



A STUDY ON MANAGING BUDGETING IN THE IMMIGRATION

DEPARTMENT OF MALAYSIA

FATIN FATIQAH BINTI ROSSLAN

2008279834

BACHELOR OF BUSINESS ADMINISTRATION (HONS)

FINANCE

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA

BANDAR MELAKA

APRIL 2010

ACKNOWLEDGEMENT

In The Name of Allah the Most Merciful and Most Compassionate

Alhamdulillah. First and foremost, my gratitude goes to the Allah Al-Mighty for giving me the strengths and patience to complete this study as to meet the requirement of FIN 667 subject in obtaining Bachelor in Business Administration (Hons) Finance.

My appreciation also goes to lecturers at UiTM Melaka especially my responsible advisor Miss Nurul Huda Binti Ibrahim for giving me the most beneficial assistance and offered many comments and suggestion throughout the development of this study. I would like also to acknowledge Bachelor in Business Administration (Hons) Finance students for give me the full cooperation while we were conduct this study. My appreciation goes to all the staff of Immigration Department of Malaysia especially who gave me the cooperation in relation to the relevant information gathered for this study.

Last but not least, I would like to express my deepest gratitude to my beloved family, as well as my friends for their moral support and understanding.

Thank you.

TABLE OF CONTENTS

	PAGE
ACKNOWLEDGEMENT	i
TABLE OF CONTENTS	ii - iii
LIST OF TABLES	iv
LIST OF FIGURES	v
ABSTRACT	vi
CHAPTERS	
1.0 INTRODUCTION	
1.0 Introduction	1 - 2
1.1 Background of the company	3 - 6
1.2 Issue	7
1.3 Objectives	8
2.0 LITERATURE REVIEW	
2.1 Budgeting	9 - 10
2.2 Public Expenditures	10-11
2.3 Emoluments	12
2.4 Supplies and Services	12 - 14
2.5 Assets	14 - 16
3.0 FINDINGS	
3.1 Sources of information	17
3.2 Company practices relating to issues	
3.2.1 Types of Budgeting System	18 - 19
3.2.2 Departmental Budget Process	19 - 23

ABSTRACT

This study is about managing budget in the Immigration Department of Malaysia. Immigration Department of Malaysia is one of the government departments under the Ministry of Home Affairs (MOHA). Budgeting is an essential element of the financial planning, control, and evaluation processes of governments. Every governmental unit should prepare a comprehensive budget covering all governmental, proprietary, and fiduciary funds for each annual (or, in some states, biennial) fiscal period. Issue arises when the Director of Finance Division of Immigration Department of Malaysia, Puan Salma binti Sulaiman declared that budget applied for the year 2010 was decreased by the Ministry of Finance. Thus, this department should take the effective actions in managing their budget. Some objectives are derived from this study such as to know how to minimize budget expenditures, to know the types of expenditures incurred and to identify any actions to be taken by this department in managing their budget. In this study also used primary and secondary data. By analyzing company practices, information in terms of types of budgeting system, the departmental process budget, the types of policies and the types of expenditures implemented or practiced in this department can be used in completing this study.

CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION OF BUDGETING

Government budget can be viewed as a legal document that is often passed by the legislature, and approved by the chief executive-or president. For example, only certain types of revenue may be imposed and collected. Property tax is frequently the basis for municipal and county revenues, while sales tax and/or income tax are the basis for state revenues, and income tax and corporate tax are the basis for national revenues.

The budget is basically a plan of what government intends to do in a budget year and how it proposes to raise and use the resources for this purpose. Normally, corresponding figures of previous years' budgets are adduced to provide a basis of comparison. The preparation of the budget becomes the occasion for decisions about the composition and level of government output and about the relative importance of the goals of stabilization, distribution and growth.

The two basic elements of any budget are the revenues and expenses. In the case of the government, revenues are derived primarily from taxes. Government expenses include spending on current goods and services, which economists call government consumption; government investment expenditures such as infrastructure investment or research expenditure; and transfer payments like unemployment or retirement benefits.