

## Budget And Budgetary Control As Tools For The Attainment Of Organizational Goals And Objectives

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**ABSTRACT:** Organizations are established to achieve their goals and objectives without which there is no need for their very existence. The attainment of these goals and objectives is subject to certain factors or forces operating within the business environment, hence the need for this study to investigate how budget and budgetary control assist organizations in the attainment of their goals and objectives. The study made use of both primary and secondary data, with questionnaire, oral interviews, text books and journal articles as instruments of data collection. A mixed sample size of two hundred (200) respondents were randomly drawn from among the entire management (top, middle and lower) staff of the Access Bank PLC for the study, while the analytical tools were chi-square model of analysis, frequency score analysis and tables. Two hypotheses were formulated and tested during the course of the investigation and some major findings of the study include; that budget and budgetary control play major role in the attainment of organizational goals and objectives, relationship exists between internal control and budget implementation though not significant enough to be noticed in Access Bank Plc, budget and budgetary control system serve as tools in the attainment of organizations objectives, budget and budgetary control serve a very useful purpose in terms of coordination and performance evaluation, etc. Arising from the results obtained from the study, it was recommended that; organizations should ensure that a budget committee is put in place at all time; revision of approved budget should be carried out from time to time; Actual performance level should always be compared with budgeted level to extract variances if any; Actual performance should be used as a basis for measuring standard operation in current year budget returns, it shouldn't be a policy to base current year budget on the previous year except if the economic situation remain unchanged; and that budgeting procedures should be used as a means of allocating responsibilities to officials in the execution of organization's programmes.

**KEY WORDS:** Budget, Budgeting, Budgetary control, Organizational goals, organizational Objectives, Performance evaluation, Internal Control, Budget implementation.

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### I. INTRODUCTION

The goals and objectives of any organization is nothing to be joked with, because this gives the organization the direction (focus) to which it is heading. Different organizations have different goals and objective based on which type of organizations they are. The private organizations mostly see profit as a major objective and thus pursue it with keen interest, while the public sector's major objective is the provision of social amenities for the people to make living convenient. For an organization to know whether their goals and objectives are conforming to their original plan, the estimated plan and the actual performance needs be compared periodically, hence the need for budget and budgetary control in every business and public organization.

A budget is defined as "a quantitative expression of plan of action prepared in advance of the period to which it relates". (Bessong. 2005). It is therefore 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 outlay 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 in monetary terms. It 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 planned action is taken. A budget provides a focus for the organization aids the coordination of activities and facilitates controls. Planning is achieved by means of a fixed master budget, whereas control is generally exercised through the comparison of actual cost with a flexible budget.

Budgeting and control entails a distinct patterns of decisions in an organization which is capable of determining its objectives, purposes or goals, and how these goals are achieved by establishing principal policies and plans.

The idea behind this study is to uncover the role budgeting and budgetary control play in achieving the goals and objectives of an organization, using Access Bank of Nigeria (ABN) Plc as the center of the study.

Implementation of a budget and controlling it is a very difficult task. Any organization that wants to grow will not go beyond its budget always, otherwise such an organization may be inviting problem.

In a study of Access Bank of Nigeria Plc, the following under-listed factors were discovered as being some of the forces militating against the smooth implementation of budget in the organization;

- (i) High wages paid to bank workers
- (ii) Investment opportunities that may arise during the course of the year which were not planned for but which cannot be foregone.
- (iii) Persistent increase in the level of inflation. This usually cause deviation from the initial budget.

In the light of the aforementioned problems, this research is centered on the full actualization of budget and budgetary control objectives within the matrix of the Nigeria banking industry.

#### 1.1 AIM AND OBJECTIVES:

The main aim of this study is to strike a balance between drawing up a budget and implementing it because this is very crucial as it has the potential of affecting the goals and objectives of the organization. This study hopes to achieve this aim through the following specific objectives;

- Evaluate how the financial cost of budgetary management can be minimized.
- Determine whether there exist any relationship between budget/ budgetary control and the attainment of organizational goals and objectives.
- Determine the relationship between internal control and budget implementation in Access Bank.
- Determine how high wages, increase in level of inflation, and unplanned investment opportunities could be kept under check so as not to adversely affect the already planned budget of an organization.

#### 1.2 SIGNIFICANCE OF THE STUDY:

This study will add more to the existing knowledge on budgeting, its implementation, and control. It will be of immense benefit to management in various organizations who will now be better placed to know the relevance of budget and its Implementation, as well as its effects on the attainment of their planned goals and objectives.

The study will also serve as a reference material for further studies on budget and budgetary control related issues by students and other researchers.

## II. REVIEW OF RELATED LITERATURE:

**Short History/Meaning of Budgeting:** The etymology of the word “budget” can be traced to the French word “Bugetle”, which literally means a leather bag. The Bugetle was used by French travelers in the early 14<sup>th</sup> century to store everything they will need for the duration of their journey. These travelers were mostly merchants, so it was necessary for them to plan their journey.

The term budgeting was first used in England to describe the small leather bag or pouch that held the seal of medieval cost of the exchequer. In 1733 the then finance minister in Britain, his, in presenting his proposal to the parliament used the word “budget” to denote his proposed plans.

In modern day, budget have been described or defined by various authorities in different ways. According to Lucey (2009), a budget is a quantitative expression of a plan of action prepared in advance of the period to which it relates. Budget is essential to ensure that the organizational objectives are achieved either on short, medium or long-term basis. Budgets therefore are financial expressions of plans of action and an aid to coordination and implementation of a given project.

#### PURPOSE OF BUDGETING/BUDGETARY CONTROL:

Atrill , P. (2007) elucidated five important purposes of budgeting to include: Planning and coordination, Clarification of authority and responsibility, Communication, Control, and Motivation.

- (i) **Planning and Coordination:** The Formal process of budgeting works within the framework of long-term overall objectives of approved detailed operational plans for different sectors and facets of the organization. Planning is the key to success in business and budgeting forces planning to take place. Budgeting provides for the coordination of the activities and departments of the organization so that each facet of the operation contributes towards the overall plan.
- (ii) **Clarification of authority and responsibility:** The process of budgeting makes it necessary to clarify the responsibilities of each manager who has a budget. The adoption of budget authorizes the plan contained within it so that management by exception can be practiced, ie. a subordinate is given a clearly defined role with the authority to carry out the tasks assigned to him and when activities are not proceeding to plan the variations are reported to higher level. This full budgetary process is an excellent example of management by exception is action.

- (iii) **Communication:** The budgetary process includes all levels of management. Accordingly, it is an important a venue of communication between top and middle management regarding the firms objectives and when the budget is finalized. It communicates the agreed plans to all the staff involved as well as communications between functions, to ensure that coordination is achieved. For example, there must be full liaison between the sales and production functions to ensure that coordinated budgets are developed.
- (iv) **CONTROL:** This aspect of budgeting is the most well- known. It is the aspect most frequently encountered by the ordinary staff member. This involves the process of comparing actual results with planned results and reporting the variations which is the principle of budgetary controls. It sets control framework which helps expenditure to be kept within agreed limits. Deviations are noted so that corrective actions can be taken.
- (v) **Motivation:** The involvement of lower and middle management in the preparation of budgets and the establishment of clear targets against which performance can be judged, have been found to be motivating factors. However, there are many other factors to be considered in relation to the human aspects of budgeting.

#### **Types of Budget:**

There are diverse kinds of budget, but this study will only x-ray five types which include;

- (i) **Master Budget:** This summarizes the financial projection of the entire organization budgets and plans. It expresses management comprehensive operating and financial plans, capital budget, and formalizes outlines of the organization's financial objectives and their means of attainment.
- (ii) **Cash Budget:** It is one of the most important budgets prepared in an organization. It shows in summary form, the expected cash receipts and expected cash payments during the period (Collier, P. 2006).  
The cash budget shows the effect of budgeted activities such as; Selling, buying, wages payment, investment in capital equipment etc. on cash flow of the organization. Cash budgets are prepared in order to ensure that there will be sufficient cash in hand to cope adequately with budgeted activities. A cash budget must contain every type of cash inflow or receipt and every type of cash outflow or payment.
- (iii) **Revenue and Expenses Budget:** This is one of the most common types of budget in business. It spells out plans for revenues and operating expenses in monetary terms. The most basic of these is the sales budget which is the formal and detailed expression of sales forecast as the corner stone of planning. Obviously sales, budget is the foundation of budgetary control.
- (iv) **Fixed and flexible budget:** A fixed budget is a budget which is designed to remain unchanged irrespective of the volume of output or turn-over attained. i.e. it is a single budget with non analysis of cost. Anthony, R. (2003) defines it as a "budget set prior to a control period and not subsequently changed in response to changes in activities costs or revenues. It may serve as a bench mark in performance evaluation. In the other hand, a flexible budget is a kind of budget that can be automatically geared to change on the level of activity or volume. It is prepared for change other than a single level of activity.
- (v) **Zero Based Budget (ZBB):** According to Adeniji (2008), ZBB implies starting the budget from a zero situation and justifying each segment of the budget rather than merely adding to historical budget or actual.

**FUNCTIONS OF BUDGET/ BUDGETARY CONTROL:** The main functions of a well developed budget are:

- Budget forces executives to qualify their expectations and managers are made to be more conscious of the effect of their actions
- Budgeting helps to transform an organization goals and objectives into specific tasks to be performed by people delegated.
- Budgeting helps managers to influence the course of future events.
- Budgeting Co-ordinates and integrates the actions taken by individuals managers at all levels.
- It helps managers to understand the activities being budgeted and has intrinsic merit for participants.

#### **LIMITATION OF BUDGETING:**

Bragg (2009) listed the following as the possible limitations of budgeting;

- No budgeting system can replace the need for supervisory executive ability in major decisions.
- It places a great demand on management time.
- It can encourage inter-departmental conflicts
- It may take away management flexibility.
- It may involve higher cost

- Revenues and expenses may be difficult to estimate.

#### **BENEFITS OF BUDGETING:**

According to Growthorpe, C. (2008), the under-listed are the benefits accruable from budgeting;

- It helps to achieve coordination between various departments and functions of the organization.
- It serves as a medium of communication of organizational plans and objectives and the progress towards meeting these objectives.
- It helps to promote coalition of interest and to increase motivation.
- It serves as a useful performance monitoring tool.
- It ensures sound organizational structure.
- It pinpoints efficiency and inefficiency

**WHAT IS BUDGETARY CONTROL:** According to Glautier and Underdawn (1987) “Budgetary control refers to how well managers utilize budgets to monitor and control costs and operations in a given accounting period. In other words, budgetary control is a process for managers to set financial and performance goals with budgets, compare the actual results, and adjust performance, as it is needed”.

According to Hope, J. and Freser, R. (2003). Budgetary control is a “Methodical control of organization’s operations through establishment of standards and targets regarding income and expenditure, and a continuous monitoring and adjustment of performance against them”. Budgetary control therefore is a control technique whereby actual results are compared with budgets. Any difference (variance) is made the responsibility of key individuals who can either exercise control action or revise the original budgets. It is a system of management control in which actual income and spending are compared with planned income and spending, so that we can see if plans are being followed and if those plans need to be changed in order to make a profit.

**Advantages of Budgetary control:** It is possible to implement a system of budgetary control in an organization. To ensure that budgetary control is properly implemented in a commercial sense, a knowledge of the particular organization is required so that it may provide the following advantages;

- The resource of the organization are given the fullest and most economic use.
- All the various functions within the organization are coordinated.
- Capital and efforts are channeled into the most profitable use.
- The control system embraces every activity of the organization.
- Policies can be periodically examined in the light of changing circumstance, and restated if necessary.
- Finally, motivation of the entire management teams is assured with clearly defined goals and a method of monitoring achievement.

**DISADVANTAGE OF BUDGETARY CONTROL:** Although budgeting can offer many advantages, there are difficulties and pitfalls connected with it operations and these are;

- The process of budgetary control is time consuming and managers may believe that time could be better spent getting on with the job.
  - Variance can arise through unrealistic plans and changed circumstances, and reporting of such variances can de-motivate managers.
  - Planning is not an exact science, and although forecasting technique such as time series analysis and exponential smoothing may assist, the problem should not be overlooked.
- Finally, top management must be committed to the system and the budgets for the period, or there will be no sense of motivation or cooperation at the other management levels.

### **III. RESEARCH METHODOLOGY**

#### **3.1 SCOPE AND DELIMITATION OF THE STUDY**

This research is limited to Access Bank of Nigeria PLC. It is essentially intended to access the system of budget and budgetary control as a tool in achieving organization goals and objectives. In the course of this study, the researcher observed or looked at the efficiency of budgeting, and how budgeting can improve the economic, social performance, and profit in an organization. The study focused its attention on fixed and flexible budgets, cash budget, master budget, Revenue and expenses budget, as well as Zero Based Budget (ZBB). Consequently, the scope encompasses the following:

- The review of budget and budgetary control system
- The nature of the master budget

- Types of budget system.
- Examination of the variance between budgeted and actual result obtained and attempt to identify the cause of such variances.

### 3.2 LIMITATION OF THE STUDY

One of the major drawbacks of this study is the lack of fund. The funding of this study was not adequate enough to cover wider area and subject in terms of material acquisition and traveling costs. As a result of this the researcher could not study a large population and sample size.

A second challenge faced by the researcher is that of the poor attitude of the respondents selected for this study. This probably could be as a result of the sensitive nature of the subject matter studied, which made the management, staff and other stakeholders to be quite very reluctant to give adequate information regarding their departmental budget.

### 3.3 RESEARCH HYPOTHESES:

To help drive home some key facts regarding the study, two hypotheses were formulated for testing in this study. They are here understated in their Null forms;

- i. Budget and Budgetary control do not play a major role in the attainment of organizational goals and objectives in Access Bank of Nigeria plc.
- ii. There is no significant relationship between internal control and budget implementation in Access Bank of Nigeria plc.

The test of these hypotheses were by means of chi-square or critic method. The formula employed by this method is as stated here below:

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

Where:

- fo = Observed frequency
- fe = Expected frequency
- X<sup>2</sup> = Chi-square
- ∑ = Summation sign.

**Decision Criterion:** The generally accepted rules guiding the application of chi-square test is;

Accept the Null hypothesis (H<sub>0</sub>) if CV < TV

Reject the Null hypothesis (H<sub>1</sub>) if CV > TV

**Where:**

- CV = Calculated value of X<sup>2</sup>
- TV = Table value of X<sup>2</sup>

**Note:** Each value of “fo” is obtained from the raw data gathered from the field, while the value of each “fe” is calculated using the formula;

$$\left( \frac{RT \times CT}{GT} \right), \text{ Where: } RT = \text{Row Total}$$

$$CT = \text{Column Total}$$

$$GT = \text{Grand Total}$$

It is also worthy of note that the tests were conducted at 5% level of significance and a degree of freedom calculated on the basis of the formula;

- (C - I) (R - I) Where;
- C = Number of columns
- R = Number of rows
- I = Constant

### 3.4 DATA METHOD:

There are two principle approaches adopted for data collection for this work. These are: Primary and Secondary data.

**Primary Data:** The sources of the primary data collected include the administration of structured questionnaires and oral interviews. The questionnaires were designed to obtain information from the respondents in order to

facilitate the work, and reduce the amount of time the respondents would spend with the researcher. Most of the questions in the questionnaire elate ‘Yes’ or ‘No’ response while the others were open ended.

Another source of primary data used was oral interview. This served as a supportive source of information to the questionnaire, as the questions asked were meant to clarify the answers given in the questionnaires.

**Secondary Data:** These were obtained from text books, journals, and previous write-ups on similar topics in magazines, news papers, and internet materials.

The population for this study is made up of the entire management (Lower, Middle and Top) of Access Bank of Nigeria PLC numbering over two thousand (2000) persons, out of which two hundred (200) persons were randomly selected as the sample size of the study. This is so because, according to Chisnall, P.M. (2000), a population is any group of people or objects which forms the object of the study in a particular survey, while the sampling size is the representative of the population from which they are drawn, so that ready conclusion about the population can be made.

The choice of a mix population and sample size of both primary and secondary sources was born out of the desire to make this study an effective exercise because according Rozakis (2004), an effective research papers often use a mix of both primary and secondary sources.

#### IV. DATA ANALYSIS AND RESULTS:

Primary data collected in the course of this study are hereby presented, analyzed and discussed in this section.

**Table 1:** Analysis of Research Questions/hypotheses:

S/N	RESEARCH QUESTIONS/HYPOTHESES	YES		NO		TOTAL	
		Freq.	%	Freq.	%	Freq.	%
1.	In your opinion, do budget and budgetary control system serve as a tool in the attainment of your bank’s objectives?	200	100	0	0	200	100
2.	Is budgeting in your bank originated from the lowest level of management?	120	60	80	40	200	100
3.	Has your bank ever achieved its budget estimate at the end of a defined budget period?	150	75	50	25	200	100
4.	Is there any relationship between performance evaluation and budget attainment in your organization?	110	55	90	45	200	100
5.	Are budgetary control reports prepared in your bank?	180	90	20	10	200	100
6.	Do you think you will be motivated if you are more involved in budget preparation than as present?	120	60	80	40	200	100
7.	Budgeting does not help in effective planning and control of the financial activities of an organization	20	10	180	90	200	100
8.	Budgeting and budgetary control system do not serve a useful purpose in terms of coordination and performance evaluation	10	5	190	95	200	100
9.	Budget and budgetary control do not play a role in the attainment of organizational goals and objectives in Access Bank Plc	16	8	184	92	200	100
10.	There is no relation between internal control and budget implementation in Access Bank plc	8	4	192	96	200	100

*Source: Field survey 2016*

#### **Explanation/Interpretation:**

The results obtained from table 1 proved the following

- (i) Budget and budgetary control system serve as a tool in the attainment of an organization’s objectives. This stand is taken because the entire 200(100%) respondents responded in the affirmative to the first questions in table I
- (ii) Also 120 (60%) respondents agreed that budgeting in Access Bank is originated from the lowest level of management.
- (iii) Furthermore, the result from table I shows that the studied bank has always achieve its budget estimate at the end of every defined period. This stand became obvious even as 150 (75%) respondents nodded their heads in the affirmative in support of the stand.
- (iv) In addition to the above, it was found out that Budgetary control reports are regularly prepared in Access Bank Plc and that staff will be more motivated if they are more involved in budget preparation. This can be seen from the table even as 180(90%) and 120 (60%) respondents respectively supported each position as shown in the table. Other findings from the said table I include;
- (v) Budgeting helps in effective planning and control of financial activities in an organization – 180 (90%) respondents supported this;
- (vi) Budget and budgetary control system serve a useful purpose in terms of coordination and performance evaluation -190(95%) respondents affirmed this;
- (vii) Budget and Budgetary control play a major role in the attainment of organizational goals and objectives in Access Bank Plc- 184(92%) respondents stood in favour; and
- (viii) Finally, there is a significant relationship between internal control and budget implementation in Access Bank Plc- 192 (96%) respondents stood firm in support of this opinion.

**TEST OF HYPOTHESES:**

**HYPOTHESIS 1:**

**H<sub>0</sub>:** Budget and budgetary control do not play a major role in the attainment of organizational goals and objectives in Access Bank of Nigeria Plc.

**H<sub>1</sub>:** Budget and budgetary control play a major role in the attainment of organizational goals and objectives in Access Bank of Nigeria Plc.

**Note:** Test is based on responses to research question 9 by the respondents as seen in table 1.

**TABLE 2: Contingency table for the calculation of “fe”:**

<b>Respondents</b>	<b>Freq.</b>	<b>Yes</b>	<b>No</b>	<b>Total</b>
Top Management	fo	10	40	50
	(fe)	(4)	(46)	(50)
Middle Management	fo	4	56	60
	(fe)	(4.8)	(55.2)	(60)
Lower Management	fo	2	88	90
	(fe)	(7.2)	(82.8)	(90)
<b>Total</b>		<b>16</b>	<b>184</b>	<b>200</b>

*Source: Compiled and modified from Table 1:*

**Contingency table for the computation of X<sup>2</sup>**

<b>fo</b>	<b>fe</b>	<b>fo – fe</b>	<b>(fo – fe)<sup>2</sup></b>	<b>(fo – fe)<sup>2</sup>/fe</b>
10	4	6	36	9.0000
40	46	-6	36	0.7826
4	4.8	-0.8	0.64	0.1333
56	55.2	0.8	0.64	0.0116
2	7.2	-5.2	27.04	3.7556
88	82.8	5.2	27.04	0.3266
<b>X<sup>2</sup></b>	-	-	-	<b>14.0097</b>

*Source: Calculated from Table 2*

**Note:** Degree of freedom (df) = (3-1) (2-1)  
 $\therefore$  df = (2) (1)= 2

**Decision:** At 2df and 5% level of significance,  $\chi^2$  critical value is 5.991 which is less than the value of  $\chi^2$  calculated at this point (i.e 14.0097) since the  $\chi^2$  calculated (14.0097) is greater than  $\chi^2$  critical value (5.991), the Null hypothesis ( $H_0$ ) is hereby rejected in favour of the Alternative Hypotheses ( $H_1$ ). This means that budget and budgetary control play a major role in the attainment of organizational goals and objectives in Access Bank of Nigeria Plc.

**HYPOTHESIS 2:**

**$H_0$ :** There is no significant relationship between internal control and budget implementation in Access Bank of Nigeria PLC.

**$H_1$ :** There is a significant relationship between internal control and budget implementation in Access Bank of Nigeria PLC.

**Note:** The test of this second hypothesis is also by means of the same model as in hypothesis 1 just foregone. However, the test is based on respondents’ responses to question 10 in table 1.

**TABLE 3: Contingency table for the calculation of “fe”:**

RESPONDENT	Freq.	YES	NO	TOTAL
Top management	Fo	2	48	50
	(Fe)	(2)	(48)	(50)
Middle management	Fo	2	58	60
	(Fe)	(2.4)	(57.6)	(60)
Lower management	Fo	4	86	90
	(Fe)	(3.6)	(86.4)	(90)
<b>Total</b>		8	192	200

**SOURCE:** Compiled and modified from Table 1.

**Contingency Table for the Computation of  $\chi^2$ :**

fo	fe	fo - fe	(fo - fe) <sup>2</sup>	(fo - fe) <sup>2</sup> /fe
2	2	0	0	0
48	48	0	0	0
2	2.4	-0.4	0.16	0.0667
58	57.6	0.4	0.16	0.0028
4	3.6	0.4	0.16	0.0444
86	86.4	-0.4	0.16	0.0019
<b><math>\chi^2</math></b>				<b>0.1158</b>

**DECISION:** Here the calculated value of  $\chi^2$  (0.1158) is less than the critical value of  $\chi^2$  (5.991) at 5% significance level and 2df. Hence, the Null hypothesis ( $H_0$ ) is accepted while the Alternative hypothesis ( $H_1$ ) is rejected. This means that there is no significant relationship between internal control and budget implementation in Access Bank of Nigeria PLC.

**4.1 SUMMARY/DISCUSSION OF FINDINGS:**

One outstanding finding of this research is that budget and budgetary control play a major role in the attainment of organizational goals and objectives. This revelation was made from the outcome of the test of the first hypothesis, which also corroborated the result of the earlier frequency score analysis contained in table 1. The confirmation of the result by the hypothesis test shows that, not only does budget and budgetary control play a major role in the actualization of organizations’ dreams, but that such role is very significance because the test of statistical hypothesis represents a test of significant relationship.

Secondly, it was also revealed by the study that there exist a relationship between internal control and budget implementation though such relationship may not be significance in some organizations such as our case study here (Access Bank of Nigeria PLC.) This position was established in this study when the frequency score analysis result indicated that there is a relationship between internal control and budget implementation, while the test of the second hypothesis proved that the relationship between the two variables was not significance enough to be noticed.

Other results obtained from the study were that; budget and budgetary control system serve as tools in the attainment of organizations' objectives; budgeting in Access Bank originated from the lowest level;

Access Bank of Nigeria PLC always achieve its budget estimate at the end of each defined period; budgetary control reports are regularly prepared in Access Bank of Nigeria PLC; budgeting helps in effective planning and control of financial activities in organizations; and finally that budgetary control system serve a very useful purpose in terms of coordination and performance evaluation.

## **V. CONCLUSION AND RECOMMENDATIONS:**

The study has actually achieved its purpose judging from the findings made during the course of this investigation. The fact that budget and budgetary control has great impact on the attainment of the goals and objectives of an organization was firmly established by this study, and this is true considering the outcomes of the frequency score analysis and the hypothesis test. This result corroborated the results of such other earlier researches by such researchers as; Kren, L. (1992); Chong and Johnson (2007); Chong, V. & Chong, K. (2002); Shields (1998); Musselman and Hughes (1981); Smith (2007); Welsh (2003); Callaham C. & Tammy, R. (2007); Hall, M. (2003); Bryan, J. and Locke, E. (1967); Lau, C and Tan, J. (1998).

A careful understanding of the principles and concept of budgets with respect to Access Bank of Nigeria PLC indicates that the level of attainment of the bank's objectives would have been low if budgeting has not been applied. It was also gathered during the course of the study that the budgeting techniques in place in the bank is flexible budgeting and that the bank's budget covers a period of twelve months (i.e. one year).

### **RECOMMENDATIONS:**

Having thoroughly understood the essence of budgeting and budgetary control in the organization activity with respect to Access Bank of Nigeria PLC, the researcher hereby deemed it necessary to make recommendations as a logical deduction from the empirical situation observed in the course of the study. These recommendations are made with a view to achieving an improvement on the present and future budgets and budgetary controls in Access Bank of Nigeria PLC. These recommendations are as follows:

- i. The organization should ensure that there is a budget committee in place in the organization at all times, who should be charged with the responsibilities of advising and controlling all the collated estimates of the various limits with votes and who would need to appear for discussion with a view to agreeing on the estimates earlier submitted. Once the estimates have been agreed upon, it would become a proposed budget which will be forwarded to the system manager for approval.
- ii. Revision of the approved budget should be done on timely basis, so that the level of attainment is not jeopardized. This revision should be made to pass through various stages of approval before it is accepted.
- iii. The actual level of performance in organizational term should be compared with the budgeted, and the difference shown as variance. Extracted causes of variances should be analyzed as being available or unavailable which will call for appropriate corrective action.
- iv. Actual performance should be used as a basis for measuring standard in the operation of current budgetary returns. The organization should guide against the preparation of unrealistic budget by ensuring that what ever estimate is approved should reflect the economic condition in the light of the limiting factors.
- v. It should not be made a policy to base the current year budget on the previous year except if the economic situation remains unchanged, otherwise accomplishment of the target might be unrealistic.
- vi. Finally budgeting procedures should be used as a means of allocating responsibilities to officials in the execution of organization's programmes. Fault and good result should be traced to individual(s) or unit(s) who must have contributed to such.

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