

**BUDGETARY CONTROL AS AN EFFECTIVE
MANAGEMENT OF ORGANISATIONAL RESOURCES.
A CASE STUDY OF NITEL LTD**

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DECLARATION

I hereby declare that this project has been written by me and that it has not been previously presented to the best of my knowledge for the award of any degree. All data not original to this research work have been duly acknowledged by way of references.

NAME OF STUDENT

SIGNATURE

DATE.

CERTIFICATION

This project titled “Budgetary Control as an Effective Management of Organizational Resources”. A Case Study of Nigerian Telecommunications Limited by Nasir Abba Aliyu meets the regulation governing the award of the degree of Master of Business Administration (MBA) of Ahmadu Bello University, Zaria and is approved for its contribution to knowledge.

NAME OF SUPERVISOR

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DATE

NAME OF EXTERNAL
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DATE

NAME OF HEAD OF DEPT.

SIGNATURE

DATE

NAME OF DEAN POST
GRADUATE SCHOOL

SIGNATURE

DATE

DEDICATION

This project is dedicated to my future children yet unborn.

ACKNOWLEDGEMENT.

First of all I would like to thank Almighty Allah, the most beneficent, the merciful. Praise is to Him, the Lord of Mankind, the helper - He surveys.

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ABSTRACT

This research work was basically carried out to examine the application of budgetary control as a tool for the effective management of organizational resources. The research aims at highlighting the benefits of budgetary control and at justifying its application as a tool in the efficient management of organizational resources.

Relevant literatures relating to the subject of study were reviewed and relevant interview questions asked. The answers to the questions provided the data that enabled the researcher make some discoveries and recommendations to the Management of NITEL in particular and other organizations in general.

It was discovered that the use of budgetary control is very beneficial to NITEL and that the staff are satisfied with the budgetary measures in place. It is however expected that the recommendations made at the end of the research will be noted by the Management of NITEL and taken into consideration.

CHAPTER ONE: INTRODUCTION

1.0 BACKGROUND OF THE STUDY.

Every organization has limited economic resources at its disposal, as a result of which the numeric demands on them cannot all be met. There are various reasons, why businesses are set up; some of which may include; maximizing the entrepreneur's wealth, to make profit and also to remain in business.

In order to achieve the set goal of an organization, it is pertinent that the management of such organization follows some laid down rules and pay surveillance over the operations of the organization. This is vital in ensuring profit maximization and also ensuring that expenses are well controlled and tailored towards achieving the set goal. Management must therefore ensure that resources allocated to areas of need are judiciously used to avoid extravagancy, enhance profitability and also enhance efficiency and effectiveness.

A basic tool that can be used by management to ensure efficient and effective use of its disposal is budgetary control. Budgetary control curbs wastages, unnecessary over expenditure, inefficiency and extravagance and so on, overlooking this would give rise to poor performance and an increase in loses.

This first chapter states the problem of the research work, defines its objective and states its hypothesis. It also explains the significance of the study, the scope of the research work and the definition of certain terms as they pertain to the work.

1.1 STATEMENT OF THE PROBLEM

Due to the incessant economic problems in Nigeria, organizations using budgetary control as a measure to check its expenses often find it very difficult to comply with the stipulated budget. Their inability to work hand in hand with their budget can be attributed to so many unfavorable factors inherent in the Nigeria economy, ranging from the constant devaluation of naira, inflation in the economy, to the high level of bribery and corruption in the country.

In the words of Asein, " budgeting (which is part of the process of budgetary control) is of management control process by which management ensure that resources are obtained and used efficiently and effectively in the accomplishment of the organizations objectives.

The above assertion shows that budgetary control aims at the efficient and effective management of organization's objectives. However, certain questions arise and they include:

- (a) Does the application of budgetary control really benefit the organization?
- (b) Is budgetary control just one of those theories or does it actually enhance efficient resources management?

The answers to these questions will help in recommending ways of enhancing controls at minimal economic costs. It is important that answers to these questions be provided considering the fact that huge amount of resources are spent by organizations in preparing their annual budget and in implementing budgetary control.

1.2 OBJECTIVES OF THE STUDY

This research work seeks to find out the following:

- (a) If there are benefits derivable from the application of budgetary control and
- (b) If the application of budgetary control actually enhances the efficient management of the resources of the organization.

1.3 STATEMENT OF HYPOTHESIS

H₁: There are benefits derivable from the application of budgetary control.

H₀: There are no benefits derivable from the application of budgetary control.

H₂: The application of the budgetary control leads to the efficient management of the organization resources.

H₀: The application of budgetary control does not lead to the efficient management of the organization resources.

1.4 SIGNIFICANCE OF THE STUDY

This research work is basically requirement for the award of a Master of Science Degree in Business Administration from A.B.U Zaria. The researcher however intends to produce a document that would aid up-coming researchers in this field. This research work would also serve as a reference material for business organizations interested in this field of

study. The research also intends to use this work, to add to the existing store of knowledge about the said case study.

1.5 SCOPE OF THE STUDY

The area of coverage for this research work shall be budgetary control in Nigeria Telecommunications limited in particular, and all business organizations in general with particular reference to the benefits derivable from its application.

1.6 LIMITATION OF THE STUDY

The scope of this research work will be affected by the following:

- (a) Limited time available for in-depth and exhaustive investigation into the subject;
- (b) Financial constraints
- (c) Co-operation and assistance from the staff of the organization used as a case study.
- (d) The inadequate availability of secondary documented data about the case study.

These factors stated above should be put into consideration by anyone making use of this work.

1.7 DEFINITION OF TERMS

The reader of this research work would come across the following terms and abbreviations and is supposed to be guided by these definitions:

- 1.NPC - National Planning Commission
- 2.UNDP - United Nations Development Project
- 3.CIMA - Chartered Institute of Management Account
- 4.ICMA - Institute of cost and Management Accountant
- 5.Budget Center - Unit of an organization where budget can be prepared and controlled.
- 6.Budget Holder - Head of a budget center.
- 7.Budget Allowance - Amount allocated to a particular item of expenditure.
- 8.Flexed Budget - Adjusted budget meant to reflect actual activity level for control purpose.
- 9.Principal Budget Factor - The factors that limit an organization ability to expend without limit. I.e. Shortage of raw material.

CHAPTER TWO

REVIEW OF RELATED LITERATURE.

2.0 INTRODUCTION

Budgetary control is a process through which control of budget is achieved, and it ensures that income and expenditure projection set for a forth-coming financial period are strictly adhered to the term of appropriation and disbursement. The control involved ensuring that all expenditures are inquired on authorized and legal purposes and that the total level of expenditure is within the limit set by the budget.

Budgetary control equally ensures proper and accurate collection of all income entitled to the organization; the control also involves the regular reviews of fees and charges. This control necessitates the continual comparison of actual expenditure and income within the budget estimate as the year progresses-the aim is being to ensure adherence to set standard for the period. Meanwhile variations from the budgeted figures are subjected to investigation by the responsible officers and appropriate corrective action them implemented.

The budgetary control process will be carried out by both individual staff members and the finance department, budget holders and by member committees. It will frequently be necessary for these parties to discuss

actual performance in relation to the initial budget. Budgetary control system should therefore, seek to identify the reason for variation from the budget rather than simply identifying the variations.

In essence, there will frequently be occasion when actual expenditure and income will differ from the budget for example, unforeseen variation in pay and price level, unexpected increase in demand for service, central Government Legislation and many others and as such variation from the original budget may be tolerated.

Nevertheless, it is paramount to mention that budgetary control without budgeting is at best unhealthy arrangement and at worst destroying the whole concept to which the budget is meant to achieve. The researcher therefore find it of utmost relevance and important to review certain aspect of budget, budgeting that are associated to the concept budgetary control for proper and smooth journey to the main issue under study.

2.1 DEFINITION OF BUDGETARY CONTROL.

Asein (2000) said " implicit in the budget process is the crucial element of control, and quoting the American college encyclopedic Dictionary, defined control as " to exercise restraint or direction over. To hold in check, to curb" He further said " Control is an element of managerial task which involves the measurement and correction of the performance of

subordinate to make sure that the objectives of the enterprise and the plan devised to attain them are accomplished efficiently and economically.

Fakiyesi (1998) further explains budgetary control to be " a means of Control by which the actual state of affairs is compared with budget, so that action may be taken with regards to deviation. It is generally regarded as an Internal control system which the management of an organization use in achieving the overall control of the enterprises”

Malomo (1999) defines budgetary control as "a system of controlling cost which includes the preparation of budgets, co-coordinating the department and establishing responsibilities, comparing actual performance with that budgeted and acting upon result to achieve maximum profitability" He further said " budgetary control can also be defined as the establishment of budgets relating the responsibilities of executive to the requirement of a policy and the continuous comparison of actual with budgeted result either to secure by individual action the objectives of that policy or to provide a basis for it's revision".

2.2 PRINCIPLE OF BUDGETARY CONTROL

The CIMA study pack (1990) gave the principles behind budgetary control to include the following: -

- i) To plan and co-ordinate the various activities involved in the process of budgeting.
- ii) To monitor and measure the actual performance whether is in accordance with set standard.
- iii) To compare the actual performance with the planned budget.
- iv) To identify and analyze the cause of differences between the actual results and the budgeted figures.
- v) To take appropriate action, in order to improve actual performance in future and/or revise the planned {budgeted} figures if considered necessary.

2.3 OBJECTIVE OF BUDGETARY CONTROL

The CIMA study pack (1990) specifically outlines the following objectives as essential aim of budgetary control.

- i) Ensure sufficient working capital is available for the efficient operation of the organization
- ii) Centralize control of resources.
- iii) Decentralize responsibility and Accountability
- iv) Planning and control of income and expenditure to achieve maximum of efficiency and profitability
- v) Provide basis for good decision-making to achieve a good forecast

- vi) Provide a yardstick against which actual result may be compared.
- vii) Ensure efficient allocation of capital and/or resources in the most profitable direction.
- viii) Achieve greater co-ordination of business activities.
- ix) Encourage teamwork among employee in the organization thereby creating a good employee-work relationship.

2.4 BENEFIT OF BUDGETARY CONTROL.

Lucey (1992) explained that budgetary planning and control, in varying degree of coverage and complexity, could be found in most organization of any size in both the public and private sectors. Equally there is genuine benefit to be gained from the use of such systems but these benefits do not accrue automatically, they have to be worked out for, and there must be continual appraisal of all aspects of the budgetary system. There is also the desirability or necessity of problem awareness and these factors that might prevent the most effective use of budgetary system. The aim is to overcome and solve these problem-where possible.

However CIMA study pack (1990) said " the advantage which results from the use of a budgetary control depend to a large extent upon the preparation and ground work carried out before the system is introduced".

The Pack State that unless there is confidence in budgetary control and

backing from top management, then it is unlikely that the system will be successful. It however enumerates the possible benefits of a well-designed budgetary control system to include the following: -

- i) Better co-ordination of various functions of the business
- ii) Faster identification of weakness areas of business operation through variance analysis.
- iii) Managers are afforded with wide awareness of the business objectives and hence they become more involved with the need for profit achievement and cost control.
- iv) Management skills are progressively improved.
- v) The system supports the principle of division of labour, responsibility and accountability as it provides a clearly defined tasks and responsibilities.
- vi) It provides an important medium of communication for organizational plans and objectives and the progress towards meeting these objectives.
- vii) The system supports the principle of division of labour, responsibility and accountability as it provides a clearly defined tasks and responsibilities.

viii) It provides important medium of communication for organizational plans and objectives and the progress towards meeting these objectives.

2.5 LIMITATION OF BUDGETARY SYSTEM CONTROL

Peters (1992) enumerated four Limitation of budgetary control via: -

- i) Looking at planning, budgetary or forecasting, will simply entails that budgetary control, as a system cannot be regarded as a science. In this case the system is subject to various revisions and modifications of estimate at various interval which sometimes may lead to total changes of the estimate or even change of plan.
- ii) The system requires the co-operation and participation of all members of the management; equally the basis for success is management's absolute adherence and enthusiasm for the budget. This is really very important, but too often the system failed because some of the members of management have paid lip service to its execution.
- iii) Budgetary system does not eliminate nor does it take over the role of administration, hence the executive should be feel confined to a particular area, rather, it should be designed to provide detailed

information which will guide them to operate with strength and vision towards the achievement of the organization objectives.

- iv) Time without number, management has become impatient and lost of interest, because it expect too much within short time; whereas the system must be explained to the responsible officials.

2.6 BEHAVIORAL ASPECT OF BUDGETARY CONTROL

Budgetary controls rely heavily on the behavioral or human aspect, as well as the technical aspect. Lucey (1992) aptly captures this by saying, "its success is totally dependent upon the goodwill and co-operation of the participants. Without which budgeting will become merely a paper exercises with no real impact on the operations of the organization except perhaps negatively".

However, Malomo (1986) said, " top management is faced with trying to get managers to accept top management goal as their own group goals". He added "personal goals and group goals are affected by many influential factors beyond the formal control system, including religion, family, profession and education". He further said "many behavioral researchers acclaim participation as a large help in minimizing problem of goal congruence and incentive, for example, participation entails the joint

setting of budgetary goals by the managers at all levels of the organization".

Budgetary control According to Malomo (1986) " Almost all managers want as much autonomy as they can get, they do not want to be rigidly constrain in their decision making. They want to keep their option open with respect to running their sub unit and demonstrating impressive performance". Because of this "Managers might be expected to protect themselves when they prepare budget and when they spend it". Managers may involve in spending spree in order to use up all their budgetary allocation, so as to give picture of non-cost reduction, which might result in a cut in their next allocation- this is mostly practiced in the public sector, said Malomo.

Padding is undesirable, because it does not allow the true picture of the budget to be seen. He suggested one way for top management to encourage cost saving". He said another way is to allow the manager to keep the prospective saving" for example, the budget for the next year would remain N400, 000 even though the introduction of a new operating method could warrant it's being reduced to N370, 000. Further still, he said "some organizations have convinced managers, that budget reduction is a

sign of achievement, so the managers regards cost reduction as a major goal".

Managers are sometimes tempted to falsify records in order to improve their personal showing of performance report. Such behavioral manner distorts production records in both good and bad month and hence misleading for planning purposes.

Malomo recognized motivation very important in goal congruence and accuracy of reporting. He said, "Obtaining accuracy is a problem of motivation". He said two major means of motivation are: -

- i) Designing records that are not overly difficult to maintain accurately.
- ii) Top management should emphasize on the matter. Senior managers can set good examples by openly seeking key records of reports.

2.7 DEFINITIONS OF BUDGETING

The NPC/NNDP (1997) financial management supports Fakiyesi (1998) defined budgeting as "the quantification of short term action plans in financial terms"

This definition as " Budgeting is the process of preparing an action plan".

Asein (2000) emphasizing on the control aspect of budgeting and states that " budgeting is par of the management control process by which managers assure that resources are obtained and used efficiently and effectively in the accomplishment of the organizations objectives".

Nevertheless, budgeting can be fully apprehended while taking the facts and meaning contained in the definition of budget as provided by the Institute of Cost and Management Accountants. “a plan quantified in monetary terms, 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”.

Malomo (1999) defined a budget as “ a predetermined statement of the management policy, which provides for comparison of the result of actually achieved, during a given period. It is a financial and / or quantitative plan of operations for a forth-coming accounting period.

2.8 USES OF BUDGET

Organization budgets for a variety of reasons, which are basically meant to meet the plan of the organization. Budget can therefore be useful in the following ways:

1- PLANNING – This is the essential nature of budgeting. It is the preparation of plan to achieve the overall objectives of the organization or unit of the business.

It is useful to the corporate planners as long term strategies are converted into short- term action plan or unit of the business as each member of staff is properly informed about the aims and objectives of the organization, which is communicated to them through budgeting.

2- Controlling – Writing down plans in the form of budget creates a blue print for the implementation of their plans. Any deviation from the blueprint can be investigated for corrective action.

3- Cost Awareness – Department heads/ managers are made aware of the cost implications of their plans, which are to evaluate their performance.

4- Quantification of proposals – like the individual, the business circle is faced with the problem of allocating the limited resources. Comparing the cost and benefit of each project or activity and choosing those that result in the most appropriate allocation decision best allocate resources.

5- Communication of plans – Budget provide a channel for the communication of plan of the individual responsible for their implementation.

6- Coordination of Activities – The budget for submit are constructed in such a way that each department contributes to the overall achievement of the plan.

7- Evaluation of performance – The planned activities and expenditure contained in the budget provides a yardstick against which actual performance can be measured. Each departmental head will be evaluated based on the actual output level achieved and the budget activity level.

2.9 BENEFITS OF BUDGETTING

According to Lucey, (1992) there are various benefits derivable from the use of budgeting in an organization and they include!

- (a) Budgeting is the major formal way in which the organizational objectives are translated into specific plans, task and objective

related to individual managers and supervisors. It should provide clear guidelines for current operations.

This implies that an organization takes a major step towards legalizing the manner in which various members of staff perform their tasks in order to tally with the organizational goals. Through budget, targets are set and as such it is expected of every manager and supervisor to follow laid down procedure in the form of task and plans while ensuring that the targets of the organization is met. Budgeting also sets members of staff of an organization on the right part as its explicitly defines the mode of operation for day-to-day tasks. Consequently, the entire staff would in a better position to work with a specified focus in mind at every point in time.

It is an important medium of communication for organizational plans and objectives and the progress towards meeting these objectives.

Budgeting simplifies a channel of communication that exists between top management and other members of staff. Even though, there is little opportunity for interpersonal communication to take place frequently within the staff of an organization and its management concerning the plans and the objectives of the organization, budgeting breaks down the group communication of their activities as each member of staff is properly informed about

the aims and objectives of the organization, which is communicated to them through budgeting.

(c)- The development of budgets when properly done helps to achieve co-ordination between the various departments and functions of the organization.

Different departments of an organization can be co-ordinate and manage more effectively with budgeting. This is so as the targets and limitations of each department is already defined and as such, stringent disciplinary measures can be carried on any department that falls short of expectation.

(d)- The involvement of all level of management with setting the budget, the acceptance of defined targets, the two way flow of information and other facts of properly organized budgeting system all help to promote a coalition of interests and to increase motivation.

Budgeting creates a closer and better working relationship between and amongst various management and staff. In addition, staff and management are often motivated when they realize that they were able to meet past defined targets.

(e)- Performance of all levels is systematically reported and motivated, thus aiding the control of current activities.

Budgeting helps in checking the rate of expenditure within an organization as variations is an easily be detected by the appropriate supervisors and as such, individual staff are prone to be careful in the course of their activities.

(f)- The integration of budgets makes possible, better cash and working capital management and makes stock and buying policies more realistic.

2.9.1 PROBLEMS ASSOCIATED WITH BUDGETING

According to Lucky, there are a number of problems that can arise as a result of over dependence on budgeting as a tool in checking excesses.

Some of these adverse effects brought about by budgeting include:

- (1) There may be too much reliance on the technique as a substitute for good management.

Development and maintaining a lot of confidence on this technique may adversely affect the management of an organization, as the officers in charge are less likely to cross check at impromptu intervals, but may wait and act only when they realized that there are variations in the stipulated budget, at the end of a specified time frame.

- (2) The budgetary system perhaps because of undue pressure or poor human relations may cause antagonism and decrease motivation.
- (3) Budgets are developed around existing organizational structures and departments, which may be inappropriate for current conditions and may not reflect the underlying economic realities.

2.9.2 BUDGETARY PROCESSES

According to NPC/NNDP (1997) “budgetary control involves the following steps

- (a) Preparation of Budget or a detail action plan. This set the level of activities or level of performance expected.
- (b) Careful comparison of the actual performance and outcomes with the corresponding parts of the plan
- (b) Identification of Responsibility centers in organization to execute or carry out specific activities or operations forming part of the action plan (Budget).
- (c) Adoption of mutually agreed targets of achievement to serve as milestone or other indicators of progress in the action plan, both in financial and physical terms.
- (d) A system for periodical monitoring of performance or activities of every segment or responsibility center involved.
- (e) Assessment of deviations of variances in actual performance and activities in relation to the plan and identification of causes of such variance, and
- (f) Initiating of corrective action aim at ensuring planned action and activities are adhered to as per as possible.

In a nutshell, these processes enable management to plan and carry out project, operations or activities for efficient and effective use of resources in the organization.

2.10 ACTIVITY BASED BUDGETING (ABB)

According to Lucey (1992). "ABB, sometimes termed Activity cost management is a planning and control system which seeks to support the objective of continuous improvement. It is a development of conventional budgeting system and is based on activity analysis technique". He said, "in outline this required the detection of the activities of the organization, establishing the factors, which cause cost, the cost drivers, and then collecting the cost of the activities in cost pools."

ABB therefore can be seen as a control system most specially as it supports the objective of continuous improvement of organizational activities.

The objective of ABB is to develop an analysis produces relevant information for management. This may be achieved through highlighting the approximate cost of activities, encouraging the use of new ideas more effectively.

The ABB according to Lucey (1992) possessed certain features, which make it to be part of the management control, and they include:

- a. The use of activity analysis to relate cost to activities
- b. The identification of cost improvement opportunities
- c. A focused, participated approach by all levels to guide and sustain continuous improvement.
- d. Creation of clear links between strategic objectives and planning with the tactical planning of the process.

CHAPTER THREE: PROFILE OF THE ORGANISATION.

3.1 BRIEF HISTORY OF NITEL LTD.

The Nigerian Telecommunications Ltd (NITEL) is a Federal Government owned company that provides public telecommunications services to Nigerian Public.

It was set up in 1985 as an amalgam of the Telecommunications Division of the defunct P & T Department and the Nigerian External Telecommunications Limited (NET), NITEL Ltd has a staff strength of about 11,000.

In 1992, NITEL was commercialized following a tripartite agreement between it, the government and the then Technical Committee on Privatization and Commercialization (TCPC). In 1992, NITEL pioneered the mobile telecommunication service in Nigeria, which was later excised from the company to form M-TEL in 1996. M-Tel was however re-merged with NITEL February 2001 and the resulting conglomerate was constituted into three directorates which all reported to the corporate Headquarters. The Directorates were for Long Distance Communications and Mobile Communications.

M-Tel was again excised from NITEL in April 2003. As a result of the excision, M-Tel became legally, administratively, operationally and financially autonomous but it remained fully owned by and as a subsidiary of NITEL.

The Directorate of Long Distance Communications is in charge of all the international Telecommunications Switching Centers, International Gateways,

undersea cable network, the national trunks, repeater stations and Internet networks.

Fully commercialized under the privatization and commercialization policy of the Federal Government, NITEL Ltd, more than ever, is committed to the provision of efficient, reliable and cost effective telecommunications services nationally and internationally. This set of objectives has remained the guiding principle on which the company's operations are based.

NITEL has about 800,000 telephone lines and about 13,000 telex lines in the network. With the introduction of digital system in the network from 1990 and the commencement of GSM operations by M-Tel, its subsidiary, the total installed capacity of telephone lines is expected to reach three million next year. About 450,000 lines of the existing capacity are digital lines, while 80% of transmission is digital.

In April 2003, the management of NITEL was contracted to Messrs Pentascope International following the necessary tripartite agreement between the Bureau of Public Enterprises (on behalf of the National Council on Privatization and the Federal Government), NITEL and Pentascope International. This contract is for a period of three years during which Pentascope International will positively turn around the operational, technical, financial and administrative fortunes of NITEL for the betterment of the company's customers, shareholders and stakeholders.

NITEL Ltd has continued to live up to the expectations of the Federal Government by improving on its achievements in the efficient management of its operations network. The company has consolidated its corporate existence and is firmly on the path to providing adequate, effective, modern and viable telecommunications services for the nation's development.

3.2 ORGANISATIONAL STRUCTURE OF NITEL.

NITEL is structured in three basic formats, which include: the corporate Headquarters, the Zonal Headquarters, and the Territorial Headquarters.

THE CORPORATE HEADQUARTERS.

The company consists of Board of Directors headed by the Chairman. Under the board is the Managing Director who reports directly to the board. The chief Executive officer reports directly to the Executive Committee and has the Zonal General Managers (GMs), Audit department, legal regulation and license, Corporate Strategy, Corporate Communications, Security and Investigation all report directly to him.

Also the Chief Technical officer, the Chief Finance Officer, the chief Marketing Officer and the Head Human Resources and Corporate Services report directly to the Chief Executive Officer.

The various departments under the Chief Technical Officer include:

1. Interconnection.

2. Planning

3. Vendor Management
4. Technology
5. International
6. Investment
7. Power
8. Operation and Maintenance.

The Operation and Maintenance has the various operation zones reporting to them.

Working under the Chief Finance Officer are the following departments:

1. Financial Accounting
2. 2. Treasury and Investment
3. 3. Process Management
4. Procurement
5. Management Reporting
6. Information Technology
7. Billing and Collection
8. Zones
9. Territories

While the Chief Marketing Officer has the following departments working under him:

1. Strategy and business department
2. Sales and distribution

3. Budget Development
4. Consumer Care
5. Communications.
6. Territories

The Head Human Relations and Corporate Services have the following departments reporting to him.

1. Human Resource (HR) and Management
2. Training and Development
3. Medical Occupational Health and Safety.
4. Zones
5. Territories.

THE ZONAL HEADQUARTERS.

This is headed by the Zonal General Manager. Reporting under the GM are the head of Audit, Public Relations, Legal and Security and Investigation Departments.

Also working under the Zonal General Manager (GM), are the operation and maintenance, Finance, Human Resources and Corporate Services as well as the Various Territorial Managers. (TMs)

The Operation Zones has the following departments working under them

- 1-The technical office.
- 2-Internet,

- 3-Power,
- 4-Planning,
- 5-Project officer
- 6-Optical,
- 7-Radio

-Technical administration; under the operation and maintenance department, we have the following

- 1-Data collection
- 2-Switching
- 3-ELP
- 4-ZNMC
- 5-Transport and logistics
- 6-TR
- 7-Store

THE departments under finance include;

- 1-Billing and collection
- 2-Data collection
- 3-Financial Accounting
- 4-Informaton Technology
- 5-procument
- 6-Management Accounting

While the human and cooperate services department has the following under it

- 1-human resource
- 2-Facility Management
- 3-Employee relation
- 4-Training and Development
- 5-Occupational Health and Safety

THE TERRITORIAL HEADQUATERS

The Territorial Manager heads the Territory. The following department report directly to the Territorial Manager; Audit, Public Relations, Technical, Marketing and sale, Finance and Human Resources and corporate service department.

Under the Technical Department we have

- 1-Exchange Area Manager
- 2-Auesis Networks
- 3-Generator and Maintenance
- 4-Export and Logistics
- 5-Planning and Works

The Marketing department consists of the sale distribution and customers care department,

- 1-Customer services
- 2-Corporate whole sales
- 3-Intenet
- 4-Freed

While the customers care consist of customers service center and a call center.

The Finance department has the following under it;

1. Collection control
2. Accounting
3. Information Technology

Finally, the Human resource and cooperate services department [MR and CS] Consist of a Human Resource department and an occupational health and safety department.

Marched, as the Appendix page is an organizational structure of NITEL LIMITED.

3.3 VARIOUS PRODUCTS AND SERVICES OFFERED BY NITEL.

PRODUCT

NITEL Ltd provides variety of services that includes the following;

A-Telephone with international Dialing [I .D. D]

B-Local and international public payphone.

C-V-sat hub networking

D-Air Traffic bub. System

E-Data switching system

F-Press Reception around case

G-X400 Electronic messages

H-International Lease via optic Fibre.

I-Alternate varice Data circuit.

J-Pal secam Tape conversion

SERVICES

A-Telegraph and Telex Delivery services

B-Telegraph and Telex Delivery services.

C-Transmission and Reception of real time services

D-Internet services.

E-Maritime mobile services [M.M.S]

F-Domestic satellite. Services

G-Satellite mobile communication services

H-International public counter services

I-Electronic mail [national service only]

J-Nifax service [public facsimile]

K-Leased Telephone and Telegraph services

3.4 SOURCES OF FUND

NITEL Telecommunication Limited sources fund both internally and externally. Internal funds are generated from the proceed of the service they rendered to the customers. In other word, the profits are made from the services they provided to customers.

External fund are basically gotten from banks in form of loans. Likewise, NITEL ltd get funds from government, depending upon the financial and political consideration involved in the capital expenditure requiring such funds.

3.5 BUDGETARY CONTROL AS PRACTICED BY NITEL LTD

Budgetary control is the process of controlling and co-coordinating budget related activities in an organization towards total compliance to the approved cost estimate as a means of achieving organizational objective

NITEL Ltd as Government owned company has certain control mechanisms put in placed, to ensure adherence and/or compliance with the budgeted cost and expenditure estimate of the company. These Mechanisms operate at various level of authority as contained in the structure of organization; these operations involves both the control and co-ordination of the budget activities inform of budgetary control, carried out by Treasury, Audit, Budget, cost and Management Accounting as well as Personnel department. Each of these departments serves as mechanism in controlling budget as discussed below;

1-Treasury department provides the company with such function like payment of transactions and receipt of revenue sources of the company, base on the clearance from budget department. Control in this regard arises where the Treasury has to obtain clearance before making payment.

2-Budget department consolidates the initial budget input and prepare the final budget, it uses this as a basis upon which recommendation is to make to treasury for effecting payment. It does this by confirming the allocated resources of this expenditure are not exceeded and where otherwise then it

further went ahead to raise alarm and advise the relevant authority accordingly.

3-Audit department ensures efficient collection of revenue due to the company and accurate payment of expenditure is made in accordance with laid down procedures in order to safeguard the asset of the company and detect mistakes, fraud and irregularities to achieve a desired goals. It validates the approving authority and the correctness of supporting document.

4-Cost and management Accounting provides cost estimate to the company and the requirement of stock of materials and each given interval. This therefore serves as control input on the part of approving authority and the user department. It provides storage service to the company among others,

5-Personnel department –Heads of this department are included as signatures to the account providing checks and balances to both the approving authority and paying department

3.5.1-ADVANTAGES

1-varriances are noticed even before the expenditure is finally expended.

2-composition of these department to include personnel provide motivational factors on the fact of staff of the company

3-it create a greater participation of line managers in the budgetary control process,

4-Efficient allocation of resources is ensured.

5-It provides a yardstick against which variance can be detected and controlled,

6-It ensure sufficient working capital for efficient operation of the company,

3.5.2-DISADVANTAGES

1-Slack might be introduce by managers, which create conflict among inter-related department,

2-Beucratic nature of the company may create a delay in implementing improved budget decision,

3-With poor human relation the company budgetary control will result to antagonism.

4-variation are taken at given interval normally quarterly analysis and hence certain areas will suffer delay in taken measure.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.0 INTRODUCTION

Data presentation and analysis gives solution to research problems and stated hypotheses. Analysis is define as the ordering and breaking down of data into constituent parts. However, presentation and interpretation takes the bulk of analysis, makes inference pertinent to the research related studies and draws conclusion about the relations.

Research involves a diligent inquiry and investigation carried out for the purpose of discovering new knowledge. Conducting a research equally involves close observation of a given situation, testing a variable in a laboratory and looking for data in the field.

4.1 SOURCE OF DATA

Data can be primary or secondary. Primary data are such data gotten from interviews, questionnaires, and basically every data derived from personal contacts between the researcher and the population. It is basically untainted and fresh from the source. According to Osuala, “primary data refers to such data that is exposes collected for a specific purpose”

On the other hand, secondary data can be regarded as second hand information. This is because it is a data got from already existing services, and is documented. Such sources include books, journals, magazines, articles, newspapers and every other form of published material. Osuala however,

defines secondary data as ‘data collected for some other purpose, frequently for administrative means.

This research work would make use of both forms of data. Primary data would be used, as interviews would be conducted with NITEL subscribers and staff who make up the population for the study. Secondary data would also be used, as documented facts on the history of budgetary control would be overviewed

4.2 SAMPLING

Subscribers to NITEL services and the staff and management of NITEL used would serve as the population for this research work.

Interviews would be conducted with members of the population randomly, as the simple random techniques would be used to pick individuals from the population. Sampling basically involves putting members of the population into identifiable categories to ease the selection of members (samples) of the population.

4.3 METHOD OF DATA COLLECTION

There are various methods of collecting data for a research work. These include: questionnaires, interviews, observation, rating scales, performance tests, and historical review of existing literature.

Data would be collected for this research work through interviewing and review of existing literature.

According to Ndaji (1984), “interview is a technique used for collecting information from other in a face to face contact’ Akilezilo (1993) on the other

hand sees it as often superior to other research instruments. His reasons for coming to that conclusion include:

- a. The fact that people would rather talk than write. Most people find it easier to give their opinions on issues verbally than moving to put it down on paper, as talking seems to be less time consuming and tiring.
- b. The interviewer can explain more explicitly the purpose of his research and what information he is looking for. Since interviews are interpersonal in nature, it is a lot easier for the interviewer to fully understand the individual of the interviewer and as such, the probability of the information required being distorted is reduced to the barest minimum.
- c. The interviewer is in a position to evaluate the sincerity and insight of the interviewer. This is possible since the interviewer can watch the interviewer closely, it is expected that he tries to understand the non verbal communication coming from the interviewer to ensure it compliments what was said.
- d. Interview technique has a special advantage when dealing with young children, illiterates and those with language and speaking difficulties can be very helpful with information if they are carefully listed to and prompted. This is not possible in case where they would be required to write.

4.3 JUSTIFICATION OF THE RESEARCH METHOD USED

The interview method of collecting data is well suited for this work as only those involved in the provision and utilization of the services would be allowed to divulge information. In addition, the researcher will be in a position to get certain information he would have find impossible to get from the respondents. This is because he would be aid to develop a report with the respondents, which would most likely put them eats.

The second research method, historical review is also most appropriate for this research work because it will create room for past events and activities to be reviewed, so that the present situation can be looked into and recommendations can be made, to help in improving the situation.

4.5 DATA PRESENTATION

This focuses on the presentation of data. Data relevant to answering the research questions was obtained through interviews directed to NITEL staff and a few subscribers. The data collected will be presented in tabular forms and expressed in percentages.

Q1. Being a worker in this organisation, are you aware that the company uses any form of budgeting in its operation?

Table 1

VARIABLES	RESPONDENTS	PERCENTAGE (%)
Yes	10	83
No	2	17
TOTAL	12	100

Q2. Does the budget proposal involve all the sections/departments within the organisation?

Table 2

VARIABLES	RESPONDENTS	PERCENTAGE (%)
Yes	12	100
No	0	0
TOTAL	12	100

Q3. Are the contributions of the various departments taken into consideration during the preparation of the final budget?

Table 3

VARIABLES	RESPONDENTS	PERCENTAGE (%)
Yes	8	67
No	4	33
TOTAL	12	100

Q4. Does your department receive any form of notification that their contribution in the budget preparation was included?

Table 4

VARIABLES	RESPONDENTS	PERCENTAGE (%)
Yes	0	0
No	12	100
TOTAL	12	100

Q5. In most organizations, budgets are usually prepared on a yearly basis; does this organisation follow the same pattern?

Table 5

VARIABLES	RESPONDENTS	PERCENTAGE (%)
Yes	12	100
No	0	0
TOTAL	12	100

Q6. Is there any form of budgetary control that exists within the organisation, to ensure that the budget is adhered to?

Table 6

VARIABLES	RESPONDENTS	PERCENTAGE (%)
Yes	10	83
No	2	17
TOTAL	12	100

Q7. Is the system of control fully in the hands of management?

Table 7

VARIABLES	RESPONDENTS	PERCENTAGE (%)
Yes	12	100
No	0	0
TOTAL	12	100

Q8. Do you think to some extent, staff fare involved in the budgetary control process?

Table

VARIABLES	RESPONDENTS	PERCENTAGE (%)
Yes	5	42
No	7	58
TOTAL	12	100

Q9. Does the organization use budgeting to access the standard of individual performance?

Table 9

VARIABLES	RESPONDENTS	PERCENTAGE (%)
Yes	6	50
No	6	50
TOTAL	12	100

Q10. Does the organization prepare individual performance reports?

Table 10

VARIABLES	RESPONDENTS	PERCENTAGE (%)
Yes	12	100
No	0	0
TOTAL	12	100

Q11. Is there any cost/management Accounting department in the organization?

Table

VARIABLES	RESPONDENTS	PERCENTAGE (%)
Yes	12	100
No	0	0
TOTAL	12	100

Q12. Does the organization frequently analyze the differences to discover their causes?

Table 12

VARIABLES	RESPONDENTS	PERCENTAGE (%)
Yes	9	75
No	3	25
TOTAL	12	100

Q13. At what point does the organization conduct a variance analyses?

Table

VARIABLES	RESPONDENTS	PERCENTAGE (%)
Monthly	8	67
Quarterly	3	25
Half yearly	1	8
TOTAL	12	100

Q14. Do you think budgetary control is effective?

Table 14

VARIABLES	RESPONDENTS	PERCENTAGE (%)
Yes	10	83
No	2	17
TOTAL	12	100

Q15. Does management take action on reported differences and their causes?

Table 15

VARIABLES	RESPONDENTS	PERCENTAGE (%)
Yes	12	100
No	0	0
TOTAL	12	100

Q16. Does the application of all these budgetary control measures improve the management of the organization's resources?

Table 16

VARIABLES	RESPONDENTS	PERCENTAGE (%)
Yes	12	100
No	0	0
TOTAL	12	100

Q17. Are there any benefits derivable from the use of the budgetary control measures?

Table 17

VARIABLES	RESPONDENTS	PERCENTAGE (%)
Yes	12	100
No	0	0
TOTAL	12	100

Q18. Does the organization compare actual performance with the budgets of the past and corresponding periods?

Table 18

VARIABLES	RESPONDENTS	PERCENTAGE (%)
Yes	10	83
No	2	17
TOTAL	12	100

Q19. Do you think the budgetary control measures in place are adequate?

Table 19

VARIABLES	RESPONDENTS	PERCENTAGE (%)
Yes	11	92
No	1	8
TOTAL	12	100

Q20. Are you satisfied with the services of NITEL?

Table 20

VARIABLES	RESPONDENTS	PERCENTAGE (%)
Yes	6	50
No	6	50
TOTAL	12	100

Q21. If no, was there any improvement when you complained?

Table 21

VARIABLES	RESPONDENTS	PERCENTAGE (%)
Yes	8	67
No	4	33
TOTAL	12	100

Q22. How would you rate the success of this organization's products/services in the market?

Table 22

VARIABLES	RESPONDENTS	PERCENTAGE (%)
Fair	1	9
Good	4	33
Excellent	7	58
TOTAL	12	100

4.6 DATA ANALYSIS

The data that was presented in a tabular form was collected from current NITEL staff and some existing NITEL subscribers. Questions 20,21 and 22 in the table were directed to NITEL customers. The sample for the research work was selected randomly.

Table 1 shows that 10 respondents representing 83% of the entire population interviewed are aware that the company uses budgeting in its operation. 2 respondents representing 17% however do not know that the organization uses budgeting.

Table 2 shown that the budget proposal involves all the departments within the organization as all the 12 respondents representing 100% agreed to this.

Accordingly to Table 3, 8, respondents representing 67% of the population affirmed that the contributions of the various departments are taken into consideration during the preparation of the final budget. However, 4 (four) respondents representing 33% did not.

Table 4 indicates that no department within the organization receives any form of notification to show that their contribution to the budget preparation was included, as all the 12 respondents representing 100% answered no to the question.

Table 5 shows that the organization uses an annual budget as indicated by all 12 respondents representing a 100% of the population.

In table 6 and 10 respondents representing 83% of the population agreed that there is a form of budgetary control that exists within the organization while 2 respondents, representing 17% did not agree.

Table 7 indicates that budgetary control is solely in the hands of management as all the 12 respondents representing 100% agreed to that.

In table 8, 5 respondents representing 42% of the population agree that some staff to some extent are involved in the budgetary control process. On the other hand, 7 respondents representing 58% did not agree with them.

Table 9 reveals that 6 respondents representing 50% agree that budgeting is used to access the standard of individual performance while same number of respondents disagreed.

In table 10, all 12 respondents representing 100% reaffirmed that the organization prepares individual performance reports.

Table 12 shows that a respondent representing 75% endorsed that the organization frequently analyses the difference in a budget to discover their causes, while 3 respondents representing 25% disagreed.

According to table 13, 8 respondents representing 67% stated that the organization conducts a variance analysis monthly, 3 respondents

representing 25% said it is quarterly while 1 respondent representing 8% said it is half yearly.

Table 14 shows that 10 respondents representing 83% affirmed that the budgetary control is effective, 2 respondents representing 17% do not think that the control is effective.

Table 15 indicates that management always takes action on reported differences and their causes as all the 12 respondents representing 100% agreed.

Similarly table 16 indicates that the application of the budgetary control measures improve the management of the organization's resources as all the 12 respondents representing a 100% agreed to that.

Also in table 17, all the 12 respondents representing a 100% agreed that there are benefits derivable from the budget control measures.

In table 18, 10 respondents representing 83% said yes while 2 respondents representing 17% answered no.

Table 19 show that only 1 respondent representing 8% does not think that he budgetary control measures in place are adequate. All other respondents representing 92% believe that the measures agree adequate.

Table 20 shows that 6 respondents representing 50% of the NITEL customers are satisfied with the services of NITEL while an equal number and percentage are unsatisfied.

According to table 21, 8 respondents representing 67% noticed improvements in the services of NITEL when they complained, while 4 respondents representing 33% did not.

In table 22, 7 respondents representing 58% rated NITEL services to be excellent, 4 respondents representing 33% rated them to be good, while 1 respondent representing 9% rated them as fair.

4.7 INTERPRETATION OF DATA

Based on the analysis of tables 1 and 2, it can be conclude that the company uses budgeting in its day to day operations and this budgeting is prepared in such manner that every department is taken into consideration.

According to table 3, all the various departments are taken into consideration when preparing the budget and their contribution are taken into cognizance during the preparation of the final budget.

No department within the organization is notified to show that their contribution was well taken, based on the analysis of table 4.

The analysis of table 5 shows that organization uses an annual budget.

From the analysis of table 6 and 7, it is noted that there exists a form of budgetary control within the organization, which is solely dependent in the hands of management.

The result of the analysis of table 8 reveals that some staffs are not involved in the budgetary control process, as majority of the respondents affirmed this.

Views on the use of budgeting by the organization as criteria for assessing standard individual performance were divided as half of the respondents held divergent views on the question, based on table 9.

The analysis of table 10 reveals that the organization prepares individual performance reports for each staff.

Table 11 reveals that there is a cost/management accounting department in the organization.

Based on table 13, it can be seen that a majority of the respondents affirmed that the organization conducts a monthly variance report to enable them analyze the differences in a budget, discover their causes where there are any and then ensure that it is dealt with, to check a re-occurrence.

From the results of the analysis of table 14 and 17, it is obvious that the budgetary control is effective, as there seem to be evident benefits derivable from the measures in place.

Majority of the respondents are satisfied with the adequacy of the budget control measures based on the analysis of table 19.

The analysis of table 20 shows that NITEL customers have different opinions about the services of NITEL. A good number of the customers are satisfied with their services, while same numbers of people are not satisfied with their services. Most of these customers apparently believed that their services could be improved.

The services of the organization are often made to tally with the needs and aspirations of the consumers as reflected by the analysis of table 21. This owns to the fact that a majority of the respondents noticed an improvement in the services being rendered to them when they put up complaints.

The services of the organization are good enough at the moment as over 50% of the respondents attest to that fact. However, some respondents are of the opinion that there is room for improvement.

4.8 HYPOTHESES TESTING

There were two hypotheses put forward in this research work. These will be tested, using the percentage to see if the null hypothesis will be accepted or rejected.

HYPOTHESIS-1

H_i: There are benefits derivable from the application of budgetary control.

H₀: There are no benefits derivable from the application of budgetary control

This hypothesis will be tested using interview question number seventeen (17)

Are there any benefits derivable from the use of he budgetary, control measures?

RESPONSES	NUMBER
Yes	12
No	0
TOTAL	100

$$\text{Yes \%} = \frac{12}{100} \times 100 = 12\%$$

The percentage Yes (12) does not agree with the null hypothesis (H₀). The null hypothesis is therefore rejected and the alternative hypothesis (H_i) is accepted. The (H_i) hypothesis states that there are benefits derivable from the application of budgetary control.

HYPOTHESIS- 2

H₂: The application of budgetary control lead to the efficient management of the organization's resources.

H₀: The application of budgetary control does not lead to the efficient management of organization resources.

This hypothesis will be tested using, interview question number sixteen (16):

Does the application of all these budgetary control measures improve the management of the organization's resources?

RESPONSES	NUMBER
Yes	12
No	0
TOTAL	100

$$\text{Yes \%} = \frac{12}{100} \times 100 = 12\%$$

The percentage Yes (12) does not agree with the null hypothesis (H₀). Therefore the null hypothesis (H₀) is rejected and the alternative hypothesis (H_i) is accepted. The (H_i) hypothesis is accepted, which states that the application of budgetary control leads to efficient management of the organization's resources.

4.9 RESEARCH FINDINGS: -

Based on the foregoing Data presentation, analysis and subsequent testing of the hypotheses, the following point and/or finding emerged.

1. Staff of NITEL Ltd at various level are involved in the preparation of budget and their contribution are included in the budget after careful consideration to the relevance of the contribution.
2. NITEL Ltd like most organization, prepare budget to cover the period of 1 year. Likewise the company has budgetary control procedure

encompassing several unit/department such as management accounting, audit, treasury, finance and personnel.

3. The budgetary control of NITEL Ltd is modern and adequate capable of controlling effectively the budgetary process of the organization, thereby improving the efficiency of service provision and hence serve as motivation toward effective performance of employee.
4. The company evaluates adherence and compliance to the budget through variance analysis. The result obtained are immediately considered and measured taken by the management where needed.
5. The company derived several benefit from the use of budgetary control process in almost all the department, unit and section in the company, ranging from motivation of staff, provision of quality service, control of cost, maintaining appreciable level of profit, expansion of network and many more.

Finally other areas of interest are summarized and concluded in the subsequent chapter and followed by sound recommendations.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 SUMMARY

This research work was divided into five chapters.

The first chapter being the prefatory chapter focused on the background of the study, statement of the problem, objectives of the study, the statement of hypotheses, significance, scope and the limitations of the study. Various important terms were also defined, as they apply to the research work.

In chapter two, literature review was made. The definition of budgetary control principle, objectives and benefits of budgetary control were all discussed. The limitations and the behavioral aspects of budgetary control were also reviewed. Also in this chapter, various definitions of budgeting were given, uses of budgets were outlined and the benefits of budgeting discussed too. It also discussed the problems associated with budgeting; the budgetary process and activity based budgeting.

The Chapter three discussed telecommunication, sources of funds, brief history of NITEL Ltd., organizational structure of NITEL Ltd., and the various products and services offered by the company.

Data presentation and analysis was made in chapter four. Interviews were held with some selected staff of NITEL and some selected NITEL customers.

The NITEL customers being the users in the services of the company are in the best position to attest on the efficiency and adequacy of NITEL services. On the other hand, NITEL staff provides these services are in indirect contact with management and so have a good idea of budgetary control measures applicable within the company.

The analysis of the data revealed a few things that will form the basis for drawing conclusion and making useful suggestions.

The last chapter consisted of the summary, recommendations and conclusion of the research work. Some vital recommendations were given as to how the NITEL and all other organizations can maximize benefits from their limited resources, and also or the need to ensure surveillance over the management of their resources.

5.2 CONCLUSION

Conclusively, budgetary control has been established as an effective tool that enables an organization to properly manage its resources according to the stipulated plan. Since NITEL as an organization already has a budgetary control system in place, handled by the cost/management accounting department, it is easier for them to use their allocated resources more efficiently and effectively in order to achieve maximum benefit.

The organization uses an annual budget which is fully handled by the management of NITEL, however, the system of control in place has been

effective as it regulates the expenses made with the organization and also helps in the reduction of material wastage.

While conducting the research, it was noted that using a budget in an organization helps such working place, as it simplifies issues by clearly pointing out the specific responsibility of each staff and manager.

Finally, it is very obvious that the usefulness of budgeting as a system/tool for the effective management of an organization's resources cannot be over emphasized, as its benefits derivable from it are too numerous to mention. However, it is not expected that the management of NITEL should just fold its arms in relaxation, having put up a system in place, it is expected that they constantly ask themselves the questions – what can be done to ensure that the budgetary system established will always justify the reason for its existence? How can the system be upgraded to ensure better results?

If the management of NITEL can always provide answers to their questions, it is expected that they would put the answers into practice and as such, expect on the long run to become more efficient and effective in their duties and responsibilities.

5.3 RECOMMENDATIONS

The researcher wishes to make the following recommendations with particular reference to NITEL Nigeria Limited and to all organizations in general.

1. Management of NITEL should take stringent measures that would ensure that the statutory budget of the company is strictly adhered to at every point in time. This will enable them enjoy the benefits of using budgetary control measures.
2. Management of NITEL and members of the budget committee should establish clear-cut corrective actions that would be taken whenever there is a difference in the variance analysis. The corrective measure to be taken whenever the budget is not adhered to should be clearly stated and known to everyone that is affected by the budget.
3. The management of NITEL should find a way of including some member of staff in the budget committee, so that they may also have a sense of belonging. This is important if the management of the organization do not want to monopolize the vital sections in the organization.
4. Adequate records of the company's activities should always be kept to ensure that adequate financial and non-financial information is available at all times.
5. Since it has been established that budgetary control is an effective tool that can be used in the management of an organization's resources, it is advisable that every other organization that does not

have an existing budgetary control measures should establish one, to enable them achieve the set goals for their organization.

6. For the management of NITEL in particular and other organizations in general to ensure that the established systems of budgetary control are adequate and effective, efforts should be made towards the preparation of an organization chart that clearly defines every staff's position and his corresponding responsibility.
7. Efforts should be made by management on the budget committee specifically, to make the budget reflect to some extent the needs and desires of the customers of NITEL. This would enable them tally the gap of the organization with their intentions to satisfy their consumers of their services.

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APPENDIX

- Q1. Being a worker in this organization, are you aware that the company uses any form of budgeting in its operation?
- Q2. Does the budget proposal involve all the sections/departments within the organization?
- Q3. Are the contributions of the various departments taken into consideration during the preparation of the final budget?
- Q4. Does your department receive any form of notification that their contribution in the budget preparation was included?
- Q5. In most organizations, budgets are usually prepared on a yearly basis; does this organization follow the same pattern?
- Q6. Is there any form of budgetary control that exists within the organization, to ensure that the budget is adhered to?
- Q7. Is the system of control fully in the hands of management?
- Q8. Do you think to some extent, staff fare involved in the budgetary control process?
- Q9. Does the organization use budgeting to access the standard of individual performance?
- Q10. Does the organization prepare individual performance reports?

- Q11. Is there any cost/management Accounting department in the organization?
- Q12. Does the organization frequently analyses the differences to discover their causes?
- Q13. At what point does the organization conduct a variance analyses?
- Q14. Do you think budgetary control is effective?
- Q15. Does management take action on reported differences and their causes?
- Q16. Does the application of all these budgetary control measures improve the management of the organization's resources?
- Q17. Are there any benefits derivable from the use of the budgetary control measures?
- Q18. Does the organization comprise actual performance with the budgets of the past and corresponding periods?
- Q19. Do you think the budgetary control measures in place are adequate?
- Q20. Are you satisfied with the services of NITEL?
- Q21. If no, was these any improvement when you complained?
- Q22. How would you rate the success of this organization's product/services in the market?