Available online at
www.mdl.mazedan.com

MIBR

www.mazedan.com

www.mazedan.com/mibr

VALUE FOR MONEY ANALYSIS AND FINANCIAL PERFORMANCE OF MANUFACTURING FIRMS IN IMO STATE

EKE PROMISE AND VICTORY CHIKA ODUKWU*

MAZEDAN INTERNATIONAL BUSINESS REVIEW
e-ISSN: 2583-0929
Article id: MIBR0301001
Vol-3, Issue-1
Received: 02 Dec 2021
Revised: 31 Jan 2022
Accepted: 04 Feb 2022

Citation: Eke, P., & Odukwu, V. C. (2022). Value for Money Analysis and Financial Performance of Manufacturing Firms in Imo State. *Mazedan International Business Review*, 3(1), 1-7.

Abstract

The Nigerian manufacturing industry contributes significantly to the growth of the nation's economy by producing goods that other sectors may not be able or willing to give. It, nevertheless, plays a crucial part in the creation or production of things that are necessary for human survival. It provides those functions that the market economy is unable or unwilling to accomplish. The value for money analysis and financial performance of manufacturing businesses in Imo State were investigated in this study. The study's main purpose was to examine how efficiency and effectiveness Value for money analysis improve cost management in Imo State's industrial firms. In this study, we used a descriptive survey research approach as the research design. A total of 94 people from five manufacturing companies participated in the study, and a random sample of 131 people was drawn from that group using Taro Yamen's technique. To gather primary data, researchers used questionnaires that were handed out to study participants. It was possible to use SPSS to do the analysis thanks to the Ordinary Least Square and Spearman Correlation Coefficient methods. The findings demonstrated that efficiency and effectiveness have a connection with financial performance's profit before tax and the value for money analysis. Value for money analysis had a considerable impact on the financial performance of industrial enterprises in Imo State, according to this research. Businesses should do a value for money analysis to ensure that they are not wasting money before taxes, according to the report.

Keywords: value for money analysis, efficiency, effectiveness, profit before tax and financial performance

1. INTRODUCTION

Essential services provided by the public sector are critical to a nation's economic growth since the private sector may not be willing or able to supply them. It, nevertheless, plays a crucial part in the creation or production of things that are necessary for human survival. For those services that the market economy is incapable of or does not have the motivation to do, it serves as an alternative. Manufacturing companies in Nigeria accomplish these duties in a variety of ways. These activities are best carried out by the private sector, particularly industrial enterprises, which deploy resources to attain stated goals when it comes to managing and controlling resources, manufacturing companies need to implement a workable framework. Thus, knowing that financial performance is a crucial component of manufacturing enterprises, it follows that to accomplish excellent resource management, reasonable methods and procedures of checks and balances such as value for money must be implemented (Abubakar, 2010). To find examples of wasteful, exorbitant, or unsatisfactory spending, failure to optimize income, or financial arrangements that harm the Treasury, as well as the defects that lead to their occurrence, Oshisami and Dean (2004) introduced the Value for Money Analysis (VMA). VFM analysis are focused on assessing an organization's performance, economy, performance, and effectiveness. The goal of a VFM analysis is to prove the value of the resources being used. Comparing costs and benefits, it emphasizes three factors: efficiency and effectiveness.

The capacity of an organization to use its financial resources to achieve its goal is measured by financial performance. Financial performance is important regardless of a company's goal or structure. It evaluates the intensity with which a company uses its assets to create gross revenues, as well as the efficacy of manufacturing, procuring, pricing, financing, and promoting its products and services (Johnson, 2010). Micro-level financial performance refers to how well resources are distributed among competing purposes at a given moment. It is a measure of how successfully a company reduces manufacturing costs, minimizes fraud, and maximizes revenue through the utilization of financial resources. If profitability, productivity, liquidity, and capital strength are viewed as a definitive proof of a company's financial success, then it is considered to be an excellent guide for management. However, it is noteworthy to note that even a strong degree of financial success might be disguised by the absence and profit (Johnson, 2010).

2. STATEMENT OF THE PROBLEM

Department of Accounting, Ignatius Ajuru University of Education, Rumuolumeni, Port Harcourt, Rivers State, Nigeria.
*Corresponding author email- victorychika0519@gmail.com

A private outcry has erupted, notwithstanding the enormous profits made by industrial firms. It is clear that their performance has been poor, as evidenced by the lack of services available in areas such as mismanagement of funds, insufficient cost control, inefficiency targeted budgetary, improper methods of analysis or appointment, insufficient internal control, lack of independence of auditors, timely and reliable financial statements, lack of transparency and an inadequate method of accountability, among other things. Okwoli (2004), discussed the significance of VFM analysis in private procurement management in Nigeria, where these challenges have become both private and public. VFM analysis of commercial entities are also in high demand, according to Appah (2010), and private procurement audit reports should include a VFM analysis of the entity's performance. Procurement organizations are increasingly required to use the VFM analysis approach, according to Ine-Tonbarapa (2017). Because of this, this study fills a gap in the literature by assessing the impact of Value for money analysis on financial performance of manufacturing businesses in Imo State.

Aims and Objective of the Study

The aim of this study was to determine value for money analysis and financial performance of manufacturing firms in Imo State. In specific terms, this study seeks to attain the following objectives;

i. To ascertain the link between efficiency value for money analysis and manufacturing enterprises subject to pre-tax profit in Imo State.

ii. To explore the link between effectiveness value for money analysis and manufacturing enterprises subject to pre-tax profit in Imo State.

3. RESEARCH HYPOTHESES

The following null hypotheses are drawn from the research questions and shall be tested at 0.05 level of significant.

i. H01: efficiency value for money analysis does not correlate with manufacturing enterprises subject to pre-tax profit in Imo State.

ii. H02: effectiveness value for money analysis has no considerable relationship with manufacturing enterprises subject to pre-tax profit in Imo State.

4. REVIEW OF RELATED LITERATURE

Conceptual Review

Value for Money Analysis

Analysis is careful and meticulous examination of any complex thing in order to comprehend its nature or to control its essential features (Nwannebuike & Eugene 2016). To give an opinion, analysis examines a collection of facts, methods, and processes thoroughly. It might be used to a wide range of areas and operations of the company. A statutory audit is a type of audit in which an independent third party examines the financial statements of a company. According to Farouk and Hassan (2014), an external audit may assist reporting companies adopt accounting rules and guarantee that their financial statements are credible, transparent, and relevant by promoting the application of high-quality auditing standards.

Cost-effectiveness and efficiency in resource usage are the primary goals of value for money analysis, which may also be referred to as operational auditing, broad scope auditing, quality assurance, and management auditing. Any inefficiencies or unethical acts may be traced back to the fundamental causes of inefficiency by doing a value for money analysis, as an illustration. A value for money analysis is defined by Nwosu (2015), as follows: In a VFM analysis, an investigation of the company's policies and techniques of acquisition; the safekeeping of its assets; and money and little effort in fulfilling its responsibilities are examined.

Despite the fact that Value for money analysis fall under internal control, a management technique for the successful operation of an organization, they have failed to get the requisite recognition in Nigeria (Okwoli, 2004). As far as the public sector is concerned, Value for money analysis is a relatively new phenomenon. In the public sector, VFM principles dictate that public money be used efficiently, effectively, and economically, and that individuals in charge of administering those resources must not just be accountable but also efficient, effective, and economical in doing so (OAG, Canada, 2012).

Dimensions for analysis of the value of money

Value for money analysis is often focused on the following components of an organization's management systems, processes, efficiency, and effectiveness in attaining its goals.

Economy Value for Money Analysis: In a value for money analysis, the link between cost and input resources is illustrated. Purchasing inputs at the lowest possible cost while maintaining the appropriate level of quality is what is meant by the economy principle. Additionally, it calls for the most efficient use of available resources in order to attain a certain objective. It determines if the resources physical, financial, human, and informational—that have been obtained are at the correct price and location. Resource acquisition costs and quality are assessed as part of this evaluation. The cheapest price isn't always optimal if the quality isn't as good (Mahbuba, 2012).

Auditing for efficiency and value for money: The expert referred to efficiency as the concept of efficiency in resource usage. The second concept or component of value for money analysis highlights the relationship between input resources and output resources (a measure of productivity) (a measure of productivity). It refers to the usage of commodities and services purchased by a company in order to fulfill its stated goals. Technically, it's all about dividing output by inputs. By making the most efficient use of available resources, it focuses on the link between input and output (Nwamgbebu et.al, 2019).

Effectiveness value for money analysis: in order to attain a particular output while without compromising on quality, is to maximize inputs. The effectiveness principle in budget implementation can also be referred to as the third component of a value for money analysis. An organization can measure its success by comparing the amount of output it has produced to the amount of money it has budgeted for the project. Consequently, it

demonstrates the link between budgeted production and actual output. In order to determine whether or not a program has achieved its stated goals, it is necessary to look at both quantitative and qualitative metrics of progress. It may be computed mathematically by dividing the actual output by the predicted output. Is it able to identify if preset goals are met or not? (Nwamgbebu et.al, 2019).

Financial Performance

According to Azhar (2015), an organization's/financial company's success is assessed by the amount of work completed in a given period (throughput) and the average time delay between transaction and transaction execution (Farah et.al, 2016). To assess a company's financial health, financial performance is the extent to which it is measured over time. When it comes to the money, it is all about managing the company's current and non-current assets, as well as its financing, equity, revenues, and costs. Shareholders and other stakeholders can use the information it provides to make well-informed investment decisions. When comparing sectors as a whole or evaluating businesses in the same industry, this tool can be invaluable. When there are no procedures in place to monitor and evaluate compliance with the rules that govern financial transactions, financial performance becomes a concern (Farah et.al, 2016). Financial indiscipline, a lack of integrity, a lack of transparency, a lack of responsibility, and fraud might all result as a result of this. In light of this, the purpose of this research was to look at how value for money analysis techniques function in guaranteeing financial management at the local government level.

Profit Before Tax

The operational and non-operating earnings of a business are included in the term "profit before tax." It's the same as before-tax income. Profit before tax is a metric that examines a company's earnings before it has to pay corporate income tax. It is essentially all of a company's profits before any taxes are taken into account. On the income statement, profit before taxes is calculated as operating profit minus interest. A company's tax liability is calculated using profit before taxes. A profit before taxes is known as pre-tax profit or earnings before tax (EBT) (McGuire, et al, 2018). The figure depicts a company's entire profit before taxes. There are several sorts of expenditures that must be paid before operational profit can be calculated, as shown in the company's income statement. After deducting the cost of goods sold, the gross profit is calculated (COGS). COGS and all operational expenses are factored into operating profit. Earnings before interest and taxes (EBIT) is another term for operating profit (EBIT). Only interest and taxes are left to subtract after EBIT before arriving at net income (McGuire, et al., 2018).

Value for Money Analysis and Financial Performance

The nondiscrimination, openness, accountability, and fairness principles of public financial performance procedures further emphasize the importance of this need. Although public financial performance audit has shown to be one of the most difficult and complicated audits to undertake (Anyanwu, 2009). There's a lack of adoption of VFM in traditional financial performance analysis. In addition, most procurement practitioners and experts, and auditors in particular, have only a vague understanding of VFM indicators. Research on how audit evidence is handled in VFM audit reports is even less comprehensive. Additionally, this article highlights the significance of VFM as well as gives evidence from the public sector procurement process for VFM analysis. It also explains the importance of auditing in promoting value for money in public financial performance systems (Anyanwu, 2009).

Theoretical Review

Theory of Inspired Confidence

Professor Limperg was the one who proposed the theory (1932). He indicated that the need for audit services stems from the entity's participation with other parties. As a result, (outside stakeholders) expect responsibility in exchange for their contribution to the business (Ittonen 2010). This contribution is made in the public sector through penalties, levies, and taxes, and such contributors (tax payers) demand responsibility in exchange for diligently carrying out their civic obligations. Given that information provided by an entity's management may be biased, the theory posits that an independent party is required to offer appropriate assurance on the information's dependability or otherwise. The idea, according to Duits (2012), integrates the societal demand for trustworthy financial statements with the technological capabilities of auditing to provide these objectives.

The idea also resembles the rational expectations theory, which states that economic actors would generally base their judgments on the quality of information accessible to them as well as documented prior performance trends (Grossman 1981). In this example, the economic agents feel that previous events will most likely impact future outcomes. As a result, if public sector players have been discovered to engage in uncontrolled corruption in the past, expect the same or comparable consequences in the near future. As a result, an independent party is required to break the vicious cycle by providing genuine and accurate information that may be utilized to rebuild public trust. David Flint (1988) supported Mautz and Sharaf (1961) who agreed with Limperg, stating that accountability cannot be properly proven without an audit. Thus, in the public sector, an audit such as the value for money analysis, which is the focus of this discussion, is required to provide tax payers with the appropriate assurance of the wise use of tax income.

Empirical Reviews

Changali (2016), Tanzania's public sector procurement of works examines value for money. As part of the study's effort to establish what characteristics contribute to excellent value for money in public procurement, the Tanzanian Ministries of Transport and Works were each handed a questionnaire. Procurement planning and ICT use had a considerable influence on value for money in the selected ministries, according to the descriptive analysis. Finally, the study suggests that these government agencies employ procurement planning and procurement to get the best value for their money.

Evidence from Local Government Councils in Ebonyi State reveals the influence of value for money analysis on Nigerian governance expenses, according to Nwamgbebu et al. (2019). The researcher utilized a cross-sectional survey approach to obtain primary data using structured questionnaires. To test the hypotheses, a multiple regression strategy based on the ordinary least square method was used. Economic principles in procurement and budget execution have a significant influence on the cost of governance in Nigerian local government councils, while efficiency principles have little impact. The research recommends that the Office of the Auditor General for Local Government conducts ongoing reviews of auditing procedures to ensure that their intended objectives are met economically, efficiently, and effectively.

In research conducted by Wadesango and Makerevi (2018), the effects of an effective internal audit function on a company's financial performance were explored. There was a shift to a quantitative research approach. The scope of the investigation covered managerial responsibilities, the audit department, and the finance department. Questionnaires were distributed to a sample of 25 African Sun Limited workers. The efficacy of an organization's internal audit function has been connected to its financial performance, with both its assurance and consulting responsibilities being helpful. Internal audit size and competence/experience were shown to have a positive link with organizational performance; however, CAE certification showed a negative correlation. According to the findings, internal audit (IAF) needs to be sufficiently financed and supported by management.

5. METHODOLOGY

This study used a descriptive survey research approach. The study's target population it was all manufacturing enterprises in Imo State, but the population that is reachable consisted of five manufacturing firms with a total of ninety-four (94) respondents who were sampled to one hundred and thirty-one (131) using Taro Yamen's technique. The sample size for this study was ninety-four (194) respondents. After conducting a thorough literature analysis, questionnaires were constructed as the study's instrument. In order to elicit as much information as possible from the respondents, the researcher evaluated the research questions as well as the research hypotheses. The coefficient was calculated in this study using the Statistical Package for Social Science, which employed an estimated method for both the Spearman Correlation Coefficient and the Ordinary least square (OLS) regression analysis technique (SPSS). Statistics tests for parameter estimation are performed by using the R2 coefficient of determination as well as the Durbin–Watson (DW), F–ratio, and the t-test, among other methods. The hypothesis is accepted if the level of significance is greater than 5%. (0.05).

Specifications for the Model

Research existing Value for money analysis and Nigerian manufacturing enterprises' financial performance. This led to a functional relationship being constructed for the variables: the independent variable 'value for money analysis,' and indices like efficiency value for money analysis (EFFICEVFMA) (EFFECTVFMA). These independent variable measures are used to calculate profit before taxes in a linear manner (PBT). The model's specifications are as follows:

Profit before Tax = f (EFFICEVFMA, EFFECTVFMA)

In Ordinary Least Square (OLS) form, this is as follows:

$PBT_t = a_o + a_1 EFFICEVFMA_t + a_2 EFFECTVFMA_t + U_t$

$a_1 > 0$; $a_2 > 0$

Where: PBT= Profit before tax as a proxy for financial performance

EFFICEVFMA = Efficiency value for money analysis as proxy for value for money analysis

EFFECTVFMA = Effectiveness value for money analysis, as proxy for value for money analysis

t = the specific period under investigation

a_o = constant

a_1-a_2= explanatory variable parameter or coefficient

u = error term.

6. ANALYSIS AND DISCUSSION OF DATA

Table 1 Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
EFFICIVFMA	6	328.00	412.00	363.3333	33.69075	.473	.845	-1.557	1.741
EFFECTVFMA	6	301.00	398.00	353.8333	36.27350	-.189	.845	-.831	1.741
PBT	6	317.00	396.00	362.0000	34.08812	-.703	.845	-1.822	1.741
Valid N (listwise)	6								

Source: SPSS Printout of Field survey (2021)

Table 1 provides the descriptive statistics of the data for the variables efficiency value for money analysis (EFFICEVFMA), effectiveness value for money analysis (EFFECTVFMA), and profit before tax analysis (EFFECTVFMA) (PBT). According to the minimum, maximum, and standard derivation statistical values, all of the variables have a positive growth rate. Profit before tax (PBT) increases from 317.00 to 396.00 as efficiency value for money analysis (EFFICEVFMA) increases from 328.00 to 412.00, effectiveness value for money analysis (EFFECTVFMA) increases from 301.00 to 398.00, and profit before tax (EFFECTVFMA) increases from 301.00 to 398.00. The effectiveness value for money analysis (EFFECTVFMA) has the greatest growth rate (97%) of the three variables (398.00-302.00). According to the findings, the mean and standard deviation, as well as skewness and kurtosis, all demonstrated a high level of consistency. The variables have a wide distribution, according to the various data. The skewness and kurtosis statistics are important for determining the symmetry of

various data series' probability distributions, as well as the thickness of their tails. The efficiency value for money analysis (EFFICEVFMA) has a long right tail, but the effectiveness value for money analysis (EFFECTVFMA) and profit before tax (PBT) There is a short right tail on all of them. The kurtosis of all of the variables is negative, indicating that the distribution is flatter than the normal curve.

Table 2 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.941[a]	0.928	0.247	29.57362	1.003
a. Predictors: (Constant), EFFICIVFMA, EFFECTVFMA					
b. Dependent Variable: PBT					

Source: SPSS Printout of Field survey (2021)

As seen in Table 4.12, R=0.941 is a very high value, showing a substantial link between the predictor variables (efficiency and effectiveness) and the criterion variable. (Earnings before taxes) R2=0.928, which indicates the proportion of changes in the dependent variable that can be attributed to the independent variables, backs up this claim. This means the independent variables account for at least 92.8 percent of the variation in profit before taxes (PBT). The error term, which is attributed to additional elements not included in the model, accounts for the remaining variation. The unexplained variance in profit before taxes (PBT) is just 8.2 percent, which is both high and low (percent). The error term is not autocorrelated, as evidenced by the durbin-waston statistic of 1.003. This shows that the OLS-based estimations are accurate. It implies that the study's findings might be utilized to make predictions.

Table 3 ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	3186.202	2	1593.101	3.822	0.043[b]
	Residual	2623.798	3	874.599		
	Total	5810.000	5			
a. Dependent Variable: PBT						
b. Predictors: (Constant), EFFICIVFMA, EFFECTVFMA						

Source: SPSS Printout of Field survey (2021

Using the table above, we can see that the entire model is statistically significant at 0.05 percent in the efficiency value for money analysis (EFFICVFMA) and effectiveness value for money analysis (EFECTVFMA) of the independent variables and profit before tax in Nigerian financial performance.

Table 4 Coefficients

Model		Unstandardized Coefficients		Standard Coef.	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	426.627	221.572		1.925	0.650
	EFFICIVFMA	-0.541	0.405	-0.535	-1.337	0.034
	EFFECTVFMA	0.373	0.376	0.397	0.993	0.005
a. Dependent Variable: PBT						

Source: SPSS Printout of Field survey (2021)

Rule of Decision: If the Sig (P-value) is less than 0.05, reject Ho1, else accept.

Decision: The r-v of -0.541 and p-value of 0.034 in the preceding table suggest a 0.05 significant level between efficiency value for money analysis (EFFICVFMA) and the predictor variable of profit before tax (PBT). As a result, we accept the null hypothesis and find that there is a moderate but significant association between efficiency value for money analysis and profit before tax (PBT) of Imo State manufacturing enterprises. It is also shown that there is a significant level of r-v of 0.373 and p-value of 0.005 is = 0.05 between the effectiveness value for money analysis (EFFECTVFMA) and the predictor variable of profit before tax (PBT). As a consequence, we reject the null hypothesis and discover that the effectiveness value for money analysis and profit before tax (PBT) of Imo State manufacturing businesses have a tiny but significant relationship.

Discussion of Findings

Hypothesis one was evaluated, yielding a correlation coefficient of -0.541, a P-value of 0.34, and a level of significance of 0.05, indicating a statistically modest but negative significant correlation. As a result, the null hypothesis, stating that there is no significant association between efficiency value for money analysis and profit before tax (PBT) of manufacturing enterprises in Imo State, was accepted.

Hypothesis two yielded a correlation coefficient of 0.373 and a P-value of 0.005, both of which were significant at the 0.05 level. As a consequence, we reject the null hypothesis and accept the alternative, which contends that there is a strong relationship between the efficacy of Imo State manufacturing enterprises and profit before tax (PBT). These findings are in line with those of Alwardat (2015), who observed that VFM analysis is seen as an essential potential tool to improve financial performance in any company.

7. CONCLUSION AND RECOMMENDATIONS

A value for money analysis and the financial performance of industrial companies in Imo State were studied using Ordinary Least Squares in this study (OLS). There were 131 respondents from five different industrial businesses in Imo State who completed the questionnaires utilized in the study. Researchers found that there was no correlation between efficiency Value for money analysis and pre-tax profits for industrial businesses in Imo State. There is no correlation between a manufacturing company's pre-tax profit and the success of a value for money analysis in Imo State. Value for money analysis have a major impact on the financial performance of industrial enterprises in Imo State as a result of this research. In light of the findings, the following recommendations are put forth:

1. Firms should critically examine efficiency and effectiveness value for money analysis in order to avoid wastage in profit before tax.
2. Value for money analysis need to be accepted more easily if those who adhere to the audit ethical standards are rewarded and those who flout them are punished. As a result, it is ‘imperative that the workers understand and follow all applicable laws and regulations before they are included in their evaluations.

REFERENCES

Abubakar, H. (2010). Transparency and accountability in local government administration in Nigeria. *National*

workshop on the local government structure and potentials for socio-economic development of Nigeria.

Anyanwu, J. C. (2009). *Nigerian public finance*.

Appah, E. (2010). Fraud and Development of Sound Financial Institutions in Nigeria. *Nigerian Journal for Development Research. 1(1), 49 56.*

Changalima, I.A. (2016). *Determinant of value for money in the procurement of works in public sector*: A Survey of Selected Government Ministries in Dares Salaam in Tanzania.

Farah, N., Farrukh, I., & Faizan, N. (2016). Financial performance of firms: Evidence from Pakistan Cement Industry. *Journal of Teaching and Education*, *5*(1), 81–94.

Ine-Tonbarapa, M. M. (2012). The Role of Auditing in Public Sector Governance. *International Research Journal of accounting and Finance,* 73(30), 99-108.

Johnson, I. E. (2010). Management control in the public sector. *Journal of the Institute of Chartered Accountants of Nigeria, 30(4) 20-23.*

Mahbuba K.M. (2012). Impact of Value for Money Audit on Government Social Programmes: A Study of Forest Management in Bangladesh with Particular Focus in Social Forestry. *(An M.Sc. Dissertation) Submitted to the Department of General and Continuing Education North South University*.

Nwamgbebu, O.P, Oketa, C. E. Agba, C.C & Nwambe, C.O (2019). Effect of value for money auditing on cost of governance in Nigeria. *International Journal of Academic Research in Accounting, Finance and Management Sciences, 9*(1), 170–178.

Nwannebuike, I., & Eugene, U. (2016). Evaluation of the effectiveness of external audit in the Nigerian public sector. *Journal of Managerial Auditing, 14* (9), 23-30.

Nwosu, M.E. (2015). Value for money audit: an accountability tool in the Nigeria public sector. *International Journal of Economics, Commerce and Management United Kingdom, 4*(6) 1534-1544.

Okwoli, A.A. (2004) Value for Money Auditing in the Nigeria Public Sector: Its Problems and Prospects in the Next Millennium. *Journal Of Management Science*, *5*(3). 123 – 134.

Oshisami, K., (2004). *Government Accounting and Financial Control.*

APPENDIX: QUESTIONNAIRE

Kindly rate your level of agreement on the following statements that relate to the importance of value for money analysis and performance in your organization. Rate where (SA) = Strongly Agree, (A) = Agree, (SD) = Strongly Disagree and (D) = Disagree with the statement.

	EFFICIENCY VALUE FOR MONEY ANALYSIS	SA 4	A 3	SD 2	D 1	TOTAL
1	To obtain a certain level of production, the bare minimum of resources should be employed.	51 204	42 129	20 40	18 18	131 391
2	Employees should not duplicate their efforts and there should be no overstaffing.	33 132	37 111	42 82	19 19	131 344
3	The maximum quantity of production should be obtained using the resources available.	62 248	39 117	17 34	13 13	131 412
4	To aid in the transition to new work patterns and practices, processes should be reviewed on a regular basis, as well as employee training and development.	45 180	47 141	11 22	28 28	131 371
5	Budgeting helps integrate the organization strategic planning with budgets and processes of cost control	29 116	31 93	54 108	17 17	131 334
6	The benefits should outweigh or justify the administrative costs.	30 120	28 84	51 102	22 22	131 328

	EFFECTIVENESS VALUE FOR MONEY ANALYSISING	SA 4	A 3	SD 2	D 1	TOTAL
1	Other relevant applications should not be duplicated, overlapped, or conflicted with.	35 140	32 96	46 92	18 18	131 346
2	Policy recommendations should have an influence on the program's benefits or the expenses associated with its administration.	52 208	48 144	15 30	16 16	131 398
3	Budgetary management that allocates resources according to an organization's needs increases sales and reduces costs.	43 172	39 117	20 40	29 29	131 358
4	It is insufficient if an activity is inexpensive and operates smoothly but fails to produce results.	26 104	27 81	38 76	40 40	131 301
5	For decision-making, full, accurate, and consistent data should be supplied.	43 172	57 171	15 30	16 16	131 389
6	Goals and targets should be written down and made public, with the consequences clearly indicated.	37 148	33 99	23 46	38 38	131 331
	PROFIT BEFORE TAX	SA 4	A 3	SD 2	D 1	TOTAL
1	Accurate value for money analysis does not increase net profit margin.	45 180	42 126	29 58	15 15	131 379

2	Complete acceptance of value for money analysis by management has not led to profits	54 216	40 120	23 46	14 14	131 396
3	Economic value for money analysis enhance profit	32 128	37 111	21 42	41 41	131 322
4	Efficiency and effectiveness value for money analysis enhance profit	34 136	30 90	24 48	43 43	131 317
5	Value for money analysis in budgetary control to organization's s increase sales and saves cost	51 204	28 84	30 60	22 22	131 370
6	Organizational performance is determined by value for money analysis	52 208	41 123	19 38	19 19	131 388