THESIS ABSTRACT

Master of Business Administration
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Adventist University of Africa

School of Postgraduate Studies

Title: THE EFFECT OF BUDGETING AND BUDGETARY CONTROL PRACTICES ON THE LIQUIDITY LEVELS OF THE SEVENTH-DAY ADVENTIST MISSIONS IN ANGOLA

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The budget defines the financial plan of the organization quantitatively during a specific period. Effective Budgeting practices are the processes of creating and implementing a budget according to the policy, within the appropriate process, and with the participation of top- and lower-level managers within an organization. Effective budgetary control practices are the processes of evaluating an organization´s budget by preventing errors from occurring and detecting them after the errors have occurred, always respecting the rules. Budgeting and budgetary control practices are instrumental in improving financial performance in an organizational setting. Non-profit organizations have a particular interest in improving income, and reducing expenses so that the liquidity can carry on their short-term operations.

The purpose of this study was to determine the effect of budgeting and budgetary control practices on the liquidity levels of Seventh-day Adventist missions in Angola. The study was conducted in four Seventh - day Adventist missions in two Seventh-day Adventist unions in Angola. These missions experienced the problem of decreasing liquidity. This study used a causal research design. The study population comprised all committee members and accountants, who usually deal directly with budgeting and budgetary control. The instrument used for its data collection was a questionnaire that was tested for validity and reliability. Data were analyzed using descriptive statistics, correlation analysis, and regression analysis.

The findings indicate that budgeting and budgetary controls are effectively practiced in Angle's Seventh-day Adventist missions. However, there are areas that require improvement to enhance liquidity levels. The liquidity levels are very low in such a way that they are a source of concern. The regression analysis shows that a p-value less than 0.05 for budgeting practices and budgetary control practices impacts on liquidity levels; however, only 12% of budgeting practices and 6% of budgetary control practices explain the level of liquidity. The study shows coefficient B= 1.198 and unstandardized coefficient B= 0.458, for the effect of budgeting practices on liquidity levels, and B= 1.427 and unstandardized coefficient B= 0.351 for the effect of budgetary control practices on liquidity levels. It was recommended that improvement of the utility of budgeting and budgetary control in the organization was needed: the participation of departmental directors in the budgeting making process be enhanced; and to board members be trained on issues related to budget and financial statements.

Keywords: Budgeting, budgetary control, liquidity

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A thesis

submitted in partial fulfillment.

of the requirements for the degree

Master of Business Administration

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Joaquim Nzage Gonçalves Manuel

June 2024

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I want to dedicate this work to my beloved wife, Francisca Manuel, for her love, and understanding, and to my children Miriam, Debora, Joel and Raquel for their constant support, encouragement, and prayers during the time of my studies. I also dedicate this work to my parents, Agostinho Manuel, and Benedita Joaquim Gonçalves, for their desire to give me the best.

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CHAPTER 1

INTRODUCTION

Background of the Study

A budget is an organization's plan expressed quantitatively (Brewer et al., 2019). Budgeting implies the establishment of focused financial goals and a follow-up on the implementation of these goals (Warren & Tayler, 2020). A budget is important because it allows any company to limit its expenses in harmony with its revenue. Effective budgeting results in a well-designed budget that is better equipped to fulfill its intended purpose. Weygandt (2018) asserted that an effective budget depends on the organization's functional structure, and serves as an instrument to evaluate the organization's performance. The budget is one of the most important instruments for improving liquidity levels, as it guides the organization committee and managers to make decisions and implement plans accordingly to achieve sustainable liquidity levels.

Budgeting is the process of preparing, reviewing, adopting, implementing, and evaluating the budget results (Finkler et al., 2020). Budgeting is a method that non-profit organizations use periodically to compare the expected revenue and expenses with the current ones (Zietlow et al., 2018). According to Weikart et al. (2013), budgeting is a process that allows the executive of a non-profit to plan the resources to be acquired and how to use them. Budgeting is a financial resource plan that forecasts a company's revenue and allocates funds rationally to fulfill the organization's goals (McMillan, 2010).

"Budgetary control is a system that uses budgets as a means of planning and controlling all aspects of producing or selling commodities or services" (Aduwo, 2019, p.76). Budgetary control is used to control operations through a budget by comparing the planned objectives with the results (Weygandt, 2018). According to Oyebode (2018), top managers are responsible for establishing a policy that guides procedures to compare the current situation with the budget and ensure that each individual's action complies with the referred policy. The policy guides organizations to monitor their financial activities to gain a competitive edge and boost liquidity. Any difference between the budget and the actual amounts received or spent is called variance, which can positively or negatively affect the liquidity levels of the organization.

Liquidity is the ease with which sets of assets can be transformed into cash (Ross et al., 2018). Liquidity measures the capacity of an organization to satisfy its current obligations. Ross et al (2018) said that liquidity is the ability of the company to pay its debts. According to Warren et al. (2018), liquidity is measured using two ratios: current ratio and working capital. Davis and Davis (2014) stated that the current ratio is calculated by dividing current assets by current liabilities. The current ratio is high when the current asset is larger than the liability. Hanlon et al. (2020) defined working capital as the current asset minus current liability. Liquidity increases when current ratio and working capital increase. It is important to investigate liquidity because it is difficult for a company to continue operating without the ability to pay its debts (Davis and Davis 2014). In non-profit organizations, liquidity is of paramount importance for firm survival (Andress-Alonso et al., 2015). The authors stated that organizations can become financially vulnerable if they do not monitor their liquidity levels. Thus, in the non-profit context, liquidity can be used as an indicator of an organization’s financial performance.

In Angola, the Seventh-day Adventist missions follow the General Conference working policy guidelines related to financial management in producing the budget. The Executive Committee sits twice a year - in the middle of the year, normally in May, and at the end of the year - to evaluate the budget to determine whether the variance is in surplus or deficit for them to decide whether it is necessary to provide for the next period. The executive committee´s three subcommittees are tasked with planning and monitoring the budget, budgetary controls, and expected financial performance. These three subcommittees are the budget, compensation, and finance committees.

Problem Statement

Several Seventh-day Adventist institutions in Angola have been experiencing working capital, current ratio and the ensuing cash flow problems. The policy of the Southern Africa Indian Ocean Division established 100% as the recommended standard for working capital and current ratio (Southern Africa Indian & Ocean Division of Seventh-day Adventist Church Working Policy, 2018-2019). However, achieving such a standard has been extremely difficult for the missions in Angola. Both the North-eastern Angola Union Mission (NEAUM) budget (2020 and 2022) and the South Western Angola Union Mission (SWAUM) budget (2020–2022) reports showed that all missions registered a decline in their working capital and current ratio. According to Table 1 (Appendix C), in 2020, almost every mission did not reach the recommended liquidity, except for Mission B, which had a current ratio of 101.44% and Mission E of 105.28% of working capital. In 2021, almost, all missions had liquidity problems, except for Mission E which had a current ratio of

104.56%. Finally, for the year 2022, only Mission E had 115.96% which was above the recommended standard of the Division.

This situation is a source of concern because liquidity is fundamental to any organization. Several factors can explain the decline in both working capital and the current ratio, one of which is budgeting and budgetary control (Lubega, 2016). Regarding Africa, few studies have focused on the concepts of budgeting and budgetary control (e.g, Onduso, 2013; Maritim, 2013; Malufu, 2017; Kerosi, 2018; Matsoso et al., 2021). Fewer studies have focused on the effect of budgeting and budgetary control on liquidity (Lubega, 2016). Further, to date, in the Seventh-Day Adventist Church in Angola, no studies have been conducted to determine the extent to which budgeting practices and budgetary control practices affect the liquidity of these entities. Therefore, this study aimed to empirically test the effect of budgeting and budgetary control practices on liquidity in the Seventh-day Adventist missions in Angola.

Research Questions

1. To what extent are budgeting practices effective in the Seventh-day Adventist missions in Angola?
2. To what extent are budgetary control practices effective in the Seventh-day Adventist missions in Angola?
3. What are the liquidity levels of the Seventh-day Adventist missions in Angola?
4. To what extent do budgeting practices correlate with budgetary control practices of the Seventh-day Adventist missions in Angola?
5. What is the effect of budgeting practices on the liquidity levels of the Seventh-day Adventist missions in Angola?

6. What is the effect of budgetary control practices on the liquidity levels of the Seventh-day Adventist missions in Angola?

Null Hypothesis

1. H01- There is no significant correlation between budgeting practices and budgetary control practices in the Seventh-day Adventist missions in Angola.
2. H02- Budgeting practices have no significant effect on the liquidity levels of the Seventh-day Adventist missions in Angola.
3. H03- Budgetary control practices have no significant effect on the liquidity levels of Seventh-day Adventist missions in Angola.

Theoretical and Conceptual Framework

This study was anchored on two theories, the first one is the Agency Theory which explains the relationship between the principal and the agent, where the principal (the owner of the funds) is the party who contracts the agent to act on its behalf (McColgan, 2001). The theory was suitable for this study because the structure of the Seventh-day Adventist Church is that the missions or fields are organized to help the local churches carry out the Great Commission entrusted to them by Jesus Christ in Matthew 28:18-20 (SDA Accounting Manual, 2011). The members provide funds to the missions or fields so that the latter can organize strategies to accomplish the mission of the Church. Furthermore, the members delegate authority to administrators and board committee members of the missions/fields to act on their behalf and manage financial resources. The agents bear the responsibility of managing the funds to accomplish the mission of the Church. Hence, it can be said that Church members are the principal and administrators and board members are the agents.

The second theory is Stewardship Theory. According to Tajer et al. (2022), Stewardship Theory is grounded in a humanistic and collectivist model in which people are inspired to help others. Tajer et al. (2022) stated that relationships of mutual trust are existent in the organization. This trust enhances participative decision-making and empowers the implementers of strategic decisions. In the SDA Church, missions or field administrators make decisions about how to manage the funds entrusted to them. They are stewards and are empowered to make these strategic decisions and must give an account of their stewardship responsibilities.. Church members trust their judgments and knowledge. In this sense, the Stewardship Theory is appropriate for this study. Both theories are expanded in more details in Chapter 2.

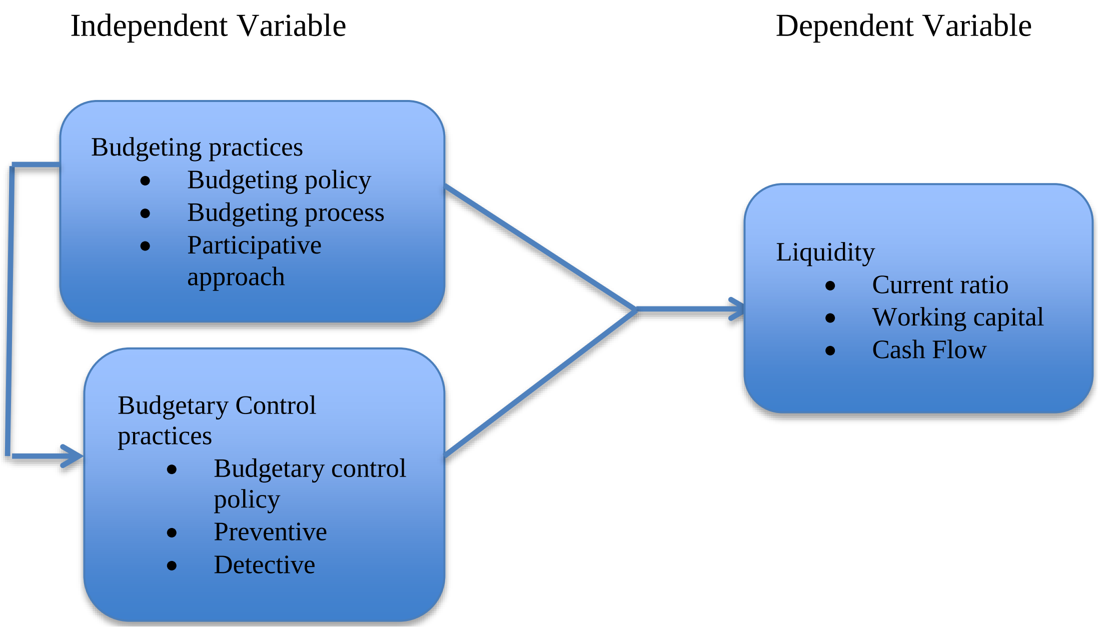

Figure 1. Conceptual Framework

The independent variables are divided into two: first, budgeting practices, where the budgeting policy, budgeting process, and participative approach are analyzed, and second, budgetary control practices, where budgetary control policy, detective, and preventive control are discussed. The dependent variable is the liquidity level, measured by the current ratio, working capital, and cash flow. It is hypothesized that the level of liquidity is influenced by budgeting and budgetary control practices. Successful planning of expected expenditures can guide the strategic activities and programs of the organization. Budgetary control enables an organization to achieve its target through the coordination of executives and other functions within the company (Odero, 2019). Budgetary control detects and prevents mistakes in such a manner that guides a successful plan.

Significance of the Study

This study will be helpful and useful to the Seventh-day Adventist Church. It will be of great use to the officers of Adventist missions in Angola, who will be more aware of their role and influence in the process of budgeting and budgetary control. The budget coordinator and board committee members will improve their knowledge regarding the decisions made about the expenditures. The Seventh-day Adventist Board Committee members will know the implications of their decisions in approving the budget. They will be aware of the importance of evaluating budgets from time to time. They will also be brought to understand how the budget can affect liquidity levels and its effect on the Church's mission. The academic community will receive one more study on the effect of budgeting and budgetary control practices on liquidity levels, this time Seventh-day Adventist institutions in Angola. The results of this study can be used for comparisons with similar studies conducted by other researchers in various countries and organizations.

Scope and Limitations of the Study

The study was conducted within the two unions' missions of the Seventh-day Adventist Church in Angola. Northeast Union has two missions: South Luanda and Cabinda missions and Northeast mission. The Southwest Union comprises the South mission, and the Central mission. The primary data gathered to answer the research questions were limited to all four missions' executive committee members and accountants. A total of 115 individuals were invited to participate in this study.

The study focused on budgeting and budgetary control practices and their effect on the liquidity levels of the Seventh-day Adventist missions in Angola. The territory in which the respondents were located is very large. The data were collected within 4 months, from April to June 2023.

As in any other study, several limitations are important to note. First, the findings may not be generalizable since the study was limited to Seventh-day Adventist missions in Angola. Research assistants were employed and trained to understand the protocols, meet the respondents, and explain to them the ethical considerations and the academic purpose of the intended study; they distributed the questionnaires and provided the respondents with sufficient time to respond and send back the questionnaires. When confidentiality-related matters were raised, the respondents were assured that the study would be used for academic purposes only.

Operational Definition of the Terms

Budget is the financial plan that comprises the provision of an organization's income and the allocation of financial resources in the various sectors of the organization during a time period.

Budgetary control refers to the act of using the budget to assign responsibilities, plan, and control performance. This is where comparisons are made in terms of what was budgeted and the current situation to see whether the organization's goal can be achieved.

Budgeting is the process of planning how to allocate financial resources to see whether the organization has enough money for the intended strategic plan. It is the process of Budgeting.

Budgeting policy refer to the roles created to clarify each one's responsibilities and dates to operate the budgeting process.

Budgeting process is the act of making a budget to be in the ground; it involves elaboration, implementation, monitoring, and evaluation.

Current ratio is the division between current asset and current liability

Detective budgetary control is an accounting procedure with the purpose of evaluating the companies when all financial procedures are being done so that it detects the errors after they have been committed.

Effective budgeting is a process that helps the organization to preview its revenue and enables the company to expand it effectively.

Expenses are the amount of money used to pay the expenditure to support the organization's day-to-day operations.

Income is the amount of money that comes from Church members as tithe, offering, or other donations used to support the organization's activities.

Liquidity is the ability of the company to transform an asset into cash.

Mission is a part of the Seventh-day Adventist organizational structure that consists of the local churches in a specific geographical area.

Participative approach is the act of involving lower management levels in the budget preparation process to create more synergy on the implementation.

Preventive budgetary control it is an accounting procedure which aims to evaluate the internal control system in order to avoid the fraud before it occurs.

Top down budget it is the act of preparing the budget by top managers without the opinion of the lower management.

Union is part of the Seventh-day Adventist organizational structure which oversees the mission fields within a defined geographical area.

Working capital is the available amount of money that allows the daily functionality of a company to pay the current liabilities.

CHAPTER 2

REVIEW OF RELATED LITERATURE

Budgeting and budgetary control practices are important in managerial accounting to guide liquidity and help control people’s actions within the organization. This chapter discusses the key concepts of the three variables of this study and is organized into five sections. First, theories related to the topic are discussed on this chapter. Second, the concept of budgeting, its effectiveness, process and approach is described. The third section is about budgetary control where budgetary control policy and its practices are reviewed. Fourth, liquidity, including the current ratio, working capital, and cash flow are discussed. Finally, the chapter ends with an empirical review.

Theoretical Framework

Agency Theory

Agency Theory has been applied to several disciplines and approaches such as accounting, finance, economics, law, political science, strategy, and organizational psychology (Zogning, 2017). For more than 20 years, Agency Theory has been a key concept in managerial accounting (Namazi, 2013). According to Kivistö (2008), several experts have written about the principal-agent relationship. It was originally developed to research issues related to risk sharing and incomplete questions (Jensen & Meckling, 1976; Fama & Jensen, 1983); Pastorizas and Ariño (2008). Ross (1973) and Arrow (1971), are the first researchers who initiated the Agency Theory. The

Agency Theory was proposed in 1976 by Jensen and Meckling in continuity of the work done by Ross, (Tajer et al., 2022). Barney (1990), and Petersen (1993) are some of the proponents of the Agency Theory (Kivistö 2007). According to Tajer et al. (2022), the bases of the agency theory were created in 1930s by Berle and Means.

According to Tajer et al. (2022), Agency Theory is defined by Jensen and Meckling (1976) as the contractual relationship where a person or more delegate their responsibility to other in order to work on their behalf. From the agency theory's perspective, there is a contractual relationship between the two parties where the contractor is the principal and the contracted party is the agent (McColgan, 2001). The agent acts on behalf of the principal in terms of decision-making (Zogning, 2017). Principals delegate responsibility to others (Namazi, 2013). For instance, the company owner may delegate his or her decision to the Chief Executive Officer (CEO), and the CEO may delegate his responsibility to the director (Namazi, 2013). The agent acts on behalf of the principal (Namazi, 2013). Agency Theory aims to clarify and reduce the conflict of interest between shareholders and managers (Tajer et al., 2022). Boucková (2015) commented that in the relationship between the principal and the agent, problems might arise because of different personal objectives. These problems are likely due to uncertainty and informational asymmetry (Namazi, 2013).

According to Boucková (2015), Agency Theory can be classified into two categories. The first is the Positive Agency Theory, which focuses on possible conflicts between the principal and agent. Second, is the Normative Agency Theory which seeks to design new approaches to minimize competition in the relationship. This part of the theory is based on measuring the results and behavior of the agent to reduce the risk to the principal (Namazi, 2013). According to McColgan (2001), in case of any problem, the resolution can be based on monitoring the agent's behavior and providing incentives to the latter.

One way to monitor the agent's behavior is through the budget because it provides targets and controls the agent's actions (Boucková, 2015). Performance measurement is also an important way to control the agent's actions. According to Olson (2000), in non-profit organizations, a relationship is established between the stakeholders who contribute funds and delegate their responsibility to the board. Managers must be accountable for their activities to maintain the trust of donors and contributors (Olson 2000). Hence, according to Kivistö (2007), the Agency Theory focuses on control issues.

Although Agency Theory is a useful theory that regulates potential conflicting interests between the principal and agent, it has limitations. For example, Panda and Leepsa (2017) identified the following limitations. First, the theory presupposes a limited or unlimited contract between two parties yet the future is unknown. Second, while in theory, contracting can solve the agency problem, practically it is not that easy. There are many obstacles such as knowledge asymmetry and fraud. Furthermore, there are costs involved. Third, the sole goal of shareholders' interest in a company is to maximize their profits, yet their responsibility is minimal. Fourth, the other responsibilities of the directors, apart from oversight of managers are not defined clearly. Fifth, according to the theory, managers are considered opportunistic, and their managerial skills are disregarded. Hence, the issue of trust is ignored in Agency Theory.

The theory was selected as it fits the study's context, that is the Seventh-day Adventist Church mode of operation. The Seventh-day Adventist Church primarily receives financial resources from its members through the local Church (Brown et al., 2019). The local Church refers to the group of members who congregate in a specific place (SDA Church Manuel, 2022). The money received by the local Church are from tithe, offering and other donations, (SDA Church Manuel, 2022). The entire tithe, and 50% of offerings are sent by the local Church to the mission, (WP 2018-2019). Brown et al. (2019) defined a mission/field as an administrative headquarters that controls the churches in a specific territory. The mission/field is responsible for the growth and development of the local churches in the territory. The mission/field is the storehouse, the place where all funds are allocated to be distributed to every other structure of the worldwide Church in order to accomplish the great commission (Brown et al. 2019). In order to manage the Church funds that members give as tithes and offerings, the administration of the mission/field needs to ensure that there is transparency, honesty, accountability, and internal control (Brown et al. 2019). The selected local Church members, departmental directors, and administrators of the mission/field are representatives of the members in the board committee of the mission. The board committee member serves as a principal and acts as the link between the interests of the Church and the administrators (agents). Both the budgeting process and budgetary control practices enable maximum utilization of the resources and if, they are effective, provides a level of accountability of the Church's financial resources to the donors (Hiciano, 2019).

Stewardship Theory

Whereas the Agency Theory assumes that the interests of principals and agents are in conflict, Stewardship Theory assumes a shared interest between principals and agents (Schillemans & Bjurstrøm, 2020). Tajer et al. (2022) said that Stewardship Theory reduces conflict between parts within the organization and increases collaboration, harmony, and the sharing of knowledge among employees. Stewardship

Theory sees the organization as a relational framework that fosters empowerment and mutual trust. (Tajer et al., 2022).

According to Schillemans and Bjurstrøm (2020), Stewardship Theory aims to comprehend the characteristics and circumstances of good stewardship. Tajer et al. (2022) argue that the primary objective of stewardship is to increase the satisfaction of the shareholders. According to Stewardship Theory, when good performance is achieved and shareholders are satisfied, their contentment with the managers increases (Tajer et al. 2022).

Stewardship theory, which focuses on creating a foundation and encouraging steward-like behavior, alters the perspective of the connection between the principal and executive. Donaldson and Davis (1991) developed this theory. According to Tajer et al. (2022), stewardship theory is grounded in a humanistic and collectivist model in which people are inspired to help others. In stewardship, the relationship between the principal and the agent is also assumed, but based on the collectivist principle the agent acts to benefit the principal (Waldkirch & Nordqvist, 2016). The main aim of the collectivism is to avoid failure in money management. In order to achieve such aims, it is important to reinforce collaboration and control (Lubogoyi et al. 2018).

According to Schillemans and Bjurstrøm (2020), Stewardship Theory was initially introduced to management literature by Davis et al. (1997a) as a critique of agents' purported self-interest and laziness that was prevalent in much of the literature and may be a "terrible caricature" in the public sector. Stewardship theorists opposed the tenets of Agency Theory and stated that the agents are willing to behave in a way that serves the interests of their principal and society (Mills et al., 2021). Tajer et al. (2022) stated that the relationships of mutual trust within the organization encourages a culture where the managers engage the subordinates in participative decision-making. Hence the latter feel empowered (Madison et al., 2016). Members of the organization cooperate effectively, are reliable, and behave in a manner that benefits the organization. When acting in the capacity of stewards, people or organizations prioritize the convergence of their objectives with those of the principal over their own short-term interests (Mills et al., 2021). It is presumable that executives and subordinates are driven to operate in their bosses' best interests and give priority to "pro-organizational, collectivistic behaviors, Schillemans and Bjurstrøm (2020). Schillemans and Bjurstrøm (2020) said that the steward will prioritize organizational objectives over personal interests out of a pure desire to be a good and committed steward. According to Stewardship Theory, agents act as trustees and are more intensely focused on achieving group goals than on their own individual goals (Schillemans & Bjurstrøm 2020).

Chrisman (2019) highlighted two limitations of the Stewardship Theory. The first is concerned with the assumption that stewards align their interests with those of the principals. The theory is silent on how principals should communicate their objectives to stewards to ensure that such alignment occurs. Second, the theory does not address how information asymmetry and bounded rationality affect the capacity of stewards to comprehend the principals' objectives.

The theory was chosen for this study because it relates to the topic. The Seventh-day Adventist Church receives financial resources primarily from its members to support the mission of the Church (Brown, et al. 2019). The executive committee and the Church administrators are accountable to the Church organization as a whole. They are expected to act as faithful stewards of the financial resources entrusted to them (White, 1940). The stewards are generally willing to cooperate with the organization's controlling body (the Board) and the members trust that the work will get done properly (Prestol-Puesán, 2021).

Madison et al. (2016) argued Agency Theory and the Stewardship Theory are not necessarily mutually exclusive. Both theories can be enacted in organizations. "Just because a firm implements monitoring mechanisms does not mean they cannot also have collectivistic cultures. These collective structures themselves can impose norms that curtail undesired behavior" (p. 82). Hence the "trust" factor that is emphasized in the Stewardship Theory does not eliminate the "control" factor that is the focus of the Agency Theory. Organizations are dynamic entities and, based on the type of relationships that exist between the stakeholders, both elements (trust and control) can coexist.

Budgeting

The Concept of a Budget

A budget is a document that shows the expectation of an organization in terms of financial resources to achieve the intended goals in a specific period (Dakurah 2020). The budget is approved by the organization at the end of each year to be implemented the following year, and strategic and management controls are established to help achieve the results. A predetermined management policy allows for the comparison of the reality with the budgeted resources (Egbunike & Unamma 2017). The budget is deemed effective when it is aligned with the organization's strategic plan (Dakurah 2020).

Budgeting allows for the correct preparation and presentation of accounting information. Budgeting is an indispensable tool for planning and controlling financial resources in a non-profit organization. Budgeting has the primary purpose of supporting managers in planning for the organization to establish the expected targets for output, income, and expenses. Further budgeting enhances better cooperation and coordination within the firm to achieve the intended goal (Obi, 2015). Weikart et al. (2013) wrote that budgeting is a process whereby non-profit executives define the expected resources and determine how to use them best. This means that even when the board of directors decides to expand the organization, there must be an assurance that resources are available to support decisions.

Purpose of Budgeting

According to Usman et al. (2016), a budget is prepared for the following purposes: planning, facilitating communication and coordination, allocating resources, managing financial and operational performance, evaluating performance, and providing incentives. Iyoha (2021) said that the effectiveness of budgeting brings the shareholders to trust the administrators. It also ensures the efficiency of the programs, and promotes future plans. Furthermore it helps the coordination of a set of activities in terms of the number of structures within the institution. A budget is an indispensable tool for financial management (Matsoso et al., 2021). Due to its importance, every institution, no matter if it is a government, state, country, national or multinational, profit or non-profit, must have a spending plan to better manage its financial resources.

Srinivasan and Ganapathi (2014) stated that budgeting has the purpose of:

1) Improving planning and control with the aim of increasing financial performance;
2) Directing business priority in a way that leads the organization to profit better and achieve its goal;

3) Directing managers in maintaining the survival course of the company and guide management's action on operating and financial issues to come up with effective plans;
4) Implementing the goals of the firm, manage the factors of production to satisfy the stakeholders and to make known the organization's goal across the firm.

Steps in Budget Preparation

Srinivasan and Ganapathi (2014), Oyebode (2018), and Siyambola (2013) stated that to prepare the budget some preliminary steps must be taken. There must be a budget manual. This is a document that contains all procedures related to the preparation and use of the budget, (Srinivasan & Ganapathi 2014). A budget committee must be set together with the appointment of the budget coordinator. The committee is comprised of the executive officers, and the departmental directors. The budget coordinator should be an experienced individual who can guide the departments by giveng the information in which the budget will be based on so that the manager can prepare the budget on time (Oyebode 2018). The constraints must be considered. For example, such factors that limit the level of activity across the organization like lack of raw material or labor to execute the work (Oyebode 2018). The time periods must be set and communicated in order not to surprise the managers (Srinivasan & Ganapathi, 2014).

Importance of Budgeting in the Non-Profit Organization

According to Hilton and Platt (2014), the main goal of the non-profit organization is to accomplish the programs/projects to support the company's mission instead of selling products or services. A budget plays an important role in the financial performance of non-profit organizations (Dropkin, 2007). It is used not only to show income and expense expectations but also as a tool to control, maintain, and increase financial performance (McMillan, 2010). The success of the non-profit organization depends on the budgeting process (Weikart, 2013). The budget income in a non-profit organization does not come from sales of goods or services, as in a profit organization. It comes from donations and contributions. In non-profit organizations, reports might be presented to the donors to create confidence in the donors by the organization's managers. For example, in the Adventist Church, the income is from tithes, offerings, contributions, and the donations from various sources (Southern Africa Indian & Ocean Division of Seventh-day Adventist Church, (2018-2019). Each of these stakeholders must be acknowledged and efforts must be made to gain their continued support.

According to Weikart (2013), a non-profit organization is a legal and separate entity. This means that the non-profit organization is a stand-alone entity that should not be confused with its managers. The implication of this separation of personality is that managers of non-profit organizations are not the owners of these entities. They must manage and control the performance of the organization correctly to foster perfect trust vis-à-vis the donors (Dropkin, 2007). Budget management comprises several steps. First, the budgetary planning consists of determining the source and allocation of funds to various required expenditures. Second, management and coordination comprise careful implementation of the budget for a non-profit organization by managers and staff. Finally, assessment and reporting entails a periodic evaluation of the budget (Shim et al., 1996).

Biblical Perspective on Budgeting

A budget is a financial plan. Although the Bible does not use the word "budget" and "budgeting" directly, it does emphasize that planning is essential for organizations and individuals. For example, Proverbs 21:5 says that planning leads to prosperity. "The plans of the diligent lead surely to plenty, but those of everyone who is hasty, surely to poverty." The Bible does not teach us how to prepare the budget, but gives some principles to follow that emphasize its importance. The starting point is the acknowledgement of the source of the funds. God is the source of the funds, and He has entrusted to humans these resources (Prestol-Puesán, 2021). Every human being is a manager of the resources God has given him or her. Effective management starts with good planning. The Bible emphasizes that it is foolish to make an expenditure plan without knowing where the money will come from. In Luke 14:28-30, Jesus says: "Suppose one of you wants to build a tower. Won't you first estimate the cost to see if you have enough money to complete it? For if you lay the foundation and cannot finish it, everyone who sees it will ridicule you, saying, 'This person began to build and was not able to finish." These verses very clearly point to the importance of considering the income needed to match the expected expenses. In order to complete the project, the estimated expenses must fit the estimated income. Wisdom and discernment are needed in these situations (White, 1946).

When it comes to estimating the expenses, the Bible also has some advice. Proverbs 21:20 says "A wise man saves for the future, but the foolish man spends whatever he gets." This verse not only means saving for the future but also about being prudent in estimating the expenses. When making the budget, it is wise not to exaggerate the expenditures. In the Spirit of Prophecy books, White (1952) commented about the necessity to avoid unnecessary spending in every place where the work of God is being promoted to spread the gospel into the large cities. The call to stewardship implies a responsibility to God first, and second, to those around us. The stewards must be prepared to give an account of how the funds have been managed. From every responsibility comes accountability. Lord requires from the stewards that they be found faithful (1 Corinthians 4: 2).

Effective Budgeting

Effective budgeting helps the administration to harmonize the organization's goals in each service provided (Iyoha, 2021). Effective budgeting provides efficiency as far as the allocation of resources is concerned (Atuilik et al., 2019). Effective budgeting encourages the setting up of plans for the organization and encourages permanent awareness of the financial position (Kunnathuvalappil, 2019). According to Iyoha (2021), the actions of the organization's various departments is guided through effective budgeting. The effective budgeting process has to follow the pre-established guidelines, and those guidelines or rules comprise the budgeting policy. It entails a clear job description of the management team, the budget center, a good accounting record of facilitating the transaction recording, a strong budget board, and the establishment of a budget policy where guidelines will be stated (Masakala et al., 2017).

Budgeting Policy

The budgeting policy is an essential part of financial policy. It is among the first steps in preparing the budget (Zietlow et al. 2018) and regulates its implementation (Nigussie, 2020). It guides and harmonizes the work of the administrator to achieve the organization's goals and monitors the cash flow and inflow of the firm. Dropkin et al. (2007) wrote that the board of directors and managers are ones who are responsible for developing the budgeting policy. The policy is concerned with the progress of the operating budget and sets the standard on how often the committee should review it. Further, it describes the frequency at which the operating budget and cash budget projections are to be compared with the actual figures. It also delineates the matters regarding capital budgeting and the limitations of the evaluation techniques. More so, the budgeting policy must spell out the purposes of the operating budget, in the way the funding will be used, the guidelines for the budget improvement, and the revision of the policy itself (Zietlow et al. 2018). Garrison (2015) said that to ensure a company has an effective budgeting process, the budget committee plays a significant role in providing appropriate policies related to budget preparation. In the Southern Africa Indian Ocean Division Working Policy, in section S 38 from subsection 38 05 – 38 20, all the steps the Church needs to follow to elaborate and implement the budget for the Southern Africa territory is stated. The Division's Working Policy is derived from the General Conference (the head office of the Church) Working Policy of the Seventh-day Adventist Church S 05 (18-19) which postulates that:

1) All denominational organizations might use an annual operating budget approved by the executive committee. Each level of the organization's committee has to ensure the use of the operating budget by the officers of the lower organization.
2) The Chief Finance Officer is responsible for gathering all the budgeting requests, summarizing, and coming up with a proposed budget which is discussed among the officers before it goes to the committee.
3) The end-year committee reviews, adjusts and approves the budget.
4) The budget assumptions come from the high organization;

5) The revenue is 95% of last year's revenue.
6) Once the budget is approved, the committee evaluates its implementation at least nine times in the Administrative committee and four times in the executive committee each year through the financial statement that compares the plan with the execution.

Types of Budgets in Non-profit Organizations

Finkler et al., (2020) and Weikart et al., (2013) stated that there are two main types of budgeting for non-profit organizations: the capital budget and operating budget. On the other hand, Zietlow et al. (2018) maintained that there are three main types of budgeting for non-profit organizations: cash, capital, and operating budget. Each of these budgets will be described in the following paragraphs.

Cash budget. The cash budget is the one that spells out the estimates for financing, investing, and operating inflows and outflows during a specific period of time (Zietlow et al. 2018; Iyoha, 2021). The cash budget helps the firm to know whether there is enough cash to maintain the operation of the firm or whether there is too much cash trapped in unproductive capacity (Joseph 2014). The cash budget previews the receipts and disbursment of money daily, weekly, monthly, or quarterly depending on the needs of the funds within the company (Weikart et al. 2013). In the case of the Adventist Church's conferences, the cash budget is used to estimate how much money the missions should be receiving from tithes, offerings, and others receipts. Then it describes how the funds are to be allocated for evangelism and Church growth (the General conference working policy of the Seventh-day Adventist Church S 05).

Capital budgeting. According to Pandey (1999), capital budgeting is the organization's decision on how to use the current excess funds to finance assets. The aim is to gain future benefits from the investment. Weikart et al. (2013) mentioned that capital budgeting is comprised of two things. First it identifies the need for the asset that should be acquired by the organization. Second, it helps justify the disbursement to fulfill the need for an asset acquisition or capital project. Both the identification and justification must be based on the non-profit's mission strategic plan and be aligned to the strategy. If done properly, the identification and justification of the need will help management decide which investment will get more returns. According to Dropkin et al. (2007), lack of or poor capital budgeting is the primary reason for financial deficiency in the non-profit organizations. Consequently the outcome is bankruptcy and cessation of operations. Finkler et al. (2020) said that capital budgeting is to be separated from the operating and cash budgets, but must be counted as part of the master budget of the organizations.

Operating budget. According to Finkler et al. (2020), the operating budget is a plan that shows the expectation of revenues and expenses during the year. Dropkin et al. (2007) said that the operating budget for a non-profit organization must show the income and expenses in a way that represents the most accurate future financial position. The SDA Accounting Manual (2011) defined the operating budget as the following year's expected income, and guides how the income will be applied to guarantee the organization's daily operations. Zietlow et al. (2018) said that the operating budget also allows variance analysis: a monthly process that helps managers to be aware of any deviations from the planned amounts. As managers get to know the variations, they can take action immediately to remedy the situation. Hence there are no surprises at the end of the year .

The operating budget has three main components: Projected income, projected expenses categories and subcategories, and projected expenses by line item (Dropkin et al. 2007). According to Weikart et al. (2013), non-profits mostly use an operating budget and capital budget. The operating budget has several purposes pertaining to the protection of the funds. The first type is to make sure that the priorities that were decided upon are actually being considered. This purpose is called the priority control. The budget has to be aligned with the Mission of the organization. The control priority also ensures that the resources are allocated as predetermined (Zietlow et al., 2018). The second purpose guaranteed by the operating budget is the fiscal control. Due to the limitation of the funds, the revenues and expenses have to be effectively controlled. This implies that the planned amounts must be compared with the actual amounts (Zietlow et al. 2018).The third purpose is concerned about the administrative control. The mandate of pure non-profit organizations is to serve the public. As such the performance of such organizations is difficult and expensive to measure. However, a detailed budget can allow the administrators more possibility to exert monetary control (Zietlow et al. 2018). The fourth purpose is about the program control. Donors usually indicate their preference regarding which project they want to support. As such each project is assigned a different budget according to the program the donor wants to support. Hence there must be a control for each project (Zietlow et al. 2018). The fifth purpose is related to the audit control. The funds coming from external sources normally are assigned to specific expenditures and thus are restricted. The organization must adhere to such types of restrictions if they to receive more funds. This is especially true in the case of funds coming from the government. The audit control helps to check if the organizations are following the requirements stipulated by the donors (Zietlow et al. 2018).

The Budgeting Process

According to Iyoha (2021), the budgeting process is made of budgeting control and budgeting planning. Anohene (2011) said that the budgeting process in some organizations starts before the budget period and end at the close of the budget period. Further, Nigussie (2020) said that those organizations whose officers carefully plan the budgeting process in advance have a high possibility of success. Odero (2019) wrote that the budgeting process allows the organization to allocate funds to the areas where it can be used more effectively and efficiently. Budgeting itself is made of three steps: budget formulation, approval, and execution.

Hilton and Platt (2014) commented that non-profit organizations usually start the budget with a program budget. The latter shows the services to be provided. From this start, the operating budget is developed to identify the necessary funds to finance the programs. The starting point for several organizations is the result of the last income statement (Tietz & Braun, 2018). The statement helps determine the expected revenues and costs for the following year. Once the budget is approved, the budget can be implemented. But even at the execution stage, the budget is still useful. Wild and Shaw (2010) affirmed that budgeting constitutes a guide to employees' actions. The managers evaluate their performance through budget variance periodically. According to Davis & Davis (2014), the budgeting process helps in management decision-making and control of the organization. These authors further said that in preparing the budget, managers might make some decisions that will affect the employees directly, and specifically, the entire organization. These decisions are related to the method used to prepare the budget. The preparation of the budget depends on the chief financial officer. It can be done by two main approaches: top-down budget and participative approach. The top-down approach is where the higher level managers decide and elaborate the budget alone. Those who are to implement the budget are not consulted. The second approach, the participative approach, is the opposite of the top-down method. In this case, the service-line managers have the freedom to develop their own budgets and submit them to top management for approval.

Participative Approach

Tietz and Braun (2018) defined a participative budget approach as a budget created at the lower management level and reviewed by the top management. Joseph (2014) said that lower-level managers should be able to develop their budgets and take responsibility for achieving the goals. However, it should not be assumed that every organization across the board can adopt this approach. According to Davis & Davis (2014), participative approach may need to be modified depending on the needs of the company's various departments. Zimmerman (2017) wrote that participative budget approach is also called a bottom-up budget approach because it starts at the lower level to top management. Garrison (2015) said that, even though the participative budget is time-consuming, it is the most effective approach because those who create the budget are the ones who know the resource needs for the operations. As a result, the employees become more committed to the organization. Crosson and Needles (2011) commented that, despite the benefits that the participative budget can bring to the entire organization, the executive committee still must still have the final say as far as the budget approval is concerned. The committee must review the estimated amounts and correct any possible errors. They must also eliminate budgetary slack. Budgetary slack is the action of estimating the expenses without considering the other side of the equation: the revenues.

In the Southern Africa Indian & Ocean Division, the participative approach is recommended. The procedure is that the Chief Financial Officer receives the budget suggestions from each department and from the two other administrators (the Chief Executive Officer and the Chief Executive Secretary). From the information gathered, the Chief Financial Officer prepares a final master budget that is submitted to the executive committee (Southern Africa Indian & Ocean Division of Seventh-day Adventist Church, 2018-2019).

Top-down Budget

According to Finkler et al. (2020), a top-down budget is a budgeting approach that starts with the top manager and is given to the lower manager to implement. There is a minimal advantage to this approach (Nafisatu 2018). The advantage of the top-down budget is that it saves time and resources. Furthermore, a top-down budget helps the top manager to take control of the finances over the budget (Joseph, 2014; Schmidt, 2023). The disadvantage of this approach is that the lower-level managers may lack commitment to implementing the budget. They do not own it, so they do not get involved much in executing the projects (Schmidt, 2023). Consequently, the approach leads to the reduction of the possibility of achieving the organization's goals. Finkler et al. (2020) said that it is not easy for the lower manager to have control of each expenditure item as far as the responsible unit is concerned.

Dimensions of Budgeting

When it comes to budgeting, there are five main areas or dimensions where companies differ from one another (Zelman et al., 2014): participation, the budget model, the budget detail, the budget forecast, and the budget modifications. The dimensions are divided by approaches as follows: (1) Participation is divided into two approaches: authoritarian and participatory; (2) Budget model is divided into two incremental/decremental and zero-based; (3) Budget detail is divided by three approaches which are line-item, program, and performance; (4) Budget forecast is divided by two approaches annual and multiyear; (5) Budget modifications are divided into two approaches: controlled and latitude.

The participative approach to budgeting has advantages and disadvantages. According to Zelman et al. (2014), the advantages of the participative approach are the following:

1- Gaining a shared knowledge of the organization's aims and objectives among all involved in the budgeting process;
2- Fostering collaboration and coordination across the different departments;
3- Defining positions and duties across the entire organization.

Zelman et al. (2014) said that the incremental/decremental approach starts with what is already there and typically provides various line items and departments a tiny rise, no change, or slight decrease. Unlike the incremental/decremental approach, the zero-based approach is not concerned with how much to increase or decrease; the zero-based approach is concerned with two issues: the need for each program and its level of funding (Zelman et al., 2014). Zero-based budgeting asks questions about the reason for the existence of the program or department. It analyzes the cost and benefit of increasing or decreasing the level of funding to the program or department (Zelman et al. 2014). Zero-based budgeting helps organizations to be focused on their priorities. In the middle of 1960, zero-based budgeting was first implemented and widely used, but because of a lot of work, it was dropped out (Zelman et al 2014).

Problems Associated with Budgeting

According to Shim et al. (1996), non-profit organizations have limited financing resources for budgeting, and many of these organizations do not have robust accounting system. The lack of a strong accounting system can cause many problems, which in turn reduces the organization's capacity to control the spending. Budgeting problems are classified into quantitative and non-quantitative problems (Siyambola 2013). These two categories are discussed below.

Quantitative Problems

According to Oyebode (2018), the budget is future-oriented, but makes use of past information for the budget preparation. Hence, the reliability of the predictions may be questioned especially if the organization is operating in a dynamic environment. There are also changes on the business environment like economic and political changes that may raise the discrepancies between the budgeted and the actual amounts (Srinivasan & Ganapthi, 2014). These discrepancies are not intentional, nor are they within the control of the organization. Yet, their occurrences can make it difficult for the organization to achieve its purpose.

Non-Quantitative Problems

Oyebode (2018) wrote that non-quantitative problems are raised due to the unpredictability of human behavior. Srinivasan & Ganapathi (2014) stated that the budget is done by humans, and human judgments can be biased. The bias is reflected in the budget. Furthermore, individuals can change from situation to situation to suit their own interests. In the case where the organization does not have a lot of personnel, the same human beings who provide the information to elaborate the budgets are the ones to implement these budgets. This is when there can cases of slacks or blatant fraud (Srinivasan & Ganapathi, 2014). Oyebode (2018) raised the issue of lack of knowledge of the budget makers. Some executives may not have the necessary knowledge to set up a budget, and consequently this can be the cause of the budgetary process failure. Another challenge that exists is the lack of commitment and involvement of the lower-level managers. If the latter are not involved in the budget creation they are likelier not to pay attention to the budget process and implementation.

Budgetary Control

The Concept of Budgetary Control

Budgeting is not just about estimating revenues and allocating the expenses to the various departments. Budgeting is also about protecting the organization's assets and controlling the actions of managers as they implement the budget. Further budgeting is also about comparing the actual expenses with the estimated figures and finding the reasons why any discrepancies happened (Olaniyan & Efuntade 2020). The aim is to prevent such occurrences in the future. According to Myint (2019), the budget is also an instrument of control. Budgetary control is a set of procedures that elaborate a spending plan that connects the actual expenses with the budgeted amount in an endeavor to harmonize the estimated amounts with the actual amounts (Myint, 2019). Mbogo et al. (2021) defined budgetary control as the comparison between the actual spending with the budget to allow the organization to control and make provisions in the case of any deviation. Mbogo et al. (2021) further commented that effective budgetary control is the process by which the budget is evaluated so that the organization knows the deviations that occurred and address these. A lack of adequate budgetary control makes the company lose focus and reduces its ability to achieve its goals (Usman et al., 2016). The budgetary control process includes the budget plan, budget control, and correction of possible deviations (Egbunike & Unamma, 2017). According to Adeyanju & Akintaro (2021), the budgetary control process comprises four stages. first, the budget development from planned objectives; second, the evaluation of the balance between the actual results and the budgeted amounts to see if there is any deviation. Such deviations are called variances: third, the revision of the strategic plan to guide future actions; and fourth, the creation of new objectives for budgeting.

The budgetary control evaluates the administration's competency in leading the organization and resources (Mohamed et al., 2015). The executives have the obligation to comply with the policy. They must compare the budget with the current situation and do the needful to remedy the situation when the need arises. In some cases, the policy itself needs to be changed. In that case, the executives must provide solid justification for the policy review (Olaniyan & Efuntade 2020). Dakurah (2020) stated that effective budgetary control is key to ensuring the efficiency and effectiveness of the income and expenditure within the organization so that waste can be avoided. A very well-prepared budgetary control system affects the organization's financial performance because it helps verify the variances and enables the organization to make provisions in case of negative variances (Dakurah, 2020). These provisions help to create positive variances, or at least zero variance.

Effective Budgetary Control

According to Siyambola (2013), the keys for effective budgetary control are: the effective participation of the managers and enough information about the organization's goals. Chirchir and Simiyu (2017) added that a commitment and understanding of the budgeting process by the lower managers helps to ensure better control. Further, Usman et al. (2016) stated that for a better control, a proper accounting information system is needed. The latter is used to analyze the variances, thus enhancing the effectiveness of the budgetary control system.

Budgetary Control Policy

Budgetary control policies are the procedures that are approved to control budget activities. Compliance to the policy guarantees that the financial operations are being done according to what was agreed upon and budgeted. Further compliance with the policies guarantees the protection of the organization's assets (Southern Africa Indian & Ocean Division of Seventh-day Adventist Church Working Policy, 2018-2019). According to the Southern Africa Indian & Ocean Division of Seventh-day Adventist Church Working Policy, (2018-2019), the control policies provide an assurance that the accounting transactions reported are done correctly, accurately, and in a timely manner. Thus the financial statements that are prepared based on these transactions would be of good quality. That means that the financial policies must be adopted and voted on, before the budgeting process starts. That way the managers and employees have a clear idea of the procedures to follow. Such procedures will allow the team to do the work effectively, and to converge in the same direction, thus enhancing the organization's performance. The budgetary control policy is part of the financial policy. There are two types of control: preventive control and detective control. The former helps to avoid mistakes and the latter to detect the mistakes after they are made (Sari et al., 2022). Both play a crucial role in the management of budgets.

Detective control. According to Naboth-Odums et al. (2022), detective control is a tool managers use to detect errors or irregularities after those mistakes have already occurred and enable the manager to correct them on time. Sari et al. (2022) commented that detective control identifies whether the policies and provisions already determined are being followed as far as the action and financing are concerned within the organization. According to Njobvu et al. (2020), detective control includes the edit of reports, reconciliations, management reviews, audits, financial and budgetary reviews, and analysis. Joseph (2014) stated that the reconciliations are useful to detect deviations from the accounting standards. Naboth-Odums et al. (2022) affirmed that nowadays the trend is to perform detective control either digitally or manually. Whereas before these activities were performed by individuals, nowadays, they are performed digitally using software. According to Naboth-Odums et al. (2022) more and more management depends on a digitalized information system to evaluate variances and develop reliable reports for effective managerial decision-making. However, Sari et al. (2022) stated that the detective control is not enough since it highlights what already has occurred but does not prevent losses from happening. Hence, preventive control is also needed.

Preventive control. According to Sari et al. (2022) preventive control is a tool used by management to forsee and avoid the occurrence of fraud. Hermanson and Hermanson (1994) stated that preventive control is also applied in situations of non-compliance. Naboth-Odums et al. (2022) said that preventive controls give the company directions to prevent risks of mistakes, fraud, and irregularities in the accounting transations. Njobvu et al. (2020) comment that preventive control includes segregation of duties, proper authorization and approval, creating an environment for the presence of appropriate documentation, physical control over assets, and permanent training for the team. Furthermore, Periansya and Prattiwi (2020) stated that preventive control helps to mitigate the lack of understanding between executors and supervisor. Preventive controls may sometimes include locks and access codes, (Periansya, 2020).

Liquidity

Weikart et al. (2013) defined liquidity as the summation of the cash and cash equivalent, investment, credit, and loans. They stated that liquidity is an important financial performance indicator for non-profit organizations, because it indicates whether the organization has enough cash to deal with its debts. According to Lubega, (2016) liquidity indicators help evaluate the ability of the organization to repay its current liabilities. Likewise Ningsih and Sari (2019) and Reschiwati et al. (2020) affirmed that the liquidity ratios reflect the organization's capacity to pay its short-term debts. Zietlow et al. (2018) affirmed that to sacrifice liquidity in favor of other financial achievements is to sacrifice an unknown future event. According to Zietlow et al. (2018) within a non-profit organization, a target for liquidity must be determined and reflected in the financial policy. Managers are then expected to reach the target at all times. A common policy is to aim at keeping at least six months of the operating expense as cash reserve (Bhutta et al., 2021). The working policy in the Southern-Africa Division territory requires that all entities of the Division (conferences, missions, and fields) maintain a percentage of working capital of 100% (Southern Africa Indian & Ocean Division of Seventh-day Adventist Church Working Policy, 2018-2019). Several liquidity ratios are used such as the current ratio, quick ratio or acid test ratio, and cash ratio (Ningsih & Sari, 2019). Weikart et al. (2013) stated that among ways of measuring liquidity, current ratio and working capital are more common ratios used in the non-profit organizations. In the Seventh-day Adventist Church setting, the most used indicators of liquidity are the current ratio and cash ratio (Peprah et al., 2019). In this study three indicators of liquidity are used: current ratio, working capital, and cash flow.

Finkler et al. (2020) stated that the current ratio measures the solvency of the company. It is calculated by dividing the current assets by the current liabilities as shown in the formula below:

$$Current\ Ratio = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

According to Zietlow et al. (2018), when the current ratio is equal to one, it means that the value of the current assets is equal to that of the short-term debts. If the current ratio is less than one, it means that the current asset is not enough to pay the short-term debts of the organization.

According to Finkler et al. (2020), working capital is the deduction of current liability from the current asset to show how liquid an organization is. The formula is as follows:

$$Working\ Capital = Current\ Assets - Current\ Liabilities$$

According to Weikart et al. (2013), working capital may be increased by selling short-term investments and/or increasing account receivables. Weikart et al. (2013) further added that when the working capital is equal to one, it means that the organization's most liquid assets are enough to pay its short-term debts. When the ratio is less than one, then this is an indication of inadequate liquidity in the organization. Thus, it is important to manage the level of working capital (Peprah et al., 2019).

Cash flow refers to the amount of money which comes in the company in forms of revenue and the amount of money which goes out from the company in form of expenditures (Noor et al., 2012; Christensen et al., 2016). As such, it is also an instrument used to evaluate the liquidity level (Dirman 2020). A positive cash flow helps to increase liquidity (Noor, et al 2012). Cash flow can be reported in the statement of cash flow. Christensen (2016) stated that the statement of cash flow reports the receipts and disbursements of the company in a period of time. The three sources of liquidity are reflected in the statement of cash flow: cash flow from operating activities, from investment activities, and from financing activities.

The cash budget is an important tool in any organization, but especially in the non-profit organization. Kemp et al (2015) defined the cash budget as an instrument which helps the company to guarantee enough amount of money to ensure the operation of the functional budgets. It is the estimated financial inflows and outflows during a financial period with its cash balance at the end of the period. Cash budget includes projected income and expenses for both capital and revenue items (Amoako et al., 2013). Muriuki, (2007) affirmed that the cash budget objective is to estimate the liquidity levels as the basis to estimate future borrowings and investments. Amoako et al., (2013) said that planning the income and payment helps the company to identify future deficits or excess of income. The frequency of preparing a cash budget depends on how the seasonal variations affects the organization, and it can be done weakly, or daily (Kemp et al., 2015). Nevertheless, several challenges are present regarding the preparation and use of the cash budget. Although many organizations understand the need to prepare a cash budget, they find it difficult to prepare, and to use it after it is done (Mwanza & Benedict, 2018). For big organizations, it is difficult to estimate each inflow and each outflow, especially when these organizations operate in a very dynamic environment (Zeller & Metzger, 2013). Despite these challenges budgets are still considered useful (Libby & Lindsay, 2010).

Empirical Review

Fauzan et al. (2019) conducted a research to identify the influence of budget quality, and the competence of the accounting/finance employees on the school's financial performance. The research was conducted in the vocational high schools of

Pemalang, Indonesia, and 37 schools participated in the study. The research design was quantitative and the data were analyzed using multiple regression. The results showed that the quality of budgeting, and the competence of the finance personnel significantly affect the schools’ financial performance.

Mbogo et al. (2021) conducted a study to investigate the effect of budgeting practices on the performance of SMEs in the manufacturing sector in Nairobi, Kenya. The study used a quantitative cross-sectional research design. The results revealed that the budgeting practices significantly affect the performance of the SMEs in Kenya.

Pimpong and Laryea (2016) used an experimental research design to analyze the effect of budgeting on the financial performance of financial institutions other than banks in Ghana. The study found that the non- banking financial institutions in Ghana have an effective the budgeting process, and there is a significantly positive relationship between the budgeting process and the performance of the selected firms in Ghana.

Masakala et al. (2017) did a study with the objective of examining the relationship between the budgeting process and the financial performance of Bugisu Cooperative Union Ltd in Uganda. The study used a case study research design. Eighty staff who are involved in the budgeting process were selected to participate in the study. The study applied regression analysis. The findings indicate that management used a participative approach to budgeting and such an approach positively influenced the financial performance of the organization. The study also found that there is a strong significant relationship between the budgeting process and the financial performance.

Ngumi and Njogo (2017) investigated the effect of budgeting practices on the performance of insurance firms in Kenya. The quantitative study applied a descriptive cross-sectional research design. The unit of analysis was the 45 registered insurance companies of Kenya and the target participants were selected from 23 firms. The conclusion was that budgeting and financial performance have a significant relationship.

Katana et al. (2022) investigated about the budgetary control and financial performance of listed manufacturing firms in Kenya using a correlational research design. Eight manufacturing firms listed on the Nairobi Securities Exchange (NSE) were selected for the study. A panel data was set using the firms' performance ranging from 2012 to 2021 (i.e. ten years) giving 80 observations. The findings showed that budgetary control contributed up to 56.1% of improvement of the Return on Assets. Furthermore, the study showed that in these manufacturing companies it is important to regulate the current ratio as a liquidity control measure to improve financial performance. The conclusion was that liquidity control has a positive and significant effect on the performance of those listed manufacturing firms.

Chircir and Simiyu (2017) researched on the influence of two broad categories of budgetary control factors and their effect on the financial performance of the three Almasi Bottling companies in Kenya located in Eldoret, Kisii, and Nyeri,. The selected participants to the study were 126 managers and supervisors. The research design used was a mixed method concurrent triangulation. The result was that the human factor is key in ensuring financial performance. The study recommended the involvement of lower-level managers in the budget processes. It also recommended more training for the employees in charge of the budget control processes.

Schubert and Kirsten (2021) conducted a study to examine the effect of budgetary control on the financial performance of SMEs. The study was conducted in Germany using a quantitative design. The target sample was selected from Munich, Berlin and Stuttgart where most SMEs are located. Using a convenience sampling procedure 200 business owners participated in the study. The study concluded that budgetary control has a significant and positive relationship on the financial performance of the SMEs, even when the latter are located in a developed country like Germany.

Nyongesa et al. (2016) investigated the effect of budgetary control on the financial performance of public high schools and universities in Western Kenya. The study used a descriptive survey design. The 109 participants included accountants, bursars, and principals of the institutions. A stratified sampling procedure was utilized, and the sample size included five public universities, ten technical institutions, four teachers colleges, and ninety high schools. The three financial performance measures were liquidity, expenditure control and capital improvements. The results showed that 67 % of the variance in the financial performance of those institutions comes from the variance in budgetary control.

Chaudhary and Chaudhary (2018) researched on the effect of budgetary control on the financial performance of Nepal Oil Corporation. A descriptive survey design was applied. The sample was comprised of 60 persons from the accounting, finance, engineering, and project departments. The findings showed that the budgetary control process has a significant positive bearing on financial performance.

Malufu (2017) researched the use of budgeting and budgetary control and their effect on the financial performance of six Church-run institutions at the Zimbabwe Union of the Seventh-day Adventist Church. The study found that budgeting and budgetary control significantly impact the financial performance of the six organizations.

Mutungi (2017) examined the effect between budgeting and budgetary control on the compliance to the budget target set of county governments of Kenya, with county regulation as a moderating factor. The target sample included 47 county governments. The study used a descriptive research design. The findings indicated that the county government encountered a challenge when it comes to compliance to the timelines stipulated in the Public Financial Management Act 2012. The findings also showed that 96% of the variance in the compliance to the budget target set is explained by the budgeting and budgetary control, managerial performance and country regulation.

Matsoso et al. (2021) focused on the effectiveness of budgeting and budgetary control systems among SMEs operating in the manufacturing industry in Cape Town, South Africa. They used the goal-setting theory (GST) and data were collected from a sample of 170 SMEs. They found that stakeholders must have a positive attitude regarding the perceived worth of budgeting and budgetary controls in order to gain from the benefits of budgeting. Hence attitude and willingness to do the right thing matter. The study further found that when agents are involved in the establishment and implementation of the plans, they are more motivated to achieve the goals set. The study also stressed the role of education of the SME owners as an important factor for success in budgeting.

Lubega (2016) investigated the impact of budgeting and budgetary control on the liquidity levels of thirty-eight Infectious Disease Institutes located in Kampala, Uganda. It applied a quantitative correlational research design to achieve the purpose of the paper. It was found that these organizations have difficulties maintaining a reasonable level of liquidity. The study also revealed that there is a positive and significant correlation between budgeting and liquidity levels ($r = 0.570$). Thus higher levels of liquidity can be ensured through more effective budgeting practices.

There are a few studies that were done in the Church setting. Stolarczyk (2019) researched the theological and financial integrity regarding Church budgeting in a Lutheran Church in Florida, USA. The research was of a qualitative nature and used a case study approach. Five people from the local congregation were interviewed. The study explored the apparent contradiction between faith and finance.. The researcher aimed at developing a workshop for the leaders to identify and discuss issues about the budgetary process. The outcome would be to increase theological understanding and financial integrity. The conclusion was that faith is essential, but the technical procedures to prepare, implement, and control the budget are also necessary.

Ahenkora et al. (2017) investigated the effect of internal control activities and budget control of the churches in Kumasi Ghana. The purpose was to determine the effect of the internal control activities and the budget control on the financial performance. The research was an exploratory study and used twelve churches of the Amakon District of the Methodist Church in Kumasi, Ghana. The conclusion was that the internal control activities significantly affect the financial performance of these churches. However, budgetary control made significant contributions only when the Church size was introduced into the regression model. Thus as churches grow in size, it is imperative to have a robust budgetary control in place.

Irvine (2005) investigated budgeting and attitudes towards budgeting in the local Church using the framework of Booth over a period of six months. The framework is built on three factors: religious belief system; Church members and occupational groups; and the resources of the organization. The local Church selected was part of the Anglican Diocese located in Sydney, Australia. The research used primary data from six semi-structured interviews. The secondary data were sourced from the minutes of Church meetings and the financial reports from 1988 to 1995.The findings showed that the Church members did not see any inconsistencies between the Church's spiritual mandate and the use of accounting techniques and budgeting practices to reach that mandate. The findings also revealed that size does play a role in the dynamics involved. If the local Church was small, the Church members were more involved in the decisions regarding the budget. The study recommended that every organization, even churches, must know the importance of accounting procedures, including the budget if they want to grow. The study also recommended considering budgeting as more than just an inert technique but rather as a "social craft" that takes into considerations the other organizational factors.

Gap

The review of literature reveals that few studies focused on the impact of budgeting and budgetary controls on the level of liquidity in organizations. Instead, majority of research used financial indicators such as Return on Investment, Return on Assets, and the level of profitability. Furthermore, only few studies have been done in the non-profit sector especially in Sub-Sahara Africa, with the notable exceptions of governmental entities. Finally, there is no study done regarding the issue in faith-based non-profit organizations in Angola. This study attempted to fill the knowledge gap by analyzing the effect of budgeting and budgetary control on the liquidity levels of faith-based institutions of the Seventh-day Adventist Church in Angola.

CHAPTER 3

RESEARCH METHODOLOGY

Research Design

Gay et al. (2012) defined design as the overall strategy used by the researcher in order to conduct an investigation. Research design is the requirement for analyzing research data with the purpose of combining application and research goals with the economic process (Kothari, 2006; Fute, 2018). A research design is the action plan that the researcher will follow to respond to the research objectives (Kumar, 2011).

This study is of a quantitative nature, and applied a causal research design. This design helped the researcher to answer the study's questions related to the effect of budgeting practices and budgetary control practices on the liquidity levels of the Seventh-day Adventist missions in Angola.

Population and Sampling Procedure

Walliman (2011) described the population as the events, objects, items, and people on which the researcher aims to base the study. According to Dowdy (2004), the population is a set of elements on which the sample is drawn. The population of this study was the executive committee members and accountants of the Seventh-day Adventist missions in Angola. This comprises two missions of the Northeastern Angola Union and two missions of the Southwest Angola Union. In total four missions were used with 115 participants (see Table 2 below). Due to the small size of the population, the study used the entire population as participants to the study. Because the researcher is a member of the board of one mission, I was excluded from the respondent list to avoid bias in the data.

Table 1. Population

Organization	Accountants	Committee Members	Total
A	10	21	31
B	4	24	28
C	7	23	30
D	4	22	26
Total	34	90	115

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Instrument(s) for Data Collection

According to Gay et al. (2012) an instrument is a test or tool to be used by a research to get enough necessary information to conduct the investigation. This study used a questionnaire that was adapted from the literature (Seventh-day Adventist Accounting Manual, 2011; Malufu 2017). The questionnaire has four sections that are called by letters A to D. The questionnaire was initially designed in English and translated into Portuguese by two experts one from Southern West Angola Union Mission who translated it from English to Portuguese, and the other from Northern-East Angola Union Mission who translated it again from Portuguese to English. Thus the forward-backward translation method was ensured.

In Section A, the questionnaire refers to the general information specifically on the respondents' gender, academic qualification, and the job position in the organization. Section B is related to the situation regarding the budget where the purpose is to know whether the entity uses a budget, has a budget time line, when they start to prepare it and who is in charge to coordinate the whole exercise. Section B is about budgeting practices, Section C is about budgetary control practices, and Section

D has items that are related to the liquidity levels of the Seventh-day Adventist missions in Angola.

For sections B to D, a four-point Likert scale was used for the instrument. In the questionnaire, the respondents are asked to answer the questions by writing or marking on the answer sheet (Fraenkel & Wallen, 2009). The answers were interpreted as shown in Table 3.

Evaluation and Scoring of the Questionnaire

Table 2. Evaluation and Scoring of the Questionnaire

Scale	Response	Mean Interval	Verbal Interpretation
1	Strongly disagree	1.00 - 1.50	Very ineffective
2	Disagree	1.51 - 2.50	Ineffective
3	Agree	2.51 - 3.50	Effective
4	Strongly agree	3.51– 4.00	Very effective

Instrument Validity and Reliability

The study aimed to research the effect of budgeting practices and budgetary control practices on liquidity levels, using a questionnaire as the instrument of data collection. According to Gay et al. (2012), validity is related to whether the instrument for data collection can achieve the purpose for what it was created. The instrument validity helps the researcher to have an accurate instrument for collecting data (Fraenkel & Wallen, 2009). According to Sekaran & Bougie (2016), the instrument content validity is ensured through a group of experts who are tasked to evaluate the instrument to see if it measures what it is supposed to measure. For this study, the questionnaire was given to some experts to verify and suggest revisions. Three experts from Seventh-day Adventist institutions were contacted from the

General Conference Audit Services, Southern Africa Indian Ocean Division and the Northeastern Angola Union Mission to validate the research instrument. They submitted their recommendations which were properly addressed. These experts have a wide experience with budget preparation, control and implementation in the Seventh-day Adventist organizational environment.

According to Gay et al. (2012), reliability is related to the stability and consistency of the information gathered. Fraenkel & Wallen (2009) stated that when the test is reliable it gives the instrument more confidence to be used in the study. Cronbach alpha coefficient was used to test the interitem reliability of the data collection instrument after the pilot study was done. According to Bonett and Wright (2014), Cronbach's alpha is the measurement of internal consistency reliability. The acceptable range starts from 0.60 to 0.70 that is considered to be fair reliable, 0.70 to 0.80 means good reliability and from 0.80 to 0.95 has very good reliability (Zikmund, et al 2010). The results in Table 4 indicate that the internal consistency of the items in the research instrument is very good since for all three variables scored above .80.

Table 3. Cronbach Alpha for Budgeting Practices

Code	Items	Cronbach's Alpha	Group Alpha
Budgeting Practices	10	.810	10
Budgetary Control Practices	8	.820	8
Liquidity Levels	7	.818	7

According to Hassan et al (2006), doing the pilot study is a critical step for a research project. This is a small study carried to detect flaws in the research instruments before they are used for the larger study**.** The pilot study was conducted in one of the missions which was not counted part of those displayed in Table 2. The pilot study was conducted in the Angola East Mission field of Seventh-day

Adventists. Twenty-four respondents, including four accountants and twenty committee members participated in the pilot study. The results from the pilot study were analyzed and the questionnaire was revised accordingly.

Data Collection Procedure

After requesting permission from the administrators of the two Unions to collect the data, the researcher contacted the respondents to explain what the questionnaire was all about and to clarify any doubt related to the study and their participation. The questionnaires were distributed to each respondent by the research assistants who were trained to help in this matter. The collection of the data lasted for four months- from March to June 2023.

Method of Data Analysis

In order to analyze and interpret the data that was collected, this research applied Statistical Package for Social Sciences (SPSS) Version 20. Descriptive statistics were used to describe the respondents' demographics and for questions one to three. For the research question four, Pearson Correlation analysis was done. Correlation is a metric used to express the degree of linear relationship between two variables (Gaur & Gaur, 2009). Research questions five and six were addressed using a regression analysis to establish the cause-and-effect relationship between the independent and dependent variables. According to Samuels and Gilchrist (2014), regression analysis is an important instrument used to test the relationship between variables in order to create a regression model. In this study, in order to test the effect of budgeting and budgetary control practices on liquidity levels the simple linear regression model used was:

$$Y = b_0 + b_1 X$$

Where,

Y = Dependent variable which in this study is the Liquidity level, measured by current ratio, working capital, and cash flow;

b_0 is the intercept of the straight line (the value of y when it crosses the Y-axis)

b_1 is the slope;

X **=** Independent variables which are the budgeting practices (BP) or budgetary control practices (BCP).

Ethical Considerations

Formal authorization was requested from the Northeastern Angola Union Mission and from Southwestern Angola Union Mission. These authorities granted permission to conduct the research in their respective entities. In order to protect the participating organizations, the identities of the specific respondent organizations is not revealed in the thesis. A letter code is used instead.

Also, before distributing the questionnaires, the respondents were requested to indicate their willingness to participate by filling out the informed consent form. The participants were also informed of their freedom to participate. Should they decide not to participate, they would not be coerced to do so, nor penalized in any way. The participants were also assured that their answers would be kept in complete confidentiality. Finally, the data collected were kept in a secured place and would be destroyed after the study is completed.

CHAPTER 4

RESULTS AND DISCUSSION

This chapter presents and discusses the study results. Descriptive analysis, correlation analysis and linear regression analysis were applied to address the research questions of the study and confirm or reject the hypotheses. It ends with a discussion about the findings.

Study Area Setting

Angola is a democratic country located in Southern region of Africa, with eighteen provinces. It covers a territory of 1.246.700 km². It has a population of around thirty-four million inhabitants. It is the second largest oil producing country in sub-Sahara Africa (Angola -Country Commercial Guide, 2022). Although it has a GDP of $135.558 billion, the country's population live in relative poverty with 69.8% of the population living with less than $3.20 per day. The major occupation of the inhabitants is in farming and in the informal sector (World Bank, 2023). The predominant religion is Christianity, where majority of the people are catholics, and a quarter of the population are Protestant, where the Adventist Church is included. A minority of the population belong to African religions and Islam.

From the Adventist divisional categorization, Angola belongs to Southern Africa Indian and Ocean Division (SID). In Angola the Seventh-day Adventist Church is one of the strongest protestant churches, with more than eight hundred baptized members and around one million and sixty hundred non-baptized members, split into two unions. The first union is Northeastern Angola union mission with its headquarters in Luanda, the capital city of Angola which controls the northeast part of the country. It is constituted of four missions: South Luanda and Cabinda Mission, North Mission, Northeast Mission, and East Mission. The Southwest Angola Union Mission with its headquarter in Huambo, the economic capital of Angola controls the south west part of the country. Southwest Angolan Union mission has two missions: Center Mission, and South Mission. All those missions together, cover the eighteen provinces of the country. From the six missions in the country, this study was based on four missions, which are the two missions from Southwest union and two from Northeast union. The two missions from Northeast are South Luanda and Cabinda Mission and Northeast Mission.

The missions use the Adventist Church Management System (ACMS), the Seventh-day Adventist Church's method of administration. Its purpose is to make it easier to manage and exercise control over both active and inactive Church members. It allows the local churches to register tithes, offerings and other gifts from the members. The members also can deposit tithes, offerings, and other gifts directly to the Church account and register it, without the support of the local Church treasure.

Response Rate

This study administered 115 questionnaires and received 101 questionnaires completely filled. This corresponds to 87% response rate shown in Table 5. This is within the acceptable range in social science (Story & Tait, 2019).

Table 4. Response Rate

Questionnaires	Frequency	Percent
Total Response	101	87.8
Non Response	14	12.2
Total	115	100

Demographic Characteristics of Respondents

The demographic characteristics of this study included the data related to gender, age, and academic qualifications.

Gender Characteristics

According to Table 6, in this study there were more males than females. Thus Table 6 demonstrates that the total number of the participants were 101, where 84 respondents were males corresponding to 83.2 % and 17 respondents were females corresponding 16.8 % of the respondents.

Table 5. Response Rate Gender Characteristics

Gender	Frequency	Percent
Male	84	83.2
Female	17	16.8
Total	101	100

Age of the Respondents

Table 7 shows the age range of the respondents. From Table 7, the age category between 31 – 35 years old corresponding to 29.7% is the biggest age group of the respondents in the study. The age category between 36 – 40 years old, corresponding to 19.8% comes second largest. Those who are between 41 – 45 years corresponding to 16.8% came in the third place in terms of size. These three groups make a total percentage of 67%, which is quite significant. It can be said therefore that the population of employees in these unions are mid-career individuals ranging from the age of 31 to 45 years old. It is also to be noted that 14% of the employees are above 55 years old. Thus, there is a fairly good representation of mature stuff, and it can be assumed that they are experienced workers in these organizations. This is a good sign because it may mean that in terms of decision-making in budgeting matters, there are individuals whose expertise can be counted on.

Table 6. Age of the respondents

Range of years	Frequency	Percent
25 – 30	5	5
31 – 35	30	29.7
36 – 40	20	19.8
41 – 45	17	16.8
46 – 50	9	8.9
51 – 55	6	5.9
56 – 60	9	8.9
60 – 65	5	5
Total	101	100

Academic Qualifications of the Respondents

For academic qualification, four types of academic qualifications were established. It was found that the largest group held a bachelor's degree (corresponding to 75.2 %) followed by a group who hold a master's degree (corresponding to 12.9 %). Table 8 can be understood in the light of the profession of the participants. Individuals who are accountants are more likely to be holders of CPA after their undergraduate degrees, rather than pursuing higher purely academic degrees.

Table 7. Academic Qualifications of the Respondents

Academic qualification	Frequency	Cumulative Percent
PhD	2	2.0
Master	13	12.9
Bachelor	76	75.2
Others	10	9.9
Total	101	100.0

Job Position

Table 9 demonstrates that most respondents are members of the committee, with 75 respondents, representing 74.2%, followed by the accountants with 22 respondents, forming 21.8%; and lastly 4 chief accountants, corresponding to 4%.

Table 8. Job Position of the Respondents

Job Position	Frequency	Percent
Committee member	75	74.2
Accountant	22	21.8
Chief Accountant	4	4
Total	101	100

Findings and Discussions Based on the Research Questions

Research Question One: Budgeting

To what extent is the budgeting practice effective in the Seventh-day Adventist missions in Angola?

To answer the research question above, ten items measured the practices of the budgeting. The results are indicated in Table 10. From the findings, the EXCOM budget committee has an effective budgeting practice. The average score of mean and standard deviation of the ten items is 3.16 with a Standard Deviation of 0.56. The findings indicate that the organizations tend to comply with policy. The highest mean is about the budget review committee reviewing the budget before it is presented to the Executive Committee for approval (Mean = 3.50, Standard Deviation = 0.89). Further, the departments work within the approved budget planned for the year (Mean = 3.45, Standard Deviation = 0.86). The strategic objective of the year is provided for in the budget (Mean = 3.44, Standard Deviation = 0.88). Also, the prepared and voted budget has the proposed income equal to the proposed expenses (Mean = 3.35, Standard Deviation = 0.85). On the other hand, there are some practices that registered a less than optimal score. One of them is concerned about the constraints that lead to the final budget. Although the constraints are explained to the committee members so that they understand, the score is among the lowest in the Table (Mean = 3.23, Standard Deviation = 0.96). Another issue is the fair allocation of resources (Mean = 3.23, Standard Deviation = 0.89). The suggested conservative income of 95% of the previous year is also another item with a relatively lower mean (Mean = 3.14, Standard Deviation = 0.99). Another item that needs to be considered is the record of unexpected events. These events, if repeated often, are not exceptional anymore and can be included in the budget. The mean of 3 with a Standard Deviation of 0.92, seems to indicate a low score. The item with the second lowest score is about the departments submitting their budget requests for the following year (Mean = 2.74, Standard Deviation = 1.18). Finally, the only item that was interpreted as being ineffective concerned the practice of participative budget making process before it is presented to the executive committee (Mean = 2.48, Standard Deviation = 1.26). This result is a source of concern, given that studies show that when employees are involved in the budgeting process, there is more commitment (Garrison, 2015). These ten items have the scores that demonstrate that the budgeting practices are effective in Adventist missions. However, there is still room for improvement as the overall average is not as expected, and it should be very effective. Several items seem to indicate some areas of weaknesses in the organizations.

The results presented contradict the findings of Joseph (2014) who conducted a similar research in Tanzania, Dar es salaam. Joseph´s research investigated budget and budgetary control in enhancing financial performance using a case study research design. The study concluded that the budgeting process is not effective due to the lack of internal control mechanisms in the organizations, such as segregation of roles, poor communication, and insufficient monitoring, which undermines the effectiveness of the entire budgeting process.

Table 9. Budgeting Practices

	Mean	Std. Dev.	Interpretation
Submission of budget requests for the subsequent year.	2.74	1.18	Effective
Participative approach to budget making process	2.48	1.26	Ineffective
Strategic objectives for the year are provided for in the budget.	3.44	0.88	Effective
Operating according to approved budget for the year.	3.45	0.86	Effective
Projected income equal to projected expenses.	3.35	0.85	Effective
The budget review committee committed to review the budget before approval.	3.50	0.89	Effective
Constraints are explained and understood	3.23	0.96	Effective
Record of unexpected happenings are kept and included in subsequent budgets.	3.00	0.92	Effective
Conservative approach (95% of prior year's income as the suggested income).	3.14	0.99	Effective
Fair allocation of resources	3.23	0.89	Effective
Overall Average Score for Effective budgeting practices	3.16	0.56	Effective

Research Question Two: Budgetary Control

To what extent is budgetary control practices effective in the Seventh-day Adventist missions in Angola?

This research question was tested through 8 items (see Table 11). The overall average score for the Mean and Standard Deviation are 3.47 and 0.56 respectively and seem to indicate that the Adventist mission in Angola do practice an effective budgetary control. However, there is still room for improvement, as the overall score is still way below the mean of 5 (interpreted as very high effectiveness). The items with the highest means are related to compliance to the organization's policy. This area seems to be a strength in these organizations. For example, the budget to be used in the following year is approved by the executive committee (Mean 3.85, Standard Deviation 0.49). Another example is that the financial statements presented periodically for review have budget columns to allow for comparison (Mean = 3.60, Standard Deviation = 0.77). Furthermore, the organization operates within the approved budget (Mean = 3.54, Standard Deviation = 0.78). These items are within the highest scores found in the results´ interpretation, meaning that the organizations take their role of applying the policies in place very seriously.

However, there are other items that show that the organization's budgetary control may not be so effective. There could be weaknesses regarding involvement in the budgeting process (Mean = 3.47, Standard Deviation = 0.84). There could be less understanding that the involvement in budget preparation makes it possible to control and monitor the execution of the budget (Mean = 3.47, Standard Deviation = 0.80). Furthermore, there are items that indicated that the systematic and regular activities are carried on effectively, although not as perfectly as they should be. The financial statements are reviewed on a quarterly basis by the executive committee (Mean = 3.40, Standard Deviation = 0.96). The item regarding the explanation of the overruns to the executive committee did not register a high score, implying that this practice may not be as often as it should be (Mean = 3.24, Standard Deviation = 3.24). The item that has the lowest score is about the entities having a policy for identifying and addressing monthly budgets (Mean = 3.15 and Standard Deviation = 0.97). This practice, although effective, may need to be reinforced. In summary, it seems that most of the items on the Table 11 demonstrate effective budgetary control practices. However, there is room for improvement in some areas.

The results presented confirm the findings of Malufu (2017), who conducted a similar research in Zimbabwe, within selected Seventh-day Adventist institutions. Using cross-sectional research design, Malufu´s research investigated the effect of budgeting and budgetary control effectiveness on the financial performance of these institutions. His study concluded that the budgetary control process is effective in these faith-based institutions too.

Table 10. Budgetary Control Practices

	Mean	Std. Dev.	Interpretation
Quarterly review of financial statements	3.40	0.96	Effective
Serious involvement in budget preparation	3.47	0.80	Effective
Operating according to approved budget for the year	3.54	0.78	Very effective
Policy to identify and address monthly budget variances.	3.15	0.97	Effective
Approval of the budget for use in the following year.	3.85	0.49	Very effective
The financial statements have budget column for comparison.	3.60	0.77	Very effective
Involvement in budgeting as a source of motivation	3.47	0.84	Effective
Explanation of overruns	3.24	0.98	Effective
Overall Average Score for Effective budgetary control practices	3.47	0.56	Effective

Research Question Three: Liquidity Levels

What is the liquidity levels of the Seventh-day Adventist missions in Angola?

The third research question intended to measure the level of liquidity of Seventh-day Adventist missions in Angola. The descriptive statistical analysis was based on 7 items. The results in Table 12, indicate that in the missions, the operating expenses are within the approved budget. This registered the highest mean (Mean = 3.19, Standard Deviation = 1.04) in the Table. It is the only item that is beyond a mean of 3.0. All the rest of the items were below 3.0 although some of them were above 2.50 thus: income received is always above the budget income (Mean = 2.84, Standard Deviation = 1.12). There are always adequate resources to cover needs (Mean = 2.72, Standard Deviation = 1.04); there is excess income allowing the missions to revise the budget upward (Mean = 2.63, Standard Deviation = 1.13); and there are significant budget overruns in the financial statement (Mean = 2.56, Standard Deviation = 1.02). All those items above are interpreted as effective, indicating that the missions are doing every effort to keep a reasonable level of liquidity.

However, there seems to be some areas of weakness too. The entity's working capital of the entity should be above 100%, as per the SID working policy. But the mean of 2.32 suggests that this is not the case in the missions of Angola. The same thing can be said about the current ratio which is supposed to be above 100%. The mean of 2.23, is interpreted as ineffective. The SID working policy stated that the working capital recommended applicable for each institution is 100% and the percentage of current ratio also is 100%, (WP 2018-2019).

The overall score for liquidity level is: Mean = 2.64 and standard deviation = 0.77. This is interpreted as effective, meaning that in Adventist missions the level of liquidity is effective. The finding confirms a study done by Otrusinova and Kulleova (2019) for governmental organizations in the Czech Republic, in particular municipalities. It was found that these non-profit entities do not have a big problem with liquidity. On the other hand, Lubega (2016) found that the level of liquidity in nonprofit organization in Uganda, Sub-Sahara Africa, is low and hinders the operations in the institution. For his part, Malufu (2017) conducted a study in Zimbabwe within the selected Seventh-day Adventist institutions and found that the current ratio and working capital on the selected institutions met the 100% requirement.

Table 11. Level of liquidity

	Mean	Std. Dev.	Interpretation
The entity's working Capital is always above 100%	2.32	1.18	Ineffective
The entity's current ratio is always above 100%	2.23	1.19	Ineffective
There are always adequate resources to cover the budget needs	2.72	1.04	Effective
There is excess income allowing us to revise the budget upwards	2.63	1.13	Effective
Income received is always above the budgeted income	2.84	1.12	Effective
Our operating expenses are within the approved budget	3.19	1.04	Effective
There are significant budget overruns in the financial statements	2.56	1.02	Effective
Overall Average Score for Liquidity	2.64	0.77	Effective

Research Question Four: Budgeting and Budgetary Control

To what extent do budgeting practices correlate with budgetary control?

According to Diggle and Chetwynd (2011) correlation is a metric used to express the degree of linear relationship between two measurements. Gaur and Gaur (2009) stated that the correlation coefficient provides a numerical value that indicates how strongly two variables are correlated linearly. Schober and Boer (2018), for their part, classified the correlation coefficient as negligible correlation, weak correlation, moderate correlation, strong correlation, and very strong correlation. This classification is interpreted according to the range of the coefficient. The value of the coefficient is classified in the following manner: Negligible correlation 0.00 - 0.10, weak correlation 0.10 – 0.39, moderate correlation 0.40 – 0.69, strong correlation 0.70 – 0.89 and very strong correlation 0.90 – 1.00 (Schober & Boer, 2018).

In Table 13 the two independent variables, budgeting practices and budgetary control practices, are tested to analyze the strength of their relationship. The result indicates a significant but moderate correlation between budgeting practices and budgetary control practices with Pearson correlation of 0.651, which is in the range between 0.40 and 0.69 interpreted as moderate positive relationship, based on the ranges explained above. Thus, it seems that as the budgeting practices increase, the budgetary control practices also increase.

Table 12. Correlations between the independent variables

		Effective budgeting practices	Effective budgetary control practices
Effective budgeting practices	Pearson Correlation	1	.651**
	Sig. (2-tailed)		.000
	N	101	101
Effective budgetary control practices	Pearson Correlation	.651**	1
	Sig. (2-tailed)	.000	
	N	101	101

Hypothesis H0 1

There is no significant correlation between budgeting practices and budgetary control practices in the Seventh-day Adventist missions in Angola.

The researcher evaluated the correlation between budgeting and budgetary control to test the first null hypothesis. According to the results the hypothesis was rejected. The study established moderate positive relationship between budgeting practices and budgetary control practices with Pearson correlation of 0.651and it is significant because the significance is less than 0.5 (Sig. = .000). It means that when the budgeting practices increase, the budgetary control also increases.

The finding was confirmed by the study from Mutungi (2017), where he investigates about the effect of budgeting and budgetary control on financial performance of the devolved government in Kenya, the research computed the correlation between the variables and the findings indicated a positive relationship between budgeting and budgetary control. Likewise, Lubega (2016) in his study also discovered a positive and significant correlation between budgeting and liquidity levels.

Research Question Five: Effect of Budgeting Practices on Financial Performance

What is the effect of budgeting practices on the level of liquidity of Seventh-day Adventist missions in Angola?

The purpose of this study in this question is to test empirically the effect of budgeting practices on the level of liquidity of the Seventh-day Adventist missions in Angola. Regression analysis was used to determine the relationship between budgeting practices and the level of liquidity of the organizations. According to Adams, et al. (2014), regression analysis is used to verify the relationship between variables to create a model. It has not only the purpose of verifying relationships between variables but also of predicting the influence of a variable on another variable (Render et al., 2018). Adams et al (2014) affirm that regression analysis to be satisfied must fill three of the following conditions:

a) Normal distribution of residuals;

b) Linear relationship (Homoscedastic);

c) No multicollinearity.

Normality. Vogt and Johnson (2016) defined normal distribution as the probability distribution where x shows the values of a variable and y shows the possibility of those values to happen. According to Hanneman et al., (2013). normal distribution is when in a sample distribution the mean is zero and the standard deviation is 1. It means that the probability distribution is symmetric on the mean, demonstrating that data clustered around the mean are more frequent than far from the mean (Vogt & Johnson, 2016).

To verify the normal distribution of residual of the regression, testing was done and shown in Figure 2. The assumptions of normality have been satisfied for it shows a long horizontal line and there are a few variations of same points on the graph, therefore almost all the points are on the line as shown below.

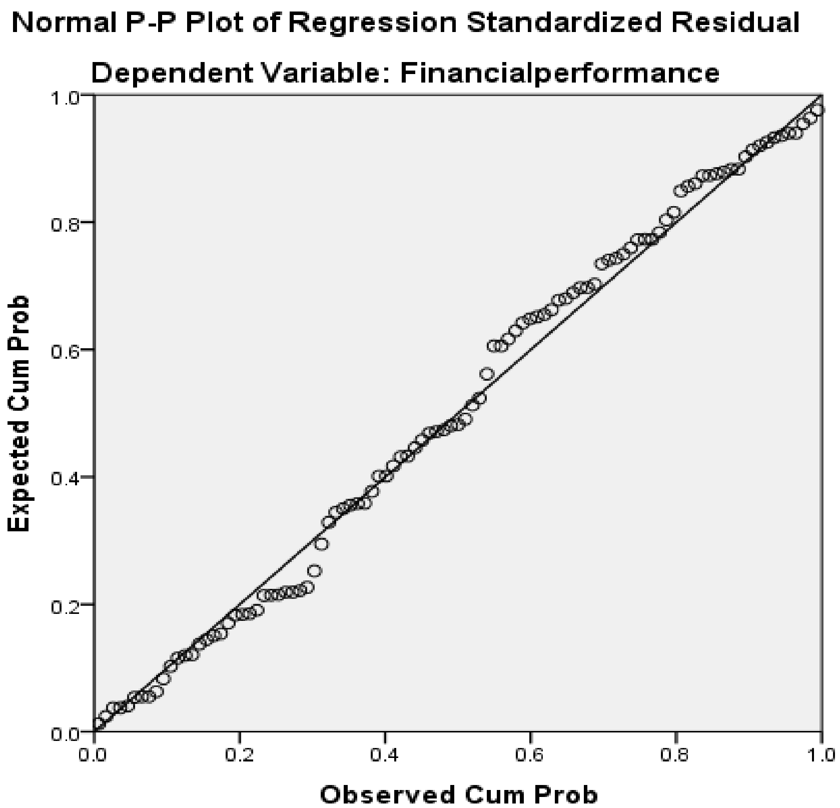

Figure 2. Distribution of the Residuals Test

Assumption of homoscedasticity. It is a procedure used in parametric statistics to check the fairness of the variability within the sets of data being compared (Terrell 2012). Vogt and Johnson (2016) said that when the independent variable is grouped and the dependent variable is continuous, the phenomenon is known as homoscedasticity of variance. It assumes that the error term's variance is constant for all values of the independent variable or projected y. According to Vogt & Johnson (2016) the validity of the outcomes of such tests will be questioned if that premise is broken. Terrell (2012) stated that modifications to computed values in parametric statistics are required when variance differences are significant. Figure 15 shows that the homoscedasticity is well defined, for the data of the variance does not vary much. Therefore, the assumption of homoscedasticity is satisfied.

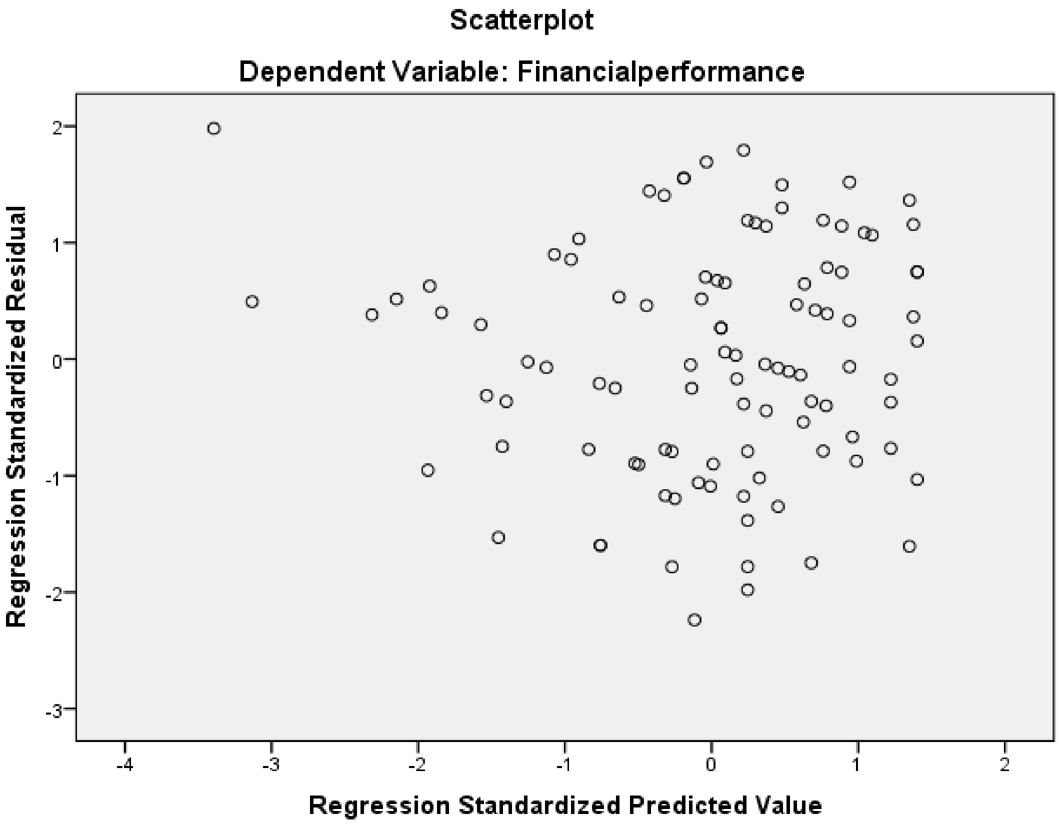

Figure 3. Distribution of the Residuals Test

Multicollinearity. Assumption of multicollinearity using Variance Inflation Factor. Bougie and Sekaran (2020) said that multicollinearity is when statical data show that more than one independent variable in multiple correlation model are highly correlated. High correlation is considered when the correlation is below 0.70.

Senthilnathan (2019) commented that when the VIF is 5, it is within the tolerance value. Table 14 indicates that the VIF is 1.74 and it is below 5, therefore, there is no multicollinearity between the variables. It means that the assumption is satisfied.

Table 13. Multicollinearity of the Independent Variables using VIF

Model	Unstandardized Coefficients		Standardized Coefficients	Collinearity Statistics	
	B	Std. Error	Beta	Tolerance	VIF
1 (Constant)	1.108	.468			
budgeting practices	.422	.159	.329	.576	1.736
budgetary control practices	.059	.170	.043	.576	1.736

The three conditions were verified and since all three were met, the regression analysis was done. The first step is to establish the relationship between the independent and the dependent variable. A correlation analysis was done for that. Pearson correlation was calculated to verify if there was a relationship between the budgeting practices on the levels of liquidity.

Table 15 presented the results that demonstrate that, the value of Pearson correlation is (r = .357) It is the range between 0.10 and 0.39 it is interpreted as weak positive relationship between budgeting practices and the levels of liquidity of the Seventh-day Adventist missions in Angola, meaning that when the budgeting practices increase, the financial performance also increases. Mutungi (2017) investigated about the effect of budgeting and budgetary control on financial performance of the devolved government in Kenya, where he contradicted the result in saying that there is a positive relationship between budgeting and financial performance.

Table 14. Correlation Analysis of the Independent and Dependent Variables

		Budgeting Practices	Liquidity level
Liquidity´s level	Pearson Correlation	.357**	1
	Sig. (2-tailed)	.000	
	N	101	101

**. Correlation is significant at the 0.01 level (2-tailed).

The simple linear regression analysis, shown in Table 16, indicates an overall significant effect (R^2 = .119, F (1, 99) = 14.47, p < .00). The adjusted R^2 of 0.119 implies that 12 % of the variation in the levels of liquidity, can be explained by budgetary practices. Malufu (2017) in his study found that 20% of variation in financial performance can be explained by effective budgeting. The study was done in the Church setting, in the same Division, that is, the Southern African Indian Ocean Division, but in the Zimbabwean context, both studies seem to indicate a rather small variation caused by the budgeting and budgetary control practices of the Church.

Clearly other factors have affected the level of financial performance in the southern territory of the Division. One factor would be the economic recession that is prevailing in these countries, after the Covid-19 pandemic. A high level of inflation has seen a hiking of costs (including salaries and the prices of supplies/materials), whereas the level of remittance (from the local Church members) has not increased. On the other hand, in a different context, Dakurah, (2020), studied about Assessing Budgeting and budgetary Control Effectiveness of Credit Unions in the Upper West

Region of Ghana. The study found that 82% of variation in the financial performance can be explained by effective budgeting.

Table 15. Model Summary: Budgeting Practices Impact the level of liquidity

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.357[a]	.128	.119	.71810	.128	14.473	1	99	.000

a. Predictors: (Constant), budgeting practices

The results in Table 17 additionally indicate a p–value of less than 0.05, showing the statistical significant value as far as the effect of budgeting practices on liquidity level is concern.

Table 16. ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.463	1	7.463	14.473	.000[b]
	Residual	51.051	99	.516		
	Total	58.514	100			

a. Dependent Variable: Liquidity´s level

b. Predictors: (Constant), budgeting practices

The results in Table 18 show the regression model for the variables that indicates the constant B = 1.198, unstandardized Coefficients B = 0.458 which is the predicted amount of liquidity level that changes for 1 budgeting unit increase. Thus the regression equation is:

Liquidity level = 1.198 + 0.458 x Budgeting Practices

Table 17. Coefficients – Effect of Budgeting Practices on Liquidity´s level

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.198	.387		3.095	.003
	budgeting practices	.458	.120	.357	3.804	.000

a. Dependent Variable: Liquidity level

Hypothesis H0 2

There is no significant effect of the budgeting practices on the levels of liquidity of Seventh-day Adventist missions in Angola.

According to the findings from the aforementioned Tables, budgeting practices have a positive significant effect on liquidity levels (with a p- value of less than 0.05). Thus the null hypothesis is rejected.

These results corroborates Abongo's (2017) findings. His study was conducted among top 100 small and medium firms in Kenya, regarding the effect of budgeting. practices on liquidity levels. Based on the results, Abongo (2017) concluded that there is a positive effect of budgeting process on financial performance. The results also confirmed the findings of Mbogo et al. (2021), who conducted similar research in Kenya. Their research investigated the effect of budgeting practices on financial performance using descriptive research design. The study concluded that financial performance can be improved by strategic action in budgeting practices.

On the other hand, the findings are not the same for the study of Olanyan and Efuntade (2020) who conducted similar research in Nigeria. The authors investigated budget and budgetary control in the financial performance of tertiary institutions using ex-post facto research design. They concluded that budgeting is not significantly related to financial performance.

Research Question Six: Effect of Budgetary Control on Financial Performance

What is the effect of budgetary control practices on the level of liquidity of Seventh-day Adventist missions in Angola?

This section of the study shows how budgetary control practices affects the organization´s liquidity. As done with the previous research question, the results of the regression analysis conducted in that regard were as follows. In Table 19, the results demonstrate that, the value of Pearson correlation is (r = .257), is in the range between 0.10 and 0.39. It is interpreted as a weak positive relationship between budgetary control practices and the levels of liquidity. Mutungi's (2017) study, where he investigated the effect of budgeting and budgetary control on financial performance of the devolved government in Kenya, confirmed that there is a positive relationship between budgetary control and financial performance.

Table 18. Correlation Analysis of the Independent and Dependent Variables

		Budgetary control Practices	Levels of liquidity
Levels of liquidity	Pearson Correlation	.257**	1
	Sig. (2-tailed)	.009	
	N	101	101

**. Correlation is significant at the 0.01 level (2-tailed).

The simple linear regression analysis, shown in Table 20 below, indicates that there is a significant effect ($R^2 = .057$, $F(1, 99) = 7.023$, $p < .00$). The adjusted R^2 of 0.057 implies that 6 % of the variation in the levels of liquidity, can be explained by budgetary control practices. Malufu (2017) stated that 14.3% of variation on financial performance can be explained by effective budgetary controls. Both studies, as mentioned before, were done in the Church setting and both studies indicate that budgetary control practices do not affect the financial performance of the Church institutions to a high degree.

Table 19. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.257[a]	.066	.057	.74290	.066	7.023	1	99	.009

a. Predictors: (Constant), budgetary control practices

In Table 21, the results indicate a p – value = 0.009, which is less than 0.05, showing a statistically significant effect.

Table 20. ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	3.876	1	3.876	7.023	.009[b]
	Residual	54.638	99	.552		
	Total	58.514	100			

a. Dependent Variable: Levels of liquidity
b. Predictors: (Constant), budgetary control practices

Further, the results in Table 22 show the regression model for the variables that indicates the constant B = 1.427, which is the predicted value of the levels of liquidity when the budgeting takes 0 as the value. The unstandardized coefficients B = 0.351, is the predicted amount of the levels of liquidity that change when budgeting increases to 1. Thus the regression equation is:

Liquidity level = 1.427 + 0.351 x Budgetary Control Practices

Table 21. Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.427	.466		3.061	.003
Budgetary control practices	.351	.133	.257	2.650	.009

a. Dependent Variable: Levels of liquidity

Hypothesis H0 3

There is no significant effect of budgetary control practices on the levels of liquidity of Seventh-day Adventist missions in Angola.

The findings demonstrated that the effect is statistically significant with a p – value = 0.009 less than 0.05. Thus, budgetary control practices have a weak but positive significant effect on the levels of liquidity of the missions of Angola. The hypothesis cannot be accepted.

These results are confirmed by Abongo (2017) in his study among top 100 small and medium firms in Kenya related to the effect of the budgeting process on financial performance, where the author concluded that the budgeting process has a positive effect on financial performance. Another study was conducted in Kenya, in a private company called Almasi Beverages Group Ltd, by Chirchir and Simiyu (2017). They examined the influence of the budgetary control process on financial performance, and the study confirmed that budgetary control positively influenced financial performance.

The results also confirmed the findings of Gandi (2010) who conducted similar research among non-governmental organizations (NGOs) in Uganda. Gandi´s research investigated budgeting and budgetary control on financial performance. The study concluded that budgetary control contributes effectively to financial performance. Furthermore, the results confirmed the findings of Chaudhary and

Chaudhary (2018), who investigated the relationship between budgetary control and the financial performance of Nepal Oil Corporation using descriptive survey design. The study demonstrated that the budgetary control process has a significant positive bearing on financial performance.

The findings from this study show that budgeting practices have more weight on the level of liquidity than the budgetary control practices. This may imply that, since control is done after the figures of the budget are calculated and compared with the actual figures, it could be too late to bring much change to the level of liquidity. Still, the 6% change (Table 20) may be attributed to the preventive control. Thus, it seems that the most important thing is to ensure that the budgetary policies are in place, the process is followed, and the right approach is taken to make a difference in the level of liquidity.

CHAPTER 5

SUMMARY, CONCLUSION AND RECOMMENDATIONS

Summary of Findings

This study aimed to empirically test the effect of budgeting and budgetary control practices on the levels of liquidity of the Seventh-day Adventist missions in Angola. The study used six research questions to examine three key variables: budgeting practice and budgetary control practice as the independent variables and liquidity levels as the dependent variable. Causal research design was used, and the entire population was used as the sample since the number of respondents was small and all were very well spread. The main instrument for data collection was the questionnaire composed of a 4-point Likert scale. The executive committee members and accountants of the missions were the respondents of the study. They engage, execute, and control the budget. There were 101 participants out of 115, which resulted in an 87% response rate.

The results from research question number one in Table 10 relate to budgeting practices. The respondents agree in the 9 items of the questionnaire that the budgeting practices are effective in the missions in Angola. Some areas of weaknesses were found, like, for example, the level of participation in the budget making process before it is presented to the executive committee. The overall average mean and standard deviation are Mean = 3.16 and Standard Deviation = 0.56.

The results regarding question number two concerned budgetary control practices. From the eight items of the questionnaire, it was indicated that those practices that are policy-related were very effective. But other practices were only effective. Overall, however, it was found that budgeting practices are effective in the Seventh-day Adventist missions in Angola. The overall average of mean and standard deviation is Mean =3.47, and Standard Deviation = 0.56.

The findings from research question number three are related to the level of liquidity in the Seventh-day Adventist missions in Angola. Most of the items (five of them) are interpreted as effective. These were related to the capacity of the organizations to meet their short-term demands of liquidity. However, two items are interpreted as ineffective, this is the issue related to working capital and the current ratio. According to the policy of the Division, both ratios should always be 100 %. However, the findings show that this is not the case for the organizations under study. The total average score indicates a mean of 2.64, and a Standard Deviation = 0.77. So, the overall level of liquidity is also interpreted as effective.

The findings from research question number four analyzed the relationship between budgeting and budgetary practices using Pearson correlation. The finding indicates a moderate correlation between budgeting practices and budgetary control practices of significant correlation ($r = 0.651$; Sig. $< .05$). The result was confirmed by Mutungi (2017), in the study where he investigated about the effect of budgeting and budgetary control on financial performance of the devolved government in Kenya and found a similar result.

The findings for research question number five are in Tables 15, 16, 17, and 18. Table 15 presents the Pearson correlation of ($r = .357$), which is interpreted as a weak positive relationship between budgeting practices and liquidity levels. In Table 16, the adjusted R-square = 0.119 implies that 12% of the variation in the level of liquidity can be explained by Budgeting practices. The results confirmed the findings of other studies (Mbogo et al., 2021) but were not confirmed by Olanyan and Efuntade (2020), who found that budgeting is not significantly related to financial performance.

The findings for research question number six are in Tables 19, 20, and 21. Table 19 presented the Pearson correlation of (r = .257), which is interpreted as a weak positive relationship between budgetary control practices and the levels of liquidity. In Table 20, the adjusted R-square = 0.057, implies that 6 % of the variation in liquidity levels can be explained by budgetary control practices. The results confirmed the findings of Lubega (2016), who investigated the relationship between budgetary control and liquidity levels and found that the budgetary control process has a significant positive bearing on the dependent variable under consideration.

The study posed three hypotheses; the first is that there is no significant correlation between budgeting practices and budgetary control practices in the Seventh-day Adventist missions in Angola. The second is that there is no significant effect of budgeting practices on the liquidity levels of Seventh-day Adventist missions in Angola. And the third is, there is no significant effect of budgetary control practices on the liquidity levels of Seventh-day Adventist missions in Angola. Based on the findings, all of the hypotheses were rejected.

Conclusion

Based on the findings the budgeting and budgetary control are effectively practiced in the Seventh-day Adventist missions in Angola, however, there is still room for improvement so that it can be very effective. The liquidity levels are still low. Further, there is a moderate positive relationship between budgeting practices and budgetary control practices. This means that when the budgeting practices increases the budgetary control also increases. For budgeting, there is a significant positive relationship between budgeting and liquidity levels, however, only 12% of the budgeting can explain the liquidity levels and 88% are explained by other factors. For budgetary control practices also, there is a significant positive relationship between budgetary control practices and liquidity levels, and budgetary control practices can explain only 6% of liquidity levels, meaning that 94% are explained by other factors. Therefore, a great effort might be done to improve the utility of the budgeting and budgetary control practices in the Seventh-day Adventist missions in Angola to enhance liquidity levels.

This study contributed to create awareness to the administrators, board members and accountants of the Seventh-day Adventist missions in Angola that the budgeting and budgetary controls are being practiced in an effective manner. There are areas of strengths, like the effort of abiding by the policies. But there are areas of weaknesses, such as the participative approach of budgeting.

Recommendations

The study recommends to the Chief executive officer to include the strategic objectives for the following year more clearly in the budget so that it helps prioritizing the necessary expenses which the organizations have to incurr during the following year. Furthermore, the chief executive officers must make sure that the departmental directors participate in the budget making process before it is presented to the executive committee so that they become motivated to achieve the established goals.

The study recommends to the executive secretary to help the board to come up with a policy that identifies and addresses the budget variances monthly. Additionally, the research recommends that the executive secretary facilitates an open communication among employees in the same organization and between the officers and the board members, between the mission and the lower and high organization to increase confidence among members. This should be done by ensuring that everything related to the budget are recorded, since the creation of budget committee, the elaboration of the budget approval, and implementation of the budget, quarterly presentation of financial statement where the budget is included in.

The study further recommends to the chief financial officers to ascertain accuracy and usefulness of financial information, so that it may be presented appropriately to help the administrator and the board to make the right decision. In reading accounting information, always compare the current data with the same period from the previous year, and with what was budgeted for this year so that they can better foresee what will happen in the following month and correct possible mistakes on time. The study also recommends to the Chief financial officers of the missions to comply with the policy on keeping 95% of previous year´s income as the income proposal for the budget for the next year. Furthermore, the chief financial officers have to make sure that in the process of preparing the budget, the proposed income is equal to proposed expenses. Finally, the treasury should explain why the income and expenses are not budgeted for seasonally.

The study recommends to the departmental directors to submit budget requests for the following year on time so that they may be included or not in the main budget for the following year. Furthermore, the departmental director must participate in the process of preparing and implementing the budget and always work within the budget. The departmental may suggest the amount to be budgeted for, for their departments, and the department activities might be according to the approved budget. They should never try to help the mission by doing more than the mission is able to do.

The study recommends to the board members to be trained on budget-related matters and financial statements to better understand the means of the numbers, and how to interpret them; to better understand the relationship between budget financial statement and financial performance, so that their contribution on the budgeting and budgetary process can be of great impact for the entire organization and the vote may be more confident as far as liquidity is concerned. The study recommends that the Board members make sure that the constraints and limitations of the final budget are explained, and that everyone concerned understands these constraints. Furthermore, in the process of voting the budget make sure the involvement of the members helps in fair allocation of resources.

The study recommends to the accounting team to keep a record of unexpected happenings, and verify if these can be included in subsequent budgets. Further, based on the findings, a few strategies are proposed that can be used to reinforce the budgeting and budgetary control practices in the Seventh-day Adventist missions in Angola. These strategies are grouped into the two main categories (budgeting practices and budgetary control practices) and are illustrated in Table 23.

Table 22. Strategies to Use the Budgeting and Budgetary Control Practices

Strategy	Responsible	Timeline	KPI
Budgeting			
Submit budget request for the following year.	Departmental Director	Before October	The list and budget suggestion from the departmental director to the CFO.
Participate in the budget making process before it is presented to the board.	Departmental Director	From October to December	Report of the budget suggestion from the departmental director sent to the CFO
Include strategic objectives	CEO	October	The budget items
Work within the approved budget	Departmental director	Along of the year	Column comparison of budget expenses and current expenses in the income statement
Proposed budget Income equal to proposed budget expenses	CFO	November	Review of the budget total income and the budget total expenses in the approved budget.
Revision of the budget before presenting to the board.	Revision committee	November	Through the report from the revision board to the main board.
Detailed and clear explanation of the final budget.	CFO	November	The approval of the budget.
Keeping record of unexpected events to include in the following year's budget.	Accounting team	Along the year	Record of unexpected events presented to the budget committee
Use 95% of prior year's income as proposed income for the following year	CFO	November	By comparing the previous year's income with the suggested income for the year.
Involvement of the board members on the budget management.	Board members	Along the year	The regular financial statement approval where the budget is compared.
Budgetary Control			
Quarterly revision of the financial statements	Board members		By the number of meeting the board realized.
Involvement in the budget preparation.	Board members	November	The list of the members in the board where the budget was approved.

Strategy	Responsible	Timeline	KPI
Operating within the approved budget	CEO	Along the year	Through the monthly financial statement analysis.
Establish the Policy for monthly control of the budget variance	Executive secretary	November	Through the action from the board meeting.
Approval of the final budget for the following year.	Board	November	The signature of the budget board members, revision board members, and the vote of the main board.
Put a budget column in financial statement	CFO	Monthly	Budget column
Involvement of departmental director on the budgetary control	Departmental director	Monthly	Meeting to discuss the budgetary control
Explanation of overruns to the board	CFO	Monthly	Recorded discussion during the Board meeting.

Suggestions for Future Studies

The study recommends that research should be done on the effect of budgeting and budgetary control practice of the Seventh-day Adventist Church in other countries within Southern Africa Division. This same topic may be investigated in Adventist schools in Angola. Since budgeting practices only explain 12% of the financial performance and budgetary control, 6% it means that there are other factors affecting financial performance, therefore, the research suggests an investigation to know these factors and to measure how they influence financial performance.

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APPENDICES

APPENDIX A

INFORMED CONSENT

You are being asked to participate in a research study entitled: *The effect of budgeting and budgetary control practices on the financial performance of selected Seventh-day Adventist institutions in Angola.*

The purpose of this study is to empirically test the effect of budgeting and budgetary control effectiveness on the financial performance in selected Seventh-day Adventist institutions in Angola.

In order to participate in the study, you will be asked to fill out a questionnaire that has 30 items. Finishing the questionnaire should take approximately 15 minutes.

Your participation in this study is voluntary. If you sign the bottom of this Form, it means that you are giving your consent to be in the study. You will NOT write your name on the questionnaire and this Form is separate from the questionnaire—this ensures that your identity will not be revealed. No one other than the researcher(s) and advisers will have access to the data. All data will be kept on a password protected computer.

If you do not want to participate in the study, do not begin filling the questionnaire or participating in other research activities. If you start to fill the questionnaire and decide you do not want to participate, stop filling it and give it to the researcher. There is no penalty for not participating and your questionnaire will not be used.

If you participate, you will contribute to knowledge about budgeting and budgetary control in faith-based institutions, in particular the Seventh-day Adventist church, which may help to improve the financial performance of these institutions. There are no identifiable risks in participation.

The researcher will answer any questions that you have about the study and you should ask them now.

If you have complaints or concerns about this research, please contact the Chair of the AUA Institutional Ethics Review Committee: ganuj@aua.ac.ke

Thank you.
Joaquim Nzage G. Manuel, MBA Student

By signing below, I agree to participate in this research.
Signature __________________________________ Date _______________________

APPENDIX B

AUTHORIZATION FROM NEAUM AND SWAUM

Authorization to Carry Out Research

Burns Musa Sibanda

Fri, 9 Feb, 14:24
(2 days ago)

to me

Dear Manuel,

I would like to authorise you to carry out your research in the territory of the North-Eastern Angola Union Mission. We will appreciate your sharing your findings with us in order to help improve our service delivery.

Re: Authorization to conduct a Research in Southwest Angola Union
Inbox

Francisco Tchitawila

04:04 (11
hours ago)

to me

Dear Nzage

Greetings

This serves to authorize you to conduct your research project within the territory of the Southwest Angola Union.

Best regards

APPENDIX C

QUESTIONNAIRE

Questionnaire n English

This questionnaire is directed to the Executive Committee members and accountants of NEAU and SWAU entities. It is a research instrument for academic purposes only. All responses will be treated confidentially.

Instruction for the section A

In questions below, from 1-5 Please read each item carefully and put an [x] on the appropriate space.

SECTION A: General Information

1. Gender:
   Male [ ] Female [ ]

2. Age:
   25-30 [ ] 31- 35 [ ] 36- 40 [ ] 41- 45 [ ] 46-50 [ ] 51- 55 [ ]
   56- 60 [ ] 61-65

3. Academic Qualification
   Post Graduate [ ] Undergraduate [ ] Others [ ]

4. What is your position in the organization?
   Committee member [ ]
   Accountant [ ] Chief Accountant [ ]

Instruction for the sections B to D.

The situations below are statements of events that you may or may not feel represent your entity. Please read each item carefully and put an X on the number that best represents the extent to which you perceive it in agreement or disagreement.

1 = Strongly disagree
2 = Disagree
3 = Agree

4 = Strongly Agree

SECTION B: Effective Budgeting

		1	2	3	4
1	Departments submit budget requests for the following year				
2	Departments participate in the budget making process before it is presented to the executive committee.				
3	Strategic objectives for the year are provided for in the budget.				
4	The department works within the approved budget for the year				
5	The budgets that are prepared and voted have proposed income equal to proposed expenses.				
6	The budget review committee set by the EXCOM reviews the budget before it is presented to the EXCOM for approval.				
7	Constraints that lead to the final budget are explained to us and I understand them				
8	The organization keeps a record of unexpected events that, if there are potential repeats, can be included in subsequent budgets.				
9	The organization budgets conservatively (95% of prior year income as the suggested income).				
10	There is fair allocation of resources because of our involvement				

SECTION C: Effective Budgetary Control

11	The executive committee reviews financial statements quarterly				
12	Involvement in budget preparation makes it possible to control and monitor the execution of the budget				
13	The organization operates within the approved budget				
14	The entity has a policy for identifying and addressing monthly budget variances				
15	The executive committee approves the budget for use in the following year				
16	The financial statements presented for review have budget column for comparison				
17	Being involved in budgeting motivates departmental director to work within the approved budget.				
18	Treasury always explains overruns to the executive committee because income and expenses are not budgeted for seasonally				

SECTION D: Liquidity levels

19	The entity's working Capital is always above 100%				
20	The entity's liquidity is always above 100%				
21	There are always adequate resources to cover the budget needs				
22	There is excess income allowing us to revise the budget upwards				
23	Income received is always above the budgeted income				
24	Our operating expenses are within the approved budget				
25	There are significant budget overruns in the financial statements				

Questionnaire Translated in Portuguese

QUESTIONÁRIO

Este questionário é dirigido para os membros do Comitê Executivo e contabilistas das missões da UNA e USA. Este é um instrumento de pesquisa apenas para objetivos acadêmicos. Todas respostas serão tratadas confidencialmente.

SECCAO A: Informação geral

1. Género:
Masculino [ ] feminino [ ]
2. Idade
25-30 [ ] 31- 35 [ ] 36- 40 [ ] 41- 45 [ ] 46-50 [ ] 51- 55 [ ] 56- 60 [ ]
61- 65 [ ]
3. Habilitação Literária
Doutorado [ ]
Mestrado [ ]
Licenciatura [ ]
Outras [ ]
4. Qual é a sua posição na organização?
Membro do Comité [ ] Contabilista[ ] Contabilista Chefe [ ]

Instrução para a secção B a D

A situação a baixo são eventos que pode ou não representar a sua entidade ou instituição. Por favor, leia cuidadosamente cada item e ponha um X no numero que achar que concorda ou não concorda.
1= Absolutamente não concordo
2 = Não concordo
3 = Concordo
4 = Absolutamente concordo

SECÇÃO B: Orçamento Efetivo

		1	2	3	4
1	Os Departamentos submetem os pedidos de orçamento para o ano seguinte.				
2	Os departamentais participam na preparação do orçamento antes de ser apresentado ao comitê executivo.				
3	Os objetivos estratégicos do ano são incluído no orçamento.				
4	Os departamentos trabalham dentro do orçamento aprovado do ano.				
5	Os orçamentos que são preparados e votados tem o total de receita proposta igual ao total de despesa proposta.				

6	A comissão de revisão do orçamento indicado pelo Comitê Executivo revisa o orçamento antes de ser apresentado ao EXCOM para a sua aprovação.				
7	As limitações do orçamento final nos é explicado e eu entendo.				
8	A organização guarda o registo de eventos inesperados e se tem um potencial de repetição pode ser incluído no próximo orçamento.				
9	Os orçamentos da organização conserva (95% das receitas do ano anterior como proposta de receita).				
10	Os recursos são justamente alocados por causa do nosso envolvimento.				

SECÇÃO C: Controlo Orçamental Efetivo

		1	2	3	4
11	O Comitê Executivo revisa as demonstrações financeira trimestralmente				
12	O envolvimento na preparação do orçamento facilita o seu controlo e monitorização e execução do orçamento.				
13	A organização opera dentro do orçamento aprovado.				
14	A Instituição tem um regulamento que identifica e mostra as mudanças mensais do orçamento.				
15	O comité executivo aprova o orçamento para usar no ano seguinte.				
16	A demonstração financeira apresentada para revisão possui uma coluna de orçamento para a comparação.				
17	Estando envolvido na preparação do orçamento motiva o diretor departamental a trabalhar dentro do orçamento aprovado.				
18	A tesouraria sempre explica o excesso ao comité executivo porque as receitas e as despesas não são orçamentadas sazonalmente.				

SECÇÃO D: Níveis de liquidez

		1	2	3	4
19	O capital de giro da instituição esta sempre acima de 100%				
20	A liquidez da instituição esta sempre acima de 100%				
21	Sempre tem recursos suficientes para fazer a cobertura das necessidades do orçamento				
22	Há excesso de receitas que permitem-nos rever o orçamento para cima.				
23	Os fundos recebidas estão sempre acima da receita orçamentada.				
24	As nossas despesas operacionais estão dentro do orçamento aprovado				
25	Há excesso significativo no orçamento na demonstração financeira.				

Questionnaire Retranslated in English

QUESTIONNAIRE

This questionnaire is directed to the Executive Committee members and accountants of NEAU and SWAU entities. It is a research instrument for academic purposes only. All responses will be treated confidentially.

SECTION A: General Information

1. Gender:
Male [ ] Female [ ]
2. Age:
25-30 [ ] 31- 35 [ ] 36- 40 [ ] 41- 45 [ ] 46-50 [ ] 51- 55 [ ] 56- 60 [ ] 61-65
3. Academic Qualification
Dotorate [ ]
Master [ ]
Undergraduate [ ]
Others [ ]
4. What is your position in the organization?
Administrator [ ] Departmental director [ ] Committee member [ ]
Accountant [ ] Chief Accountant [ ]

Instruction for the sections B to D.

The situations below are statements of events that you may or may not feel represent your entity. Please read each item carefully and put an X on the number that best represents the extent to which you perceive it in agreement or disagreement.
1= Strongly Disagree
2 = Disagree
3 = Agree
4 = Strongly Agree

SECTION B: Effective Budgeting

		1	2	3	4
1	Departments submit budget requests for the following year				
2	Departments participate in the budget making process before it is presented to the executive committee.				
3	Strategic objectives for the year are provided for in the budget.				
4	The department works within the approved budget for the year				

5	The budgets that are prepared and voted have proposed income equal to proposed expenses.				
6	The budget review committee set by the EXCOM reviews the budget before it is presented to the EXCOM for approval.				
7	Constraints that lead to the final budget are explained to us and I understand them				
8	The organization keeps a record of unexpected events that, if there are potential repeats, can be included in subsequent budgets.				
9	The organization budgets conservatively (95% of prior year income as the suggested income).				
10	There is fair allocation of resources because of our involvement				

SECTION C: Effective Budgetary Control

11	The executive committee reviews financial statements quarterly				
12	Involvement in budget preparation makes it possible to control and monitor the execution of the budget				
13	The organization operates within the approved budget				
14	The entity has a policy for identifying and addressing monthly budget variances				
15	The executive committee approves the budget for use in the following year				
16	The financial statements presented for review have budget column for comparison				
17	Being involved in budgeting motivates departmental director to work within the approved budget.				
18	Treasury always explains overruns to the executive committee because income and expenses are not budgeted for seasonally				

SECTION D: Financial Performance

19	The entity’s working Capital is always above 100%				
20	The entity’s liquidity is always above 100%				
21	There are always adequate resources to cover the budget needs				
22	There is excess funds allowing us to revise the budget upwards				
23	Funds received is always above the budgeted income				
24	Our operating expenses are within the approved budget				
25	There are significant budget overruns in the financial statements				

APPENDIX D

LEVELS OF LIQUIDITY OF THE MISSIONS

. Liquidity levels of the Missions

Mission	Year	Working Capital	Liquidity
A	2020	-66%	27.16%
	2021	-110.36%	13.04%
	2022	-19.48	28.95
B	2020	-23%	101.44%
	2021	-186.71%	25.09%
	2022	-82,93%	18.82%
C	2020	-67.34%	9.41%
	2021	-77.56%	12.22%
	2022	-58.27%	11.41%
D	2020	-307.03%	18.84%
	2021	-294.95%	15.14%
	2022	-222.44%	8.17%
E	2020	105.28%	74.37%
	2021	65.12%	104.56%
	2022	115.96%	65.12%

Source: Excerpts from budget of the NEAUM & SWAUM entities-used with permission.

APPENDIX D

STATISTICAL DATA

Response Rate

Questionnaires	Frequency	Percent
Responded	101	87.8
N. Responded	14	12.2
Total	115	100

Table ***6.*** Response rate Gender Characteristics

Gender	Frequency	Percent
Male	84	83.2
Female	17	16.8
Total	101	100

Table ***7.*** Age of the respondents

Range of years	Frequency	Percent
25 - 30	5	5
31 – 35	30	29.7
36 - 40	20	19.8
41 – 45	17	16.8
46 – 50	9	8.9
51 – 55	6	5.9
56 - 60	9	8.9
60 - 65	5	5
Total	101	100

Table ***8.*** Academic Qualifications of the respondents

Academic qualification	Frequency	Cumulative Percent
PhD	2	2.0
Master	13	12.9
Bachelor	76	75.2

Others	10	9.9
Total	101	100.0

Job Position

Table ***9.*** Job Position of the respondents

Job Position	Frequency	Percent
Committee member	75	74.2
Accountant	22	21.8
Chief Accountant	4	4
Total	101	100

Table ***10.*** Budgeting Practices

	Mean	Std. Deviation	Interpretation
Departments submit budget requests for the following year.	2.74	1.18	Effective
Departments participate in the budget making process before it is presented to the executive committee.	2.48	1.26	Ineffective
Strategic objectives for the year are provided for in the budget.	3.44	0.88	Effective
The department works within the approved budget for the year.	3.45	0.86	Effective
The budgets that are prepared and voted have proposed income equal to proposed expenses.	3.35	0.85	Effective
The budget review committee set by the EXCOM reviews the budget before it is presented to the EXCOM for approval.	3.50	0.89	Effective
Constraints that lead to the final budget are explained to us and I understand them	3.23	0.96	Effective
The organization keeps a record of unexpected events that, if there are potential repeats, can be included in subsequent budgets.	3.00	0.92	Effective
The organization budgets conservatively (95% of prior year income as the suggested income).	3.14	0.99	Effective
There is fair allocation of resources because of our involvement	3.23	0.89	Effective
Overall Average Score for Effective budgeting practices	3.16	0.56	Effective

Table ***11.*** Effective Budgetary Control Practices

	Mean	Std. Dev	Interpretation
The executive committee reviews financial statements quarterly.	3.40	0.96	Effective
Involvement in budget preparation makes it possible to control and monitor the execution of the budget.	3.47	0.80	Effective
The organization operates within the approved budget.	3.54	0.78	Very effective
The entity has a policy for identifying and addressing monthly budget variances.	3.15	0.97	Effective
The executive committee approves the budget for use in the following year.	3.85	0.49	Very effective
The financial statements presented for review have budget column for comparison.	3.60	0.77	Very effective
Being involved in budgeting motivates departmental director to work within the approved budget.	3.47	0.84	Effective
Treasury always explains overruns to the executive committee because income and expenses are not budgeted for seasonally.	3.24	0.98	Effective
Overall Average Score for Effective budgetary control practices	3.47	0.56	Effective

Table ***12.*** Level of Financial Performance

	Mean	Std. Dev	Interpretation
The entity’s working Capital is always above 100%	2.32	1.18	Ineffective
The entity’s liquidity is always above 100%	2.23	1.19	Ineffective
There are always adequate resources to cover the budget needs	2.72	1.04	Effective
There is excess income allowing us to revise the budget upwards	2.63	1.13	Effective
Income received is always above the budgeted income	2.84	1.12	Effective
Our operating expenses are within the approved budget	3.19	1.04	Effective
There are significant budget overruns in the financial statements	2.56	1.02	Effective
Overall Average Score for Financial performance	2.64	0.77	Effective

Table 13. Multicollinearity of the Independent Variables using VIF

Model	Unstandardized Coefficients		Standardized Coefficients	Collinearity Statistics	
	B	Std. Error	Beta	Tolerance	VIF
1 (Constant)	1.108	.468			
Effectivebudgetingpractices	.422	.159	.329	.576	**1.76**
Effectivebudgetarycontrolpractices	.059	.170	.043	.576	**1.76**

Correlation Analysis

*Table **14.*** Correlation Analysis of the Independent and Dependent Variables

		Budgeting Practices	Budgetary Control Practices	Liquidity Levels
Financial performance	Pearson Correlation	.357**	.257**	1
	Sig. (2-tailed)	.000	.009	
	N	101	101	101

**. Correlation is significant at the 0.01 level (2-tailed).

OUTPUT OF THE MULTIPLE REGRESSION

Table 15. Correlation Analysis of the Independent and Dependent Variables

		Budgeting Practices	Liquidity Levels
Liquidity Levels	Pearson Correlation	.357**	1
	Sig. (2-tailed)	.000	
	N	101	101

**. Correlation is significant at the 0.01 level (2-tailed).

Table 16. Model Summary: Budgeting Practices Impact Liquidity Levels

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.357[a]	.128	.119	.71810	.128	14.473	1	99	.000

a. Predictors: (Constant), Budgeting practices

Table 17. ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.463	1	7.463	14.473	.000[b]
	Residual	51.051	99	.516		
	Total	58.514	100			

a. Dependent Variable: Liquidity Levels

b. Predictors: (Constant), Budgeting practices

Table 18. Coefficients – Effect of Budgeting practices on Liquidity Levels

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.198	.387		3.095	.003
	Effective budgeting practices	.458	.120	.357	3.804	.000

a. Dependent Variable: Financial performance

Table 19. Correlation Analysis of the Independent and Dependent Variables

		Budgetary control Practices	Liquidity Levels
Liquidity Levels	Pearson Correlation	.257**	1
	Sig. (2-tailed)	.009	
	N	101	101

**. Correlation is significant at the 0.01 level (2-tailed).

Table 20. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.257[a]	.066	.057	.74290	.066	7.023	1	99	.009

a. Predictors: (Constant), Budgetary control practices

Table 21. ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.876	1	3.876	7.023	.009[b]
	Residual	54.638	99	.552		
	Total	58.514	100			

a. Dependent Variable: Liquidity Levels

b. Predictors: (Constant), Budgetary control practices

Table 22. Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.427	.466		3.061	.003
Budgetary control practices	.351	.133	.257	2.650	.009

a. Dependent Variable: Liquidity Levels

CURRICULUM VITAE

1. PERSONAL DATA

Joaquim Nzage Gonçalves Manuel, born in Porto Amboim, on February 10, 1979, son of Agostinho Manuel and Benedita Joaquim António Gonçalves, passport nº **2957973**, living in Angola Luanda.

Mobile phone: + 244 923 677 076.
Email: manuelj@aua.ac.ke

2. ACADEMIC QUALIFICATION

- ✓ **Concluding: MBA** in Finance at Adventist University of Africa - **Nairobi – Kenya**.
- ✓ **Mini - MBA** at International Business Management Institute, **Berlin – Germany.**
- ✓ **Bachelor's degree:** Economy at **CIS- Luanda- Angola**.
- ✓ **Diploma:** Business management; IBMI, **Berlin – Germany.**
- ✓ **Diploma:** Financial management; IBMI, **Berlin – Germany.**

3. PROFESSIONAL EXPERIENCE

- ✓ **2021 – 2023** – CFO at South Luanda and Cabinda Mission SDA Church.
- ✓ **2018 – 2021** – CFO at Northeastern Angola Mission DAS Church
- ✓ **2017** – Chief Auditor – Angola North Conference SDA Church
- ✓ **2014 - 2017** – Chief Accountant Angola North Conference SDA Church
- ✓ **2013 - 2014** – Accountant at Angola North Conference SDA Church
- ✓ **2005 - 2013** – Chief Accountant at UGP school.
- ✓ **2001 - 2005** – CFO at Ebenézer secondary school.
- ✓ **1998 - 2001** - Accountant at Ebenézer secondary school.

5. SEMINARY PARTICIPATION

- ✓ SID Leadership summit at Johannesburg/South Africa -2018
- ✓ SID Leadership summit at Zimbabwe -2019
- ✓ Iº e IIº - SID, Leadership, and risk management at Johannesburg/South Africa
- ✓ SID - Publishing financial management meeting, Saint Gorg Hotel, Pretoria /South Africa/2019.

7. AUDIT OPINION

- ✓ **2021-** Unqualified opinion.
- ✓ **2020** – Unqualified opinion.
- ✓ **2019** – Qualified opinion.
- ✓ **2018-** Qualified opinion