Original Research Article

Financial Management System of Small-Scale Agricultural Industries: Basis for a Training Scheme

Abstract: The purpose of this study was to propose a training scheme based on the findings. This study aimed to evaluate the Financial Management System (FMS) of firms dealing with agricultural inputs. It was found from various literatures that the absence of a clear financial management system could lead to corruption, theft, fraud, data insecurity, and inability to monitor profit. In discussing these problems, this study considered accounting system, budget control, financial capability, and internal control which were moderated by firm age and size. The study employed quantitative, non-experimental, descriptive research design. There were 72 agricultural enterprises that participated in the study. Result reveals that the overall level of FMS among small scale agricultural industries is high. Further, there was a significant difference in the level of FMS among respondents when analyzed by firm size and age. A training scheme on budgetary control is designed because it registered the lowest measure among the indicators of FMS.

Keywords: business administration, financial management system, small-scale agricultural industries, descriptive, training scheme, Philippines

Introduction

In the financial services industry, data security is a significant problem of concern, with enormous potential liabilities. It therefore includes not only employees from information

technology, but also personnel from risk management and compliance, as well as controllers. In addition, the problems concerned need to be acquainted to financial management experts in other sectors (Kolakowski, 2018). Fourie (2007) added that the lack of an obviously specified financial control system could lead to bribery, robbery and fraud in the institutions. Corporate finance management needs precise record-keeping. Management may not be able to lay the groundwork for long-term profit surveillance without right economic information (Codjia, 2017).

Financial management is one of the owners and company managers' most significant duties. They have to consider the prospective impact of their leadership choices on the company's earnings, cash flow and economic situation. The operations of every part of a company affect the economic performance of the company and the company proprietor must evaluate and control it (Bass, 2018). The primary reason why financial management systems are developed is to guarantee the business' long-term financial stability. All business is started with the goal of making profits and these profits make it possible for the business to meet day-to-day activities and make the business worthwhile at the same time. How the company's finances are managed determines the business' longevity and development. Financial management systems assist in one scheme to maintain track of all financial information. It is very important for all types of companies regardless of their size (Chauhan, 2018).

Small and medium-sized enterprises face several difficulties, while the issues of "bad economic leadership" are reported to be the main causes of company mistakes in SMEs (Karadag, 2015). O'Farrell (2018) says that for tiny companies, big companies have the same alternatives. They appreciate a much higher range, though. Working capital management procedures, investment

assessment, capital structure management, financial reporting and analysis and accounting information system are extremely implemented by medium-sized businesses compared to tiny businesses. Management of working capital and capital structure has a major effect on the performance of SMEs (Yogendrarajah, Suganya, & Kengatharan, 2017).

Thus, this study was conducted enable to evaluate the financial management system of small-scale agricultural industries and propose a training scheme based on the result. It provides knowledge to the owners of small-scale businesses concerning the importance of a financial management system, and awareness to the problems if it is ineffectively practiced. Agricultural supply was the subject of this study because it is observed that some researchers focused on non-agricultural firms or industries. Therefore, the researcher aims to explore if the above premises exist in the stated subject.

Research Questions

This study aimed to evaluate the financial management system of small-scale agricultural industries as a basis in the formulation of a training scheme.

Specifically, this study is conducted to achieve the following;

1. To identify the profile of small-scale agricultural industries in terms of:
   1.1. firm size; and
   1.2. firm age.
2. To determine the financial management system of small-scale agricultural industries in terms of:
   2.1. accounting system;
   2.2. budgetary controls;

2.3. internal controls; and

2.4. financial capability.

3. To ascertain the significant difference in the level of the financial management system of small-scale agricultural industries when analyzed by profile.
4. To propose a financial management system training scheme based on the findings of the study.

Theoretical Lens

This study is anchored in Gawali and Gadekar's (2017) proposal that accounting and monetary expertise, financial statements interpretation skills, owners-managers attitudes and their level of engagement in economic elements of the company are the factors for Micro Small Medium Enterprises ' achievement or failure.

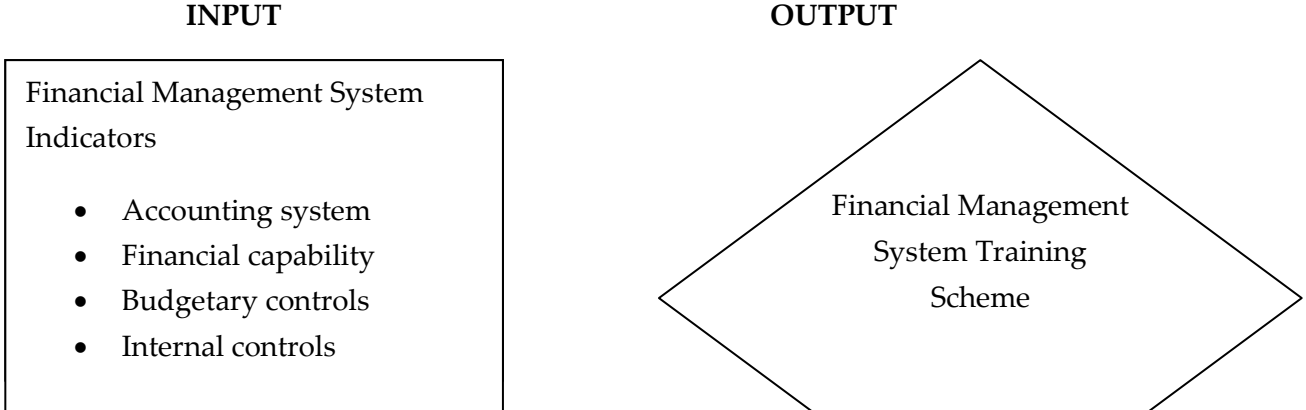
This research is also based on Gallardo Jr. and Ferrer's (2017) proposal that cash management procedures have an important beneficial connection with multiple staff, owner / manager's level of education, and financial literacy. Both receivable management accounts and inventory management have been discovered to have an important beneficial connection with multiple staff and owner / manager education level. It was also disclosed that in terms of location and asset size there were important variations in financial management.

Another support proposition to the study is the findings of Ali, Omar, Nasir, and Osman (2018) that entrepreneurs should give time and energy to understand and possess the economic abilities. Among the factors selected, budget control appears to be the primary factor in which entrepreneurs wished to be expert, as the firm's survival will be determined by a right budget.

Finally, this research also supports Chandra's hypothesis (2011) that the financial system performs an interrelated role such as payment system, pooling of funds, resource transfer, and risk management, cost data for decentralized decision-making, and handling organizational incentive issues.

Shown in Figure 1 is the conceptual framework of the study. Financial Management System is the input of the study with four indicators *accounting system, financial capability, budgetary controls,* and *internal controls* (Department of Health & Human Services, 2015).

Accounting system relates to a structured collection of manual and computerized techniques, processes, and controls for collecting, recording, classifying, analyzing, summarizing, interpreting, and presenting precise and timely



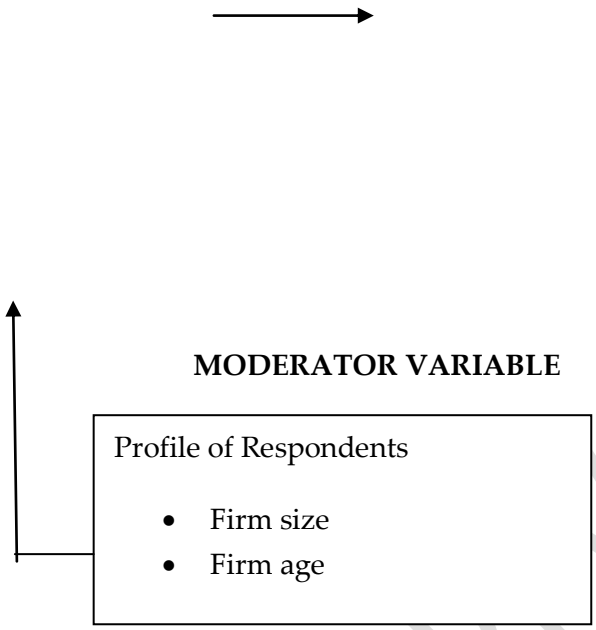


Figure 1. Conceptual Framework of the Study

economic information for management choices. *Financial capability* is the mixture of attitude, understanding, abilities and self-efficacy required to create and practice cash management choices that best suit the conditions of one's life in an enabling setting that involves, but is not restricted to, access to suitable economic services. *Budgetary control* is a management control scheme that compares real revenue and expenditure with scheduled revenue and expenditure so you can see if plans are being followed and if those plans need to be altered to create a profit. *Internal controls* are a company's ways of ensuring the integrity of economic and accounting data, meeting operational and profitability goals, and transmitting management policies across the organization.

The moderator variables of this study are the firm size which refers to the number of workers, and firm age which refers to years in operation. This study will propose, as output, a financial management system training scheme based on the result thereon.

Method

Research Design

This study used descriptive research design that is quantitative, non-experimental. Non-experimental study design describes current phenomena without manipulating circumstances that influence the reactions of topics and an independent variable is not manipulated. It is one of the wide classifications of study models in which the investigator naturally observes the phenomena and no internal factors are inserted. It is a research design that does not intentionally manipulate variables and does not control environment (Radhakrishnan, 2013). In addition, the predominant type of research design used in the social sciences is non-experimental study (Reio, 2016). Thus, by using the above research design, the researcher can evaluate the differences of the phenomenon when analyzed by a moderator variable and be able to use the study findings to generate an output which is a proposal on financial management financial system training scheme.

Research Instrument

A modified survey questionnaire was used in gathering data. It was adapted from Department of Health and Human Services (2015), with the original title Evaluation on Financial Management System. Respondents will answer the questionnaire with ratings from 1-5 following the likert type format. The adapted questionnaire was validated by internal and external validators to ensure adequacy and appropriateness of content.

Chart 1 : The basis for interpreting the responses of the participants is presented below:

Range of Means	Descriptive Level	Interpretation

4.20-5.00	Very High	This means that the item statement on financial management system is always manifested in the department.
3.40-4.19	High	This means that the item statement on financial management system is oftentimes manifested in the department.
2.60-3.39	Moderate	This means that the item statement on financial management system is sometimes manifested in the department.
1.80-2.59	Low	This means that the item statement on financial management system is rarely manifested in the department.
1.00-1.79	Very Low	This means that the item statement on financial management system is never manifested in the department.

The questionnaire was validated on its clarity of directions and items, presentation and organization of statements, suitability of items, adequateness of items per category or indicator, attainment of purpose, objectivity, and evaluation scale. The instrument had a very good (3.97) validity score. The questionnaire also went through Cronbach's alpha test for reliability. The coefficient of the test was 0.762 interpreted as reliable and satisfactory.

Research Participants

There were 75 respondents based on the record provided by the Business Permits and Licensing Office of Digos City. However, during the actual survey, 3 of the registered firms were already

dissolved. Thus, there were 72 respondents only for this study from 72 small-scale agricultural enterprises in Digos City.

Scope and Limitations

The selected sample was based on knowledge of the research problem to allow selection of appropriate persons for inclusion in the sample. Generally, employees of the firms who are not performing financial-related transactions such as laborers, janitors, and others are excluded from this study.

Ethical Consideration

Ethical aspect is also considered for this, in terms of privacy and confidentiality, the researcher attached signed letter to the questionnaire addressing the respondents that the data gathered were kept confidential and treated academically. Additionally, the questionnaires contain no name, address, or any contacts for tracking. Upon asking consent and permission from organization/location, the researcher structured signed letters addressed to the respondents asking their participation at their convenient time. The approved letter to conduct the study was also presented to the managers or owners as proof of the Digos City mayor's cooperation to the study. Voluntary participations of the respondents were realized by giving them enough time to answer questions supported by interviews. Aside from that, the purpose of the study was stated.

Another ethical consideration for this study was the unavailability of respondents due to them being absent or busy during the deployment of questionnaires. As researcher, it was asked when it was possible to conduct an interview, or the questionnaires were left and picked up if they were accomplished. Plagiarism was also avoided for this study. It was averted by

rephrasing and citing the authors of every reviewed literature and completely listed under references.

In process of recruitment, all gathered data were interpreted and analyzed by the help of the statistician, Dr. Rinante Genuba, and adviser, Prof. Joel B. Tan, CPA, accurately by conducting proper interview and survey guided by the list given by Business Permit and Licensing Office of Digos City. Filled up questionnaires were kept for references. Fabrication of data was avoided by discouraging alterations or erasures in the questionnaires if any, they were signed by the respondents who are the source of data. Lastly, conflict of interest was not tolerated. Respondents were not being paid as motivation of participation; instead the researcher asked for their voluntary participation and showed deepest gratitude for making this study successful.

Results and Discussion

Respondents' Profile

Shown in Table 1 is the profile of respondents. It is categorized into two groups, the *firm size (based on a number of employees)* and *firm age (based on a number of years in operation)*. In terms of *firm size*, majority of the respondents or firms had 10 above employees (88.89%), followed by 6-10 employees (8.33%), then

Table 1
Profile of Respondents

Indicator	F	%
Firm Size (Based on number of employees)		
1-5	2	2.78%
6-10	6	8.33%
10 above	64	88.89%

Firm Age (Based on number of years in operation)		
1-5	16	22.22%
6-10	11	15.28%
10 above	45	62.50%

1-5 employees (2.78%). Regarding the *firm age*, majority of the firms operated above 10 years (62.50%), 15.28% had operated between 6-10 years, and lastly 22.22% of the respondents operated 1-5 years. It is observed that the respondents of this study had more than 10 employees and operated more than 10 years.

Financial Management System

Presented in Table 2 is the level of financial management system of small-scale agricultural industries. Among four indicators, only *budgetary controls* scored low (2.02) with standard deviation (SD) of 1.27. *Financial capability* and *internal controls* were rated high with 3.94 and 4.15 mean, respectively. *Accounting system* rated very high (4.36) with SD of .52. Result showed that *accounting system* rated manifested at all times while *budgetary control* is observed rarely. Generally, the financial management system among small scale agricultural industries is high (3.62) or manifested most of the time.

Table 2
Level of Financial Management System of Small-Scale Agricultural Industries

Indicator	SD	Mean	Descriptive Level
Accounting System	0.52	4.36	Very High
Financial Capability	0.57	3.94	High
Budgetary Control	1.27	2.02	Low
Internal Controls	0.69	4.15	High

Overall	**0.43**	**3.62**	**High**

Significant Difference on the Level of Financial Management System when Analyzed by Profile

Presented in Table 3.1 is the significance on the difference on the level of financial management system of small-scale agricultural industries when analyzed by firm size. The organization with 1-5 employees manifested a high level of financial management system with 3.57 overall mean. Individually through, the *budgetary control* registered low level while the *accounting system* posted at very high level (mean = 4.40), the *financial capability* (mean = 3.88) and *internal control* (mean = 4.12) are at high level. Those firms with 6-10 employees manifested a high level financial management system (mean = 4.12). It was noticed that individually, *financial capability* (mean = 4.58) showed a very high level; *accounting system* (mean = 4.06) is at high level; *budgetary control* (mean = 3.67) is at high level; and lastly *internal control* (mean = 4.17) at high level as well. Those organizations with *10 above employees* showed a high level of financial management system with an overall mean of 3.69. *Financial capability* (mean = 4.25) and *internal controls* (mean = 5.0) at very high level of manifestation. This followed by *accounting system* which is at high level (mean = 4.0). The *budgetary control* however registered at very low level (mean = 1.50).

Table 3.1

Significance on the Difference on the Level of Financial Management System of Small-Scale Agricultural Industries when analyzed by Firm Size

Factor	Firm Size			Total	F	Sig	Decision on H_o
	1-5 (A)	6-10 (B)	Above 10 (C)				

	Mean	Mean	Mean	Mean			
Accounting System	4.40	4.06	4.00	4.36	1.680	.194	Accept
Financial Capability	3.88	4.58	4.25	3.94	5.122	.008	Reject
Budgetary Controls	1.88	3.67	1.50	2.02	6.494	.003	Reject
Internal Controls	4.12	4.17	5.00	4.15	1.588	.212	Accept
Overall	**3.57**	**4.12**	**3.69**	**3.62**	**5.043**	**.009**	**Reject**

Overall, with p-value of less than .05, the result showed that there is no significant difference in the level of FMS when analyzed by firm size. Among groups, groups A and B posted statistical differences in financial capability and budgetary controls with p-value of 0.008 and 0.003 respectively, thus, rejecting the null hypothesis. Other indicators like *accounting system* and *internal control* showed no statistical significance, hence, the null hypothesis is not rejected.

Presented in Table 3.2 is the significance on the difference on the level of financial management system of small-scale agricultural industries when analyzed by firm age. Overall, the level of FMS for group A (1-5 years) is high (mean = 3.52). Individually, *accounting system* is at very high level (mean = 4.41); the *financial capability* and *internal control* are at high level with means of 3.93 and 4.02 respectively. Meanwhile, *budgetary control* is at very low level (mean = 1.70). In group B (*6-10 years*), the overall level is high (mean = 3.60). Individually, *accounting system* is at very high level (mean = 4.33); the *financial capability* and *internal control*

Table 3.2
Significance on the Difference on the Level of Financial Management System of Small-Scale Agricultural Industries when analyzed by Firm Age

Factor	Firm Age			Total	F	Sig.	Decision on H_o
	1-5 (A)	6-10 (B)	Above 10 (C)				

	Mean	Mean	Mean	Mean			
Accounting System	4.41	4.33	4.21	4.36	.936	.397	Accept
Financial Capability	3.93	3.59	4.22	3.94	4.415	.016	Reject
Budgetary Controls	1.70	2.45	2.63	2.02	4.276	.018	Reject
Internal Controls	4.02	4.00	4.60	4.15	4.943	.010	Reject
Overall	**3.52**	**3.60**	**3.92**	**3.62**	**5.753**	**.005**	**Reject**

are at high level with means of 3.59 and 4.0, respectively.

Meanwhile, *budgetary control* is at low level (mean = 2.45). For group C with 10 above employees the overall level is high (mean = 3.62). Individually, accounting is at very high (4.21); the financial capability and internal control are at very high levels as well with means of 4.22 and 4.60 respectively. Only budgetary control registered as moderate level with 2.63 mean score.

Overall, with p-value of less than .05, the result revealed that there is no significant difference in the level of FMS among small-scale agricultural industries when analyzed by firm age. Among the groups, groups B and C, and A and C posted significant differences in terms of financial capability (B and C) and budgetary control and internal control (A and C).

In this study FMS is indicated by four measures, namely: accounting system, financial capability, budget control, and internal control with two moderating variables are the firm size (number of employees) and firm age (number of years in operation). In terms of firm size, majority of the respondents or firms had 10 above employees and are in operation more than 10 years already.

As with the level of financial management system, only budgetary control scored low, while accounting system is very high. It shows that accounting system is manifested at all times while budgetary control is rarely observed. In details, the financial management system of small-scale agricultural industries in terms of accounting system is manifested at all times. Among the items, maintaining chart of accounts posted the lowest mean while accounting of employees' time and efforts as the highest. To support this outcome, studies have shown accounting system as an instrument for measuring, identifying, recording, and communicating all of the organization's economic data. Good bookkeeping is the basis for an efficient accounting system. A bookkeeper will provide the accountant with full and precise economic data. While the accounting system looks at the organization's general economic image, bookkeeping deals with day-to-day particular operations (Bass, 2018). It demonstrates that this proposition is being practiced by small-scale agricultural sectors because all products in the company have always been manifested. This outcome is linked to Finkler's et al. (2016) suggestion that excellent financial management scheme involves accounting, a financial status tracking system, and finance.

Similarly, the level of Financial Management System of Small-Scale Agricultural Industries in terms of financial capability is very high. The result showed that the organization observes establishing credit lines, and preparing financial statements annually. Generally, the financial management system of the organization in terms of financial capability is high which implies that it is manifested most of the time. Studies support this outcome by saying that credit line establishment improves the jobs of companies, input purchases, investment, and outputs. In the meantime, the experience of big companies improves in variable inputs, but not on investment.

In addition, short-term loans have a greater effect on demand for inputs than long-term loans (Eslava et al., 2014). Haltenhof, Lee, and Stebunovs (2014), however, discovered that access to bank loans by families is more important than the company's access to bank loans for jobs.

In addition, bank loans, especially through term loans, are one of the main sources of external funding for small businesses— especially main street firms— and are essential to assisting tiny businesses retain cash flow, employ fresh staff, buy new stock or machinery, and develop their company. Structural obstacles also appear to hinder bank loans to small companies (Mills & McCarthy, 2014). According to the research by McGuinness and Hogan (2016), the comparative significance of trade credit improved for less liquid financially "risky" SMEs, extremely dependent on short-term bank financing, and higher concentrations of intangible property when entering the crisis. With regard to a redistribution impact, financially stronger companies in the wake of the financial crisis expanded comparatively more commercial credit to financially vulnerable SMEs. Furthermore, the assessment shows that the economic situation of SMEs entering the crisis was more crucial in determining the effect of the financial crisis on the use of commercial credit than the era and size features of the business.

On one hand, the level of Financial Management System of Small-Scale Agricultural Industries in terms of budgetary controls was low. It signifies poor manifestation in comparing cost between budgets and actual. As far as budget control is concerned, which is dealing with future distribution and use of future funds, expenditure and actual rarely monitored or tracked, which is one of the most efficient and effective ways to improve financial planning. This outcome did not favor the Visser and Erasmus platform (2002) which indicated that the budget scheme is a

framework and platform for enhancing financial planning efficiency and effectiveness by enhancing access to budget information.

Effective internal control, which means that accounting entries are secured at all times by supporting suitable records such as purchase orders and vouchers and separating accountability for receiving, paying and recording money. Most of the time, however, the organizations have no other means of internal control to ensure that they are adequate. This outcome is in line with the research of Finkler et.al (2016) which showed that inner control should be developed by defending organizational assets. In general, the respondents' inner control is high. This outcome replied to Cangiano, Curristine and Lazare's proposal (2013) that budget overruns can also be minimized by formulating and regularly updating prudent and control and sound engagement plans and enhancing the scheme of accounting, reporting and internal control.

It also shows that the internal control of the company is crucial for proper financial reporting and control of bribery, robbery and fraud. Fourie's research (2007) also agreed that the lack of a obviously specified financial control system could lead to institutional bribery, robbery and fraud. Finally, it endorsed the survey by Codjia (2017), which emphasized that the management of corporate finances involves precise record keeping. Management may not be able to lay the groundwork for long-term profit surveillance without right economic information.

Generally, financial management system among small scale agricultural industries is high, meaning manifested most the time. It means that organizations regard financial management as a main element of the organization's overall management, including tactical and strategic objectives linked to the business' financial resources, specifically accounting, accounting,

accounts payable and receivable, investment possibilities and risk (Bass, 2018). Other studies also support the outcome of the agricultural firm's accounting system, emphasizing the significance of keeping adequate accounting books and sound accounting methods in ensuring adequate financial management in SMEs. However, most SMEs do not keep full accounting records because they believe there is no need to keep accounting records and expose their economic situation (Amoako, 2013). There is also a powerful beneficial connection between maintaining accounting records and small-scale enterprise performance. Keeping accounting records is crucial for decision-making that constantly impacts small-scale business performance (Abdul-Rahamon, & Adejare, 2014).

The significance on the difference on the level of financial management system of small-scale agricultural industries when analyzed by firm size, the organization with 1-5 employees is manifesting financial management system most of the time. But the budgetary control is manifested rarely. Those firms with 6-10 employees also manifested financial management system most of the time. It is noticed that all factors, except financial capability showing all the time manifestation, are manifested most of the time leaded by internal control. Those organization with 10 above employees manifested financial management system most of the time headed by financial capability and internal controls are manifested all the time while budgetary controls showed poor manifestation.

Among the factors, groups A and B showed differences in financial capability and budgetary controls, while other factors such as accounting system and internal control registered significant difference between the groups. It implies that the stated factors are manifested within the organization regardless of employees' numbers. Thus, the null hypothesis for these

groups are accepted. Generally, groups A and B depicted significant differences in manifesting financial management system.

The significance on the difference on the level of financial management system of small-scale agricultural industries when analyzed by firm age, in group A (1-5 years), accounting system is manifested all the time while budgetary controls is never manifested. In group B (6-10 years), accounting system is manifested all the time, and there is rare manifestation of internal control. In the last group, with 10 above employees, accounting system, financial capability, and internal controls are manifested all the time, while budgetary control is manifested sometimes in the organization. Regarding differences, all groups registered no differences in accounting system. However in financial capability, groups B and C posted differences with significance value of 0.016, resulting to the rejection of null hypothesis. Group A and C also showed significant difference in budgetary control and internal controls.

Generally, groups A and C posted significant difference in financial management system. Generally, the financial management system is expressed most of the moment when evaluated by firm era and is gradually observed from year 1 to 10 above. This demonstrates that financial management procedures among small and medium-sized enterprises can be used by multiple organizations to provide technical assistance to continually assist small and medium-sized enterprises improve their activities and general efficiency.

The result in firm age implies that if the organization just started the operation, accounting system is observed all the time but it declines when reaching 6-10 years in operation. Financial capability is manifested most of the time during 1-5 years in operation, and then improves during 6-10 years operation. The budgetary control is never manifested during 1-5 year

business operation however, it begins to manifest upon reaching 6-10 years operation. The organization improves its observance as year of operation increases. Lastly, internal control is manifested most of the time.

Training Scheme

Result of the study shows that budgetary control got low rating, implying its rare manifestation in the firm. The firm rarely compared the actual and budgeted expenditures from granted award. Considering also the groups, in firm age budgetary control is very low in the firm operated 1-5 years, low for the firm operated 6-10 years, and moderate for those operated 10 years above. While in firm size, it is very low to the firm with 10 employees above, low for those firms with 1-5 employees and high for the firm possessing 6-10 employees. The result shows that the group needs to be trained are those firms operated less than 10 years but having 1-5 and 10 employees above.

Based on the results, this research proposes a budget control training that aims to provide the company owners / financial managers with a template for budget control and technical aid. Managers should be advised and able to comprehend budgetary control, according to Drury (2013). Managers, however, did not appreciate the data provided by the price and standard output conditions of the accountant. He added that managers should also be trained efficiently on budgetary control as vast numbers of them blamed infrequent private contact for failure to appreciate price data, and it was argued that if they became more engaged in operation, accountants would significantly boost their efficiency. Warue and Wanjira (2013) have discovered proof of a negative correlation between company size and budgeting. The operation of the computerized accounting system was discovered to be negatively related to the process

of budgeting. An important connection between accounting system computerization activities and budgeting shows that efficient budgeting can be achieved through the implementation of efficient information technology in SMEs.

It shows that training will be helpful to firms in tracking expenditures by the help of template using excel. This template containing columns for each category or account titles for expenses to be controlled. Once the actual spending is overtaking the budget plan, the remaining cash will be filled with red to notify the firm. In this, as part of workshop, the firm will establish policy highlighting the accountability of overspending. At the end of training, the participants will be able to create budget plan, and policy intended for budgetary control, which is a system of management control in which actual income and spending are compared with planned income and spending, so that the firm can see if plans are being followed and if those plans need to be changed in order to make a profit.

Conclusion

Considering the result of the study, majority of the respondents had 10 employees above and operated 10 years above. *Accounting system* was manifested at all times in the organization while *budgetary controls* manifested rarely. There were significant differences in *financial capability* and *budgetary controls* in terms of firm size. In terms of firm age, *financial capability*, *budgetary controls*, and *internal controls* had also significant difference. Considering the groups, *budgetary control* shown significant difference among indicators. It also shows that budgetary controls had lowest mean, which shows poor manifestation in the organization. Therefore, training proposal about budgetary control system was proposed in order to address the stated concerns for the firms.

The result of the study deviated from the proposition of Gawali and Gadekar (2017) that accounting and financial knowledge, competencies in interpreting the financial statements, owner-managers' attitudes and their level of involvement in financial aspects of business are the reasons for the success or failure of MSMEs.

Implications

Based on the findings of the study, the following recommendations are given:

To improve the efficiency in budgeting, standard software for business intelligence (BI) can enable even small and medium enterprises (SMEs) to increase it. It is also proven that using of Accounting Information System (AIS) influences the performance in Small and Medium Enterprises (SMEs), accounting information such as reliability, relevance, and timeliness have significant effects on the use of AIS and SMEs' performance. It is also practiced in the Philippines, but it needed of help more of accountants as their business partner because the appropriateness of management accounting information depends upon the resources, operating activities, strategies and the size of the organization.

Managers may understand budgetary control. He added that managers may also be trained on effective budgetary control because a vast number of them were blamed for infrequent personal contact for failures to appreciate cost information, and it was argued that accountants will greatly increase their effectiveness if they became more involved with operation. Based on the result budget control is rarely manifested; thus, the proposed training may be implemented in order to help small scale agricultural industries in strengthening budgetary controls, using given template to track budget and actual cost; point of view may conduct regular monitoring to the participants ensuring the efficiency and effectivity of system; and future researchers may

conduct case study in other location with the same firms, in order to explore the roots of budgetary control issues.

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