Commission (GEDC), on the other hand, uses a 10 million Ghanaian cedis upper limit definition for plant and machinery. It is important to caution that the process of valuing fixed assets poses a problem. Secondly, the continuous depreciation of the local currency as against major trading currencies often makes such definitions out-dated (Selase-Asamoah, 2014).

In defining small-scale enterprises in Ghana, Augustine and Asiedu (2017) used an employment cut-off point of 30 employees and however, classified small-scale enterprises into three categories. These are: micro-employing less than 6 people; very small - employing 6-9 people; and small -

between 10 and 29 employees. In the present study, the definition of SMEs by NBSSI in Ghana is adopted.

Empirical Review

The empirical review documented the results of studies closely related to the research objectives both within Sub-Saharan Africa and in developed economies as well as identifying the similarities, contradictions and gaps in such studies. The areas covered are budget planning and financial performance relationship, monitoring and control and financial performance connection, and budgetary control and financial performance nexus.

Budget planning and financial performance relationship

A study by Koech (2015) in Kenya sought to establish the effect of budgetary planning on financial performance of manufacturing companies. A descriptive research design was used in the study. Stratified sampling technique was adopted. In his study, 10 largest companies from each subgroup of the manufacturing companies were selected. The respondent was the head of the finance department or an equivalent. Hence, the sample size was 50 respondents. Both primary and secondary data were used. Descriptive analysis was used to mainly summarize the data collected. The results showed that there was a significant positive relationship between budget planning and financial performance in manufacturing companies. In spite of the contributions of the study, it neglected to consider small and medium-sized enterprises.

Similarly, Onduso (2013) examined the effect of budget planning on financial performance of manufacturing companies in Nairobi County, Kenya. The study used cross-sectional research method targeting eighteen (18) manufacturing firms listed in the Nairobi Securities Exchange by employing a census survey to cover all manufacturing firms within Nairobi County. The researcher used both primary and secondary data. A statistical package for social sciences was used as analysing tool and also regression model was adopted to determine the association between dependent and independent variables. The study findings revealed that there is a strong positive effect of budget planning on financial performance on manufacturing companies as measured by return on assets. Despite the contributions of the study, it neglected to consider small and medium-sized enterprises.

Subsequently, Foster (2017) conducted a correlational study which sought to examine to what extent, if any, budget planning significantly predict financial performance in small businesses in the Midwest, United States, using Churchill and Lewis's theory as the theoretical framework. Data were collected through a self-developed online survey using existing Likert-scale measures for each variable based on prior research about those variables. A convenience sample of 86 Midwest U.S. small business leaders were identified through SurveyMonkey's crowdsourcing pool, which resulted in 77 participants with useable responses. Standard multiple linear regressions revealed that budget planning significantly predicted financial performance, holding all other variables constant.

Monitoring and Control and financial performance connection

Koech (2015) investigated the effect of monitoring and control on financial performance of manufacturing companies in Kenya. A descriptive research design was used in the study. Stratified sampling technique was adopted. In his study, 10 largest companies from each subgroup of the manufacturing companies were selected. The respondent was the head of the finance department or an equivalent. Hence, the sample size was 50 respondents. Both primary and secondary data were used. Descriptive analysis was used to mainly summarize the data collected. The results showed that a unit increase in monitoring and control would also lead to an increase in financial performance in manufacturing companies. In spite of the contributions of the study, it neglected to consider small and medium-sized enterprises.

By the same token, Onduso (2013) examined the effect of monitoring and control on financial performance of manufacturing companies in Nairobi County, Kenya. The study used cross-sectional research method targeting eighteen (18) manufacturing firms listed in the Nairobi Securities Exchange by employing a census survey to cover all manufacturing firms within Nairobi County. The researcher used both primary and secondary data. A statistical package for social sciences was used as analysing tool and also regression model was adopted to determine the association between dependent and independent variables. The study findings revealed that there is a strong positive effect of monitoring and control on financial performance on manufacturing companies as measured by return on assets. Despite the contributions of the study, it neglected to consider small and medium-sized enterprises.

Budgetary control and financial performance nexus

In Kenya, Adongo and Jagongo (2013) investigated the relationship between budgetary controls and financial performance of state corporations in Kenya. Specifically, their study sought to determine the salient features of budgetary controls in state corporations, establish the human factors within budgetary controls, establish the process of budgetary control in public organisations, and determine the challenges affecting budgetary control. A descriptive survey design was used to gather data from managers of sampled state corporations. 14 corporations were selected from a total population of 138 to participate in the study. Afterwards, purposive sampling was used to select 42 corporate services manager, finance manager and budget officer from each corporation to participate in the study.

A questionnaire, whose content validity was checked through an expertise opinion and reliability through test pre-test methods, was used to gather information. The findings indicate that a positive significant relationship exists between budgetary control and financial performance of state corporations. Budgetary features reflected ability to predict financial milestones of organisations. Additionally, human factors within budgetary controls including managerial commitment, employees' motivation, employee training, competence as well as the attitude affected the budget control process. Budgetary control process exhibited a positive significant influence on financial performance of state corporations through influence on financial objectives, the allocation of funds as well as investment ventures that organisation undertakes (Adongo & Jagongo, 2013).

The study recommended the sensitisation of management and employees of state corporations on the importance of budgetary controls in enhancing financial performance, avoidance of political interference in the budgetary process and use of budgets as tools for management efficiency (Adongo & Jagongo, 2013). In spite of the contributions of this study, it was limited to state corporations hence the findings may not apply to SMEs. Furthermore, the use of purposive sampling technique for a quantitative study was inappropriate in the sense that respondents were not given equal and independence chances of being selected.

In Nigeria, Abdullahi et al. (2015) researched into the role of budget and budgetary control on organisational performance: A case study of Tahir Guest Palace, Kano. The study made use of both the primary and the secondary data. The instrument for the collection of the primary data was a questionnaire administered, while the secondary data was obtained via the financial statements of Tahir Guest Palace from 2007-2012. A total of 278 staff was sampled using the purposive sampling technique, and data obtained was subjected to regression analysis.

The result revealed that budget administration, budget target setting and budget process all have significant impact on organisational performance. The researchers therefore recommended that, the top level management of Tahir Guest Palace should maintain appropriate standard on budget administration and preparation, and budget process. Specifically, the use of the current budget process on previous budget performance should be emphasised in measuring performance year in year out, as this will enable the management to monitor the organisational growth and/or performance as budgeted (Abdullahi et al., 2015).

Secondly, the staff of various cadres at Tahir Guest Palace should be allowed to participate in the budget target setting and process to further enhance the organisational performance. If the above recommendations are implemented, it will not only increase the organisational performance of Tahir Guest Palace but will also lead to increase in subordinates efforts and task performance (Abdullahi et al., 2015). However, the study was restricted to the hospitality industry. Furthermore, the use of purposive sampling technique for a quantitative study subjects the findings to biases.

In another study in Nigeria, Siyannola (2013) studied the impact of budgeting and budgetary control on the performance of manufacturing company in Nigeria using Cadbury Nigeria Plc. as case study. The researcher adopted a descriptive research design with data gathered through questionnaire administered to respondents. Non-parametric tool of chi square was employed to analyse the data. Hypotheses were tested and analysed on a 5% level of significance and it was revealed that budgeting was a useful tool that guides firms to evaluate whether their goals and objectives were actualised.

Subsequently, Rutto and Oluoch (2017) looked at the effect of budgetary control on financial performance of savings and credit cooperative organisations in Nairobi County, Kenya. The specific objectives of their study were; to determine the effect of human capital budgetary control on financial performance of savings and credit cooperative organisations and to establish effect of cash flow budgetary control on financial performance of savings and credit cooperative organisations. Theory of budgeting and budgetary control model informed the study. The study employed explanatory research design. The target group of the study was 40 Savings and Credit Cooperative Organisations (SACCOs) in Nairobi County registered under Sacco Societies Regulatory Authority (SASRA). The study used questionnaire to collect data.

The findings showed that human capital budgetary control and cash flow budgetary control had significant effect on financial performance of savings and credit cooperative organisation. The researchers recommended the need for communication of human capital budget policy and guidelines to the individuals tasked with the preparation of the budget. Further, the authors recommended the need for SACCOs to have a database of the daily cash flow to enable tracking against departments' profiles and major divergences. Also, there was need for the SACCOs to have a network of contacts, voice and electronic with the main spending and revenue departments tasked with developing forecasts of current and prospective cash flows (Rutto & Oluoch, 2017). Nonetheless, the study was restricted to financial institutions hence findings cannot be interpreted beyond those institutions.

Still in Kenya, Nyongesa et al. (2016) looked at budgetary control and financial performance in public institutions of higher learning in Western Kenya. The objective of their study was to establish the effect of budgetary control on financial performance of public institutions of higher learning. This study was conducted in institutions of higher learning in Vihiga, Kakamega, Bungoma, and Busia Counties. Finance Officers, Accountants, Bursars and principals were the respondents. Descriptive survey design was used in the study. The target population was 109. The questionnaire return rate was 91.7

%. Data was analysed and presented using regression analysis. The study attained a Cronbach's Alpha coefficient of 0.863 for all items, which was way above the recommended 0.7 in social sciences.

The study established that budgetary control had a statistically significant effect on financial performance in public institutions of higher learning. This study will be significant to public institutions of higher learning in providing a basis for policy, and in showing direction for management of these institutions, management in providing explanation to the government for the current financial scenario, researchers and academicians. Public institutions of higher learning management may use the findings of the study in designing proper budgetary policies and examining the financial performance. Academicians will also find the study useful in adding to the existing literature on budgetary control and financial performance (Nyongesa et al., 2016). In spite of the contributions of the researchers, their study was limited to academic institutions.

In another study in Kenya, Mohamed et al. (2015) examined how budgetary control can impact on the performance of Dara-Salaam Bank. The objectives were to find out how responsibility accounting influences organisational performance, to determine whether variance cost analysis affects organisational performance and to establish how zero based budgeting affects organisational performance. The study reviewed the theory of budgeting, budgeting control theory and accounting theory. Empirical literature was guided by the objectives. The study utilised descriptive and retrospective research designs. Both primary and secondary data were used.

Primary data was collected by use of questionnaires, while secondary data was collected from published materials.

The researcher carried out a census study on the 70 staff of Dara-Salaam Bank in Hargeisa Somaliland. Ethical considerations of this study were ensured. Confidentiality on the part of respondents and setting of clear researchers' purpose to all respondents were ensured. Data entered into excel was presented by the use of frequency tables. Data was analysed by Statistical Packages for Service Solution (SPSS) were presented in form of frequency Tables and charts. The findings on effectiveness of budgetary control techniques showed that responsibility accounting, variance analysis and zero based budgeting enhances budget control and improved efficiency and productivity (Mohamed et al., 2015).

Further, the researchers established that variance cost analysis alone may not affect performance of an organisation but it will influence decision making which will in turn affect organisational performance. The study recommended that staff needed to be trained on the existing budgetary control techniques to enhance business decision making and improve efficiency and productivity. The study recommended further research on budget planning and organisational performance and also the relationship between budget implementation and organisational performance (Mohamed et al., 2015). In spite of the contributions of the study, it was restricted to the banking industry.

In Nigeria, Olaoye and Ogunmakin (2014) also examined budgetary control and performance in government parastals in Osun state. The primary objective was to determine the relationship between revenues and expenditures estimates and actuals. Five parastals were sampled using budgetary performance for five fiscal years (2007-2011). The Pearson Product Moment Correlation was used to determine the existence of relationship. The findings revealed that there existed strong and weak negative relationship in the revenues and expenditures of the establishments over the periods selected: Agricultural Corporation -0.28 (weak), Broadcasting Corporation -0.58 (strong), College of Education -0.41 (weak), Property Development Corporation -0.64 (strong) and Water Corporation -0.33 (weak). The researcher recommended that, the budgeting process in those corporations needed a re-engineering to reflect the true picture of their fiscal ability and to be a guide to action and performance (Olaoye & Ogunmakin, 2014). Nevertheless, the study was limited to government institutions.

In another study in Kenya, Koech (2015) looked at the effect of budgetary controls on financial performance of manufacturing companies in Kenya. The main objective of their study was to assess the effects of budgetary control on the financial performance of selected manufacturing companies in Kenya. A descriptive research design was used in the study. Stratified sampling technique was adopted. In his study, 10 largest companies from each subgroup of the manufacturing companies were selected. The respondent was the head of the finance department or an equivalent. Hence, the sample size was 50 respondents. Both primary and secondary data were used. Descriptive analysis was used to mainly summarize the data collected.

The results showed that the value of co-efficient of determination (adjusted R square) is 0.785 for all the variables studied (planning, monitoring and control and participative budgeting). The results showed that there was a significant relationship between financial performance in manufacturing companies and the three variables (planning, monitoring and control and participative budgeting), as shown by the p value; ($p=0.000<0.05$). The equation $Y = 10.64 + 0.416X1 + 0.413X2 + 0.042X3$ was henceforth obtained (Koech, 2015). In spite of the contributions of the study, it neglected to consider small and medium-sized enterprises.

Similarly, Onduso (2013) examined the effect of budgets on financial performance of manufacturing companies in Nairobi County, Kenya. The aim of his study was to determine the effects of budgets on financial performance of manufacturing companies in Nairobi County. The study used cross-sectional research method targeting eighteen (18) manufacturing firms listed in the Nairobi Securities Exchange by employing a census survey to cover all manufacturing firms within Nairobi County. The researcher used both primary and secondary data. A statistical package for service solution was used as analysing tool and also regression model was adopted to determine the association between dependent and independent variables.

The study findings revealed that there is a strong positive effect of budgets on financial performance on manufacturing companies as measured by return on assets (ROA). The study recommended that effective budget implementation should be facilitated through capacity building, robust systems and processes prioritisation, and close monitoring for evaluation. Stakeholders should get involved in budget execution to enhancing the overall budget implementation. Further, financial management systems should be supported in order to ensure prudent management of funds and adequate sensitisation of both the employees and the public on best financial management practices to enhance the oversight role. In addition, manufacturing companies need to establish a strong link between the planning process and the budget process (Onduso, 2013). Despite the contributions of the study, it neglected to consider small and medium-sized enterprises.

In Rwanda, Harelimana (2017) researched on "The Effect of Budgetary Control on the Financial Performance of Hotels in Rwanda: A Case Study of Kigali Serena Hotel" using data for a period of 2010-2015. The researcher investigated the impact of budgetary control on the money related execution of lodgings in Rwanda. The study utilised both essential and auxiliary information using SPSS. An organised poll was given to a specimen of 25 representatives drawn from an aggregate populace of 52 workers. Basing on information, the study uncovered that, there is a solid positive relationship between budgetary control system and monetary execution with connection coefficient, r=0.752 and p=0.01. Since r>0.1, consequently, monetary execution as measured by ROA was emphatically impacted by budgetary control methods (Harelimana, 2017). Nevertheless, the study was restricted to the hospitality industry and the findings may not apply in the businesses in the transport sector. Therefore, this study sought to bridge the gap in literature by to investigating the effect of budgetary control on financial performance of selected SMEs in the transport industry in Accra. The summary of empirical review was presented in Table 1.

Table 1: Summary of Empirical Review

Author(s)	Research Topic
Adongo and Jagongo (2013)	Budgetary control as a measure of financial performance of state corporations in Kenya.
Abdullahi et al. (2015)	The role of budget and budgetary control on organisational performance: A case study of Tahir Guest House, Kano State, Nigeria.
Siyannola (2013)	Impact of budgeting and budgetary control on the performance of manufacturing company in Nigeria.
Rutto and Oluoch (2017)	Effect of budgetary control on financial performance of savings and credit cooperative organisations in Nairobi County, Kenya.
Nyongesa et al. (2016)	Budgetary control and financial performance in public institutions of higher learning in Western Kenya.
Mohamed et al. (2015).	Analysis of the effectiveness of budgetary control techniques on organisational performance at Dara-Salaam Bank Headquarters in Hargeisa Somaliland (Kenya).
Olaoye and Ogunmakin (2014)	Budgetary control and performance in public corporations in Osun State (Nigeria).
Koech (2015)	Effect of budgetary controls on financial performance of manufacturing companies in Kenya.
Onduso (2013)	The effect of budgets on financial performance of manufacturing companies in Nairobi County (Kenya).
Harelimana (2017)	The effect of budgetary control on financial performance of Kigali Serena hotel in Rwanda.
Table 1, continued	
Foster (2017)	Budget planning, budget control, business age, and financial performance in small businesses

Lesson Learnt from the Literature Review

An extensive review of related literature clearly showed that budgetary control and financial performance has attracted a large group of researchers comprising studies that have been published in a wide variety of journals. The review indicated that all previously discussed literature favours the quantitative approach. This suggests that, budgetary control and financial performance variables have been well-described in literature. In terms of study design, the descriptive and explanatory study design was mostly employed by prior researchers.

Additionally, most of all the related literature were conducted in countries within Sub-Saharan Africa (Abdullahi et al., 2015; Adongo & Jagongo, 2013; Harelimana, 2017; Koech, 2015; Mohamed et al., 2015; Nyongesa et al., 2016; Olaoye & Ogunmakin, 2014; Onduso, 2013; Rutto & Oluoch, 2017; Siyannola, 2013), while few studies were conducted in developed countries (Foster, 2017). Furthermore, some researchers used purposive sampling technique which is a non-probability sampling method to select samples for a quantitative study which was inappropriate because this sampling technique denies some potential respondents of having equal and independent chances of being selected (Abdullahi et al., 2015; Adongo & Jagongo, 2013; Mohamed et al., 2015), thereby making their findings somehow deceptive.

Moreover, most prior studies have focused on different kinds of sectors, including public sector (Adongo & Jagongo, 2013; Olaoye & Ogunmakin, 2014), hospitality (Abdullahi et al., 2015; Harelimana, 2017), manufacturing (Koech, 2015; Onduso, 2013; Siyannola, 2013), banking (Mohamed et al., 2015), academic institutions (Nyongesa et al., 2016), and financial services (Rutto & Oluoch, 2017), to name just a few. However, extant transportation literature addressing the relationship between budgetary control and financial performance in SMEs is surprising limited. In other words, a dearth of knowledge pertaining to budgetary control exists with respect to the particularly important transport sector. As a consequence, this study sought to bridge the gap in literature by to investigating the effect of budgetary control on financial performance of selected firms in the transport industry in Accra.

Conceptual Framework

The conceptual framework showed the researcher's idea on how the "effect of budgetary control on financial performance of selected SMEs in the transport industry" is explored. Hence, Figure 2 showed how the two variables of the study (budgetary control, performance of SMEs) relate to each other. Budgetary control is used as the independent variable while financial performance is used as the dependent variable. Budgetary control is expected to increase or improve financial performance of the selected SMEs in the transport industry. Budgetary control has two dimensions: planning, and monitoring and control.

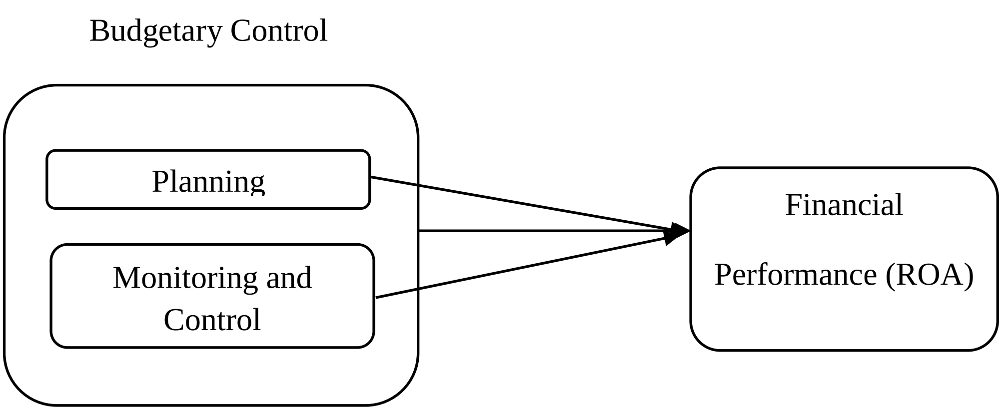

Figure 2: Conceptual framework

Source: Author's construct (2019) based on literature

CHAPTER THREE

RESEARCH METHODS

Introduction

This chapter seeks to present the research approach, the research, study organisations, population of the study, sample size and the sampling procedure, data collection procedures, data analysis, and ethical considerations. It is important to follow these academic research procedures to ensure that it becomes replicable, easy to understand and follow and compared to others.

Research Approach

The study adopted the quantitative research approach. Among the many advantages of quantitative research approach is its ability to enhance speed of conducting a research. Further, it offers a broader coverage of a series of events where statistics are combined from a larger sample (Amarantunga & Baldry, 2002).

Research Design

The explanatory research design is adopted for this study. The explanatory research design is quantitative in nature as well as preplanned and structured in design. For this reason, it is also considered conclusive research. Explanatory research differs in its attempt to explain the cause and effect relationship between variables. This is opposed to the observational style of descriptive research, because it attempts to decipher whether a relationship is causal through experimentation. In the end, explanatory research will have two objectives: 1) To understand which variables are the causes and which variables are the effects and 2) to determine the nature of the relationship between the causal variables and the effect to be predicted (Yin, 2017). Therefore, given the research questions used set for the current study; the explanatory research design is adopted for this study.

Study Organisations

The present study uses ten selected small and medium-sized enterprises in the transport industry as the study organisations. All these firms are located in Accra. The selected firms are Aaron's Home Removals, Secure Travel and Tours, De-Genesis Travel and Tours Limited, Grassroots Tours Ghana, Silverwhite Groopp Inc., Netplink Travel Consult, Educate Global Limited, Africa Express Travelling and Tour Agency, West Travel and Tour, and Easy Travel Consult. These firms provide transport services to their clients.

Population of the Study

A population is made up of all the units of the group that the research emphases on. Malhotra (1996) opines that the members or units of the group should possess material facts relevant to the study and the researcher. According to Rubin and Babbie (2001), target population is "the theoretically specified aggregation of study elements". Data from National Board for Small Scale Industries suggest that fifteen (15) SMEs in the transport industry have been registered in their records to operate in the Accra.

Sampling Procedure and Sample Size

The multi-stage sampling method, which involves sampling at two or more stages, is used to select sample for the present study. First of all, the lottery technique of the simple random sampling method is used to select ten (10) out of the fifteen (15) registered SMEs in the transport industry in Accra (Table 2). Subsequently, the census method is used to select all the employees (n=181) working in the selected firms to serve as respondents for the study (Table 2). Data is sourced from the owner-managers of these selected firms.

Table 2: Sample Size

SN	Firms in the Transport Industry	Number of Employees
1	Aaron's Home Removal	15
2	Secure Travel and Tours	11
3	De-Genesis Travel and Tour Limited	18
4	Grassroot Tours Ghana	21
5	Silverwhite Gropp Inc.	23
6	Neplink Global Limited	12
7	Educate Globall Limited	19
8	Africa Express Travelling and Tour Agency	22
9	West Travel and Tours	25
10	Easy Travel Consult	15
	Total	181

Data Collection Procedure

Data is collected from both primary and secondary sources. Primary data is collected by the use of a self-administered questionnaire. Respondents constitute the employees in the selected firms. Budgetary control activities are measured using 16-items, which were sourced from the study by Koech (2015). Six items measured budget planning, while the remaining nine items measure monitoring and control. The 16-items were anchored on a five-point Likert scale with Score ‘1’ indicating ‘weak agreement’ and Score ‘5’ indicating ‘strong agreement’. Responses to these items aids the researcher in finding answers to the first research objective of this report, which seeks to ascertain evidence of budgetary control practices in the selected firms.

On the other hand, secondary data on return on assets is sourced from the financial statements of the ten selected firms. Return on assets divides a firm’s annual net income by its total assets to show how much income per cedi earned in relation to the firm’s asset. The data on return on assets is used to establish the financial performance of these firms. Knowing the financial performance of the selected firms help the researcher to examine the relationship between budget planning and financial performance (objective two), the effect of monitoring and control and financial performance (objective three), and the relationship between budgetary control and financial performance (objective four).

Data Analysis Procedure

Quantitative techniques are used in analysing and presenting the data. Quantitative data obtained from the questionnaires are coded and analysed with the help of Statistical Package for Service Solution (SPSS) for windows, version 22. Each of the questions is coded in variable view of the SPSS and the responses from the respondents were entered at data view of the SPSS. The data is analysed based on the stated objectives of the study. Descriptive statistics specifically mean and its corresponding standard deviation (SD) is used to describe objective one, whereas inferential statistics, particularly correlation and multiple regression analysis are used to analyse objective two, three and four. For categorical data, frequency tables and percentages are used.

Correlation and regression analysis were the major statistical methods employed in this study. The rationale for using regression methods are: firstly, almost all variables in the present study are measured by interval scales and secondly, regression is powerful way to test the relationship between two or more variables better than other statistical methods. The regression model presents the dependent variable (financial performance) and independent variables (budget planning, monitoring and control) as expressed in the equation below.

$$\mathbf{Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + €}$$

Where, **Y** = Financial performance as measured by ROA,

$\mathbf{X_1}$ = Budget Planning

$\mathbf{X_2}$ = Monitoring and Control

$\boldsymbol{\beta_o}$ = Intercept, $\boldsymbol{\beta}$ = Coefficient of independent variables, and

€= error term

Ethical Considerations

A study by Patten and Newhart (2017) revealed the major ethical issues that need to be considered in every research. These major ethical issues consist of voluntary participation, right to privacy, anonymity and confidentiality of information. As such, all efforts were geared towards ensuring that all these ethical issues were attended to. For starters, the researcher's student ID was shown to the owner-manager of the selected SMEs before questionnaires were administered. Regarding voluntary participation, every respondent was allowed to participate in the data collection exercise on his/her own free will. Also, the possible issues of right to privacy was realised by allowing respondents to answer the questionnaires on their own and unclear questions were appropriately attended to through their own convenient medium.

Further, the issue of anonymity was attended to by restricting respondents from providing detailed information about themselves on the questionnaire in relation to names, contact numbers and personal addresses. Respondents were also assured that none of their identities would be leaked to the public domain nor used for purposes other than this study. Furthermore, the study ensured confidentiality of information by assuring respondents that all information provided would be kept confidential. They were also assured that none of the information provided would be used against them or found in the public domain. Finally, the time required for filling the questionnaire was mutually agreed between the respondents and the researcher. In summary, the study ensured that all major ethical issues were appropriately attended to.

CHAPTER FOUR

RESULTS AND DISCUSSION

Introduction

First of all, this chapter looked at the demographic characteristics of employees in the selected firms, comprising their sex, age, and highest education qualification achieved. These characteristics were analysed using frequencies and percentages. Afterwards, descriptive statistical tools (mean, standard deviation, minimum value, and maximum value) were used to achieve objective one, which sought to ascertain evidence of budgetary control practices in the selected firms. What is more, inferential statistical tool, particularly correlation and multiple regression analysis were employed to analyse objectives two, three, and four. It is worthy of mentioning that, out of the 181 questionnaires administered to employees in the selected firms, 134 questionnaires were returned. Out of the 134 returned questionnaires, 130 questionnaires were valid and usable for the purposes of data analysis and therefore used by the researcher. Consequently, a response rate of 71.82% (130/181*100%) was achieved.

Demographic Characteristics of Respondents

Regarding the sex of respondents, results showed that females constituted 41.54% (n=54) while males constituted 58.46% (n=76), signifying that the respondents were dominated by males (Table 3). Moreover, while 31 respondents (representing 24.00%) fell within the “26-35” age category, the remaining 76.00% (n=99) were 36 years and above, signifying that most of the respondents were matured enough to make informed contributions to the study. Further examination revealed that, out of the 99 respondents (76.00%) who were 36 years and above, more than half of them (n=62) fell within the "36-45" age category.

Table 3: Demographic Characteristics of Respondents

	Details	Freq	%
A1	*Sex:*		
	Female	54	41.54
	Male	76	58.46
A2	*Age in years:*		
	26 – 35	31	24.00
	36 – 45	62	47.67
	Above 45	37	28.33
A3	*Highest educational qualification:*		
	Tertiary	83	63.67
	Secondary/Technical	47	36.33

Source: Field survey (2019)

In terms of the educational levels of the respondents, the results showed that all the respondents (n=130, representing 100.00%) have had some form of formal education which facilitated their understanding of the questions and statements on the questionnaire. Further analysis disclosed that majority of the staffs have attained Tertiary education (n=83, representing 63.67%), followed by Secondary/Technical education (n=47, representing 36.33%) as shown in Table 3.

Descriptive Statistics

The first objective of this research project sought to ascertain evidence of budgetary control practices in the selected firms. Prior to this assessment, the descriptive statistics for each of the study variables were determined. To achieve this, the data for each of the study variables were analysed into means on a mean scale of 1.00 to 5.00 with 1.00 to 2.90 indicating *low level of agreement* and 3.00 to 5.00 indicating *high level agreement*.

To correct for possible errors, the cut-off point was arrived at using the mean of the scale minus 0.1 as used by earlier researchers (Ackon, 2018; Amissah, 2017; Koomson, 2017; Yeboah, 2013). Mean scores were preferred over the median because the data set were not characterised by extreme scores (Adam, 2015). This was done in order to enhance the understanding of budgetary control practices in the selected travel and transport firms in Accra. Since the budgetary control construct is made up of two dimensions namely "budget planning" and "monitoring and control", it is only proper to assess each component exclusively. Therefore, the discussion of the results begins with the level of practice of each of the two dimensions before conclusions are drawn.

Budget planning as a dimension of budgetary control

For the purpose of ascertaining evidence of budgetary control practices in the selected firms, six indicators were measured on a five-point Likert scale with score 1 indicating *least agreement* to score 5 signifying *strong agreement*. These scores are generalised based on respondents' level of agreement to each the positive statements provided under "Budget Planning" on the questionnaire. As portrayed in Table 4, the average value of "The firm I work for have specified clearly their short term objectives and long term goals", as an indicator, is 3.82 signifying *high level of agreement* from respondents with a degree of variability from a standard deviation of .984.

Subsequently, the mean value of "The firm I work for prepare budgets that cover all aspects of their mission or purpose of operation", as an indicator, is 3.73 suggesting *high level of agreement* from respondents with a degree of reliability from a standard deviation of .874. Successively, "The firm I work for prepares short term and long term budget plans", as an indicator, attained an average score of 3.70 indicating *high level agreement* from respondents with a degree of variability from a standard deviation of 1.012. Succeeding this, the mean score of "The firm I work for links outcome, goals, and objectives to programmes when budgeting", as an indicator, is 3.61 showing *high level of agreement* from respondents with a degree of variability from a standard deviation of .851 (Table 4).

Afterwards, the mean score of "The firm I work for ensures that budget plans for all departments are prepared prior to the budget year", as an indicator, is 3.52 showing *high level of agreement* from respondents with a degree of reliability from a standard deviation of 1.049. Lastly, the middling value of "The firm I work for set priorities for the coming year at budget committees", as an indicator, is 3.21 showing *high level of agreement* from respondents with a degree of variability from a standard deviation of .984 (Table 4).

Table 4: Budget Planning

SN	Indicators	Mean	SD	Min.	Max.
1	The firm I work for have specified clearly their short term objectives and long term goals.	3.82	.984	3	5
2	The firm I work for prepare budgets that cover all aspects of their mission or purpose of operation.	3.73	.874	3	5
3	The firm I work for prepares short term and long term budget plans.	3.70	1.012	3	4
4	The firm I work for links outcome, goals, and objectives to programmes when budgeting.	3.61	.851	2	5
5	The firm I work for ensures that budget plans for all departments are prepared prior to the budget year.	3.52	1.049	2	4
6	The firm I work for set priorities for the coming year at budget committees.	3.21	.984	2	3

Scale (Mean): Low = 1.00 – 2.90; High = 3.00 – 5.00

Source: Field survey (2019)

These results suggest that "budget planning" is highly considered as a budgetary control practice in among firms in the transport industry. This is evident from the mean scores of all the six indicators, which were within the ranges of 3.00 to 5.00. This discovery confirms the statement made by Drury (2006) that, proper planning is needed to ensure the achievement profit maximization and therefore competitive organisations nowadays can never avoid it. Arora (1995) adds that the budgetary control process is not possible without planning. Furthermore, this result is in line with policy objectives of the Ministry of Roads and Highways (2018) under the National Medium Term Development Plan of Ghana, which seeks to integrate transport planning, development planning and service provision in the transport industry.

Monitoring and control as a budgetary control dimension

In ascertaining the level of practice of "monitoring and control" in the selected travel and transport firms, ten additional indicators were measured on a five-point Likert scale with score 1 indicating *least agreement* to score 5 signifying *strong agreement*. These scores are generalised based on respondents' level of agreement to each of the positive statements provided under "Monitoring and Control" on the questionnaire. As shown in Table 5, the middling value of "The firm I work for controls budget activities with the help of heads of departments", as an indicator, is 3.72 signifying *high level of agreement* from respondents with a degree of variability from a standard deviation of .884.

Table 5: Monitoring and Control

SN	Indicators	Mean	SD	Min.	Max.
1	The firm I work for controls budget activities with the help of heads of departments.	3.72	.884	3	5
2	The firm I work for ensures that managers hold budget meetings regularly to review performance.	3.63	.774	3	5
3	The firm I work for ensures that the costs of activities are always reviewed by the executive committee.	3.60	.912	3	4
4	The firm I work for ensures that comparison is made between plans and actual performance and the difference is reported often.	3.54	.785	3	5
5	The firm I work for have budget policies that check spending.	3.51	.923	3	4
6	The firm I work for ensures that budget performance evaluation reports are prepared regularly.	3.42	.762	2	5
7	The firm I work for makes sure that deviations from budget targets are frequently reported.	3.33	1.897	2	4

Table 5, continued

8	The firm I work for do regular follow-ups are made on budget plans by departmental heads.	3.24	2.145	2	3
9	The firm I work for see to it that budget deviations are reported to budget committee/executives.	3.19	1.257	2	3
10	The firm I work for ensures that managers take timely corrective actions when adverse variances are reported.	3.05	.987	2	3

Scale (Mean): Low = 1.00 – 2.90; High = 3.00 – 5.00

Source: Field survey (2019)

Subsequently, the mean value of “The firm I work for ensures that managers hold budget meetings regularly to review performance”, as an indicator, is 3.63 suggesting *high level of agreement* from respondents with a degree of reliability from a standard deviation of .774. Successively, “The firm I work for ensures that the costs of activities are always reviewed by the executive committee”, as an indicator, attained an average score of 3.60 indicating *high level agreement* from respondents with a degree of variability from a standard deviation of .912. Next, “The firm I work for ensures that comparison is made between plans and actual performance and the difference is reported often”, as an indicator, attained an average score of 3.54 indicating *high level agreement* from respondents with a degree of variability from a standard deviation of .785.

Following this, the mean score of "The firm I work for have budget policies that check spending", as an indicator, is 3.51 showing *high level of agreement* from respondents with a degree of reliability from a standard deviation of .923. Then, the mean score of "The firm I work for ensures that budget performance evaluation reports are prepared regularly", as an indicator, is 3.42 showing *high level of agreement* from respondents with a degree of reliability from a standard deviation of .762. Afterward, the middling value of "The firm I work for makes sure that deviations from budget targets are frequently reported", as an indicator, is 3.33 showing *high level of agreement* from respondents with a degree of variability from a standard deviation of 1.897.

Subsequently, the average score of "The firm I work for do regular follow-ups are made on budget plans by departmental heads", as an indicator, is 3.24 showing *high level of agreement* from respondents with a degree of reliability from a standard deviation of 2.145. Continually, "The firm I work for see to it that budget deviations are reported to budget committee/executives", as an indicator, attained an average score of 3.19 indicating *high level agreement* from respondents with a degree of variability from a standard deviation of 1.257. Finally, "The firm I work for ensures that managers take timely corrective actions when adverse variances are reported", as an indicator, attained a mean value of 3.05 indicating *high level agreement* from respondents with a degree of reliability from a standard deviation of .987.

The results above suggest that "monitoring and control" is highly considered as a budgetary control practice in the selected firms in the transport industry. This is evident from the mean scores of all the ten indicators which were within the ranges of 3.00 to 5.00. This outcome is consistent with the statement made by Drury (2006) that effective coordination and control is needed in the budgetary control process in order to maximize profits and competitive organisations nowadays can never avoid it.

Evidence of budgetary control system put in place by the selected firms

Based on the descriptive statistics above, the study found evidence of budgetary control systems put in place by the selected firms in the transport industry. This discovery was based on the fact that, all the indicators that measured each of the budgetary control dimensions (budget planning, monitoring and control) were more than 3.00 as shown in Table 6. This result confirms the statement made by Drury (2006) that, proper planning as well as effective coordination and control is needed in the budgetary control process in order to maximize profits and competitive organisations nowadays can never avoid it.

Table 6: Level of Practice of Budgetary Control in SMEs

Dimensions	Total Number of Indicators	Indicators with Mean above 3.00	Indicators with Mean below 3.00
Budget Planning	6	6	-
Monitoring and Control	10	10	-
Total	16	16	-

Source: Field survey (2019)

Inferential Statistics

Inferential statistics such as Pearson's correlation and regression techniques were employed to analysis objective two, three and four. Correlation analysis was first used to determine the nature of the association that exist among the variables of interest before proceeding to regression analysis. This was deemed appropriate because correlation just describes the direction and strength of the association between variables but does not indicate how much of variation in one variable is accounted by the other (Pallant, 2007). Progression to regression analysis would provide an opportunity to test the predictive power of one variable over the other.

Correlation analysis

The simple bivariate correlation (also known as zero-order correlation) of SPSS version 22 was employed to test the association that exist among budget planning, monitoring and control, budgetary control, and financial performance and it was subject to two-tailed test of statistical significance. Correlation was considered significant at $p<0.01$ probability level (Table 7). As recommended by Pallant (2007), correlation values (r) were interpreted according to Cohen's (1988) guidelines: Very weak (r = .10 to .29 or r = -.10 to -.29); weak (r = .30 to .49 or r = -.30 to -.49); moderate (r = .50 to .69 or r = -.50 to -.69); and strong (r = .70 to .99 or r = -.70 to -.99). These guidelines apply whether or not there is a negative sign in front of the r value. Preliminary analyses were performed to ensure no violation of the assumptions of normality, linearity and homogeneity of variance.

Table 7: Correlation

	Budget Planning	Monitoring and Control	Budgetary Control	Financial Performance
Budget Planning	1	.65**	.34	
Monitoring and Control	.21**	1	.14**	
Budgetary control	.53	.47	1	
Financial Performance	.71**	.53**	.58**	1
	.000	.000	.000	

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Field survey (2019)

The result obtained indicated that budget planning and monitoring and control had a positive and significant association with financial performance of the selected firms in the transport industry as shown in Table 7. To be precise, the association between budget planning and financial performance was large and positive (r = .71, sig value < 0.01) and the association between monitoring and control and financial performance was moderate and positive (r = .53, sig value < 0.01).

Regression analysis

Regarding the regression analysis, Table 8 provided information on the relationship between the dependent variable (financial performance) and independent variables (budget planning, monitoring and control) indicated as (R), information on the amount of variation in the dependent variable explained by the independent variable indicated as (R-Square), information on the amount of variation in the dependent variable explained by the independent variable as a result of an Adjustment indicated as (Adjusted R-Square), and finally, information on Autocorrelation in the residual or error term indicated by Durbin Watson.

Table 8: Relationship, Amount of Variation and Autocorrelation Test

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.56[a]	.59	.49	2.37	1.53

a. Predictors: (Constant), budget planning, monitoring and control

b. Dependent Variable: Financial performance

Source: Field survey (2019)

From Table 8, the R value of .56 indicated the relationship that exists between the dependent variable and the independent variables (all put together). Thus, there is a positive effect (.56) of budgetary control on financial performance of selected firms in the transport industry, an answer to objective four, and finding is similar to the results of prior studies in the field. In Kenya, Adongo and Jagongo (2013) found a positive significant relationship exists between budgetary control and financial performance of state corporations.

Equally, in Nigeria, Abdullahi et al. (2015) revealed that budget administration, budget target setting and budget process all have significant impact on organisational performance in Tahir Guest Palace in Kano. A similar trend was recorded by Rutto and Oluoch (2017) in Kenya, where the researcher showed that human capital budgetary control and cash flow budgetary control had significant effect on financial performance of savings and credit cooperative organisation. A study by Nyongesa et al. (2016) in

Kenya also endorsed that, budgetary control had a statistically significant effect on financial performance in public institutions of higher learning.

In another study in Kenya, Koech (2015) disclosed that there was a significant relationship between financial performance in manufacturing companies and the three variables namely, planning, monitoring and control and participative budgeting. Onduso (2013) also revealed that there is a strong positive effect of budgets on financial performance on manufacturing companies as measured by return on assets. In the same vein, In Rwanda, Harelimana (2017) found a solid positive relationship between budgetary control system and monetary execution with connection in Kigali Serena Hotel. Therefore, the current study contributes to literature by confirming the results of past studies conducted in other equally important sectors of the economy.

To add, the R Square explains the amount of variation that exists in the dependent variable caused by the independent variables. Therefore, the result further indicates that 59.00% variation in financial performance as the dependent variable is explained by the independent variables of budget planning and monitoring and control. The remaining 41.00% of the variation in financial performance is explained by the residual. The implication is that an improvement in budgetary control practices result in an enhancement in the financial performance of the selected firms. Besides, the result from the Durbin Watson of 1.51 indicated that there was no autocorrelation among the residuals in the regression model or equation. This was because the Durbin Watson statistics was greater than 1.50 and less than 2.50 as explained in the assumption of the test tool in Table 8.

As displayed in Table 9, the test of multicollinearity can be assessed using the Tolerance and the VIF (Variance Inflation Factor) from the collinearity diagnostics section. Since the Tolearnce values are all greater than 0.10, it suggested that there was no multicollinerarity among the independent variables. The VIF also indicated that there was no multicollinerarity among the independent variables since the VIF values were all less than 10. In conclusion, the independent variables were not highly correlated among themselves.

Table 9: Coefficient and Multicollinearity Test

	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model	B	Std. Error	Beta	T	Sig.	Tolerance	VIF
1 (Constant)	3.57	.51		10.25	.000		
Budget planning	.27	.05	.36	5.81	.021	.71	1.14
Monitoring and control	.03	.07	.03	1.67	.000	.31	2.15

a. Dependent Variable: Financial performance

Source: Field survey (2019)

Secondly, estimating the functional regression equation using the Unstandardized Coefficient implies that the researcher intended to predict and forecast, therefore, the constant term from the results was 3.57, the coefficient of ‘Budget planning’ was .27 and the coefficient of ‘Monitoring and control’ was .03. From the decision rule, when Sig. values are less than 0.05, reject the null hypothesis and when Sig. values are greater than 0.05, fail to reject null hypothesis. The Sig. value of ‘budget planning’ coefficient is .021 which is less than 0.05 hence the author rejects null hypothesis and concludes that the coefficient of ‘Budget planning’ is significant.

Thus, ‘budget planning’ has a significant positive effect on financial performance of selected firms in the transport industry, an answer to objective two, and this result is similar to that of earlier researchers. A study by Koech (2015) in Kenya revealed a significant positive relationship between budget planning and financial performance in manufacturing companies. In like manner, Onduso (2013) found a strong positive effect of budget planning on financial performance on manufacturing companies. Subsequently, Foster (2017) that budget planning significantly predicted financial performance in small businesses in the Midwest, United States, holding all other variables constant.

Moreover, the Sig. value of ‘monitoring and control’ coefficient is .000 which is less than 0.05 hence the researcher rejects the null hypothesis and concludes that the coefficient of ‘monitoring and control’ is significant. Therefore, ‘monitoring and control’ has a significant positive effect on financial performance of selected firms in the transport industry, an answer to objective three. This outcome is in line with the findings of prior studies.

Koech (2015), in Kenya, revealed a significant positive relationship between monitoring and control, and financial performance in manufacturing companies. In the same vein, Onduso (2013) found a strong positive effect of monitoring and control on financial performance on manufacturing companies. Against this background, estimating the Final Regression Equation Model becomes,

$Y = 3.57 + .27X_1 + .03X_2 + €$, where:

Y = Financial performance

X_1 = Budget Planning

X_2 = Monitoring and Control

€= residual or error term

Chapter Summary

This chapter presented the results and discussed them appropriately in the context of the literature reviewed. First of all, the demographic characteristics of respondents were presented and discussed in frequencies and percentages. Afterwards, mean and its corresponding standard deviation was used to ascertain evidence of budgetary control practices in the selected firms (objective one). Subsequently, inferential statistical tools (Pearson's correlation, regression analysis) were employed to analyse the objective two, three and four. The results showed that:

1. 'Budget planning' and 'monitoring and control' are the budgetary control systems put in place by the selected firms in the transport industry.

2. There is a positive effect of budgetary control on financial performance of selected firms in the transport industry.
3. ‘Budget planning’ has a significant positive effect on financial performance of selected firms in the transport industry.
4. ‘Monitoring and control’ has a significant positive effect on financial performance of selected firms in the transport industry.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Introduction

This chapter presented the summary of the study including major findings derived from the study. Conclusions arrived and recommendations arising from the findings are provided in this chapter.

Summary of the Study

This study sought to investigate the effect of budgetary control on financial performance of selected small and medium-sized enterprises in the transport industry in Accra. Quantitative research methodology was deemed the most appropriate and therefore adopted hence the analyses were quantitative in nature. The study adopted the explanatory research design and targeted a population of 15 small and medium-sized enterprises in the transport industry, operating in Accra. The multi-stage sampling method, which involves sampling at two or more stages, was used to select sample for the study.

In the first place, the lottery technique of the simple random sampling method was used to select 10 out of the 15 registered small and medium-sized enterprises in the transport industry in Accra. The selected firms were Aaron's Home Removals, Secure Travel and Tours, De-Genesis Travel and Tours Limited, Grassroots Tours Ghana, Silverwhite Groopp Inc., Netplink Travel Consult, Educate Global Limited, Africa Express Travelling and Tour Agency, West Travel and Tour, and Easy Travel Consult. Subsequently, the census method was used to select all the employees working in the selected firms, numbering 181, to serve as respondents for the study. Data was sourced from the owner-managers of these selected firms.

It is worthy of mentioning that, out of the 181 questionnaires administered to employees in the selected firms, 134 questionnaires were returned. Out the 134 returned questionnaires, 130 questionnaires were valid and usable for the purposes of data analysis and therefore used by the researcher. Consequently, a response rate of 71.82% was achieved. Data was collected from both primary and secondary sources. The questionnaire was developed by the researcher based on past empirical studies, and it was self-administered. Budgetary control activities were measured using 16-items which were sourced from the study by Koech (2015). The 16-items were anchored on a five-point Likert scale with Score '1' indicating *least agreement* to Score '5' indicating *strong agreement*. Responses to these items aided the researcher in finding answers to the first research objective of this report, which sought to ascertain evidence of budgetary control practices in the selected firms.

In addition, secondary data on return on assets is sourced from the financial statements of the ten selected firms. The data on return on assets is used to establish the financial performance of these firms, thereby, enabling the analyst to analyse research objective two, three and four. The demographic characteristics of respondents comprised their sex, age, and highest education qualification achieved. These characteristics were analysed using frequencies and percentages. Subsequently, descriptive statistical tools (mean, standard deviation, minimum value, and maximum value) were used to achieve objective one.

After presenting and discussing the descriptive statistics, the writer preceded with inferential statistics, in particular Pearson's correlation and regression analytical techniques. These techniques aided the researcher in answering the remaining research objectives, namely, to examine the relationship between budget planning and financial performance (objective two); to analyse the effect of monitoring and control on financial performance (objective three); and to examine the relationship between budgetary control and financial performance (objective four). The results were itemised in line with the research objectives of the study. The study found that:

1) Budget planning, and monitoring and control are the budgetary control systems put in place by the selected firms in the transport industry.
2) There is a positive effect of budgetary control on financial performance of selected firms in the transport industry.
3) Budget planning has a significant positive effect on financial performance of selected firms in the transport industry.
4) Monitoring and control has a significant positive effect on financial performance of selected firms in the transport industry.

Conclusions

Based on the findings, the following conclusions were drawn. The study concluded that Budget planning, and monitoring and control are the budgetary control systems put in place by the selected firms in the transport industry in Accra. The study further concluded that investments in budgetary control practices indeed results in better financial performance among travel and transport firms in Accra. Finally, the study gathered that better planning and controls helps to improve the financial health of their small businesses in the transport industry, potentially reducing business failures and job losses.

Recommendations

After investigating the effect of budgetary control on financial performance of selected small and medium-sized enterprises in the transport industry in Accra, it is proper to make recommendations to help promote the financial performance, growth and survival of these firms. The study recommends the sensitisation of management and employees of the selected firms to remind them of the importance of budgetary controls in enhancing the financial well-being of their businesses. Furthermore, the study recommends that staff should be to be trained on other budgetary control techniques, such as participatory budgeting, to enhance business decision making and improve efficiency and productivity.

Suggestion for Future Research

Future research should consider modelling the moderating role of financial knowledge in the relationship between budgetary control and financial performance in small businesses.

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APPENDIX A

Questionnaire for employees

EFFECT OF BUDGETARY CONTROL ON FINANCIAL PERFORMANCE OF SELECTED SMALL AND MEDOIM-SIZED ENTREPRISES IN THE TRANSPORT INDUSTRY

Dear Respondent,

My name is Andrews Boama-Secu, an MBA student at the Department of Accounting, School of Business, University of Cape Coast. This study forms part of the requirement for the award of MBA degree in Accounting and it seeks to investigate the *Effect of budgetary control on performance of selected small and medium-sized enterprises in the transport industry in Accra.*

I am writing to ask for your help with my research. I would be grateful if you could spare about 15 minutes of your time to answer these questions for the research, with all honesty. There is no right or wrong answer. Your questionnaire is strictly anonymous and will only be read by and used by myself. Participation is voluntary.

In the event that anything is published from this research, no information supplied will be identifiable to you since only aggregated data will be reported in this study. Thank you for your valuable time and input.

Please tick [√] the appropriate response where options are provided and write your response where spaces are provided.

SECTION A: Demographic Characteristics of Respondents

A1. Sex: a. Male [ ] b. Female [ ]

A2. Age in years: ……………………………………………....

A3. Highest educational qualification: a. No education [ ] b. Basic [ ]

c. Secondary/Technical [ ] d. Tertiary [ ]

e. If other(s), please specify………………………………….

SECTION B: BUDGETARY CONTROL PRACTICES

Each of the following statements relates to the budgetary control system out in place by your firm. Please indicate your level of agreement to each of the following statements anchored on the scale:

"1: weak agreement to 5: strong agreement"

Budget Planning					
The firm I work for….					
B1. Prepares short term and long term budget plans	1	2	3	4	5
B2. Have specified clearly their short term objectives and long term goals.	1	2	3	4	5
B3. Prepare budgets that cover all aspects of their mission or purpose of operation.	1	2	3	4	5
B4. Links outcome, goals, and objectives to	1	2	3	4	5

programmes when budgeting.					
B5. Set priorities for the coming year at budget committees.	1	2	3	4	5
B6. Ensures that budget plans for all departments are prepared prior to the budget year.	1	2	3	4	5
Monitoring and Control					
The firm I work for….					
B7. Ensures that managers hold budget meetings regularly to review performance.	1	2	3	4	5
B8. Ensures that comparison is made between plans and actual performance and the difference is reported often.	1	2	3	4	5
B9. Have budget policies that check spending.	1	2	3	4	5
B10. Controls budget activities with the help of heads of departments.	1	2	3	4	5
B11. Ensures that the costs of activities are always reviewed by the executive committee.	1	2	3	4	5
B12. Ensures that budget performance evaluation reports are prepared regularly.	1	2	3	4	5
B13. See to it that budget deviations are reported to budget committee/executives.	1	2	3	4	5
B14. Makes sure that deviations from budget targets are frequently reported.	1	2	3	4	5
B15. Ensures that managers take timely corrective actions when adverse variances are reported.	1	2	3	4	5

B16. Do regular follow-ups are made on budget plans by the departmental heads.	1	2	3	4	5