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GHANA

The Role of Accounting Systems in National Budgeting: (Evidence from the Implementation of GIFMIS in Ghana)

BY

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## DECLARATION

I hereby declare that this submission is my own work towards the award of MSc Accounting and Finance, and that, to the best of my knowledge, it contains no material previously by another person or any material, which has been accepted for award of any other degree of the university, all references used in the work have been fully acknowledged.

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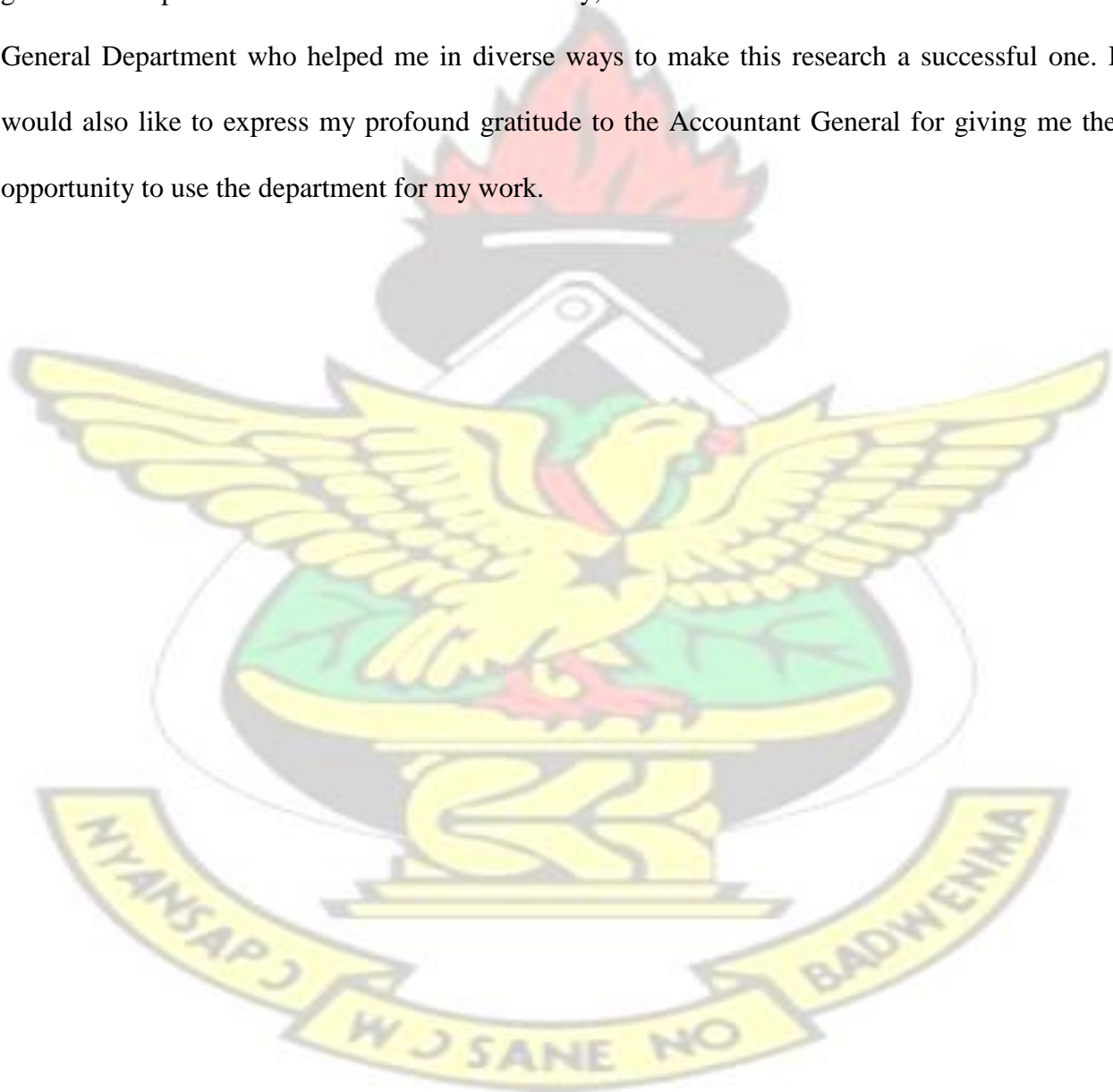
## DEDICATION

This long essay is dedicated to GOD Almighty as well as my dear mother, Sarah Nettey who encouraged, supported me in pursuing this course and to my siblings, Ernest Atsu Senaya and Jimmy Atsu Ayivor for their support.



## ACKNOWLEDGEMENT

I would like to express my deepest gratitude to GOD Almighty for giving me the strength, health, peace of mind and wisdom to complete this long essay despite my busy schedule. To Mr. Godsway Kwame, Dr. William Quarmin and Mr. Andrew Kufe for their encouragement. I wish to express my sincerest appreciation to my supervisor, Dr. Kwame Mireku, who in spite of his busy schedule guided and supervised me to end this work. Finally, to all the staff of Controller and Accountant General Department who helped me in diverse ways to make this research a successful one. I would also like to express my profound gratitude to the Accountant General for giving me the opportunity to use the department for my work.



## ABSTRACT

Governments all over the world and especially in developing countries, have been preoccupied with initiatives to ensure efficiency and accountability in the use of public funds. A lot of concerns have been raised by the public on the timely preparation of budget and how the budgeting activities at the Controller Accountant Generals Department are being undertaken. The national budget requires that financial information is properly planned and estimated in order to achieve the desired output. In view of this the introduction of GIFMIS is a major programme to ameliorate this issue within the public sector. This study sought to examine the role of GIFMIS in the preparation of National Budget. The study employed the descriptive research design using the survey design approach. A sample size of 50 respondents were targeted using a structured questionnaire for data collection. Quantitative data was gathered through questionnaires and analyzed using Excel and Statistical Package for Social Science (SPSS) version 20 and tested using tables and frequencies as well as statistical tools like mean, mode and standard deviation. The findings revealed that majority of the respondents disagree to the assertion that the GIFMIS framework allows for the integration of strategic plans into the charts of Accounts. However, most of the participants strongly believe that the introduction of GIFMIS has brought about speed, accuracy and a faster way of the budget preparation. Finally, it was evident that poor network connectivity and I.T infrastructure is a major challenge to most public organizations. In addition, the findings indicated how GIFMIS framework has helped to curb discrepancies that occur between the budgeted and actual expenditure. The study concluded that the role of GIFMIS has brought about speed, accuracy and a faster way of the budget preparation. Also, about comprehensiveness and transparency in public financial management. Finally, poor network connectivity and I.T infrastructure are the key challenges faced as a result of GIFMIS by CAGD.

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## LIST OF ABBREVIATIONS

BPEMS	Budget and Public Expenditure Management System
CAGD	Controller and Accountant General Department
CIDP	Computer Industry Development Potential
ERP	Enterprise Resource Plan
GIFMIS	Ghana Integrated Financial Management Information System
IASB	International Accounting Standards Boards
IFMIS	Integrated Financial Management System
IPSAS	International Public Sector Accounting Standards
MDAs	Ministries Departments and Agencies
MMDAs	Metropolitan Municipal District Assemblies
PBB	Programme Based Budget
PFM	Public Financial Management
PPA	Public Procurement Authority
SAP	Structural Adjustment Programme

## CHAPTER ONE

### INTRODUCTION

#### 1.1 BACKGROUND OF THE STUDY

Many economies across the globe have been able to establish effective control of accounting information because of the use of Account technology systems. Ghana from the period of colonization has been practicing the manual Accounting system in all most of the state and public organizations. The practice of the manual Accounting required the practice of preparing ledger and journals for the purpose of keeping financial data and recording other related administrative activities (Kwakye, 2015). This system of practice delayed several accounting processes such as budgeting, financial reporting and other reports.

The public resources of every nation is controlled, regulated and managed by its government. The government of Ghana has been entrusted for the stewardship over public funds. For public resources to be transparent and accounted for, a lot of improved reforms and programmes are required to be implemented all over the globe (Ametefe, 2019). The execution of the international public sector Accounting standards (IPSAS) and the adoption of the public financial Management (PFM) legislations are some few initiatives introduced to ensure answerability, transparency and probity in the area of management reporting, budgeting, financial and other strategic decision making (Chan, 2003; Tickell, 2010).

In this current era, a lot of emphasis has been placed on producing quality data and reports in budget preparation. A quality budget reporting is vital in influencing positively on spending and investment, also making decisions in resource allocation to the respective sectors and agencies enhancing overall efficiency (IASB, 2013).

The prime aim of a budget is to deliver an excellent and high quality of output based on estimated revenues and expenditure to achieve favorable results.

More importantly, a well-structured and organized public sector has greater chance of enhancing growth, development, integrity, correctness and probity in the management of public funds (Banerjee, 2004). Over the years, about 90% of developing countries have been faced with this poor management of funds and resources and unfavorable budgets at the public sector (Uddin and Hopper, 2003).

According to Curristine, Lonti and Journard (2007) the poor management and allocation of budgetary resources in most developing countries have been strongly faced with many criticisms due to the lack of accountability, corruption, inefficiencies and misplaced priorities of resources at the various public sectors of the economy. It was because of these criticisms, which led to the introduction of programmes and policies at enhancing efficiency and effectiveness of resources in the various public sectors to come out with proper budgeting and financial reports.

According to Kiragu (2002), most Sub-Saharan Africa since 1970 has experienced reformation, which have progressed within the past decades with a view of transforming the public sector reporting and budgeting. The first modification took place in the mid 1980's to the mid 1990's concentrated on reorganization of the public service organizations, that was the structural Adjustment Programme (SAP). The following decade of reformation considered the building of capacities of public sector workforce across the Sub-Saharan African countries. The last transformation at the various public organization focused on improving public service delivery and ensuring quality reporting using accounting based technology.

Nevertheless, most of the findings on public sector management reforms have indicated that several institutions have failed or yield least results due to economic pressures, social pressures and political interferences on the government.

Most of the reforms in the public sectors have its focused centered on financial management reforms. The medium term expenditure framework, integrated financial management information system is an example of accounting system introduced into the public sector. The sole intention of these restructurings was to improve accurateness, reliability, efficiency and accountability of resources (Brignall and Model, 2000).

The public financial management also takes into consideration mobilization, spending and activities of debt management by government (Pretorious, 2008). According to Cain (2001) realized financial management activities takes into account the key functions of management. This consists of implementation, planning, controlling and monitoring of the fiscal policies. It also emphasized on how the activities of the departments are coordinated by taking into account the proper accounting procedures and audit of income and expenditure items and the financial statements of the various accounts. Good corporate governance requires accountability and this may be achieved via effective financial management (Peterson, 2006).

Since the introduction of the Ghana integrated financial management information system (GIFMIS) effectiveness and transparency in the preparation of National Budget, that is the budgetary allocation of funds as well as its management through the computerized government accounting system and the digitization of budget management has brought about a paradigm shift from the manual system of recording financial transactions to a more centralized electronic system of the various public sector institutions in Ghana.

## 1.2 PROBLEM STATEMENT

A lot of concerns have been raised by the public on the timely preparation of budget and how the budgeting activities at the Controller Accountant Generals Department are been undertaken. The national budget requires that financial information is properly plan and estimated in order to achieve the desired output. The use of the manual accounting system in processing data and the lack of appropriate control system in public financial management of funds sometimes lead to delay in the budget preparation. Even though, there have been some guidelines and regulations that regulates the financial activities within the public sector including Financial Administration Regulations 2004 (LI1802), procurement Act (Act 663), and Internal Audit Agency Act 2003 (Act 658) they couldn't help strengthen the manual accounting system. According to Baloyi (2011), the failure of these regulations necessitated the introduction of a computerized system in the form of an integrated system to help solve this issue. These concerns were raised by the donor communities such as the World Bank, IMF, the general public and other international institution about the uneven distribution of resources, accountability and transparency in the national Budget. These irregularities facilitated the need for government to introduce an accounting technology to help automate the functions related to accounting, auditing and budgeting within the public sectors of the economy for the introduction of GIFMIS. It is as a result of this, the study will try to investigate the role associated in the preparation of the national Budget by the use of the GIFMIS of the Controller Accountant General Department, serving as a replacement for the traditional method (Manual system) of financial control that has been a major challenge to the financial management system at the various public sectors in Ghana.

### **1.3 OBJECTIVES OF THE STUDY**

The main objective of the research is to examine the role of GIFMIS in National Budgeting. The specific objectives seek to address the following:

1. To access the roles of GIFMIS in achieving an effective budget preparation.
2. To examine the extent at which GIFMIS programme has supported the budget implementation.
3. To evaluate how GIFMIS has helped in budgetary control.
4. To investigate any challenges faced by GIFMIS through the budgeting activities.

### **1.4 RESEARCH QUESTIONS**

In order to achieve the research purpose and address the research problem the study considered these research questions:

1. What are the roles GIFMIS has played in achieving an effective budget preparation?
2. Has the GIFMIS programme supported the budget implementation?
3. To what extent has GIFMIS supported the budget via its budgetary control?
4. What are the challenges faced in the budgeting activities by GIFMIS?

### **1.5 SIGNIFICANCE OF STUDY**

The study has a key role in assisting financial management players who are key agents in the preparation of budget, such as Ministry of Finance, Controller and Accountant General, Bank of Ghana, Ghana Revenue Authority, Public Procurement Authority and others, to understand, monitor and evaluate Accounting Information in ensuring efficient and effectiveness in its budget

rationalization, income and expenditure generation by modernizing of the financial reporting processes and ensuring that all the requisite legal backing has been put in place.

The outcome of the study will also assist donor agencies who support the state to monitor the budgetary fund and even give room to other donors to support the funds. It would help them to determine the challenges and problem that comes out with this fund.

Moreover, the study will serve as a means of educating the general public to appreciate the entire financial management processes and thereby monitoring all government projects and activities that are in the budget and holding government officials accountable in case of any misallocation or misappropriation of resources.

The study will serve as a source of reference to academicians and other researchers who are interested in research related to this subject matter.

## **1.6 SUMMARY OF METHODOLOGY**

This study adopted the research survey design approach. The scope of this research is limited to the Controller and Accountant General Department (CAGD). A sample size of 50 respondents who are staff who use the GIFMIS system was randomly selected. Data was then collected using structured questionnaires using both Primary and secondary data. This research was relied on using quantitative data for its analysis. The use of the SPSS tool for descriptive statistical analysis was used including tools such as frequencies, mean, median, standard deviations, percentages, tables and charts.

## **1.7 SCOPE OF THE STUDY**

The research focused on the implementation of the GIFMIS programme and its role in the implementation of the budget in Ghana. The researcher used Controller and Accountant General Department (CAGD) as a case study. The head office of this department was used for the study. The research covered a period of four months and respondents within the accounts and finance department of CAGD responded to the questionnaire. This included auditors, accountants, skilled and professional bodies who have been directly involved in the implementation of the GIFMIS within this sector and staff who are in charge of the national budget preparation.

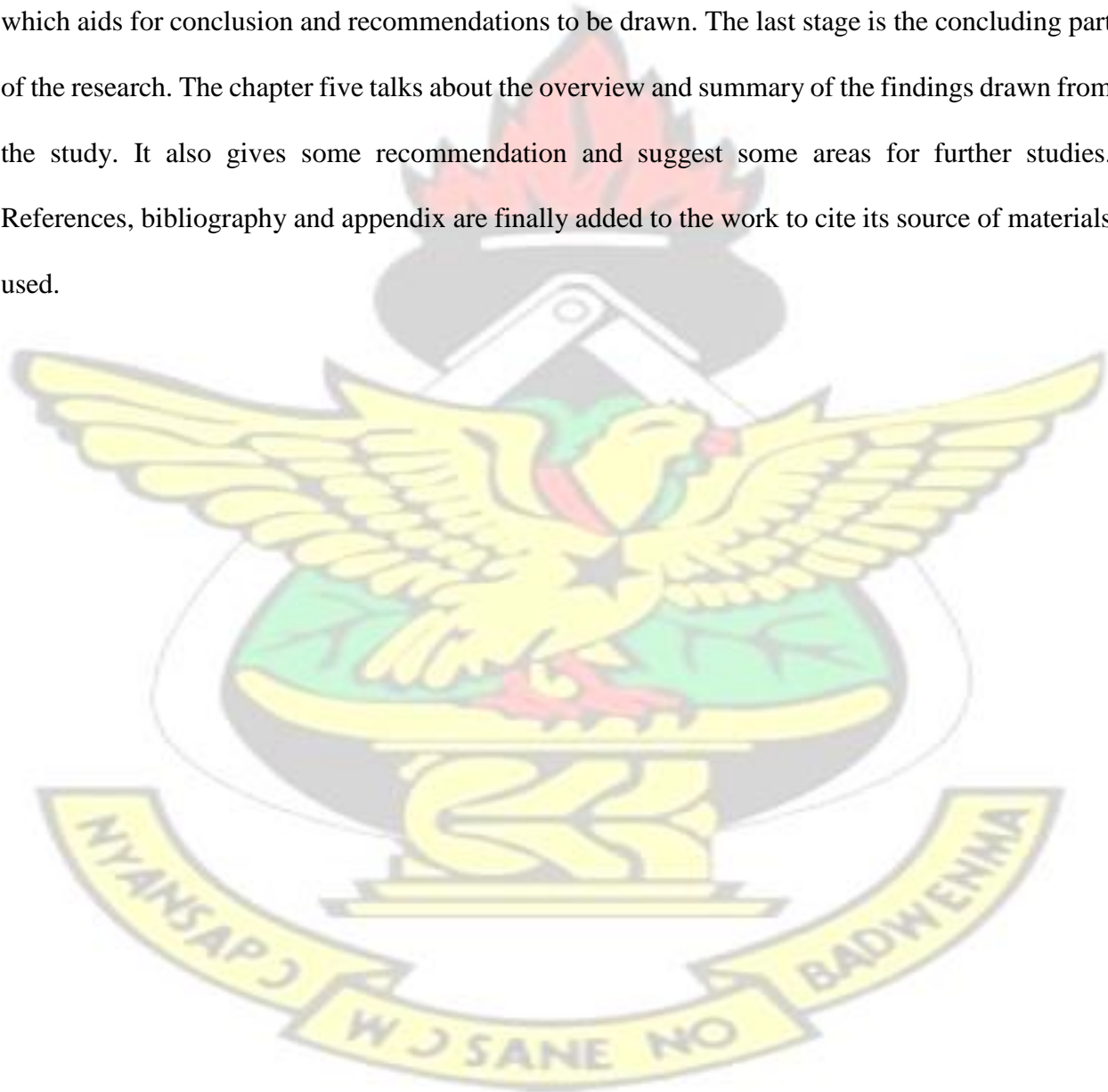
## **1.8 LIMITATION OF THE STUDY**

One of the limitation was that the study could not cover the entire staff who uses the GIFMIS system, but with the 50 respondents selected was a good representation for the study. For issues relating to the national budget, it is also essential that the appropriate levels of authority and key levels of information accessed to avoid any distortions or exaggerations that may affect the outcome of the study. This may require ample time beyond the available months allocated to the study. In addition, some staff were reluctant in giving out information for the data analysis.

## **1.9 ORGANIZATION OF STUDY**

This research was segregated into five (5) chapters, Chapter one looked at the general overview or background information of the study which comprises; the background of the study, the problem statement, the research objectives, the research questions, significance of the study, overview methodology, scope of the study and organization of the study as well as the limitation of the study. This was followed by chapter two which takes into account the entire literature review which talks about the definitions, concepts and theories as well as other related works on the subject matter.

The third chapter discussed the methodological procedures of how the data was presented and the study design adopted to achieved quality findings, it detailed how data was composed and the precise locations from where data was collected. The next chapter, that is chapter four discussed the results obtained from the data collected from the respondents using the structured questionnaires. This section thoroughly discusses the outcomes and discoveries from the collection which aids for conclusion and recommendations to be drawn. The last stage is the concluding part of the research. The chapter five talks about the overview and summary of the findings drawn from the study. It also gives some recommendation and suggest some areas for further studies. References, bibliography and appendix are finally added to the work to cite its source of materials used.



## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 INTRODUCTION**

This section critically gives an overview of the entire work being reviewed in a way to present theories, propositions and concepts that others have given about this subject matter. The literature review is presented in two main sections, namely theoretical review of literature and empirical review of literature. The purpose of this section is to provide a general idea of the concept of the role of accounting systems in the preparation of national budget: (evidence from the implementation of GIFMIS). It also has another section which is the empirical review of literature which encapsulates related work of study which have already been implemented and how the results relate to the implementation of the study.

#### **2.1 THEORETICAL LITERATURE REVIEW**

##### **2.1.1 Financial Management**

Financial management can be termed as the section of business management that has been set aside in a systematic process out of the use of capital and a careful way of selecting the needed sources of capital with a view to ensure the business accomplish its purposes (Bradlery, 2012). Over the years, several methods have been put in place to explain the concept of financial management and these methods have been developed over the past decades. In the beginning stages of the 1900s, importance was placed on the legal ways of prominence, the founding of fresh businesses and companies, and the diversity of security firms that could help in the raising of capital. A lot of developed economies were faced by economic recession while others also faced depressions in the

early 1930's, this led to most firm's liquidation and insolvency. The end results were the shift of economic recession to bankruptcy. and to the regulation of security markets. As a result, in the early 1940s and early 1950s, finance as a subject was taught at all levels with all urgency and was considered from the view of foreigner rather than from that of a manager. This was later moved to managerial decisions in the late 1950s, where more emphasis was placed on the required organizational assets and liabilities needed for the aim maximizing the value of the firm. In recent times, since 1990, a lot of importance has been placed on the value maximization. Not only that, there has been a drift in two major areas which has become progressively vital among countries. The areas where which were hit by the transformations were the improved usage of information and the increase in globalization of business across the world (Oduware and Deloitte, 2011).

There have been several progresses in the way and manner activities within the public sector are carried out. The problems that are encountered as a result of administrative challenges, firm chain of commands for personnel in relation to the firm rules and duties which keeps changing in the fastest and easier way of developments in the manner in which the public sector does its work.

In view of this, most of the strategies put in place is decentralization and out of this there has been efforts for decentralization and the passing over of authority. The strategies helped internal managers to properly put in place mechanisms so that employees at relatively junior levels can now take constructive financial information decisions that best suit the relation of quality information. The available information should be easily accessible to all the junior employees and those at the lower level (Mear and Flynn, 2014).

The term Public Financial Management (PFM) is a management activity carried out within the public sector organization. This activity forms part of the general foundation of all activities which includes expenditure and accounting for funds spent.

### **2.1.2 Accounting System**

Accounting can be defined as the means by which business owners handle their company's financial information through proper recording, analysing and interpreting of figures to make better informed decision that affect the company (Osmond, 2011). The purpose of accounting is to guarantee and safeguard the assets of business owners, investors, managers, and interested parties by controlling and managing their accounts for them for decision making.

Woode and Sangster (2008) also explains financial accounting as a means of obtaining results through the process of recording, identifying, measuring, classifying and summarizing transactions and events in terms of money and which are finance in nature. According to them, the significance of it is to communicate, analyze and interpret results to parties involved in the financial accounting process. No business can operate in our part of the world and achieve better results without operating under the right accounting methods and standards. In fact, companies are obliged to follow due processes and procedures in preparing financial reports and documents. For better decision making and good policy implementations, it is generally acceptable for accounting systems to follow international accounting standards to produce the right report for its stakeholders (Fisher and Kenny, 2000) but the choice in selection depends on the policies of the organization whether to apply the computer based system or the manual based system.

The use of computerized accounting as a financial tool does not require only the accounting software or computer skills but the user must possess an in-depth knowledge in accounting. More importantly, it is very obvious that the current and modern financial accounting software cannot be operated if the user has no knowledge and understanding of the practice of basic accounting. This indicates that not everybody can use the accounting software tool if the individual lacks the basic accounting principles. With assistance from the internet, challenges encountered during the

use of the accounting software can be solved. This means that all requirements and the necessary means to assist managers in handling the accounting software comes with ease and effortlessly without difficulties (Simmons & Hardy, 2011).

There has been technological improvement in our era in search of information via the use of the internet. There are a lot of new and current methods in the business sector globally where organizations work together with its customers virtually to keep up-to-date records. Current trends of doing business have made customers to be abreast with current trends of issues related to their business. The current trend of electronic business and electronic commerce of doing activities has not only transformed an organization but satisfaction of customers and business partners with the right products and services as well as delivering it in a more unique way using the best ability and skills with the use of computers (Simmons & Hardy, 2011).

## **2.2 THE BUDGET**

A budget can be defined as the government projected income and expenditure plan. One principal thing is that the budget is usually prepared on yearly basis. Every budget must undergo procedures before its acceptance. In Ghana, Parliament ratifies the budget into law and authorizations are also done by the executive on how to appropriate funds and adherence to some funds based on some laid down rules. Every good budget must have three key objectives. The effective budget, which describes the budget, has segmented the three objectives known as fiscal discipline, proper allocation of resources and efficient service delivery, a budget, which is effective, may follow three related objectives, namely, fiscal discipline, proper allocation of resources, and efficient service delivery. Also an effective budget must be all-inclusive, clear, well understood and practical to all and sundry. These objectives can only be ascertained, if it encompasses the

following the following constituents. The constituents of the budget should well explain the macroeconomic guidelines and projection of revenue, a dialogue of budget main items, planned expenditure and past results, a medium-term outlook and details on budget financing, debt and the government's financial position (Simson, Sharma & Aziz, 2011).

### **2.2.1 Types of Budget**

Simson et al, (2011) categorized budgeting into two main types in the public sector, that is Programme-based budgeting and Performance-based budgeting.

#### ***i. Programme-based budgeting***

The Programme-based budgeting can be seen as the process of harmonizing, bringing together or grouping a budget according to activities or programmes instead of managerial and resource basis. Some studies are of the view that programme budgeting debated that a programme approach properly results into attention on results rather than inputs (Simson et al; 2011).

#### ***ii. Performance-based budgeting***

To overcome disapprovals that public financial management is centered on administrative rules and regulations which fall short of achieving desired results or outcomes. Most executives prefer to use this type of budget and have tried budgets that set performance benefits. Again, certain attitudes range from fundamental efforts give out government sense of duty on contracts where performance indicators are used for evaluation. Performance budgeting is mostly used together with a medium-term expenditure framework on a programme budget structure (Simson et al; 2011). This category of budget normally involves developmental activities with its core activities practiced and mostly carried out at various public organizations and state ministries. With this method, the developmental program of assuring cost effectiveness and efficient planning is always

taken into consideration. This technique tries to critically take note of the ultimate result or the performance of the result. As a result of transformation and technological advancements, there is awareness that apply to the usage of tax payers' money, new methods of budgeting are crucial of which the performance based budgeting has been regarded as a transparent and accountable method. This type of budget rest on three aspects of understanding of the ultimate result, the procedures conveyed to reach those ultimate results and the detailed activities that were carried out to accomplish those results. With a very comprehensive and unbiased analysis, this budgeting process is very result oriented in its approach (Juneja, n.d).

In addition, Juneja (n.d) in his results also came out with other types of budgets that are relevant to every state. His definition was based on how the public budgets differ from one form to another form and how it is functioned. He observed it as a system by which the people delegate the power of expending their funds to the politicians or the nominated representatives. According to his clarifications, classes of budget that are there in the public financial management are seen as follows:

**Balanced Budget:** A balanced budget may be defined as a type of budget which has neither deficit nor surplus. In other words, it means that the revenues are the same as the expenditure.

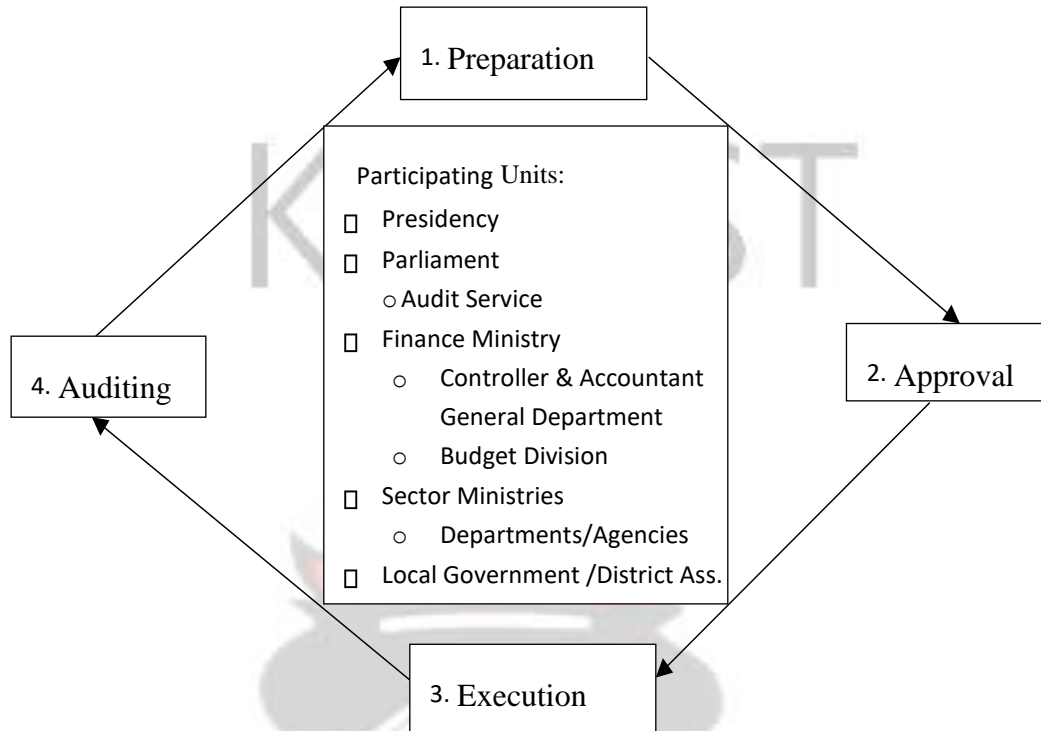
**Revenue Budget:** It is the type of budget that requires the details of the revenue received by the government through direct and indirect taxes and other bases and the kind of expenditure that is met through it.

**Zero based budget:** Lastly, this type of budget has its Zero based budgeting as its pure benefit when the limited resources are to be dish out judiciously and objectively. It is relatively flexible in nature and relies on rational methods, systematic evaluation to reallocate resources and authorize the usage of monies. This budget has its origin starting from a base of zero. Unlike the traditional

budgets where incremental method is often applied. This type of budget takes cognizance of the requests and expenditures of every function of the organization and more attention is looked at the forthcoming year's budget. Thus, the budget is more futuristic and may or may not be the same or more from the previous year's budget as how the traditional budget approach is calculated.

### **2.3 THE BUDGET CYCLE**

The numerous PFM procedures progress around the cycle of the budget. Every budget cycle has a life span of one year and the main purpose of every budget within the cycle is to ensure that there is a well-planned government expenditure by the public, proper execution of the processes and accurate accountability. It is very obvious that the revenue management of a budget cannot be different from expenditure management. In other words, revenue management and expenditure management are closely related when it comes to the issue of a budget in every country. The determination of a budget requires the various two management principles in ensuring that the overall budget cycle undergoes through the relevant phases and when managing in-year cash flow (Simson et al., 2011).



**Figure 1: Ghana's Budget Cycle**

### **2.3.1 Budget preparation**

At this stage, the preparation of the budget is series and stages and in order to ascertain a good budget performance and presentation, the key phases must be adhered to. All the time, the cycle of the budget must commence with the budgeting process. At the government, together its legislative council and committee must plan and put up strategic methods in achieving its national goals for the forth coming year. This processes is to ensure that the resources for the forth coming year are properly planned in order to meet the national policy priorities (Simson et al., 2011).

### **2.3.2 Budget execution**

If the budget is officially accepted and approved by parliament, that is the law makers, where the upcoming fiscal year commences, consumer organizations and the ministry in charge, that is the

Ministry of Finance begins to implement it. The purpose of this is to make sure that the resources outlined and allocated are apportioned fairly and equitable to the various Districts and Assemblies. Under budget execution, it is very important that the resources are used for the required purpose for which it was apportioned. It is the core duty of the Ministry of Finance to make sure that the flow of funds is managed appropriately and that funds that are to be spent within a year are managed judiciously and ensure that within year amendments making sure that the budget and PFM rules are complied with (Simson et al., 2011).

## **2.4 THEORIES OF BUDGET**

### **2.4.1 Agency Theory**

Agency theory describes the association that occurs when one party acts on behalf of another party. In terms of a budget, a slack relation happens where managers or supervisors deliberately contribute to create slack, whereas others debate that managers through expectation lessens the slack in their budgets. The connection that exists between budgetary contribution and budget slack has been unclear in a lot of literature of management accounting. Over the years, one of the slacks of budget that has been topical has been considered as problematic in budgetary control (Hongren et al, 1985). Budgetary slack is referred to as the difference between the appropriated budget and the true minimum cost (Moene, 1986). Young (1995) also anticipated that a budget is said to be slacked if the amount by which subordinates understate their productive proficiency and skill when choosing work standards compared to the performance been assessed. In these viewpoint, slack is a deliberate under-estimation of revenues and productive proficiencies and/or over-estimation of costs and resources in the budget; in addition, it can be stated that this type of slack is a dysfunctional type (Merchant, 1985).

Authors and studies on Agency theory have claimed that contribution simply provides the chance for subordinates to insert slack to their budget. Accordingly, the theory of agency envisages a positive participation-slack relation. Murray (1990) also debated that people who take part feel less of a need to integrate slack in their budget estimations and consequently tend to offer more challenging tasks.

#### **2.4.2 Budgetary Incremental Theory**

Reddick (2003) argues that literature on budgetary decisions in the public sector of organizations is dominated by the theory of incrementalism and its numerous meanings. This theory proposes that policy makers use the rule of the thumb in order to deal with technical complexity of expenditure decisions. The nature of these simple decision rules has been explored by studies of budgeting in International Organizational, National Governments, State and Local Governments. A current study on application of incrementalism at the sub national level was an examination of local government expenditure in the United Kingdom (UK). The individuals who proposed the budget are concerned with fairly small increments to an existing base signified as a fair share. It discusses that budgeting is incremental to the magnitude that it results in marginal change in expenditure. Indications of substantial annual shifts in spending would sum up as evidence of non-incremental budgeting. Marginality and regularity in outputs are the two main core attributes of Incrementalism.

#### **2.4.3 Cognitive Evaluation Theory**

Cognitive Evaluation Theory proposes that when considering a particular task, there is a need to assess that task in relation to how well it come across our need to feel proficient and in control. If one thinks he/she is able to complete a task, he or she must be intrinsically encouraged to complete the task, demanding no additional external inspiration (Deci and Ryan, 1985). When people have stronger internal locus of control, they believe the environment or others have a greater influence over what they do. Budgets generate a sense of responsibility over manager in-charge of a

department or section. The feeling of being in charge, of the consequence of the results of a department due to accomplishment of budget targets can be a basis of inspiration, motivation and thus enhancement of performance.

According to Deci and Porac (1978), Cognitive Evaluation Theory argues that there are two main kinds of motivations: namely the intrinsic motivation and extrinsic motivation. These two are the main that factors or motivators that influences a person who executes a task. The Intrinsic motivator comprises achievements, responsibility and competence. These are motivators that come from the actual performance of the task or job. Extrinsic motivators consist of pay, promotion, feedback and working conditions. Extrinsic motivators are those things that come from the person's environment and are controlled by others. Intrinsically motivated people perform for their own achievements and satisfaction. If they come to believe that they are doing some job because of the pay or the working condition or some other extrinsic reason they begin to loose motivation.

## **2.5 MEANING OF GIFMIS**

GIFMIS software is gotten from Oracle Corporation and it is among one of the main global to be software vendors from United State that deals in highly sophisticated information technology infrastructure build-up and enterprise management tool for countries and organizations. A study by ASW Consultants (2005), conferred that the Oracle software has been operationalized in components that makes classification very simple and less complex. The classification includes the oracle financial analyzer, the payable column, procurement column, receivables column, cash management column and the general ledger column. The Ghana Integrated Financial Management Information System (GIFMIS) programme was operationalized in the May, 2009. The main agenda was to replace the Budget and Public Expenditure Management System (BPEMS) which was already in practice. GIFMIS implemented the Enterprise Resource Plan (ERP) which serves as an electronic platform with several modules intended to simplify the movement of figures

amongst institutions, public establishments to aid policymaking. It has produced positive outcome as it is functioning in about 53 MDAs and the Regional Treasuries (Kostenbaum and Dener, 2015). GIFMIS is considered to be a programme for decision making by management. The purpose is to back budget planning, treasury management, financial control and controlling a set of core financial data and processing them into information (Peterson, 2006). It is a software that combines the main financial functions, guarantees integrity of financial reporting, quality management, safe keeping of records and efficiency of data records. The GIFMIS programme has better answers for financial system technical hitches that can be referred to as ‘‘stove-piped’’ that cannot interconnect with other systems. It performs the role of providing precise and perfect image of the financial status of the public institutions. It is also seen as an information technology tool that strengthens, coordinate and organise financial data in a central folder to support proper budget planning, management control, execution and report of financial data. Nevertheless, there are various practices and procedures that have brought about complexities of information system in the public sector organizations. The USAID Report (2008) opines that the various departments already have a specialized information systems established, nonetheless there is a need for the implementation of GIFMIS. The same report emphasized that GIFMIS is one of the information system that controls and summarizes financial events (ibid).

## **2.6 THE ROLE OF GIFMIS IN ACHIEVING AN EFFECTIVE BUDGET PREPARATION**

The introduction of GIFMIS has yielded positive results from the time of inception to date. Hove and Wynne (2010) in their survey confirmed that the implementation of GIFMIS assisted a lot of management processes. This has helped in assisting management in supporting accountability, ensuring allocating and use of public resources to increase efficiency and effectiveness of public

expenditure programmes. The programme has brought about control of accountability and transparency in the budget cycle, management see to it that it exercises financial control over expenditure. The system has ensured the monitoring of resources and financial events through an automated system. It also seeks and ensures that financial events are monitored through automated system. As a tool that is essential for decision making by Management, the programme has enhanced several changes in management programmes (Diamond & Khemani, 2006). The most important reason why this should be considered by management in controlling the budget is for management to control budget deficit and aggregate spending.

The implementation of this programme makes it easy for decision-makers who are concerned about financial and non-financial. Rodin-Brown (2008) stated that they also provide accurate, consistent and timely budgeted information for financial managers in their decision-making. Diamond and Khemani (2005) also established that the function of GIFMIS is to incorporate, collaborate, sort out and process the available financial records and data accessible to all the various sectors within the budget divisions on a repetitive basis. Here, accurate delivery of information at the right time is assured via the system and this is a vivid indication that any of the financial structure has the capacity of generating accurate and timely information and report as prompt as needed by management for budgetary decision making. There are a lot of improvement in our Public financial management and this has resulted into more credible, reliable and placed more confidence in the budget. Chene (2009a) also believes that the motive behind the implementation of the GIFMIS programme is to advance the budgetary preparation and performance by providing decision-makers with timely budget data needed for specific management control and supervision. Another, importance of GIFMIS is that, errors, fraud and corruptions are easily detected. The system has been designed in such a way that some features

have been added to modify it to back the entire system. It is very easy for thefts and fraud to be identify as well as regulating the excess payments (Chene, 2009b). The purpose is to trace illegal practices via the electronic systems by detecting those ghost names. The less can also be seen in the area of disbursement of cash, controlling all the events that are probable to be distrustful, programmed cross-referencing of payroll, SSNIT information, bank encryptions and account numbers for the identification of fraud and documentation of exclusions to normal procedures, cross-referencing of assets acquired to discover theft. Furthermore, Asah (2014) also enumerated the following as the role of GIFMIS in accomplishing a budget preparation in the various public organizations; the foremost role is improving the budgetary system, management of finance and spreading of financial information, providing of specific, accurate and recent and up-to-date financial information to the functional units and departments as well as the Government of Ghana.

### **2.6.1 The Need of GIFMIS in Financial Management Reform**

There have been a lot of questions about GIFMIS on the need to implement and operationalize this programme in public organization in establishing proper budget allocations. Most governments across the universe have adopted the use of several kinds of IT programmes and applications (Kaul and Odedra, 1991). According to Mgaya (1999) Computer Industry Development Potential (CIDP) coordinated by the United Nation has classified nations conferring to them as either a less advanced type or an advanced type. These Advanced countries consists of the United States of America, Japan, Canada and West European Countries. Countries such as Kenya, Bulgaria, Argentina, Brazil and India has been classified as less developed countries. in the process of providing financial assistance and offer to countries, UN as an institution and some donor communities have acknowledged the adoption of the Integrated Financial Management System (IFMIS) accounting. The benefit of this programme is enormous because the nations who have initiated this system in

their creation of goods and other services are not appreciating from the greater proceeds of their investments alone but also profiting from a high profile ingenuity. Most of these ingenuity and re-invention mostly happens in the developed countries (Heeks & Davies, 2000). The Advanced nations have recognized that by putting together a good IT system will lead to improve their social and economic benefits (Van Audenhove, 2000). The Organization for Economic Co-operation and Development understands that information infrastructure is likely to better productivity, fuel economic growth, provide employments and enhanced the standards of living of the populace.

According to Hoque and Moll (2001) in most part of the world, the government have put in place different kinds of financial administrative systems to restructure its procedures socially, economically and technologically to proactively increase the way state resources are judiciously managed and coming out with transparencies of financial data. In an examination by Wensing (1997) a lot of pressures emerging from world-wide and activities around the globe has led most governments to take decisions that are not pleased by citizens how state resources especially the budgetary funds are being utilized. Sculli and Sims (2007) found out that the introduction of the New Public Management is a way by which financial controllers at the various public institutions have prudently noted the various systems of the private firms' dealings to assess their institutions by implementing those good policies and strategies. These reform consist of the approval of the financial modelling tools such as accrual accounting, performance budgeting, privatization, normalization of financial reporting and a user pay accounting regime (Sculli & Sims, 2007). Furthermore, World Bank Report (2006) indicated that, Ghana has been able to strengthen its financial reforms as a result of the putting up of the legislative frameworks of guaranteeing the maximum use of public assets.

A number of reforms have occurred in these fields' including international financial reporting, financial administration, decentralization, budget reporting, pension administration, and personnel emolument. Heindenhof (2002) proved that the restructuring has facilitated the execution of projects in the view of ensuring correct use of funds, and that government meets its completion dates for projects very timely without. In the year 2010, a lot of government projects and activities were carried in Ghana as such as public health, free primary education, growing of school infrastructure to do away schools and classes that are on-going under trees, free distribution of exercise books, water resource management, rural electrification and road network, As a result of the proper budgetary allocation and distribution, the need be for such an improved financial management system to assist in completing all the medium term project.

## **2.7 ROLES OF GIFMIS IN ACHIEVING AN EFFECTIVE BUDGETARY CONTROL.**

GIFMIS plays a greater role in achieving an efficient budgetary control. The national budget requires the proper application of the GIFMIS in drawing the required items at the income and the expenditure column of the accounts. A speech delivered on November, 2013 by the former Finance minister, Mr. Seth Terkper said that GIFMIS plays a major role in budgetary control and budget preparation of all accounts at the various agencies and district levels and this requires that more programmes and training should be organized for staff and personnel who work on this accounts, he stated that since the role of GIFMIS cannot be overlooked, there should be the introduction of another system, that is the Programme-Based Budgeting (PBB). The role of GIFMIS will also seek to it that the challenges recognized with the activity-based budgeting system that has been used in previous years for almost 15 years. According to him, the introduction of this new budget system would serve as a means of getting new PBB system. The key emphasis

was to make sure that it would clear from the system difficult and central budget management and move the attention from inputs and activities to service delivery and outcomes (Adamtey, 2017).

Liu (2011) as cited by Shah and Shen 2008 also supported the view that, the role of an information system in producing an effective budget preparation is to clearly point out how funds are used efficiently, why are funds needed and what can those funds be used for in achieving the budgetary purposes and making sure that the cost involved meets the projected objectives.

Robinson (2009) proclaimed how the information system ensures effectiveness and efficiency of public disbursement. According to him, this role budgeting ensures that the budget implemented is properly linked with the money of public sector institutions to advance the result they produce and settling the constant use of performance information.

According to Abukari (2018) integrated financial management information systems (IFMIS) can be defined as the use of a computer-based systems which programmes and store significant financial data in big business organizations either private or public such as state owned Enterprises, transnational corporations and not for profit organizations. The maximum aim of these systems is to ensure that long term costs are reduced while making sure that there is accessibility to information. The purpose of IFMIS has helped to improve financial transparency and information access even though starting up with its implementation in terms of investment and money is so high.

IFMIS for an organization can be dependent on either the size or the needs of the organization handling the system. The IFMIS can be used as a custom made system or off-the-shelf software.

IFMIS has some major features that make it distinct from other computer. The features of IFMIS talks about the integration of all accounting-related information, or bigger organizational data management systems. They comprise of:

1. The standardization of data classifications for financial events.
2. The reduction in duplicate data entry
3. Implementation of internal controls for transactions
4. Production of multitude of reports.

Nonetheless, Abukari (2018) in his study came out with some demerits associated with the implementation of IFMIS. The disadvantages of IFMIs are as follows:

- a) It entails unending and continual care and maintenance to merit honest, truthful and efficient use of the system.
- b) Cost involved in switching to this platform can be very high.

## **2.8 CHALLENGES THAT ARE FACED IN THE BUDGETING ACTIVITIES BY GIFMIS**

There are factors that account for slow implementation of GIFMIS in the various Ministries, Department and Agencies that are needed to be addressed. A lot of these challenges were also identified by several authors in their study. Abukari (2018) in his examination came out with some detailed PFM problems that was encountered by the implementation of GIFMIS and among them are listed below:

- a. Lack of interface/integration between various PFM Systems
- b. Inadequate budgetary controls over public expenditure
- c. Lack of transparency in budget execution
- d. Poor record keeping on public financial transactions
- e. Undue delays in processing transactions due to cumbersome manual processes
- f. Lack of reliable data for effective fiscal planning due to weak accounting and fiscal reporting system
- g. Delays in financial reporting, especially at the national level

Asah (2015) also stated that Management commitment to change was addressed as a major challenge faced by public organizations. The implementation of new programmes is sometimes resisted by management. This was supported by Murphy (2002) study as stated in Lewin framework that potential change is resisted by forces in opposite direction. According to Diamond and Khemini (2006) change in public organizations can be resisted when the change is unclear to the management that effect the change, when the change is subject to different interpretations, if the people who influence have put pressure on those influenced to make it instead of them having views in the nature of the change, if it is on the personal grounds that the change is made and finally, if it ignores established institutions in the group.

Another challenge of GIFMIS is lack of adequate human resource. To curtail this problem, the public service organisations, must to organised workshops and training programs frequently which can take an extended period of time but not necessary that it will attain the desired outcomes. In the Ministries and Departments there are limited skilled labours and after they have acquired adequate expertise, they change from public sector organizations to the private sector which is a problem for the government. It is essential that the government will consider the salary of the workforces after the training (Strassmann, 1985).

Sometimes lack of Clarity in Ownership of the GIFMIS and Clear Authority to implement is very problematic. Managers of the programme may be undecided who should manage the GIFMIS project, whether Controller and Accountant General's Department or the Ministry of Finance or both. This is so because the MOF is in charge of handling the budget while the Accountant General's Department is in charge of the management of government accounting. Khemini (2005) in his findings realized that a lot of ownership issues and who is to handle a system has become a

challenge for the government sector and the only way to resolve this is for government to intervene by resolving this issue.

Lack of staff training and education on new legal and regulatory framework becomes a challenge if staff does not have the requisite expertise and capabilities to manage the programme. Since implementation of GIFMIS requires new codes, classifications, chart classifications and extra features that will make the budgeting processes successful. This will require staff training and as part of achieving effective production. Bugler, D and Bretschneider (1993) posited that implementing GIFMIS in attaining effective budget requires that trainers are provided with stable employment.

## **2.9 EMPIRICAL REVIEW**

Some earlier studies came out with roles that GIFMIS has played in achieving an effective budget preparation. Yeboah (2015) in a study examined the accountability frameworks in the implementation of GIFMIS in Ghana. A qualitative case study approach was adopted for the study by interviewing respondents within the MDA, MMDA's and other Ministries. The results from this study came out that, the introduction of the GIFMIS system is an internal initiative has a stronger role it plays in the budgetary process as compared to earlier PFM reform programmes in Ghana. The study also discussed how the previous reform programmes failed. From the data gathered, it was also confirmed that the implementation of the GIFMIS programme was inspired by the advantages gained from the computerized integrated financial management system. Again, the study of Yusif (2019) established that GIFMIS has assisted to improve the timely dissemination of significant information within the Ministry when it comes to its implementation and this has helped in achieving an effective budget preparation. Furthermore, the study established that local

experts form the core implementation of the GIFMIS programme and even though external consultants are involved, their roles are limited. The purpose is to ensure that there is local capacity building and strengthening the local experts in the implementation phases. The study was in agreement with studies by scholars who attested to the fact that GIFMIS received administrative and political provision and commitment. Nevertheless, some major barriers were recognized in the effective implementation of the GIFMIS system. Even though, there have been a lot of roles and advantages of the GIFMIS programme, some related issues such as information technology especially poor internet connectivity and lack of expertise to handle the system was a major problem. Additionally, the survey of Abukari (2018) also supported this view indicating the role of GIFMIS in the public organizations and how it has brought about improved decision making, enhancement of better accountability, formulation of budgets, and taking a lasting view when making financial decisions in the PSA. As regard to the importance of accounting technology in the PSA, the survey showed that, using technology in PSA leads to improved decision making, improved accountability, formulation of budgets, and taking a long-term view when making financial decisions

In reviewing how GIFMIS programme supported the budget implementation, a study by Asah (2015) assessed the Ghana Integrated Financial Management Information System (GIFMIS) in Ghana with an aim of determining the usage of the GIFMIS system and identification of problems associated with the implementation of the system. The study adopted a questionnaire survey approach in acquiring information from its respondents. This was achieved through interviews where results were analyzed using descriptive analysis. From the study, it was realized that there was a significant increase in the number of procurements to pay system in terms of the usage of the GIFMIS programme. Training programmes were highly considered to be more satisfied. Also,

it was realized that implementation of budget will have been problematic in current times if the old system was still adopted in the various public sector organizations.

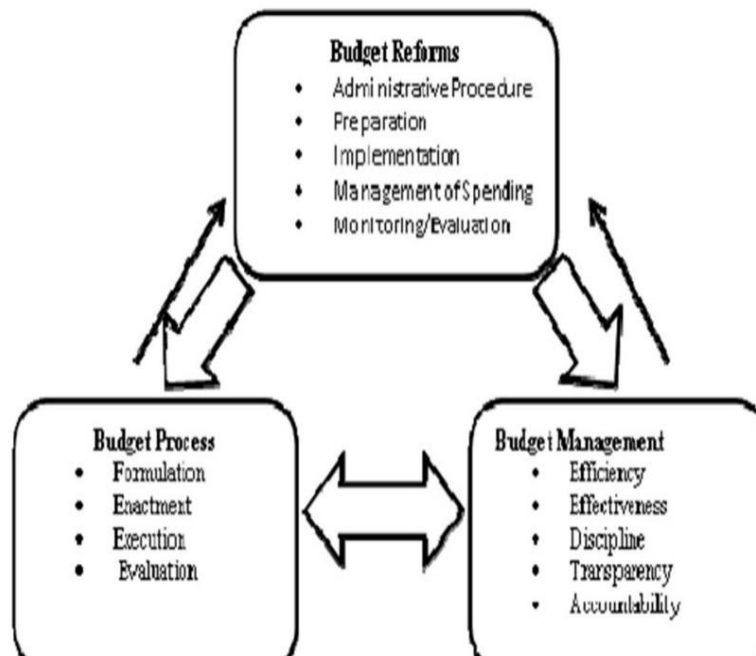
Limited studies have been done on how GIFMIS has supported budgetary control by researchers. However, a review by Abukari (2018) came out with his findings based on the introduction of technology in the Public organizations and how GIFMIS has transformed most of the ministries, department and Agencies. According to the study, it was discovered that public organizations have been able to control their budgetary system through monitoring and evaluation of their accounts. The study concluded that there is a positive relationship that exists between GIFMIS and budgetary control. Nevertheless, even though, information technology is being introduced in this modern era, some PSA still adopt manual system. Above all, the study concluded that GIFMIS platform has been adopted by majority of government entities and this has helped in the allocation of budget preparation and effective budgetary control processes. The study also indicated that majority of the respondents point out they accept change and reforms introduced by management via the implementation processes throughout the public sector accounting system.

There have been numerous challenges that several authors have pinpointed in the implementation of GIFMIS. Some studies have found some challenges as major while others too as minor. Not only that others are also ranked based on their severity. According to Ametefe (2019) who studied the Evaluation of Ghana Integrated Financial Management Information System (GIFMIS) in Financial Reporting of Ghana Education Service, the aim was to examine the extent to which GIFMIS addresses the challenges faced by GES. His study revealed key factors that does not allow successful and quality implementation of GIFMIS and the study came out with results such as legislative restrictions, insufficient ICT infrastructure, low computer literacy rate in the public

sector organizations and poor change management were found as the challenges facing GIFMIS. According to the study, it was found out that the critical success factors of GIFMIS were seen as are strong political support, high level administrative support, and strong local technical team, consciousness of past experience, and donor review and technical advice. However, the findings of Yusif (2019) disclosed that lack of management commitment and staff lacking the requisite skills were the main challenges encountered by public organizations and other challenges included lack of clear ownership and poor feedback in assessing budgetary performance. Moreover, Asah (2015) in terms of the identification of problems associated with GIFMIS, came out that the following problems ranked in order of importance. Training of more personnel in terms of the report generation and period end processes were the first problem that was realized from the responses of the employees, followed by breakdown of internet connectivity and stability of network of the entire system. Also, the study of Abukari (2018) also found out some constraints associated with the implementation of the system. Financial difficulties by PSA to train their personnel, recurrent power outages and inaccessibility of internet services are some challenges that were responded by the staff. It also included lack of ICT knowledge of personnel and computer illiterates and finally the struggle of acquiring political support for reforms in the public organizations. The outcome of Kwakye (2015) supported the study of Abukari (2018) on the challenges that is faced by GIFMIS in the ascertainment of effective budgetary processes. His outcomes confirm that despite the role GIFMIS has played in ensuring efficiency, accountability and transparency in financial management, it still has some hindrances faced within the organization which hinders the smooth processes of the system. This involves insufficient of resources (both financial and human) recurrent power cuts, personnel resistance to change and finally limited knowledge of information technology by staff.

## 2.9 CONCEPTAL FRAME WORK

Figure 2 Budget Reforms, Budget Cycle and Budget Management Conceptual Relationship



(Source: Adopted from the study of Egbi, Sola and Francis, 2014)

The introduction of the GIFMIS has brought about structural changes in the budget reforms in the budget preparation. The reforms entail the transformation and procedures by which the budget is formulated, implemented and evaluated. The purpose of the reform has increased effectiveness, efficiency and economy (World Bank 2001). Every country requires reformation process and

national management of the budget system in order to expand its practicability as a fiscal policy vehicle. By implication, thus, the reform of the budget through the implementation of GIFMIS has the purpose of having positive influence on the quality of the national budget or else it would be needless.

Supportably, the three planks as stated in the objectives on budget preparation, budget implementation and budget control resonated with the stages of the budget cycle (formulation, enactment, execution and evaluation), and the five main elements of budget management (efficiency, effectiveness, discipline, transparency and accountability). It is this relationship that brings about the point of the conceptual framework supporting this study as illustrated in the figure above. The figure establishes a link among the three budgets' concepts (Reforms, process and management). The thick arrows signify feed-forwards whereas the thin arrows denote feed-backs. The consequence demonstrated in the framework is that budget reforms bring about changes in the process, as well as the management of the budget in order to increase its workability as an economic management tool. This suggests that applicable and effective transformations as a result of the GIFMIS programme has helped shape the directions of the game which consistently have far reaching implications on the national budget. Nevertheless, most reforms of budget target the implementation stage of the entire budget process, since its weakness can lead to corruption and misappropriation. This explains why the budget requires transformation of integrated programmes to ensure integrity, accountability and transparency, hence the role of this programme.

## 2.10 CHAPTER SUMMARY

The chapter reviewed scholarly related literature and theories on the subject matter. It considered a wide range of issues related to the role of accounting systems in the preparation of national budget: (evidence from the implementation of GIFMIS in Ghana). Subsequently, literature on this topic was extensively explored to bring the main issues to the fore. Also, flowing from the surveyed literature above, the role of the accounting system (GIFMIS) has improved greatly over the years despite a few challenges. It is evident that there is the need to address some few issues to help improve the nation budgeting processes. This therefore brings about the gap in the previous literature which requires more attention and henceforth the need for this study.



## CHAPTER THREE

### RESEARCH METHODOLOGY

#### 3.0 INTRODUCTION

In this chapter, the method and techniques of data collection and analysis for the research methodology are presented in this section. This includes research design, population of study, sample and sampling technique, sources of data collection, research instrument, procedure for administration of research instrument, as well as the limitation of the research methodology.

#### 3.1 RESEARCH DESIGN

The study is a descriptive research design and it was aimed at providing insights into understanding the problem confronting the research work. The survey technique has also been used in this research; this involves descriptive models to describe each of the many factors needed for the research. This descriptive research was an action-based involving the use of structured questionnaires to solicit primary information from the organization. It employed the quantitative research approach in completing and accomplishing the desired set objectives that relates to the questions. The main reason for choosing this approach was to gather and collect numeric data for interpretation and data for its analysis. Research survey design was employed to help find answers to the research questions. Also, it was very important to adopt the quantitative techniques because the questionnaire approach was used in collecting data from respondents instead of interview. Another reality, as Yin (2008) mentioned, is that no single source of information has full benefit over all other sources.

### **3.2 POPULATION OF THE STUDY**

Population or universe can be referred to as the totality of whatever objects or measurements that the researcher is investigating or exploring (Amoani, 2005). Another definition of population was termed as the total of all items in the group of items in which the researcher wants to study (Sarantakos, 2005). It also means the aggregate people from which the sample is to be drawn.

Responses obtained from the sample respondents were a representative of the opinions of stakeholders from CAGD. The head office of the Controller and Accountant General Department was the target population used for the study. For the sample size, a questionnaire was prepared and distributed to ensure a fair and equitable distribution and response from respondents that are expected to give a true and fair representation of the views of all the respondents who fall within the research area to allow for generalization in the study. Due to time constraints and financial resources, the Head Office of Controller and Accountant General Department was chosen out of the other offices within the Accra Metropolis. The population was targeted based on proximity, accessibility and availability of information.

### **3.3 SAMPLE SIZE AND SAMPLING TECHNIQUE**

A total of fifty (50) professionals were selected for the study. The expected 50 sample size was randomly selected and this was achieved successfully without any challenges. The respondents represented experts and professional employees who perform roles and duties in the area under study. However, as a result of the varied nature of the sample population, Purposive (judgmental) sampling technique and random sampling method was used to select respondents. Moreover, interviewees were chosen based on a purposive sampling by considering their knowledge and expertise in this field. The respondents included auditors, accountants, skilled and professional

bodies who have been directly involved in the implementation of the GIFMIS within this sector and staff who are in charge of the national budget preparation for the last few years.

### **3.4 DATA COLLECTION METHODS**

Primary and secondary source of information was used for data collection. Primary data was collected through questionnaires administered to employees of the CAGD department, that is the respondents were used as the source of primary data for this study. The purpose of this data was to ensure that the precise information wanted was obtained. The useful information collected through the use of closed ended questionnaire was to gather information for the study. Some of the questionnaires were distributed physically and others through email. Secondary source of data was collected from published materials, computerized data based or other syndicated services. Sources of the published secondary data also comprised of information from journals, books, the internet, magazines, brochures, newspapers and annual reports of some public institutions. The questionnaire was designed in two sections; the first part is intended to gather the respondent's demographic data, including the interviewee's gender, role or position, education level and years of work experience. The section B of the questionnaire was divided into four sections. The first, talks about the identification of the roles of GIFMIS in achieving an effective budget preparation. The second and third, also examined extent at which GIFMIS programme has supported the budget implementation and evaluation of how GIFMIS has helped in budgetary control. Finally, the last section investigated some challenges faced by GIFMIS through the budgeting activities. This questionnaire was developed to facilitate data collection.

### **3.5 INSTRUMENTATION**

The study in achieving this purpose from respondents, organized its questionnaire to guide respondents to achieve the objectives of the study. A structured questionnaire was used to collect data from the organization using Likert scale questionnaires. The self-administered questionnaire to the stakeholders involved both open-ended and close ended. The purpose of the structured questionnaire serves as an instrument to draw the desired information and data and meeting the desired research objectives.

A five-point Likert type scale questions was also used numbering from 1 to 5 which ranged from strongly disagree to agree was used since they are appropriate and abide by the principles of validity, reliability, and consideration.

### **3.6 DATA ANALYSIS**

Data analysis usually involves reducing the raw data into a manageable size, developing summaries and applying statistical inferences. The data analysis method dealt with how the necessary data collected, through primary source was properly processed and presented for meaningful analysis. Consequently, the following steps were taken to analyze the data for the study: The data collected were coded and entered into the computer using Microsoft Office programme, Excel and Statistical Package for Social Sciences (SPSS) to analyze data in the form of frequency tables in knowing the impact of internal audit function on public organizations. Data collected was then re-analyzed using descriptive and inferential statistics. This helped to perform easy descriptive analyses that were presented using the SPSS. The findings were then evaluated and displayed using statistical instruments like frequencies, tables, key trends, including mean, median, percentage mode and standard deviation

### **3.7 RELIABILITY AND VALIDITY OF DATA**

A pilot was conducted to test and determine the reliability and validity of the questionnaire and interview questions. This was performed to determine if the tool covers the breadth of the content region and to determine whether the format used in the design is suitable for acquiring the data needed. Some specific elements and objects were found during the pilot research to eliminate reworded, rebuilt, or removed unnecessary and incorrectly worded questions. The pilot test also disclosed potential difficulties experienced by the scientist during the real data and information gathering exercise and precautionary measures to guarantee precision were put in place.

### **3.8 ETHICAL CONSIDERATION**

In the course of conducting a research study, the study population may be adversely affected by some of the questions directly or indirectly, deprived of an intervention, expected to share sensitive and private information or expected to be simply experimental. In order to ensure ethics between researcher and respondents informed consent form was drafted and sent to respondents to seek their participation interest before the research was carried out. Also the ethical principles of beneficence, fairness, justice and respect were adhered to. Moreover, in order to avoid lifting as an ethic between researcher and other researchers, the author endeavoured that every idea, sentence, expression, data, figure, chart or methodology employed that were not their own ideas were duly acknowledged according to the citation rules of Harvard.

### **3.9 BRIEF PROFILE OF THE COMPANY**

The Controller and Accountant-General's Department (CAGD), was established in 1885, during the pre-independence era of the Gold Coast. The Department was originally referred to as the 'Treasury' upon its establishment until 1937. This name was maintained until 1967 when it

obtained its current name, the ‘Controller and Accountant-General’s Department,’ It is, therefore, a Civil Service Department under the Ministry of Finance. The 1992 Constitution and the Public Financial Management Act, 2016 (Act 921) consider the operations carried out by this sector as the Chief Accounting Officer of Government and Advisor to the Minister and Government in matters relating to accounting. The Controller and Accountant-General (CAG) is responsible to the Minister for the custody, safety and integrity of public funds (CAGD, 2020).

**Vision:** The vision of CAGD is that of the public service with a positive culture, client-focused and result oriented, constantly seeking ways to improve the delivery of Financial Management Services to the Government and the general public.

**Mission:** Their mission is to provide Public Financial Management Services to the Government and the general public through efficient, skilled, well-motivated and dedicated staff, using the most appropriate technology.

#### **Core Values**

1. Putting customers’ first
2. Serving the whole country
3. Acting with integrity
4. Valuing people
5. Continuous improvement and innovation

## CHAPTER FOUR

### RESULTS AND DISCUSSIONS

#### 4.0 INTRODUCTION

This chapter presents the findings and discussions of the study to assess the role of accounting systems in the preparation of national budget an evidence from the implementation of GIFMIS in Ghana using CAGD as a case study. The raw data was entered into SPSS for various statistical analyses to be carried out. The analysis was carried out using descriptive statistics. The analysis of the survey was divided into sections in accordance to the objectives of study.

#### 4.1 GENERAL INFORMATION

A total response rate of 50 questionnaires were issued to the target respondents and everybody responded to the questionnaire representing 100% rate of collection.

This section gives a snapshot of the background data (demography) of the respondents from which the data was collected. The background data of the respondents focuses on the gender dimension, age category, educational status of the respondents and the marital status as well as the work experience of respondents. This provides a good view of who the respondents are and it is important to have an idea about the demographic features of the respondents since it can influence their responses in one way or the other.

## Demographic Characteristics of Respondents

**Table 4. 1 Demographic of Respondents**

Personal Data	Frequency (N=50)	Percentage (100%)
<b>Gender</b>		
Male	32	64.00
Female	18	36.00
<b>Total</b>	<b>50</b>	<b>100.00</b>
<b>Marital Status</b>		
Single	14	28.00
Married	30	60.00
Divorced	6	12.00
<b>Total</b>	<b>50</b>	<b>100.00</b>
<b>Age of Respondent</b>		
28-32 years	8	16.00
33-37 years	12	32.00
38-42 years	10	28.00
43-47 years	8	16.00
48-52 years	4	8.00
53 years and Above	8	16.00
<b>Total</b>	<b>50</b>	<b>100.00</b>
<b>Highest Educational Level</b>		
Bachelor's Degree	11	22.00
Master's Degree	27	54.00
Others	12	24.00
<b>Total</b>	<b>50</b>	<b>100.00</b>
<b>Ranks</b>		
Accountant	9	18.00
Senior Accountant	27	54.00
Chief Accountant	9	18.00
Programmers	5	10.00
<b>Total</b>	<b>50</b>	<b>100.00</b>
<b>Working Experience</b>		
1-5years	10	20.00
6-10years	25	50.00
11-15years	11	22.00
Above 15years	4	8.00
<b>Total</b>	<b>50</b>	<b>100.00</b>

(Source: Fieldwork, 2020)

Table 4.1 above shows the distribution of staff involved in the study on their various demographic indicators. Out of the administered respondents for the study, 64% represented male employees of Controller Accountant General Department whilst 36% represented female respondents. The table shows that 28 percent of the respondents are single, 60 percent are married while the remaining 12 percent were divorced. It came out that majority of the respondents from CAGD are married followed by those who are single and then finally who are divorced.

The findings indicated that 16% of the respondents are between 28-32 years, 32 % are between the ages of 33–37, 28% are between 38-42 years, 16% are between 43-47 years and 8% of the respondents were between the ages of 48-52 years and the remaining 8% were between the ages of 53 and above. In terms of highest educational level, Majority of the respondents that participated in the study have Master's degree from diverse educational background, this represented 54% of the staff that participated in the study. 24% are those who have acquired professional certificate or those who have professional certificate. The results confirmed that majority of the participants hold Master's degree in CAGD.

This section also discusses their respective role or position in the firm. From the results, 9 people representing 18% were Accountants in the organization whilst 54 were chief Accountants. From the table, it can be observed that about 10% of the respondents were programmers. The positions of the respondents were vital in assisting the survey based on information on GIFMIS. The study was also able to indicate the number of years' respondents have been working in the organization. The findings disclosed that 20% of the respondents have worked at CAGD between 1-5 years. The respondents who have worked between 6-10 years and 11-15 years are 50% and 22% respectively. This is an indication that employees with long serving years of experience in the organization falls

between the years of 11-15 years. Finally, those who have worked for the organization above 15 years amounted to 8%.

**Table 4. 2 GIFMIS Effective Budget Preparation.**

	Mean	Std. Deviation
The GIFMIS component has achieved a seamless linkage of Ghana's budget preparation, accounting and reporting modules	1.20	0.45
GIFMIS framework covers all income items within the organization	4.40	0.55
GIFMIS framework is a tool for easing budget preparation processes	4.70	0.60
Compared to previous, GIFMIS is a faster way of preparing budget	4.20	0.54
GIFMIS provides a better guideline to the allocation of resources and use of public resources during budget preparation	3.84	1.41
GIFMIS framework helps in setting priorities during the budgeting preparation processes	2.0	1.54
GIFMIS provides a way of monitoring resources and financial events in the budget preparation process	1.97	1.03
The GIFMIS framework allows for the integration of strategic plans into the charts of Accounts	1.3	2.0
GIFMIS framework covers all expenditure items within the organization	2.27	0.89

**Scale: Strongly Agree = 1, Agree = 2, Undecided = 3, Disagree = 4, Strongly Disagree = 5**

**(Source: Fieldwork, 2020)**

Table 4.2 above shows that respondents revealed that they agree that the component of GIFMIS has achieved a seamless linkage of Ghana's budget preparation, accounting and reporting modules with a mean of 1.20 and a standard deviation of 0.45. The findings also reveal the respondents agree that GIFMIS framework covers all income items within the organization and this results came out with a mean of 4.40 and a standard deviation of 0.55. However, the participants believed that GIFMIS framework is a tool for easing budget preparation processes with a mean mark of 4.70 and a standard deviation of 0.60 respectively. In finding out whether Comparing this programme with the previous accounting programme, it was agreed that the former programme, that is GIFMIS is a faster way of preparing budget. The results indicated a mean mark of 4.20 and a standard deviation of 0.54. results obtained of 3.84 mean and a standard deviation of 1.41 respectively was ascertained when enquired if GIFMIS provides a better guideline to the allocation of resources and use of public resources during budget preparation. The findings disclosed that participants were not in agreement with this claim. In terms of finding if, GIFMIS provides a better guideline to the allocation of resources and use of public resources during budget preparation. The study came out with a mark of 1.97 and 1.03. This supports the claim that GIFMIS does not have any better provision or a better guideline to the allocation of resources and use of public resources during budget preparation.

The study further confirmed that GIFMIS framework does not have any help in setting priorities during the budgeting preparation processes. the results obtained for this statement was 2.0 and 1.54. It was found out that the statement from the study pertaining to whether GIFMIS framework allows for the integration of strategic plans into the charts of Accounts. The outcome proved that GIFMIS framework covers all expenditure items within the organization and the participant agreed to statement. This results can be seen above with a mean of 2.27 and a standard deviation of 0.89.

The findings from this study discovered that majority of the respondents disagree to the assertion that The GIFMIS framework allows for the integration of strategic plans into the charts of Accounts. On the other side, it was revealed that comparing GIFMIS to accounting programmes, the introduction of GIFMIS has brought speed, accuracy and a faster way of the budget preparation. In tandem with the study of Hove and Wynne (2010) where they study tried to find out the roles of GIFMIS towards achieving an effective budget preparation, established that the role of GIFMIS has brought about a good management process. Also in support of this claim was the study of Diamond and Khemani (2006). This result concurs with the same findings of Chene (2009a). However, the result of Rozner (2008) contrasted the above that the framework allows for the integration of strategic plans into the charts of Accounts.

Table 4.3 below shows that 22% of the respondents from the various departments strongly agree that GIFMIS programme has supported the budget implementation by improving control, predictability, accounting and reporting of budget execution. 38% also agree to this same assertion while 16% are indecisive to this claim. However, 14% and 10% is of a different view to this statement. They disagree and strongly disagree respectively with this statement.

Again, the results indicate that 36% of the respondents agree there is very fairly cordial relationship between the internal audit staff and other staff of the organization. 47% of the total respondents agree that there is fairly cordial relationship between the internal audit staff and other staff of the organization. 11% of the respondents believe there is little cordial relationship and 2% believe there is no cordial relationship between the internal audit staff and other staff of the organization. Also, in finding out whether the implementation of GIFMIS has increased the efficiency and

effectiveness of the public sector budgetary processes realized 20% agrees to this while 36% strongly agree to the same assertion. Nevertheless, 14% and 18% of the respondents disagree and strongly disagree respectively to this statement. Again, the respondents believed that 16% strongly agree to this matter while 40% also agree same. They believe that the programme has enhanced comprehensiveness and transparency in public financial management. 10% were neutral to the assertion while 14% and 20% disagree and strongly disagree this affirmation.

Additionally, 18% of the respondents strongly as of the view that there have been an increased effectiveness and efficiency of public expenditure programmes. 28% also agree to this statement while 30% disagree that there have been an increased effectiveness and efficiency of public expenditure programmes. 8% were neutral to this assertion.

Majority of the participants also disagrees that GIFMIS has make it easier for decision makers who are concerned about financial data and non-financial data. 25 respondents representing 48% were in disagreement of this fact. 10% were neutral on this point while 42% were in agreement that GIFMIS programme has eased decision making for management.

Lastly, 36% and 225 of the respondents are in agreement that GIFMIS has contributed to the enhancement of fiscal discipline, strategic allocation of resources and service delivery efficiency whilst 14% and 16% were in disagreement of this assertion. 12% of them were neutral to thus claim

**Table 4.3 GIFMIS Programme has Supported the Budget Implementation**

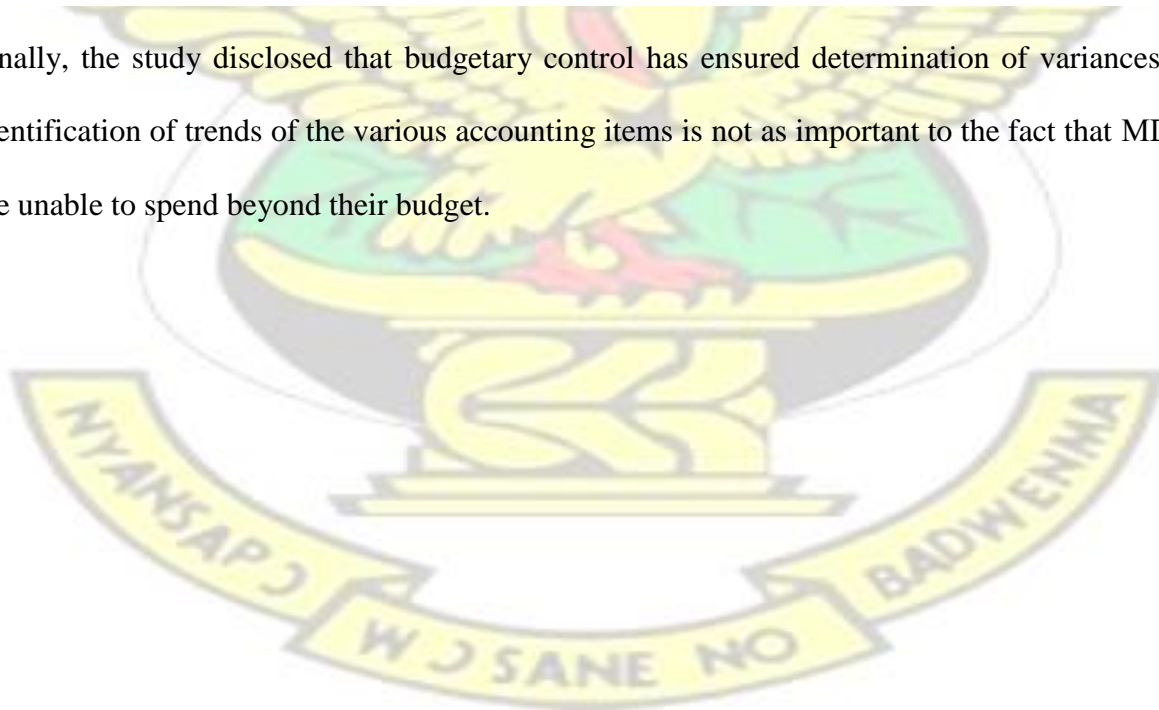
STATEMENT	S A Frequency / Percentage	A Frequency / percentage	N Frequency / percentag e	D Frequency / percentag e	S D Frequen cy / Percent age	TOTAL Frequen cy / percent age
Enhancement of Control, Predictability, Accounting and Report of Budget	11 (22%)	19 (38%)	8 (16%)	7 (14%)	5 (10%)	50 100%
Support of public financial management in achieving budget credibility	18 (36%)	21 (42%)	2 (4%)	5 (10%)	4 (8%)	50 100%
Efficiency and Effectiveness of the Public Sector Budgetary Process	10 (20%)	18 (36%)	6 (12%)	7 (14%)	9 (18%)	50 100%
Comprehensiveness and Transparency in Public Financial Management.	8 (16%)	20 (40%)	5 (10%)	7 (14%)	10 (20%)	50 100%
Enhancing Efficiency and effectiveness of expenditure programmes	9 (18%)	14 (28%)	4 (8%)	15 (30%)	8 (16%)	50 100%
Easier for decision makers, who are concerned about financial and non-financial data	8 (16%)	13 (26%)	5 (10%)	13 (26%)	11 (22%)	50 100%
Strategic allocation of resources and service delivery efficiency	18 (36%)	11 (22%)	6 (12%)	7 (14%)	8 (16%)	50 100%

**Scale: Strongly Agree = 1, Agree = 2, Undecided = 3, Disagree = 4, Strongly Disagree = 5**

**(Source: Fieldwork, 2020)**

From the findings, it was revealed by the majority of the respondent's strong believe that MDA's are unable to spend beyond their budget like they used to do were adjudged the highest importance of how GIFMIS has helped in budgetary control with a high mean score of 4.80 and this was ranked as first. The study also confirmed how GIFMIS framework has helped to curb discrepancies that occur between the budgeted and actual expenditure. The outcome is an evidence that the troubles of inconsistencies that happens between budgeted figures and actual figures on the financial statements has been minimized by GIFMIS which has helped in an effective budgetary control. Robinson (2009) further supports this assertion and that the role of GIFMIS is a contributory factor to every budgetary control activity that takes place in public organizations. Also, Liu (2011) and Tekper (2013) in his speech delivered agreed to the fact that various agencies and districts requires a proper budgetary control and this can only be achieved through the GIFMIS programme.

Finally, the study disclosed that budgetary control has ensured determination of variances and identification of trends of the various accounting items is not as important to the fact that MDA's are unable to spend beyond their budget.



**Table 4.4: Determination of how GIFMIS has helped in Budgetary Control**

Statement	Mean	Median	Ranking	Std. Dev.
With the implementation of GIFMIS MDA's are unable to spend beyond their budget like they used to do	4.80	5.00	1 <sup>st</sup>	0.404
The GIFMIS programme helps in checking accuracy of actual income and expenditure reported	4.70	5.00	4 <sup>th</sup>	0.463
Budgetary control ensures determination of variances and identifying trends of the various accounting items	4.50	5.00	6 <sup>th</sup>	0.677
The GIFMIS framework helped to curb any discrepancies that occur between the budgeted and actual expenditure.	4.78	5.00	2 <sup>nd</sup>	0.418
There is operational system of internal control's activities in regulating the budget processes	4.72	5.00	3 <sup>rd</sup>	0.454
Monitoring of results are done consistently at various departments to check targets	4.52	5.00	5 <sup>th</sup>	0.552

**Scale: Strongly Agree = 1, Agree = 2, Undecided = 3, Disagree = 4, Strongly Disagree = 5**

**(Source: Fieldwork, 2020)**

In this section, the survey tried to find out the determination of how GIFMIS has helped in budgetary control. After computation of the mean and the standard deviation, the results were ranked from the most important to the least; With the implementation of GIFMIS, MDA's are unable to spend beyond their budget like they used to do were adjudged the highest importance of how GIFMIS has helped in budgetary control with a high mean score of 4.80. This was followed by how GIFMIS framework has helped to curb discrepancies that occur between the budgeted and actual expenditure. The results came out with a mean figure of 4.78. The respondents believe that the framework has ended the trouble of inconsistencies that happens between budgeted figures and

actual figures of the financial statements. The 3<sup>rd</sup> importance was there is operational system of internal control's activities in regulating the budget processes. The respondents agree that GIFMIS has helped in budgetary control by ensuring that the operational system of the internal control system mechanism are well adhered. Hence, this was regarded as another important way by which GIFMIS has helped in budgetary control. From the survey, the result of the study came out with a mean mark of 4.72. Moreover, The GIFMIS programme helping in checking accuracy of actual income and expenditure reported was ranked as 4<sup>th</sup>. This statement came out with a mean mark of 4.70. It is more likely to indicate how accuracy of how actual income and expenditure is to CAGD. This is an indication that accuracy is a feature of the programme and necessary in budgetary control. More interestingly, from the results obtained from the questionnaire, respondents believe that monitoring of results are done consistently at various departments to check targets. It was realized that monitoring has a greater advantage of having consistent figures which serves as a check and balance on the data. The results came out with a score for each statement with a mean mark of 4.52 ranked as 5<sup>th</sup>. Per the response on the how budgetary control has ensured determination of variances and identification of trends of the various accounting items was the last options ranked. The response shows that majority of the respondents strongly disagreed this claim. This was ranked as 6<sup>th</sup> with a mean score of 4.50 and a standard deviation of 0.677.

In terms of examining the extent at which GIFMIS programmes has supported the budget implementation, the study came out with a finding that the programme has brought about comprehensiveness and transparency in public financial management. From the study, there was a prove of majority of the respondents agreeing to this claim. Also, the study disclosed that about 78% majority of participants stated that the programme has helped in public financial management in achieving budget credibility. In agreement with the above assertion was the study of Abukari

(2018) which posited that integrated financial management information systems (IFMIS) ensures that long term costs are reduced while making sure that there is accessibility, availability transparency and proper accounting of information. He supports this claim by concluding that IFMIS improves financial transparency, comprehensiveness and information access even though starting up with its implementation in terms of investment and money may be high.

However, Sculli and Sons (2007) was not in tandem with these study findings that the programmes bring about comprehensiveness and transparency but rather they believe that it increases the efficiency and effectiveness of the public sector budgetary process



**Table 4. 5: Assessing Challenges faced By GIFMIS through the Budgeting Activities**

Statements	SD	D	U	A	SA	TOTAL (%)
Management of the organization are not committed to change	9 (18%)	5 (10%)	7 (14%)	15 (30%)	14 (28%)	50 (100%)
Employees do not possess the requisite skills for operation, maintenance and implementation of the system	16 (32%)	15 (30%)	9 (18%)	7 (14%)	3 (6%)	50 (100%)
There is no laid down plan for staff education, professional training and development of GIFMIS	17 (34%)	14 (28%)	5 (10%)	9 (18%)	5 (10%)	50 (100%)
There is Poor feedback for assessing budgetary performance	16 (32%)	14 (28%)	10 (20%)	4 (8%)	6 (12%)	50 (100%)
Poor Network Connectivity and Inadequate I.T infrastructure	5 (10%)	11 (22%)	9 (18%)	12 (24%)	13 (26%)	50 (100%)
Low computer illiteracy in the public sector	18 (36%)	13 (26%)	2 (4%)	7 (14%)	10 (20%)	50 (100%)
Lack of regular feedback on how GIFMIS has assisted in achieving organizational Targets	10 (20%)	15 (30%)	4 (8%)	6 (12%)	16 (32%)	50 (100%)

**Scale: Strongly Agree = 1, Agree = 2, Undecided = 3, Disagree = 4, Strongly Disagree = 5**

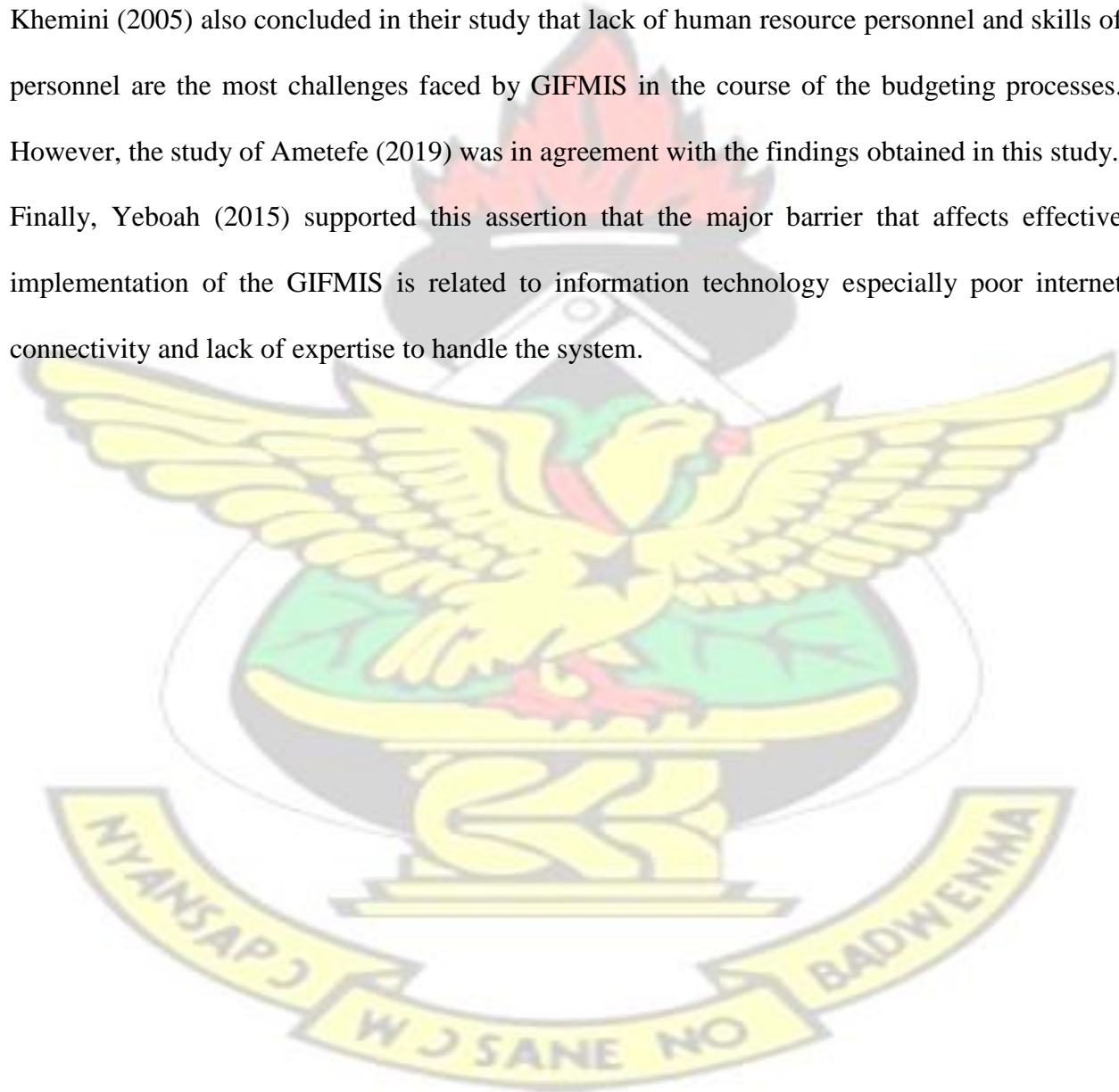
**(Source: Fieldwork, 2020)**

In assessing the challenges faced by GIFMIS through the budgeting activities, it was found out that in terms of management being not committed to change, 28% and 15% respectively believes that management is not committed to change. 9% and 5% believes that otherwise and that management is committed to change whilst 7% were indecisive about this statement. Secondly, 16% disagree that employees do not possess the requisite skills to carry out the operations of the programme, maintenance and implementation of the system. 15% also disagree same. Again, 14% and 6% agree and strongly agree respectively to this assertion. 34% also strongly disagree that

there is no laid down plan for staff education, professional training and development of GIFMIS. From the results, 28% of the respondents believes same whilst 10% are undecided about this. On the other side, 18% and 10% agree and strongly agree respectively to this statement. In finding out if there is poor feedback for assessing the budgetary performance in the organization, it was revealed by 16 respondents representing 32% that they strongly disagree to this claim as well as 14% who disagree same. About 20% of the participants were neutral to this question whereas 8% and 12% were in agreement to this claim. Interestingly enough, majority of the participants (25) representing 50% were in support of the statement that poor network connectivity and inadequate I.T infrastructure were a great challenge faced by the employees within this organization. On the other side, 32% disagree that poor network connectivity and IT infrastructure is a challenge. This problem is regarded as the most challenge faced by GIFMIS. In terms of low computer illiteracy in this sector, the findings came out with majority of the respondents, that is 31 of them indicating that they strongly disagree to this point with a percentage of 36% and 26% while 7 employees as well as 10 of them indicated their support that low computer illiteracy in this sector is prevalent which represented 14% and 20% was a challenge in the public sector. Finally, 20% and 30% strongly disagree and disagree that there is lack of regular feedback on how GIFMIS has assisted in achieving organizational targets. The results proved that 8% were undecided on this point. This assertion was supported by 6 and 16 of the respondents who are in agreement of this claim representing 12% and 32%.

In terms of the challenges faced by GIFMIS through the budgeting activities, the study came out with a finding that the poor network connectivity and IT infrastructure is the most challenged faced by GIFMIS through the budgeting activities. The study of Mukami (2012) was in disagreement to this assertion. The study of Mukami (2012) was not in tandem with this claim but disclosed that

The challenges faced through the budgeting activities includes unskilled manpower, lack of community participation, lack of dynamic structures, finance, lack of budgetary accuracy and lack of monitoring and review. In addition, Asah (2015) and Yusuf (2019) also disagree to this statement and believes that Management commitment to change is regarded as a major challenge faced by public organizations in the budgetary activities by GIFMIS. The study of Strassmann (1985) and Khemini (2005) also concluded in their study that lack of human resource personnel and skills of personnel are the most challenges faced by GIFMIS in the course of the budgeting processes. However, the study of Ametefe (2019) was in agreement with the findings obtained in this study. Finally, Yeboah (2015) supported this assertion that the major barrier that affects effective implementation of the GIFMIS is related to information technology especially poor internet connectivity and lack of expertise to handle the system.



## CHAPTER FIVE

### SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

#### 5.0 INTRODUCTION

Outlined in this chapter are the summary of the findings, the recommendations based on the outcome of the analysis of data and recommendations arising as a result of the findings of the study. The summary provides an overview and synopsis of the study and highlights key findings of the study. The conclusion highlights the inferences that can be deduced from the empirical analysis. Recommendations based on the outcome of the research are provided to end the section.

#### 5.1 SUMMARY OF FINDINGS

The findings from this study discovered that majority of the respondents disagree to the assertion that The GIFMIS framework allows for the integration of strategic plans into the charts of Accounts. The results came out with a mean figure of 1.3 and a huge standard deviation figure of 2.0. On the other side, it was revealed that comparing GIFMIS to accounting programmes, the introduction of GIFMIS has brought speed, accuracy and a faster way of the budget preparation. With the findings, there was an indication of 4.20 which signifies majority of respondents who agrees to the claim and the least standard deviation of 0.54.

The findings, disclosed that by the majority of the respondent's strongly believe that MDA's are unable to spend beyond their budget like they used to do. The outcome was adjudged the highest mean with a figure of 4.80 and was adjudged as the best ranked in terms of order of importance. The findings are an indication of how GIFMIS framework has helped to curb discrepancies that occur between the budgeted and actual expenditure. The outcome is an evidence that the troubles of inconsistencies that happens between budgeted figures and actual figures on

the financial statements has been minimized by GIFMIS which has helped in an effective budgetary control.

The study revealed that majority of the respondents agrees that the programme has brought about comprehensiveness and transparency in public financial management. Also, the study disclosed that about 78% majority of participants believe that the programme has helped in public financial management in achieving budget credibility.

In terms of the challenges faced by GIFMIS through the budgeting activities, the study came out with a finding that the poor network connectivity and IT infrastructure is the most challenged faced by GIFMIS through the budgeting activities. The results came out with almost half (50%) of the respondents who were all in agreement that in Ghana poor network connectivity and I.T infrastructure is a major challenge to most public organizations.

## **5.2 CONCLUSION**

The study concluded that the role of GIFMIS has brought about speed, accuracy and a faster way of the budget preparation. It has resulted into improvement in macro-economic stability, improvement in fiscal discipline, aid in expenditure and investment planning, fiscal budget management and control and timely management and reporting of the budget.

With regards to examining the extent at which GIFMIS programs has supported the budget implementation, the implementation of the GIFMIS programme has brought about an improvement in macro-economic stability, improvement in fiscal discipline, aid in expenditure and investment planning, fiscal budget management and control and timely management and reporting.

The study concludes that GIFMIS has brought about comprehensiveness and transparency in public financial management. It also came to light that there has been budget credibility through the implementation. Transparency and credibility helps to achieve successful budgets in all the MMDA's and agencies.

It is also worth noting that the GIFMIS programme is beset with certain challenges in the smooth operations of the system such as inadequate resources and personnel, resistance to change by some staff, lack of skills in IT, and the fact that there is low computer illiteracy at the public sector. However, the study concluded that poor network connectivity and I.T infrastructure are the key challenges faced as a result of the GIFMIS by CAGD.

### **5.3 RECOMMENDATIONS**

The following recommendations were concluded after thorough analysis of the findings. These recommendations are made to management, both internal and external users who are interested in ensuring the role of accounting systems in the preparation of national budget in Ghana.

1. First and foremost, it is recommended that Management must participate all the departments to educate them on current trends of GIFMIS programme anytime there is an update of the software as well as providing training for all staff.
2. Additionally, there should be monitoring of accounts at all departments to ensure that all records are kept in accordance with the standard and also adherence to the policies and principles of the programme.
3. The researcher therefore suggest that further studies should be conducted in the rest of the public sector which are not on the GIFMIS program. The researcher conducted the research on a small geographical area, which is the controller and Accountant General's

Department; it is therefore recommended that a future research must be conducted to cover the entire public sector for smooth, effective, efficient and timely budget preparation.

4. Lastly, government should provide adequate computer equipment, and advance IT infrastructure solutions with high-speed internet connectivity to help speed up processes at the various public service department to ensure good budget report at each annual year.

#### **5.4 LIMITATIONS OF THE STUDY**

The findings of this study cannot be statistically generalized for the entire Ghanaian economy as it was geographically restricted, with only participants from a random sample of a project for some specific sectors. Generalizations cannot produce accurate results. In addition, some participants were also unwilling to disclose data about their organizations. The investigator, however, reassured them that the data they acquired would be used for academic purpose only.

Finally, generalizing the findings to other previous work was a limitation in a sense that every region or sector of an economy has its own unique set of cultural variables and components.

#### **5.5 AREAS FOR FURTHER STUDIES**

In future, further studies should be conducted in the rest of the public sector which are not on the GIFMIS programme. The researcher conducted the research on a small geographical area, which is the controller and Accountant General's Department, it is therefore recommended that a future research must be conducted to cover the entire public sector for smooth, effective, efficient and timely budget preparation. Another useful avenue for future research is to take into consideration the trend analysis of the importance of implementation of GIFMIS on the performance of the various sectors since its inception.

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## APPENDIX A



### **KWAME NKURUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY –INSTITUTE OF DISTANCE LEARNING**

#### **QUESTIONNAIRE TO RESPONDENTS:**

The following questionnaire is being administered by final year student of KNUST for a thesis project on the topic “**The Role of Accounting Systems in the Preparation of National Budget: (Evidence from the implementation of GIFMIS in Ghana)’’- A Case study of CAGD (Controller and Accountant General Department)**”

Your kind corporation is hereby being sought to help answer these questions. Assurance is hereby given that any information provided would be treated with the necessary confidentiality it deserves and will be used solely for purposes of academic study.

Kindly complete this questionnaire by filling in the blanks with a tick [√] against the most appropriate answer.

#### **SECTION A: General Information**

Please tick [√] the appropriate option.

1. Gender:                      Male    [   ]    Female [   ]
2. Marital status: Single [   ]      Married [   ]      Divorced [   ]

3. Age of Respondents 28 – 32years [ ] 33– 37years [ ] 38 – 42years [ ]  
 43 – 47years [ ] 48 – 52years [ ] 53years and Above [ ]

4. Level of Education:

O' level/SHS [ ] Diploma/HND [ ] Bachelor Degree [ ] Master Degree [ ]  
 Others [ ] Please Specify .....

5. Total years of work experience with the organization

Below 1year [ ] 1-5 years [ ] 6-10 years [ ] 11-15 years [ ] above 15 years [ ]

6. Rank..... Position you occupy.....

**SECTION B: The roles of GIFMIS in achieving an effective budget preparation.**

Please show how strongly you agree or disagree by making a tick [√] in the appropriate box. The rating is as follows: **SA—Strongly Agree, A-Agree, U-Uncecided, D-Disagree, SD-Strongly Disagree.**

No.	Statements	SA	A	U	D	SD
7	The GIFMIS component has achieved a seamless linkage of Ghana’s budget preparation, accounting and reporting modules					
8	GIFMIS framework covers all income items within the organization					
9	GIFMIS framework is a tool for easing budget preparation process knowledge					
10	Compared to previous, GIFMIS is a faster way of preparing budget					
11	GIFMIS provides a better guideline to the allocation of resources and use of public resources during budget preparation					
12	GIFMIS framework helps in setting priorities during the budgeting preparation processes					
13	GIFMIS provides a way of monitoring resources and financial events in the budget preparation process					
14	The GIFMIS framework allows for the integration of strategic plans into the charts of Account					
15	GIFMIS framework covers all expenditure items within the organization					

**SECTION C: Examining the extent at which GIFMIS programmes has supported the budget implementation**

Below are different variables on the extent at which GIFMIS programme has supported the budget implementation. Please show how strongly you agree or disagree by making a tick [√] in the appropriate box. The rating is as follows: **SA—Strongly Agree, A-Agree, U-Undecided, D-Disagree, SD-Strongly Disagree.**

No.	Statements	SA	A	U	D	SD
16	GIFMIS has improved control, predictability, accounting and reporting of budget execution.					
17	GIFMIS has helped in public financial management in achieving budget credibility					
18	GIFMIS implementation has increased the efficiency and effectiveness of the public sector budgetary process					
19	GIFMIS enhance comprehensiveness and transparency in public financial management					
20	GIFMIS increases efficiency and effectiveness of public expenditure programmes by supporting the budgetary implementation					
21	GIFMIS makes it easier for decision makers, who are concerned about financial and non-financial data during the budget implementation stage					
22	GIFMIS aims at contributing in enhancing fiscal discipline, strategic allocation of resources and service delivery efficiency.					

**SECTION D: Determination of how GIFMIS has helped in budgetary control**

Below are different statements to evaluate how GIFMIS has helped in budgetary control. Please show how strongly you agree or disagree by making a tick [√] in the appropriate box. The rating is as follows: **SA- Strongly Agree, A-Agree, U-Undecided, D-Disagree, SD-Strongly Disagree.**

No.	Statements	SA	A	U	D	SD
22	With the implementation of GIFMIS MDA's are unable to spend beyond their budget like they used to do					
23	The GIFMIS programme helps in checking accuracy of actual income and expenditure reported					
24	Budgetary control ensures determination of variances and identifying trends of the various accounting items					
25	The GIFMIS framework helped to curb any discrepancies that occur between the budgeted and actual expenditure.					
26	There is operational system of internal control's activities in regulating the budget processes					
27	Monitoring of results are done consistently at various departments to check targets					

**SECTION E: Assessing challenges faced by GIFMIS through the budgeting activities.**

Below are different Statements on **the Challenges that CAGD faces during the implementation of GIFMIS in effective budgeting Activities** Please show how strongly you agree or disagree by making a tick [√] in the appropriate box. The rating is as follows: **SA—Strongly Agree, A-Agree, U-Undecided, D-Disagree, SD-Strongly Disagree.**

No.	Statements	SA	A	U	D	SD
28	Management of the organization are not committed to change					
29	Employees do not possess the requisite skills for operation, maintenance and implementation of the system					
30	There is no laid down plan for staff education, professional training and development of GIFMIS					
31	There is Poor feedback for assessing budgetary performance					
32	Poor Network Connectivity and Inadequate I.T infrastructure					

33	Low computer illiteracy in the public sector					
34	Lack of regular feedback on how GIFMIS has assisted in achieving organizational Targets					

**THANK YOU VERY MUCH FOR AVAILING TIME TO COMPLETE THE QUESTIONNAIRE**

