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Research Article

Budgeting And Budgetary Control Predictors of Financial Performance in Ghana: An Analytical Review Of Community-Based Credit Unions (CCUs)

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ABSTRACT

Credit unions have been in existence in Ghana for decades and have impacted positively on the lives of many citizens. The unions provide financial services to people in remote areas which facilitates economic growth and poverty alleviation. In spite of their crucial role, it is unclear what factors impact their performance. Our study sought to assess how budget and budgetary control activities contribute to the performance of credit unions in Ghana. The study adopted a cross sectional descriptive research design. We selected 27 out of 35 community-based Cooperative credit unions as study sites. We collected data using a questionnaire. Thematic content analysis was used to analyze the data. The findings show that budgeting activities (such as budget planning, implementation, evaluation, etc), contributed to the performance of credit unions. We recommend that the management of credit unions provide adequate resources to ensure efficient preparation and implementation of budgets.

Keywords: Community-based Credit Union, Budgeting, Budgetary Control, Ghana.

Introduction

Globally, Community-based Cooperative Credit unions have been widely accepted as one of the unavoidable tools for social and economic development. According to Amenya & Ombui (2016), over one million people actively associate themselves with credit unions all over the world. Cooperative credit unions have become strategic tools for enhancing savings mobilization, managing poverty among members, and above all meeting the financial expectation of the marginalized in society. The financial sector including credit unions contributes to the growth of national economies by promoting the culture of savings and financing productive viable investments (Niyi Oladipo & Olusegun, 2020). Credit unions also encourage many people, the rich, the poor, and business persons in particular, to save money, invest in productive ventures, spread their risk, and have access to credit. Among all these, the most essential role fulfilled by credit unions is the financial intermediation aimed at providing economic prosperity among communities' members(Moraa Amenya & Andrew Ombui, 2016) (Amenya & Ombui, 2016).
Furthermore, resilient and efficient cooperative credit unions continue to exercise their role in poverty reduction and promoting the economic well-being of members (Sakitri, 2020). Well-organized and well-functioning cooperative credit unions with sound and structured financial systems facilitate the efficient allocation of financial resources from those with excess money to those who require excess money (financial intermediaries)(Guinnane et al., 2001).
Undeniably, credit unions across the globe provide both economic and social opportunities with a financial and social concept and further make available both financial and social opportunities aimed at bridging the gap between the financial market and those who cannot have access to commercial banks (*Vrajlal K. Sapovadia | IDEAS/RePEc*, n.d.) The corporative credit union concept offers a vast range of financial services to its members. This implies that a cooperative credit union offers its members greater flexibility to meet both their financial and social needs (Ansah & Sakyiwaa, 2020).
The continued relevance of credit unions is demonstrated in their capacity to among other things provide financial and non-financial resources to their members, create jobs, and enhance the general well-being of their

members. Credit unions also have the economic power and the technical ability to mobilize enough resources for their members and well-wishers for their financial enhancement (Irumba & Alinaitwe, 2019). Credit unions are noted for establishing and nursing microfinance groups, promoting and creating more credit facilities, expanding volumes of savings, creating volumes of loan facilities, and accumulating capital goods for better business performance (Irumba & Alinaitwe, 2019). Additionally, the core operations of credit unions mandate them to mobilize savings, provide financial literacy, and granting of credit to members who typically would have found it difficult to either save money, borrow money, or receive financial literacy from other financial institutions(Coen et al., 2019).

From the foregoing, it is clear that credit unions develop and promote a savings culture among its member (Ansah & Sakyiwaa, n.d.). A culture of savings is crucial for planning in terms of investments and expenditures. Financial accessibility is created and members tend to engage in viable business opportunities(Hezron & Muturi, 2015). In realizing the immense contributions of credit unions to development, it is imperative to ensure that they operate within a profitable space. It is also essential to ensure that credit unions just like any business venture perform well. Given its significance to the global and local economy, the financial performance of credit unions remains imperative.

Many questions remain on the performance of credit unions and the factors that account for this. How do stakeholders determine the performance of credit unions? What factors influence the financial performance of credit unions? Some researchers have attempted to establish the factors which influence the growth and sustainability of credit unions. One of the often-cited findings of past research is that determinants can be grouped into two broad categories. Using the yardstick of what appears on the financial statement of organizations, pre and post-determinants of performance are suggested. Pre-determinant factors refer to those that influence financial performance but do not appear on the financial statements. These include budgeting and budgetary control, financial environment, employees/management, and regulatory environment.

Post determinants on the other hand refer to those factors which influence financial performance and appear on the financial statement. These include liquidity, net assets, total assets, “return on assets”, “return on capital employed” net profit, gross profit, “return on equity,” and many more (Hezron & Muturi, 2015).

As listed earlier, one of the pre-determinants of the performance of a credit union is to examine its mechanism for budgetary control. Budgetary control entails the setting of standards and strategies, ascertaining actual performance, recording variance, and investigating variance resulting from mismatched actual performance and standards (Rayees, 2022),(Ng’wasa, 2017). Budgeting and budgetary control involve a system formulated to control cost, improve resource mobilization and measure performance by comparing standards. Ineffective budgetary control may result in dysfunctional operations and failure to meet set objectives. Budgeting and budgetary control is also regarded as an economic strategy that facilitates and ensures financial targets are achieved (Niyi Oladipo & Olusegun, 2020).

The advantage of budgeting and budgetary control in government and non-governmental organizations is that it facilitates and ensures financial planning, financial evaluation, and control to ensure effective and efficient achievement of financial management goals(Cheng et al., 2016; Dakurah, 2020; Irumba & Alinaitwe, 2019). Despite this, some authors have cautioned that budgetary control usually concentrates on reducing a firm total cost without necessarily considering adding value (Okumu (2021). Again, budgetary control could promote adverse behavior and encourage blockages in departments.

Several authors have investigated the relationship between budgetary control and firm performance. For instance, (Boama-Secu, 2019) studied budget planning of small and medium-scale enterprises in Ghana and found that the intensity of budget planning brings about improved profitability of small-scale enterprises. The study revealed a positive relationship between budget planning and the profitability of small and medium-scale enterprises. Similarly, (Koech, 2015) conducted a study on the role of budget planning on the profitability of selected manufacturing companies in Kenya. The results of this study revealed that the profitability of companies improved when firms carried out budget planning. The study concluded that budget planning is a major determinant and a significant positive contributor to profitability in manufacturing companies in Kenya Another Kenyan study on the assessment of the impact of budget implementation on the development index used compliance rate to measure financial performance. According to this study, budget implementation is a major predictor of the development index and compliance rate (Mutungi, 2017). In a study by Nakajja (2019) on the assessment of the impact of budget monitoring on an increase in profit, increase in volumes of sales, increase in market share, and growth of firm of microfinance institutions in Uganda, there was a linear relationship between budget monitoring and financial performance of microfinance institutions. Kibunja (2017), revealed that more effective budget monitoring and evaluation yields better spending as per the appropriation. Also, better budget monitoring and evaluation contribute to better working capital ratios and therefore budget monitoring and evaluations have a strong and positive relationship with financial performance. Motivated by the results of the numerous studies above, this study explored the impact of budget and budgetary control on the financial performance of community credit unions in Ghana. The aim was to examine the impact of budget and budgetary control, particularly on the Net assets and Total assets of Community-based credit unions in Ghana.

Methodology

Data for this study were gleaned from a larger study aimed at assessing the pre-determining factors contributing to credit union performance in Ghana. This study employed a descriptive-analytical research design that aimed at examining the impact of budget and budgetary control on the performance of community-based credit unions in Ghana. The choice of this design is because it allowed for the comparative and in-depth assessment of issues considered necessary to the study.

Study population and Sample

The sampling technique adopted for the population of the study is stratified where Ghana was divided into three zones, namely the northern belt, the middle belt, and the southern belt. This division is in line with the stratifying sampling method. The division is also to ensure inclusiveness. Information required for this study is purely managerial and therefore only managers of the community-based credit unions were selected. The study divided Ghana into the southern belt, middle belt, and northern belt to ensure inclusions and conveniences. Nine credit unions, three from each category (large, medium, and small) were selected from each belt. In all, a total of 27 credit unions were used as study sites, and managers or their representatives of these Unions were selected to participate in the study.

Data Collection Instrument and Procedure

Primary data were obtained with a well-structured questionnaire administered to the respondents in this case the Managers, while the secondary data were obtained from the annual financial statement of the community-based credit union from the Credit Union Association of Ghana (CUA) the regulator. Managers were asked relevant questions relating to budget and budgetary control with a well-designed questionnaire. Also, five years of auditors' financial statements of credit unions were sourced from the regulator (CUA Limited). Questionnaires were self-administered by the selected respondents of the identified credit unions. Follow-ups were made to obtain additional information and seek clarification to answers when the need arose.

Data Analysis

A descriptive analytical design was used for data analysis. This involved a comparative synthesizing of data collected from the various respondents representing their credit unions. Some direct questions were also asked to help establish the influence of budget and budgetary control on Net and Total Assets.

Before analysis questionnaires were examined to ensure the completeness of responses. Responses were then coded and processed manually for analysis. Thematic content analysis was applied to organize the data and to generate findings for the key research questions of the study. Tables with frequency distributions were created and used to present some aspects of the data. This was augmented by verbatim quotes gleaned from the questionnaires.

Results

The study explored the impact of the budget and budgetary control process on the financial performance of community-based credit unions in Ghana. To achieve this, data on budgetary planning, budget implementation, budget monitoring, and evaluation were collected and analyzed. The overall impact of budgetary control on the performance of credit unions was also assessed. A budget is a basic framework for a company's finances that details possible future activities and provides a tool for forecasting assets, income, and expenses for the fiscal year or any other period.

Budget Planning

Terms of the process's variables used to assess the processes included; data on budgeting for every financial year, the existence of a functional budget committee, whether CCU prepared a budget timetable, preparation of departmental budgets, and whether enough resources were provided for departmental/master budgets preparation. The information is summarized in the following table.

Table 1 Budget Planning of CCUs

Budget Planning	Yes n (%)	No n (%)	Uncertain (%)	Mean	STD Deviation
Community-based co-operative credit union prepares budget every financial year	27 (100)	-	-	2.00	.000
Functional Budget committees exist in Community-based cooperative credit unions	14 (51.9)	12 (44.4)	1 (3.7)	1.48	.580
Community-based co-operative credit union prepares budget time-table	16 (59.3)	8 (29.6)	3 (11.1)	1.48	.700
Community-based Co-operatives credit Union Departments prepare departmental budgets	15 (55.6)	12 (44.4)	-	1.56	.506
Enough resources provided for departmental/master budgets preparation	15 (55.6)	8 (29.6)	2 (7.4)	1.56	.641

Source: Field Work, 2022

Results in Table 1 exabit that, five (5) items were selected to measure the impact or contribution of budget planning to the financial performance of the community-based co-operative credit union. For example, it was found that all (100%) (27) community-based co-operative credit unions prepared budgets before each fiscal year to cover all expected revenue and expected expenditure of their unions and that budget preparation guided their operations and had an impact on their financial performance with a mean of 2.00 and standard deviation of .000. The study also indicated that on average 51% (27) of Community-based co-operatives credit unions had a working functional budget committee to guide and ensure the preparations of strategies and budgets. The existence of a budget committee impact on financial performance with a mean of 1.48 and a standard deviation of .580.

The study also revealed that 59.3% (27) of the respondents attested that a budget schedule and budget timetable are prepared to guide and regulate the preparation of budgets. This also impacted the financial performance with a mean of 1.48 and a standard deviation of .700. from the study 55.6% (27) of the respondents agreed that departments are allowed to prepare departmental budgets to cover specific departments for the onward preparation of annual master budgets. This has had an impact on the community-based co-operative credit unions' financial performance with a mean of 1.56 and a standard deviation of .506. Finally, on budget planning, the mean score of the respondents was 1.56 and a standard deviation of .641 which indicated that respondents of 55.6% (27) agreed that community-based co-operatives credit unions provide sufficient resources at the right time to prepare departmental budgets and onwards preparations of the master budget is a determinant of financial performance. According to a previous study, budget planning and strategy development are the first steps in achieving short, medium, and long-term goals and objectives of community-based cooperative credit unions. For example, if community-based co-operative credit unions can develop a good strategy and comprehensive budgets that covered all the operational areas would facilitate the expansion and growth of their operations and also sustain profitability. Nonetheless, the existence of budget committees facilitates budget development and also promotes cross-departmental reconciliation for resource utilization, harmonization, and maximization. This is how the budget services prove to be proven to the potential lenders. A budget is a basic framework for your company's finances that details past performance and provides a tool for forecasting assets, income, and expenses for the fiscal year or any other period. Table 5 below presents the budget implementation process as acknowledged by respondents.

In addition to this, respondents were asked how the preparation of yearly budgets impacted their performance. Some of the answers were that staff felt involved in the operations of the credit union and encourage staff to give their best. Secondly, management can identify all necessary activities that would promote performance. Additionally, a respondent narrated that;

"Budget provides the road map of income and expenditure that would maximize resource and minimize expenditure. Budget help in the efficient allocation of resources and also utilization of assets. It helps in promoting the useful life of assets".

The above results imply that for the most part, CCUs in the study area had budget committees that developed a schedule or timetable for proper harmonization of the preparations and development of both departmental and master budgets even including budget review. Similarly, respondents were asked to indicate the impact of the budgetary committee on performance. Critical among the responses were that:

"Budget committee facilitates timely preparation of the budget. Committee helps to save time and cost". The committee allows staff to include in the budget all revenue sources and cash generation units". The committee only includes the justified cost. The committee prevent misuse of resource and hence increase the wealth of the credit union"

On the preparation of timetables and their effects on performance, most respondents alluded to the fact that the presence of timetables saved time and other costs. A respondent reported that;

"Budgetary timetable saves time and resources. Without the timetable more days could be spent in the preparations of the budget".

Another respondent intimated that; *"Increase the morale of employees to work harder to maximums the wealth of the credit union through full participation"*.

Interestingly, some were of the view that budget timetables did not have any impact on the performance of the credit union. Two such responses are presented below;

"Budget timetable has no direct influence on performance because we don't prepare time table"

"Time table gives directions to budget meetings yet it does not contribute to the growth of assets".

On how the provision of resources for departmental budgets influenced the overall performance, respondents asserted that,

"Resource equips our departments to hold the required meetings to identify profitable activities. Our staff is happy and ready to work harder to improve the fortunes of the union. Resource facilitates the implementation of the budget to maximize returns and improve on assets".

Budget Implementation

In addition to budgetary planning, the study also reviewed the implementation processes. To this end, information on employees' knowledge of budget lines and responsibilities, departmental heads taking responsibility for budget implementation, management meeting budget timelines submission of monthly progress reports to the Board of directors, and the provision of the necessary materials for smooth implementation of the budget was examined.

Table 2 Budget Implementation

Budget Implementation	Yes n (%)	No n (%)	Uncertain n (%)	Mean	STD Deviation
Community-based cooperative credit union employees know budget lines and responsibilities	22 (81.5)	5 (18.5)	-	1.81	.396
Community-based cooperative credit unions' departmental heads take responsibility for budget implementation	23 (85.2)	1 (3.7)	3 (11.1)	1.74	.656
Community-based co-operative credit union management meets budget time-lines	25 (92.6)	2 (7.4)	-	1.92	.267
Monthly progress report provided to Board of directors	25 (92.6)	2 (7.4)	-	1.93	.267
Management provides the necessary materials for the smooth implementation of the budget	26 (96.3)	1 (3.7)	-	1.96	.192

Source: Field Work, 2022

From above table 2, five critical questions were used to ascertain the influence of budget implementation on the financial performance of community-based credit unions. Jayawarsa, Ekajayanti, et al. (2019) argued that regulatory intervention and information clarity have a profound impact on credit union budget implementation. After budget planning, as shown by the five responses in Table 5 above, budget implementation is very critical in predicting the financial performance of community-based cooperative credit unions. From the study results, the items under budget execution scored between 80% (27) and 96.3% (27). For example, 96.3% (27) of all respondents indicated that management provides the necessary materials and education for smooth implementation of the budget which had an impact on the financial performance with a mean of 1.81 and a standard deviation of .396. Moreso, 85.2% (27) of the respondents detailed that the departmental head of the community-based credit unions takes full responsibility for their budgets and also ensures smooth implementation. This has impacted financial performance with a mean of 1.74 and a standard deviation of 0.656. The mean and the standard deviations scored for the responses were 1.92 and .267 respectively which indicated that many of the respondents 92.6% (27) agreed that management and staff meeting budget timelines regularly is a key determinant of the financial performance of community-based co-operative credit unions.

The study also revealed that 92.6% (27) of the respondents demonstrated that regular and monthly reports by management to the Board of Directors relating to the progress of implementations enable BOD to take responsibility and also ensure smooth implementation within the budget period which had an impact on the financial performance with a mean of 1.93 and a standard deviation of .267. Finally, on budget implementation, 96.3% (27) of the respondents agreed that BOD and management provide the necessary materials that would facilitate the smooth implementation of the budget which influenced the financial performance with a mean of 1.96 and a standard deviation of.192 These higher percentages indicate that most CCUs have prioritized budget execution. This allows them to work within budget lines to reduce risks that could otherwise negatively impact their income and performance in the end. This is possible because budget implementation processes outline necessary guidelines and possibly resources for smooth implementation. For example, Onduso (2013) postulates that there is a strong correlation between budget implementation and financial performance, leading to an increase in assets (return on assets).

For instance, respondents alluded to the fact that employees were mindful not to exceed the budgeted expenditure because they are solely their inputs, and worked hard to execute their budget lines because their appraisals depend on that. A respondent averred that,

"Budgeted activities are well coordinated and ensure proper execution when employees know the budget". Employees can reconcile conflicted budget activities and can lead to cost reductions".

Similarly, respondents were asked to explain how departmental heads took responsibility for budget implementation to improve performance. Some respondents indicated that, among others.

"Heads of departments ensured activities are carried out at the right time in order maximize revenue and minimize cost, coordinated all the departmental activities to promote efficiency and effectiveness and also save cost and also ensure timely implementation of the departmental budget to maximize returns".

Additionally,

"Departmental heads can justify any termination or cancellation of any activity which may not be able to yield the required and expected returns. Heads of departments help to provide strategies in the budgets that are to ensure efficiency and also maximize revenue".

It was also ascertained that management meeting budget timelines impacted the performance of the unions. The following are comments of respondents to that effect.
"Budget committees can save the cost of the meeting when able to work within timelines. It proves that management and staff are efficiently leading to utilizing time saved for other viable opportunities. Hence, Management is very optimistic about achieving targets and improving performance.
Similar to the above, Managers' monthly submission of progress reports provided to the Board of Directors was also deemed to influence performance. Respondents submitted that monthly reporting to a board of directors improves the reporting standards of the union and brings checks and balances. When this happens a respondent contended that;
"The Board of Directors had the monthly opportunity to contribute and guide activities that would improve assets and minimize liabilities". The regular monthly reporting to the board improves management stewardship and transparency and also builds confidence among management and the Board of Directors".
Finally, the views of respondents on the impact of the provision of the necessary materials for smooth implementation of the budget on the performance of Unions were explored. The findings indicate that management would be able to produce a quality and comprehensive budget, help staff to work, and save enough time for other important activities. The time saved therefore increases the value of assets and reduces liabilities. A respondent claimed that;
Materials are sometimes costly and increase the cost of papering budget but it facilitates the smooth preparation of a budget. Sometimes it's difficult for management to provide material at the right time or even the right material needed.

Budget Monitoring and evaluation

The study also examined the contribution of budget monitoring and evaluation and assessment strategies to credit union financial performance. The rationale was to ascertain whether credit unions have in place appropriate budget monitoring and evaluation policies to improve financial performance.

Table 3 Budget monitoring and evaluation

Budget Monitoring and evaluation	Yes n (%)	No n (%)	Uncertain n (%)	Mean	STD Deviation
The budgeting process is duly followed by management and Board.	23 (85.2)	3 (11.1)	1 (3.7)	1.81	.483
Budget monitoring and evaluations assist management to assess the level of performance.	23 (85.2)	2 (7.4)	2 (7.4)	1.78	.577
The budget officer tracks budget items	16 (59.3)	8 (29.6)	3 (11.1)	1.48	.700
The Budget receives Board approval before implementation.	26 (96.3)	-	1 (3.7)	1.93	.385
Unbudgeted expenditures are reported to BoD for approval.	25 (92.6)	2 (7.4)	-	1.93	.267

Source: Field Work, 2022

As shown in Table 3, the study also solicited opinions on the contribution of budget monitoring and evaluation strategies to credit union financial performance. Respondents shared varied responses on budget monitoring and evaluation indicating that community-based Cooperative credit has effective budget monitoring and evaluation policies in place to improve consistency and standards and also improve financial performance. For example, the majority of respondents indicated that community-based Cooperative credit unions attach great importance to budget monitoring and evaluation ranging from 59.3% (27) to 92.6% (27). (85.2%) (27) of the respondents confirmed that the budget process is duly followed by management and Board during budget preparations. This ensures that all concern areas are fully covered to ensure inclusiveness. This action impacted the financial performance with a mean and standard deviation of 1.81, and .483 respectively. The study also indicated that 85.2% (27) of the respondents indicate that budget monitoring and evaluations assist Community-based cooperative credit unions to measure and obtain the level of performance at any point in time. This contributes to financial performance with a mean of 1.78 and a standard deviation of .577.
The study also resolved that budget officers and committee members strictly tracts budget items for implementation in other to ensure completeness and also encourage full utilization of strategies. 59.3% (27) of the respondents agree that effective budget tracking contributes to financial performance with mean and standard deviations of 1.48 and .700 respectively. The study also revealed that 96.3% (27) of the respondents exhibit that management never starts budget implementation without approval from the Board of Directors. Regular approval from the board of Directors before implementation gives a mandate to management for budget implementation. This action impacted the financial performance of community-based cooperative credit unions with a mean of 1.81 and standard deviations of .483.
In conclusion with regards to budget monitoring and evaluations, the mean score and the standard deviation of 1.93 and .267 respectively resolved that the majority 92.6% (27) of the respondents agreed that all

unbudgeted expenditures are regularly reported to the BOD of Directors for approval. This activity is a critical determinant of financial performance.

How is the performance of the credit union affected by the outcomes of budget monitoring and evaluation? The results indicate that credit union performance is affected when all budgeting process is duly followed. This is because respondents revealed that, unions can ensure all aspects of the budget are catered for, they gain confidence and use it to win viable contracts, sometimes, it prevents duplication of cost during budget preparation and executions. There is also the situation where unions get complete information for both cost lines and revenue lines.

The study also examined how budgetary control assisted management to assess the level of performance of their unions. From the responses, it was gathered that budgetary control allowed staff to easily identify budget activities with staff and hold them responsible. Additionally, they could assign new responsibilities to employees based on the control information. The process also guided credit union staff to continuously measure performance against all the budgeted activities. A respondent added that;

Employees' efficiency is improved because Staff Performance appraisals are assisted by effective budget control.

Respondents were also asked What are the benefits to credit union performance when the budget officer tracks budget items? Among others, they submitted that,

"It prevents misapplication because all expenditure is in line with budgeted activities, ensures that activities are executed to the later. Additionally, budget tracking ensured value for money and provided room for modification to ensure value for money expenditure".

Similar to the above, participants of the study also discussed how receiving Board approval before the implementation of budgets leads to improved performance. Typical responses included:

"We management received proper approval for all expenditures. In other words, activities, and expenditures are legitimized and prevent misappropriations. We felt supported and trusted anytime our budget received proper approval from the board. We work harder to satisfy the board".

Another participant revealed that:

"Approval from the board of directors facilitates independent opinion from external auditors. Employee morale is boosted. It signified transparency and accountability to the board. It encourages management to improve performance".

On the part of reporting unbudgeted expenditures to the board, respondents were unanimous that, they received future budget approvals if they were able to account for and report appropriately to Board. Sometimes they received praise and rewards from Board for better performance in the form of bonuses and promotions. Again, more resources are approved by the board to undertake viable investments if expenditures are properly reported to the Board of Directors. Strategic investment receives approval from Board if previous expenditures are properly accounted for and reported to the Board of Directors.

Budgetary Control

Another factor of interest was the standard practices of budgetary control. The study among others examined whether the performance was measured at the end of each budgetary period, whether the actual budget performance was compared at the end of each period, whether variances were recorded, and whether the action was taken to correct any recorded variance.

Table 4 Budgetary Control

Budgetary Control	Yes n (%)	No n (%)	Uncertain n (%)	Mean	STD Deviation
Departmental performance is measured at the end of each budgetary period	19 (70.4)	6 (22.2)	2 (7.4)	1.63	.629
Actual and budgeted performance compared at the end of each budget period	24 (88.9)	1 (3.7)	2 (7.4)	1.81	.557
Community-based cooperative credit unions ascertain and record all variances that occurred	25 (92.6)	1 (3.7)	1 (3.7)	1.89	.424
Community-based cooperative credit unions take action to correct/improve adverse variance	25 (92.6)	1 (3.7)	1 (3.7)	1.89	.424
The budget is reviewed semiannually for work-in-progress	18 (66.7)	6 (22.2)	3 (11.1)	1.56	.698

Source: Field Work, 2022

As part of budgetary control, five critical questions were posed to respondents to obtain how budgetary control impacted the financial performance of community-based cooperative credit unions. The study results prove that BoD, management, and staff give greater prominence to budgetary control. The survey results in Table 7 show that 70.4% (27) of the respondents strongly attested measuring the actual performance of each department at the end of the financial year had an impact on financial performance with a mean of 1.63 and a standard deviation of .629. The study also disclosed that 88.9% (27) of the respondents revealed that management continuously comparing budgeted activities with an actual performance at the end of each year to record and report deviations improves the financial performance of Community-based co-operatives credit unions with a mean and standard deviation of 1.81 and .557 respectively. Moreover, similarly, 92.6% (27) of the respondents strongly scored that management's ability to identify and record all variances that emanated during the comparison of standards and actuals had an impact on the financial performance of Community-based credit unions with a mean of 1.89 and a standard deviation of .424.

Furthermore, the study results exhibited that 92.6% (27) of the respondents resolved that the Board of Directors and management readiness and wiliness of taking the necessary actions toward correcting all reported adverse variances had contributed to both Total Assets and Net Assets of community-based co-operative credit unions with a mean score of 1.89 and a standard deviation of .424. Finally, on the part of budgetary control, the mean score and the standard deviation were 1.56 and .698 respectively. It was a revelation from respondents that the extent to which regular review of budgetary activities for work in progress impacted the financial performance of community-based Cooperative credit unions financial performance. 66.7% (27) attested that management of community-based credit unions carries out the semi-annually budgetary review for work-in-progress.

Respondents' position reflects the importance that Community-based cooperative credit unions place on budgetary control as having an impact on financial performance. The findings were corroborated by (Dakurah, 2020), who posits that budget control effectiveness is a critical component of credit union financial performance. The answers form one of the key metrics of financial performance evaluation, the budget score. The response gathered by this metric shows how impressive budget control and monitoring and evaluation could boost CCU's financial performance. As found in previous studies, budget reviews are used to determine if set goals have been met, and allow financial institutions to change direction, adjust practices or make improvements.

The study also explored the effect of departmental measurement of performance at the end of each budgetary period. The following represents a typical response;

"It ensures resource accountability and minimizes waste. Performance measurement gives future directions. Our union can appoint the right human resources after yearly performance measurement"

However, some were of the view that it was difficult and costly for performance management and that audit costs and others are expensive.

Another critical question was, why do credit unions compare actual and budgeted performance at the end of each budget period? To this question, respondents submitted that;

"Comparing actual performance with budgeted performance paved way for new policies for my credit union. Also, my credit union identifies important deviations during the period that are likely to affect performance.

Another respondent indicated that;

"Comparison promotes better understanding of activities and that will improve assets growth if done well and the opposite"

However, a respondent cautioned that;

"Comparing standard with actuals misdirect policies if it's done at the wrong time. This would affect assets growth".

Another control budgetary practice explored was the benefit of ascertaining and recording all variances that occurred. The main reason for doing this was that recording variance helped credit unions identify their hindrances and then work on them to improve asset growth. Variance identification and recording provided the credit unions the opportunity to have a reference point which assisted in increasing assets. Variance also assisted credit unions to look for appropriate resources for operations and investment to maximize returns to increase assets. A respondent also argued that;

"Ascertaining variance prevented overspending and also allowed for the identification of all misapplications and mismanagement. Therefore, save resources and increase assets and decrease liabilities".

When credit unions discovered variance during their budgetary control check, they typically took action to correct/improve adverse variance. The main reasons for this were that credit unions took actions to redirect their resource for maximization. Assets would improve if the resource were utilized". Corrections of variance improved performance through taking the right actions. One respondent averred that;

"Our credit union corrects variance to help get the best from workers because they are ready to correct their mistakes"

Discussion

The study sought to determine the impact of the budget and budgetary control process on the financial performance of community-based credit unions in Ghana. As indicated in the results, all the sampled community-based credit unions prepared a budget before the start of each financial year to guide their operations and activities. This ensured the efficient use of resources and enhanced mobilization of resources. The existence of budgets, therefore, facilitated the operations of the unions toward increased financial performance.

Previous studies, by (Rayees, 2022), have revealed that budget planning is the first step in achieving both short- and long-term CCU goals. The findings of this study established that credit unions who prepared overall budgets would be able to develop strategic plans to guide their future operations, enable them to project growth, and promote efficient use of financial resources. Additionally, the existence of budget committees also facilitated budget preparation and development and cross-departmental reconciliation for easy implementation. This allowed staff and departmental heads to defend and justify their departmental or sectional budget for consideration and consolidation. Also, strategies and activities of sections and departments are coordinated by the functional budget committee. Budget planning strategies such as a well-constituted budget committee, the presence of a budget timetable, instituting departmental budgeting, and ensuring providing adequate resources available played a role in the financial performance of the community-based credit unions. This supports the assertions by (Isaac, 2014) and (Boama-Secu, 2019), that there is a positive relationship between budget planning and financial performance.

The study also assessed the influence of budget implementation on the financial performance of community-based credit unions in Ghana. The study results revealed that budget implementation and participation have to be monitored by all by way of assigning specific responsibilities to individuals and groups of persons that are part of the implementation process. This finding postulates that budget implementation policies and strategies when appropriately adopted by unions may influence their financial performance. Budget implementation is successful because employees know budget lines and responsibilities and also departmental heads take full responsibility for budget implementation and participation. Unions carried out budget implementation smoothly because management meet budget timelines and also present a monthly progress report to the Board of directors. Management also provides the necessary materials for smooth implementation and participation of the budget.

The study aimed to assess the contribution of budget monitoring and evaluation on the financial performance of community-based credit unions in Ghana. In this study, it was revealed that unions that tracked budget items and received Board approval before implementation were more likely to be successful than those that did not. Budget tracking and monitoring allowed for unbudgeted expenditures to be reported to the board of directors for approval. This was deemed an important contributor to improved financial performance.

The study also sought to evaluate and establish whether budgetary control influenced the Net assets and Total assets of community-based credit unions in Ghana. The study results indicated that unions the majority of unions had effective budgetary control mechanisms. The findings were corroborated by (Dakurah, 2020), who posits that budget control effectiveness is a critical component of credit union financial performance. The answers form one of the key metrics of financial performance evaluation, the budget score. The response gathered by this metric shows how impressive budget control and monitoring and evaluation could boost cooperative credit unions' financial performance. As found in previous studies, the budget review is used to determine if set goals have been met, and allow financial institutions to change direction, adjust practices or make improvements.

Statistically, however, only budget planning had any association with Net Assets and Total Assets ($p > 0.005$). The remaining variables, such as budgetary control, monitoring and evaluation as well as budgetary implementation did not show any significant relationship with financial performance reflected in net assets or total assets. This is in stark contrast to an earlier finding by (Abongo, 2017) and Kibunja, (2017) who established that there was a significant positive relationship between budget implementation and participation in financial performance. Similarly, the study disagrees with other researchers such as (Chepkorir et al., 2021), and Mohamed (2022) who revealed a positive and significant relationship between budget monitoring and evaluation and financial performance.

Conclusion and Recommendations

The importance of budget and budgetary control has been further established in this study. From the findings, it was revealed an appropriate system of budgeting and budgetary control existed in all the selected credit unions. It is clear that when credit unions undertake appropriate budgetary control activities, their financial performance in the form of total and net assets tends to improve. Given this, credit unions are encouraged to develop and efficiently adopt all forms of budgetary process to prevent the tendency of non-functioning of the budget process. Policies need to promote efficient records and report budget variance and deviations to management to facilitate the formulation of corrective actions

To improve the efficient budgetary process, there is a need for substantial resources at different levels of credit unions. Management needs to continue to make available financial resources to those responsible for developing budgetary processes and promote coherence among departments to stimulate the budgetary process.

Areas for further research

A comprehensive study on credit unions including all the different categories of credit unions could be carried out to analyze the determinants of financial performance. Studies could be carried out using different financial performance measurement techniques like member savings, member size, profitability, quality of assets, and so on other than Net Assets and Total Assets used in this study. Future research could focus on a comparative study among various sectors of the economy. Other researchers could apply multiple methods of data collection with different research instruments like interviews, and focus group discussions to generate credible data and information.

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