

**BUDGETING AND BUDGETARY CONTROL AS TOOLS
FOR ACCOUNTABILITY IN GOVERNMENT
PARASTATALS**

**(A CASE STUDY OF ENUGU STATE HOUSING
DEVELOPMENT CORPORATION)**

BY

UMEILEKA NGOZIKA

ACC/2009/545

**DEPARTMENT OF ACCOUNTANCY,
FACULTY OF MANAGEMENT AND SOCIAL
SCIENCES, CARITAS UNIVERSITY, AMORJI- NIKE EMENE
ENUGU.**

AUGUST, 2013.

TITLE PAGE

**BUDGETING AND BUDGETARY CONTROL AS TOOLS FOR
ACCOUNTABILITY IN GOVERNMENT PARASTATALS**

**(A CASE STUDY OF ENUGU STATE HOUSING
DEVELOPMENT CORPORATION)**

BY

**UMEILEKA NGOZIKA
ACC/2009/545**

**A PROJECT PRESENTED TO THE
DEPARTMENT OF ACCOUNTANCY, FACULTY OF
MANAGEMENT AND SOCIAL SCIENCES, CARITAS
UNIVERSITY, AMORJI- NIKE EMENE
ENUGU**

**IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR
THE AWARD OF BACHELOR OF SCIENCES (B.Sc.) DEGREE IN
ACCOUNTING**

AUGUST, 2013.

APPROVAL PAGE

This project on budgeting and budgetary control as a tool for Accountability in government parastatals(A Case study of Enugu State Housing Corporation) by Ngozika Umeileka with the registration number ACC/2009/545 was supervised and approved in partial fulfillment of the requirement for the award of Bachelor Of Science (B.Sc.) Degrees in Accounting.

Mr. Enekwe Chinedu**Project Supervisor**

Dr. Frank Ovute**(Head of Department)**

External Examiner

Date

Date

Date

DEDICATION

This research work is dedicated to God Almighty for his love, care and mercy, and also being with me to the completion of this work, and also to my parents for their moral and financial support.

ACKNOWLEDGEMENT

I wish to acknowledge my profound gratitude to God Almighty for his guidance, grace and strength for not only leading me through in this research work, and also for the successful completing the tasks required in a tertiary institution like ours.

I equally acknowledge the effort of my indefatigable supervisor Mr. Enekwe Chinedu for his understanding, constructive, criticism, motivations and corporation of whom I am. Sincere to say that without him, I would not have been able to complete this project work.

Also comment the efforts of lectures in the department that thought me during my B.Sc. Degree programmes among whom are Dr. Frank Ovute (HOD) Prof. Nwadiakor E.O, Mr. Desmond Obani, Mr. James Ugwu and mr. Agu.

My heart Felt appreciation further goes to my beloved mother Mrs. Ann Umeileka and my lovely father Mr. Angus Umeileka for their financial, academic and spiritual aspirations. In fact they have been a brain store to my academic pursuit.

I wish also to register my sincere thanks to the rest of my siblings Mr. Azubike Umeileka, Mrs Ogechukwu Umeileka, Mr. Ebere Umeileka, Mrs Gold Umeileka, chukwudi Umeileka, Mrs. Chinelo Okonkwo, Ikenna Umeileka, Nnaemeka Umeileka and Obinna Umeileka Mrs for

their constant closeness and financial support during the course of the programmes and in research difficulties. May God bless you all. I also wish to acknowledge my nices Chioma Okonkwo, Blossom Umeileka, Ebube Umeileka, Amarachi Umeileka and my nephews Chukwunoso Okonkwo, Chukwuka umeileka and Ebube Umeileka for their prayers and encouragement.

I am also grateful to my friends and my roommates, Mr. Stanly Okoro, Ifeanyi Orakwu, Parlato Eba, Elizabeth, Mosumola, Philomina, Esther, Ngozi Onwurah, Chineye Ngwu, Opera Nnaji, Mercy Bassey, Tonia, Lydia, and others for their inspirations.

Finally, to a great extent, I owe some unquantifiable intellectual debt to several authors whose articles in journals and books have been useful in their project.

NAME: UMEILEKA NGOZIKA

REG NO: ACC/2009/545

ABSTRACT

This research work was focused on investigation on the use of budgeting and budgetary control as tools for accountability in government parastatals. (A case study of Enugu State Housing Development Corporation). Budgetary control is a quantitative expression of plane of action prepare in advance of period to which it relate. The organization is face with the problem of lack of budgeting while planning and controlling their activities. The objective of the study is to determine if budgeting and budgetary control affect the quality of services delivery in government parastatals. The research also aims at determining if budgetary control contribute to the improvement of management efficiency and high productivity. Data were collected from primary and secondary source. Secondary source of data were collected from textbooks, periodic articles and journals. Questions were distributed as well as personal interviews with functional and departmental heads were conducted. The sample size of 60 were used and was chosen among the number of department / section using Bowleys proportional allocation formula Data were analyzed using table and simple percentage, hypothesis were tested using chi-square statistics. We discovered among other things that budgeting and budgetary control affect the quality of service delivery in government parastatals. It was also revealed that budgeting and budgetary control contributes to the improvement of management efficiency and high productivity. In line with the above, we recommend among other things that the budget plan and preparation should be a corporate duty of the unit heads with head of department in the corporation, improving legislation, realistic budget target. Adherence in the budgeting provision should be practiced by top management.

TABLE OF CONTENT

Title Page	i
Approval page	ii
Dedication	iii
Acknowledgement	iv
Abstract	v

CHAPTER ONE

1.0 Introduction	1
1.1 Background of the study	1
1.2 Statement of the problem	4
1.3 Objectives of the study	4
1.4 Research Question	5
1.5 Hypotheses of the study	5
1.6 Significant of the study	6
1.7 Scope and Limitation-	7
1.8 Definition of terms	8
Reference	9

CHAPTER TWO

2.0	Review of related literature	10
2.1	Budgeting and budgets	10
2.2	Typology of budgets for planning and control	19
2.3	Features of budget	21
2.4	Fundamentals of budgeting and budget Administration	28
2.5	Preparation of budgets	29
2.6	Budgeting controls	37
2.7	Innovation in the area of budget Zero- Based Budgeting (ZBB)	42
2.8	Enugu State housing development corporation Historical background	50
	References	

CHAPTER THREE

3.0	Research design and methodology	55
3.1	Research design	55
3.2	Source of data	56
3.3	Research instrument	57
3.4	Reliability/ validity of research instrument	58
3.5	Population of the study	58

3.6	Sample size/ technique	59
3.7	Administration of research instrument	61
3.8	Method of data analysis	61
3.9	Decision criterion for validation of hypotheses	62

CHAPTER FOUR

4.0	Data presentation & analysis	64
4.1	Data presentation	64
4.2	Testing of hypothesis	83

CHAPTER FIVE

5.0	Summary of findings, conclusion and Recommendation	95
5.1	Summary of findings	95
5.2	Conclusion	96
5.3	Recommendations	97

Bibliography

Appendix

CHAPTER ONE

1.0 INTRODUCTION

1.1 BACKGROUND OF THE STUDY

The efficiency and effectiveness of the operations of a business depends on the control available to management in almost every business organization, there are a number of activities going on at the same time such as producing, purchasing, distributing, selling and financing a product. These are interrelated in such a way that they affect the attainment of the organization goals.

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

Therefore in order to achieve these objectives or goals, the organization must economize resources and discover the means of achieving these goals. These goals can only be realized when the property planned use of available resource are controlled and co-ordinated effectively. Thus a system of managing a business by making forecast of the different activities and applying a financial to each forecast becomes imperative. These forecast

are guided by the information and adoption of planned system such as techniques in budgeting , variance analysis. Etc.

Pandy (2008) defines budgeting control as the establishment of departmental budget relating the responsibilities of the executive to the requirement of a policy, and the continuous comparison of actual budgeted result either to secure by individual actions. The objective of that policy is to provide a firm basis for its revision.

Osisoma, (2000) opined that budgeting is a systematic and formalized approach for accomplishing the planning, co-ordination and control responsibilities of management. It is a process of preparing in advance of the period to which it relates a summary statement of plans expressed in quantitative terms, which if utilized with sophistication and good judgment, would enhance the attainment of an organization's objectives. A budget therefore, is a plan quantified in monetary terms, prepared and approved prior to a defined period of time, usually showing planned income to be generated and /or expenditure to be incurred during that period, and the capital to be employed to attain a given objectives.

A budgetary control is described by lucey, (2002) as a quantitative expression of a plan of action prepared in advance of the period to which it relates. Budget may be prepared for the business as a whole, for

departments, for functions such as sales and production, or for financial and resources items such as cash, capital expenditure, manpower, purchase. Etc. the process of preparing and agreeing budgets is a means of translating the overall objectives of the organization into detailed, feasible plans of action. It is therefore, germane to say that the level of importance that is attached in this plan and effort made in controlling the finance differ in organizations. Once the goals are set, which must be based on the detailed analysis of feasibility within the content of the political and social value the plans will enable it to strive towards its attachment.

Often than not when these plans are put into operation, conditions prevail which trends to cause deviation from the plan and corrective measures are always taken to steer the business back on the right track. The process already mentioned as it is applied entailed budget and its control. And to lend credence to goal congruence suitable techniques should be applied to specific areas that need special attention hence measurement of budgeted with actual to arrive at the finance cannot be over emphasized. A business is said to be on the right track if the outcome of the budgeted estimate is favorable as against the actual. The little that is said concerning this project has encompassed all avenues in which the subject can aid

management decision, rather it should be seen as a guide for people business.

1.2 STATEMENT OF THE PROBLEM

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

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

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

1.3 OBJECTIVE OF THE STUDY

The primary purpose of this study is four fold. They include the following:

- i. To determine if budgeting and budgetary control affect the quality of service delivery in government parastatals.
- ii. To determine if there is a connection between the type of budget implemented and their actual performance.
- iii. To determine whether or not budgetary controls as a management tools contribute to the improvement of management efficiency and high productivity.
- iv. To find out the use of the budgetary controls as an appraisal parameter for assessing managers budget.

1.4 RESEARCH QUESTIONS

- i. Does budgeting and budgetary controls affect the quantity of services delivery in government parastatals.
- ii. What are the connection between the type of budget implemented and their actual performance?
- iii. How can budgetary control as management tools contribute to the improvement of management efficiency and high productivity?
- iv. How can budgetary control be used for assessing Manager's budget?

1.5 HYPOTHESIS OF THE STUDY

1. H0: Budgeting and budgetary control does not affect the quantity of services delivery in government parastatals.

H1: Budgeting and budgetary control affect the quantity of services delivery in government parastatals.

2. H0: Budgeting and budgetary control does not contribute to the improvement of the management efficiency and high productivity.

H1: Budgeting and budgetary control contribute to the improvement of the management efficiency and high productivity.

3. H0: Budgeting and budgetary control is not used for assessing manager's budget.

H1: Budgeting and budgetary control is used for assessing manager's budget.

4. H0: There is no connection between the type of budget implemented and actual performance.

H1: There is connection between the type of budget implemented and actual performance.

1.6 SIGNIFICANCE OF THE STUDY

Budgeting and Budgetary control is a function that is very important and of great significant to any of organization. It is not peculiar to only the manufacturing organization but also necessary to service of the government.

The study will contribute towards enhancing profits of the organization, business or an individual. It will help to control one's income. Budgeting is necessary to make matters simple and hence life easy to handle.

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

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

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

1.7 SCOPE AND LIMITATION OF THE STUDY

This study is aimed at finding out the impact of budget and budgetary control in Enugu State Housing Development Corporation.

The limiting factors are that of availability of data which might be difficult to obtain following the trend of the attitude of Nigerians with regards to giving out information. Time constraints are also a limiting factor

in undertaking this study. The availability time and short period of the study made it difficult for the researcher to carryout a wider and more through work on the issue, at the same time carryout academic activities.

Also literature on the topic as it relate to government parastatals is very few.

1.8 DEFINITION OF TERMS

The following are defined in the work:

BUDGET: Budget simply means estimate of income and expenditure, which are planned by the organization for a specific future. In Britain, it means the annual statement made to the house of commons by the chancellor of the exchequer, giving details of the government financial plans for the coming year.

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

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

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

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

REFERENCE

Lucy .T. (2002). *Costing: 6th Edition*. London Butter Worth

Osisoma B.C. (2000). *Studies in Accounting*; Afritower Limited

Pandey I.M. (2008). *Management Accounting*. Third revised Edition. Delhi;Jitendra Printing Press.

CHAPTER TWO

2.0 REVIEW OF RELATED LITERATURE

2.1 BUDGETING AND BUDGET

It is well recognized that an organization should be managed effectively and efficiently. Managing, in fact, implies coordination and control of the total enterprise efforts to achieve the organizational objectives. The process of managing is facilities when management charts its course in advance. The functions of management also include decision making facilities by various managerial techniques procedures and by utilizing the individual and group effort in a coordinated and ration way. Organizations have limited resources and these limited resources impose limit on the number and range of goals that the organization can hope to attain. One systematic approach for attaining effective management performance is

profit planning or budgeting. Profit planning or budgeting is an integral part of management. The controller would be particularly interested in profit planning since it helps to regulate flows of fund which is this primary concern.

According to Pandey (2008), states that common organizational goals includes maximizing profits and achieving satisfactory level of performance and performing a social service by providing goods and services desired by others. It is with a view of achieving their organizational goals that great emphasis is placed on budgeting. The budgeting process may be quite formal in a large organization with committees set up to perform that task. On the other hand in a small firm the owner jot down his budget on a piece of scrape paper or even on the back of a used envelope, some even manage without writing anything down at all they have done the budget in their heads and can easily remember them. When a plan is expressed quantitatively it is known as budget and the process of converting plans into budget is known as budget. Budgeting therefore is essentially a process of planning and control.

He argues that a well prepare budget provides management with a planning programme based on investigation study and research on the part of the entire organization. The origin of budgeting can be traced to Egypt the

people of civilization were Joseph according to bible made a forecast of corn supplies and planned Pharaoh's investment and consumption policy.

The word "budget" comes from the French for a small bag or purse and come to be associated with chancellor of the exchequer's bag which contains annual estimate of the country's income and expenditure in the national budget. The chancellor is concerned with planning, co-coordinating and controlling income and expenditure for the government.

Ezeamama (2010) opines that growing complexity of the business environment and the ever increasing competition among firms in the modern time make planning an invaluable tool for business success. Successful management is no longer just a matter of flair skills and determination, a conscious effort is needed to harness available resources towards the achievement of enterprise objectives. He says that budgeting is one of the tools adopted by management for effective cost planning and control.

Nwadighota (2005) defines budget as a plan expressed in quantitative and usually monetary terms every a specific period of time. Normally the period covered is one year and this makes it a short term plan. Practically all large organization bothn in the private and public sectors prepare annual budgets. He is of the view that budget is a short term financial plan which guides manager in achieving the objectives of a firm. Ama (2003) argues

that budget is a quantitative expression of a plan of action prepared in advance of the period to which it relates. Budgeting may be prepared for the business as a whole, for department, for functions such as sales production or for financial and resources items such as cash capital expenditure manpower purchase etc. The process of preparing and agreeing budgeting is a means of translating the overall objectives of the organization into detailed feasible plans if actions. This is usually prepared for a stated period of time usually one year. A budget may be prepared simply using paper and pencil or on computer using spread sheet program like excel or with a financial application like quicken or quick books. A budget as defined by institute of cost and management Accountants “ICMA” IS A financial statement prepared and approved prior to a defined period of time of the policy to be pursued during that period for the purpose of attaining a giving objective.

Adams (2009) is of the view that budget is a future plan of action for the whole organization or section thereof. Budget can also be defined as a financial statement of the sources (revenues) and uses (expenditure) of fund of the government. It is prepared by the minister of finance and the presented to the parliament for discussion and approval. It is unlawful to spend government fund without the approval of the parliament. The budget is an important economic development which reveals the state of the

economy and the expected future trends. He states that the primary objectives of budget is to measure the profitability of an organization. However, in the case of government which is non-profit-making, budget could be used.

- i. As a guide for the present and the future.
- ii. To plan, control and estimate the amount to be received and spent during a given period.
- iii. To distribute scarce limited resources.
- iv. As a means of evaluating performance of management and the entire work force.
- v. To inform managers of the results and operations of their responsibility in their domains.

Vi As a standard of measurement for the purpose of controlling on going economic activities. For instance government obtain its revenue from taxes and other sources which are use for current operations. Government budget usually shows authorized appropriations and estimated revenue. Some of the school taught, Perceive the term “budget” as a restraining or impediment factor. Hence some workers develop negative attitude to budgeting.

Budget is also defined by the institute of cost and management accountant as a plan quantified in monetary terms prepared and approved

prior to a defined period of time usually showing planned income to be generated and or expenditure to be incurred during that period and the capital to be employed to attain a given objective.

Thukaram (2009) defined budget as a quantitative expression of a plan of action prepared in advance for the entire organization or for various departments or for various functions involved in that organization. Budget is a means of translating the overall objectives of the business into detailed feasible plan of actions. He went further defining budget as a short term financial pal which guides managers in achieving the objectives of a firm. A budget is a financial documents used to project the future income and express. It is an estimate of the expected income and expenditure of a country, firm, company, or organization.

Drury (2004) agrees that budget as the design of a desired future and of effective ways of bringing it about. It is a systematic and formalized process for purposely directing and controlling future operations towards desired objective for periods extending beyond one year. Budget on the other hand must accept the environment of today, and the physical, human and financial resources at present available to the firm. These are to considerable extent determined by the quantity of the firms' long range planning efforts.

Osioma (2000) defines budget as a formal expression of managerial plan in quantitative and financial terms, encompassing different phases of business and aimed at helping management towards the attainment of organization objectives, in their own contribution. Godwin (2001) sees budget as a systematic and formalized approach for accomplishing the planning, coordinating and control of responsibilities of management. It is a process of preparing in advance of the period to which it relates a summary of statement of plans expressed in quantitative terms, which if utilized with sophistication and good judgment would enhance the attainment of an organization's objectives. He went further to define a budget as a comprehensive and co-coordinating plan, expressed in financial terms for the operations and resources of an enterprises for some specific period in the future. The basic features of a budget as highlighted are as follows

- i. It is as comprehensive and coordinated plan
- ii. It is expressed in financial terms.
- iii. It is a plan for the firm's operations and resources
- iv. It is a future plan for a specific period

Adeniyi (2008) agrees that budget is a plan quantified in monetary terms prepared and approved prior to a define period of time usually showing planned income to be generated and or expenditure to be incurred

during that period and the capital to be employed to attain a given objective. A budget is a future plan of action formulated by management for the whole organization or a section thereof, which is expressed monetary terms. A budget is therefore a detailed commitment to a plan of action, and in this respect differs from a “forecast which is merely an assessment of future events which are likely to occur if no positive planning action is taken.

From the above definition of budget one can deduce that the purpose of business planning is to minimize uncertainty about the future and as a planning is therefore required at all level of an organization sectional and or departmental plan must happen at the same time in order to achieve the objectives of the organization. It is imperative to state that no matter how super a budget is, it is bound to fail if it is not back up with effective control measures. What then is control?

Adeniyi (2008) sees control as part of overall system of responsibility accounting within an organization. It is a system of accounting in which cost and revenues are analyzed in accordance with areas of personal responsibilities so that the performance of the budget holders can be monitored in financial terms. budgetary control consist of:

- (a) Establishing budget for each area of functional responsibility.
identifying the performance required in order that the objective of

the business as a whole may be achieved.

- (b) The regular comparison of actual with budgeted results.
- (c) Action resulting from the comparison, either to secure adherence to the defined objectives or to agree some modification of the original plan.

Osioma(2000) agree that control is the regulation of activities within an organization so that performance are in accord with the expectation established in policies, plan and target.

He emphasized that accounting Provides an organization with a formalized system of information processing that involves controls in three areas namely:

- a.The budgeting process sets the basis for judging whether actual performance has conformed to plan.
- b. The information processing function formally collects data in actual performance and
- c.Accountant who compare actual result with preconceived targets and report deviation on the appropriate managers frequently initiate the control. It therefore follows that no Matter the worth of a project engagement or financial investigate in any business organization there must be a strong control board to serve as a watch dog if the ultimate

goal is to achieve. The inability of many organizations to achieve their corporate objectives has been attributed to failures in planning, the objectivity attainment due to lapses in control. This trends to lend credence to the view of modern scientists that of all management functions control is the sequel non-profitability

2.2 TYPOLOGY OF BUDGETS FOR PLANNING AND CONTROL

There are avenues for achieving an end and these avenues relates to the forms, processes and method involved, and consequently the planning and control activities of business and organizations are achieved through various forms of budget through with the planning and control are affected

The commonly widely used types are fixed and flexible budgets. However, some organization use continuous budgeting.

Lucy(2004)opines that fixed budget is a budget which is designed to remain unchanged irrespective of the volume of output or outcome or turnover attained i.e. it is a single budget with no analysis of cost, on the other hand a flexible budget is a budget which is designed to adjust the permitted cost levels to suit the level of activity actually attend. The process by which this is done is by analyzing costs into their fixed and variable elements so that the budget may be fixed according to the actual activity. For control purpose this vital that fixed budgeting is used. Only by comparing

what the cost should have been with the expenditure incurred at the actual activity level can any control be exercised. The major purpose of a fixed budget is at the planning stage when it serves to define the board objectives of the organization. It is unlikely to be of any real actual for control purpose except if the level of activity turned out to be exactly as planned.

A flexible budget is a budget which recognizing a different cost behavior patterns, is designed to change as the volume of activity change. The procedure for developing a flexible budget are simple enough but the results obtained from “flexibility” a budget Are only accurate if the costs been are in the ways predicted. A flexible budget on the other hand estimate cost at several levels of activity. It assumes that cost of labour materials or overhead as used in production varies in accordance with change in the volume of activity.

Generally, flexible budget is useful before specific budget period in assisting management on choice a level or levels for planning periods. It is imperative to state here that a company win a steady run but secondary uncertain sales might conveniently operate a flexible budget of sales and a fixed budget for production.

The methodology of budgetary control is probably accountancy’s major contribution to management. Before we get down to the mechanics of

consuming budget we should first of all look at the main outcomes of drafting budgets when the budgets are drawn up the one main objective must be, upper most in the mind of top management that is the budget are for:

- a. Planning: This means a properly co-ordinated and comprehensive plan for the whole business. Each part must inter lock with the others parts.
- b. Control: Just because a plan is set down it does not mean that the plan will carry itself out. Control is exercised in the budgets, thus the name budgetary control. To this, it means that the responsibility of managers and budgets must be so linked that the responsible manager is given a guide to help them to produce certain desired results and the actual achieved results can be compared against the expected i.e. actual compared with budget.

2.3 FEATURES OF BUDGETS

Budgets are prepared by the management in every organization. Large and medium scale business have a comprehensive system of budgeting which small and some medium scale don't have.

A comprehensive budgeting system consist of the preparation of master with a complete package of the components budgets financial budgets and capital budgets. They features are:

- a. It is a comprehensive and coordinated plan of action.
- b. It is prepared prior on a defined period of time for performance control within the period.
- c. It is expressed in financial term or quantitative term or both.
- d. It is future plan for defined period.
- e. It states performance expectation over a defined period of time.
- f. It integrates the resources and cost of an organization.
- g. It is aimed at attaining organization objectives.

TYPES OF BUDGET

1. **OPERATING BUDGETING:** Godwin (2001) is of the view that operating budget is a major part of master budget that focuses on the income statement and its supporting schedule. It opines that income statement are of two parts. A programme of activity budgets and a responsibility budget. These represent various ways of looking at the operation of an enterprise. Responsibility budget specific plans in terms of individual's responsibilities. The aim of this budget is to compare the actual and expected performance of an individual. It shows the expected future in an impersonal manner and is helpful in ensuring the among various operations or functions of an enterprises. Under responsibly budget the effectiveness of an organizational

structure of the organization. The programme of activity budget is an estimate of the revenues and costs of major programmes an organization plans to execute. The budget is usually arranged for example by product lines, showing the anticipated revenue and costs associated with each product line.

2. FINANCIAL BUDGETS: Collins (2009) explains that financial budgets consists of the budgeted capital expenditure the cash budget the balance sheet and statement of changes in financial position. That is to say that financial budget is concerned with financial implications of the operating budgets that is the expected cash in flows and cash out flow. Financial position and other operating results. The most important elements of the financial budget is the cash budget. The major objectives of cash budget is to plan in such a way that the company always maintains sufficient cash balance to meet its needs and uses the idle cash in the most profitable manner.

The performance financial statement provide information as to the future assets, liabilities and income statement items. The preparation of the cash budget and performance statement compels management took ahead and balance its politics activities and operations.

3. **CAPITAL BUDGETS:** Capital budget is the planning of capital expenditure which normally undertakes a long term basis and is prepared for several years in advance. Capital budget is in respect of such thing like the replacement or increase in plant and machinery building, acquisition of existing business etc. they involve the plan to acquire worthwhile project together with turning of the estimated costs and flows of each project. Such project require large sum of money and have long term implications for the firm. Capital budget are very difficult to prepare because estimates of cash flows over a long term have to be made and they involve a great deals of risks and uncertainty.

Management will evaluate the various possibilities to compare the alternatives. This is very important part of budgeting.

THE ADVANTAGES OF BUDGETING

1. The strategic planning carried by the board of directors or owners can be more easily linked to the decision by managers as to know the resources of the business will be used to try to achieve the objective of the business. The strategic planning has to be converted into Action and budgeting provides the ideal place where such planning can be change into financial terms.

2. Standard of performance can be agreed for the various parts of the business. If sales and production target are set as part of a co-ordinate plan then the sales department cannot really previously to a production complain if its production exceeds the amount budgeted for and it remains unsold.
3. Managers can see how their works shots into the activities of the firm. It can help to get rid of the fleeting of I'm only a number not a persons' because managers can identify their positions within the firm and can see their job really are essential to the proper functioning to the firm.
4. The budgets for a firm cannot be set in isolation. This means that the situation of the business, the nature of its products and its workforce etc, must be seen against the economic background of the country. For instance it is not use budgeting for extra labour when labour is in extremely short supply, without realizing the implication that of paying higher than normal wage rates. Increasing the sales target during "credit squeeze" needs a full investigation of the effect of the shortage of money upon the demand for the firm's goods and so on.
5. The expression of plan in comparable financial terms. Some managers think mainly in terms of, say, units of production, or often of inputs or

output, or lorry mileage, etc. The effect that each of them has upon financial result must be brought home to them. For instance, a transport manager might be unconcerned about the number of miles that his haulage fleet of Lorries covers until the cost of doing such a large mileage is brought home to him, often during budgeting, and it may be then and only then that he starts to search for possible economies. It is possible in many cases to use mathematics to find the best ways of loading vehicles, or to plan routes taken by vehicles so that fewer miles are covered and yet the same delivery services is maintained. This is just one instance of many when the expression of the plans of a section of a business in financial terms sparks off a search for economies, when otherwise such a service may never be stated at all.

OBJECTIVES OF BUDGETING:

1. STATE OF EXPECTATION:

Budgeting states the firm's expectations (goals) in clear and formal terms to avoid confusion and to facilitate attainment. The targets of expected performance are laid down to a budget. The targets are directional and motivational. They direct individual and group efforts and operations towards a common goal. It

establishes a harmony between short-run and long run goals of the firms.

2. COMMUNICATION OF EXPECTATION:

A mere statement of goals and means of attaining them does not mean that the goals will be achieved. The manager should know that the goals are, they should understand and support them.

Top management should communicate expectations to all concerned with management in the firm so that they are understood, supported and implemented.

3. PLANNING:

Planning reduces uncertainty and provides direction to the employees by determining the course of action in advance. It compels management to plan comprehensively and coherently. It provides an orderly way to proceed to attain goals and also provides a time schedule for future actions and provides measurable results.

4. COORDINATING: Coordinating implies striking balance between labour, materials and other resources so that goals of the firm are attained at a minimum cost. The activities of the various departments must

remain in harmony with one another. Each department manager should establish proper report between the activities of his department and that of other departments. Where there exists any disharmony in the relationship between the activities of department it should be properly identified and corrected.

5. MEANS OF CONTROL: A budget indicates the performance expected of employees. A budget may therefore serves as an index for measuring employees performance. The actual performance of the employee is compared with the budgeted performance provided feedback. The actual performance is adjudged favorable or unfavourable in the right of budgeted and change.

2.4 FUNDAMENTALS OF BUDGETING AND BUDGET ADMINISTRATION

To ensure effective and efficient administration of budget on organizational structure may be in the form of line and staff, admitted, line or function type of organizational structures.

An organizational structures is a process of dividing work into the convenient task or duties of grumping such duties in from of posts of delegating authority to each post, and of appointing qualified staff to responsibility, that the work is calmed out as planned.

Most organization narrates the line and staff function. Budget preparation is said to be a line function while organization and administration of budgeting is a staff function. The primary responsibility of the staff organization is to assist line executive in preparing budget by providing data and technical advice and co-coordinating the budget of various department to form a master budget.

2.5 PREPARATION OF BUDGETS

Lucy(2002) argues that budget are based on plans taken into considering external inferences such as competitor's activities, market share, technology economic and political changes. The annual budgeting process in most business is therefore important and serves some purposes. As a management process, budgeting is seen as been closely related to operation of the organization. The preparation of budget requires the effort of all executives involved in the setting of goods and devising the polities activating from the lowest may construct his own budget and submit it is the next higher person for incorporation into a total or master budget.

Alternatively, all the detailed individual budget and the master budget may be constructed of the accountant or another executive and passed downward for comment at all levels. Budget encompasses the following:

1. SALES BUDGET: This is starting point of budget. Sales budget is significant in that it is an estimate of revenue to be generated by the company from its operation as well as the focus of much that is done within a company. It also serves as a units per month the stock levels would usually have to be more than 100 units, whilst if the stock were to be kept at 100 unit minimum the production figures each mambo would equal the sales figure.

2. PURCHASING BUDGET:

The purchase of direct material is dependence on the levels of the beginning inventory and the desire ending inventories. The unit of material to be purchased are determined thus:

Budget usage plus desired ending inventory (material) less beginning inventory (material) purchases in units.

3. DIRECT LABOUR BUDGET:

This budget is responsible for the estimate of direct labour costs. This is because indirect costs are included in the manufacturing altered costs budget. The direct labour to be spend on production is a function of the unit to be produced and the labour hours required for production.

4. CASH BUDGEGT:

Osisioma (2000) opines that cash budget represent the cash receipts and payments and the estimates cash balanced for each in flows and out flows over the budget periods. The objective of the cash budget according to Osisioma are:

- a. To provide management with estimate of the company's short term and long term needs of capital.
- b. Source and amount of capital that can be required.
- c. To coordinate the company's financial planning with its operating plans. The cash receipts are made up to sales proceeds receipts from debtors sales of capital items, loans proceeds form shares issued etc. cash payment are made up to payments to creditors capital expenditure dividends, taxations and any other cash distribution on capital it becomes the financial summary of the agreed period usually a year. The cash budget is used to plan the activities of a firm in such a way that it maintains sufficient cash balance to meet its needs and uses the idle cash in the most profitable manner.

THE NEED FOR CASH BUDGETING

It is of no use budgeting for production and for sales. It during the budget period the term runs out of cash funds. When talking about cash in

budget we are also usually including have funds, and therefore in this book we will not be differentiating between cash and cheque payment or between cash and cheque received. Cash is therefore also budgeted for so that any shortage of cash can be known in advance and action taken to obtain permission for a loan or a bank overdraft to be available then, rather than wait until the shortage or deficiency occurs. Bank managers or anyone concerned with lending of money certainly resent most strongly one of their customer needing a bank overdraft without proper warning when in fact the customer could have been known if he had drawn up a cash budget in advance which rejected the need for cash fund on a particular date.

The finance needed may not just be way of borrowing from a bank or finance house it may well be a long term need that can only be satisfied by an issue of shares or debentures. Such issues need planning well in advance and a cash budget can reveal

- A. That they will be needed
- B. How much needed and
- C. When it will be needed

ADVANTAGES OF CASH BUDGET

These can be said to be:

- a. Having to think a head and plan for the future and express the plans in figures focuses one's mind in a way that thinking in a general fashion about the future will not do. A general optimistic feeling that "all will be well" often not stand up to scrutiny when views of the future are expressed in a cash budget.
- b. Seeing that money will have to be borrowed at a particular date will mean that you can negotiate for a loan in advance, rather than at the same time when you have actually run out of cash. Bankers and other lenders do not have like someone attempting to borrow money in a price and which has to be instantly available.

In borrowing money you have to give them the confidence that the loan will be repaid at the proper time plus any interest and charges that may accrue.

Attempting last minute borrowing, probably not sustained by any calmly thought-out plan will not inspire such confidence and will often lead to the loan being refused as the lender may think that the risk is too great.

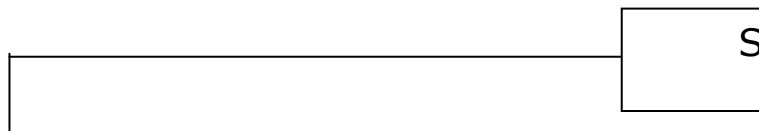
It is not only that you risk the loan being refused. Lenders will often realize that they have their money and will change much

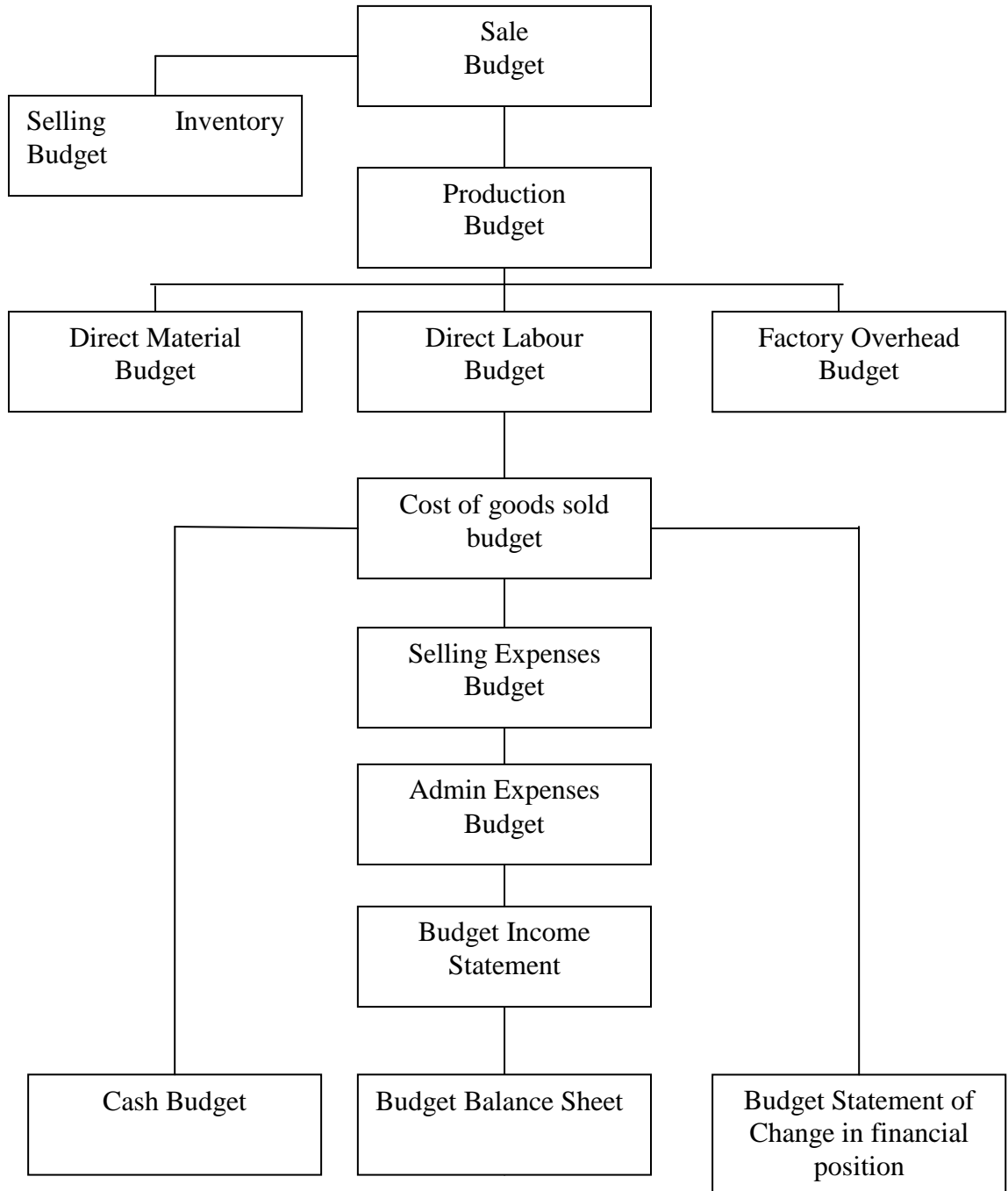
higher rate of interest and impose other conditions that otherwise they would not have done.

- c. Knowing about the need to borrow in advance also widens the possible pool of lenders. Such people as friends relations and businessmen or investors other than bankers rarely have large sums of cash quickly available. They need time to run their own investments into cash before they can lend to you.
- d. Alternatively you may find that you will have cash funds surplus to requirements knowing this in advance will enable you to investigate properly how you can invest this surplus cash until required , thus earning interest of their investment income. Surplus cash lying in bank current accounts they often earns absolute no interest at all no matter how large the amount. Bonus often have deposit accounts into which surplus current account cash can be invested to earn interest then transferring the necessary sums back into the current account when required by the business. There are also other sorts of short term investments which your bank or account can advise you to put your surplus cash into at appropriate times.

5. THE MASTER BUDGET

Osioma (2000) emphasizes that budget is a coordinating instrument and a summary of all the financial budget of an organization in corporation the sales production operating expenses and financial budgets. It represents a consolidation of all the supporting budgets and financial effect of the total plans for the business. The master budget is actually a combination of the budget income statement and balance sheet.





Master Budget Flow Chat

2.6 BUDGETARY CONTROL

The institute of cost management accountant defined budgetary control as the establishment of budget relating to the responsibilities of executive to the requirement of a policy and the continuous campaigned of accrual budgeted results either to by individual's actions the objectives of the policy is to provide a basis for provision.

The two basic functions, of budgeting deals with comparison of actual results with the budgeted data, evaluation for difference and the taking of corrective action to adjust for difference when necessary. The comparison of budget and actual data could occur only after actual accounting data have been accumulated.

For instance, January production and cost data are necessary to compare .with January production budget to measure the difference between plans and accomplishment.

Budgetary control is a process of management which shows an appraised of presented situation and the immediate past, an assessment of the influence of outsider factor, example political or economics and the necessary for moving into new fields. For instance, products are brought together in determining policy. This control process is known as the control help.

Omolehinwa (2004) sees budgeting control system which uses budget as a planning in controlling all aspect of producing and or selling commodities or services. Preplanning is a cardinal facture of budgeting control and that each budget has the action of the people their performance and the cost they incur.

Budgeting control from the perspective of management or exception stated that budgeting control is a tool which enable management to consider only items that do not go according to plan and to concentrate on exceptions.

However, Godwin (2001) sees budgeting control as a system which uses budgets as a means of planning and controlling all aspect of producing and/or selling commodities or services. Preplanning is a cordial facture of budgeting control. The plan is represented in the master budget. Each segment of the master budget is covered by a functional budget.

However, he presented what as considered as landmark in budgeting analysis as it relates to Nigeria. He stressed on the relationship between accounting and budgeting he was of the view that accounting system and budget are built around the organization structure and both are information system concerned with the same operation and financial situation. The budgeting process helps to organize and formulate the planning required for these operations express objectives and then ,becomes a means to measure

the extent to which the plans have been achieved. Budgetary control is planned to assist management in the following ways:

- a. In the allocation of responsibility and authority.
- b. To aid in making estimate and plans for the future.
- c. To assist in the analysis of variations between estimated and actual results.
- d. To develop basic of measurement or standards with which to activate the efficiency of operations. He is of the view that management use of budget for control involves comparison of actual and budget figures for each division by the budget committee followed by regular conference with supervisors and departmental heads in order to analyze variance and to inaugurate steps to correct unsatisfactory operation or to revise the budget.

Emeka (2009) emphasized on the importance of budgets, and noted that the assessment of budget is only one of phrase of comprehensive system of budgetary control. He was of the view that no matter how carefully budgets are comprised; they will be largely ineffective run less an efficient routine is in operation for comparing result with the budget and explaining the cause variations.

Budgetary control can be operated without standard costing all the budgeting control is facilitated where standard cost is in operation. However, it would be difficult to operate a system if standard costing of budgets are not in use. Budgetary cannot relates to expenditure to persons who incurs it so that actual expenses can be compared with budgeted expenses. This affording a convenient method of control.

The use of budgetary control provides a co-ordination factor in business. Its importance as a tool of management can be deduced from the foregoing discussion. It could be seen that it is as significant in planning as it is in control with budget oppression. Here actual performance is compared with budget outcome and favorable or unfavorable variance determined. The cause of this variance are sought out and checked thus enabling management to plan it future operations.

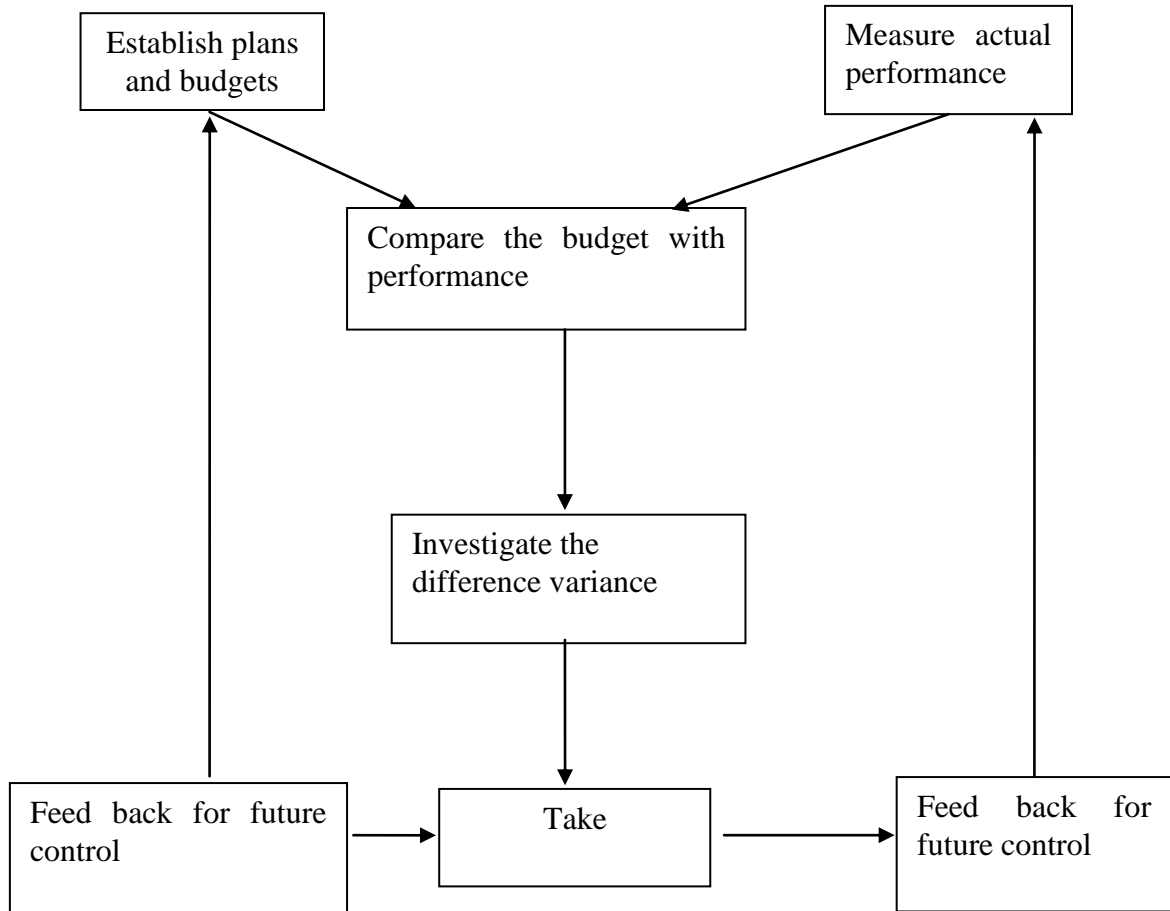
Ama (2003) explains budget control for a tool for planning while budgetary control services as the yard stick for the measuring actual performance with that budgeted through the analysis of variance. For budgetary process to be effective the participation of top management is not only required but the true participation, co-operation and understanding of the middle and tower management is also comparative.

In summary, we are of the view that budgetary control is not mechanical or technical procedure. But a human and objective element of management, its success is actually dependent in the goodwill and co-operation of the participants without this, budgeting will become a paper exercise with no real impact on operations of the organization except perhaps negatively.

Its objectives are as follows:

- a. Setting out clearly defined targets of output income and expenditure for each section of the organization
- b. Embodying these targets of performance in sectional divisional and departmental budgets.
- c. Comparing these budget standards with actual performance
- d. Identifying deviations or variance from the budget
- e. Taking corrective actions or bring performance in line with budget target.

BUDGETARY CONTROL PROCESS



2.7 INNOVATION IN THE AREA OF BUDGET ZERO-BASED BUDGETING (Z.B.B)

Zero Based Budgeting according to the institute of cost and management accountant is a method of budgeting whereby all activities are re-evaluated each time a budget is formulated.

Each functions budget state with the assumption that the fractions does not exist and is at zero cost. Increments of the cost are compared with

increments of benefits for a given budgeted cost. It is a cost benefits approach whereby it is assumed that the allowance for an item is zero and will remain so until the manager responsible justifies the existence of the cost item and the benefits the expenditures brings. Using this method, a questioning altitude is developed whereby each cost item and its level has to be justified in revelation to the way it help to meet objectives and how the expenditure benefits the organization. This technique of budgeting was introduced in the early 70's in United States of America and it's aimed at reducing the cost and misuse of fund in government and government department.

Referring to zero based budgeting, it provides a total approach to budgeting by appraising each functions or activity from the beginning. Thus every item of budgeted expenditure must be examined critically and justified. It is allowed to form part of the budget.

ADVANTAGES OF ZERO BASED BUDGETING

- a. Properly carried out it should result in a more efficient allocation of resources to a activities to department.
- b. ZBB focus attention in value of money and make explicit the relationship between the input of resources and the output of benefits.

- c. It develops a questioning attitude and makes it easier to identify in efficient absolute or less cost effective operations.
- d. The ZBB process leads to greater staff management knowledge of the operations and activities of the organization and can increase motivation.
- e. It is a systematic way of challenging the status quo and obliges the organization to examine alternatives and existing cost behavior patterns and expenditure levels.

DISADVANTAGES OF ZERO BASED BUDGETING

- a. It is a time consuming process which can generate volume of paper work especially for the decision packages.
- b. There is considerable management skill required in both drawing up decision packages and for the ranking process. The skill may not exist in the organization.
- c. It may encourage the wrong impression that all decisions have to be made in the budget. Circumstances change and new opportunities and threats can arise at any time and organization must be flexible enough to deal rapidly with these circumstances.

- d. ZBB is not always acceptable to management and staff or trade union who may prefer the cost status quo and who sees the details of alternatives costs and benefits as a threat not a challenge.
- e. There are considerable problems in ranking packages and there are inevitably many subjective judgment policies pressure with in organization also contributes to the problem of ranking different types of activities especially where there are qualitative rather than quantitative benefits.
- f. It may emphasize short term benefits to the detriment of longer term ones, which in the end may be more important.

IMPLEMENTATION OF ZERO BASED BUDGETING (ZBB)

According to Nwadihoha (2005) the overall process of implementing Zero Based Budgeting (ZBB) can be divided into three stages, thus

a. DEFINITION OF DECISION PACKAGES:

A decision package is a comprehensive description of a fraction which can be individually achieved. The decision package is specified by the managers concerned and must details of the anticipated costs and results expected express in terms at accomplishment and benefits achieved packages are of two types:

- i. Mutually: Exclusive Decision packages which are alternative forms of activity task and expenditure to carry out the same job where the best opinion among them is so elected.
- ii. Incremental Decision Packages shows the different level of executing a particular activity with the minimum feasible level of activity known as the base package and other ;packages which describe higher activity levels at given costs and resulting benefits.

b. EVALUATING AND RANKING OF PACKAGES

When the decision packages have been prepared management will then rank all the packages in the basis of their benefits for the organization. This is a process of allocating scarce resources between different activities some of which already exist and others that are new.

c. RESOURCES ARE ALLOCATED

When the overall budgeted expenditure is divided upon the packages would be accepted. In the ranked priority sequence up to the agreed expenditure level.

PLANNING PROGRAMMING BUDGETING SYSTEM (PPBS)

Nwadighoha (2005) emphasized that programmes budgeting applied the accounting system or the objectives of the nonprofit organization according to activities to be undertaken. The authors were of the view that programme budgets would include estimates of total cash for particular programmers and functions regardless of the organization department(s) involved and without reference to the time period overall by a programme, for instance a local government council embarking on mass immunization of children will make provision for vehicles, medicines and technical staff rather the salaries and wages and other objects of the expenditure. Programme budgeting contributes to better in non-profit organization in two ways:

Firstly, it forced management to identify the activities, functions or programmer to be provided.

Secondly, it provides information by which management can assess the effectiveness of its plans.

Planning programming Budgeting System (PPBS) may be described as a comprehensive planning and budgeting system with the following characteristics.

- a. The integration are budgetary process into the planning process

- b. Planning and budgeting for more than one budget period.
- c. Planning and budgeting within a frame work which seeks socially determine goals and
- d. Continuous updating overtime of planning and budgeting.

PPBS is designed to avoid the disadvantages of conventional governmental budgeting. The “planning” aspect of the system involves long term evaluation as opposed to the short.

Run consideration of convictional budgeting. The programming aspect of PPBS involves structuring the budget in terms of goals (programme). The integral components of PPBS involves:

- A. Setting of specific objectives
- B. Systematic analysis to certify objectives and to assess alternative ways of meeting them.
- C. The framing of budgetary proposals in terms of programmes directed towards the achievements of the objectives.
- D. The projection of the costs of these programmes for a number of years in the future.
- E. The formulation of plans of achievements on yearly basis for each programme, and

F. An information system for each programme to supply data for the monitoring of achievements of programme goals and for the reassessment of the programme objective as well as the appropriateness of the programme itself. It has certain essential feature.

First, the budget proposal must be classified in terms of function, programme and activity. A function is taken as a board grouping of operations directed towards the accomplishment of a major purpose of government. A programme refers to a board category with a function, which is identifiable with a particular purpose and /or end product. An activity is a segment of a programme, which comes not similar types of work or has similar purposes or achieve similar end-product example a work package.

Second, there must be a detailed description of all activities. To permit the measurement of work done or output produced by each activity.

Thirdly, the budget must be expressed in a way, which allows a direct comparison between cost of funding and work to be performed for each programme or activity.

Fourthly, there must be multi year costing which also permits the preparation of a multi year financial plan.

Fifth, there must be a quantitative education of outcomes to facilitate the monitoring of actual against budget cost and performance.

The outcomes are outputs and three types: workload, intermediate output, and financial output.

Finally, the accounting and reporting structures need to provide information on the linkage between programmes and activities and major policy objectives.

ENUGU STATE HOUSING DEVELOPMENT COOPERATION HISTORIC AL BACKGROUND.

The history of Enugu State housing development cooperation dated back to the days of east central state housing development cooperation that was established in 1971 by Ajei Ukpabi Asika's government. It was charge with the responsibility of building houses and estates to be used for both industrial and residential purpose.

However, following the creation of new states by the Murtala Mohammed military government in 1976, the corporation ceased to exist owing to the splitting of the then east central state into Anambra and Imo state.

Consequently the Anambra state thrusting development corporation was established in 1976, to take over the functions of the east central thrusting development corporation. After this the Ibrahim Babangida government in 1991, carved out Enugu state from the old Anambra state thrusting development corporation.

The corporation began its operation by utilizing the premises and facilities of the former east central and Anambra state thrusting development corporation while the staff was made up of party employees of the former corporation of Enugu state origin.

ORGANIZATION STRUCTURE:

The corporation follows the line and staff method of organization which shows the division of labour which perform the actual function of the corporation and those that perform the auxiliary function such as the public relations department and personnel department.

Edict No. 10 of 1991 establishing the corporation clearly stipulated function of the board hence section 5 of the edit stipulated that the board is the governing body of the corporation and shall in its capacity:

- a. Exercise all the functions and powers of the corporation.
- b. Manage all the business and keep and preserve all the property of the corporation and

- c. Do or carry out all acts or things, which the corporation is by this edict, or may be any other law required to be carryout. The power to appoint and disserve the board ties with the governor of the state.

OBJECTIVE AND FUNCTION

Sec 12 of the edict empowered the corporation to

1. Develop, design, plan, construct, and manage house for acquisition and rental by members of the public.
2. Sub jut to this edict and the constitution of the federations the corporation may do all such things are in its opinion, necessary for, or conducive to, the proper discharge of its functions under the edict.

REFERENCE

- Adeniyi. A. (2008), *Management Accounting 4th edition*. Lagos; El- soda veneer limited
- Adams R.A (2009) *Public Sector Accounting and Finance made Simple, Revised edition 2*. Lagos; corporate publisher veneers
- Amah G.A.N (2003). *Fundamental of Public Sector Accounting and Finance Aga*; Amasons publications ventures
- Amah G.A.N (2003). *Fundamental of Public Sector Accounting and Finance 2nd Edition Okigwe*; Whytem prints Nigeria.
- Collins C.U (2009) *Understanding Cost Accounting* Enugu; Iykezema publishers.
- Drury C (2004) *Management and Cost Accounting 6th Edition* Dehli; Ihomomon Uarning.
- Emeka, A.O. (2008), *Public Policy Analysis and Decision Making*. Onitsha; Book point Educational Limited.
- Ezeamama M.C (2010), *Fundamentals of Financial Management* Enugu; Emma publishers.
- Godwin A.N (2001), *Management And Cost Accounting*. Aba; Amason publications venture.
- Lucey. T. (2003), *Costing 6th Edition*. London; Butter Worth.
Nwadighota C.E, (2005), *Public sector Accounting and Auditing*. Enugu; JTC publishers.
- Omolehinwa E.O (2000) *Coping with cost Accounting 2nd Edition*. Lagos; Pumark Nigeria limited.
- Pandey I.M (2008) *Management Accounting. Third revised edition* Dehil, Jitendra printing press.

Thukaram M.E (2006) *Accounting for Managers*; Dehli, New Age International Publishers.

CHAPTER THREE

3.0 RESEARCH DESIGN AND METHODOLOGY

3.1 RESEARCH DESIGN

The research design discloses the steps taken by the researcher to conduct the research. It provides the glue that holds the research project together.

Zita and Ozougwu (2010) define research design as the function of the objective and the specific information requirements. They also went further to define research design as a master plan of the methods and procedures that should be used to collect and analyze the data needed by the decision makers.

Eze and Agbo (2005) opines that research design is the specification of procedures for collecting and analyzing data necessary to help solve the problems at hand, such that the difference between the cost of obtaining various level of accuracy and expected use of information associated with each level of accuracy is maximized.

Due to nature of this study a survey research method is used in gathering data from respondent.

3.2 SOURCE OF DATA

According to Okeke (2002), the researcher employed two types of data in the course of this research work. These are:

- i. The primary data and
- ii. Secondary data

PRIMARY DATA:

Bordens and Abbot (2002) define primary data as those containing the full research report including all details necessary to duplicate the study. The primary data are made up of information generated specifically for this study.

The primary data were gathered from respondent through the interview and questionnaire.

- a) **Questionnaire:** This was the main instrument of measurement used for the collection of primary data. It contains series of written questions on budget and budgetary control as a tool for accountability in government parastatals.
- b) **Interviews:** According to Maduegbuna (2006), this method involves face-for-face contact with the respondent. Thus this method involves asking the respondent some question method formulated to elicit information related in the research from the respondents. This exercise

involves senior management staff of Enugu State Housing Development Cooperation.

SECONDARY DATA: These are data from sources other than primary sources. It is also a data cited by someone other than the user. The secondary data were obtained through reading material from Enugu State Housing Development Cooperation. The researcher also made use of lecture notes, periodicals, journals etc. the secondary data were relied upon for the literature reviewed while much reliance was put on primary sources for demographic and psychographic questions pertaining to the study.

This research work took the researcher to use the following libraries.

- a. Enugu State Library
- b. Caritas University Amorji Nike Emene Enugu Library
- c. National Library Enugu
- d. Enugu State University of Science and Technology

3.3 Research Instrument

The Instrument used in data collection in this study is questionnaire which involves the list of questions structured using open-ended and close-ended questions. These questionnaires were structured in a manner that suggested for immediate and easy response.

3.4 Reliability/Validity of Research Instrument

Validity of the instrument is the process of determining the degree to which a researcher or a text in the measure what it intends to measure. To establish the validity of the questionnaire it was subjected to test and retest method. In validity of the questionnaire, it was administered on the same area over a number of items to respondent who scored and returned the critical sample copies given to them. The copies were analyzed and found to have been properly scored meaning that the respondents understood the questions. It further shows that the questionnaire measured what it was intended to measure.

3.5 POPULATION OF THE STUDY

Okeke (2002), defines population as a collection of elements, units or individuals for which information is sought. The element in the population is units of analysis and their nature is determined by survey objectives. The numerical value of the workers seventy (70) staffs.

POPULATION OF ENUGU STATE HOUSING DEVELOPMENT CORPORATION

Departments	Population
Finance	21
Health	15
Security	10
Housing	13
Insurance	11
Total	70

Source: Field survey 2013

3.6 SAMPLE/SAMPLING TECHNIQUE

A sample is the selection of number of study units from a defined study population. A sample is therefore, a small representation of a large population. The idea of sampling or determining of sample size is to obtain a part of the population from which a part of the entire population can inperred.

The sample size is determined using Yaro Yamare formular of finite population:

$$n = \frac{N}{1 + N(e)^2}$$

Where n =sample
 N =population
 E =level of significance or error = 0.05 or 5%
 Df =Degree of freedom = $(r - 1)(c - 1)$

$$n = \frac{70}{1 + 70 (0.05)^2}$$

$$n = \frac{70}{1.175}$$

$$n = 60$$

The sample size of the population is 60 and the researcher issue the same number of the questionnaire to the staff of the company to answer. To determine the minimum number of responses from each of the section of work in the population Bowley's proportional method or formula was applied.

$$nh = \frac{n + Nh}{N}$$

Where:

nh = Number of questionnaire allocated to the company

n = Total sample size

Nh = Number of employees in each section of the population

N = population size

Finance:

$$nh = \frac{60 + 21}{70} = \frac{1260}{70} = 18$$

Health:

$$nh = \frac{60 + 15}{70} = \frac{900}{70} = 13$$

Security:

$$nh = \frac{60 + 10}{70} = \frac{600}{70} = 9$$

Housing:

$$nh = \frac{60 + 13}{70} = \frac{780}{70} = 11$$

Insurance:

$$nh = \frac{60 + 11}{70} = \frac{660}{70} = 9$$

Total Sample Size = 60

3.7 ADMINISTRATION OF RESEARCH INSTRUMENT

The researcher personally administered his questionnaire to the staff of Enugu State Housing Corporation Development, of which questionnaire was delivered and returned to the researcher.

3.8 METHOD OF DATA ANALYSIS

The data collected were presented in tables to present the frequency of responses to the questionnaire. The researcher made use of simple percentage to analyze the data collected to ensure that results arrived at were

valid and not out of chance while chi-square was used for testing the hypothesis.

Formula for chi-square:

$$x_2 = \frac{(f_o - f_e)^2}{f_e}$$

Where X_2 = calculated value of Chi-square

Σ = Summation

F_o = Observed frequency

F_e = Expected frequency

Df = Degree of freedom $(c-1)(R-1)$ or $(Columne-1)(Row-1)$

3.9 DECISION CRITERION FOR VALIDATION OF HYPOTHESIS

In the taking a decision, the null hypothesis and alternative hypothesis is accepted if the critical or table value is greater than the compared value of x_2 alternatively, if the computed value of x_2 is greater than the critical value;

That is if $x_2 > x_{2e}$ reject - H_o (null hypothesis)

if $x_2 < x_{2e}$ accept - H_o (alternative hypothesis)

where x_2 = critical or table value

x_{2e} = calculated value

REFERENCE

- Boedens, K. and Abbot, B. (2009). *Research design and methods: A process approach* – New York. MacGrow Hill Publisher.
- Eze, O. and Agbo, B. (2005). *Research Methods*. Basil Issues and Methodology Enugu; Benalite Publication.
- Maduegbum, M.A. (2006). *Fundamental of Education Research, Onisha*: Common Wealth Education Publication.
- Okeke, A.O (2001). *Foundation Statistics for Business Decision, Enugu*: Macro Academic Publishers.
- Zita, U.M. and Ozougwu .S. (2010). *Maketing Research Methodology, A Practical Approach*. Enugu: John Jacob's Classic Publishers Ltd.

CHAPTER FOUR

4.0 DATA PRESENTATION AND ANALYSIS

4.1 DATA PRESENTATION

Data presentation means the known ways of carrying the different forms of data obtained through various data selecting techniques to enable the researcher perform analysis and extract new meaning format.

The data collected was presented in simple table. The data analysis was based on the answer to question raised from the staff of Enugu State Housing Development Cooperation. The question in the questionnaire was analyzed by the use of simple percentage. The analysis of the questionnaire distributed is stated below.

DISTRIBUTION AND COLLECTION OF QUESTIONNAIRE

Questionnaire Administration

Table 4.1.1

Questionnaire	Respondents	Percentage %
Returned	60	92
Not Returned	5	8
Total	65	100

Source Field Survey – 2013

Table 4.1.1 shows that out of the 65 copies of the questionnaire administered at Enugu State Housing Development Cooperation only 60 that 92% were returned as duly completed while 5 that is 8% were not returned.

Table 4.1.2.

Question 1: Demographic Characteristic (Gender)

Options	No. of Respondent	Percentage %
Male	35	58
Female	25	42
Total	60	100

Source: Field Survey – 2013

The table above shows that 58% representing 35 respondents were male, while 42% representing 25 respondents were female.

This shows that most of the respondents were males.

Table 4.1.3

Question 2: Marital Status

Options	No. of Respondent	Percentage %
Single	20	33
Married	40	67
Total	60	100

Source field survey - 2013

In the above table it is seen that 33% of representing 20 respondents were single, while 67% representing 40 respondent were married. This shows that a good number of the staffs are either single or married.

Table 4.1.4

Question 3: Age

Option	No of Respondent	Percentage %
Below 18 years	12	20
18 – 29 years	15	25
30 – 39 years	20	33
40 – 49 years	9	15
50 and above	4	7
Total	60	100

Source field survey - 2013

The above table shows that 20% representing 12 respondent fall within below 18 years, 25% representing 15 respondents fell within the age of 18 – 29 years, 33% representing 20 respondents fall within the age 30 -39 years, 15% representing 9 respondent fell within the age of 40 – 49 year and 7% representing 4 respondent fell within the age of 50 years and above.

Table 4.1.5

Question 4: Academic Qualification

Option	No of Respondent	Percentage %
WAEC	10	17
NCE/OND	18	30
HND/BSC	30	50
Others higher certificate	2	3
Total	60	100

Source field survey - 2013

The above table indicates that 17% representing 10 respondents were WAEC holder, 30% representing 18 respondent were NCE/OND holders, 50% representing 30 respondents were HND/BSC holders and 3% representing 2 respondents were holding other higher certificate.

Table 4.1.6

Question 5: Department

Option	No of Respondent	Percentage %
Finance	20	33
Health	12	20
Security	9	15
Housing	10	17
Insurance	9	15
Total	60	100

Source field survey - 2013

The above table shows that 33% representing 20 respondents are in finance department, 20% representing 12 respondent are in health department, 15% representing 9 respondents are in security department, 17% representing 10 respondents are in housing department while 15% representing 9 respondents are in insurance department.

Table 4.1.7

Question 6: Budget serves as an effective means of planning

Option	No of Respondent	Percentage %
Strongly agree	30	50
Agree	21	35
Undecided	4	7
Disagree	4	7
Strongly disagree	1	2
Total	60	100

Source field survey - 2013

The above table shows that 50% representing 30 respondents strongly agree that budget serves as a means of planning, 35% representing 21 respondents agree that budget serve as a means of planning, 35% representing 21 respondents were undecided and disagree with the statement and 2% representing 1 respondent strongly disagree that budget serves as a means of planning.

Table 4.1.8

Question 7; Budget are used as the basis for controlling

Option	No of Respondent	Percentage %
Strongly agree	20	33
Agree	26	43
Undecided	3	5
Disagree	7	12
Strongly disagree	4	7
Total	60	100

Source field survey - 2013

An examination of the table shows that 33% representing 20 respondents strongly agree that budget are used as basis for controlling, 43% representing 26 respondents agree that budget are used as a basis for controlling, 5% representing 39 respondents are undecided, 7 respondent representing 12% disagree that budget are used as the basis for controlling, 7% representing 4 respondents strongly disagree that budget are used for controlling.

Table 4.1.9

Question 8: Budget Reflect the organization pattern of working

Option	No of Respondent	Percentage %
Strongly agree	24	40
Agree	10	17
Undecided	16	27
Disagree	2	3
Strongly disagree	8	13
Total	60	100

Source field survey - 2013

The table shows that budget reflect the organization pattern of working. The inference is confirmed by the data in table 4.1.9 in which 40% representing 24 respondents strongly agree that budget reflect the organization pattern of working, 17% representing 10 respondent agree that budget reflect the organization of working, 27% representing 16 respondent are undecided, 3% representing 2 respondents disagree that budget reflect that organization pattern of working while 13% representing 8 respondent disagree that budget reflect the organization pattern of working.

Table 4.1.10

Question 9: Government influence the budgeting process in your parastatal

Option	No of Respondent	Percentage %
Strongly agree	35	58
Agree	19	32
Undecided	6	10
Disagree	-	-
Strongly disagree	-	-
Total	60	100

Source field survey - 2013

The above table shows that 58% representing 35 respondent strongly agree that government interfere with budgeting process in their parastatal, 32% are representing 19 respondent agree that government influence budgeting process in their parastatals while 10% representing 6 respondent are undecided while strongly agree and disagree have no respondent.

Table 4.1.11

Question 10: Budgetary control and management decision making

Option	No of Respondent	Percentage %
Strongly agree	35	58
Agree	16	27
Undecided	-	-
Disagree	7	12
Strongly disagree	2	3
Total	60	100

Source field survey - 2013

The table depicts the responses of respondents on whether budgetary control aid's management in decision making. A look at the table shows 58% representing 35 respondent strongly agree that budgetary control aid's management in decision making, 27% representing 16 respondents agree that budgeting control aid's management in decision making, 12% representing 7 respondent disagree that budgeting control aid's management decision, 3% representing 2 respondent strongly disagree with the statement and no respondent for undecided.

Table 4.1.12

Question 11: Inadequate planning by budget officers cause variance in budget

Option	No of Respondent	Percentage %
Strongly agree	29	48
Agree	12	20
Undecided	5	8
Disagree	10	17
Strongly disagree	4	7
Total	60	100

Source field survey - 2013

The table indicate majority of the respondents representing 48% of 29 respondents strongly agree that inadequate planning by budget officers cause variance in budget, 20% representing 12 respondents agree that inadequate planning by budget officers causes variance in budget, 8% representing 10 respondents disagree that inadequate planning by budget officers causes variance while 7% representing 4 respondents strongly disagree that inadequate planning by budget officers causes variance in budget.

Table 4.1.13

Question 12: Budgeting and budgetary control affect the quality of service delivery in government parastatals

Option	No of Respondent	Percentage %
Strongly agree	40	66
Agree	13	22
Undecided	7	12
Disagree	--	-
Strongly disagree	-	-
Total	60	100

Source field survey - 2013

Table 4.1.13 shows that budgetary and budgetary control affect the quality of service delivery in government parastatals. This inference is confirmed by the data in the above in which 66% representing 40 respondent strongly agree that budgeting and budgeting control affects the availability of service delivery in the government parastatals, 22% representing 13 respondents agree that budgeting and budgeting control affects the quality of service delivery in government parastatals. 12% representing 7 respondent are undecided while no respondent for disagree and strongly agree.

Table 4.1.14

Question 13: Budgeting control contribute to the improvement of the management efficiency and high productivities

Option	No of Respondent	Percentage %
Strongly agree	30	50
Agree	18	30
Undecided	-	-
Disagree	12	30
Strongly disagree	-	-
Total	60	100

Source field survey - 2013

A critical look at the table shows that 50% representing 30 respondents strongly agree that budgeting control contributes to the improvement of management efficiency and high productivities. 30% representing 18 respondents agree that budgeting and budgeting control contribute to the improvement of the management efficiency and high productivities while no respondent for undecided and strongly disagree.

Table 4.1.15

Question 14: Budgeting and budgeting control is used for assessing manager's budget

Option	No of Respondent	Percentage %
Strongly agree	40	67
Agree	20	33
Undecided	-	-
Disagree	-	-
Strongly disagree	-	-
Total	60	100

Source field survey - 2013

The above analysis relates that 67% representing 40 respondent strongly agree that budgeting and budgeting control is used for assessing manager's budget, 33% representing 20 respondent agree that budgeting and budgeting control is used for assessing manager's budget while no respondent for undecided, disagree and strongly disagree.

Table 4.1.16

Question 15: There is connection between the type of budget implemented and actual performance

Option	No of Respondent	Percentage %
Strongly agree	20	35
Agree	16	27
Undecided	9	15
Disagree	10	17
Strongly disagree	5	8
Total	60	100

Source field survey - 2013

From the above table 33% representing 20 respondents strongly agree that there is connection between the type of budget implemented and actual performance, 27% representing 16 respondents agree that there is connection between the type of budget implemented and actual performance, 15% representing 9 respondent are undecided, 17% representing 10 respondent disagree that there is connection between the type of budget implemented and actual performance while 8% representing 5 respondents strongly

disagree that there is connection between the type of budget implemented and actual performance.

Table 4.1.17

Question 16: Budget forces management to think about and plan for the future.

Option	No of Respondent	Percentage %
Strongly agree	34	57
Agree	14	23
Undecided	10	17
Disagree	-	-
Strongly disagree	2	3
Total	60	100

Source field survey - 2013

The table revealed that 57% representing 34 respondents strongly agree that budget forces managers to think about and plan for the future, 23% representing 14 respondents agree that budget forces managers to think about and plan for the future, 17% representing 10 respondents are undecided while 3% representing 2 respondent strongly disagree that budget forces managers to think about and plan for the future.

Table 4.1.18

Question 17: The budget process provide a means of allocating resources to those parts of organizations where they can be used effectively

Option	No of Respondent	Percentage %
Strongly agree	28	47
Agree	16	27
Undecided	3	5
Disagree	8	13
Strongly disagree	5	8
Total		

Source field survey - 2013

Table 4.1.17 indicate that 47% representing 28 respondents strongly agree that budgeting process provides a means of allocating resources to those part of organization where they can be used effectively, 27% representing 16 respondents agree, 5% representing 3 respondent are undecided, 13% representing 8 respondent disagree, 8% representing 5 respondent strongly disagree.

Table 4.1.19

Option	No of Respondent	Percentage %
Strongly agree	35	58
Agree	15	25
Undecided	10	17
Disagree	-	-
Strongly disagree	-	-
Total	60	100

Source field survey - 2013

As it can be seen from the table, 58% representing 35 respondents agree that budgeting process can answer potential business before they occur, 25% representing 15 respondent agree that budgeting process can answer potential bitterness, 17% representing 10 respondent are undecided while no respondent for disagree and strongly disagree.

Table 4.1.20

Question 19: Budgeting coordinates the activities of the entire organization by integrating the plans of the various part

Option	No of Respondent	Percentage %
Strongly agree	28	47
Agree	14	23
Undecided	12	20
Disagree	6	10
Strongly disagree	-	-
Total	60	100

Source field survey - 2013

The above analysis reveals that 47% representing 28 respondents strongly agree that budgeting coordinates that activities of the organization by integrating the plans of the various parts, 23% representing 14 respondent agree, 10% representing 12 respondents are undecided, 10% representing 6 respondents disagree and no respondent for strongly agree.

Table 4.1.21

Question 20: Budget define goals and objectives that serves as benley mass for evaluating performance.

Option	No of Respondent	Percentage %
Strongly agree	20	33
Agree	15	25
Undecided	13	22
Disagree	5	8
Strongly disagree	7	12
Total	60	100

Source field survey - 2013

The table shows that 33% representing 20 respondent strongly agree that budget define goals and objectives that serves as bench mass for evaluating, 25% representing 15 respondent agree, 22% representing 13 respondent are undecided while 12% representing 7 respondents strongly disagree.

4.2 TESTING OF HYPOTHESE

Having presented all the information and data gathered from the staff of Enugu State Housing Development cooperation, it is time to test the hypothesis made in the first chapter of the study.

The hypothesis is tested using the chi-square statistical tools.

$$x_2 \sum \frac{(f_o - f_e)^2}{f_e}$$

Where X_2 = calculated of Chi-square

Σ = Summation

F_o = Observed frequency

F_e = Expected frequency

Therefore Degree of freedom is =

$$D_f = (r - 1) (c - 1)$$

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

$$= (4)(1)$$

$$= 4$$

Level of significant = 0.05

HYPOTHESIS ONE

H_o : Budgeting and budgeting control affect the quality of services delivery in government parastatals.

This hypothesis was verified by analyzing question number 12, table 4.1.13 in research question.

Question 12: Budgeting and budgeting control affect the quality of service delivery in government parastatals.

Options	No. of Respondent	Percentage %
Strongly agree	35	58
Agree	16	27
Undecided	-	-
Disagree	7	12
Strongly disagree	2	3
Total	60	100

Options	F_o	F_e	$F_o - F_e$	$(F_o - F_e)^2$	$\frac{(fo - fe)^2}{fe}$
Strongly agree	35	10	25	625	62.5
Agree	16	10	6	36	3.6
Undecided	0	10	- 10	100	10
Disagree	7	10	- 3	9	0.9
Strongly disagree	2	10	- 8	64	6.4
Total	60				83.4

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

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

$$= (4)(1)$$

$$= 4$$

Level of significant = 0.05

$$\sum \frac{(fo - fe)^2}{fe} = 83.4$$

Therefore x^2 calculate = 83.4

$$X^2 \text{ tabulated} = 9.49$$

Decision Rule

If x^2 tabulated is $> x^2$ calculated, accept the Null Hypothesis (H_0) and reject the alternative hypothesis (H_1) but if x^2 tabulated is $<$ than x^2 calculated, accept the alternative hypothesis (H_1) and reject the Null hypothesis.

Decision

Since x^2 tabulated 9.49 is less than x^2 calculated 83.4 alternative hypothesis (H_1) when state that budgeting and budgeting control affect the quality of services delivery in government parastatals rejected.

HYPOTHESIS II

H₀: Budgeting control does not contribute to the improvement of the management efficiency and high productivities.

H_i: Budgeting control contribute to the improvement of the management efficiency and high productivities.

This hypothesis was verified by analyzing question 13 table 4.1.14 in research question.

Question 13: Budgeting control contributes to the improvement of the management efficiency and high productivity.

Options	No. of Respondent	Percentage %
Strongly agree	30	50
Agree	18	30
Undecided	-	-
Disagree	12	20
Strongly disagree	-	-
Total	60	100

Options	F_o	F_e	$F_o - F_e$	$(F_o - F_e)^2$	$\frac{(fo - fe)^2}{fe}$
Strong agree	30	10	20	400	40
Agree	18	10	8	64	6.4
Undecided	0	10	-10	100	10
Disagree	12	10	2	4	0.4
Strongly disagree	2	10	-10	100	10
Total	60				66.8

Therefore:

$$D_f (r - 1) (c - 1)$$

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

$$= (4)(1)$$

$$= 4$$

Level of significant = 0.05

$$\sum \frac{(fo - fe)^2}{fe} = 66.8$$

Therefore x^2 calculate = 66.8

X^2 tabulated = 9.49

Decision Rule

If χ^2 tabulated is $>$ χ^2 calculated, accept the Null Hypothesis (H_0) and reject the alternative hypothesis (H_1). But if χ^2 tabulated is $<$ than χ^2 calculated, accept the alternative hypothesis (H_1) and reject the Null hypothesis (H_0).

Decision

Since χ^2 tabulated 9.49 is less than χ^2 calculated 66.8 alternative hypothesis (H_1) which state that budgeting and budgeting control contribute to the improvement of the management efficiency and high productivities is accepted while the Null hypothesis (H_0) which state that budgeting control contributes to the improvement of the management efficiency and high productivities is rejected.

HYPOTHESIS III

H_0 : Budgeting and budgeting control is not used for assessing managers budget.

H_1 : Budgeting and budgeting control is used for assessing manager's budget.

The hypothesis was verified by analyzing question 14, table 4.1.15 in research question.

Question 14: Budgeting and building control is used for accessing managers budget.

Options	No. of Respondent	Percentage %
Strongly agree	40	67
Agree	20	33
Undecided	-	-
Disagree	-	-
Strongly disagree	-	-
Total	60	100

Options	F_o	F_e	$F_o - F_e$	$(F_o - F_e)^2$	$\frac{(fo - fe)^2}{fe}$
Strongly agree	40	30	20	900	90
Agree	20	10	8	100	10
Undecided	0	-10	- 10	100	10
Disagree	0	-10	2	100	10
Strongly disagree	0	=10	- 10	100	10
Total	60				130

Therefore:

$$\begin{aligned}
 D_f &= (r - 1)(c - 1) \\
 &= (5 - 1)(2 - 1) \\
 &= (4)(1) \\
 &= 4
 \end{aligned}$$

Level of significant = 0.05

$$\sum \frac{fo - fe)^2}{fe} = 130$$

Therefore x^2 calculate = 130

X^2 tabulated = 9.49

Decision Rule

If χ^2 tabulated is $>$ χ^2 calculated, accept the Null Hypothesis (H_0) and reject the alternative hypothesis (H_1). But if χ^2 tabulated is $<$ than χ^2 calculated, accept the alternative hypothesis (H_1) and reject the Null hypothesis (H_0).

Decision

Since χ^2 tabulated 9.49 is less than χ^2 calculated 130 alternative hypothesis (H_1) which state that budgeting and budgeting control is used for assessing manager's budget is accepted while the Null hypothesis (H_0) which state that budgeting control is not used for assessing managers budget is rejected.

HYPOTHESIS IV

H_0 : there is no connection between the type of budget implemented and actual performance.

H_1 : there is connection between the type of budget implemented and actual performance.

This hypothesis was verified by analyzing question 15, table 4.1.16 in research question;

Question 14: There is connection between the type of budget implemented and annual performance.

Options	No. of Respondent	Percentage %
Strongly agree	20	33
Agree	16	27
Undecided	9	15
Disagree	10	17
Strongly disagree	5	8
Total	60	100

Options	F_o	F_e	$F_o - F_e$	$(F_o - F_e)^2$	$\frac{(fo - fe)^2}{fe}$
Strongly agree	20	10	10	100	10
Agree	16	10	6	36	3.6
Undecided	19	10	1	1	0.1
Disagree	10	10	0	0	0
Strongly disagree	5	10	-5	25	2.5
Total	60				16.2

Therefore:

$$\begin{aligned}
 D_f &= (r - 1)(c - 1) \\
 &= (5 - 1)(2 - 1)
 \end{aligned}$$

$$= (4)(1)$$

$$= 4$$

Level of significant = 0.05

$$\sum \frac{(f_o - f_e)^2}{f_e} = 66.8$$

Therefore χ^2 calculate = 16.2

$$\chi^2 \text{ tabulated} = 9.49$$

Decision Rule

If χ^2 tabulated is $>$ χ^2 calculated, accept the Null Hypothesis (H_0) and reject the alternative hypothesis (H_1). But if χ^2 tabulated is $<$ than χ^2 calculated, accept the alternative hypothesis (H_1) and reject the Null hypothesis (H_0).

Decision

Since χ^2 tabulated 9.49 is less than χ^2 calculated 16.2 alternative hypothesis (H_1) which state that there is connection between the type of budget implemented and actual performance is accepted while Null hypothesis (H_0) which state that there is no connection between the type of budget implemented and actual performance.

CHAPTER FIVE

5.0 SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS.

5.1 SUMMARY OF FINDINGS

from chapter four of the research project and the researcher had to summarize these findings so that it will help Enugu State Housing Development Cooperation staffs who was involved in budget implementation.

These summaries are as follows:

- i. That most of the staffs in Enugu State Housing Development cooperation are male.
- ii. Most of the members of the staff whom the researcher issued questionnaire were junior staffs.
- iii. Many members of the staff believe that budget serves as an effective means of planning
- iv. Many of the staffs are 30 years and above
- v. Many of the staff are married
- vi. That most of the number of the staff are university graduate.
- vii. That budget reflects their organization pattern of working which makes there system to change.

- viii. That budgeting and budgeting control contribute to the improvement of management efficiency and high productivity.
- ix. That budgeting and budgeting control is used for assessing managers budget.
- x. That proper budgeting helps in the control of expenditure in Enugu State Housing development Cooperation without budgeting plans, the cooperation would keep spending money without a meaningful achievement for it, or to marten the measure of money being spent.
- xi. Those problems like inadequate budgeting, accountings knowledge, corruption, lack of internal auditing and internal financial mechanism exist in the cooperation.

5.2 Conclusion

Having examined in details the use and importance of budgeting and budgeting control in the organization and roles they play toward determining the cooperate objectives, profit making, one could rightly conclude that it is, indispensable to any organization if budget are carefully planned and implemented by managers it could lead to decrease in cost and increase in revenue, which in turn will lead to increase in profit. Though budgeting and budgeting control could enhance the efficiency of the organization's

performance, it should be noted that it is not magic stick that could replace effective management or ensure that fairly profit are made.

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

5.3 Recommendations

On the whole, the finding of the study support the conclusion that proper use of budgeting and budgeting controls contributes to the overall performance of an organization.

In the light of the findings made earlier the following are recommended:

That budget plan and preparation should be cooperate duty of the unit heads with the head of development in the corporation as the case may be.

That the approval of budget should be made public and should avoid corruption.

That budget committee should budget well in order to control expenditure in the cooperation because without budgeting well, the corporation will keep spending money without meaningful achievement for it.

Since budgeting and budgetary control contribute in the improvement of management efficiency and high productivity, the budget committee should be educated in the implementation of budget. This would enable them to understand the importance of adhering to budget and the minimization of losses. Thus a budget education should be conducted at least once a year by the financial or an independent accounting or management consulting firm. Its usefulness cannot be questioned or over emphasized.

Adherence to the budgetary provision should be practiced by top management. If they make arbitrary actions, the realization of the budget would be impossible.

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

BIBLIOGRAPHY

- Adams, R. (2009). *Public Sector Accounting and Finance Made Simple*, (2nd Edition). Lagos: Cooperate Publishers Venture.
- Adeniyi, A. (2008). *Management Accounting*, (4th Edition). Lagos: Cooperate Publishers Venture.
- Ama, G. (2009). *Fundamental of Public Sector Accounting and Finance*, (2nd Edition). Okigwe: Whyteem prints.
- Bordens, B. K. (2002). *Research Design and Methods; (A Process Approach)*. Enugu: Iykezema Publishers.
- Collin, C.U. (2009). *Understanding Cost Accounting*. Enugu: Iykezema Publishers.
- Drury, C. (2004). *Management and Cost Accounting*, (6th Edition). Delhi: Thompson learning.
- Emeka, A.O. (2008). *Public Policy Analysis and Decision Making*. Onitsha: Book Point Educational Limited.
- Ezeamama, M.C. (2010). *Fundamentals of Financial Management*. Enugu: Emma Publishers.
- Eze, O., & Agbo, B. (2006). *Research Method; (Basic issues and Methodology)*. Enugu: Benalice Publication.
- Godwin, A.N. (2001). *Management and Cost Accounting*. Aba: Amason Publication Venture.
- Lucey, T. (2001). *Costing*. (6th Edition). London: Butter Worth.
- Maduegbuna, M.A. (2006). *Fundamental of Education Research*. Onisha: Common Wealth Educational Publication.
- Nwadioghoha, C.E. (2005). *Public Sector Accounting And Auditing*. Enugu: JTC Publishers.

- Okeke, A.O. (2001). *Foundation Statistics for Business Decision*. Enugu: Macro Academic Publisher.
- Omolehinwa, E.O. (2009). *Coping With Cost Accounting*, (2nd Edition). Lagos: Pumark Nigeria Limited.
- Osioma, B.C. (2008). *Studies In Accounting*. Aba: Afritower Limited.
- Pandey, I.M. (2008). *Management Accounting*, (3rd Edition). Delhi: Jitendra Printing Press.
- Thukaram, M.E. (2006). *Costing And Management Accounting*. Enugu: Kiz-Collins Printing Press.
- Zita, U., & Ozougwu, S. (2010). *Marketing Research Methodology; (A Practical Approach)*. Enugu: John Jocab's Classic Publisher Limited.

APPENDIX

Department of Accountancy,
Caritas University,
Amorji-Nike
Enugu state.

Dear Sir/Madam,

REQUEST FOR ASSISTANCE

I am a final year student of the above named university and department.iam covering a research on “Budget control as tools for Accounting in Government parasites” case study of Enugu state Housing Development-Corporation. This research work is needed for the award of B.sc degree in Accountancy.

Please do me the favour of completing the questions attached to this letter by filling the necessary space. The required answers and the information supply by you will be treated in the outmost confidentiality and solely for academic purpose. Thanks for your corporation.

Yours faithfully,

Umeileka Ngozika.

QUESTIONNAIRE

Instruction, please read the question carefully and tick any answer you seem appropriate. Section A and B involves personal information's and state Direction toward which the research Questions should be answered.

Section A

1. Gender;

a. Male

b. Female

2. Marital Status;

a. Single

b. Married

3. Age

a. Below 18 years

b. 18 – 29 years

c. 30 – 39 years

d. 40 – 49 years

e. Above 50

4. Academic qualification

a. WAEC

b. NCE/OND

c. HND/BSC

d. Others

5. Sections/Department

SECTION B

6. Budget serves as an effective means of planning.

(a) Strongly agree [] (b) Agree [] (c) Undecided []

(d) Disagree [] (e) strongly disagree []

7. Budgets are used as the basis for controlling

(a) Strongly agree [] (b) Agree [] (c) Undecided []

(d) Disagree [] (e) strongly disagree []

8. Budget reflect the organization pattern of working

(a) Strongly agree [] (b) Agree [] (c) Undecided []

(d) Disagree [] (e) strongly disagree []

9. Budgeting control and management in decision making

(b) Strongly agree [] (b) Agree [] (c) Undecided []

(d) Disagree [] (e) strongly disagree []

10. Inadequate planning by budget officers causes variance in your budget

(a) Strongly agree [] (b) Agree [] (c) Undecided []

(d) Disagree [] (e) strongly disagree []

11. Budgeting and budgeting control affects the quality of services deserving in the government parastatals.

- (a) Strongly agree [] (b) Agree [] (c) Undecided []
(d) Disagree [] (e) strongly disagree []

12. Budgeting control contributes to the improvement of management efficiency and high productions.

- (a) Strongly agree [] (b) Agree [] (c) Undecided []
(d) Disagree [] (e) strongly disagree []

13. Budgeting and budgeting control is used for assessing managers' budget.

- (a) Strongly agree [] (b) Agree [] (c) Undecided []
(d) Disagree [] (e) strongly disagree []

14. There is connection between the type of budget implemented and actual performance.

- (a) Strongly agree [] (b) Agree [] (c) Undecided []
(d) Disagree [] (e) strongly disagree []

15. Budget force managers to think about and plan for the future.

- (a) Strongly agree [] (b) Agree [] (c) Undecided []
(d) Disagree [] (e) strongly disagree []

16. The budgetary process provides a means of allocating resources to those parts of the organization where they can be used effectively.

- (a) Strongly agree [] (b) Agree [] (c) Undecided []
(d) Disagree [] (e) strongly disagree []

17. The budgeting process can uncover potential bitterness before they occur

- (a) Strongly agree [] (b) Agree [] (c) Undecided []
(d) Disagree [] (e) strongly disagree []

18. Budgeting coordinate the activities of the entire organization by integrating the plans of the various parts.

- (a) Strongly agree [] (b) Agree [] (c) Undecided []
(d) Disagree [] (e) strongly disagree []

19. Budget defines goals and objectives that serve as bench mass for evaluating.

- (a) Strongly agree [] (b) Agree [] (c) Undecided []
(d) Disagree [] (e) strongly disagree []