

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY

COLLEGE OF HUMANITIES AND SOCIAL SCIENCES

SCHOOL OF BUSINESS

DEPARTMENT OF ACCOUNTING AND FINANCE

**Budgeting Practices in Senior High Schools in Ghana; A Comparative Study of
some selected Schools in Ashanti Region**

By

FRANCIS OSEI (BED ACCOUNTING)

© 2015 Department of Accounting and Finance

**A thesis submitted to the Department of Accounting and Finance, Kwame
Nkrumah University of Science and Technology in partial fulfilment of the
requirements for the degree of**

MASTER OF BUSINESS ADMINISTRATION (ACCOUNTING OPTION)

School of Business, KNUST

College of Humanities and Social Sciences

July, 2015

DECLARATION

I do declare that with the exception of special quotation and ideas attributed to specified sources, this is entirely my own and has never been presented anywhere.

I therefore take responsibility for any short-comings that may be detected in the work.

FRANCIS OSEI (PG 9605113)

(Student's Name and ID No)

Signature

Date

Certified by:

MR. EDWARD YEBOAH

(Supervisor)

Signature

Date

Certified by:

DR K.O APPIAH

(Head of Department)

Signature

Date

ABSTRACT

Senior High Schools in Ghana are beset with problems which are mostly financial in nature. Due to resource constraints, school managers find it difficult to get enough resources to run the schools smoothly. As a matter of fact, budgetary allocations from the Central Government through the Ghana Education Service to the schools are not enough and even hardly hit the schools' accounts on time. In the midst of these inadequacies, at times the little financial support that is offered the schools is mismanaged by school authorities. Therefore, in order to ensure judicious use of resources and minimize waste, there is the need to examine the budgeting practices of Senior High Schools in Ghana. The population of the study was the entire management and staff of the selected Senior High Schools. In selecting the schools, a convenience sampling method was used to select five Senior High Schools in the Ashanti Region of Ghana. Due to the peculiar characteristics of the population, a purposive sampling technique was used to select a sample size of twenty respondents from the five selected Senior High Schools. Data was collected through the administration of questionnaires and unstructured interviews with respondents and a database created using Excel and SPSS package for the analysis. The research revealed that all the schools prepared budgets and implement budgets prepared; poor forecast of budget estimates and changing demands from the environment posed a challenge on school budget and not all the schools have budget committees in place. It is therefore recommended that, the Ghana Education Service sees to the setting up of budget Committees and Units in the schools. Moreover, budget estimates should be properly forecast to minimize the impact of changing demands from the environment on the budget. Finally, School managers should be taken through refresher courses in budget planning and execution for them to fully appreciate the important role budgets play in management of schools.

ACKNOWLEDGEMENT

To God be all the Glory for His protection over my life and especially restoring my health in the last embers of the semester to complete this piece.

My deep sense of gratitude goes to Mr. Edward Yeboah my supervisor of Kwame Nkrumah University of Science and Technology Business School who took time off his tight schedule to vet and offer me guidance to produce this work. Sir, may the Almighty God bless you profusely.

My special thanks go to all Headmasters/Headmistresses, Assistant Headmasters/Mistresses, Bursars and Matrons from whom I had so much support especially with the administration of the questionnaires.

I also thank Mr. Ernest Koduah of Aduman Senior High School who supported me with a lot research material and directed me to valuable research sites for successful compilation of this piece. I also thank Mr. Joseph Gyamfi and Ms. Naomi Agbeko for their constant prompting and encouragement when I nearly gave up because of ill-health.

To all authors and researchers from whose materials I made references and those who helped me in diverse ways especially Mr. Joseph Kyenkyehene of Aduman Senior High School, I acknowledge my indebtedness to you all.

DEDICATION

This work is dedicated to my dear wife Stella Ansere; my beloved mother Akosuah Animah , brother Stephen Kwaku Boateng , my brother-in-law Mr. David Ofori of UK and all my siblings especially Miss Felicia Osei popularly known as sister Akos through whose financial support and encouragement I have been able to undertake this course of study successfully.

TABLE OF CONTENTS

DECLARATION	ii
ABSTRACT.....	iii
ACKNOWLEDGEMENT	iv
DEDICATION	v
TABLE OF CONTENTS	vi
LIST OF TABLES	x
LIST OF FIGURES	xi

CHAPTER ONE	1
INTRODUCTION	1
1.0 Background to the Study	1
1.1 Problem Statement.....	3
1.2 Objectives of the Study.....	4
1.2.1 General Objective	4
1.2.2 Specific Objectives	4
1.3 Research Questions.....	5
1.4 Significance of the Study.....	5
1.5 Scope of the Study	5
1.6 Limitations of the Study	6
1.7 Organisation of Study	6
CHAPTER TWO	7
LITERATURE REVIEW	7
2.0 Introduction.....	7
2.1 Definition of Concepts.....	7
2.2 The Nature of Budget	10
2.3 Budget Classification.....	10
2.4 Types and Approaches of Budget.....	11
2.4.1 Rolling or Continuous Budgets	11
2.4.2 Zero Based Budgeting	11
2.4.3 Activity Based Budgeting.....	12

2.4.4 Fixed and Flexible Budgets	12
2.4.5 Incremental Budgets	13
2.4.6 Programme Based Budgeting	14
2.4.7 Master Budget.....	14
2.4.8 Cash Budget.....	14
2.4.9 Capital Budgeting.	15
2.5 Operating Budget.....	15
2.5.1 Composite Budget	16
2.5.2 Budget Planning.....	16
2.5.3 Budgetary Participation	17
2.5.4 Budget as a Control Mechanism.....	19
2.5.5 The Budget Controls Process.....	21
2.5.6 The Concept of Budget Transparency	22
2.5.7. Drawing up the School Budget.....	25
2.5.8 Benefits of Budgeting	25
2.6 Challenges of Budget Preparation and Implementation	26
2.7 Management of Senior High Schools in Ghana	31
2.8 Empirical Literature on Budgeting Practices in Ghana’s Education Sector.....	33
 CHAPTER THREE.....	 36
RESEARCH METHODOLOGY	36
3.0 Introduction.....	36
3.1 Research Design	36
3.2 Sources of Data.....	36
3.3 Population, Sample and Sampling Technique	37
3.4 Data Collection Instrument.....	38
3.5 Data Analysis Techniques	38
3.6 Ethical Consideration.....	39
 CHAPTER FOUR	 40
DATA ANALYSIS AND DISCUSSION OF RESULTS.....	40
4.0 Introduction.....	40
4.1 Bio Data/ Personal Data of Respondents.....	41
4.2 Nature of Budgetary Practices	43

4.2.1 Preparation of budget.....	43
4.2.2. Budget Implementation	44
4.2.3 Budgeting Models.....	44
4.2.4 Clear Budgeting Guidelines Issued Prior to Preparation	45
4.2.5 Clear Goals and Objectives of Budget.....	46
4.2.6 The School Budget Period	47
4.2.7 Proper Communication during the Budget Preparation Process	47
4. 2. 8 Provision of Efficient and Effective Leadership during Budget Execution	48
4.2.9 Budget and Knowledge Sharing	49
4.3 Compliance to best Standards.....	49
4.3.1The School Budget Committee.....	49
4.3.2 Staff Input in Budget Planning	50
4.3.3 Stakeholders in key Budget decisions	50
4.3.4 Preparation of Departments' own Budgets prior to the Budget year.....	51
4.3.5 Regular follow up on Budget plans by Budget Committee.....	52
4.3.6 Planning is imperative to successful Budget implementation	52
4.3.7 The Presence of Budget Policy for Budget Monitoring	53
4.3.8 School Managers' Performance Review Meetings.....	54
4.3.9 Periodic Review of the School Budget.....	55
4.4 Problems in Budgetary Practices	55
4.4.1 Clear Policy and Procedure in Budgeting.....	55
4.4.2 Communication of the Budget Requirement	56
4.4.3 Proper Monitoring and Review of Budget.....	57
4.4.4 The impact of changing environmental demands on School Budget.	59
4.4.5 The need for Skilled Personnel for Budget Formulation and Implementation.....	60
4.4.6 Forecast of Budget Estimates	60
4.4.7 Proper Coordination in Budgeting	61
4.4.8 Budgetary Information for Effective Budgeting.....	62
4.4.9 The impact of Cost and Time on Budget Compilation.....	63
4.4.10 Review and Update of Budget	64
4.5 Budgets constrain responsiveness and flexibility and are often a barrier to change	65
4.5.1 Budgets add little value especially considering the time required to prepared	66
4.6 Comparison of Budgetary Practices	67

CHAPTER FIVE	71
SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS	71
5.0 Introduction	71
5.1 Summary of Findings	71
5.1.1 The Nature of Budgetary Practices.....	71
5.1.2 Compliance of the Schools’ Budgetary Practices to Best Standards.	72
5.1.3 Problems encountered by the Schools in their budgetary practices.	72
5.1.4 Comparison among the Budgetary Practices of selected Schools.....	73
5.2 Conclusion.....	74
5.3 Recommendations	74
5.3.1 Setting up of Budget Committees.....	74
5.3.2 Forecast of Budget Estimates.	75
5.3.3 Capacity Building.....	75
5.3.4 Performance Review Meetings.....	75
5.3.5 Engagement with Stakeholders	76
5.4 Recommendation for Further Research.....	76
 REFERENCES	 77
APPENDIX I.....	85

LIST OF TABLES

Table 2.1 Potential Weaknesses in Budget Preparation	27
Table 2.2 Recurrent Cost and Capital Costs (GH¢ million) – ESP 2010 – 2020	34
Table 3.1 Respondents	37
Table 4.1 Bio Data/Personal Data of Respondents	41
Table 4.2 Type of Budgeting Models in use	45
Table 4.3 Issuance of clear budgeting guidelines prior to budget preparation	45
Table 4.4 Clear Goals and Objectives of Budget	46
Table 4.5 The School Budget Period	47
Table 4.6 Presence of Proper Communication during the Budget Preparation Process	47
Table 4.7 Provision of Efficient and Effective Leadership during Budget Execution	48
Table 4.8 Budgeting Encourages Knowledge sharing	49
Table 4.9 The Presence of School Budget Committee	49
Table 4.10 Staff Input in Budget Planning	50
Table 4.11 Stakeholders in key Budget decisions	51
Table 4.12 Preparation of Departments’ own Budgets prior to the Budget year.	51
Table 4.13 Regular follow up by Budget Committee	52
Table 4.14 Planning is imperative to successful Budget implementation	53
Table 4.15 The Presence of Budget Policy for Budget monitoring	53
Table 4.16 School Managers’ Performance Review Meetings	54
Table 4.17 Periodic Review of the School Budget	55
Table 4.18 Lack of skilled personnel for budget formulation and implementation is a challenge on budgeting.	60
Table 4.19 Poor Forecast of Budget estimates is a challenge on Budgeting	61
Table 4.20 Budgetary Information for effective Budgeting	63
Table 4.21 Budgets are developed and updated too frequently, usually annually.	65
Table 4.22 Budgets constrain responsiveness and flexibility and are often a barrier to change.	65
Table 4.23 Budgets add little value especially considering the time required to prepare.	66
Table 4.24 Comparison of Budgetary Practices	68

LIST OF FIGURES

Figure 4.1 A Pie Chart showing 'Yes' or 'No' responses of respondents as to whether their schools prepare budget.	43
Figure 4.2 A Pie Chart depicting 'Yes' or 'No' responses of respondents as to whether budgets prepared in their schools are implemented.....	44
Figure 4.3 A pie chart depicting respondents' responses as to whether lack of clear policy and procedure is a challenge on budgeting.....	56
Figure 4.4 A Pie Chart showing respondents' responses as to whether Poor Communication of the Budget requirement is a challenge on Budgeting.....	57
Figure 4.5 A Pie Chart showing respondents' responses as to whether lack of proper Monitoring and Review is a challenge on Budgeting.....	58
Figure 4.6 A Pie Chart showing respondents' responses as to whether one challenge of budgeting is changing demands from the environment.....	59
Figure 4.7 A Pie Chart showing responses of respondents as to whether lack of Proper Coordination is a challenge on Budgeting	62
Figure 4.8 A Bar Graph depicting responses of respondents as to whether Budgets are time-consuming and costly to put together	64

CHAPTER ONE

INTRODUCTION

1.0 Background to the Study

Education in Ghana is under the responsibility of the Ministry of Education. Implementation of policies on pre-tertiary education is assumed by the Ghana Education Service (GES). The education system in Ghana is divided into three parts. These are first cycle (basic), second cycle (secondary school) education and tertiary education. Second cycle education can either be general or vocational.

Education is funded in Ghana through budgetary allocations, donor support and internally generated sources. According to the 2015 Budget statement, the Government of Ghana has allocated an amount of Ghc 6,740,437,383 of its expenditure to education. The proposed expenditure is expected to be partly funded by the Government (78.30%), Donor partners (2.31%), and Internally generated sources (19.39%)(Budget Statement and Economic Policy, 2015).

Budgets have been essential components of businesses since the early nineties. They are regarded as very important drivers and for evaluation of managerial performances as well as major elements for planning and control of businesses. In terms of management control, budgets are most powerful tools. Budgets can perform crucial function in the organization's power structure due mainly to the fact that it can add to the authority and power of upper management and impact on the autonomy of lower management.

Budgeting as a crucial management activity has its main objective of supporting management planning and controlling of activities and strategy implementation. The use of budgets was started in the early nineties to assist managers to control cost and cash flows. Its use continued and by the nineteen sixties, it had become a permanent

performance contract between organizations' superiors and subordinates. The budgets were in the first place concerned with making projections of income and expenditure and as time went by they became the main tool that drove and evaluated managerial performance (2007, Good and Malik, 2011).

CIMA further opines that lack of budget in the organizations creates a lot of problems. An organization that has no budget will lack the necessary framework for planning of the organizations' activities as well as controlling its plans. This would lead to the organization losing focus and direction of its current situation and other projected goals. Good and Malik (2011) are of the opinion that a drastic culture change can disillusion employees and the decentralized structure may be impractical for some businesses. Pietrzak (2013) explains that budgeting is regarded as one crucial technique used in managerial accounting. In recent times, most businesses depend greatly on budgets and systems of budgets for achievement of planned goals and it can accrue a lot of benefits to the organisation if they are clearly understood and rolled out.(Raghunandan et al., 2012). Budget serves as a bridge between appropriations and resources. The presence of a budget in an organisation helps to establish a relationship between appropriations and resources. The preparation of budgets helps individuals, corporations and governments to plan their financial activities. The success of any business hinges partly on careful planning of its activities well in advance. The organisation must make proper utilization of its income and expenditure using recorded data of past activities and make provision for expected future trends. As part management control, budgets are designed to ensure proper utilization of resources and offering support to other critical functional areas. In all these, the successful implementation of budgets rests on acceptance by all stakeholders especially workers' attitude to it. The Chartered Institute of Management Accountants explain a budget as a quantitative statement which relates to a definite time

and may involve planned income, expenses, liabilities, assets, as well as cash flows. A budget gives direction for the business and facilitates control and co-ordination of the activities of the organisation. Budgeting therefore simply means the process of preparing budgets. ICMA London also explains a budget as a purposeful statement set in advance of a fixed period of the policy to be followed in the course of period with the view of attaining stated targets.

Budgeting in educational institutions in Ghana has been a matter of concern to most stakeholders over the period. This is due the fact that the Government and the general public are concerned about how funds are controlled and applied for specific purposes in the educational institutions. Therefore to ensure judicious use of funds and accountability, school managers plan for their institutions by way of preparing budgets.

1.1 Problem Statement

Senior High Schools in Ghana are beset with problems which are mostly financial in nature. Due to resource constraints, school managers find it difficult to get enough resources to run the schools smoothly. As a matter of fact, budgetary allocations from the Central Government through the Ghana Education Service to the schools are not enough. Even the little support that is made available to the schools delay or hardly hit the schools' accounts on time.

These challenges put a lot of pressure on headmasters in their quest to offer the best of service to their students and staff. In the midst of these inadequacies, at times the little financial support that is offered the schools is mismanaged by school authorities. There is an increasing concern of budgeting in educational institutions in Ghana for most stakeholders due to financial improprieties in most Senior High Schools.

According to the Auditor General's Report, in most cases, financial mismanagement in pre-tertiary educational institutions include cash irregularities, procurement irregularities, store, payroll and tax irregularities as well as failure to honour commitment to creditors. (Auditor General's Report, 2010). Educational institutions need to provide reliable financial information, regulation, and answerability in the use of funds provided to them to increase efficiency in school spending. Therefore, in order to ensure judicious use of resources and minimize waste, there is the need to examine the budgeting practices in Senior High Schools in Ghana.

1.2 Objectives of the Study

1.2.1 General Objective

To undertake comparative study of budgetary practices of some selected Senior High Schools in Ashanti Region.

1.2.2 Specific Objectives

1. To identify the nature of budgeting practices in five selected Senior High Schools in Ashanti Region.
2. To assess whether the budgeting practices of the Schools meet best standards.
3. To identify the problems the schools encounter in their budgeting practices.
4. To compare and contrast the budgetary practices of these schools.

1.3 Research Questions

1. What is the nature of budgeting practices in the five selected Senior High Schools in Ashanti?
2. Do the budgeting practices in the selected Senior High Schools meet best standards?
3. What problems do the selected Senior High Schools encounter in their budgeting practices?
4. How do the budgeting practices differ among the selected Senior High Schools?

1.4 Significance of the Study

The study would be of assistance to the nation to address any gap in the budgeting practices of Senior High Schools in terms of meeting best standards. It would also re-emphasize the problems the Senior High Schools encounter in their budgetary practices. Finally, the study would bring to the attention of Education Authorities the type of budgeting models used in the Senior High Schools for synchronization.

1.5 Scope of the Study

The study was confined to Senior High Schools in Ashanti Region of Ghana. Essentially, it included five selected Senior High Schools in Ashanti namely: Aduman Senior High School, Asanteman Senior High School, Adventist Senior High School, Anglican Senior High School and Islamic Senior High School all in Kumasi. The choice of the above schools was premised on proximity of some of the schools to one another and proximity to the researcher's workplace and residence.

1.6 Limitations of the Study

The study was not obviously without shortcomings. Books written specifically on budgeting practices of schools in Ghana were not readily available. Therefore, the researcher had to source pieces of information from the Internet. This inflicted a lot of financial burden on the researcher and ultimately would affect the research material. Moreover, the researcher was faced with time constraints; so despite the fact that frantic effort was made to review the existing literature on budgeting practices in Senior High Schools in Ghana and beyond, this was not exhaustive.

Also, the confinement of the study to only a few selected Senior High Schools in Ashanti Region of Ghana might affect the generalizability of the findings. However, the impact of confinement of the research to a few selected schools was mitigated by the researcher. Due to the fact that the schools were not many, the researcher took his time to explain the purpose of the study and the questionnaire items thoroughly to the respondents. This helped the respondents to exude candour and frankness in answering the questionnaire.

1.7 Organisation of Study

The study is made up of five chapters. Chapter One dealt with the Background to the study, Statement of the problem, Objectives of the study, Research questions, Significance of the study, Scope of the study, Limitations of the study and Organisation of the study.

Chapter Two focused on the review of relevant and related Literature. Chapter Three presented the Methodology which comprises Research design, Sources of data, Population, Samples and Sampling procedures, Data collection Instruments and Data analysis techniques. Results and discussion of Findings were presented in Chapter Four. Finally, summary of Findings, Conclusions, Recommendations and Recommendations for further study formed Chapter Five.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

Budgeting in Senior High Schools is of paramount importance mainly because of resource constraints that school managers have to come to terms with. Examining budgeting practices in Senior High Schools in Ghana has the potential to provide school authorities with the requisite knowledge to ensure judicious use of resources and cut down waste. This chapter reviews the literature related to budgeting practices in Senior High Schools in Ghana and elsewhere. It provides a deeper understanding of the research topic.

2.1 Definition of Concepts

A budget is a quantitative expression of a plan for a definite period of time. The CIMA Official Terminology (2005) views a budget as a document which includes “planned sales levels, resource quantities, revenues, costs and expenses, liabilities, assets and cash flows”. Budgets can be drafted for the entire organisation or units, departments, products or teams.

According to Lucey (1996), a budget refers to “a quantitative expression of a plan of action in monetary terms; and the plan is prepared prior to the period it relates. The preparation of the plan is done and given approval before the budget period and may give information concerning expenditure, income and resources to be utilized”. He is of the opinion that a budget may be drafted depicting incremental effects on earlier budgeted or actual figures or be drafted by Zero-Based Budgeting (Lucey, 1996). Appiah-Mensah (1993) defines budgeting as “the ways and means of putting budgets together”. He

further explains that, a budget is a plan of action compiled and given approval before the period it relates and details quantitative, monetary, or other explanatory term, the actions to be taken in the period the budget will be in use. A budget is not a mere forecast because it is a means by which the organization formally manages its desired events within a stated period of time. A forecast can be merely guesswork and not a scientific activity. On the other hand, a budget is prepared based on accepted principles and actions in an organized way and therefore a scientific activity. Hongren, Forster and Datar (1997) explain a budget as a quantitative expression of a plan of action to be pursued by management in the future. A budget may be concerned with aspects of the business which are financial and non- financial and serves as a reference document for the organisation in the period ahead. Hongren et al. (2000) define budget as “A quantitative expression of a proposed plan of action by management for a future time period and is an aid to the co-ordination and implementation of the plan”.

Cherrington, Hubbard and Luthy (1998) explain that a budget is an estimate which is itemized to reflect operating results of an organisation for a period. They clarify that, budgets take different forms from one organisation to the other but it is finally put together in the form of usual financial statements. The main distinction between a budget and a financial statement is the information utilized in the development of each document. In the preparation of financial statements, the emphasis is on actual results of past operational activities whilst budgets are developed based on planned activities for a future period. As a result of this, budgets are sometimes referred to as performance statements.

According to ICMA London, a budget is a purposeful document organized in advance of the period it relates reflecting the strategy to be followed during the period for accomplishment of stated targets. The Tennessee Board of Regents (2006) state that,

budgeting is a means by which itemized organisational plans articulated in financial terms are explained for a defined period. At both top and lower echelon, budgeting lays down what has to be accomplished successfully. Kiringai (2002) also defines budgeting as a set of measures which governments employ to apportion resources among claimants and monitor the amount each applicant uses. According to Brook and Palmer (1984), it is a way of controlling a business's finances. Budgeting involves making plans ahead, putting those plans into use and monitoring activities to ensure conformity of action to plans. Blumentritt (2006) defines budgeting as "the process of allocating an organization's financial resources to its units, activities and investments", whilst Horngren et al. explain budget as a quantitative expression of an anticipated plan of action by the organisation for a precise period and helps to coordinate what has to be done to get the plan implemented.

Shim (2009) comprehensively defines a budget as:

"the formal expression of plans, goals, and objectives of management that covers all aspects of operations for a designated time period. The budget is a tool providing targets and direction. Budgets provide control over the immediate environment, help to master the financial aspects of the job and department, and solve problems before they occur. Budgets focus on the importance of evaluating alternative actions before decisions actually are implemented. A budget is a financial plan to control future operations and results. It is needed to operate effectively and efficiently. Budgeting, when used effectively, is a technique resulting in systematic, productive management.

Budgeting facilitates control and communication and also provides motivation to employees."

2.2 The Nature of Budget

Most organisations, in spite of size, sector or how complex they are, depend greatly on budgets and systems of budgets to accomplish planned goals. According to Shah (2007), Robinson (2007) and Drake and Fabozzi (2010), “the success and significance of budgeting relates to the clarification of organisational goals, allocation of responsibilities for achieving these goals, and consequently its implementation”. Budget, if clearly structured and rolled out is one important, successful and helpful accounting technique that can accrue a lot of benefits to the organisation. “The budgeting process consists of formulating tactical goals and objectives and developing forecasts for production, revenues, costs, cash flows and other essential factors”. (Jr. Bierman, 2010).

By putting together an investment and financing and plan in place, budgeting prepares the necessary grounds for those at the helm of the businesses’ investment affairs to settle on the type of investment that can be made and how these investments will be catered for financially. “In other words, budgeting pulls together decisions regarding capital budgeting, capital structure, and working capital.” (Drake and Fabozzi, 2010). The consequence of the process is the assembly of the formal document known as a “budget”. Horngren *et al.* (2008) advocates that the development of budget motivates an administrator to become a better administrator and places planning in the front position of the manager’s mentality.

2.3 Budget Classification

Budgets can be classified into two types .They are: (a) Functional Classification where expenditures are classified according to the main purposes or functions. Examples, Economic, Infrastructure, Social, Public Safety.(b)Economic Classification where expenditures are classified according to the kinds of transactions (for goods and

services and financial markets) and income distribution, e.g. compensation of employees, goods and services and assets (Kyei , 2012).

2.4 Types and Approaches of Budget

2.4.1 Rolling or Continuous Budgets

According to CIMA Official Terminology (2005), a rolling or continuous budget is a budget which is constantly restructured by adding a further accounting period when the earliest accounting period has expired. The use of a rolling budget is particularly favourable where future costs or activities cannot be forecast precisely.

2.4.2 Zero Based Budgeting

“This approach to budgeting is based on the principle that, all costs should be benchmarked against expected benefits. It is a substitute to incremental budgeting where the budget is based on earlier period’s budgets or on actual figures, and is made up adjustment for inflation or other known variations.” (CIMA Official Terminology, 2005).

Zero-Based Budgeting is a model of budgeting applied by management of organisations to perk up the organizations’ finances, because it helps in the re-examination of the organizations’ finances and gives reasons for every expenditure that has been incurred. According to Drury (1997), “it is not based on previous year’s expenses but commences at the decreased expenditure or base zero and activities are ranked giving regard to their importance”. A zero-based budget begins from the basic ground that the school budget for the present year is zero and that every expenditure, old and new, is assigned a satisfactory reason on the basis of its costs and benefits in relation to the school plan. There is a clean beginning each year, with little thought of the past. “In zero-based budgeting, school programmes are ranked by school management and that helps them in

identifying school activities that have lost their effectiveness and that are placed at a low priority or are removed altogether.” (Evans and Gold 1998 and Drury 1997).

Every year, a zero-based budgeting assumes a new year. The school is divided into programmes or budget units. The fact that a programme is funded during the present period or in previous years is no guarantee that it will be funded in succeeding years. Programme heads and programme units are expected to provide satisfactory reasons for their programmes and funds needed to sustain such programmes annually.

2.4.3 Activity Based Budgeting

This model of budgeting is based on an activity framework. It makes use of cost driver data in the budget setting and discrepancy feedback processes. This looks at individual operations and examines the potency of their contribution to organisations success. They can be prioritized by way of ranking and be assigned fitting budgets. Activities are linked to strategic goals, objectives and outputs. Subsequently, the costs of the activities needed are used to fashion out the budget. (Kyei, 2012).

2.4.4 Fixed and Flexible Budgets

Lucey (1996) defines a fixed budget as “a budget which is structured to remain unchanged irrespective of the level of output or turnover attained”. To Lucey, “it is a single budget with no analysis of cost”. On the other hand a flexible budget is a budget which is structured to adjust the acceptable cost levels to go well with the level of activity actually attained. According to Lucey, “this is done through a process of analyzing costs into their fixed and variable elements so that the budget may be flexed according to the actual activity”.

In situations where there is a lot of uncertainty or instability, it is possible to create flexed budgets to anticipate performance at diverse levels of activity. The budget is still fixed, but it has some predefined and explained tolerance. According to CIMA Official Terminology (2005), budget flexing is explained as flexing costs which respond to changes in the level business activity from previous budgeted levels to the allowances acceptable for actual volume achieved whilst keeping costs which do not respond to changes in the level of business activity at original budget levels.

2.4.5 Incremental Budgets

An incremental budget is a type of budget which bases on the previous year's figures to effect adjustments in the budget figures. The budget for the previous year is not challenged but focus is given to slight adjustments in financial expenditure. An attempt is not made to examine the soundness of spending problems on hand, and very little time is required to collect financial information and assess options. "This approach by school is not development- focused; it does not involve financial overview; and no long-term planning is embarked upon" (Drury 1997 and Evans and Gold 1998).

Incremental budgeting consists of adjusting the previous year's values by adding a percentage on to cater for inflation or whatever, or even taking a percentage off, due to maybe, downsizing. (Kyei, 2012).

According to Appiah-Mensah (1993), "incremental budgets are budgets which in the next budget period, a new budget is not prepared. A percentage increase or decrease is applied to either the previous budgeted figures or actual outcomes". This means that, using the previous budget as the base, a modification is made for inflation and other variations in market conditions and in the economy as a whole. The adjustment may take cognizance of the desire of management to achieve stated objectives.

2.4.6 Programme Based Budgeting

In contrast to line-item budget which outlines total departmental appropriations by items for which the organisation will expend funds, a programme budget shows a sequence of programme which delineates all the costs associated with the programme (Kyei, 2012).

2.4.7 Master Budget

A master budget is summary budget. It is a type of budget which puts all the functional budgets together and therefore is made up of all subsidiary budgets and usually comprises the budgeted profit and loss account, balance sheet and cash flow statement. According to Lucey (1996), “a master budget is a budget which gives a summary of all the supporting documents. The budget process is such that it compels managers to think of the connection of their function or units with others and how they contribute to the realization of organisational objectives”.

2.4.8 Cash Budget

A cash budget is a budget which details the projected cash inflows and outflows integrating revenue items as well as capital items. It covers the routine operations of maintaining the schools’ programme and keeping them according to plan. It comprises things like stationery, fuel, transport and travelling expenses, payment of honorarium, repairs and maintenance. The cash budget is a statement which makes projection of cash inflows and outflows for a defined period in the future and is of necessity to start-up schools as well as schools already in existence.

The pre-calculated statement of financial position depicts the schools’ financial situation momentarily, but there is also the need to ascertain whether or not schools will have adequate finances to carry on its operations for a specified period. Putting together a

cash budget for the school enables it to make its cash prediction. The cash budget is usually assembled a year in advance and it indicates the expected cash situation of the school at the end of each month. According to Nieman and Bennett (2002) the cash budget indicates the following to school management:

1. “The school cash flow,
2. The rate at which the cash flows in the form of repayments and purchase of fixed assets
3. The availability of cash in relation to the need of the school,
4. Cash surpluses and deficits and
5. The time frame for which surpluses and deficits will exist.

The cash budget is a very valuable means of financial control to ensure that all the school activities are carried out in accordance with the plan and within the specified time frames”.

2.4.9 Capital Budgeting.

Capital budgeting is about making decisions pertaining to particular investment project choices and the overall capital expenditure to be committed to the execution of the project. It is one example of long-term budgets which is given much attention in budgeting and financial accounting literature.

Capital budgeting is defined by Garisson et al (2003) as “a type of investment decision-making used to describe how managers plan significant outlays”.

2.5 Operating Budget

This is the budget of revenue and expenses anticipated in a succeeding period. It is a combination of expenses which have been identified, costs expected in the future, and

projected income over the course of the period. They are concluded in advance of the accounting period, the reason for which they require estimated expenses and revenues. On the whole, operating budgets are prepared based on estimated quarterly operations. The major challenge in formulating a valid operating budget is to gain knowledge of previous performance and then factor in the possibility of additional costs or market variations. An organization may come to a decision to produce more than one operating budget. In such an instance, it may be helpful to plan an appropriate budget for an unforeseen drop in revenue, as well as a budget for more positive scenario. The alternative views provide a game plan for more than one business environment and can aid in decision making.

2.5.1 Composite Budget

In Ghana, the term ‘Composite Budget’ means an aggregation of projected revenues and expenditures of the Departments and Institutions of the Metropolitan, Municipal and District Assemblies (MMDAs). It is defined under Section 92 (3) of the Local Government Act of 1993 that: “the budget for a district shall include the aggregate revenue and expenditure of all departments and organisations under the District Assembly and the District Co-ordinating Directorate, including the annual development plans and programmes of the departments and organisations under the Assembly”. Composite budgeting is an instrument to effectively hasten the progress of the coordination, harmonization of planning and budgeting at the local level.

2.5.2 Budget Planning

Briefly, budgeting planning (budget-setting or budget preparation) refers to “developing quantitative goals of the organization and preparing various budgets” (Bodie and Merton,

2000). Business organizations use long-term budgets to design the planned financial goals and actions over periods ranging from two years to a decade. According to Gitman (2006), “long-term budgets are part of an integrated business strategy that along with production and marketing plans, guides the firm toward strategic goals”. So in this regard, long-term budgets are closely related to strategic plans.

Capital budgets, as one example of long-term budgets, are emphasized in financial accounting and budgeting literature. Capital budgeting is defined by Garisson et al. (2003) as “a type of investment decision-making used to describe how managers plan significant outlays”. Some accounting literature (Gitman, 2000; McLaney and Atrill, 2002; Garrison, 2003) group the strategic plan directly into one of long-term budgets in business organizations. According to (Scott, 2005), “during budget preparation procedures, consideration of alternative courses of action becomes an integral part and leads to increased rationality. A budget allows a goal, a standard of performance to be established with subsequent comparison of actual results with the created standard. It requires those involved to be forward looking rather than looking back”.

2.5.3 Budgetary Participation

According to Callahan and Waymire (2007), “All individuals responsible for achieving results should be consulted in the formulation of budgets. No system of budgetary control can succeed without the mutual understanding of superiors and subordinates. The organisation should communicate the outcome of budget decisions to all the relevant staff. Budgets have an important part to play in the communication of objectives, targets and responsibilities throughout the organization. Carried out properly, this can have considerable benefits in promoting co-operation at all levels”. Budgeting as a plan and a control device has an important impact on firm performance. However, another crucial

benefit of the budgeting process, not to be ignored, is the sharing of information (Hopwood, 1976) between organizational members.

McLaney and Atrill (1999) argue that “the value of the budget as a plan of what is to happen and as a standard against which actual performance will be measured, depends largely on whether and how skilfully this negotiation is conducted”. Chalos and Poon , (2000) posit that “when setting a budget, members of the organization are supposed to participate in defining explicit budgetary goals and to be involved in subsequent revisions to these goals with the management. And when budget variance(s) occurs, participation and discussion among different levels of management facilitate and enable accurately identifying the possible reasons for such variance(s) and also the corresponding corrective actions to be taken”.

Budgetary participation (BP) according to (Subramaniam and Ashkanasy (2001) refers to “the involvement of managers in the budgetary process and their influence over the setting of budgetary targets”. Budgetary participation has always received considerable interest among researchers. Shields and Shields (1998), regard budgeting as a “negotiation channel linking the communication especially between superiors and subordinates”. Numerous scholars state that through budgetary participation, information sharing can be accomplished. For example, Poon (2001) states that “budgetary participation provides a setting in which managers can exchange information and ideas to make budgetary planning and control more effective”.

Hofstede (1968) articulated that “budget participation should create a positive “game spirit” in all its aspects – system design, target level setting, analysis of budget variances, and corrective action”.

According to French (1966) “the effect of participation is conditional upon personality, organizational culture and history. Therefore, the effectiveness of any management

control systems is dependent on the extent to which it influences human behaviour in the firm's best interest".

2.5.4 Budget as a Control Mechanism

According to Scarlett (2008), "budgetary controls refer to the principles, procedures and practices of achieving given objectives through budgets. The budgetary control system helps in fixing the goals for the organization as a whole and concerted efforts made for its achievements".

Drucker (1964) distinguishes between 'controls' and 'control'. According to Drucker (1964) 'Controls' are "measurement and information that are purely a means to an end and the end is control. 'Control' makes sure work is done to fulfil the original intention and 'controls' are used to provide information to determine a control function to be taken. 'Controls' encompasses all methods and procedures that assist to direct employees towards achieving organizational objectives through congruence". Cited by Frow et al. (2005) that "Budgetary control is an organizational imperative, but the manner in which it is exercised presupposes stability, certainty and individual-level controllability (Ezzamel and Hart, 1987)". Budgets stifle innovation and learning because the framework through which budgetary control is exercised encourages individualism, hierarchical dependence, risk aversion and instrumentality.

Bartle (2008) indicates "that budgets today provide a focus for the organization, aid in the coordination of activities and facilitates control. Through budgeting, both management level and operational level look at the future and lay down what has to be achieved, check whether the plans are being realized, and put into effect corrective measures where deviation or short-fall is occurring, (Bartle, 2001)". Bartle emphasized that "without effective controls, an enterprise was at the mercy of internal and external

forces which can disrupt its efficiency, and be unaware; such enterprise will not be able to combat such forces.” When a budgeting and control system is in use, budgets are established which set out in financial terms, the responsibility of managers in relation to the requirement of the overall policy of the company. Continuous comparison is made between the actual and budgeted results, which are intended to either secure, thorough action of managers, the objectives of policy or to even provide a basis for policy revision.

According to Kiringai (2002) “budgeting is a set of procedures by which governments ration resources among claimants and control the amount each claimant spends. Within this context, the budget can be used for three purposes: as an instrument of economic policy; as a tool for economic management; and as an instrument for accountability”.

Surajkumar (2005) is of the position that, “the budget is an allocation mechanism that attempts to maximize the contribution of public expenditure to national welfare; this can be achieved by ensuring that the budget process successfully allocates scarce resources so that the marginal unit of expenditure achieves the same marginal benefit in each category of expenditure. In determining resource allocations, the budget should reflect the development agenda of a country through which it influences the attainment of national growth and investment targets.”

Merchant (1990), is of the view that “ if budgetary controls are too rigid and business unit managers have too little discretion, corporate management may choke all initiatives that promise long-term or less certain payoffs”. Van der Stede (2000) adds that “exclusive focus on accounting-based controls encourages short term profit maximization at the expense of long term effectiveness and competitive strength”.

Allen (1998) stated that “the rapid changes in today’s business environment render a rigid approach to budgetary control obsolete. It is no longer helpful, in his opinion, to

compare actual results to that forecasted anything up to 15 months previously". He argues that amongst the requirements of a more appropriate system, would be the building in of accountability to explain the differences between actual and planned performance. This demands a more immediate time frame of information reporting. Thus, there is a need to integrate strategic management and budgeting. Human factors within budgetary controls may revolve around the degree to which organizations' top management accepts the budget programme as a vital part of company's activities. It can also be viewed in the context within which organizational management uses budgeted data.

According to Perrin (2012), "if a budgetary control programme is to be successful, it must have complete acceptance and support of the persons who occupy key management positions. If lower or middle level management personnel sense that top management is lukewarm about budgetary controls or if they sense that the top management simply tolerate budget as a necessary evil, then their own attitude will reflect similar lack of enthusiasm". Perrin further notes that "budget is hard work and if top management is not enthusiastic and committed to budget programme, then it is unlikely that anyone in the organization was either".

Egan (2007) commented that "in the administration of a budgetary control programme, it is particularly important that the top management does not use budget as a club to pressure employees or as way to blame someone if something goes wrong. He further asserted that "using budgets in such negative ways will breed hostility, tension, and mistrust rather than greater cooperation and productivity".

2.5.5 The Budget Controls Process

Budgeting is a complex process, and the best results can only be achieved when a combination of factors is taken into account. Budget undergoes some processes before it

becomes both a law and an economic tool. Budgetary process involves all programmes, centres and administrative units of an entity in the development of periodic budget. It refers to the totality of the processes a budget passes through before it finally becomes a document.

The budget depicts the balance between revenue and expenditure. The budget process involves making trade-off decisions in an environment of mismatched needs and resources. These decisions indicate its priorities and what risks government is taking in terms of deficit spending.

Dobell and Ulrich (2002) give a summary of what the budget process entails: “It includes policy and management analyses needed to take decisions and actions related to implementing them. It involves adjusting mandates, objectives, resources and practices put in place to ensure the realisation of plans and tracking of performances (the management side of the budget).” The action side includes obtaining parliamentary approval, reporting on performances and accountability (the governance issues). Government is responsible for the management and action or implementation of the budget, while Parliament is involved in the governance issues.

2.5.6 The Concept of Budget Transparency

Budget transparency has in current decades come to be seen as a support of good governance and the movement for greater fiscal transparency has been gaining momentum in recent years. Fiscal (or budget) transparency is a concept that appears to have developed in the 1990s, and may have evolved from corporate transparency, which Bushman, Pieotroski, Smith, (2004) define as the “availability of firm-specific information to those outside publicly-traded firms.”

Kaufmann and Bellver (2005) examine various definitions of transparency and find that underlying all of them, transparency is closely related to accountability. The purpose of demanding transparency is to allow citizens, markets or governments to hold institutions accountable for their policies and performance.

According to Benito and Bastida (2009), Budget transparency has three essential elements:

1. “The release of budget data (systematic and timely release of all relevant fiscal information);
2. An effective role for the legislature (scrutinize budget reports, discussing and holding government accountable); and
3. An effective role for civil society through the media and non-governmental organizations (influencing budget policy, holding government accountable).”

Robinson (2006) identifies two dimensions of transparency that are especially pertinent to the budget process:

- i. “transparency around the sources of data and information used to frame decisions on revenue priorities and expenditure allocations and
- ii. transparency in the budget process. He argues that both forms of transparency can help to reduce the scope for corruption. In the context of federalism, it may also be important to consider transparency between different levels of government”.

Kopits and Craig (1998), define fiscal transparency as “openness toward the public at large about government structure and functions, fiscal policy intentions, public sector accounts, and projections. It involves ready access to reliable, comprehensive, timely, understandable, and internationally comparable information on government activities so that the electorate and financial markets can accurately assess the government’s financial

position and the true costs and benefits of government activities, including their present and future economic and social implications”

He went ahead and identified three dimensions of government transparency:

1. “At an aggregate level, provision of reliable information on the government’s fiscal policy intentions and forecasts.
2. Detailed data and information on government operations, including the publication of comprehensive budget documents that contain properly classified accounts for the general government and estimates of quasi-fiscal activities conducted outside the government.
3. Behavioural aspects (ethics) including conflict-of-interest rules, freedom of information (FOI) requirements, regulatory framework, open procurement and employment practices, codes of conduct for tax officials, public performance audits”.

Heald (2003) lists three dimensions of good practice regarding fiscal transparency:

1. “Institutional transparency: Overall structure and functions (clear demarcation of functions between public and private sectors; budget process (disclosure of results of audits, performance); tax treatment (including explicit statutory basis for tax liabilities); financing operations (including the disclosure of interest yield and maturity of government debt); and regulation (including estimates of regulatory costs).
2. Accounting transparency: coverage; recording basis (include accruals); valuation and recognition (including the measurement of government assets); and classification (including the disaggregation of expenditure on an economic and functional basis).

3. Transparency of indicators and projections: direct indicators (including gross and net debt); analytical indicators (including structural or cyclically adjusted balance); short-to medium-term forecasts ((including clear and realistic macro-economic forecasts and parameters); and long-term scenarios (including separate baseline scenario and adjustment scenarios)’’.

2.5.7. Drawing up the School Budget

According to Van Deventer and Kruger (2005), “designing the school budget is based on the school programme, where the school income and expenditure are stated and the functional budget where income and expenditure items are listed”. As is evident from the budget design, broad and precise estimates of income budget items, as well as expenditure budget items are provided. The income budget reflects various sources of income and their potential financial value. These are classified together under certain headings, such as donations, the school fund and fund-raising projects. The requirements and programmes of a school determine the expenditure for budget items. Expenditure items are also classified under manageable headings such as administration, educational aids, grounds and sites, teaching and learning, maintenance and school various units of the school.

2.5.8 Benefits of Budgeting

Properly planned and administered budgeting systems according to Lucey (1996) “can bring benefits but these benefits do not automatically accrue; they have to be worked for”. He argues that, budgeting offers plain guiding principles for managers and is the most important means in which organisational objectives are translated into specific tasks and objectives related to individual managers. He also explains that the budgetary

process is an important method of communication and coordination both vertically and horizontally and provided there is proper participation, goal congruence is encouraged and motivation increased. Lucey further states that because of the 'exception rule', which is at the heart of budgetary control, management time can be saved and attention directed to areas of most concern. He states finally that, "the integration of budgets makes possible better cash and working capital management and better control of current operation is helped by regular, systematic monitoring and reporting of activities".

2.6 Challenges of Budget Preparation and Implementation

According to the International Monetary Fund (1999), the following poses potential weaknesses in budget preparation:

Table 2.1 Potential Weaknesses in Budget Preparation

“Ideal Situation	Common Weakness	Resulting Problems for Those Preparing Budgets
Unified budget with full coverage.	Dual budget (separate development and recurrent budgets); many extra-budgetary funds.	Difficulty in developing a consolidated budget. Blurring of capital and current expenditure concepts. With two different budgets it is more difficult to enforce expenditure limits or develop a fiscal adjustment program.
Universality: All revenues go into one fund for financing of the entities’ activities.	Earmarked funds, especially common for financing extra-budgetary funds.	Rigidity in spending priorities leading to inefficient allocation of public resources. Again, this makes fiscal adjustment a more difficult task.
Knowledge and analysis of previous year's projected outturn expenditures; availability of volume indicators.	Lack of data; data not communicated to budget office, or data are not analyzed.	Data in the budget office may be misleading. For example, actual expenditures are usually different from budgeted expenditures, and the actual number of persons employed may be very different from the original budget projection.
Use of macroeconomic framework. Separate price indices by category of expenditure.	Inadequate knowledge (or incorporation) of macroeconomic constraints. Poor estimates of program costs.	Leads to a bottom-up approach where the budget is determined more by spending-agency requests. This and inadequate program provision generally lead to overspending
Multiyear planning.	Focus on current year only; no anticipation of future circumstances.	May have a negative impact on fiscal sustainability: short-sighted policies often cannot be maintained in the long term. Alternatively, a lack of planning means imminent problems or recurrent consequences of capital spending are not foreseen.
Procedures for resource prioritization implemented early in budget preparation.	No direction in priority setting, or attempt to prioritize until too late in the budget preparation process.	Procedures for prioritization are especially important for meeting deficit targets or spending targets. If priorities are not communicated in a top-down approach early in the budget preparation process, overspending relative to budget is a likely outcome
Budget classification according to implementing institution (administrative), purpose of expenditure (functional), and use of expenditure (economic).	Inconsistent nomenclature--for example, mixing functional and economic or budget nomenclature is not consistent with the chart of accounts nomenclature.	An economic classification is most useful when designing a fiscal adjustment program. Sometimes the only classification available is administrative--by budget institution--so that reducing the budget requires cuts by institution, and the quality of the fiscal adjustment suffers. Nor is it possible to understand how expenditures are distributed among different items or for what purpose”.

Source: International Monetary Fund (1999).

According to Lucey (1996), “problems can arise and intending accountants should have awareness of the factors which could prevent the organisation from gaining the maximum advantage from its budgeting systems”. He therefore outlines the following three points as typical problems which may arise with budgeting:

1. “Budgets are developed round existing organisation structures which may be inappropriate for current conditions.
2. Badly handled budgetary systems with undue pressure or lack of flexibility in adapting to change.
3. Variances are just as frequently due to changing circumstances and poor forecasting as due to managerial performance”.

According to Fernandez-Revuelta Perez, and Robson (1999), “too much participation of employees in the budgeting process can have negative consequences in that it can decrease the efficiency and cost more than it is worth”. Merchant and Van der Stede (2012) believe that the budgeting process is able to become more efficient when more people are involved in the process. They are therefore of the view that fewer people engaged in the budgetary preparation and implementation limit the benefits to be enjoyed from it. According to Hansen, Otley and Van der Stede (2003) as well as Hope and Fraser (2003), “one of the disadvantages with the budget is that it focuses on reducing cost instead of creating value”.

According to Orlando (2009),” there are several difficulties in using spreadsheets; one of them is the difficulty to make changes and drill down into data. The budget has been criticized because it is difficult to use (Hansen, Otley and Van der Stede, 2003)”.

In the ongoing budget debate, the budget is criticized for not being flexible (Hope & Fraser, 2003).

Another critique towards the budget in the ongoing budget debate is that the budget takes a long time to compile in relation to the value that it creates and is also time-consuming (Hansen, Otley and Van der Stede 2003; Hope and Fraser, 2003). Critics further argue that the budget does not adapt to changes (Wallander, 1999).

Implementation is an activity that takes place throughout the financial year and is a critical point for any organization to perform. Many problems have bedevilled the budgeting in organisations especially Non-Governmental Organizations. As result of this, they have not been able to meet their responsibility of bringing the gains of lives transformation. The following are other challenges of budget preparation and implementation;

Unskilled Manpower: Majority of NGOs today are manned by personnel who lack the requisite managerial and leadership skills to bring about the gains of society transformation. According to Hope and Frazer (2003), “the principle of education qualifications are not been followed and as such, made the NGOs the dumping ground for illiterates and in recent time, training outlays are typically treated as expenses rather than investments”.

Lack of Dynamic Structure: Present day economic setting stresses that organizations familiarize themselves with new structural practices. Considering the new competitive realities, it is important for management to accept flexible budgetary planning and control system which has the ability to quickly react to environmental variations and complexities. This is in line with other researchers’ position that “when market demands and conditions are unstable and cannot be determined in advance, there is neither

possible nor necessary to make accurate plans, since they will anyhow not be useful as control tools” (Samuelsson, 1999).

According to Daum (2002), “a budget is already out of date when it is used and it does not provide helpful information for managers to make decisions” and “organizations need to be prepared for changes instead of emphasizing on following up the budget” (Daum, 2002, Samuelsson, 1999).

Lack of Budgetary Accuracy: Accuracy is critical to the effectiveness of performance management. Assessments of how well objectives are met depend on how realistic these objectives were from the start. According to Anderson (2009), “Non-Governmental Organizations spend too much time ensuring calculations and formulas are correct, as well as addressing the mechanical details of rolling up and consolidating department and organization unit budgets to ensure that the budget is consistent with their strategic objectives”. Jones (2006) is of the opinion that, “Non-governmental organizations should allocate the right resources to the activities that will produce the highest returns.”

Lack of Monitoring and Evaluation: According to Dunk (2009), “budgetary control is the process of developing a spending plan and periodically comparing actual expenditures against that plan to determine if it or the spending patterns need adjustment to stay on track”. This process is necessary to control spending and meet various financial goals. Organizations rely heavily on budgetary control to manage their spending activities, and this technique is also used by the public and the private sector as well as private individuals, such as heads of household who want to make sure they live within their means.

Suberu (2010) is of the opinion that the management of the organizations implement budgetary control to prevent losses resulting from theft, fraud and technological malfunction. These instructions also help management to ensure that expenses remain within budgetary limits. The importance of budgetary control is that it can be implemented by three departments in an organization to enhance effectiveness. These departments are accounting department, statistical department and management department. Accounting department provides old data. Statistical department provides the tools and techniques of forecasting like probability, time series other sampling methods. Management department uses both department services to estimate the expenditures and revenue of business under the normal conditions of business. According to Carr and Joseph (2000), “to facilitate effective implementation of budgetary control, the management should define proper budgetary control processes, this is achieved through planning, monitoring and control and evaluation.”

2.7 Management of Senior High Schools in Ghana

According to Sekyere (2014), “the Ghana Education Service (GES) was established by Act 506 of 1995. Membership of the Service is made up of:

- a. Teaching and non-teaching supporting personnel in the pre-tertiary Educational Institutions in the public system.
- b. Managers of educational units and supporting staff
- c. Other persons that may be employed for the Service”.

He further states that the GES is mandated to implement the Ministry of Education’s policies such as 1987 and 2007 Educational Reforms, FCUBE, Girl-Child Education at pre-tertiary levels. Its specific functions include, among others, the following:

- i. Construct and build syllabi for Schools and Colleges
- ii. Co-ordinate the work of the GES at the Regional level.
- iii. Build and equip second Cycle Schools and Colleges.
- iv. Disburse educational grants and budgetary allocations to Schools and Colleges

Sekyere (2014) states that, “the Service is headed by a Director-General who is assisted by two Deputy Director-Generals. The functions of the Service are performed through its directorates at Headquarters, Regions, Districts and Schools. The Divisions of the GES Headquarters include: Basic Education, Secondary Education, Technical and Vocational Education, Special Education, Teacher Education and Inspectorate Divisions among others”. Management of the Senior High Schools in the country falls directly under the Secondary Education Division.

According to Amankwah (2014), management of Senior High Schools in the country is at four levels. These include: National level management, Regional level management, District level management and School level management. The National level (Headquarters) is responsible, among others, for the dissemination of decisions to the operatives of the Service and serves as the link between the Service and the Sector Ministry. The Regional Education Directorate is responsible for the co-ordination, supervision, monitoring and management functions over the District Education Offices and Managers of the Education Units. Amankwah further states “that the District/Municipal/Metropolitan Directorate is the focal points for the implementation of the programmes of education at the pre-tertiary level”. He went on to explain that at the school level, the Head and others in management shall be responsible for effective and efficient delivery of education. The management of Senior High School education shall be responsible for ensuring that:

- a. Teaching and learning materials are available

- b. Approved instructional time is followed
- c. Teachers provide information on students regularly
- d. Teachers in the school receive any benefit due them
- e. Only approved fees are collected from parents
- f. The school engages in co-curricular activities that promote the health of and educational needs of the students.

2.8 Empirical Literature on Budgeting Practices in Ghana's Education Sector

According to the Education Strategic Plan of Ghana (ESP) 2010 – 2020, “the ESP outlines the plan of the government for the education sector over the ten years. The plan builds upon its four predecessors and upon earlier visionary strategies such as FCUBE. In doing so, it aims to ensure that education makes a positive and permanent contribution to national development plans and to achieving the international development goals.

Regarding cost projections, since the 2004 Education Reforms, Ghana has experienced strong economic growth and a significant rise in expenditure in the education sector. Outpacing economic growth, education expenditure, equal to 6.2% of the Ghana's Gross Domestic Product in 2003, grew to an amount equal to 10.1% of Ghana's GDP in 2008. While it is likely that spending in education will continue to grow as the economy grows, as Ghana already out-performs most regional neighbours in the share of the budget devoted to education expenditures, this model does not presume that growth in education expenditure will continue to outpace GDP growth in the next ten years. Table 2.2 shows the estimated overall financial requirement (capital and recurrent) in terms of ESP cost projections for selected years during the period 2010 - 2020. The costs are broken down by sub-sector/level of education to enable Ministry of Education (MOE) to identify and disaggregate financial resources as required”.

Table 2.2 Recurrent Cost and Capital Costs (GH¢ million) – ESP 2010 – 2020

	Recurrent				Capital			
	2011	2013	2015	2020	2011	2013	2015	2020
Basic Education	1,012	1,148	1,278	1,455	538	646	794	562
Kindergarten	121.3	154.5	188.3	234.1	86	98	112	172
Primary	532.7	617.2	694.4	803.2	286	326	375	228
JHS	358.1	376.6	395.3	417.6	166	222	307	162
2ND Cycle Educ.	346	424	515	650	98	112	114	127
Senior High	267.7	288.7	312.2	392.8	90	103	103	110
TVET	72	128	194	247	7.8	9.5	11.4	17.4
Apprenticeship	6.2	7.3	8.4	9.7	0	0	0	0
College of Educ.	47.7	42.0	32.4	22.7	3.1	4.3	5.9	11.6
Study Leave	41.8	27.2	11.7	13.3	0	0	0	0
Non-Formal	6.4	9.5	13.0	23.1	0	0	0	0
Education (NFE)								
Special Education	14.5	22.1	30.8	57.9	4	5	6	9
Tertiary	303.9	303.5	306.1	347.1	87.0	76.9	57.2	86.8
Management	137.0	133.9	129.9	115.7	20.2	24.1	28.4	40.5
Total	1909	2112	2316	2685	749	869	1006	839

Neither the 2009 expenditures nor the 2010 budget include infrastructure funding for NFE

Source: Government of Ghana Education Sector Strategic Plan, February 2012.

The information presented in Table 2.2 is computed by making projections across the eleven year period from a base year of 2009. The baseline figures were assembled using actual expenditure data (from MOE budget, donor support and other sources of funding to the education sector) for the 2009 fiscal year. For the period 2010-2020, the costing projections are based on extrapolation of the 2009 figures combined with the application of the analytical targets and benchmark parameters set for key factors with a view to

obtaining a realistic idea of both the recurrent expenditure and capital investments required to achieve these targets.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

The research is exploratory in nature. Social exploratory research "seeks to find out how people get along in the setting under question, what meanings they give to their actions, and what issues concern them. The goal is to learn 'what is going on here?' and to investigate social phenomena without explicit expectations." (Schutt, 2006). This chapter contains the Research Design, Sources of Data, Population, Sample and Sampling Technique, Data Collection Instrument, Data Analysis Techniques and Ethical Consideration

3.1 Research Design

According to Cooper and Emory (1995), "a research design is a framework specifying the relationship among the study's variables and it starts with a plan for selecting the sources and types of information used to answer the research question". This research was conducted through a case study. As stated earlier the research is exploratory in nature. Descriptive statistics was employed to make an in-depth comparative study into the budgeting practices of the selected Senior High Schools.

3.2 Sources of Data

Both primary and secondary data were used to undertake the study. The primary data involved the use of unstructured interviews and questionnaires. The secondary data was gathered through the use online database, Auditor General's Report, Public Accounts

Committees' proceedings relating to pre-tertiary education, educational journals and other literature on the topic.

3.3 Population, Sample and Sampling Technique

The population of the study is the entire management and staff of the selected Senior High Schools. In selecting the schools, a convenience sampling method was used to select Five Senior High Schools in the Ashanti Region of Ghana. This was done because of ease of access and the quickness with which the data was to be gathered.

Due to the peculiar characteristics of the population, a purposive sampling technique was used to select a sample size of twenty respondents from the five selected Senior High Schools as depicted in table 3.1 below:

Table 3.1 Respondents

Designation/Position	Number
Headmasters/Headmistresses	5
Assistant Headmasters/Headmistresses I	5
Principal Accountants	5
Matrons	5
Total	20

According to Adler and Adler (2011), “there is always a problem of stating precisely the number of qualitative interviews necessary to complete a project at its inception. It is however advised that graduate students sample between 12 and 60 with 30 being the mean”.

At the last National Centre for Research Methods Review Paper captioned “how many qualitative interviews is enough?”, expert voices concluded that, “the number of people

required to make an adequate sample for a qualitative research project can vary from one to a hundred or more. However, when considering the length of time this type of research often takes, the difficulty of gaining entrée to even the most mundane group or setting, the difficulty in transcribing thousands of hours of interviews, and the “publish or perish” world in which we live, our best bet is to advise in the broad range of between a dozen and 60, with 30 being the mean”.

3.4 Data Collection Instrument

Data was collected through the administration of questionnaires and unstructured interviews with Senior High School Headmasters, Assistant headmasters, Principal Accountants and Matrons. The questionnaire was made up of 35 items. After each question was a choice of four responses on a Likert Scale: Strongly disagree, disagree agree and strongly agree. In the administration of the questionnaire schedules, all items were explained thoroughly to the respondents. The questionnaire schedules contained a covering note disclosing the researcher’s identity and also detailing the nature and purpose of the study. The interview technique used was a face- to- face interaction where interviewees answered questions from the interviewer. Each interview took not less than forty-five minutes.

3.5 Data Analysis Techniques

According to Cohen and Manion (2007),” data analysis involves organizing, accounting for, and explaining the data; in short, making sense of the data in terms of participants’ definitions of the situation, noting patterns themes, categories and regularities”. Following the collection of the questionnaire and the successful completion of interviews, the returns were edited to correct all errors. Subsequently, a database was

created using Excel and SPSS package which helped tremendously in making the presentation and the analysis. This was done through statistical tools such as pie charts and graphs to examine the nature of budgeting practices in Senior High Schools in Ghana.

3.6 Ethical Consideration

Permission was sought from the Ashanti Regional Directorate of Education to enable me conduct the interviews and administer the questionnaires in the selected senior high schools in the region. Upon visiting the schools for the first time, the researcher introduced himself and gave a brief explanation of the purpose of the study. Questionnaires were then administered and appointment was made for the collection of questionnaires and followed it up with interviews to clarify issues relevant to the study. The respondents were assured that the information given would be kept absolutely confidential and their names would not be disclosed. This was of utmost importance because the “principle of anonymity is linked with confidentiality” (Bless et al, 2006). Bless *et al* (2007) states “that most researchers may be well-intentioned and honest people; there is always a potential for the rights of research participants to be violated, either knowingly or unknowingly. Participants have basic rights when they elect to participate in a research study, chiefly right to privacy and protection from physical and psychological harm”. Beneficence, justice, autonomy, fidelity, non-maleficence, respect of participant’s rights and dignity principles was applied as mentioned by Bless *et al* (2007).

CHAPTER FOUR

DATA ANALYSIS AND DISCUSSION OF RESULTS

4.0 Introduction

This Chapter deals with the presentation, analysis and interpretation of the information collected from the respondents through the administration of questionnaires. One questionnaire comprising thirty-five items was designed and administered to Headmasters, Assistant Headmasters, Accountants and Matrons of the selected Senior High Schools. Subsequently, a database was created using excel and SPSS package which helped tremendously in making the presentation and the analysis.

4.1 Bio Data/ Personal Data of Respondents

Table 4.1 Bio Data/Personal Data of Respondents

Details	Variable	Number of Respondents	Percentage
Gender	Male	13	70
	Female	6	30
	Total	20	100
Qualification	2 nd Degree	10	50
	1 st Degree	6	30
	HND	3	15
	RSA	1	5
	Total	20	100
Years of Present School	1-5	6	30
	6-10	8	40
	11-15	3	15
	Over 15	3	15
	Total	20	100
Current Position	Headmaster	5	25
	Assistant Headmaster	5	25
	Accountant	5	25
	Matron	5	25
	Total	20	100
Present Rank of Respondents	Deputy Director	7	35
	Assistant Director 1	3	15
	Principal Accountant	5	25
	Deputy Chief Domestic Bursar	1	5
	Principal Domestic Bursar	3	15
	Senior Domestic Bursar	1	5
	Total	20	100

Source: Field Survey (July, 2015)

On gender, respondents were requested to indicate their sexes. Figure 4.1 summarized their responses.

From Table 4.1 above, it could be deduced that out of the total number of respondents, six (6) respondents representing thirty per cent (30%) were females whilst fourteen (14) respondents representing seventy per cent (70%) were males. This shows that, in spite of the fact that all the Matrons of the selected schools were females, males still dominated in terms of management of the selected Senior High Schools.

With regard to qualification, respondents were required to state their highest qualification. From the responses given, 50% of the respondents were second degree holders whilst 30% 15%, 5% were first degree, HND and DBS/RSA holders respectively as summarized in Figure 4.1. The responses show that the respondents have the requisite qualifications which are commensurate with their work schedules.

On length of service, the respondents were asked to indicate the number of years they have spent in their present stations. Table 4.1 above summarizes their responses. From the Table 4.1, it could be deduced that, over 70% of the respondents have spent six years or more in their present stations. This is an indication of the fact that , a chunk of the respondents were not new at their station and therefore had a fair knowledge of budgeting practices in their schools.

In relation to position, the respondents were required to indicate their current positions. Table 4.1 above gives a summary of their responses. From table 4.1, the respondents were made up of 5 Headmasters, 5 Assistant Headmasters, 5 Accountants and 5 Matrons. This gives an indication that, the right respondents answered the questionnaire. This is so because the responses as depicted in the table are in line with the characteristics of the sample. It also confirms the fact that the questionnaire also achieved a 100% return rate.

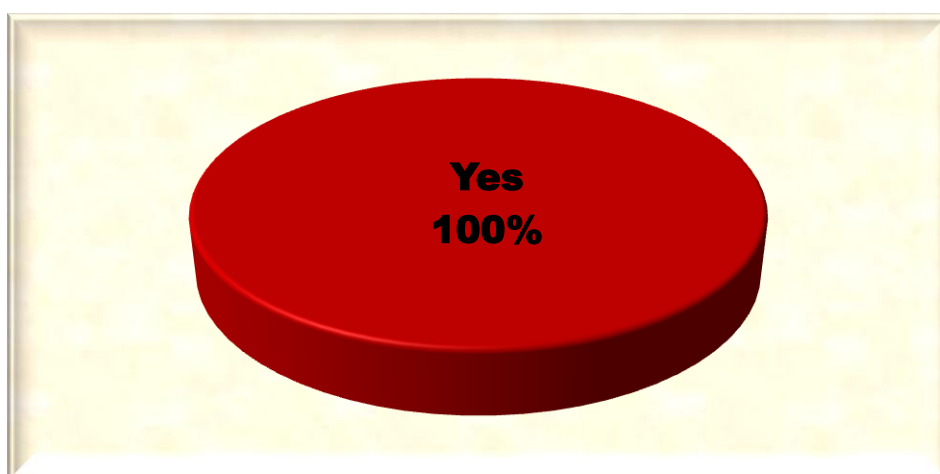
On rank, the respondents were required to state their present rank. Table 4.1 summarized their responses. As shown by Table 4.1, seven respondents representing 35% were Deputy Directors; three respondents representing 15% were on Assistant Director 1 grade and five on Principal Accountant grade. Also, one respondent representing 5% was on the Deputy Chief Domestic Bursar grade, three representing 15% on Principal Domestic Bursar grade and one representing 5% on Senior Domestic Bursar grade. A check on the Ghana Education Service (GES) Scheme of Service (GES Scheme of Service, 2009) revealed that, the ranks indicated by respondents are senior ranks within the Ghana Education Service rank structure for both teaching and non-teaching staff.

4.2 Nature of Budgetary Practices

4.2.1 Preparation of budget

Respondents were requested to indicate whether their schools prepared Budgets. Figure 4.1 presents a pictorial view of their responses.

Figure 4.1 A Pie Chart showing 'Yes' or 'No' responses of respondents as to whether their schools prepare budget.



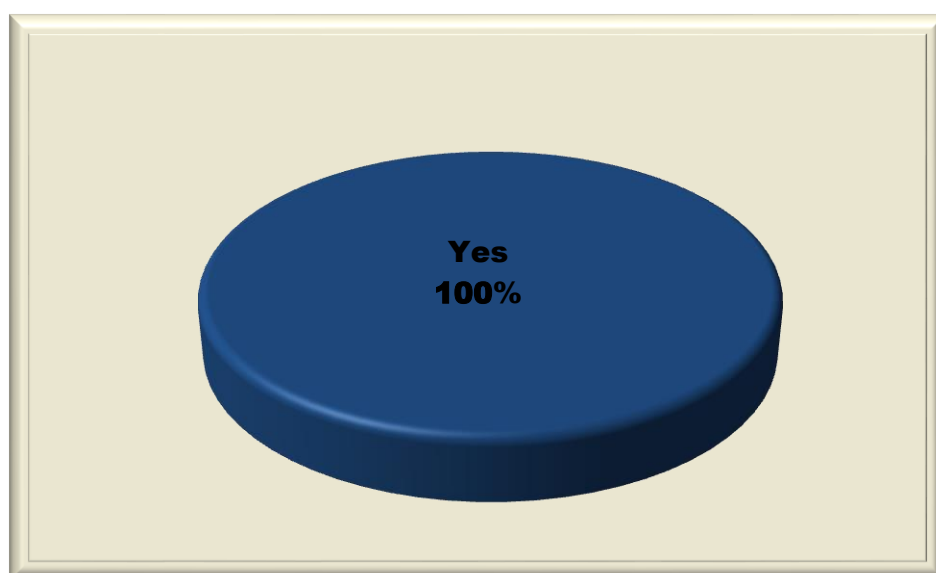
Source: Field Survey (July, 2015)

Figure 4.1 shows that all the respondents and for that matter all the schools did indicate that they prepare budgets for their schools.

4.2.2. Budget Implementation

Respondents were requested to indicate whether budgets prepared in their schools are implemented.

Figure 4.2 A Pie Chart depicting ‘Yes’ or ‘No’ responses of respondents as to whether budgets prepared in their schools are implemented.



Source: Field Survey (July, 2015)

Figure 4.2 shows that all the respondents and for that matter all the schools did indicate that, budgets prepared in their schools were implemented.

4.2.3 Budgeting Models

The respondents were required to indicate the type of budgeting models in use in their schools. Table 4.2 gives a summary of their responses.

Table 4.2 Type of Budgeting Model in use

Item	Number of respondents	Percentage
Incremental budgeting	8	40
Zero-based Budgeting	12	60
Total	20	100

Source: Field Survey (July, 2015)

From table 4.2, twelve respondents representing 60% indicated that they used Zero-Based Budgeting (ZBB) in their schools whilst eight respondents representing 40% used Incremental Budgeting in their schools. A deeper analysis of the responses reveals that the eight respondents were from two different schools whereas the twelve respondents were from three different schools. This is in line with CIMA's position that, Incremental budgeting is an alternative to Zero-Based Budgeting. It also supports Lucey's assertion that "budgets may be drawn up showing incremental effects on former budgeted or actual figures or be compiled by Zero-Based Budgeting".

4.2.4 Clear Budgeting Guidelines Issued Prior to Preparation

The respondents were asked whether budgeting guidelines issued were clear to participants. Table 4.3 summarizes the results.

Table 4.3 Issuance of clear budgeting guidelines prior to budget preparation

	Number of respondents	Percentage (%)
Valid Agree	14	70
Strongly Agree	6	30
Total	20	100

Source: Field Survey (July, 2015)

From the table, not one of the respondents did indicate that, vague budgeting guidelines were issued to participants. Fourteen respondents representing 70% strongly agreed that clear budgeting guidelines were issued with six respondents representing 30% agreeing. This is in the right direction because other researcher's such as Shim (2009) see a budget as a tool providing direction. This could be achieved when the guidelines issued prior to the budget preparation are clear.

4.2.5 Clear Goals and Objectives of Budget

The respondents were required to indicate whether their budgets had clear goals and objectives. Table 4.4 gives a summary of their findings.

Table 4.4 Clear Goals and Objectives of Budget

	Number of respondents	Percentage (%)
Valid Agree	14	70
Strongly agree	6	30
Total	20	100

Source: Field Survey (July, 2015)

From Table 4.4, fourteen respondents representing 70% strongly agreed that clear budgeting guidelines were issued whilst six respondents representing 30% agreed. The responses articulate well with the responses supplied in Table 4.3 because naturally, budgeting guidelines would incorporate goals and objectives. The result is significant because, it supports researchers' position that "budgets have an important part to play in the communication of objectives, targets and responsibilities throughout the organization. Carried out properly, this can have considerable benefits in promoting co-operation at all levels" (Callahan and Waymire, 2007).

4.2.6 The School Budget Period

The respondents were asked to indicate whether their school budget spanned a 12-month period. Table 4.5 gives a summary of their responses.

Table 4.5 The School Budget Period

	Number of Respondents	Percentage (%)
Valid Agree	10	50
Strongly Agree	10	50
Total	20	100

Source: Field Survey (July , 2015)

From the responses given, half of the respondents strongly agreed that their school budgets spanned a 12-month period with the other half also agreeing. This agrees with the literature reviewed which states that “Zero-Based Budgeting assumes a new year, every year”.

4.2.7 Proper Communication during the Budget Preparation Process

The respondents were asked to state whether there was proper communication during the Process of budget preparation. Table 4.6 summarizes their responses.

Table 4.6 Presence of Proper Communication during the Budget Preparation Process

	Number of Respondents	Percentage (%)
Valid Disagree	2	10
Agree	13	65
Strongly agree	5	25
Total	20	100

Source: Field Survey (July, 2015)

From the table, 13 respondents representing 65% agreed that there was proper communication during the budget preparation process with 5 respondents representing 25% strongly agreeing. 2 respondents representing 10% disagreed. None, however, disagreed strongly. This is line with other researchers' position that a "crucial benefit of the budgeting process, not to be ignored, is the sharing of information between organizational members".

4. 2. 8 Provision of Efficient and Effective Leadership during Budget Execution

The respondents were required to state whether leadership provided to the subordinates by management during budget execution is efficient and effective. Their responses are summarized in table 4.7

Table 4.7 Provision of Efficient and Effective Leadership during Budget Execution

	Number of Respondents	Percentage (%)
Valid Disagree	1	5
Agree	15	75
Strongly agree	4	20
Total	20	100

Source: Field Survey (July, 2015)

The responses as summarized above show that, 19 respondents representing 95% agreed that, efficient and effective leadership is provided during the budget execution process. One respondent representing 5% disagreed with that position. None however, disagreed strongly. Their responses support Poon's assertion that, "budgetary participation provides a setting in which managers can exchange information and ideas to make budgetary planning and control more effective".

4.2.9 Budget and Knowledge Sharing

The respondents were requested to state whether budgets encourage knowledge sharing.

Table 4.8 presents their responses.

Table 4.8 Budgeting Encourages Knowledge sharing

	Number of Respondents	Percentage (%)
Valid Agree	14	70
Strongly agree	6	30
Total	20	100

Source: Field Survey (July, 2015)

Table 4.8 indicates that 14 respondents representing 70% agreed that budgeting encourages knowledge sharing with 6 respondents representing 30% also agreeing strongly. This is in agreement with numerous scholars' position that "through budgetary participation, information sharing can be accomplished" as reviewed in the preceding chapters.

4.3 Compliance to best Standards

4.3.1 The School Budget Committee

The respondents were asked whether their schools have Budget Committees in place.

Table 4.9 summarizes their responses.

Table 4.9 The Presence of School Budget Committee

	Number of Respondents	Percentage (%)
Valid Strongly Disagree	2	10
Disagree	5	25
Agree	12	60
Strongly Agree	1	5
Total	20	100

Source: Field Survey (July, 2015)

From the table, the responses were positive with 65% indicating ‘agree’ or ‘strongly agree’. Seven respondents representing 35% disagreed or strongly disagreed that their schools have budget committees in place. This means that, some of schools do not have budget committees in place.

4.3.2 Staff Input in Budget Planning

Respondents were asked whether their schools call for input from staff during budget planning. Their views are summarized in Table 4.10

Table 4.10 Staff Input in Budget Planning

	Number of Respondents	Percentage (%)
Valid Agree	8	40
Strongly disagree	12	60
Total	20	100

Source: Field Survey (July, 2015)

From the table, 12 respondents representing 60% indicated ‘strongly disagree’ while 8 respondents representing 40% of total respondents indicated ‘agree’. 60 % of respondents indicating “strongly disagree” is not in agreement with experts’ position because previous researchers state that, “all individuals responsible for achieving results should be consulted in the formulation of budgets”.

4.3.3 Stakeholders in key Budget decisions

The respondents were asked to indicate whether the schools engaged their stakeholders in making key budget decisions. Table 4.11 summarizes their responses.

Table 4.11 Stakeholders in key Budget decisions

	Number of Respondents	Percentage (%)
Valid Strongly Disagree	12	60
Agree	6	30
Strongly agree	2	10
Total	20	100

Source: Field Survey (July, 2015)

From the responses supplied, 12 respondents representing 60% strongly disagreed with the statement with 8 respondents representing 40% either agreeing or strongly agreeing. This gives an indication that even though some level of engagement is done, this may not be thorough or representative enough.

4.3.4 Preparation of Departments' own Budgets prior to the Budget year.

Respondents were asked to indicate whether departments in the school prepared their own budgets proposal prior to the budget year. Table 4.12 presents their responses.

Table 4.12 Preparation of Departments' own Budgets prior to the Budget year.

	Number of Respondents	Percentage (%)
Valid Disagree	1	5
Agree	10	50
Strongly agree	9	45
Total	20	100

Source: Field Survey (July, 2015)

From the responses supplied 19 respondents representing 95% either agreed or strongly agreed with 1 respondent representing 5% disagreeing. The responses give an

impression that, departments in the schools prepare their own budgets prior to the budget year.

4.3.5 Regular follow up on Budget plans by Budget Committee

Respondents were requested to indicate whether there was regular follow up on plans by the budget committee. A summary of their responses is presented in table 4.13.

Table 4.13 Regular follow up by Budget Committee

	Number of Respondents	Percentage (%)
Valid Strongly disagree	1	5
Disagree	3	15
Agree	14	70
Strongly agree	2	10
Total	20	100

Source: Field Survey (July, 2015)

From table 4.13 sixteen respondents representing 80% either agreed or strongly agreed that there was regular follow up on budget plans by the budget committee and four respondents representing 20% either strongly disagreeing or disagreeing. The majority position gives an indication that, budget committees in most of the schools follow up on budget plans.

4.3.6 Planning is imperative to successful Budget implementation

Respondents were asked whether planning was imperative to successful Budget Implementation. Table 4.14 presents their responses.

Table 4.14 Planning is imperative to successful Budget implementation

	Number of Respondents	Percentage (%)
Valid Agree	7	35
Strongly agree	13	65
Total	20	100

Source: Field Survey (July, 2015)

From Table 4.14, thirteen respondents representing 65% indicated ‘strongly agree’, seven respondents representing 35% also indicated ‘agree’ with none strongly disagreeing or disagreeing. This is in line with experts’ opinion which states that “to facilitate effective implementation of budgetary control, the management should define proper budgetary control processes, and this is achieved through planning, monitoring and control and evaluation”.

4.3.7 The Presence of Budget Policy for Budget Monitoring

The respondents were asked whether the schools had budget policies that monitor budget spending. Table 4.15 presents their responses.

Table 4.15 The Presence of Budget Policy for Budget monitoring

	Number of Respondents	Percentage (%)
Valid Agree	16	80
Strongly agree	4	20
Total	20	100

Source: Field Survey (July, 2015)

From the table, 16 respondents representing 80% indicated ‘agree’ whilst 4 respondents representing 20% indicated ‘strongly agree’. This gives an indication that all respondents

agreed that, there is the presence of budget policies that monitor budget spending. Their responses articulate well with the stance of researchers such as Kirigai (2000) who opines “budgeting is a set of procedures by which governments ration resources among claimants and control the amount each claimant spends”.

4.3.8 School Managers’ Performance Review Meetings

The respondents were asked to indicate whether school managers held budget meeting regularly to review performance. Table 4.16 presents their responses.

Table 4.16 School Managers’ Performance Review Meetings

	Number of Respondents	Percentage
Valid Strongly disagree	2	10
Disagree	6	30
Agree	8	40
Strongly agree	4	20
Total	20	100

Source: Field Survey (July, 2015)

Table 4.16 shows that, 8 respondents representing 40% either disagreed or strongly disagreed that, performance review meetings were held. 12 respondents representing 60% either agreed or strongly agreed that, such meetings were held regularly. The finding narrowly supports expert opinion that budgeting “involves adjusting mandates, objectives, resources and practices put in place to ensure the realisation of plans and tracking of performances”.

4.3.9 Periodic Review of the School Budget.

The respondents were asked to indicate whether the school budget was reviewed from time to time. The question sought to verify whether the respondents answered the preceding question relating to performance review meetings with frankness and candour. Their responses as summarized in Table 4.17 show that 8 respondents representing 40% either disagreed or strongly disagreed that, the school budget is reviewed from time to time. 12 respondents representing 60% either agreed or strongly agreed that the school budget is reviewed from time to time. This confirms the responses supplied to the preceding statement.

Table 4.17 Periodic Review of the School Budget

	Number of Respondents	Percentage
Valid Strongly disagree	2	10
Disagree	6	30
Agree	8	40
Strongly agree	4	20
Total	20	100

Source: Field Survey (July, 2015)

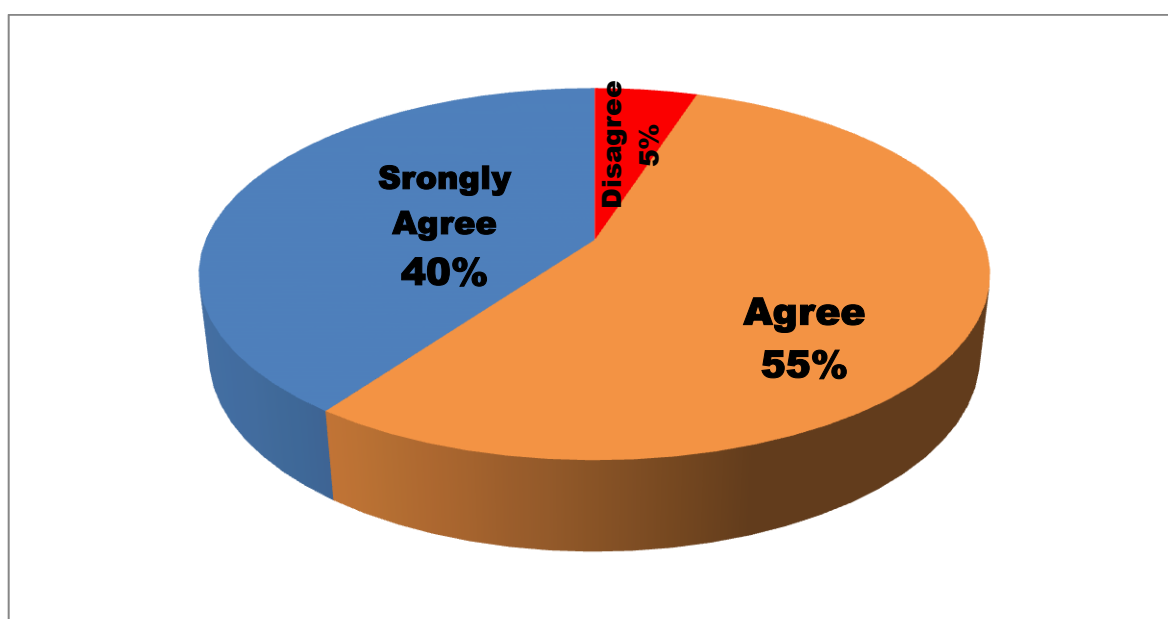
4.4 Problems in Budgetary Practices

4.4.1 Clear Policy and Procedure in Budgeting

Respondents were requested to indicate whether lack of clear policy and procedure is a challenge on budget. From the responses supplied, 19 respondents representing 95% either agreed or strongly agreed that, lack of clear policy and procedure is a challenge on budgeting; 1 respondent representing 5% disagreed with their position. The majority position supports the position of experts such as Lucey who argues that, “budgeting

provides clear guidelines for managers and supervisors and is the major way in which organisational objectives are translated into specific tasks and objectives related to individual managers”. Figure 4.3 gives a pictorial view of their responses.

Figure 4.3 A pie chart depicting respondents’ responses as to whether lack of clear policy and procedure is a challenge on budgeting

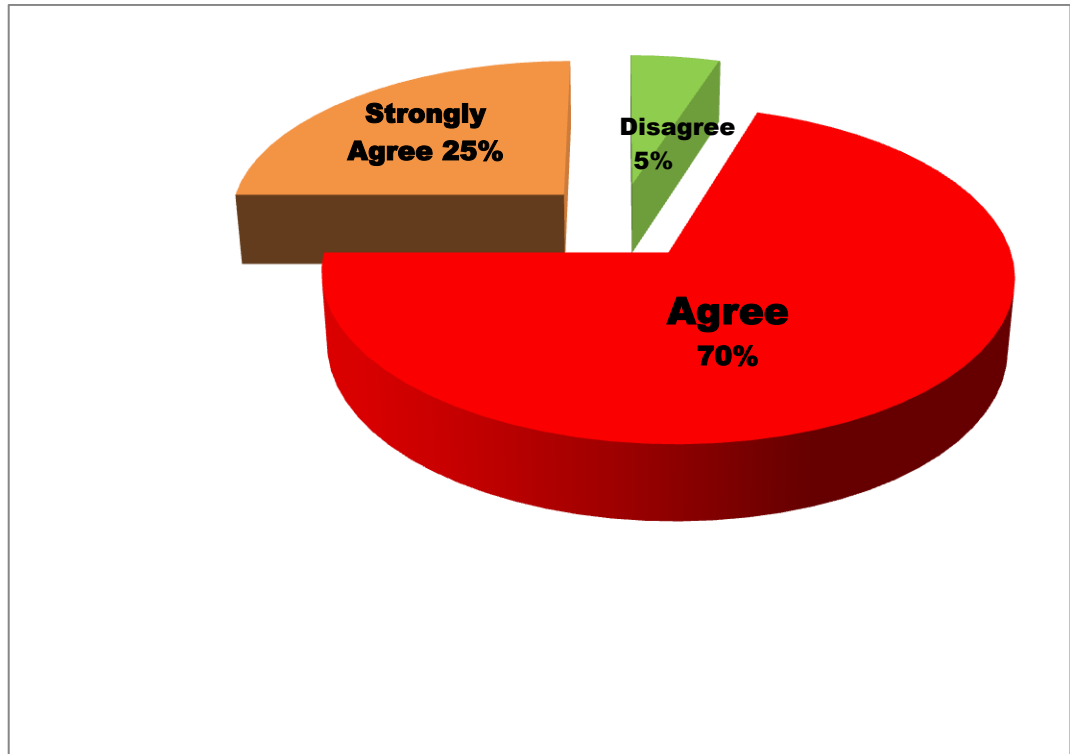


Source: Field Survey (July, 2015)

4.4.2 Communication of the Budget Requirement

Respondents were requested to indicate whether poor communication of the budget requirement is a challenge on budgeting. From the responses supplied, 19 respondents representing 95% either agreed or strongly agreed that, poor communication of the budget requirement was a challenge on the budgeting; 1 respondent representing 5% disagreed with that position. This is significant because some researchers are of the opinion that, the requirements and programmes of a school determine the expenditure for budget items. Figure 4.4 presents a pictorial summary of their responses.

Figure 4.4 A Pie Chart showing respondents' responses as to whether Poor Communication of the Budget requirement is a challenge on Budgeting.

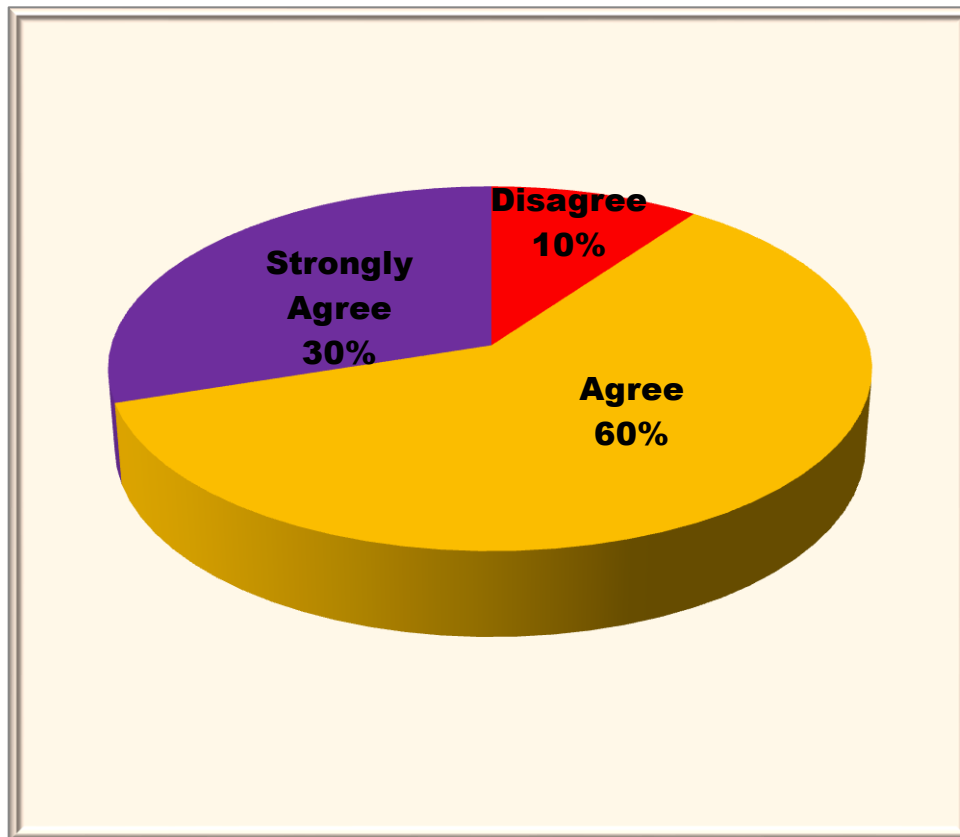


Source: Field Survey (July, 2015)

4.4.3 Proper Monitoring and Review of Budget

In a response a question posed to respondents as to whether lack of proper monitoring and review was a challenge on budgeting, Figure 4.5 pictorially summarizes their responses.

Figure 4.5 A Pie Chart showing respondents' responses as to whether lack of proper Monitoring and Review is a challenge on Budgeting



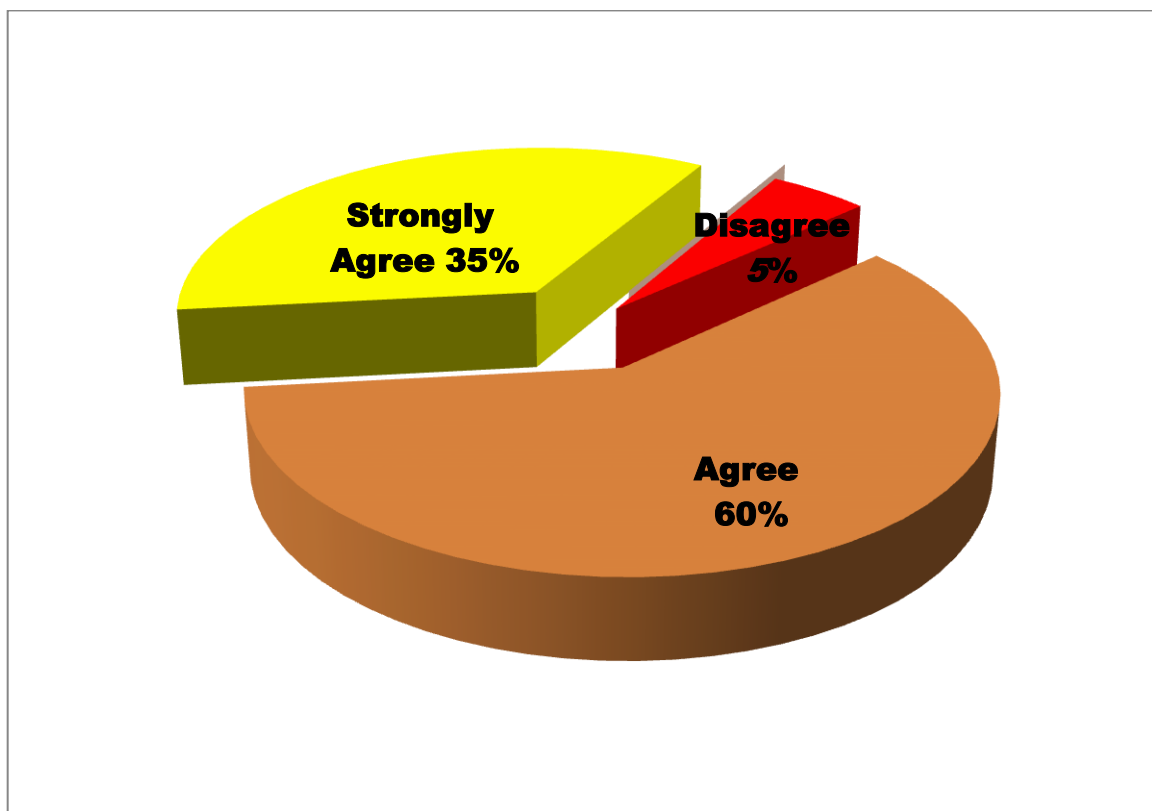
Source: Field Survey July.2014

From Figure 4.5 twelve respondents representing 60% indicated 'agree' whilst six respondents representing 30% agreed strongly. Two respondents representing 10% did indicate 'disagree' but none disagreed strongly. The position of majority of the respondents is in sync with expert opinion which is that "proper budgetary control processes is achieved through planning, monitoring and control and evaluation" (Carr and Joseph, 2000).

4.4.4 The impact of changing environmental demands on School Budget.

In a response a question posed to respondents as to whether, one challenge of budgeting is changing demands from the environment; Figure 4.6 pictorially summarizes their responses.

Figure 4.6 A Pie Chart showing respondents' responses as to whether one challenge of budgeting is changing demands from the environment



Source: Field Survey (July, 2015)

From Figure 4.6 twelve respondents representing 60% indicated 'agree' with seven respondents representing 35% agreeing strongly. One respondent representing 5% did indicate 'disagree' but none disagreed strongly. This is in line with other researchers' position that "when market demands and conditions are unstable and cannot be determined in advance, there is neither possible nor necessary to make accurate plans".

4.4.5 The need for Skilled Personnel for Budget Formulation and Implementation

The respondents were requested to indicate whether lack of skilled personnel to formulate and implement budget is a challenge on Budgeting .Table 4.18 presents their responses.

Table 4.18 Lack of skilled personnel for budget formulation and implementation is a challenge on budgeting.

	Number of Respondents	Percentage
Valid Strongly disagree	4	20
Disagree	6	30
Agree	8	40
Strongly agree	2	10
Total	20	100

Source: Field Survey (July, 2015)

From the above table, 10 respondents representing 50% either agreed or agreed strongly that lack of skilled personnel for budget implementation was a challenge on budgeting. The other half either disagreed or strongly disagreed with that making it a split opinion.

4.4.6 Forecast of Budget Estimates

The respondents were asked to indicate whether poor forecast of budget estimates was a challenge on budgeting. Table 4.19 presents their responses.

Table 4.19 Poor Forecast of Budget estimates is a challenge on Budgeting

		Number of Respondents	Percentage
Valid	Agree	12	60
	Strongly agree	8	40
Total		20	100

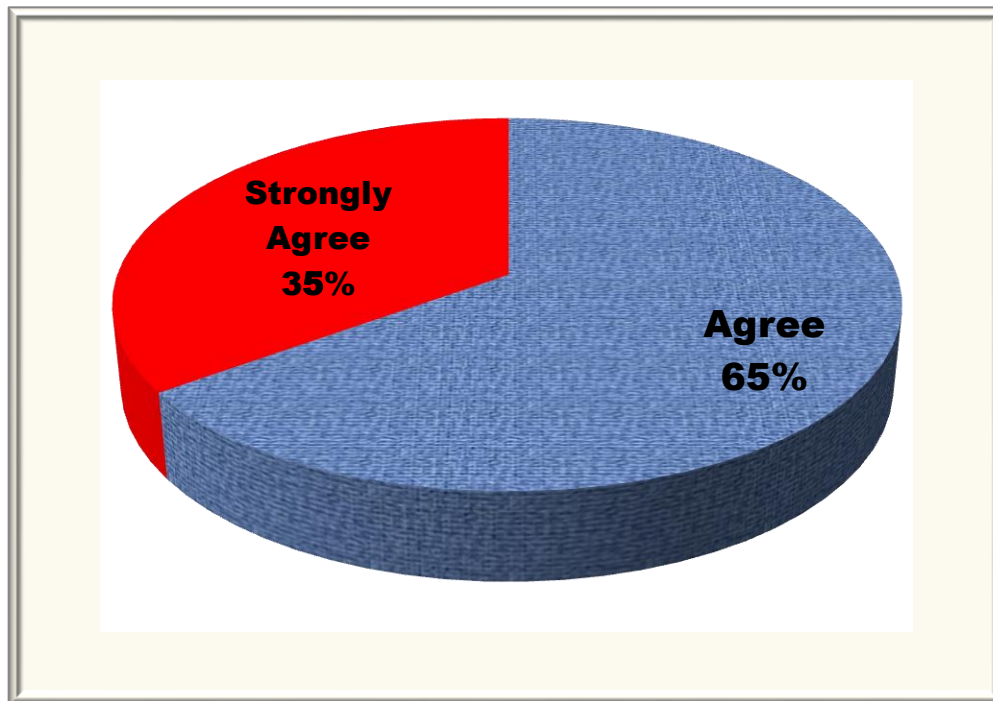
Source: Field Survey (July, 2015)

The responses as summarized in table indicate that all the respondents either agreed or strongly agreed that poor forecast of budget estimates is a challenge on budgeting. This confirms the position of the International Monetary Fund (IMF) that, poor estimate of programme cost is a common weakness of budgeting.

4.4.7 Proper Coordination in Budgeting

Respondents were required to indicate whether lack of proper co-ordination was a challenge on budgeting. Figure 4.7 presents their responses.

Figure 4.7 A Pie Chart showing responses of respondents as to whether lack of Proper Co-ordination is a challenge on Budgeting



Source: Field Survey July, 2015

Figure 4.7 shows that all respondents either agreed or strongly agreed that lack of proper co-ordination was a challenge on budgeting. Their response supports other researchers' position "that budgets today provide a focus for the organization, aid in the coordination of activities and facilitates control".

4.4.8 Budgetary Information for Effective Budgeting

Respondents were asked whether there was lack of proper budgetary information for effective budgeting in their schools. Table 4.20 presents their responses.

Table 4.20 Budgetary Information for effective Budgeting

	Number of Respondents	Percentage
Valid Strongly Disagree	4	20
Disagree	7	35
Agree	4	20
Strongly agree	5	25
Total	20	100

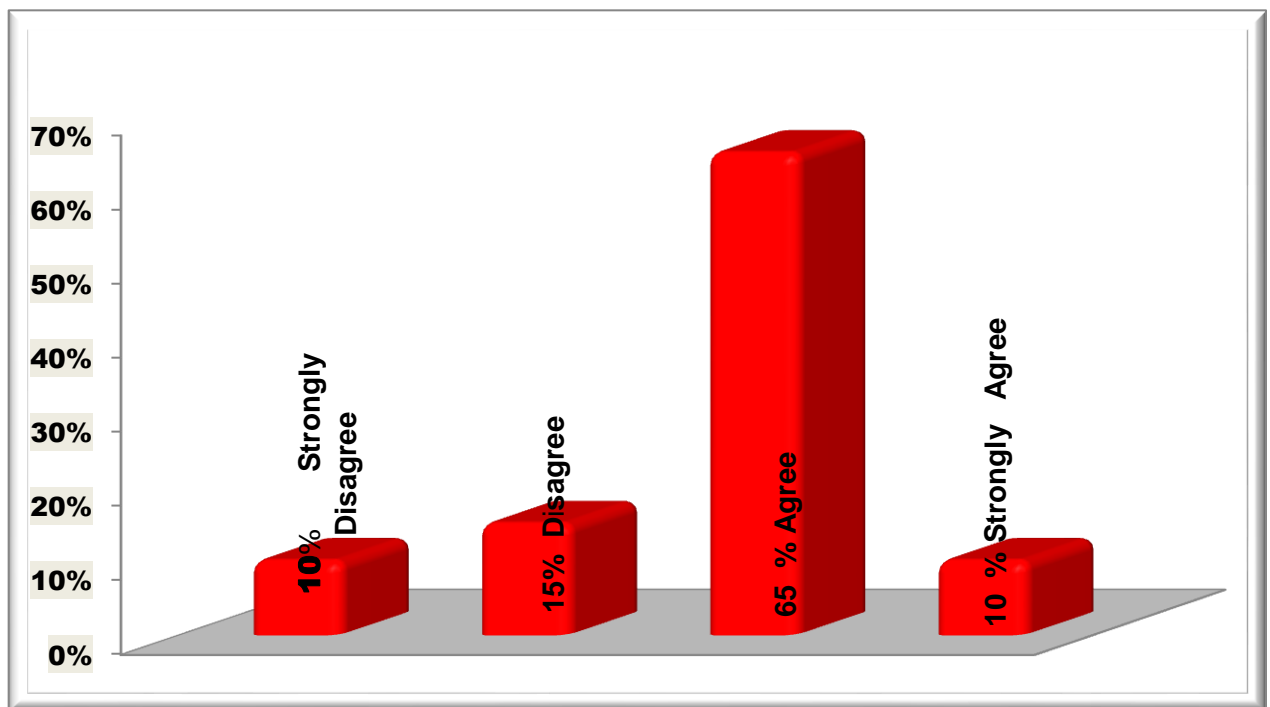
Source: Field Survey (July, 2015)

From table 4.20, eleven respondents representing 55% either disagreed or strongly disagreed that, there was lack of budgetary information for effective budgeting .Nine respondents representing 45% either agreed or strongly agreed that such budgetary information was lacking. Even though the IMF identifies lack of data and misleading data at the budget office as a common weakness of budgeting, 55% of respondents belief that, budgetary information for effective budgeting was available in the schools.

4.4.9 The impact of Cost and Time on Budget Compilation.

Respondents were asked to indicate whether budgets are time-consuming and costly to put together. Figure 4.8 presents a pictorial view of their responses.

Figure 4.8 A Bar Graph depicting responses of respondents as to whether Budgets are time-consuming and costly to put together.



Source: Field Survey (July 2015)

Figure 4.8, thirteen respondents representing 65% indicated ‘agree’ whilst two respondents representing 10% indicated ‘strongly agree’. Three respondents representing 15% indicated ‘disagree’ whilst two respondents representing 10% also indicated ‘strongly agree’. This means that 75% of the respondents are of the opinion that budgets are time consuming and costly to put together. The view of the respondents supports the position of some researchers in the ongoing budget debate that, the budget takes a long time to compile in relation to the value that it creates and is also time-consuming.

4.4.10 Review and Update of Budget

The respondents were asked to indicate whether budgets are developed and updated too frequently usually annually. Table 4.21 presents their responses.

Table 4.21 Budgets are developed and updated too frequently, usually annually.

	Number of Respondents	Percentage
Valid Strongly Disagree	3	15
Disagree	7	35
Agree	9	45
Strongly Agree	1	5
Total	20	100

Source: Field Survey (July, 2015)

Table 4.21 shows that, ten respondents representing 50% indicated either ‘disagree’ or ‘strongly disagree’ whilst the other half of the respondents also indicated either ‘agree’ or ‘strongly agree’. An analysis of the percentages links the responses to the type of budgeting model in use by the schools in terms whether a ZBB or an Incremental Budgeting model is in use.

4.5 Budgets constrain responsiveness and flexibility and are often a barrier to change

The respondents were asked to indicate whether budgets constrain responsiveness and flexibility and are often a barrier to change. Table 4.22 presents their responses.

Table 4.22 Budgets constrain responsiveness and flexibility and are often a barrier to change.

	Number of Respondents	Percentage
Valid Strongly Disagree	3	15
Disagree	7	35
Agree	9	45
Strongly Agree	1	5
Total	20	100

Source: Field Survey (July, 2015)

From the responses given, ten of the respondents representing 50% either indicated ‘agree’ or ‘strongly agree’ with the other half also indicating either ‘agree’ or ‘strongly agree’. The respondents’ position in one breadth contributes to the ongoing budget debate where the budget is criticized for not being flexible; and in another breadth supports Lucey’s position that such budgeting problems could precipitate as a result of badly handled budgetary systems with undue pressure or lack of flexibility in adapting to change.

4.5.1 Budgets add little value especially considering the time required to prepared

Respondents were requested to indicate whether Budgets add little value especially considering the time required to prepare. Table 4.23 summarizes their responses.

Table 4.23 Budgets add little value especially considering the time required to prepare.

	Number of respondents	Percentage
Valid Strongly Disagree	3	15
Disagree	8	40
Agree	9	45
Total	20	100

Source: Field Survey (July, 2015)

Table 4.23 depicts that, 9 respondents representing 45% indicated ‘agree’, 8 respondents representing 40% indicated ‘disagree’ and 3 respondents representing 15% indicated ‘Strongly disagree’. This means that, 55% of the respondents disagreed with the statement and therefore their response contrasts with some researchers’ position that one disadvantage with the budget is that it focuses on reducing cost instead of creating value.

4.6 Comparison of Budgetary Practices

Based on the analysis made so far, the following comparisons can be made of the budgetary practices of the schools as summarized in Table 4.24

Table 4.24 Comparison of Budgetary Practices

Details	Variable	Number of Respondents	Percentage
Budgeting Models	Incremental budgeting	8	40
	Zero-based Budgeting	12	60
	Total	20	100
Budget Committees	Strongly Disagree	2	10
	Disagree	5	25
	Agree	12	60
	Strongly Agree	1	5
	Total	20	100
Periodic Review of Budget	Strongly disagree	2	10
	Disagree	6	30
	Agree	8	40
	Strongly agree	4	20
	Total	20	100
Budgets constrain Responsiveness and Flexibility	Strongly Disagree	3	15
	Disagree	7	35
	Agree	9	45
	Strongly Agree	1	5
	Total	20	100
Stakeholders in Key Budget Decision	Strongly Disagree	12	60
	Agree	6	30
	Strongly agree	2	10
	Total	20	100
Lack of budgetary information	Strongly Disagree	4	20
	Disagree	7	35
	Agree	4	20
	Strongly agree	5	25
	Total	20	100
Performance Review Meetings	Strongly disagree	2	10
	Disagree	6	30
	Agree	8	40
	Strongly agree	4	20
	Total	20	100

Source: Field Survey (July, 2015)

With regard to budgeting models used in the schools, from table 4.24, twelve respondents representing 60% indicated that they used Zero-Based Budgeting (ZBB) in their schools whilst eight respondents representing 40% used Incremental Budgeting in

their schools. A deeper analysis of the responses reveals that the eight respondents were from two different schools whereas the twelve respondents were from three different schools. This is in line with CIMA's position that, Incremental budgeting is an alternative to Zero-Based Budgeting. It also supports Lucey's assertion that "budgets may be drawn up showing incremental effects on former budgeted or actual figures or be compiled by Zero-Based Budgeting."

In terms of presence of budget committees in the schools, from the table, the responses were positive with 65% indicating 'agree' or 'strongly agree'. Seven respondents representing 35% disagreed or strongly disagreed that their schools have budget committees in place. This means that, some of the schools do not have budget committees in place.

In terms of periodic review of budget, the respondents were asked to indicate whether the school budget was reviewed from time to time. The question sought to verify whether the respondents answered the question relating to performance review meetings with frankness and candour. Their responses as summarized in Table 4. 24 show that 8 respondents representing 40% either disagreed or strongly disagreed that, the school budget is reviewed from time to time. 12 respondents representing 60% either agreed or strongly agreed that the school budget is reviewed from time to time. This confirms the responses posed in relation to performance review meetings.

In responses to whether budgets limit responsiveness and flexibility and are often an obstruction to change, ten of the respondents representing 50% either indicated 'agree' or 'strongly agree' with the other half also indicating either 'agree' or 'strongly agree.' The respondents' position in one breadth contributes to the ongoing budget debate where the budget is criticized for not being flexible; and in another breadth supports Lucey's

position that such budgeting problems could precipitate as a result of poorly handled budgetary systems with unjustified pressure or lack of flexibility in adapting to change.

From the responses supplied as to whether the schools engaged their stakeholders in making key budget decisions, 12 respondents representing 60% strongly disagreed with the statement with 8 respondents representing 40% either agreeing or strongly agreeing. This gives an indication that even though some level of engagement is done, this may not be thorough or representative enough.

In response to whether there was lack of proper budgetary information for effective budgeting in their schools, eleven respondents representing 55% either disagreed or strongly disagreed that, there was lack of budgetary information for effective budgeting. Nine respondents representing 45% either agreed or strongly agreed that such budgetary information was lacking. Even though the IMF identifies lack of data and misleading data at the budget office as a common weakness of budgeting, 55% of respondents believe that, budgetary information for effective budgeting was available in the schools.

Also in response to whether school managers held budget meeting regularly to review performance, 8 respondents representing 40% either disagreed or strongly disagreed that, performance review meetings were held. 12 respondents representing 60% either agreed or strongly agreed that, such meetings were held regularly. The finding narrowly supports expert opinion that “budgeting involves adjusting mandates, objectives, resources and practices put in place to ensure the realisation of plans and tracking of performances”.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

The Chapter summarizes the findings, conclusion and recommendations based on the Study. The Study sought to undertake a study of the budgetary practices of some selected Senior High Schools in Ashanti Region of Ghana. It specifically sought to identify the nature of budgeting practices in five selected Senior High Schools, compare their budgetary practices, assess whether the budgetary practices of these schools meet best standards and to identify the problems the schools encounter in their budgetary practices.

5.1 Summary of Findings

5.1.1 The Nature of Budgetary Practices

The Study revealed that, all the schools prepared budgets and implemented budgets prepared. This revelation is corroborated by a hundred per cent ‘yes’ response indicated by the respondents under the two relevant questions posed in that regard. A high percentage of respondents stated that, the schools’ management issued budgeting guidelines which had clear goals and objectives to participants prior to the budget preparation period. The respondents were also unanimous in their position that the schools’ budgets spanned a twelve-month period.

The budgetary process is an important avenue of communication between top and middle management regarding the organization’s objectives and the practical problems of implementing those objectives and, when the budget is finalized, communicates the agreed plans to all the staff involved. The study revealed that, there was a 90% response indication of a proper communication during the schools’ budget preparation process.

The same percentage agreed leadership provided to subordinates by management during the budget execution was efficient and effective.

Finally, the study showed that managers of the Senior High Schools are aware of the fact that through budgetary participation, information sharing can be accomplished.

5.1.2 Compliance of the Schools' Budgetary Practices to Best Standards.

The research based on analysis of the above sub-heading revealed that, not all the schools have budget committees in place. About 35% of respondents did indicate that the schools do not have budget committees in place. A little over that percentage also indicated that the schools do not call for input from staff during budget planning. The analysis further revealed that even though the schools engaged their stakeholders in making key budget decisions, this is not thorough and representative enough. Almost all the departments in the schools also prepare their own budgets, and even though not all the schools have budget committees in place, those who have follow up on budget plans.

Additionally, all persons involved in management of the schools are of the position that planning is imperative to successful budget implementation. In spite of the fact that all the schools have budget policies that monitor budget spending, 40% of the respondents do not hold performance review meeting. The same percentage of the respondents hardly reviewed their schools' budgets from time to time.

5.1.3 Problems encountered by the Schools in their budgetary practices.

The analysis revealed that about 95% of respondents posited that, when management fails to issue clear policy and procedure, it places a limitation on the schools' budgets. The same percentage stated that whenever communication of the budget requirement is poor, the budget is challenged. A high percentage of respondents also concluded that, the

schools encountered the problem of poor forecast of budget figures, lack of co-ordination, and lack of proper monitoring and review of the budget plan. Half of the respondents, however, thought lack of skilled personnel to formulate and implement budget was not a challenge whilst the other half thought otherwise. The split could be due to the type and level of education of respondents as well as their work schedule.

The research also identified changing demands from the environment as one of the challenges the schools encounter in their budgeting practices. Respondents were of the opinion that when market demands and conditions are unstable and cannot be determined in advance, they place a limitation on budgeting.

Finally, most people involved in managing the schools think that budget preparation takes a lot of time and the cost involved in putting them together is huge.

5.1.4 Comparison among the Budgetary Practices of selected Schools.

Under this sub-heading, an attempt was made to compile and compare all the close responses supplied by respondents under the various research sub-themes. The Study revealed that the two main budgeting models used by the schools were Zero-Based Budgeting and Incremental Budgeting. Moreover, some of the Schools reviewed their budgets from time to time whilst others do not. Again, some of the schools do not have Budget Committees in place whilst others have.

The research also revealed that some school management hold performance review meetings whilst others do not. In addition, most schools do involve their stakeholders in key budget decisions but the level or the extent of engagement is not representative and thorough enough. In terms of lack of budgetary information being a challenge or not, some of respondents gave affirmation whilst others disagreed. Half of the respondents from the schools thought that budgets constrain responsiveness and flexibility and are

often a barrier to change, and were developed and updated too frequently whilst the other half disagreed.

5.2 Conclusion

The research was conducted with aim of looking at the nature of budgetary practices in practices in Senior high Schools in Ghana. Based on the summary of findings, it could be concluded that all the selected Senior High Schools prepare a 12-month budget and implement budgets prepared. It revealed that, the two main budgeting models used by the schools are Zero-Based Budgeting and Incremental Budgeting. The analysis showed that some of the schools do not have budget committees in place and also do not call for input from staff during budget planning. Again, there is the problem of poor forecast of budget estimates, lack of co-ordination and proper monitoring and review of the budget plan.

It can also be concluded that changing demands from the environment such as unstable market conditions and delay in releasing budgetary allocations place a limitation on the schools' budgets. Finally, school managers charged with the responsibility of budget preparation see budgeting as a time-consuming and cash-draining activity and therefore fail to conduct themselves in a way that would project their budgets prepared to meet best standards.

5.3 Recommendations

5.3.1 Setting up of Budget Committees.

The Ghana Education Service should ensure that all Senior High Schools set up vibrant budget committees in place. The committees should be properly resourced to see to the strict execution of the budget plan. As a matter of necessity, the Nation should think of establishing Budget Units in the schools to facilitate the work of the Budget Committees.

5.3.2 Forecast of Budget Estimates.

Moreover, budget estimates should be properly forecast to minimize the impact of changing demands from the environment on the budget. This could be achieved by conducting extensive market research, making judicious use of the relevant economic indicators churned out periodically by the Ghana Statistical Service Department and by referring to the schools' own previous projections for guidance.

5.3.3 Capacity Building

Again, School managers should be taken through refresher courses in budget planning and execution periodically for them to fully appreciate the important role budgets play in management of schools in general and Senior High Schools in particular. For instance, with introduction the Ghana Integrated Financial Management (GFMIS) in some of the Ministries, Departments and Agencies (MDAs), School Managers and stakeholders should be well versed in the rudiments of Programme Based Budgeting (PBB) for efficiency when it is fully rolled out.

5.3.4 Performance Review Meetings

Management should make sure that there are regular performance review meetings to monitor the progress of the budget. Through such meetings, the budget could be monitored, controlled and reviewed. When the budget is reviewed periodically, the estimates become more reliable and may even serve as a guide to subsequent budget planning. Moreover, such meetings would make stakeholders own the budget and go all out to see to the proper execution of the budget document.

5.3.5 Engagement with Stakeholders

All stakeholders should be involved in planning and execution of the budget document. The budget committee should make sure that inputs from staff and other stakeholders are thoroughly sought and incorporated into the budget document. This way, the budget would not be seen as an imposition but as a product of a collaborative effort from all stakeholders. When this is properly done, stakeholders would make demands within the budget in order not to throw the budget out of gear.

5.4 Recommendation for Further Research

The research focused on only five selected Senior High Schools in Ashanti Region of Ghana. Further research could be undertaken on some selected Senior High Schools in other regions of Ghana or the same region using a larger sample.

REFERENCES

- Adler, P.A And Adler, P.(2011). The Tender Cut Inside The Hidden World Of Self-Enquiry New York University Press ; New York.
- Anderson, Barry and Sheppard, J (2009) Fiscal Futures, Institutional Budget Reforms, and Their Effects: What Can Be Learned? OECD Journal on Budgeting 9(3):7-118.
- Amankwah, A.P. , (2014)An Insight into the Ghana Education Service 1st ed. Mobby Kreation, Kumasi-Ghana.
- Appiah-Mensah, K.B., (1993) Principles of Cost Accounting NABB Publications, Ghana.
- Bartle, J. R. (2008). Applying Pragmatism to Public Budgeting and Financial Management Texas: State University
- Bartle, J. R. (2001).Evolving Theories of Public Budgeting JAI, press.
- Bastida, Benito, and Bernardino (2009).Budget Transparency, Fiscal Performance, and Political Turnout: An International Approach. Public Administration Review.
- Bierman, J.H., (2010) An Introduction to Accounting and Managerial Finance: A merger of equals, World Scientific Publishing Co. Pte. Ltd., Singapore
- Bless, C. Higson-Smith, C. and Kagee, A (2006) Fundamentals of Social Research Methods: An African Perspective 4thed Cape Town. Juta & Co Ltd.
- Blumentritt, T. (2006) Integrating Strategic Management and Budgeting: Journal of Business Strategy, Vol. 27, No. 6; Emerald Group Publishing Limited; pp. 73-79
- Bodie, Z., and Merton, R..C. (2000) Finance Prentice Hall.

Brook H and Palmer, (1984) Cost Accounting principles and Applications 4th ed. San Francisco MC Graw-Hill Book.

Budget Statement and Economic Policy of the Government of Ghana (2015) Ministry of Finance, Ghana.

Bushman, Robert M., Joseph, D. Piotroski, and Abbie J. Smith (2004) What Determines Corporate Transparency? Journal of Accounting Research 42(2): 207-251.

Callahan, C. M. & Waymire, T. R. (2007). An Examination of the Effect of Budgetary Control on Performance: Evidence from Cities. Retrieved July 12, 2015 <http://papers.ssrn.com/sol3/papers.cfm>

Carr, J. Joseph, (2000). Requirements Engineering and Management: The Key to Designing Quality Complex Systems: The TQM Magazine Volume 12 No. 6 PP.400-407.

Chalos, P., and Poon, M. (2000) Participation and Performance in Capital Budgeting Teams. Behavioural Research in Accounting, 12, 199-229.

Chartered Institute of Management Accountants: Budgeting: Official Terminology Topic Gateway Series No 27 (2005): CIMA.

Cherrington D.J. (2003). Appropriate Reinforcement Contingencies in the Budgeting Process, Journal of Accounting Research, 225-53.

Cohen, L. Manion, L. and Morrison, K (2007) Research Methods in Education 6thed Routledge 2 park Square, Milton Park, Oxon .

Cooper, D.R and Emory ,W. (1995) Business Research Methods 5thed..Irwin.

Daum, J. (2002) Performance Management Beyond Budgeting: Why you should consider it, How it works, and Who should contribute to make it happen. The New Economy Analyst Report.

- Dobell, P. and Ulrich, M. (2002) Parliament's performance in the budget process: A case study. *Policy Matters*, vol. 3, no. 5, pp. 1-23. Retrieved: 10th July, 2015.
- Drake, P. P, and Fabozzi J. Frank (2010), The Basics of Finance: An Introduction to Financial Markets, Business Finance, and Portfolio Management. John Wiley and Sons Inc., Hoboken, New Jersey.
- Drucker, P. (1964), “Controls, Control and Management”, in Bonini, C. Jaedicke, R. and Wagner, H. (Eds), *Management Controls: New Directions in Basic Research*, McGraw Hill Book Company, New York, NY, pp. 286–296.
- Drury, C. (1997) Costing: An Introduction. London: Chapman and Hall
- Drury, C. (2006). Cost and Management Accounting 6th ed. Boston Irwin. McGraw-Hill, 422-471.
- Dunk, A.S. (2009). Budget Emphasis, Budgetary Participation and Managerial Performance: A Note. *Accounting, Organization and Society*, 14(4): , 321- 324.
- Egan, (1997).Industrial Organization: Theory and Practice. London: Oxford University Press
- Enzamel, M., and Hart, H (1987) Advanced Management: An Organisational Emphasis: London, Cassel.
- Erickson, D.A. and Reller, T.L. (1978) The Principal in Metropolitan Schools. United States of America: McCutchan Publishing Corporation.
- Evans, J. and Gold, A. (1998): Reflecting on school management. Hong Kong: Falmer Press.
- Fernandez-Revuelta Perez, L. & Robson, K. (1999). Ritual Legitimizing, Decoupling and the Budgetary Process: Managing Organizational Hypocrisies in a

- Multinational Company'. Management Accounting Research, vol. 10, pp. 383-407
- French, J.R.P, Kay, E. and Meyer, H.H. (1966) "Participation and the Appraisal System" The Human Relations Journal 19, 1 February, 3-20 .Retrieved:27th June 2015.
- Frow, N., Marginson and Ogden, S. (2005) Encouraging Strategic Behaviour while maintaining Management Control: Malfunction project Teams, Budgets and the negotiation of shared Accountability in contemporary enterprises. Management Accounting Research, 16 (3),269-292
- Garrison, R.H., Noreen, E.W., and Seal, W. (2003) Management Accounting: New York
- Ghana Local Government Act (1993) Composite Budgets: Ministry of Local Government, Ghana.
- Goode, M. and Malik, A. (2011), 'Beyond Budgeting: The Way Forward?', Pakistan Journal of Social Sciences, vol. 31, no.2, pp. 207-21
- Gitman, L.J. (2006). Principles of Managerial Finance, Reading Addison Wesley, 9th ed.
- Government of Ghana Education Strategic Plan 2010 - 2020 Volume 1 Policies, Strategies, Delivery and Finance.
- Hansen, S.C., Otley, D.T. & Van der Stede, W.A.(2003). Practice Developments in Budgeting: An Overview and Research Perspective. Journal of Management Accounting Research, vol. 15, pp. 95-116.
- Heald, David. 2003. Fiscal Transparency: Concepts, Measurement and UK Practice. Public Administration. 81 (4): 723-759.
- Hofstede, G.H. (1968) "The Game of Budget Control" London, Tavistock.
- Hope, J., Fraser, R. (2003); Who Needs Budgets? Harvard Business Review; pp. 108-115.

- Hopwood, A.G. (1976). “Management Accounting and Human Behaviour”: Prentice Hall, 1976.
- Horngren C, Forster D and Datar (1997) Cost Accounting a managerial Emphasis San Francisco, A Simon and Schuster co.
- Horngren, C.T., Foster, G., Datar, S.M.,(2000) Cost Accounting 10th Edition; Prentice Hall; Upper Saddle River.
- Horngren et al (2008). Task uncertainty and its interaction with budgetary participation and budget emphasis: some methodological issues and empirical investigation. Accounting, Organizations and Society, 16, 693-703.
- International Monetary Fund (1999) Potential Weaknesses in Budget Preparation: IMF
- Institute of Cost and Management Accountants. Meaning of Budget. Official Terminology. I.C.M.A, London.
- Kaufmann, D. and Bellver, A. (2005) “Transparenting Transparency : Initial Empirics and Policy Applications.” World Bank Policy Research Paper
- Kiringai, J. A (2002) Budget Reforms and Medium term expenditure framework in Kenya, KIPPRA, working, Nairobi, . Nairobi: Kenya Institute for Public Policy , Research and Analysis.
- Jones, T.A. (2008), “Improving Hotel Budgetary Practice—a Positive Theory Model”, International Journal of Hospitality Management, 27, pp.529–540
- Jones, T. (1998) UK Hotel Operators use of Budgetary Procedures: International Journal of Contemporary Hospitality Management, pp 96-100
- Kopits , George and Jon, C. (1998) Transparency in Government Operations: IMF Occasional Paper No. 158. <http://www.imf.org/external/pubs/ft/op/158/op158> Retrieved 10th July, 2015.

- Kyei, P. S, (2012) Composite Budget Manual for MMDAs Ministry of Finance, Ghana.
- Lucey, T., (1996) Costing: 5th ed. Letts Educational, Aldine Place; London W12 8AW
- Luft, J., (1997). "Long-term Changes in Management Accounting: Perspectives from Historical Research", *Journal of Management Accounting Research* 9, 163-197.
- Lyne, S.R. (1988) The Role of the Budget in Medium and Large UK Companies and the Relationship with Budget Pressure and Participation. *Accounting and Business Research*, vol. 18, pp. 195-212
- McLaney, E. J, and Atrill, P. F, (1999) Accounting: An Introduction, London: Prentice Hall.
- Merchant, K.A. (1990).The Design of the Corporate Budgeting System: Influences on Managerial Behaviour and Performance. *Accounting Review* , 56(4), 813-829.
- Merchant, K.A. & Van der Stede, W.A. (2012) Management Control Systems: Performance Measurement, Evaluation and Incentives. Harlow: Financial Times Prentice Hall.
- Needles, S. C. (2011). Managerial Accounting. Nason , USA: South Western Cengage Learning.
- Nieman, T. and Bennett, W. (2002):Business management: A Value Chain Approach.Pretoria: Van Schaik Publishers.
- Orlando, J. (2009)Turning Budgeting Pain into Budgeting Gain. *Strategic Finance*, vol. 90, pp. 47-51
- Perrin, R. F. (2012). Human Factors in Budgeting. Retrieved June 7th, 2015, from http://www.accountingformanagement.com/human_factors_in_budgeting.htm
- Pietrzak, Z. (2013) 'Traditional versus activity-based budgeting in nonmanufacturing companies', *Social Sciences*, vol. 82, no. 4, pp. 26-37

Raghunandan, M., Ramgulam N. and Raghunandan-Mohammed, K. (2012) 'Examining The Behavioural Aspects of Budgeting with Particular Emphasis on Public Sector/Service Budgets', International Journal of Business and Social Science, vol. 3, no. 14, pp. 110 – 117

Report of The Auditor-General on the Public Accounts of Ghana, Pre-University Educational Institutions for the Financial Year ended 31 December, 2010.

Robinson, M. (2007), Performance Budgeting: Linking Funding and Results Palgrave Macmillan, New York.

Robinson, M.2006. "Budget analysis and policy advocacy: The role of non-governmental publication." IDS Working Paper 279, Institute of Development Studies.

Russell K.S.,(2006) "Investigating the Social World," : The process and practice of social Research 5th ed.). PineForge Press;

Samuelsson (1999)<http://swoba.hhs.se/hastba/papers/hastba0005.pdf> Retrieved:07/07/15

Scarlett, R. (2008). Official Learning System . Oxford: CIMA Publishing.

Scott, W.R. (2005). Information Processing: Creating Organizations. Englewood Cliffs, NJ: Prentice Hall

Sekyere, E.A (2014) Teachers' Guide. 12thed. Afosek Educational Consult Kumasi, Ghana

Shah, A. (2007) Participatory Budgeting Public Sector Governance and Accountability Series: The International Bank for Reconstruction and Development/ The World Bank, Washington.

Shields, J.F., and Shields, M. D. (1998).Antecedents of Participative Budgeting: Accounting, Organization and Society, 23(1), 49-76.

Shim, J.K., Siegel, J.G. (2009): Budgeting Basics and Beyond (2nd Edition); John Wiley & Sons, Inc.

Suberu, S.B. (2010). Budgeting Strategies In Selected Federal Polytechnic Libraries In Nigeria. Samaru, Journal of Information Studies, 10(1):1-7

Subramaniam, N., and Ashkanasy, N.M. (2001).The Effect of Organizational Culture Perceptions on the Relationship between Budgetary Participation and Managerial Job-Related Outcomes: Australian Journal of Management, 26(1), 35- 54. University Press.

Surajkumar, P. (n. d.) A Study of “Budgetary Control System as a Tool of Finance Control” Need and Importance. Retrieved June 08, 2015, from <http://www.scribd.com/doc/13044904/Needand-importance-of-budgetary-control-system>

Tennessee Board of Regents (2006) The Meaning of Budgeting. Official Terminology.

Van Deventer, I. and Kruger, A.G.(2005). An educator’s guide to school management skills Pretoria: Van Schaik.

Vander Stede W.A(2000), The relationship between two consequences of budgetary controls; Budgetary slack creation and Managerial short term Orientation , Accounting Organizations and Society,25(6),pp 609-622.

Wallander, (1999)“Budgeting- unnecessary evil”, Scandinavian Journal of Management, 1999, 15, 402–421

www.moe.gov.gh/docs/ESR.reports. Retrieved on 27th June, 2015.

APPENDIX I

QUESTIONNAIRE FOR HEADMASTERS/HEADMISTRESSES, ASSISTANT HEADMASTERS/MISTRSES, PRINCIPAL ACCOUNTANTS (BURSARS) AND MATRONS

Dear Respondent,

I am a Master of Business Administration (MBA) student of the School of Business, KNUST. As part of the programme, I am required to write a thesis whose title is: **‘Budgeting practices in Senior High Schools in Ghana; A Comparative Study of Some Selected Schools in Ashanti Region’**. As a key stakeholder, you have been selected to participate in the survey. I would be very grateful if you could complete this questionnaire by ticking (✓) in the space provided where applicable. It is purely for academic purpose and any information given would be treated with utmost confidentiality. I thank you in advance for your co-operation.

SECTION ‘A’: PERSONAL DATA

1. Gender? Male () Female ()

2. What is your qualification? Please tick the highest.
DBS/ RSA () HND () First Degree () Second Degree ()
Other.....

3. How long have you worked in the school?
1-5yrs () 6-10yrs () 11- 15yrs () Over 15 yrs ()

4. What is your current position?

5. What is your present rank?
.....

SECTION B: THE NATURE OF BUDGETARY PRACTICES

No	Item	Response (Please tick the appropriate option)
6	Do you prepare budget for the school?	Yes { } No { }
7	Are the budget prepared implemented?	Yes { } No { }
8	Which of the following types of budgeting models do you use?	(a) Incremental budgeting { } (b) Zero-based budgeting { } (c) Rolling budget { } (d) Flexed budget { } (e) Other specify).....
9	Budgeting guidelines issued prior to preparation of budget are clear to the participants	a. Strongly disagree { } b. Disagree { } c. Agree { } d. Strongly agree { }
10	The budget has clear goals and objectives.	a. Strongly disagree { } b. Disagree { } c. Agree { } d. Strongly agree { }
11	The school budget takes a 12-month period	a. Strongly disagree { } b. Disagree { } c. Agree { } d. Strongly agree { }
12	There is proper communication during the process of budget preparation	a. Strongly disagree { } b. Disagree { } c. Agree { } d. Strongly agree { }
13	Leadership provided to the subordinates by management during budget execution is efficient and effective	a. Strongly disagree { } b. Disagree { } c. Agree { } d. Strongly agree { }
14	Budgets encourage knowledge sharing	a. Strongly disagree { } b. Disagree { } c. Agree { } d. Strongly agree { }

SECTION C: COMPLIANCE TO BEST STANDARDS

15	The school has a budget committee	a. Strongly disagree { }
		b. Disagree { }
		c. Agree { }
		d. Strongly agree { }
16	The school calls for input from staff during budget planning	a. Strongly disagree { }
		b. Disagree { }
		c. Agree { }
		d. Strongly agree { }
17	The school engages its stakeholders in making key budget decisions	a. Strongly disagree { }
		b. Disagree { }
		c. Agree { }
		d. Strongly agree { }
18	Departments in the school prepare their own budget proposal prior to the budget year	a. Strongly disagree { }
		b. Disagree { }
		c. Agree { }
		d. Strongly agree { }
19	There is regular follow up on budget plans by budget committee	a. Strongly disagree { }
		b. Disagree { }
		c. Agree { }
		d. Strongly agree { }
20	Planning is imperative to the to the success of your budget implementation	a. Strongly disagree { }
		b. Disagree { }
		c. Agree { }
		d. Strongly agree { }
21	The school has budget policies that monitor budget spending	a. Strongly disagree { }
		b. Disagree { }
		c. Agree { }
		d. Strongly agree { }
22	School managers hold budget meeting regularly to review performance	a. Strongly disagree { }
		b. Disagree { }
		c. Agree { }
		d. Strongly agree { }
23	The school budget is reviewed from time to time	a. Strongly disagree { }
		b. Disagree { }
		c. Agree { }
		d. Strongly agree { }

SECTION D: PROBLEMS IN BUDGETARY PRACTICES

24	Lack of clear policy and procedure is a challenge on budget	a. Strongly disagree { } b. Disagree { } c. Agree { } d. Strongly agree { }
25	Poor communication of the budget requirement is a challenge on budget	a. Strongly disagree { } b. Disagree { } c. Agree { } d. Strongly agree { }
26	Lack of proper monitoring and review is a challenge on budgeting	a. Strongly disagree { } b. Disagree { } c. Agree { } d. Strongly agree { }
27	One of the challenges of budgeting in our school is changing demands from the environment	a. Strongly disagree { } b. Disagree { } c. Agree { } d. Strongly agree { }
28	Lack of skilled personnel to formulate and implement budget is a challenge on budgeting	a. Strongly disagree { } b. Disagree { } c. Agree { } d. Strongly agree { }
29	Poor forecast of budget estimates is a challenge on budgeting	a. Strongly disagree { } b. Disagree { } c. Agree { } d. Strongly agree { }
30	Lack of proper co-ordination is a challenge on budget	a. Strongly disagree { } b. Disagree { } c. Agree { } d. Strongly agree { }
31	There is lack of budgetary information for effective budgeting	a. Strongly disagree { } b. Disagree { } c. Agree { } d. Strongly agree { }
32	Budgets are time consuming and costly to put together	a. Strongly disagree { } b. Disagree { } c. Agree { } d. Strongly agree { }

33	Budgets are developed and updated too frequently usually annually	a. Strongly disagree { } b. Disagree { } c. Agree { } d. Strongly agree { }
34	Budgets constrain responsiveness and flexibility and are often a barrier to change	a. Strongly disagree { } b. Disagree { } c. Agree { } d. Strongly agree { }
35	Budgets add little value especially considering the time required to prepare them	a. Strongly disagree { } b. Disagree { } c. Agree { } d. Strongly agree { }