

Budgeting Control Process and Profitability of Agro-Based Industry in Rwanda: A Case of Kinazi Cassava Plant Limited

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Abstract: This study investigated the relationship between the budgeting control process and company profitability, focusing on Kinazi Cassava Plant Ltd as a case study. The research was motivated by persistent challenges in budgeting control faced by many companies, which hinder managers from achieving organizational objectives. While prior studies in Rwanda largely emphasized the public sector, this study addressed the existing gap by examining the private sector. The general objective was to establish the relationship between budgeting control processes and profitability, with specific aims to assess the effects of budget planning, budget implementation, and budgetary control on company profitability. The study's significance extends to companies, researchers, academicians, and policymakers, as its findings provide insights into effective budgeting practices for improved financial performance. A descriptive and correlational research design was adopted, targeting 174 employees of Kinazi Cassava Plant Ltd, with a sample of 64 respondents selected through stratified and simple random sampling. Both qualitative and quantitative data were collected using questionnaires and analyzed through SPSS, with results presented in tables.

Findings revealed that 89.69% of respondents agreed that budget planning influences profitability, 100% confirmed the impact of budget implementation, and 93.64% acknowledged the role of budgetary control. Pearson correlation analysis indicated significant positive relationships among budget planning, implementation, and control, as well as between these processes and profitability indicators such as sales growth, return on assets, and return on investment (p -values < 0.05 and < 0.01). The study concluded that effective budget planning is crucial for financial management, goal achievement, cost efficiency, and risk mitigation. It recommended involving all budget users in the planning process to enhance implementation quality and strengthening budgetary control measures to ensure accountability. Additionally, it advised regular staff training on budgeting practices to institutionalize sound financial management within companies. Future research was suggested on budgeting control processes related to fund reallocation and risk mitigation within Rwanda's Agro-based industries.

Keywords: Budgeting Control, Profitability, Agro-Based Industry, Kinazi Cassava Plant, Rwanda.

I. INTRODUCTION

Every successful organization should set in place or adopt budgeting control practices as it helps in allocating resources in order to realize its goals. Different companies in Philippines use budgeting control process as it plays key role in stimulating the achievement of predetermined business goals, reporting current results of business performance by assessing predetermined business objectives (Fortuna, 2021). Budgets control process does impact the conducts and opinions of workers by translating the goals of the business, and enhancing a criterion which is useful to assess performance.

Budget enables businesses in California to set goals and standardize the level of its performance measure established by comparing actual results with the created financial standard. Budgets facilitate goals straightforward, learn law, and enable management and bond with outsider parties (Ferahtia *et al.*, 2022). Both public and private businesses must have a budget process and its procedure in place for the purpose of translating overall business aims into specific packages of various actions. This is done by identifying the sources and uses of funds, which enables performance appraisal of the business personnel whom were given the organizational assets. In Kenya, the performance of state corporations 'budget is significantly impacted by budgetary participation, which is a positive budget measure (Kamaus *et al.*, 2017).

They set goals and take action to compare actual results with budgeted financial plans grounded on present results means where necessary. Budgeting control process can positively affect the fiscal performance of companies. However, this base on how the process is effectively managed by an enterprise to achieve set goals (Hossain, 2020).

According to Mulani *et al.* (2015) budgeting is the combination of activities which forecast company's financial requirement for future. Budget is a general plan which present financial information. All projected sales levels, cash flows, and estimated costs are assigned by the administrator during the budgeting process. . It was reported that companies in United Kingdom experienced dominant gains by attentively planning of their budgetary role and majority of the Australian institution have systemized and detailed their budget control processes. In addition, In the UK and Australia, strategic planning has been proved to improve the success of small businesses. Depending on company's size and organizational diversity, the budgeting process is implemented differently (Mulani *et al.*, 2015).

Planning activities of the year ,organize different business operations ,communicating financial plans, motivating business controller, regulating operational activities, and assessing employee performance are just a few of the many functions that budgeting fulfills (Matsoso *et al.*,2021).

Many organizations consider creativity of employees as critical factor which results long-term success. Thus, they believe that creative production requires use of formal control, but this control can hinder creativity. However, undermined behavior requires type of formal control in order to coordinate and regulate behavior of employees. This framework Budget control system serves as Management Control System, it let goals aligned with behavior of employee and promotes efficiency, as well as facilitates creativity, and it leads the organization to achieve on high level of competition (Dal *et al.*, 2023).

According to Kamaus *et al.* (2017) without budgeting, no company or business can achieve its goals or even come close to them. Almost all of the targeted business relies heavily on budget control processes and budgetary systems to accomplish their strategic goals, regardless of their size, complexity or industry. Setting predetermined goals, reporting performance data, and assessing preformation in relation to predetermined goals includes in budgeting. The budgeting control process demonstrates this by matching performance measures to compensate, It simplifies goals, communicates goals, encodes literacy, and articulates performance metrics for individual employee`s in the organization. In organizations, the formalization of this process is done through the preparation of an annual financial budget and the monitoring of employee performance against the budget (Fortuna,2021).

According to Cissy (2017), a continuous business process called the financial budgeting control process is used to direct and allocate financial resources for the sake of achieving specific business goals and objectives. A budget is the result of the financial planning process. Budgeted financial statement is the most commonly used type of budget. Sales and production predictions, as well as other estimations that aid in financial planning, are included in detailed budgets. .Mater budget is the term used to refer to all these budgets collectively. It goes without say that forecasting is an integral area that has implications to a firm's financial performance. Researcher states that budgeting or forecasting is considered in every business. In Rwanda, the means to improve financial performance have budgeting, reviewing, proper planning and a focus on critical data as the strongest recurring themes. Budgets project is a goal for future financial performance, which makes evaluation of the economic feasibility of a particular business procedure and budgeting process strategy. The financial impact of business financial plans is reflected in budgets, identification of different amounts needed, quantity and timing of institutional resources are needed (Cissy, 2017).

II. METHODOLOGY

Research Design

The study used a descriptive and correlational research design to facilitate the collection of original data from the target population and to analyze and present results related to the budgetary control process and company profitability. Both quantitative and qualitative methods were utilized to gather data from Kinazi Cassava Plant Ltd.

Target Population

In this study, the target population comprised 174 employees of Kinazi Cassava Plant Ltd, drawn from various departments, including the Office of the Chief Executive Officer, Administration, Finance, Procurement, Operations, and Production.

Sample Design

In this part of sampling design; the researcher mainly arranges strategies for easy access to accurate data from respondents. The sample size is stratum sampling technique.

Sample size

It is preliminary that researchers can collect data from all cases to answer the research question. Researchers should select samples. The entire group of cases from which a researcher's sample is drawn is called the population. Sampling is applied because the researcher cannot obtain enough resources and time to get on all target population (Taherdoost, 2016).

By referring to the target population of 174, to calculate the sample size by considering all departments. Yamane Method is going to be used in determining the size of the sample

$$n = \frac{N}{1+N e^2} = \frac{174}{1+174 \cdot 0.1^2} = 64$$

Where, n = 64: Sample size

N=174: Target population

e= 10%: Error of precision

Table 1: Population and Simple size under study

Department	Population	Percentage	Sample size
CEO'Office	10	6	4
Administration	6	4	2
Finance	9	5	3
Procurement	4	2	2
Operations	25	14	9
Production	120	69	44
Total	174	100	64

Source: primary data, 2024

Sampling technique

The stratified random sampling technique enabled researcher to divide population into stratatum. Simple random was being used for collecting data from respondents in order to give same chance to each population from subgroup.

Data Collection Method

The researcher used both primary and secondary data. Primary data were collected through questionnaires, which provide first-hand information directly from respondents. Secondary data were obtained from existing studies, reports, government publications, websites, journals, and books, representing information previously collected by others for different purposes.

Data Collection Instruments

In this research questionnaire was used to collect primary data. Questionnaire is the main way of gathering quantitative primary data. It helps the researcher to collect data from respondents and enables consistent data and logical analysis. Questionnaires must always relate its ambitions on the research objectives.

III. RESULTS

1. Socio-Demographic characteristics of respondents

Socio-Demographic characteristics of respondents included gender, age group, working experience in Kinazi Cassava Plant Ltd and educational level.

Gender of Respondent

The research focused on gender of respondents in order to see how gender is taken into consideration in Kinazi cassava plant Ltd. Gender information is presented in Table 2.

Table 2: Distribution of respondent by Gender

Gender	Frequency	Percent
Female	26	40.6
Male	38	59.4
Total	64	100.0

Source: Primary Data, 2024

The outcome in Table 2 shows that the participant gender of male were 59.4% while participant of gender female were 40.6 % and it showed that the male had higher number than female. The nature of work in the manufacturing sector due to the nature has effect on this as many female fear this kind of work thinking that it requires physical strength.

2. Presentation of Findings

The findings were presented using tables. This part includes content related to all objectives presented in the first chapter of this study. By basing on the results got from the respondents, the researcher analysed and interpreted the answers from respondents relating to the establishment of the relationship between budgeting control processes to company's profitability in Rwanda.

2.1 Budget planning and Profitability of Kinazi Cassava Plant Limited

The outcome found on this first objective is that to the following concerns were at different rate of appreciating the following elements: company funds are well managed, company financial goals are achieved and improved financial accounting for company, set clear goals and objectives, smart budget allocation, reducing cost where necessary and risk mitigation showed the relationship between budget planning and profitability.

Table 3: The period of budget involvement process

	Frequency	Percent
0-3	22	34.4
4-6	27	42.2
7 and above	15	23.4
Total	64	100.0

Source: primary data, 2024

The findings in Table 3 shows that 34.4 % of participants had been participating in budgeting process in the period between 0-3, 42.2 % of participants were between 4-6 and 23.4 % were 7 and above years of participating in budgeting process. The majority of people were between 4-6 years of budget involvement. This outcome shows us that the majority of respondents participated enough in the process of budgeting and which led to company profitability.

Table 4: Descriptive statistics concerning budget planning on profitability of Kinazi cassava plant Ltd

Elements	SD		D		A		SA		Mean	Std.
	N	%	N	%	N	%	N	%		
Company funds are well managed	0	0.0%	3	4.7%	13	20.3%	48	75.0%	3.70	.554
Company financial goals are achieved	0	0.0%	8	12.5%	39	60.9%	17	26.6%	3.14	.614
Improve financial accounting for company	0	0.0%	1	1.6%	13	20.3%	50	78.1%	3.77	.463
Setting clear goals and objectives	0	0.0%	0	0.0%	22	34.4%	42	65.6%	3.66	.479
Smart budget allocation	0	0.0%	2	3.1%	12	18.9%	50	78.1%	3.75	.504
Reducing cost where necessary	0	0.0%	0	0.0%	4	6.2%	60	93.8%	3.94	.244
Risk mitigation	0	0.0%	3	4.7%	19	29.7%	42	65.6%	3.61	.581

SD=strongly disagreed=disagree, A=agree, A=strongly agree, Std=standard deviation

Source: primary data, 2024

From the study results found and presented in table 4, the purpose of the researcher were to assess the effect of budget planning on profitability of Kinazi cassava plant Ltd. By basing on the results in the table the outcome on company funds are well managed shown that 95.3 % of the respondent agreed that budget planning is an indicator of the well management of company funds, 20.3 % agree and 75.0 strongly agree with 3.70 mean and .554 Standard deviation .On company financial goals are achieved the results shown that 87.5 % of the respondent agreed that budget planning is an indicator of achieving company financial goals, 60.9 % agree and 6.6 strongly agree with 3.14 mean and .614 Standard deviation, Improve financial accounting for company results shown that 98.4% of the respondent agreed that budget planning is an indicator of improving financial accounting for company, 20.3 % agree and 78.1 %strongly agree with 3.77 mean and .463 Standard deviation, setting clear goals and objectives results shown that 100% of the respondent agreed that budget planning is an indicator of setting clear goals and objectives, 34.4 % agree and 65.6 % strongly agree with 3.66 mean and .479 Standard deviation, smart budget allocation results shown that 97 % of the respondent agreed tha budget planning is an indicator of smart budget allocation, 18.9 % agree and 78.1 % strongly agree with 3.75 mean and .504 Standard deviation, reducing cost where necessary results shown that 100% of the respondent agreed that budget planning is an indicator of reducing cost where necessary , 6.2 % agree and 93.8 % strongly agree with 3.94 mean and .244 Standard deviation, risk mitigation results shown that 95.6 of the respondent agreed that budget planning is an indicator of risk mitigation, 29.7 % agree and 65.6 % strongly agree with 3.61 mean and .581 Standard deviation. The results shown that budget planning indicators influences Kinazi cassava plant Ltd profitability. This outcome is supported by Francois and Penn (2023) who analysed the impact of budgetary administration practices on the execution of chosen SMES.

2.2 Budget implementation and Profitability of Kinazi Cassava Plant Limited

The outcome found on this second objective is that to the following concerns were at different rate of appreciating the following elements: managing cash effectively, allocating appropriate resource to business activities, monitor performance, meet company objectives and improve decision making were showed the relationship between budget implementation and profitability.

Table 5: Descriptive statistics concerning budget implementation on profitability of Kinazi cassava plant Ltd

Elements	SD		D		A		SA		Mean	Std.
	N	%	N	%	N	%	N	%		
Managing cash effectively	0	0.0%	0	0.0%	16	25.0%	48	75.0%	3.75	.436
Allocate appropriate resource to business activities	0	0.0%	0	0.0%	12	18.8%	52	81.3%	3.81	.393
Monitor performance	0	0.0%	0	0.0%	25	39.1%	39	60.9%	3.61	.492
Meet company objectives	0	0.0%	0	0.0%	24	36.92%	40	63.08%	3.63	.489
Improve decision making	0	0.0%	0	0.0%	23	40.6%	38	59.4%	3.59	.495

SD=strongly disagreed=disagree, A=agree, A=strongly agree, Std=standard deviation

Source: primary data, 2024

From the study results found and presented in table 5, the purpose of the researcher were to assess the effect of budget implementation on profitability of Kinazi cassava plant Ltd. By basing on the results in the table the outcome on managing cash effectively shown that 100 % of the respondent agreed that budget implementation is an indicator of managing cash effectively, 25.0 % agree and 75.0 strongly agree with 3.75 mean and .436 Standard deviation .On allocating appropriate resource to business activities the results shown that 100 % of the respondent agreed that budget implementation is an indicator of allocation of appropriate resource to business activities, 18.8 % agree and 81.3 strongly agree with 3.81 mean and .393 Standard deviation, monitor performance results shown that 100% of the respondent agreed that budget implantation is an indicator of monitoring performance, 39.1 % agree and 60.9 %strongly agree with 3.61mean and .492 Standard deviation, meet company objectives results shown that 100% of the respondent agreed that budget implementation is an indicator of meeting company objectives, 36.92 % agree and 63.08 % strongly agree with 3.63 mean and .486 Standard deviation, improve decision making results shown that 100% of the respondent agreed that budget implementation is an indicator of improving decision making, 40.6% agree and 59.4 % strongly agree with 3.59 mean and .495 Standard deviation. The results shown that budget implementation indicators influence Kinazi cassava plant Ltd profitability. The results agreed with Abongo (2018) on budgeting practices and their impact on small business profitability. The results show strong relationship between financial performance and budget process.

2.3 Budgetary control and profitability of Kinazi Cassava Plant Limited

The outcome found on this third objective is that to the following concerns were at different rate of appreciating the following elements: through effective budgeting process Kinazi cassava plant is able to make profit yearly, targeted goals and objectives lead to long-term company growth, budgeting process helps to avoid unplanned activities, the company gain new market and bigger customer base ,proper allocation of resources and availability of loyal and qualified employees were showed the relationship between budgetary control and profitability.

Table 6: Descriptive statistics concerning budgetary control on profitability of Kinazi cassava plant Ltd

Elements	SD		D		A		SA		Mean	Std.
	N	%	N	%	N	%	N	%		
Through effective budgeting process Kinazi cassava is able to make profit yearly	2	3.1%	9	14.1%	22	34.4%	31	48.4%	3.28	.826
Targeted goals and objectives are met based on available budget	0	0.0%	2	3.1%	28	43.8%	34	53.1%	3.50	.563
Effective budgeting process lead to long-term company growth	0	0.0%	0	0.0%	22	34.4%	42	65.6%	3.66	.479
Budgeting process help to avoid unplanned activities	2	3.1%	0	0.0%	8	12.5%	54	84.4%	3.78	.603
The company gain new markets and bigger customer base	0	0.0%	5	%	33	51.6%	26	40.6%	3.33	.619
Proper allocation of resources	0	0.0%	0	0.0%	5	7.8%	59	92.2%	3.92	.270
Availability of loyal and qualified employees	0	0.0%	1	1.6%	31	48.4%	32	50.5%	3.48	.534

. SD=strongly disagreed=disagree, A=agree, A=strongly agree, Std=standard deviation

Source: primary data, 2024

From the study results found and presented in table 6, the purpose of the researcher were to assess the effect of budgetary control on profitability of Kinazi cassava plant Ltd. By basing on the results in the table the outcome on through effective budgeting process Kinazi is able to make profit yearly shown that 82% of the respondent agreed that budget implementation is an indicator of making profit yearly through effective budgeting process , 34.4% agree and 48.4 % strongly agree with 3.28 mean and .826 Standard deviation , on targeted goals and objectives are met based on available budget the results shown that 96.9% of the respondent agreed that budgetary control is an indicator of meeting targeted goals and objectives basing on available budget , 43.8 % agree and 53.1% strongly agree with 3.50 mean and .563 Standard deviation, effective budgeting process lead to long-term company growth results shown that 100% of the respondent agreed that budgetary control is an indicator of long-term company growth due to effective budgeting process, 34.4 % agree and 65.6% strongly agree with 3.66 mean and .479 Standard deviation, budgeting process helps to avoid unplanned

activities results shown that 96.9% of the respondent agreed that budgetary control is an indicator of avoiding unplanned activities through budgeting process, 12.5% agree and 84.4 % strongly agree with 3.78 mean and .603, the company gain new markets and bigger customer base results shown that 92.2 % of the respondent agreed that budgetary control is an indicator of getting new markets and bigger customer base, 51.6 % agree and 40.6 % strongly agree with 3.33mean and .619 Standard deviation. Proper allocation of resources results shown that 100 % of the respondent agreed that budgetary control is an indicator of proper allocation of resources, 7.8 % agree and 92.2 % strongly agree with 3.92 mean and .270Standard deviation, availability of loyal and qualified employees results shown that 98.9 % of the respondent agreed that budgetary control is an indicator of availability of loyal and qualified employees, 48.4 % agree and 50.5 % strongly agree with 3.48mean and .534Standard deviation. The results shown that budgetary control indicators influence Kinazi cassava plant Ltd profitability. The findings are assisted by Asogwa and Etim (2017) who researched on Traditional Budgeting in Today’s Business Environment and said that all businesses are recommended to use budget because it is essential in defining objectives and perusing of business targets or goals.

3. Relationship Between Budgeting Control Process and Profitability

By using SPSS, this research revealed the significance relationship between its variables which are budgeting control process and profitability.

3.1. Pearson Correlation coefficients for budgeting control process and profitability

Pearson correlation coefficients helped a researcher to identify the linear link between research variables, independent variable and dependent variable.

Table 7: Correlations analysis between indicators of budgeting control process of Kinazi Cassava Plant Ltd

		Budget planning	Budget implementation	Budgetary control
Budget planning	Pearson Correlation	1	.277*	.224
	Sig. (2-tailed)		.027	.076
	N	64	64	64
Budget implementation	Pearson Correlation	.277*	1	.372**
	Sig. (2-tailed)	.027		.002
	N	64	64	64
Budgetary control	Pearson Correlation	.224	.372**	1
	Sig. (2-tailed)	.076	.002	
	N	64	64	65

*. Correlation is significant at the 0.05 level (2-tailed).

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

Source: primary data, 2024

The outcome in Table 7 established the positive correlation between budget planning and budget implementation (p=.277 and sig=.027), between budget implementation and budgetary control (p=.372 and sig=.002) vice versa. This correlation implies that were significant correlated at the p value <0.05 and <0.01. This means that there is a relationship between indicators of budgeting control process of Kinazi cassava plant Ltd.

The results are confirming with Gupta & Deena (2021) who researched on Budgeting, Planning And Controlling On The Profitability Of Manufacturing Company, the results showed that budgetary planning practices has significant impact on the survival of SMEs. It also agreed with Francois and Penn (2023) who research on effect of budgetary management practices on the performance of small and medium enterprises. Their results showed that there is positive and significant effect on the performance of SMEs

Table 8: Correlations analysis between indicators of profitability of Kinazi Cassava Plant Ltd

		Growth In sales volume	Cost efficiency	Increase in Return on Asset	Increase Return on Investment	Increase in Net Profit Margin
Growth In sales volume	Pearson Correlation	1	.171	.343**	.241	.095
	Sig. (2-tailed)		.176	.005	.055	.454
	N	64	64	64	64	64
Cost efficiency	Pearson Correlation	.171	1	.397**	.321**	.060
	Sig. (2-tailed)	.176		.001	.010	.640
	N	64	64	64	64	64
Increase in Return on Asset	Pearson Correlation	.343**	.397**	1	.221	-.132
	Sig. (2-tailed)	.005	.001		.079	.299
	N	64	64	64	64	64
Increase Return on Investment	Pearson Correlation	.241	.321**	.221	1	.387**
	Sig. (2-tailed)	.055	.010	.079		.002
	N	64	64	64	64	64
Increase in Net Profit Margin	Pearson Correlation	.095	.060	-.132	.387**	1
	Sig. (2-tailed)	.454	.640	.299	.002	
	N	64	64	64	64	64

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

Source: primary data, 2024

The outcome in Table 8 established the positive correlation between growth in sales volume and increase in return on assets ($p=.343$ and $sig=.005$), between cost efficiency and increase in return on asset ($p=.397$ and $sig=.001$), between cost efficiency and increase in return on Investment ($p=.321$ and $sig=.010$), between increase on investment and increase in net profit margin ($p=.387$ and $sig=.002$) vice versa. These correlations imply that were significant correlated at the p value <0.01 . This means that there is a relationship between indicators of profitability of Kinazi cassava plant Ltd

The results are confirming with Mulani *et al.*, (2015), stating a positive relationship between firm performance and budgeting process.

Table 9: Correlations analysis between indicators of budgeting control process and profitability of Kinazi Cassava Plant Ltd

		Budget planning	Budget implementation	Budgetary control	Growth In sales volume	Cost efficiency	Increase Return on Investment	Increase in Return on Asset	Increase in Net Profit Margin
Budget planning	Pearson Correlation	1	.277*	.224	.148	.015	.072	.177	-.149
	Sig. (2-tailed)		.027	.076	.244	.908	.571	.162	.240
	N	64	64	64	64	64	64	64	64
Budget implementation	Pearson Correlation	.277*	1	.372**	.325**	.080	.112	.080	-.074
	Sig. (2-tailed)	.027		.002	.009	.531	.378	.532	.559
	N	64	64	64	64	64	64	64	64
Budgetary control	Pearson Correlation	.224	.372**	1	.110	.020	.258*	.026	.067
	Sig. (2-tailed)	.076	.002		.387	.876	.039	.836	.601
	N	64	64	65	64	64	64	64	64

Growth In sales volume	Pearson Correlation	.148	.325**	.110	1	.171	.241	.343**	.095
	Sig. (2-tailed)	.244	.009	.387		.176	.055	.005	.454
	N	64	64	64	64	64	64	64	64
Cost efficiency	Pearson Correlation	.015	.080	.020	.171	1	.321**	.397**	.060
	Sig. (2-tailed)	.908	.531	.876	.176		.010	.001	.640
	N	64	64	64	64	64	64	64	64
Increase Return on Investment	Pearson Correlation	.072	.112	.258*	.241	.321**	1	.221	.387**
	Sig. (2-tailed)	.571	.378	.039	.055	.010		.079	.002
	N	64	64	64	64	64	64	64	64
Increase in Return on Asset	Pearson Correlation	.177	.080	.026	.343**	.397**	.221	1	-.132
	Sig. (2-tailed)	.162	.532	.836	.005	.001	.079		.299
	N	64	64	64	64	64	64	64	64
Increase in Net Profit Margin	Pearson Correlation	-.149	-.074	.067	.095	.060	.387**	-.132	1
	Sig. (2-tailed)	.240	.559	.601	.454	.640	.002	.299	
	N	64	64	64	64	64	64	64	64

*. Correlation is significant at the 0.05 level (2-tailed).

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

Source: primary data, 2024

The outcome in Table 9 established the positive correlation between budget planning and budget implementation ($p=.277$ and $sig=.027$), between budget implementation and budgetary control ($p=.372$ and $sig=.002$), between budget implementation and growth in sales volume ($p=.325$ and $sig=.009$), between budgetary control and increase in return on investment ($p=.258$ and $sig=.039$), between growth in sales volume and increase in return on assets ($p=.343$ and $sig=.005$), between cost efficiency and increase in return on investment ($p=.321$ and $sig=.010$), between cost efficiency and return on assets ($p=.397$ and $.001$), between increase in return on investment and increase in net profit margin ($p=.387$ and $sig=.002$) vice versa. This correlation implies that were significant correlated at the p value <0.05 and <0.01 . This means that there is a relationship between of budgeting control process and profitability of Kinazi cassava plant Ltd.

The results are confirming with Gupta & Deena (2021) who researched on budgeting, planning and controlling on the profitability of manufacturing company, the results showed that there also agreed with Francois and Penn (2023) who conducted research on effect of budgetary management practices on the performance of small and medium enterprises. Their results showed that there is a positive and significant effect of budgeting on the performance of SMEs.

IV. CONCLUSION

This study concludes that effective budgeting control processes play a vital role in enhancing the profitability and sustainability of agro-based industries. The research established that proper budget planning enables firms to allocate resources efficiently, manage financial risks, and achieve strategic objectives in a structured and cost-effective manner.

Furthermore, the study revealed that successful budget implementation is essential for translating financial plans into actionable results. When budgets are effectively executed, they improve financial accountability, promote efficient use of resources, and support informed managerial decision-making that drives profitability.

Budgetary control, as an integral component of the budgeting process, was found to be crucial in ensuring that financial activities align with organizational objectives. It allows management to monitor performance, detect deviations early, and take corrective actions promptly. This fosters financial discipline, enhances cost efficiency, and supports continuous organizational growth.

Overall, the study concludes that budgeting control processes—comprising budget planning, implementation, and control—collectively contribute to improving profitability in agro-based industries such as Kinazi Cassava Plant Limited. For sustained success, the company should continue strengthening its budgeting framework, investing in staff training on budget management, and adopting modern financial management systems to enhance transparency, accountability, and long-term financial performance.

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