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The Importance of Budget and Budgetary Process among Non-Publicly Accountable Entities (NPAEs): A Survey of Micro Sized Firms in Nigeria

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Abstract:
Non publicly accountable entities otherwise known as Small and Medium Enterprises (SMEs) has been a major contributor to national development over the years. The survival of the sector particularly the micro-sized firms is important to all stakeholders especially the owners and fund poviders. The aim of this research paper was to ascertain the level of importance attached to budget and budgetary process among micro sized enterprises and the relationship between the budgeting and business performance among the entities. Using a sample of fifty micro sized manufacturing firms, and adopting questionnaires to gather primary data- the Pearson Moment Correlation co-efficient, Z-statistics and simple statistical tools for analysis. The first hypothesis shows result of 0.0106 below the standard 0.5 with the weighted means all below expected '3'hence it is concluded that a weak relationship exist, while the second hypothesis, using Z-statistics with relevant calculated values less than 1.96 value at 5% confidence level confirms that there is no formal budget and budget process among micro sized firms. These results indicated that budgets are not given the required pre-eminence by micro-sized firms and therefore cannot enjoy the expected benefits accrued to such. The findings of the study may have implications for the firms' management, as they revealed the several lost benefits of budgeting. It is recommended that formal budget should be prepared carrying along all staff and ensure controls are put in place to achieve set goals.

Keywords: Budget, budget process, micro-sized entities, non-publicly accountable entities

1. Introduction

The rate of failure among small enterprises has been attributed to several factors chief among these is the lack of or inadequate planning in face of stiff competition in the global business world (Ojua,2016;Ocansey&Enahoro,2014;Maseko&Manyani,2011).One of the major tool of effective business planning and control is budget and budgetary process (Warue & Wanjira,2013; Abdullahi, Abubakar, Kuwata & Muhammad,2015). Budget is the quantitative expression of a proposed plan of action by management for a specified period and a guide to steps that are required to done to implement the plan (Horngren, Stratton, Sutton, and Teall, 2004).Budget, usually an annual finance planning tool of business management that brings attention to businesses' finance and entire operations, stating steps to achieve profitability, liquidity and stability (Silva & Jayamaha,2012). It creates awareness and incitement through benchmarking for the business stakeholders (Ax et al, 2009); it indicates potential constraints, assumptions, and benefits derivable to the business, allowing management to take steps in achieving stated goals at minimum cost. It is a profit planning device that set the standards to be adhere to by managers of a business entity (Kpedor, 2012;Horngren, Sundem & Stratton, 2001).The main aim of budgeting is to have control and benchmark over the activities an organization by providing a roadmap for future activities through setting of series of attainable standards to be achieved and the means to achieve them within the specified time frame (Abdel-Kader &Luther, 2006).Budgetary control is the tool adopted by management to keep track of actual performance to ensure budgeted standards are met (Kpedor, 2012). It involves a repetitive circle of planning, control and review which is followed by variance analysis in which actual result is compared with budgeted figure, corrections initiated to deviation. The absence of budgetary control leads to disregard of laid down procedures/principles, loss of focus and poor coordination of activities which affects the growth of the firm (Warue & Wanjira, 2013; Abdullahi et al, 2015). While budget and budgetary processes are widely used for control purposes in large business entities, most NPAEs especially the micro-sized firms hardly have formal budgets due to their peculiarities and paucity of experienced staff (Warue & Wanjira, 2013;Maseko & Manyani, 2011).A firm is a Non-Publicly Accountable Entity (NPAE) if the venture does not need to publish its financial statements for external users because of meagre resources and financial limitations (Maseko&Manyani,2011;IASCF, 2009).NPAEs are estimated to represent more than 95 per cent of all business entities globally provides bulk of Gross Domestic Product (GDP), and have been playing significant roles in the industrialization of nations (Ocansey & Enahoro, 2014; Maseko & Manyani,2011;Bohušová&Blašková,2011;Martins,2011;Rebecca & Benjamin, 2009; Byrd, 2009; Kirsch, 2002), they possess fewer resources, extreme limited access to the capital markets, less business complexity and fewer external users of its financial statements, compared to bigger enterprises. The business stakeholders in this context are basically interested in current liquidity and solvency than long-term forecasts of cash flows and earnings, hence budgeting is the least business planning routine of micro sized firms' management and the bane of their development (McMahon, 1999; Sian and Roberts,

2006;Waweru, 2007). An integral and working part of NPAE is the micro-sized entities (Maseko & Manyani, 2011; Sian and Roberts, 2006).It has the following distinguishing features from NPAE namely: few employees often less than ten, and owner-managed basis (Storey, 1994);moderate levels of turnover, profit and gross assets; and does not: (i) have investments in subsidiaries, associates or joint ventures; (ii) hold or issue complex financial instruments; and (iii) issue shares or share options to employees or other parties in exchange for their products. Micro-sized enterprises, due to their inherent challenges might be exempted from the complex management function of budgeting but the reasons for the preparation of budget according to Hansen and Van der Stede (2004) makes it inappropriate, these are operational planning, performance evaluation, communication of goals, and strategy formation.

This paper investigates the extent to which the micro-sized entities prepare and use budget for their business activities, if such firms prepare formal budgets, factors affecting budgeting among micro-sized firms, and the relationship between micro sized entities' budgets and their performance over time. Generally business budgets, budgetary process and the application of such on business operations have direct positive relationship with business and operational performance of firms, irrespective of their sizes, nature of operation and (Horngren et al,2004;Abdullahi et al,2015;Warue&Wanjira, 2013).

The purpose of this research are threefold: First, to examine the relationship between budget preparation (if any is prepared) and the performance of micro-sized Warue & Wanjira, 2013; Waweru, 2007). Also, the mixed research findings on the factors affecting budgeting among small firms and their business growth process necessitate this study (Wang, 2003; Collins, 2011; Abdullahi et al, 2015; Warue&Wanjira, 2013).Lastly to ascertain the benefits derivable by NPAEs particularly the micro sized firms from adopting budgeting and budgetary controls in business operations (Horngren et al, 2004; Abdullahi, 2015;Warue&Wanjira, 2013;Waweru, 2007;Hansen & Van der Stede, 2004). In covering this research gap, this paper makes key contributions to the literature on the subject matter. It provides evidence on the knowledge of micro-sized owners/managers on budgeting and budgetary control hence potential implications for business policy-makers.

The research questions on which this paper attempts to provide answers toare :(i) is there apositive relationship between budgeting and budgetary process and micro-sized firm performance in Nigeria? (ii) Is there any formal budget and budgetary process among micro sized firms in Nigeria?

The other sections of the paper is structured into four parts. Section 2 reviewed related literature, section 3, the research methodology, section 4 explains the analysis and implications of findings and section 5 is the conclusion and recommendations.

2. Literature Review

Small business enterprises sector is the biggest employer of labour in Nigeria's economy employing up to 80% Nigeria's workforce and contributing up to 35.4% of the country's Gross Domestic Product (GDP) (Federal Ministry of Finance, 2011).The effective management, efficient utilization of its resources and sustainability are key to economic growth and development of the country(Esuh&Adebayo,2012).The micro-sized firm subsector is an integral part of economic development and a crucial element in the fight against poverty and creation of employment(Maseko&Manyani, 2011). Their activities have been the means through which accelerated economic growth and rapid industrialization can be achieved, their output provides feeder services to large- scale industries hence their economic importance cannot be underestimated (Fabayo, 2009).Micro sized firms are more likely to fail as compared to larger firms due to inherent challenges (Ojua,2016;Mmbengwa et al,2011). In most cases in developing nations, the probability of micro sized firms surviving beyond four years is almost certain (Olawale&Garwe, 2010).A major challenge leading to such failure is the inability of these firms' management to manage their resources effectively and utilize efficiently due to the application of the rule of thumb and perceived expertise (Ojua, 2016; Brink, Cant & Ligthelm, 2003). Micro sized firms'failure can be linked to lack of skills, short term planning, poor strategic planning and market conditions (Mmbengwa et al., 2011; Ojua, 2016).Despite the empirically flawed features of management accounting (Ojua, 2016; Aziz, 2012), budget one of the tools of management accounting is still held in high esteem and applied for decision making in virtually all sizes of firms. One effective means of avoiding business failure is the use of budget and budgetary control to manage available resources efficiently (Abdullahi et al, 2015).Budget is used as a managerial technique/tool in an organization to ensure attainment of set goals (Horngren et al, 2001). Blumentritt (2006) noted that budgeting provides needed information on funding and accountability of operation and business activities. If applied as prescribed, the business entity can create and sustain superior performance. The main purpose of budgeting apart from tools of short term internal decision making, according to Drury(2004) are planning, co-ordination of activities and available resources, communination, resource allocation to achieve budget goal, performance evaluation, responsibility distribution, establishing objective and motivation. The general benefits of budget include, the ability of the business management to predict cash shortfall and plan in advance to mitigate it; the entity is able to make arrangement on the need to secure financing, tap into a line of credit or make adjustments to your payables schedule; large expenditures are strategically planned to avoid business financial lock out; interest expenses are reduced drastically since financial options are injected in the financial plans; potential risks are ascertained and steps taken to avert or reduce losses that might arise. Despite these enumerated benefits of budgeting, Neely et al. (2003),brought out weaknesses that makes budgeting irrelevant to attainment of desired goals: Budgets lack strategic focus and value creation, instead it is short term and the aim is mostly cost reductions.; the bureaucratic style restricts flexibility in a highly competitive environment (Libby& Murray, 2007), which in turn impacts a firm's creative instincts; annual budgeting is mere annual ritual, relic of the past (Hanninen, 2013), hence might not react to macro-economic indices; employees who are agents of budgetary process may not react well to having controls forced onto them thus having the potential to de-motivate; budget is not dynamic, it discourages the allocation of resources to their best uses leading to irrational decision making (Hansen et al., 2003).Small businesses need budget because it is a formalized plan of management's objectives. It serves as a guide in the implementation of a selected strategy and during the budget period it acts as a management control device.

Joshi et al (2003) in a Bahrain survey of 54 medium and large sized companies reviewing budget planning, control and performance evaluation, found that an increase in firm size lead firm to implementing a more comprehensive budgeting process to achieve a better performance, also the complexity of firms operations influenced the nature of the budget adopted. Larger firms tend to use more sophisticated and formalized budgeting processes making them more successful than smaller firms. Reeve et al (2009) concurred with this view and concluded that use of budget is vital to business expansion irrespective of nature and sizes. Warue & Wanjira (2013) in their assessment of small businesses in Kenya found evidence that Information Technology application of computerized accounting system contribute to budgeting process at higher magnitude than the size of the firm, and also SMEs should ensure the involvement of relevant stakeholders in the preparation and implementation of budget to ensure success. Diamond and Khemani (2006) opined that the reliance on manual accounting system by most small firms in developing countries accounted for the poor budget system making most of them having challenges with survival in face of competition. Mahmood (2008) linked the relationship of small business ownership to the success of their budgets, the less the interference of the owners, the greater the budget quality in terms of control and implementation. Brink et al (2003) affirmed that the biggest problem of small firms in their quest for survival is financial management (which is made more effective by budgeting) given the level of limited resources which makes it difficult for them to compete effectively. Saayman and Slabbert (2001) explained in their research paper that micro sized firms face financial issues particularly fund paucity and financial planning caused by lack of requite experience in budgeting and control. William and Sims (1993) in a comparative international study discovered that lack of budget or poor budget implementation sales figures are over-estimated, trend analysis ignored, operating cost forecast unreliable and marketing/business development has little or no impact on small businesses. Stokes and Wilson (2006) discovered that small firms lagged behind in their approach to utilization of accounting information, business forecasts and budgeting for planning and control purpose when compared with bigger corporations. Abdullahi et al (2015) in a small firm-hospitality budget process review and organization performance in Nigeria returned that budget administration, target setting and evaluation influence performance of firms using formalized budget. They suggested staff should be involved in all the process to avoid budget failure. Likewise Silva and Jayamaha (2012) returned in similar result in Sri Lanka apparel industry budget process survey in which a significant association was discovered between budgeting and firm's performance. Jaafar, Ing, and Sukarno (2011) in a Malaysian study of small and micro sized firms found a positive relationship between funding and performance, and suggested the use of budget to resolve the financial gap. . Qi (2010) in a review of small business activities in China listed budgetary challenges to include planning, control, sophistication, participation, goal clarity and goal difficulty as variables that impact on budgetary process and organizational performance.

A general review of aforementioned literature brought out the following six independent variables to measure the budgeting process of micro sized firms in Nigeria, namely planning, preparation(manual or IT assisted), coordination, control, communication (staff participation) and evaluation. Based on the foregoing, the following hypothesis is proposed:

→ H_o There is no significant relationship between budgeting and budgetary process and micro-sized firms' performance in Nigeria.
→ H_o There is no formal budget and budgetary process among micro sized firms in Nigeria.

3. Research Methods

Descriptive research design was used. Target population comprised all the registered micro manufacturing enterprises located within the Ikeja Industrial zone of Lagos state, Nigeria. Stratified random sampling was employed in selecting the sample. The population strata were based on the nature of the business and manufacturing conducted by the micro sized firms. The sampled firm have features such as few employees often less than ten, and owner-managed basis (Storey, 1994); moderate levels of turnover, profit and gross assets (Maseko & Manyani, 2011). The sample of 50 was shared proportionately among the firms-namely water processing, warehouse services, laundry services, restaurant and oil servicing engineering. A self-structured questionnaire comprising matrix questions (structured in line with the research questions and hypotheses), {Likert scale of 1 to 5 (1= strongly disagree (SD), 2= disagree (D), 3=neutral (NE), 4=agree (A), 5=strongly agree (SA)} was used to measure the respondents' opinion on six variables. The questionnaires were administered to the firms' owners/ managers for responses. All questionnaires were returned, because this researcher personally collected questionnaires one after the other with not more than one respondent per firm. It was structured in line with the research questions and hypotheses.

For the purpose of this study, the population mean has been set at '3', which is the average of an equal representation of all the possible responses. The descriptive analysis of the responses are presented in tables 1 and 2showing calculated statistical indicators such as percentages, weighted arithmetic means, ranking, Z-statistics and standard deviations.

4. Data Presentation, Analysis and Interpretation

4.1. Test of Hypothesis

→ Hypothesis 1: There is no significant relationship between budgeting and budgetary process and micro-sized firms' performance in Nigeria

Table 1 below shows the responses of micro sized firms owners/managers on the budget and budgetary process, 70 %(40% strongly) agree that participants have above average knowledge of budget and its importance. The basic contents of budgetary process (planning, preparation, coordination, control, communication(staff participation), and evaluation) as propounded by Qi(2010);Silva& Jayamaha(2012) and Abdullahi et al(2015) were tested and responses are as follows: Statements 1-3 tested budget planning in micro

sized firms, from table 1 it can be deduce that while budget knowledge is high only very few firm use budget for their operation-only 20% hence budget planning is virtually non-existing with only 20%(6% strongly) carrying out such function. Table 2 shows the characteristics of budget planning in micro sized firms with mean of 3.88 confirming rejection of budget preparation and 2.46 mean budget planning status. With a weighted mean of 2.46 less than expected '3', it can concluded that micro sized firms though have knowledge of budget but do not apply such in their operation.Table3 explains the attitude of micro size firms to budget preparation, with a general weighted mean of 2.93(less than expected '3') and standard deviation ranging from 1.47 to 1.62 it can be asserted that budget preparation is not a priority of the owners/managers. Statements 4-6 indicate that the business owner prepares budget (if any) with no staff inputs, hence prior years events that could shape current year are ignored. Manual record keeping as observed by Maseko & Manyani (2011) makes budgeting an uphill task.

Statements 7-9 explain budget coordination with the owners in full charge at 70% affirmation, staff rarely obliged to give periodic report for review at only 20% and 70% complaining of scarce resources to finance the budget (Brink et al, 2003).From table 4 the weighted mean is 2.69 (less than the expected 3) and standard deviations ranging from 1.578 to 1.676, it can be deduced that budget coordination does not exist in micro sized firms. Table 5 explains the budget control among sampled firms and returned that control is very weak among few firms that operate a budget system. The weighted average of 2.53 confirms this assertion with 20% of respondents able to agree to limited control of the budget. Statements 10-12 tested the way variances and deviations are treated and actions taken to achieve budget goals. The results show that budget control have no relationship with the performance of the sampled firms. Using table 6,it can be inferred that little or no communication exist among staff and budget coordinators in micro sized firms,56% of the participants agree that no communication has been shared on the firms' budget status. With the weighted mean of 2.3, it can be concluded that budget communication do not have any link with firms' performance. Lastly using table 7 with a weighted mean of 2.57 and standard deviation ranging between 1.45 and 1.72, it can be established that the interest of micro size firms' stakeholders is basically on sales and profit and not budget evaluation with 80%(46% strongly) affirming the choice.

Taking all the results (the general weighted mean less than '3'), it can be concluded that there is no significant relationship between budget and budget process among micro sized firms.

To further demonstrate the relationship, the calculation of the correlation is done using the Pearson Product Moment Correlation Coefficient (r): We have the following result: n=50, Σx=329, Σx^2=4877, Σy=387, Σxy=1815, Σy^2=6479, $(\Sigma x)^2$=108241,$(\Sigma y)^2$= 149769
r=1627/153689.66
r= 0.0106

This estimate of 0.0106 (far below the 0.5 acceptable level)above showed that there weak correlation between budget and budgetary process and micro-sized firms' performance in Nigeria. This indicates that there is no significant relationship between budgeting and budgetary process and micro-sized firms' performance in Nigeria.

→ Hypothesis 2**:** There is no formal budget and budget process among micro sized firms in Nigeria.
Table 1 below shows the responses of participants to the budgets and budgetary process among micro sized firms. Statements 1-17 are all in line with the subject matter since a formal budget is expected to have the stated attributes enumerated above.
Using Z-statistics, the 'Z'-scores calculated are 3.48, 3.735,-2.522, 4.08,-3.48, -1.924, 3.136,
-3.278,-3.796,-3.481,-0.3994,-2.44,-1.924,-1.467,1.56,4.027, and -3.278 respectively based on statements 1-17.Following, the rule of decision in Z-statistics, the means of the responses to statements with expected value less than 3 have negative Z score (see statements 2-3,5-6,8-14 and 17) ,hence the hypothesis is accepted , this is because the 'Z' calculated for all the statements are less than the table value, which is 1.960 at 0.95 confidence level. It is also worthy of note that the remaining statements which returned otherwise only indicated the options left to the sampled firms apart from budgeting. Since the computed 'Z' less than the table value, the hypothesis that stated that 'there are no formal budget and budget process among micro sized firms in Nigeria.' is accepted. The meaning is micro sized firms seldom apply budget in their decision making and do not follow formal budget process.

5. Conclusions and Recommendation

Budget is a control tool available to business managers to achieve set goals through alerting and inciting available resources in a positive manner. Without budget it will be difficult to measure performance since target will not be available to benchmark activities. The aim of this study is to ascertain and evaluate the importance of budget and budget process among micro sized firms using the attributes of formal budgeting as propounded by scholars. The first hypothesis formulated was tested using the data obtained from the questionnaires distributed among selected owners/managers of micro size firms who are integral part of NPAEs. It was tested using mean, standard deviation and ranking statistical tools. With weighted general means all less than the expected 3, and the correlation co-efficient of 0.0106 far below the standard 0.5, the null hypothesis is accepted and concluded that there is no significant relationship between budget and budgeting process and micro sized firms' performance. The second hypothesis was tested using the applied approach by using statistical tools and Z statistics to ascertain if formal budget and budget process are adopted. It returned that computed 'Z' is less than the table value at 0.05 confidence level of 1.96, hence the second hypothesis was accepted affirming that no formal budget and budget process are adopted by micro sized firms.

The findings of this study show several micro sized firms do not use budget to evaluate their performance instead they rely on profitability and liquidity to assess their activities over a period of time. The lack of budget makes the owners rely on rule of thumb and prior years' experience to make decisions and where budgets are available owners do not allow staff to participate in the process. There is need for policy shift to first broaden the limited knowledge of budget among the owners/managers of these entities. Fund providers especially the banks who request for budgets (cash budget) during credit assessment can request for budget/variance analysis to make the firms see the need to do budgeting.

Further recommendations are:

- Micro sized firms can prepare formal budgets by using consultants who are experienced and will carry all staff along in the preparation to ensure full participation.
- Constant review and evaluation should be made to ensure all stakeholders are on alert and incited to deliver. Manual accounting system should be discouraged with the adoption of computerized accounting system.
- Peer review should be encouraged among the firms, this will create exchange of ideas and promote growth based on best practices. Joint employment of an experienced budget officer should be considered to reduce personnel cost.

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Annexure

Responses	5	4	3	2	1	Z statistics	mean
(1)Participants have above average knowledge of budgeting for businesses and its importance	20 40%	15 30%	5 10%	5 10%	5 10%	3.48	3.8
(2)Budgets are not prepared for the business, owners' expertise, macro-economic indices and rule of thumb are relied on.	18 36%	22 44%	0 0%	6 12%	4 8%	-1.887	1.12
(3)Budget planning starts at the end of the year and involves all the relevant staff in all dept. who submit estimates to budget committee	3 6%	7 14%	10 20%	20 40%	10 20%	-2.522	2.46
(4)Budgets are prepared by the owners only and other staff have little or no inputs	25 50%	15 30%	0 0%	5 10%	5 10%	-1.408	2.0
(5)In preparing the budget all variables that affect performances in prior years are considered in the current fiscal year.	5 10%	0 0%	15 30%	10 20%	20 40%	-3.48	2.2
(6)Preparation of budget is done with the aid of excel spreadsheet/accounting softwares	5 10%	5 10%	10 20%	25 50%	5 10%	-1.92448	2.6
(7) The owner coordinates the budget by monitoring the progress and providing resources required for attainment	10 20%	25 50%	5 10%	10 20%	0 0%	3.136	3.7
(8) Staff give periodic reports to the budget coordinator on the progress of the budget and its performance	2 4%	9 18%	9 18%	10 20%	20 40%	-3.278	2.26
(9)Budget requirements and resources are provided as stated in the budget promptly to achieve set goals	0 0%	10 20%	5 10%	15 30%	20 40%	-3.796	2.1
(10)Variance analysis is done periodically to ensure budget control in all dept.	5 10%	5 10%	5 10%	15 30%	20 40%	-3.481	2.2
(11)Owner/manager takes necessary steps to ameliorate any deviation in the budget to ensure set targets are reached.	10 20%	10 20%	8 16%	10 20%	12 24%	-0.39936	2.92
(12)Reasons for deviation from budgeted value are found out and steps taken to correct gaps	3 6%	8 16%	9 18%	20 40%	10 20%	-2.44	2.48
(13)Staff are free to exchange information about budget progress with budget coordinators/committee	5 10%	5 10%	10 20%	25 50%	5 10%	-1.924	2.6
(14)Budget evaluation is done periodically through review of targets and actual, and commendations made	3 6%	7 14%	12 24%	28 56%	0 0%	-1.467	2.7
(15) The firms only calculate periodic profits/loss of actual and not of budgeted values for evaluation purpose.	12 24%	10 20%	18 36%	10 20%	0 0%	1.56	3.32
(16) Liquidity level and declared profits are measure of performance instead of budget evaluation at the year end	23 46%	17 34%	3 6%	0 0%	7 14%	-1.3450	2.01
(17) Budget is a tool of decision making by management of micro sized firms	3 6%	7 14%	10 20%	10 20%	20 40%	-3.278	2.26

Table 1: Responses to relationship between budgeting and micro sized firms' performance
Source: Researcher's computation

Summary of Budget planning responses (statements 1-3)	Mean	SD	Variance	Ranking
Lack of Business budget knowledge	3.8	1.624	2.64	2
No Budget required for operation	1.12	1.67	2.77	1
No Budget planning for the firms	2.46	1.513	2.29	3
Weighted mean=2.46				

Table 2: Budget planning

Summary of Budget preparation responses (statements 4-6)	Mean	SD	Variance	Ranking
Budget prepared by owners without staff inputs	4.0	1.73	3	1
Prior years budget variables are considered in current year	2.2	1.62	2.64	3
Budget preparation is done with relevant computer program	2.6	1.47	2.16	2
Weighted mean=2.93				

Table 3: Budget preparation

Summary of Budget coordination responses (statements 7-9)	Mean	SD	Variance	Ranking
Micro sized firms owners coordinates their budget	3.7	1.578	2.49	1
Staff gives periodic progress report on budget performance	2.26	1.596	2.55	2
Resources are available to execute the budget	2.1	1.676	2.81	3
Weighted mean=2.69				

Table 4: Budget coordination

Summary of Budget control responses (statements 10-12)	Mean	SD	Variance	Ranking
Variance analysis are carried out at specified date	2.2	1.624	2.64	3
Results of variance analysis are analyzed	2.92	1.416	2.006	1
Variances are investigated and resolved	2.48	1.51	2.27	2
Weighted mean=2.53				

Table 5: Budget control

Summary of Budget communication responses (statements 13,4)	Mean	SD	Variance	Ranking
Down-top communication exist in budget process	2.6	1.47	2.16	2
Staff participation exist	2.0	1.73	3	1
Weighted mean=2.3				

Table 6: Budget communication

Summary of Budget evaluation responses (statements 14-17)	Mean	SD	Variance	Ranking
Performance evaluation is done periodically to ensure 'alert'	2.7	1.45	2.09	3
Stakeholders are only interested in profit and not evaluation	3.32	1.45	2.10	2
Liquidity and profitability are more important than evaluation	2.01	1.72	2.96	1
Performance evaluation aids decision making by management	2.26	1.60	2.548	4
Weighted mean = 2.57				

Table 7: Budget evaluation/performance evaluation