ANALYZING THE LINK BETWEEN BUDGETARY CONTROL AND PERFORMANCE: A CASE STUDY OF BAYELSA STATE OF NIGERIA

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ABSTRACT: Government at all levels prepares budget annually, however there are inconsistencies in budgetary implementation as government failure to stick to its appropriation bill is always clearly evident. This has resulted in the failure government to meet budgetary obligations as planned such as delay in payment of staff salaries, execution of capital projections to mention a few. This study examined the link between budgetary control and performance with a focus on Bayelsa State of Nigeria as a case study. The study adopted actual expenditure (AEX) representing performance as the dependent variable, while capital expenditure budget (CEB) and recurrent expenditure budget (REB) were used as the independent variables. Time series data on the variables were obtained from the Budget Department of the Ministry of Budget covering the period 2007 to 2016. The type of research design adopted in the study was ex-post facto research design. Data collected was analyzed using descriptive statistics and multiple regression analysis based the E-view version 10 computer software. Based on the findings the study concluded that the two independent variables have no statistical effect on actual budget performance. This means that there was no link between budgetary control and performance in Bayelsa State. The study recommended among others that government should encourage budgetary participation, consider resource availability in budgeting, strive to improve the state internally generated revenue, and employ qualified and highly skilled personnel in budget administration to ensure that budgetary control would bring about improved performance.

KEYWORDS: actual, budgetary control, capital, expenditure, performance, recurrent

INTRODUCTION

Many organizations, public or private sector entity, uses budgetary control process to guide it performance. Every organization prepares budgets in or for them to plan and put in control measures to achieve its objectives. Budgetary control is necessary for every organization as it is the primary means of corporate internal control. It enables management to establish budgets for each functional unit of the organization, records actual performance, continuous comparism of the actual performance with budgets, calculate the differences or variance, and analyze the reasons for them; and act immediately, if necessary, to remedy the situation.

Organizations consider budgetary control as an integral part the internal control system. It provides a comprehensive management platform. Budgetary control helps the management to evaluate plan, implement them by monitoring activities to ensure that they fall on what the business planned. For an organization to implement effectively it budget, it needs to use budgetary control as a tool (Carr,
The fact that all governments are result oriented cannot be overemphasized. This illustrates the fact that governments have aims and objectives to attain. These objectives include the provision of essential amenities, security to the governed as well as external interest. To accomplish these objectives, government needs first of all to identify problem areas and plan effectively towards solving the problems. However, effective planning can only be achieved through adequate and concrete budgeting and budgetary process. The extent to which government finds efficient and effective solution to these problems will depend on how that government exercises its budgetary control process and performance indicator.

The role of budgetary control in the activities of government may not be fully understood and appreciated at present in Nigeria as well as in Bayelsa State. The general tendency of public administrators everywhere is to view budgetary control, budgeting and performance as a necessary evil that has to be tolerated grudgingly. It is usually assumed at all levels of government (federal, state and local) that budgeting and budgetary control as it were should be used to control the actions of government so as to provide a framework for measuring performance. In most cases, attempts are not made to always compare budgeted activities with actual performance. This has resulted in a wide gap between planned goals and actual performance in government budget and it budgetary control process which may be attributed to failure on the part of administrators and politicians themselves to perceive the indispensable role of budget and budgetary control as a link between plan and actual performance, as a result major developmental problem issues are not always given attention in the budget.

This study aimed to examine the between budgetary control and performance in Bayelsa State of Nigeria, to ascertain whether there was a proper budgetary control process in government establishments, and if all government objectives are always achieved as planned through the application of budgetary control. More so, the extent to which the wide gaps between budget and actual performance attributable to political underpinnings inherent in the budget are calculated and corrective actions shall be taken where necessary. In addition to its contribution to academic knowledge, this research work will be significance importance to the Government of Bayelsa State and other state governments as well as levels of governments. First, it will serve as corrective device. This is because the work will enable government put in place proper internal control process using budgetary control process during budget planning, implementation and appraisal in order to achieve its objectives. The study will be of equal importance to future researchers and students as a reference material. This study was focused on Bayelsa State as a case study, and data was collected from the Budget Department of the Ministry of Budget for the period 2007 to 2016. The study adopted actual expenditure (AEX) representing performance as the dependent variable while capital expenditure budget (CEB) and recurrent expenditure budget (REB) were used as the independent variables.

This rest of this study is organized into four sections. Following the introduction above in section two is the view of related literature. The methodology used in carrying out the study is stated in section three. Section four covers the presentation of data, results of analysis and discussion of findings, while the summary, conclusion and recommendations are presented in section five.
REVIEW OF RELATED LITERATURE

Conceptual Clarifications

Budget and Budgeting

Budget is a planning tool used by management to allocate limited resources to different functions of the organization (Abdallah, 2018). The term budget or budgeting is a system of forecasting expected revenue and expenditure in quantifiable terms; time and personnel, space, building or equipment usually expressed in monetary value. The Chartered Institute of Management Accountants (1984) defined budgeting as a financial and/or quantitative statement prepared and approved prior to a defined period of time, of the policy to be pursued during that period for the purpose of attaining a given objective. It may include income expenditure and employment of capital. Owler and Brown (1975) defined budget as a plan quantified in monetary terms, prepared and approved prior to a defined time, usually showing plan income to be generated and/or expenditure to be incurred during that period and the resources to be employed to attain given objectives. Koontz and Weihrich (1980) see budgeting as the formation of plans for a given future period in numerical terms. A budget which results from budgeting is therefore a plan which deals with future allocation and utilization of resources for different organizational activities over a given period.

All these definitions have attempted at providing that budgeting is an integral part of planning and that budget is made and compared with budget amount. Based on this analysis, management may witness over, under or target expenditure levels and take corrective measures if necessary, such measures may be to increase receipts, to reduce expenditure or to revise the budget. The underline process helps the executive to check continually and to locate problems early before they become so critical and large. However, budgeting can be viewed as a means of tabulating the projected inflows and outflows of any organization in order to map out problems to be achieved at the specified period of time. Budgeting is a component of long term planning, it takes account of the past and present but focuses attention on the future. Secondly, it can be inferred that budget is simply a tool which managers and administrators use to translate future plan into quantitative terms.

Budgetary Control

Budgetary control can be defined as a system of controlling costs which includes preparation of budget, coordinating the departments and establishing responsibilities, and comparing actual performance with that budgeted and acting upon results, to achieve maximum profitability or goals (CIMA, 1984). Budgetary control can also be defined as the establishment of budgets, relating the responsibilities of executive to the requirement of policy, and the continuous comparism of actual with budgeted results either to secure by individual action the objective and goals of the organization. The fundamental principles of budgetary control from the definitions of budgetary control given above can be outlined as follows:

(a) Establish a plan or target of performance which coordinates all the activities of the business;
(b) Record the actual performance;
(c) Compare the actual performance with that planned;
(d) Calculate the difference or variances and analyze the reasons for them; and
(e) Act immediately, if necessary to remedy the situation.

**Budgeting and the Control Process**

Budgetary control is the process by which managers determine whether organizational objectives are achieved and whether operations are consistent with plan. Budgeting is intertwined with control because the budget itself is a control technique. Control can be defined as the process of assuring that organizational and managerial objectives are accomplished. Controls made are to be sufficiently flexible to allow or provide for alternative remedies where failures occur as it is obtainable in flexible budgets. A system of control should not cost more than it is worth. In a broader approach, control is an element of managerial skills that involves the measurement and correction of the performance of subordinates to make sure that the objectives of government or an enterprise and the plans devised to attain them are accomplished efficiently and economically (Donaldson & Preston, 1999). Control involves: setting standards; measuring performance against standards; feedback of result and correcting deviation from standards.

Donaldson and Preston (1999) identified three forms of control of work in organizations; administrative controls, social controls and self-control. Administrative control includes performance measurement systems and the budget monitoring system forms part of this. While this can be useful they need to be carefully designed in order to avoid demotivating effects. Social controls operate through staff sharing common perspectives; quality circles and teams working are examples of this form of control. Self-control relates to individual behavior but this can be helped by a suitable system of rewards, for example, performance related pay. It is important to note that these forms of control are interrelated.

**Budgetary Control Model**

According to Robinson and Last (2009) each firm or organization has a framework that shows all their spending and how resources and allocated. This framework is budgetary control and is used as a tool to manage a firm’s activities. Budget ensures that resources are not wasted and effectively allocated. It is very essential to ensure that firms’ output deliveries meet what was planned by the management. According to the budgetary control model a good budget is that which take in hand organization expenditures in an effective and efficient way, a good budget control system can be determine by observing the level of cash inflows or income of an entity (Pfeffer & Salancik, 2003). An organization should have a system that ensures that budgets are well administered and controlled so as to maintain a proper allocation of resources. If an organization will plan properly for its resources it will help it toward increasing its revenues and income for the organization. An organization will only achieve this by cutting down costs so as to increase the quality of what it offers. In contrast, if an organization does not have enough financial backing to fund what is so far estimated in the budget then it has to fund its budget estimate through borrowing or any other means (Robinson & Last, 2009). This makes budgets to be the most regarded tool that can be used to control expenditures.
Empirical Review

Etale (2019) reassessed the nexus between fiscal policy and economic growth in Nigeria using time series secondary data covering 2001 to 2018. The study adopted gross domestic product (representing economic growth) as the dependent variable, while total revenue, recurrent expenditure and capital expenditure (components of fiscal policy) were used as the independent variables. Data obtained from CBN Statistical Bulletin and the National Bureau of Statistics was analyzed using descriptive statistics and multiple regression analysis based on E-views 9.0 software. The results revealed that recurrent expenditure had significant positive effect on gross domestic product, but total revenue and capital expenditure were insignificant and negatively related to GDP. Similarly, Imo and Des-Wosu (2018) examined the effect of budgetary control on performance of government owned companies in Rivers State of Nigeria. The study used Pearson product moment correlation coefficient based on SPSS 20 version for the analysis of data. The results showed that a significant positive link existed between budgetary control and financial performance of government owned companies. Based on the findings, the study recommended that government owned companies should adopt budgetary control measures to sustain improved performance.

Mukah (2018) investigated the relationship between budgetary control and performance of local government councils in Northwest Cameroon. The study employed correlation and multiple regression techniques based on SPSS version 20 for the analysis of data. The results revealed that the key budgetary control variables adopted (planning, participation, monitoring and control) had statistically significant positive influence on performance of the local councils. Also, Mutungi (2017) examined the effect of budgeting and budgetary control on performance of in Kenya using primary and secondary data sourced from 47 county governments for the period 2013 to 2017. He employed the statistical package for social sciences (SPSS) version 21 based on OLS for data analysis. The results indicated a strong positive relationship between budgetary control and financial performance.

Egbunikhe and Unamma (2017) assessed the association between budgetary control and performance evaluation measures in the hospitality industry in Nigeria. Primary data obtained through the administration of a structured questionnaire were analyzed using inferential and descriptive statistics. The results showed that budgetary control was an important tool for performance evaluation. Ng’wasa (2017) examined the relationship between budgetary control and financial performance of financial institutions in Tanzania using National Microfinance Bank of Dodoma as a case study. The study adopted financial performance as the dependent variable, while budgetary planning, budget monitoring and budgetary participation were used as the independent variables. Data collected from secondary and primary sources were analyzed using descriptive statistics and multiple regression methods based on the windows SPSS computer software. The findings showed that budgetary planning had strong relationship with financial performance, but budget monitoring and budgetary participation had no effect on financial performance. The study concluded that budgetary planning is an important tool for control in financial institutions.
Kaguri (2015) investigated the link between budgetary control and financial performance of insurance companies in Kenya. The study adopted return on assets as proxy for financial performance and the dependent variable, while budget planning, budget monitoring and budget participation were used as the independent variables. Secondary and primary data collected from sampled 44 listed insurance companies were evaluated using descriptive and inferential statistics. The results revealed that all the components of budgetary control significantly affected financial performance. Also, Callahan and Waymire (2007) examined the association between effects of budgetary control on performance, using a sample of large U.S cities over 2004 – 2005 timeframe. Within this context they examined whether the tightness of budgetary controls or level of budgetary control within the cities were measured by budget variance contributed to performance as measured by bond rating, and found that the effective level of budgetary control was significantly and positively related to bond rating.

Similarly, Douglas (2004) used a case study approach and found that budgeting practices place high importance on budget-to-actual comparison for performance evaluation purposes both at corporate and subsidiary levels. Anderson (2003) also supported this view saying that in most U.S companies, the development of budget is still used as the main performance measurement system. Budgetary standards and targets tend to be the criteria upon which the performance organizations are evaluated. These standards and targets provide a basis for identifying and appraising selected aspects of organizational performance, since they are the criteria used to guide and motivate it.

Brownell (1982), in his study suggests that when budgetary participation should increase accordingly. When budgeting control is riding subordinates would want to know assessment criteria in details. Therefore, as the budgetary control increases, budgetary participation of subordinates is also expected to increase. He advocated that budgetary participation should be seen as an important moderating variable in the relations between type of budgetary control and subordinates performance. In his findings budget application that includes Budgetary Control has no direct effect on performance, while budgetary participation affects performance directly and negatively. But in case where budgetary control is high, there is a meaningful positive relation between performance and budgetary participation. Budgetary practices being a standard for performance are used to evaluate managerial performance.

Chircir and Simiyu (2017) examined the effect of budgetary control process on financial performance based on a profit-oriented company in Kenya. The study used four components of budgetary control such as planning, human factor, resource availability, and monitoring and evaluation as the independent variables. Secondary data (through financial statement content analysis) and primary data (through the use of a structured questionnaire) were collected from three Coca-Cola bottling companies within the Almasi Beverages Group of Companies. The study employed descriptive statistics and inferential statistics (Karl Pearson correlation) for the analysis of data. The results provided evidence that the components of budgetary control had significant influence on financial performance.
METHODOLOGY

This chapter presents and defines the methods and procedures used in this study. The methods discussed here include the research design, source of data, techniques of data analysis and model specification.

Research Design
This study adopted the ex-post facto research design. This design is used because the study was carried out after the events had occurred, in essence, the study made use of already existing data which the researchers had no control over and therefore cannot manipulate them. The used the state government budget information for the period 2007 to 2016, collected from the appropriation bill of the years involved.

Source of Data
This research study made use of secondary data collected from various appropriation bills in the Department Budget of the State Ministry of Budget for the period 2007-2016. This source is most reliable as the appropriation bills are laws passed by the state legislative assembly, and the years included in the study were influence by the availability of for the specific years.

Techniques of Data Analysis
The study employed descriptive statistics and multiple regression technique based on the E-views version 10 computer software as the methods used for data analysis in predicting the link between budgetary control and performance in Bayelsa State for the period 2007 to 2016. In the analysis actual expenditure (AEX) representing performance was used as the dependent variable which was regressed against capital expenditure budget (CEB) and recurrent expenditure budget (REB), captured in the model below.

Model Specification
The study adopted an econometric model which has been widely used by previous researchers such as Etale (2019) for analyzing panel data. The model is specified as follows:

\[ AEX = \alpha_0 + \alpha_1 CEB + \alpha_2 REB + \mu \]  

equation 1

Where:
AEX = Actual expenditure
CEB = Capital expenditure budget
REB = Recurrent expenditure budget
\( \alpha_0 \) = is the constant or intercept value
\( \alpha_1 \) and \( \alpha_2 \) are the coefficients of the independent variables to be determined
\( \alpha_1 \) and \( \alpha_2 \neq 0 \)
\( \mu \) = the error term of the regression equation

DATA PRESENTATION AND ANALYSIS
This Chapter deals with the presentation and analysis of the data gathered for the purpose of empirically testing the hypothesis of the study.
Data Presentation

The data on the study variables collected from the Department of Budget, Ministry of Budget (Bayelsa State Appropriation Bill for 2007 to 2016) are presented in Table 1. Table 1 shows the data from 2007 to 2016, that is, the 10 years period covered in the study based on data available. The state government’s capital expenditure (CEB) was high from 2007 to 2009 with budget figures of ₦131.38bn, ₦119.30bn, and ₦123.72 billion respectively, compared to recurrent expenditure (REB) figures of ₦65.11bn, ₦60.80 billion and ₦68.19 billion respectively for same years. But in 2010 and 2011 the above trend was reversed where budgeted figures were higher for recurrent expenditure, which negative implications for real development.

Table 1: Data for the study variables in billions of Naira

<table>
<thead>
<tr>
<th>Year</th>
<th>Dependent Var.</th>
<th>Independent Var.</th>
<th>% Performance Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>AEX (₦ Billion)</td>
<td>REB (₦ billion)</td>
<td>CEB (₦ Billion)</td>
</tr>
<tr>
<td>2007</td>
<td>89.27</td>
<td>65.11</td>
<td>131.83</td>
</tr>
<tr>
<td>2008</td>
<td>146.23</td>
<td>60.80</td>
<td>119.30</td>
</tr>
<tr>
<td>2009</td>
<td>84.46</td>
<td>68.19</td>
<td>123.72</td>
</tr>
<tr>
<td>2010</td>
<td>59.70</td>
<td>119.46</td>
<td>89.70</td>
</tr>
<tr>
<td>2011</td>
<td>103.10</td>
<td>90.91</td>
<td>70.36</td>
</tr>
<tr>
<td>2012</td>
<td>205.51</td>
<td>98.72</td>
<td>156.31</td>
</tr>
<tr>
<td>2013</td>
<td>177.30</td>
<td>133.23</td>
<td>152.70</td>
</tr>
<tr>
<td>2014</td>
<td>164.10</td>
<td>162.47</td>
<td>136.73</td>
</tr>
<tr>
<td>2015</td>
<td>149.57</td>
<td>175.76</td>
<td>144.84</td>
</tr>
<tr>
<td>2016</td>
<td>81.67</td>
<td>56.01</td>
<td>135.49</td>
</tr>
</tbody>
</table>

Source: State Appropriation Bill (2007-2016)

In 2012 and 2013 the trend changed and capital expenditure (CEB) allocation was again higher than recurrent expenditure, but from 2014 and 2015 recurrent expenditure (REB) became higher than capital expenditure (CEB) except in 2016 when capital expenditure of (CEB) of had an allocation of ₦135.49 billion against recurrent expenditure of ₦56.01 billion.

The total approved budget or annual appropriation which is the sum of capital expenditure and recurrent expenditure has exhibited a swing movement up and down, instead of the expectation that appropriation should show steady improvements over the years even if it is a single-digit per cent points. This maybe likely due to the fact that revenue from federal allocations has also experienced an up and down movement because of the effect of changes in the international price of crude oil and the variations in the total numbers of barrels of crude oil produced and sold. In terms of percentage performance, actual expenditure as a per cent of total budgeted expenditure was lowest in 2010 at 29%, while the highest figures were recorded in 2008 and 2012 at 81%. The 2010 level of budget implementation of only 29% has serious consequences for development, even though implementation levels below 75% cannot be said to be pardonable.
Description Statistics

The descriptive statistics is presented in Table 2. From Table 2 actual expenditure (AEX), capital expenditure budget (CEB) and recurrent expenditure budget (REB) have minimum statistical values of 59.70, 70.36 and 56.01 respectively and maximum values of 205.51, 156.31 and 175.76 respectively. Actual expenditure (AEX), capital expenditure budget (CEB) and recurrent expenditure budget (REB) have a mean values of 126.091, 126.098 and 103.066 respectively and a standard deviation of 48.68, 27.26 and 43.22 respectively. Actual expenditure (AEX), the dependent variable has a minimum value of 59.70 and a maximum value of 206.5%. its mean and 48.8.

<table>
<thead>
<tr>
<th></th>
<th>AEX</th>
<th>CEB</th>
<th>REB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>126.0910</td>
<td>126.0980</td>
<td>103.0660</td>
</tr>
<tr>
<td>Median</td>
<td>124.6650</td>
<td>133.6600</td>
<td>94.81500</td>
</tr>
<tr>
<td>Maximum</td>
<td>205.5100</td>
<td>156.3100</td>
<td>175.7600</td>
</tr>
<tr>
<td>Minimum</td>
<td>59.7000</td>
<td>70.3600</td>
<td>56.01000</td>
</tr>
<tr>
<td>Std. Dev.</td>
<td>48.68238</td>
<td>27.26252</td>
<td>43.22578</td>
</tr>
<tr>
<td>Skewness</td>
<td>0.199697</td>
<td>-0.962434</td>
<td>0.503114</td>
</tr>
<tr>
<td>Kurtosis</td>
<td>1.706937</td>
<td>2.880290</td>
<td>1.872421</td>
</tr>
<tr>
<td>Probability</td>
<td>0.682790</td>
<td>0.460757</td>
<td>0.621376</td>
</tr>
<tr>
<td>Sum</td>
<td>1260.910</td>
<td>1260.980</td>
<td>1030.660</td>
</tr>
<tr>
<td>Observations</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
</tbody>
</table>

Source: E-views 10 output

Regression Results

The results of data analysis are presented in Table 3. From Table 3, the regression equation can be restated as follows:

\[ AEX = -37.99 + 1.01CEB + 0.35REB + 38.93 \]

The results in Table 3, summarizes the relationship between the independent variable and the dependent variable. The coefficient of determination R² value at 0.50 shows that 50% of changes in the dependent variable are explained by the combined effect of changes in the independent variables; and the value of the Adjusted R² of 0.36 is within acceptable threshold. That is, the Adjusted R² value shows at 36% confidence level that the regression model adopted as the basis of the analysis is a good fit for predicting the dependent variable. Also, the Durbin-Watson statistics value of 1.68, which is approximately equal to the 2.0 benchmark, indicates that there was no autocorrelation among the independent variables. However, the probability of the F-statistic value of 0.086843 indicates only at 9% level of significance the influence of capital expenditure budget and recurrent expenditure budget on actual expenditure. This means the budgetary control process of the state is weak, as this study has shown that budgetary control has not significantly influenced budget performance in the state. The regression results in Table 3 are used to test the study hypotheses below.
Table 3: Multiple Regression Results
Dependent Variable: AEX
Method: Least Squares
Date: 10/16/19   Time: 21:40
Sample: 2007 2016
Included observations: 10

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>-37.99546</td>
<td>63.73224</td>
<td>-0.596173</td>
<td>0.5698</td>
</tr>
<tr>
<td>CEB</td>
<td>1.011651</td>
<td>0.489353</td>
<td>2.067322</td>
<td>0.0775</td>
</tr>
<tr>
<td>REB</td>
<td>0.354330</td>
<td>0.308635</td>
<td>1.148053</td>
<td>0.2887</td>
</tr>
</tbody>
</table>

R-squared             0.502514   Mean dependent var 126.0910
Adjusted R-squared    0.360375   S.D. dependent var 48.68238
S.E. of regression    38.93448   Akaike info criterion 10.40496
F-statistic           3.535376   Schwarz criterion 10.49574
Prob(F-statistic)     0.086843   Durbin-Watson stat 1.677254

Source: E-views 10 output

Testing of hypotheses
AEX and CEB
Hypothesis: Capital expenditure budget (CEB) has no significant influence on actual expenditure (AEX). The results in Table 3 show that the coefficient of CEB is 1.01 at 8% significant level (with a prob. of 0.0775). This means that the null hypothesis was accepted as the results show that CEB has an insignificant positive influence on AEX. A unit increase in CEB will result in 1.01 units increase in AEX. This means that capital expenditure budget does not significantly affect performance. This can happen where budgetary provisions are not released to the affected MDAs, as it is often the case.

AEX and REB
Hypothesis: Recurrent expenditure budget (REB) has no significant effect on actual expenditure (AEX). The coefficient of REB in Table 3 is 0.35 at 29% significant level (with a prob. of 0.2887). The null hypothesis was therefore accepted as REB has an insignificant positive effect on AEX. A unit increase in REB would bring about 0.35 units increase in AEX. Again, this can only occur in situations of none release of budgeted money to MDAs. This was actually what happened in 2016, where the state workforce could not be paid salaries for several months. The problem of salary payment in the state continued well into 2017 and 2018, when workers were being paid a month’s pay in two months.
SUMMARY, CONCLUSION AND RECOMMENDATION

Summary
This study examined relationship between budgetary control and performance in Bayelsa State of Nigeria for period covering 2007 -2016. Based on the results of analysis, the findings of the study are summarized as follows:
1. Capital expenditure budget (CEB) has an insignificant positive effect actual expenditure.
2. Recurrent expenditure budget (REB) has an insignificant positive effect on actual expenditure.
3. Budgetary control in the state for the period covered by the study was weak and therefore had no strong influence performance. The findings of this study are in contrast with the findings of Ng’wasa (2017) and Kaguri (2015).

Conclusion
This study examined the link between budgetary control and performance with a focus on Bayelsa State of Nigeria as a case study. The study adopted actual expenditure (AEX) representing performance as the dependent variable, while capital expenditure budget (CEB) and recurrent expenditure budget (REB) were used as the independent variables. Time series data on the variables were obtained from the Budget Department of the Ministry of Budget covering the period 2007 to 2016. The type of research design adopted in the study was ex-post facto research design. Data collected was analyzed using descriptive statistics and multiple regression analysis based the E-view version 10 computer software. Based on the findings, the study concluded that the two independent variables have no statistical effect on actual budget performance. This means that there was no link between budgetary control and performance in Bayelsa State.

Recommendations
In light of the study findings, the following recommendations were made;
1. The government should strive as much as possible to be precise and concise in its budget estimates.
2. The government should evolve ways of increasing its internal generated revenue instead of relying solely on allocation and grants form Federal Government without making frantic efforts to generate revenue materially in order to meet its budget targets and goals is countered productive.
3. The heads of MDAs should be involved in the preparation stage of the budget proposals so as not widen the gap between the budgeted and actuals.
4. There should be strict adherence to the implementation of the budget proposal
5. High technical or skilled personnel should be employed to man the activities of the budget department if the objectives of the government are to be effectively implemented.
6. Resource availability should be accorded a high priority to render the budgetary control process a successful exercise.

REFERENCES

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