**CRITICALLY EVALUATE USING FINANCIAL MANAGEMENT PRACTICES TO PRODUCE INFORMATION APPROPRIATE FOR MANAGEMENT TO AID PLANNING, CONTROL AND DECISION MAKING AT STRATEGIC, TACTICAL AND OPERATIONAL LEVELS.**

The financial management system underpins good governance and good business. This is because, It does ensure that (internal and external) stakeholders understand and control how well an organisation plans for and uses organisational resources. In actual sense, this does ensure that the right people get the right information at the right time and that such information is then used in in line with organsational objectives for planning, control and strategic decision making.

One of those financial management practices is BUDGETTING. |Budget as performance measurement: it is an excellent tool for planning and controlling financial operations and to measure business performance.” It consists of certain inter-related activities which are dependent on a solid foundation of the other activities of financial management practices.With budgetting, activities can be coordinated and communicated, and expenditure threshold can be set. Sometimes, it is used as a tool to determine how and what to pay

Comparisons of actual performance against budget on a timely (can be daily, weekly, monthly) needs to be made. It indicates where opportunities or correctives actions need to be taken. Budgetary control is concerned with ensuring that actual financial results are in line with targets. Where the actual result is not in line with the target result, corrective action has to be taken. This feedback process investigates variations between actual results and budgeted results and takes appropriate corrective action. The corrective action may include:

* That the original budget be revised and/or
* Changing the behaviour of those responsible for actual results

Budgetary control provides a reference for comparison and help organisations to focus on those divergencies which provide early warning signals to managers. It depicts the long-term strategy, priorities, and how to prioritise; how effective activities are in achieving desired goals in terms of cost, finance, customer and other performance metrics.

A good budget control happens when expected metrics and budgetted metrics are in tandem and in line with strategic priorities and based on a clear understanding of performance expectations.

**BUDGETTING FOR PLANNING, CONTROL AND DECISION MAKING AT CORPORATE STRATEGY LEVEL**  
At corporate strategy level of planning, control and decision making, the management create benchmarks that will allow the organization to determine how well it is performing against goals and objectives as it implements the strategic plan of the organisation.

In addition this planning process should determine which executives are accountable for ensuring that benchmarking activities take place at planned times and also for ensuring that certain and specific objectives are met.

Organizations that are most effective in aligning their ongoing actions with their strategic plans are those that actively engage in strategic management following the value management of the organisation.

Budgets are large part of a long-term corporate strategy, including the vision and mission of the organisation. Businesses need to assess their performance at several levels against the high level business strategy. At the corporate strategy level, first, the Key objectives are defined by setting the short and long term goals for each part of the strategic plan. The goals could be revenue growth, return on investment, return on equity, operational efficiency etc. Metrics are set to denote success cum failure. Second, the corporate strategy level describe the strategies such that, when they are well executed, it will help the business to achieve its objectives. a weigh is assigned to each strategy and the weight each strategy has on achieving an objective is recorded which often equals 100. Third, the departments responsible for implementing each strategy are noted.

Lastly, all key assumptions and measures about business environment factors that could affect the organisation’s ability to successfully achieve its strategic goals are documented.

If the strategy is to control costs, for example, one assumption might be that exchange rate remains stable (the assumption) at five percent (the measure) for a business dependent on import.

**BUDGETTING FOR PLANNING, CONTROL AND DECISION MAKING AT TACTICAL LEVEL**

The tactical level ensures that the corporate vision and mission are achieved. These are often implemented by those at the managerial levels. They consolidate the plans and goals made ate the corporate level and assigned responsibility for implementation. The Marketing manager could target a certain market share; the production department may assess efficiency by parts produced per hour while the human resources department might assess commitment of staff by number of days lost through sickness. A metric is assigned for each goal and weighted against each strategy to achieve this at the managerial level.

**BUDGETTING FOR PLANNING, CONTROL AND DECISION MAKING AT OPERATIONAL LEVEL**

The operational level ensures that the goals and objectives set athe tactical level are implemented. The carry out thoughts and intentions of already planned mission. Their goals are often short terms in nature. It could be daily, hourly, weekly or even monthly. The operational or short-term indicators are often closely linked to the processes and operation of the company as a whole. Operational indicators are assigned to people, involving each company employee so that he or she actively contributes to the organization’s strategic objectives.

Operational goals support management goals, so they must be in line with the challenges proposed by management. Following our previous example, with operational indicators we can have: Number of calls made per hour by salesperson; Average service time per communication channel;; Consumer Satisfaction Index; Number of products manufactured per hour per person; and Average delivery time of the goods to the final consumer.

Performance metrics are set for each goal and are weighted against each strategy.

**CONCLUSION**

In conclusion, budget is a great tool to enhancing performance and promoting synergy among different levels of an organisation. It helps organisation to focus and create direction for success. Activities that drive value are ensure proper implementation and allocation of resource through budgetting. Jack Weich (New York: Harper Business, 2005) suggests that budgeting can be a productive and “wide-ranging, anything-goes dialogue between the field and headquarters about opportunities and obstacles in the real world” if organisations concentrate on two questions: “How can we beat last year’s performance?” and “What is our competition doing, and how can we beat them?”

The answer to these questions lie in the effectiveness of the organisation strategic & operational plan, the budgetting and implementation.