



**THE ROLE OF BUDGETING SYSTEMS ON SUCCESSFUL PROJECT EXECUTION AT A
SELECTED GOVERNMENT DEPARTMENT IN THE CAPE METROPOLIS**

by

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Signed

Date

ABSTRACT

Budgeting is a viable management instrument that ought to be used to direct organisational plans and procedures. Budgets are unavoidable strategic tools used in the planning of an organization's effective supply of services or goods. They serve as a financial representation of the work, services, or goods that will be generated or delivered by an organization. When budgeting is carried out and monitored appropriately taking every one of the elements affecting legitimate management of budget plans into thought, the organisation will accomplish its objectives. Similarly, Public Agencies have plans and programs to implement, and these plans and programs are measured through budgets. The strategic imperatives and the type of leadership in an organization determine the budgeting processes, which vary from one organization to the next. Hence, genuine perspectives should be acquired from the influenced, genuine sentiments from the influenced managers with their anticipations regarding planning as an administration tool. This research focused on issues that managers should looked out for concerning the budgetary process in the public sector. The primary objective for this research was to; identify the relationship between budget and technical specifications, Identify the relationship between budget and quality specifications, Identify the relationship between budget and scope specifications, Identify the relationship between budget and stakeholder management. The objective respondents for this research investigation included representatives from various cost centres inside the selected Western Cape Public Agency who are associated with overseeing budget plans and activities. The Data was collected via questionnaires, which were analysed using an Excel spreadsheet and the results were interpreted. The findings point to need for intensive training and empowerment of budget holders in order to ensure that budgets, budgeting processes, project implementation, and anticipated service delivery to the public are all in line.

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Enkosi!!

DEDICATION

I would like to dedicate this thesis to my mother, Nosipho Mkuhlana, my siblings, my children and all the other members of my family and my friends.

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CHAPTER ONE: INTRODUCTION AND BACKGROUND TO THE STUDY

1.1 Introduction

Government departments in the Western Cape have been accused persistently for failing to meet the community expectations on services to be delivery. Consistently the communities in the Cape Metropolis, which is the largest in the province have embarked on violent protests, destroying infrastructure, burning buses and any other government establishments. Questions have been asked about why these government departments have consistently failed to deliver to the community as per constitutional requirements. The official position is never stated clearly except to suggest that the budget does not always cover all the requirements, there are consistent cost overruns, and heavy pilferage is also suggested. Bashtannyk, Akimova, Kveliashvili, Yevdokymov, Kotviakovskiy, & Akimov (2021:63-68) are of the view that there are major problems with the manner in which budgets are compiled by some organisations, but their position is that it is better to have an imperfect budgetary system than have none at all. Schick (2018:129-146) describe a budget as a very significant component of the control mechanism in an effort to meet the organisational objectives. According to conventional wisdom the successful execution of a project is based on the triple constraints, namely; time, quality and budget (Al-Hajj & Zraunig, 2018:21-27). Furthermore, the poor project execution will result in delays, thus, resulting in exceeding the allocated budget which constitutes project execution failure. Cost overruns and subsequent failure of departments to meet their service delivery obligations are a common feature in capital projects in the public sector (Idrees & Shafiq, 2021:243-254). It is a constitutional that the citizens be provided with these services, the project execution process has failed consistently, creating many unanswered questions. This research sought to identify the causal factors for continued cost overruns and consistent complaints by the administrators of the projects that they never are given appropriate nor adequate funding for the projects.

According to conventional wisdom the successful execution of a project is based on the triple constraints, namely; time, quality and budget (Van Helden & Reichard, 2019:478-495). Furthermore, the poor project execution will result in delays, thus, resulting in exceeding the allocated budget which constitutes project execution failure. Cost overruns are a common feature in projects in the public sector (Shehu, Holt, Endut & Akintoye, 2015:52). Turner (2014:14) considers a project as a temporary establishment to which resources are assigned

for specific tasks in order to bring about beneficial change. Cost-overruns can be caused by many factors within a wide range of projects (Van Helden & Reichard, 2019:478-495), and that if project costs exceed the budgeted amount, then client satisfaction will be compromised.

Cost management is therefore a critical element in successful project execution (Varajão, Dominguez, Ribeiro & Paiva, 2014:16), and that effective budgeting is critical and indispensable for the successful execution of the project. It is therefore necessary to understand the budgeting system as a critical aspect of effective project execution considering that over 50% of public sector project execution processes are classified as “failed.”

1.2 Background of the problem

A "budget" is a plan of programs to be accomplished including the necessary resources in a given period according to the set objectives and goals of an institution (Alsharari, 2019:165-189). Budgets can be done per unit in the organisation thereby identifying the resources to be procured and those that are there. This becomes the tool to be used by the accountant (auditor) focusing on accountability and value budgeted against the actual costs. A government budget or public budget is a document prepared by the government indicating the programmes aimed for by the public managers for a given period (Cox & Dincecco, 2021:851-866). These can be interpreted as intentions of what the government plans to achieve within the specified period thereby meeting their obligations to the electorate. The ideal budgeting process should start from the delivery centres up to the directors of units, unfortunately public budgets are normally originated by the senior management and handed down for delivery (Rasul & Rogger, 2018:413-446). Consequently much of the budget allocated to the respective units may not be as per the requirement or needs of these units.

According to (Klun & Benčina, 2021:188-208) budgeting is a basic government service and represents a clear government intention with the benefits that achieve national priorities and objectives. While it is true, a financial plan is a technique which could be utilized to assist an organisation to arrange and manage assets (Olaoye & Borode, 2019:531-541), it could be argued that this process can often lead to contrary and even immoral behaviour. Other researchers, however, take the position that currently budgeting is considered the most important decision-making process in public institutions (Van Helden & Reichard, 2019:478-495). It is acceptable that whilst the budget system is subject to abuse by individuals, it remains an indispensable of measuring government intentions on deliverables. They acknowledge,

furthermore, that various factors can hinder the completion of a project within the allocated budget.

Budgets as financial plans involve other factors such as work, political and/or social schemes (Kahar, Rohman & Chariri, 2016:1663-1674). In addition, a financial plan is a record comprising terms and numbers that propose expenditure for specific tasks and purposes. Furthermore, these terms characterize aspects of consumption (expenditure) or objectives and insights formulated with an element of reason. Likewise budgeting is defined by (Kaab & Nair, 2021:41-51) as a cycle, which comprises a progression of expenditure-related exercises in terms of specific objectives, or as a cycle through which government spending is incurred. Although the contemplation of both income limitations and tax assessment is inborn within the spending cycle for governmental work, the financial plan is regarded as a component of the spending cycle, as opposed to an income raising cycle (Parliament of the Republic of South Africa, 2011:1–8). Considerable accentuation has been placed on the arrangement of the financial plan that includes the estimated control of assessed expenses and costs of the government segment (Zweni & Jowah, 2017:118-132). Finally, the public budget serves as an allocation of expenditure amongst various objectives so that the most beneficial results can be achieved.

It is true that the cost-overrun is the difference between a project's actual costs and the planned allocated budget (Al-Hazim, Salem & Ahmad, 2017:18-24). The failure to meet the budget requirements may be affected by many other factors outside of the competencies of the project team. Critical elements in the failure to meet the budget may also be because of the factors such as changes in project design and hence project scope (Gunduz & Yahya, 2018:67-80). It is expected that when such changes are made, the budget should be restructured to show the costs according to the new scope thus avoiding classification as overruns. The process of finding conventional ways to deal with projects has been blended in with ineffectual and fruitless schemes for an assortment of reasons, ranging from the obliteration of objectives and specialization of individuals, as well as from sometimes the clashing interests of partners (Mohamud & Nyang'au, 2020:247-267). Overall, these challenges are greater on capital projects because of the multifaceted nature and, consequent, vulnerability of such activities.

1.3 Structurally defective

The dominant paradigm in budgeting is that public sector's budget still is structurally defective and does not involve the required model necessary for producing a consumption-oriented budget (Duezeh, 2020:76-86). With many countries attempting deep cuts to public sector budgets, structuration theory suggests that policymakers will not only have to engage in more

game changes, but will also have to question the public sector's wider structural principles, potentially leading to more unintended consequences for both budget setters and budget receivers (Anessi-Pessina, *et al.*, 2016:491-519).

1.4 Budgeting Systems

In addition to previous definitions provided above, Alabi, Olubunmi & Yusuf (2013:203–219) states that a budget, as an area of individual finance, that has attracted major consideration as an art of planning how a person should spend money. Along similar lines (Klun & Benčina, 2021:188-208) indicated that budgets are utilised to recognize a country's needs and are characterized by circulating assets to complete government exercises.

Budget management is considered a very critical matter in the success of project execution within its estimated budget (Johnson & Babu, 2020:402-411). While it is true that the sources for funding the public sector expenditure are often limited, existing related theory emphasizes that budgeting techniques exist to determine the best use of the limited resources and the most suitable way to allocate funds (Alabi, *et al.*, 2013: 203–219). Various techniques are said to have been implemented within government projects, however, the project is rarely completed within the allocated budget (Johnson & Babu, 2020:402-411).

It is suggested by Klun & Benčina (2021:188-208) that the most challenging task facing public agencies is budgeting, one illustration of this fact is the lack of the continuous monitoring and analysis of the formulation and execution of the budget. Table 1. 1: below details the problems relating to budgets as identified by (Olaoye & Borode, 2019:531-541).

Table 1. 1: Problems with budgets

Problems with Budgets
1. Time-wasting and costly
2. Safeguard the organization instead of reducing costs
3. Too inflexible and constricted
4. Favourable to unethical performance
5. Focus on how the officials utilized the budget rather than satisfying customers and stakeholders
6. Focus on rewarding negotiation and neglect performance

Source: Own construction – adapted from (Olaoye & Borode, 2019:531-541)

As claimed by Johnson & Babu (2020:402-411) completing a project within the allocated budget is the essential criterion of any successful project execution process. To ensure this, the procurement methodologies and processes should be followed and adhered to according

to schedule. On closer inspection, however, the government industry is facing major challenges and problems including cost overrun globally (Rivera, Le, J Kashiwagi & D Kashiwagi, 2016:7-19).

1.5 Cost overrun

As indicated above, cost-overrun is defined as the difference between a projects' actual costs and the planned allocated budget (Al-Hazim, *et al.*, 2017:18-24). Globally many construction organisations, both within the public and private sectors, are facing major challenges relating to cost overruns. Table 1.2: below illustrates the major causes of cost overrun as identified by Van Helden & Reichard (2019:478-495)

Table 1. 2: Cost overrun factors

Cost-overrun Factors
1. Changes in material prices
2. Land attainment and transfer
3. Failures in the planning processes
4. Incorrect utilization of government policies and procedures
5. Changes of scope
6. Lack of cost control by contractors
7. Clients' delay to commit to project
8. Kickbacks, corruption and fraudulent transactions
9. No clear indication of duration of contract period
10. Incorrect indication of quantities and costs estimation

Source: Own construction adapted from Van Helden & Reichard (2019:478-495).

Other factors identified by Karim & Amin (2021:302-313) include: not meeting contractors' payment terms, variation, inflation, not keeping to project schedule. There are other minor factors such as inappropriate stakeholder communication, unbudgeted for project scope changes, difficulty in fulfilling technical specifications and disputes and conflicts not anticipated (Chai, Yusof & Habil, 2015: 66-68). Time is another factor, possibly because improper scheduling and inappropriate estimates for completion which will affect the time to complete and payment of salaries and wages (Hussain, *et al.*, 2018; 1-16).

1.6 Inefficient delivery

According to Gunduz & Yahya (2018:67-80), many recent studies have suggested that within the construction industry it is very important to achieve project objectives. Johnson & Babu (2020:402-411) further acknowledge the delays that have erupted over time as a serious problem for the construction industry, resulting in increased costs, disputes, litigation and project desertification. Furthermore, postponements are a huge issue influencing creative

measures in the fulfilment of project undertakings, because of an increase in the cost of materials (Hussain, *et al.*, 2018; 1-16).

The discovery of conventional ways of dealing with venture conveyance has been negatively affected by the wasteful and, often, ineffectual practices resulting from certain individual's lack of aptitude towards budgeting processes as well as the different and, at times, clashing objectives and interests of all stakeholders (Mohamud & Nyang'au, 2020:247-267).

1.7 Projects

According to Turner (2014:16), the PMBOK (Project Management Body of Knowledge) describes a project as a transitory movement that has a beginning and a positive end and differs in some exceptional strategy for each project. Along similar lines Rostami, Creemers & Leus (2018:349-365) defines a project as a strategy that lists the resources, as well as the different scope of work, within the restrictions of the budget and time that should be implemented.

The PMBOK states that since ventures are exceptional and contain dangers, venture associations will frequently classify their activities into a few undertakings to provide better administrative control. Hence, the period necessary to complete these undertakings is known as the task/project life-cycle (see Table 1. 3: below).

Table 1. 4: Project Life-Cycle

Project Life-Cycle	
Concepts and Initiation Phase	The first phase starts the project by establishing a need or opportunity for a product, facility or service. The feasibility of proceeding with the project is investigated and, on acceptance of the proposal, moves to the next phase
Design and Development Phase	The second phase uses the guidelines set by the feasibility study to design the product, outline the build-method, and develop detailed schedules and plans for making and implementing the product.

Implementation or Construction Phase	The third phase implements the project as per the baseline plan developed in the previous phase.
Commissioning and Handover Phase	The fourth phase confirms the project has been implemented or built to the design and terminates the project.

Source: Author' own construction adapted from Turner (2014:16)

For the purpose of this research study, a project is a plan that helps to maintain or improve a government asset. Babatunde (2018:997-1014) describe infrastructure as a type of community enthusiasm for which government strategy has a significant task to implement the undertaking in accordance with the project's financial turn of events and communal essentials. In addition, Rozmiarek, *et al.* (2022:1-17) indicate that infrastructure encompasses many types of services, including, but not limited to, public utilities, telecommunication, water, sanitation and sewerage, solid waste collection and disposal, roads, railways, airports and dams.

1.8 Problem Statement

A problem statement is a clear objective of the study, it includes a vision, issue statement, and the method used to solve the problem (Jowah, 2015:77).

This study's problem statement:

South Africa's Public Agencies frequently run out of funds in the middle of a project and, thus, leave many planned projects incomplete. These outcomes are the result of administrative conveyance fights and charges of corruption (due to abuse of government funds) for which no one is considered responsible or held accountable. The motivation for this study was to attempt to identify the causal factors for the failure of the budget to adequately meet the items for which the project was intended at a selected public agency. The study focused on how budgeting is done in the department and to identify the probable defects in the budgeting system. Specific interest was paid on the government officials that are involved in the budgeting and how they reach the figures that are too often inadequate. The result of the inadequate funding always causes unplanned for cost overruns and sometimes to the abandonment of the projects because of lack of funding.

1.9 Rationale and significance of the study

The results of this study will assist in identifying the causal factors for faulty budgets in government projects and pinpointing tools and techniques that assist in the delivery of government projects without defects. These findings will help practitioners and researchers improve the criteria application strategies of techniques currently considered effective in order to control excessive budget expenditure. This study will enable practitioners to identify the degree of contribution of budget holders in the advancement of spending measures and also assess the effect of training on budget measures and how improvements can be made.

1.10 Research Objectives

Aim of the research: The aim of this research is to understand the role of the budget in the execution of projects by considering the budget {cost} as part of the iron triangle used to determine the success and or failure of project execution according to the PMI stipulations.

Research objectives: these are the expectations of researchers as they undertake the survey. The objectives for this research study are to:

1. Identify the relationship between budget and technical specifications
2. Identify the relationship between budget and quality specifications
3. Identify the relationship between budget and scope specifications,
4. Identify the relationship between budget and stakeholder management.

1.11 Research Question[s]

These question[s] are intended to address the study gap indicated by the problem statement. The research question[s] are generally a dependable guide as to the literature to be reviewed for the research.

1. What is the relationship between budgets and technical specification in project execution success?
2. What is the impact of the relationship between budget and time in the success of a project?
3. What is the relationship between budget and scope in the project execution processes and success?
4. What is the role of the budget and stakeholder management in the project execution processes?

1.12 Hypothesis

A hypothesis is defined as a tentative statement about the relationship between two or more variables (Mourougan & Sethuraman, 2007:34-40). This premise is supposedly testable and, therefore, is researchable. The hypothesis is an initial generalization or proposition, the validity of which still needs to be verified by research (Jowah, 2013:87).

Hypothesis of this study: The budget is a critical element of the iron triangle and is impacted by the triple constraints of the project square root.

1.13 Research Approach

The research approach determines the method of data collection and stipulates whether qualitative or quantitative data is required, or a mix of the two. In principle there is nothing intrinsic about a research design that requires a specific research technique, however, most test designs generally utilize quantitative methods.

According to Jowah (2015:102) a research approach is a plan or programme of action that indicates the process to be used by a researcher in response to a well-defined research problem and research question(s). An inductive approach has the advantage of allowing for exploration and the acquisition of more information about the lives of the people being studied due to specific focusing. The proposed study will, through government projects, incorporate a blended strategies approach, by applying both narrative and numeric examination techniques to describe the possibility of budget systems. Creswell, *et al.* (2003:240) noted that “a blended strategy configuration is utilized to catch the best of both narrative and numeric methodologies”.

1.14 Target population

The research population is usually a collection of a large number of individuals or objects, which are the main focus of scientific research (Jowah, 2015:94).

Population of the study: The objective respondents for this research investigation included representatives from various cost centres inside the selected Western Cape Public Agency who are associated with overseeing spending plans and activities. Most respondents will be managers who are responsible for managing budgets.

1.15 Sampling survey and size

Sampling involves the method of selecting people from the population who will be considered in the sampling survey (Jowah, 2015: 99).

Sampling method of the study: The sample for this study incorporates managers who are directly involved with budget management.

Sample size – refers to the number of participants or observations included in a study.

Sample size of the study: The sample frame comprised of 312 unit managers / supervisors, and a systematic random sampling was used, every 3rd individual was requested to participate.

1.16 Research Instrument

Data collection tools refer to the equipment/tools that are used to collect data, such as paper questionnaires or computer-assisted interview systems (Jawah, 2015:110).

A structured questionnaire was used to gather the data, the tool was divided into 3 sections: Section 1 = Biography focusing on the eligibility of the respondents in terms of their work, responsibilities, and related issues. Section 2 = Likert Scale – this section focused on the respondents' expectations in terms of budgeting systems and projects that may eliminate cost overruns. Section 3 = Open-ended – this section allowed for interaction with the respondents which enabled them to state any other matters pertaining to the budgeting in their respective units.

1.17 Data collection method

Data collection/fieldwork is the data collection process using survey methods such as face-to-face interviews; telephone, mail and/or online surveys; or observations (Jawah, 2015:110).

With the assistance of 3 trained research assistance the questionnaires were administered on to the respondents selected. This enabled a 100% return rate of the questionnaires and the assistants also helped to explain any aspects of the questionnaire that may not have been clear enough.

1.18 Data coding and analysis

This process involves converting the collected data into codes, usually numbers, so that the data can be transferred onto storage media for analysis usually through a computer analysis program (Jawah, 2015: 134).

The questionnaires were brought together, cleaned, edited and coded before loading them onto an excel spread sheet from which illustrations were drawn. The illustrations (graphs,

charts, frequency polygons and tables) assisted in comparing of the variables and the interpretation thereof.

1.19 Demarcation/delimitation of the study

Demarcation/delimitation of the study refers to identifying the factors and variables that should not be included in the research.

Demarcation/Delimitation of this research study: It is proposed to undertake this research study in the Western Cape Region. The scope of the study will be limited to the budget managers employed at a selected Western Cape Public Agency. The purpose sampling procedure decreases the generalizability of findings. This study will not be generalizable to all areas of budget management. The calibre of sampled population will be taken from all the offices within the said Western Cape Government Public Agency, inclusive of the General Managers, and all these participating Managers will be randomly selected to make up the minimum sample size of 100 respondents.

1.20 Research Paradigm

A research paradigm can be defined as a set of common beliefs and agreements on how to understand and solve problems that are shared by scientists.

This research has been guided by the post-positivist examination worldview which is a valid interpretation of the conventional positivist methodology. This strategy embraces both narrative and numeric exploration methods (Meissner, *et al.*, 2011:1–39). This worldview was chosen because it comprises factors that can be confirmed objectively, for example, determining causal factors for faulty budgets and tools and techniques that aid the delivery of effective government projects which can be empirically measured.

1.21 Chapter Classification

The research study will be grouped into 6 unique parts, every section having a title that will be an element of the whole investigation. The research will provide data in an attempt to answer the research question relating to the issue being examined. The sections are recorded below;

Chapter One presented the research study and gave the foundation of the investigation. It also provided a short description of exploration destinations, research questions, research configuration, research philosophy, and data collection strategies and instruments and data analysis.

Chapter Two presented a comprehensive literature review of government's fiscal policy, planning systems, budget allocation and bureaucratic planning systems. This all-inclusive review resulted in the development of the research proposition.

Chapter Three focused on the conceptual framework, detail relating to budgets such as budget objectives, structural budgets, budget models, as well as their advantages and disadvantages.

Chapter Four focused on the theory of the research structure and the methodology utilized in the study, as well as the instruments used to accumulate data.

Chapter Five presented all the Tables and Figures arising from the collected data, each survey question was addressed and interpreted in order to highlight the connections between the various factors and their frequencies. This chapter comprised a comparison of the study's empirical results with previous the literature and theories discussed in Chapter Two.

Chapter Six – this final chapter will summarise the research project, draw conclusions in order to answer the research questions and the purpose of the research is met. Finally it will make recommendations based upon the research finding and offer suggestions for possible future studies.

1.22 Ethical Considerations

It is common research practice and a university requirement that respondents' ethical rights need to be protected, they should be allowed to participate voluntarily and anonymously and be able to pull out at any stage of the research process. No names nor any form of self-identification was allowed on the questionnaires. During the administration of the questionnaires, the following ethical considerations were adhered to:

1. All the participants were informed about the objective of the research study, the methodology, and how the results were going to be used.
2. The privacy and confidentiality of all respondents were strictly maintained before, during, and after the research study.
3. Respondents had the right to withdraw from the research process before and during the survey process.
4. Respondents were selected from randomly chosen occupation sections.

1.23 Conclusion

Budgeting is a viable management instrument that ought to be used to direct the execution of organizational plans and procedures. When all the elements affecting the legitimate management of budgeting procedures are carried out and monitored appropriately, the organization ought to have the option to use its resources ideally to arrive at its objectives and destinations. Hence the managers/supervisors' genuine perspectives regarding budget planning as an administration tool should be acquired. This research will likewise draw attention to issues that supervisors are concerned about regarding the budgetary process in the public sector in order to explain why the current negative situation has occurred and to make future-recommendations that can have a significant impact on how management uses budget planning as an effective management tool.

CHAPTER TWO: BUDGETING, BUDGET PROCESS, TYPES OF BUDGET

2.1 Introduction

This chapter discusses literature related to the purpose of budgeting, the medium-term expenditure framework, budget approaches, the relationship between budget and strategic planning, and the budget process. All of these issues are important for obtaining a proper understanding of the budget process. This chapter will also discuss the pros and cons of budgeting.

2.2 The budget

Klun & Benčina (2021:188-208) defines budgeting as an important function of government that reflects a clear agreement between the government and the public which is a private exchange for public services and benefits that achieve national priorities and goals. Budgets are often referred to as financial and other programmes relating to work, politics and social plans (Parliament of the Republic of South Africa Budget Analysis Manual, 2011:9). In addition, a budget is a document that contains words and statistics that propose the use of certain resources for achieving specific objectives. Furthermore, words describing expenditure items or objectives, together with their related numbers, are attached to each entry. A budget is also defined by Kaab & Nair (2021:41-51) as a process that involves a series of expenditures related to a set of objectives, or as a process by which public spending is implemented.

While the consideration of revenue and tax problems is in line with the budget process, in the context of a government's responsibilities, the budget is often seen as part of the spending process rather than as a fundraising process (Parliament of the Republic of South Africa Budget Analysis Manual, 2011:9). Budgeting is managed with limited control over proposed costs and is strongly emphasized in the public sector (Zweni & Jowah, 2017:118-132). In conclusion, the public budget serves as a cost-sharing process between the various objectives to achieve the best results. While it is true that a budget is a tool that can be used to help manage planning and resource management (Olaoye & Borode, 2019:531-541), it can be ineffective and often seems to promote conflict and even unethical behaviour.

Zweni & Jowah (2017:118-132) conclude that budgeting is a complex process, and the best results can be achieved only when a mixture of factors is considered. In addition, the personality of the participants, the type of budget that is being determined as revenue or expenditure, the approach to performance reporting and the degree of uncertainty are all important factors that cannot be ignored. Furthermore, budgets neither have the potential to

become effective performance and control tools nor have any automatic results during their implementation. Universal events have a more dynamic effect on installations, and product life cycles have become shorter, consequently, budgets have become less accurate (Zweni & Jowah, 2017:118-132).

Faleti, *et al.* (2014:44–52) argue that creating processes that are better in some aspects, it will not necessarily lead to superior budget results in the sense of providing a more accurate allocation of resources, because perhaps processes bridge technical and political aspects. Mikesell and Mullins (2011:1-30) similarly state that without both political motivation, innovations in budget and financial management are wasted both in terms of adopting innovations and achieving desired results. The political dimension in any nation probably increases the value of the process rather than the results.

According to Zweni & Jowah (2017:118-132) organizations often expect results from budget management and fail to realize that most budget problems are ethical. Moreover, when there is a reason for misconduct, pressures are rife, leading to uncertainty, anger and actions that undermine the long-term prospects of the organization. Therefore, the entire budget process must be conducted efficiently and its effectiveness measured in terms of the extent to which it provides the necessary motivation for people to make a significant contribution to the achievement of the organization's goals.

2.3 Public Finance budgeting systems approaches

According to Zweni & Jowah (2017:118-132) Public sector budgets have the same features as those of the private sector. However, the major difference is that the former is a government regulatory tool and is not generated with a focus on profit. A national budget involves a system of people and is comprised of a set of budgets from the public sector (Zweni & Jowah, 2017:118-132). Out of the many different approaches to creating a budget (Faleti, *et al.*, 2014:44-52), four common approaches in government are (1) line-item budgeting, (2) programme planning budgeting systems, (3) zero-based budgeting and (4) performance-based budgeting.

2.3.1 The Line Item Budgeting

A line item budgeting system is defined by Alabi, *et al.* (2013:207) as a way to create a budget for the public sector that focuses on items or expenditure topics and has a line drawn up to achieve the budget's objectives for the set financial year. Likewise, line budgeting is an easy

way to create a budget that connects system inputs to the system, however, these budgets are controversial and often appear in the form of accounting documents expressing very little information about the purpose and/or tangible objectives within the system (Faleti, *et al.*, 2014:44-52). Line items are usually detailed and specify the amount of money that a particular office is allowed to spend on goods & services and the compensation of employees for the following year (Alabi, *et al.*, 2013:203-219). According to Ibrahim (2013: 88-98) the most frequently used terms among authors relating to the line item budgeting method are the "traditional budget method", "ascending budget method", "spending method", "acquisition method", "asset method" and "line item method".

Budget experts consider a line item budgeting method to be the easiest of all approaches because it is easy to prepare and understand (Faleti, *et al.*, 2014:44-52). However, the weakness of the line item budget is indicated by the nature of the implementation period. Also, there is no information available on the efficiency of the registered system nor why the money was spent on specific items (Alabi *et al.*, 2013: 203-219). Moreover, as seen by budget technology, the line item budget includes an object system that will not be easy to operate within a large business organization that require conducting a variety of related functions. Although there are many ways to generate a budget, in each section there is a specific set of criteria that define the revenue and expenditure for each option (Lunenburg, 2010:1-8), consequently, line items are a necessary and critical element of any budget approach.

2.3.2 The Program Planning Budgeting System

According to Faleti, *et al.* (2014:44-52) the program planning budgeting system (PPBS) is the relationship that exists between the line item and programme budget and the more complex operating budget. The PPBS is an attempt to consolidate a decision on how much money to generate and allocate in a comprehensive planning and analysis process (Ibrahim, 2013:88-98). This process aims to serve as a long-term planning tool that helps the decision makers to become aware of the future effects of their actions and, thus, is generally beneficial for large projects (Faleti *et al.*, 2014:44-52).

According to Mikesell and Mullins (2011:1-30) the PPBS process is critical to the division of government functions into the system of programmes, sub-programmes, functions, and sub-functions, which may or may not be aligned with the public entity. Along similar lines, the PPBS focuses on programme outputs, and traditional budgeting methods often emphasize spending (Lunenburg, 2010:1-8).

2.3.3 The Zero-Based Budgeting

Zero-based budgeting (ZBB) means the creation of a new budget in the zero zone for the next year in which no past costs are taken into account (Alabi *et al.*, 2013:203-219). ZBB is a management system that provides a systematic review of all programmes and activities in line with budget requests and planning (Ibrahim, 2013:88-98).

In the ZBB approach, every year a budget is made on the basis of nil past costs (Mohamed *et al.*, 2015:327-340). Additionally, such an approach is only possible if the organization's average income will be equal to the estimated cost. The continuation of a decision-making process in which the budget for the fiscal year is provided, determines most of the current budget (Faleti *et al.*, 2014: 44-52) and, in addition, the allocation of discounted funds is determined from a zero-sum calculation method. In the governmental budgeting process, each departmental unit activity proposes a particular objective related to a specific goal that a department can achieve if allocated a specific sum of money (Faleti *et al.*, 2014: 44-52).

The ZBB approach focuses on the efficient use of resources (Alabi, *et al.*, 2013: 203-219). However, its shortcomings are that it is difficult to use because it is not easy to develop and make decisions and packages and, thus, requires a lot of time-consuming paper work. The ZBB system, however, can be easily implemented in the form of job vacancies, including hiring and retrenchment within personnel services and agricultural services, that need to be produced annually (Alabi *et al.*, 2013: 203-219).

2.3.4 The Performance-Based Budgeting

This approach attempts to resolve decision-making problems based on the programme's ability to modify inputs to outputs and the use of touch-to-touch certain results (Faleti, *et al.*, 2014:44-52). According to Faleti, *et al* (2014:44–52) performance is possible to judge by the ability of a particular programme to meet specific objectives and contributes to an obscure purpose such as calculating the efficiency of the resource system and positive input connection to outputs. Moreover, decision making and sub diving the resource problem is solved by deciding which project enhances efficiency and effectiveness.

2.4 The budget process

As defined in the Parliament of the Republic of South Africa Budget Analysis Manual (2011:1–8) the budget allocation process is the basic process by which government makes and approves the budget. According to Zweni & Jowah (2017:118-132) the budget process facilitates communication and collaboration between different business components.

The management accounting section of the budget process can motivate staff and improve ethics among managers in directing budget management (Zweni & Jowah, 2017:118-132). The prevailing point of view amongst academics is that while budgeting involves individual units from cost centres and activity-based costing (ABC) to determine where and how much money is needed, there is a need to mobilize the whole organization in budget generation. This 'bottom-up' activity involves independent and interdependent budget cost centres that have to coordinate the budgeting process.

According to Faleti *et al.* (2014:44–52) one of the difficulties in the budgeting process is ensuring the smooth transition between politics and practice because no single measure of social welfare applies to all public services. In addition, the fact that elected officials tend to be more concerned with the political party and the people they represent and, therefore, vote for them directly or indirectly, rather than for the good of the community. Consequently, the desire for a truly ethically motivated budget has been the challenge of budgeting committees for nearly a century. In conclusion, the above are natural problems experienced in obtaining a budget process that produces improvements in general human well-being. Along similar lines, Zweni & Jowah (2017:118-132) concludes that employees do not make a personal commitment to budgeting, because they will seek ways to curb the budget process. The Parliament of the Republic of South Africa Budget Analysis Manual (2011:12) revealed that the budget process ought to be represented by the following principles:

Table 2. 1: The budget principles

Transparency	The standard of transparency is pivotal to the budget cycle, commanding that data influencing budget choices (such as budgetary and financial data and data on improvement 'pushes' and projects) ought to be exact, valid and depict the authentic condition of the economy. Furthermore, this data ought to be accessible and available to the public, open to public investigation and composed straightforwardly and, thus, easily perceived by the general population.
Responsibility	The standard of responsibility is significant in the budget cycle. Public funds are determined chiefly from two sources: commitments of residents through tax collection, and open borrowings whose reimbursement is

	borne by citizens. Subsequently the State ought to be responsible for the manner in which it raises public funds and how it utilizes citizen's money.
Interest	Investment in all degrees of social, political and monetary dynamic is both a privilege and an obligation. Support is a vital rule in the budget cycle. Payable interest should be confirmed because it incorporates contributions from all divisions of society, and probably is going to bring about more 'fair-use' budget designs than a cycle which is commanded by the ground-breaking parts of society.
Value and equality	The budget process ought to be administered according to principles of value, uniformity and non-segregation. Public allocations ought to be reasonable, just and accessible to all residents independent of gender, nationality, social class and age. Specific steps must be taken to guarantee that marginalised members of society are not overlooked and/or disadvantaged in the financial plan.

Source: Author's own construction from Parliament of the Republic of South Africa Budget Analysis Manual (2011:12–14).

From Table 2.1 above it can be seen that there is a consistent need to guarantee that no additional spending of funds or extra budgetary uses are engaged in. The public should know exactly how the funds are used and receive an explanation of how this expenditure influences their lives and how their taxes are employed. Fundamentally, the appraisals ought to be sufficiently close to the real world practices. Public access to government's financial plans additionally ought to include an opportunity to distinguish between the achieved objectives and financial malfunctioning of the state economy.

Faleti, *et al.* (2014:44-52) states that the government budget cycle happens in four stages. The first stage requires public strategy arrangements, resource investigation and revenue assessment. The second phase known as public arrangement detailing involves the exchanging and arranging of the budget development. The third stage is known as public strategy execution/budget appropriation and comprises budget execution involving the usage and correction of the budget plan's strategy. The fourth stage includes the whole public budget

measure namely the examining and assessing of the effectiveness of the whole budget cycle and framework. The Parliament of the Republic of South Africa Budget Analysis Manual (2011:19) concurred that the South African budget plan basically comprises the following four phases of the budgeting cycle:

2.4.1 Planning phase:

The budget plan is arranged by the executive part of government through the National Treasury, with the Cabinet being answerable for creating strategy needs that advise the macroeconomic and monetary structure as a division of income over the three circles of government (National, Provincial and Local government).

2.4.2 Authorization phase:

When the extensive budget plan proposed by the executive has been scheduled – a cycle that is essentially determined by the National Treasury – it is debated in parliament with the inclusion of composed premium gatherings, the media and the overall society/population. Thus, not only the law-making body investigates the executives' use of government funding, a process that guarantees noteworthy transparency. Following the tabling of the budget plan in parliament, the budget plan then is presented officially through formal conferences in which various sectoral interests are debated and resolved.

2.4.3 Implementation phase:

The implementation stage occurs when the budget plan has been authorized by parliament and is the stage which grants service delivery. The key role players in this stage are government organizations and departments responsible for administration conveyance and by and overall implementation. The implementation phase additionally incorporates the National Treasury which is liable for releasing funds and setting the guidelines for parliamentary committees and civil society organizations (CSOs), the media and the overall population.

2.4.4 Evaluation and Auditing phase:

The evaluation/auditing stage includes a survey of the final budget archives by independent review organizations, such as the Auditor-General (AG) and evaluating the consistency of such records against lawful authorization. The AG looks at the financial management, performance and position of every substance by examining its year-end reports. After performing its auditing function, the AG's department offers its assessment on the status and nature of the budget summaries as reflected in the year-end records.

2.5 The budget cycle

According to Deng & Peng (2011:75-89) the budget cycle can be partitioned into the following four phases: preparation, review and selection, execution, and financial reporting and evaluating.

Figure 2. 1: The public budgeting process



Source: Deng and Peng (2011:75-89)

While the vast majority of the public receive information about the current year's budget when it is announced in parliament, it has taken 14 months of work to plan this budget. Thus, when the current budget is presented, the budget for the next year is already in the planning stage. The long planning cycle results from the various time-consuming measures that must be completed first. Each budget is important for the implementation of a continuous three-year plan called the Medium-Term Expenditure Framework (MTEF). Arrangements for the year ahead (year one of the MTEF cycle) are fixed while the succeeding two years (years two and three of the MTEF cycle) are updated within the next budget cycle.

The MTEF budget plan is a moving cycle that is reworked each year and targets decreasing the irregular characteristics between moderate proposals and those requested by line services (Anohene, 2011:27). Frequently units do not receive the amounts they budgeted for, either due to the lack of the essential funding, or on the grounds that the budgeted figures are deemed to be overstated. The MTEF is a positive development in the government budgeting process because it is viewed as an administration instrument for coordinating public budgeting and the subsidizing of funds for public needs (Gjokaj, 2017:79-88). According to Covalschi (2017:51-55) the MTEF ensure transparency, responsibility and inclusion of common society in the government's budget planning process.

The objectives of MTEF are to guarantee fiscal discipline, advance intra-sectoral resource allocation, improve budget consistency and validity, help productive utilization of public resources, and encourage political responsibility (Ogujiuba, *et al*, 2013:291-306). According to

Ogujiuba, *et al* (2013:291-306) the MTEF provides a connection between strategy needs and the financial plan.

2.6 Budgeting as a planning tool

According to Olaoye & Borode (2019:531-541), at the stage when the budget plan is to be utilized as a planning tool, it must be firmly connected to the business's strategic planning process. Operational planning budget reasons incorporate, among others, coordination of resources, detailing of activity plans, management of production capacity, assurance of required selling costs, consolation of inventive conduct and arrangement of data to outer parties (Sivabalan, *et al.*, 2009:849-871). Backers of budgeting guarantee that responsible budgeting forces a manager to become a better director by making planning the focus of the manager's mind (Abogun, *et al.*, 2009:1-13).

2.7 Budgeting as a control tool

The general motivation behind budgetary control is to help managers' plan and control the utilization of resources in a consistently efficient way to guarantee that they accomplish their financial goals (Egbunike, *et al*, 2017:23-31). Likewise, Faleti, *et al* (2014:44-52) further state that, public budgets as a major aspect of the management control tool intended to advance the productive utilization of resources and offering support for other critical functions. According to Olaoye & Borode (2019:531-541), when the budget is utilized for control, the degree of permitted adaptability in the process is a significant choice. Moreover, when in doubt, large organizations concerned with proficiency, ought to underscore the control function of the budgeting process. To quantify the progress of budget usage, particular checks should be fixed in order to ensure viable control of budget execution (Suberu, 2010:17-22).

According to Zweni & Jowah (2017:118-132), organizations frequently anticipate results from budgetary control and neglect to perceive that most issues of budgeting are behavioural. Moreover, this process may involve the broad preparation and inclusion of the budget holders to empower them to comprehend the budget's intricacies and change their behavioural attitudes accordingly.

2.8 Budgeting as a communication tool

According to Zweni & Jowah (2017:118-132) the budgeting process cultivates coordination, collaboration and communication among the different business units within an organization. Zweni & Jowah (2017:118-132) further states that budgets can be an instrument to help stakeholders remember the concurred targets and to measure their progress to date. Budgeting is not a substitute for successful decision making but rather the managers' planning

instrument and, thus, one of the best tools for the desired communication and integration (Faleti, *et al.*, 2014:44-52).

2.9 Budgeting as an evaluation and performance measurement tool

The performance evaluation process is commonly implemented towards the end of the budget period (Goode, *et al.*, 2011:207-214). According to Egbunike, *et al.* (2017:23-31) budgetary control is required for evaluating the organization's performance. Goode, *et al.* (2011:207-214) likewise mentions that organizations use budgets to drive and assess the management's performance. Evaluation and performance measurement is vital to an organization with the end goal that it can be utilized to determine if the organized budgetary control accomplishes the required results during a predetermined timeframe (Egbunike, *et al.*, 2017:23-31). Hope, *et al.* (2001:4) as cited by Abogun, *et al.* (2009:1-13) state that evaluating performance against a budget often makes managers predisposition their budget, thus bringing about inaccurate planning. Similarly, Zweni & Jowah (2017:118-132) further express that budgets do not have the capacity of generating a viable execution and control tool nor is there a guaranteed programmed result during the budget cycle.

2.10 Budget criticisms

It is suggested by Klun & Benčina (2021:188-208) that budgeting is one of the most challenging responsibilities for public agencies, an illustration of this fact is the lack of continuous analysing and monitoring of the execution of the proposed budget spending. Likewise Mikesell, *et al.* (2011:1-30) state that budget frameworks are regularly criticized because they require unattainable objectivity and agreement amongst stakeholders. Table 2.2 below delineates the budgets problems identified by (Olaoye & Borode, 2019:531-541).

Table 2. 2: Problems with budget

Budgets
1. Time-wasting and costly
2. Safeguard the organization instead of reducing costs
3. Too stiff and constricted
4. Favour unethical performance
5. Focus on how the officials utilize the budget rather than satisfying customers and other stakeholders
6. Focus on rewarding negotiation and neglect performance

Source: Author's own construction based on (Olaoye & Borode, 2019:531-541).

Bourne (2004) as cited by Abogun (2009:1-13) identified further problems with budgets as follows:

Table 2. 3: Budget weaknesses

1. Tedious and expensive to assemble.
2. Compel responsiveness and adaptability and regularly are a barrier to change.
3. Sometimes deliberately engage in unethical practices and oppose regulation.
4. Include little information of worth, particularly in relation of the time and effort needed to formulate them.
5. Focus on decreasing costs and not on ensuring creative input.
6. Reinforce vertical order and control.
7. Do not mirror the developing organizational structures that associations are embracing.
8. Support gaming and unreasonable practices.
9. Created and refreshed inconsistently, generally on a yearly basis.
10. Depend upon unsupported suppositions and mystery.
11. Fortify departmental hindrances instead of energizing information sharing.
12. Cause individuals to feel underestimated.

Source: Author's own construction adapted from Abogun (2009:1-13).

Neely, *et al.* (2003) as cited in Goode, *et al.* (2011:207-214) proposed the following budget weaknesses:

- Budgets need vital concentration and worth creation, however, the focus is constantly on cost decreases.
- The bureaucratic style restricts adaptability which, thus, impacts the budget compilers' imaginative impulses.
- Annual budgeting is too inconsistent, thus, resulting in inert contentions.
- Employees may not respond well to the imposed controls that often have constrained and demotivated them.
- Additionally, the top-down style of budget creation reinforces vertical order structures that discourage versatility and responsiveness.
- Working according to budget restrictions can result in a waste of time and effort because supervisors are frequently compelled to focus on 'budget games'.

2.11 Budget types

There are different types of budgets depending on their purpose as listed below.

2.11.1 Cash Budget

A cash budget is a plan of expected revenue and payments over a period of time (Bužinskienė, 2019: 32-39). According to Ross & CIMA Technical Information Service (2008:7) a cash budget is a detailed budget for projected cash inflows and outflows, including both income and capital goods. According to Bužinskienė (2019:32-39) the objective of the cash budget is to guarantee constant accessibility of adequate cash to meet the level of operations outlined within the different budgets. A cash budget guarantees the accessibility of sufficient funds to complete listed business exercises rather than providing an overabundance funds for such tasks (Amoako, *et al.*, 2013:188-191). Moreover a cash budget guarantees that an organization keeps its expenditure in line with arranged cash outflows (see Table 2.4 below:

Table 2. 4: Cash budget format

Cash Budget	Month 1	Month 2	Month 3
	R	R	R
Operational activities			
Receipts:	xxx	xxx	xxx
Cash Sales	xxx	xxx	xxx
Collections from credit sales	xxx	xxx	xxx
Receipts from loans	xxx	xxx	xxx
Other	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
Total receipts (a)	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
Payments:			
Payments for cash and credit purchases	xxx	xxx	xxx
Employee expenses	xxx	xxx	xxx
Supplies and services	xxx	xxx	xxx
Cash withdrawals	xxx	xxx	xxx
Purchases of non-current assets	xxx	xxx	xxx
Other	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
Total payments (b)	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
Net receipts (payments)(a-b)	xxx	xxx	xxx
Bank balance at start	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
Bank balance at the end	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>

Source: Author's own construction adapted from reviewed literature sources.

In conclusion, the cash budget seeks to establish how much cash the company has available at the end of each month and provide the financial budget with information timeously whether the company is likely to experience a benefit/profit or misfortune/loss within the end of each month.

2.11.2 Operating Budget

The operating budget is a formal and numerical description of the strategies, objectives and targets established by the enterprise's top managers for future working periods together with the company's intended actions (Sahin & Ghorbani, 2019:422-432). This description can be the budget of the income and costs anticipated in an imminent period (Ross & CIMA Technical Information Service, 2008:7). The following categories of budgets existing within the operational budgets of enterprises with a production activity: selling budget, production costs budget, purchasing budget, human resources budget, general and administrative budget and capital expenditures budget (Breuer *et al.* 2012:171-181).

2.11.2.1 An Operating Budget's Components

Although each firm's budget requirements are different due to the industry's idiosyncrasies, the primary components of an operations budget are listed below:

- **Revenue**

- The drivers and components of revenue are frequently split. Revenue can be forecasted on a year-over-year basis, but greater detail is usually necessary by breaking revenue down into its constituent parts. The following are common revenue generators: a large number of units, contracts, customers and products.
- The cost (average price, per unit price, segment price and such like).

- **Variable costs**

Variable costs are calculated after income is determined. These costs are termed "variable" since they are affected by revenue and are expressed frequently as a percentage of sales.

Costs that are subject to change include:

- Selling price of products
- Costs of direct selling
- Commissions on sales
- Fees for payment processing
- Freight
- Some characteristics of direct labour marketing

- **Fixed costs**

Fixed costs are normally determined after variable costs have been deducted. These costs are usually unaffected by fluctuations in revenue and remain relatively constant, at least within the operational budget's time frame.

The following are some examples of fixed costs:

- Rent
- Insurance for the head office
- Salary and perks for telecommunications management
- Utilities
- **Non-cash expenses**

Non-cash expenses such as depreciation and amortization are frequently included in an operational budget. Even though these expenses (excluding taxes) have no impact on cash flow, they do have an impact on financial reporting performance (that is the figures a company reports at the end of the year on their income statement).
- **Non-operating expenses**

Non-operating expenses are those that are not included in Earnings before Interest and Taxes (EBIT) or Operating Income. Expenses that may be included in a budget include:

 - Gains or Losses on Interest
 - Taxes
- **Capital costs in an operating budget**

In most cases, capital costs are not included in an operating budget. A statement of operations (income statement) that does not contain capital expenditures is referred to as operating budget. Most businesses create a separate budget for capital expenditures.

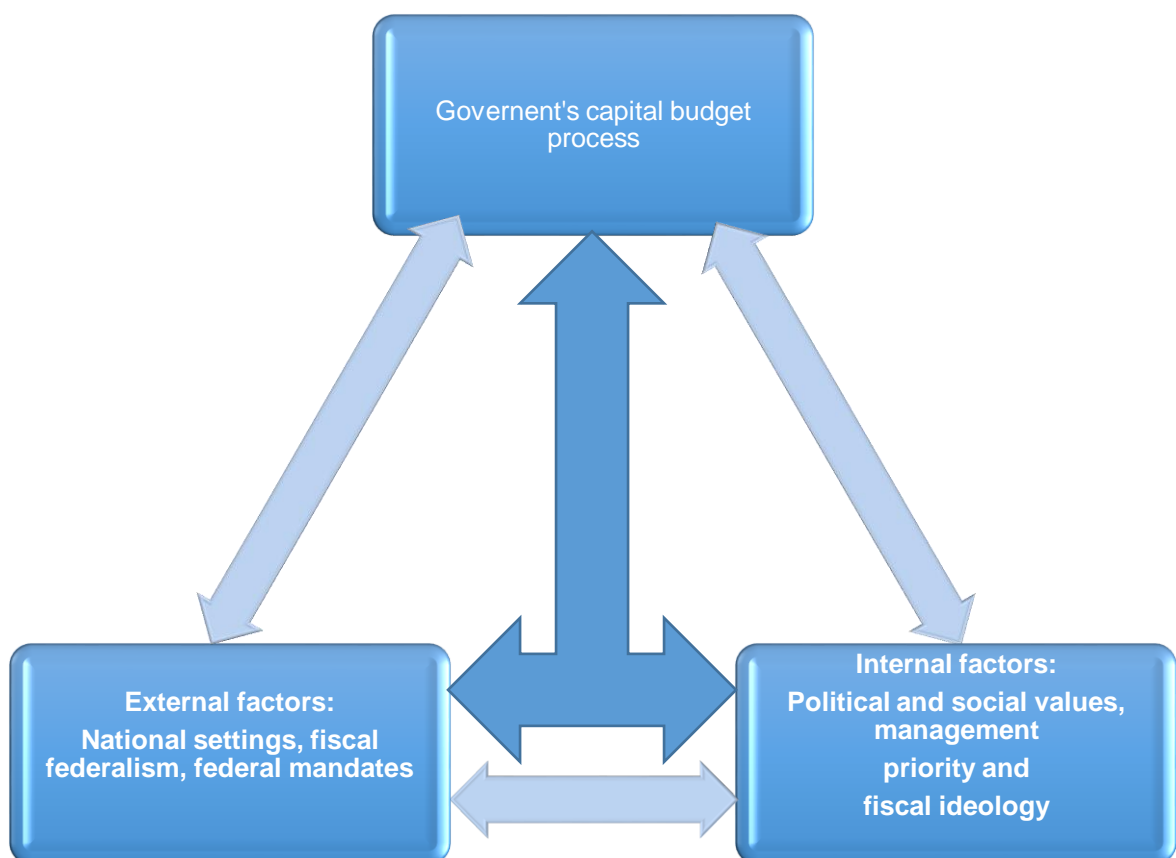
2.11.3 Capital Budget

According to Bennouna, *et al.* (2010:225-247), the capital budget analyses investment opportunities in long-term assets that are expected to be profitable for more than a year. It is also a process that involves decisions related to specific investment projects and the total amount of investment (Ross & CIMA Technical Information Service, 2008:7). A capital budget uses money to raise working capital that can be used to generate future income or decrease future expenses (Khamees, *et al.*, 2010:49-63). Furthermore, the capital budget is an important factor contributing to the profitability of the company and, in turn, is a crucial part of a comprehensive benefit plan. The capital budget gives an unequivocal articulation of the public authority's job in the economy and its responsibility to the general public (Klun & Benčina, 2021:188-208).

The capital budget distinguishes public needs by apportioning resources and appropriating the obligation regarding financing those activities (Klun & Benčina, 2021:188-208). Capital

budgeting handling could be a multi-faceted action planned to assist the choice of viable and worth-seeking after investment projects from numerous options (Nurullah & Kengatharan, 2015:55-82). It could be that an energetic but not an all-around acknowledged agreement exists and is affected by numerous changing variables within an organizational environment. Hence, care must be taken within the determination of capital investments to guarantee the likelihood of positive commitments being made to the organization (Alleyne, *et al.*, 2018:564-584). A state capital budget process arises from intelligent interaction between external issues (such as national settings) and internal issues (such as budget laws, legislative issues, and administration arrangements) (Srithongrung, 2010:407-430). Thus, these two components specifically influence the state budget preparation and, recently were connected with each other, thus, influencing the state budget process. Figure 2.2 below presents the conceptual system described in this section.

Figure 2. 2: External and Internal factors of government’s capital budget process



Source: Author’s own construction adapted from Srithongrung (2010:407-430)

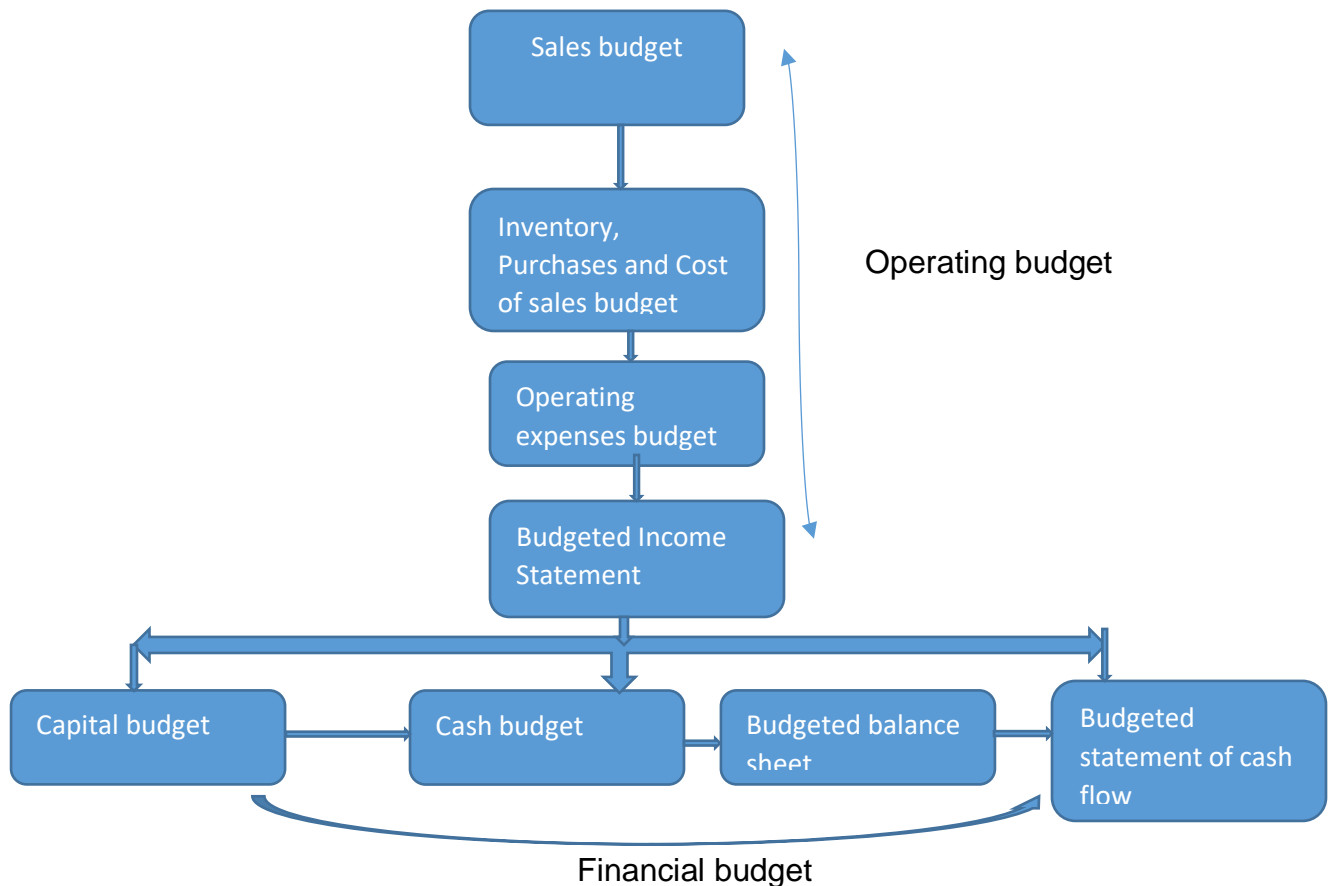
Figure 2.2 above shows that at the large-scale approach level, political collaboration, arrangement, financial capacity investigation and policy networking among the governors, senior budget holders and administrators, control the resource allocation process. These

components encourage understanding in investment choices, which is fundamental in a law-based society.

2.11.4 Master Budget

A master budget comprises all the departmental budgets that are arranged by the various departments (Bužinskienė, 2019:32-39). This budget combines all ancillary budgets and regularly includes the budget revenue statement, balance sheet and cash flow statement (Ross & CIMA Technical Information Service, 2008:7). It incorporates the budgetary planning, cash-flow figure, and budgeted benefit and misfortune account and balance sheet of the organization (Bužinskienė, 2019:32-39).

Figure 2. 3: Master Budget



Source: Author’s own construction adapted from reviewed literature.

According to Figure 2.3 above, the master budget is created in a sequential manner, with data from one budget being utilized to create, govern and monitor another budget. The objective of the master budget is to connect all of an organization's budgets, a task that implies that each

department should create its own budget to indicate how it will spend the allocated funding. The organization may not be profitable if the master budget is not implemented efficiently.

2.12 Budgeting methods currently in use by the selected Western Cape Public Agency

The World Bank and the International Monetary Fund devised the medium-term expenditure framework (MTEF), which was formally approved by some African governments in 2001 (Gollwitzer, 2011:111-152). Budget preparation, execution and monitoring have all improved since the implementation of the MTEF (National Treasury Republic of South Africa, 2004:4). The MTEF is designed to assist ministries to achieve a variety of objectives, including macroeconomic balance, improved resource allocation, budget predictability and efficient use of public expenditures (Wynne & Hove, 2010:1–5). In South Africa, the MTEF system makes use of essential budget documents to extract strategic information for decision-making, assures commitment to decisions made and enables accountability (National Treasury Republic of South Africa, 2004:2–5).

The South African government uses the MTEF budget procedure to set its budget. The MTEF is a significant instrument for supporting and improving the government’s budget planning. It also brings together resources, critical policy concerns and relevant government programmes. More information regarding the budget preparation and its link with the MTEF can be found in Table 2. 5 below.

Table 2. 5: In South Africa, the MTEF and budget preparation are linked.

Policy review	May – June Rollover designation letters are given to departments after endorsement by the Minister of Finance. During this period, the national treasury gives the MTEF budget guidelines (expenditure estimates guidelines) to departments (Public Education Office, 2015).
Preparation of MTEF and budget proposals	Round one for upcoming budget (July – August) Departments present their expenditure estimates to the National Treasury for the upcoming budget. Analysis and endorsement of changes to departments' budget programme structures occur. Cabinet Lekgotla happens in this month, during which strategy needs and execution considerations are discussed and endorsed.

Endorsement of fiscal	Minister's Committee on the Budget (Mincombud) endorses the preliminary fiscal structure and division of revenue and sectoral budget needs.
Proposal Reviews	September – The MTEC presents its recommendations for funding allocations for key government needs to the Mincombud, final recommendations on allocations are then taken to Cabinet for endorsement. The adjustments appropriation measure moreover starts in this month with recommendations with respect to unforeseeable and/or unavoidable expenditures are made. These changed allocations are appropriated the next month.
Submission to the cabinet	Round two for upcoming budget (October – November) The Adjustments Appropriation Bill and the Amended Division of Revenue Bill are tabled. The Medium Term Budget Policy Statement (MTBPS) which features key government needs, the sizing of the spending envelope for the following MTEF period, the proposed division of revenue and major provincial and local government allocation, is tabled in Parliament. Allocations to national public agencies are finalised and proposed to Cabinet in mid-November. When Cabinet approves these proposals, allocation letters are conveyed to the requisite departments.
Finalisation/ Reviews & Recommendations	Final round for upcoming budget (December – February) The Minister of Finance receives Budget Review and Recommendations Reports on the MTBPS, fiscal framework, and division of revenue, from parliament. These reports are dissected between December and February for reaction to parliament. The National Budget Appropriation Bill, Division of Revenue Bill, estimates of national expenditure and related budget information are concluded and afterward tabled by the Minister of Finance in parliament

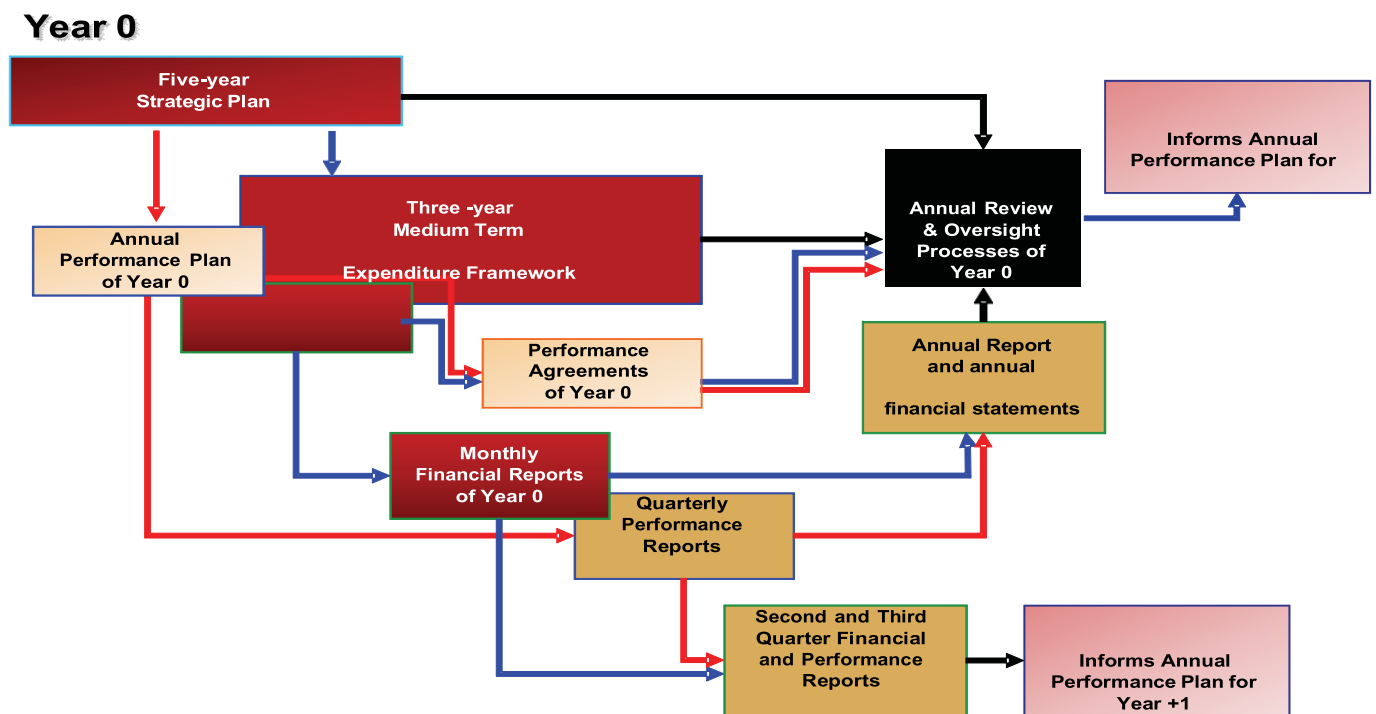
Source: Author's own construction adapted from Public Education Office (2015:2).

When there is a need for major funding, the Ministry of Finance submits the draft MTBPS and adjustment estimates to the cabinet for approval. Adjustments and new policy alternatives

should be clearly stated by the national treasury. Departments should provide further information on capital and ongoing projects to the national treasury and the cabinet, and these institutions should be informed when the projects are expected to begin. The MTEF allocations are given to the ministries in which they will be executed after cabinet approval. The implementing department must disclose any financial risks or potential liabilities that were not identified during the MTEF budget cycle (National Treasury Republic of South Africa, 2004:1).

The framework depicted in Figure 2. 4 below, on the other hand, outlines the connections between planning, budgeting and reporting for selected public agencies, as well as the paperwork required for each of these activities. Figure 2.4 below the budgeting framework is outlined.

Figure 2. 4: Links between planning, budgeting and reporting framework



Source: (National Treasury Republic of South Africa, 2004:10)

Five-year development plans for national economies are a common occurrence in government budgeting. Some governments use centralized state planning committees, while others have devised long-term plans that span more than 30 years. In general, each [five-year] plan addresses several aspects of development, such as capital goods, consumer goods, communications, transportation, agriculture, health, and so on. These five-year plans lay out what needs to be done and accomplished throughout the course of the plan's existence (National Treasury Republic of South Africa, 2004:10).

2.12.1 Five year Strategic Plan

A five-year strategic plan is a document created by the ruling party and tied to the electoral cycle. As a result, freshly elected national government ministers develop a five-year strategic plan outlining strategic policy priorities and plans for the coming five years (National Treasury Republic of South Africa, 2004). This five-year plan will serve as a roadmap for the new government in terms of policy and budgetary prioritization. As a result of this requirement, many stakeholders will work with the national treasury to compile the MTEF. The budget information provided by the MTEF demonstrates the connection between planning and budgeting.

2.12.2 Annual Performance Plan

The annual performance plan (APP) is a document that establishes performance indicators and measurable objectives to guarantee that the strategic plan is implemented efficiently and successfully on an annual basis. As a result, a national or provincial department will create an APP that outlines what the department plans to undertake in the coming fiscal year to ensure that the five-year strategic plan is fully implemented (National Treasury Republic of South Africa, 2004). The MTEC will convene before the budget is assigned to discuss major priorities and policies. Within a department, the MTEC comprises a group of senior managers.

2.12.3 Annual Budget

According to the Public Finance Management Act 1 of 1999 (Parliament of the Republic of South Africa, 2001:16) A member of the executive committee or the Minister for Finance in the province or national department must table the provincial or national annual budget for a financial year in the provincial legislature not later than two weeks after the national annual budget is tabled.

Financial Management within a department must provide the specified schedules to all programme managers with a request to develop budget breakdowns in line with the programme's strategic plans while preparing the annual budget. Thus, at the start of each fiscal year, the accounting officer of a department must present to the relevant treasury a monthly breakdown of anticipated income and expenditure (Parliament of the Republic of South Africa, 2001: 77).

Budgets reflect and are prepared in accordance with the organization's strategic goals and priorities. The APP guides all business divisions in developing their operational plans. The authorized budget allocation letters provided to each business unit to execute the operational plans are linked with these plans.

2.12.4 Monthly Financial Reports

On a monthly basis, a department's accounting officer must create cash flow statements and in-year monitoring assessment reports of actual and expected expenditure. These reports must be filed in the format specified by the treasury department (Parliament of the Republic of South Africa, 2001:77). As a result, within 15 days after the end of each month, these documents should be submitted to the relevant treasury and the minister or MEC responsible for the department (Parliament of the Republic of South Africa, 2001:77). If there are any discrepancies between the amounts predicted and those actually spent, the accounting officer must explain the situation to the relevant treasury and outline what steps will be taken to prevent future discrepancies.

2.12.5 Quarterly Performance Reports

Quarterly performance reports (QPR) are prepared and sent to the appropriate treasury department. These QPRs provide information about the department's main goals and objectives, as stated in the APP. The report's goal is to evaluate a department's financial and non-financial performance. On a quarterly basis, the progress of departmental performance against the budget and strategic plan, both financial and non-financial, is reported (South African National Treasury, 2000:21–23).

2.12.6 Annual Report and Financial Statement

Each financial year, the accounting officer of a department must prepare financial statements in conformity with generally accepted accounting practices and standards. The South African National Treasury Act (2000) further states that these financial statements must be submitted to the AG's office and the relevant treasury department for auditing within two months after the end of the financial year (South African National Treasury, 2000:21–23).

Performance against the budget and strategic plan will be reported at this stage, which will comprise the audit committee's performance report, annual financial statements and the human resource management and service delivery oversight report (South African National Treasury, 2000:22–23). Furthermore, the accounting officer must provide an annual report on or about the operations and financial accounts after they have been audited by the AG's office to the relevant treasury department within five months of the end of the financial year.

2.12.7 Annual Review Process

The yearly report must be considered by the executive authority of the national or provincial government. The budget is an estimate of future spending and, hence, the government is required to conduct ongoing reviews to compare the budgeted and actual spending of various departments to determine their level of spending (South African National Treasury, 2000:23).

There is a requirement to review the budget requests if the allocation of these resources in the budget estimations is to be of any practical value. The review aids in the coordination and evaluation necessary for the allocation of finite resources to maximize the advantages received from them (South African National Treasury, 2000:21–23). As a result, it may be argued as follows:

1. Accurate planning aids in accurate resource allocation,
2. Planning reviews aid the ultimate budget review, and
3. Proposals may not be deemed formal until they have been examined and approved.

There are several entities in the government's organizational procedures that handle budgeting at cost centres, and these will be at lower management levels. Proposals and/or reviews completed at each higher level are assessed by the succeeding higher level of the government hierarchy. As a result, ideas are discussed, amended and synchronized (coordinated) with proposals from other units at every higher level. This practice leads to the compilation of the master budget, which, if correctly implemented, should satisfy all stakeholders involved in the budgeting process.

The two primary functions of budgeting are planning and controlling, which are accomplished by comparing budgeted estimates and actual expenditures on a regular basis (Goode, *et al.*, 2011:207-214). As a result of this practice, there should be a budget review procedure that lays out the steps in great detail. It is difficult to carry out business and operational plans in the majority of circumstances, thus, it is vital to review the budget on a both quarterly and an annual basis.

Organizations should examine their budgets using the most up-to-date and relevant information available to reflect what amount of money was budgeted for, how much was planned for, how much was spent on the specific item or project, and how much of this money still is available or left to be spent. This procedure is used to evaluate an organization's performance (Mohamed, *et al.*, 2015:327-340).

2.13 Conclusion

In order for the government to provide services to the people it represents, every government agency needs a budgeting process that allows it to plan, execute and manage its activities in the most efficient and effective way possible. The public agency can also use the budgeting process analysis to adopt, analyse and reorganize strategic and operational plans. The budgeting process should be thoroughly recorded in order to assist the government to inform taxpayers on which projects their money is being spent.

According to the literature reviewed for this research study, the budgeting process should be managed to ensure conformity with the country's (South Africa) constitution and other legislative requirements. The budgeting process currently implemented within South Africa has been criticized by several authors as a time-consuming and costly exercise. This approach, however, maximizes the government's budgeting and financial management processes. The many forms of budgets utilized by the government should be well documented so that they can be used as communication tools for both the various public agencies and all the relevant stakeholders.

CHAPTER THREE: CONCEPTUAL FRAMEWORK BUDGET MODEL, ADVANTAGES AND DISADVANTAGES OF BUDGETING

3.1 Introduction

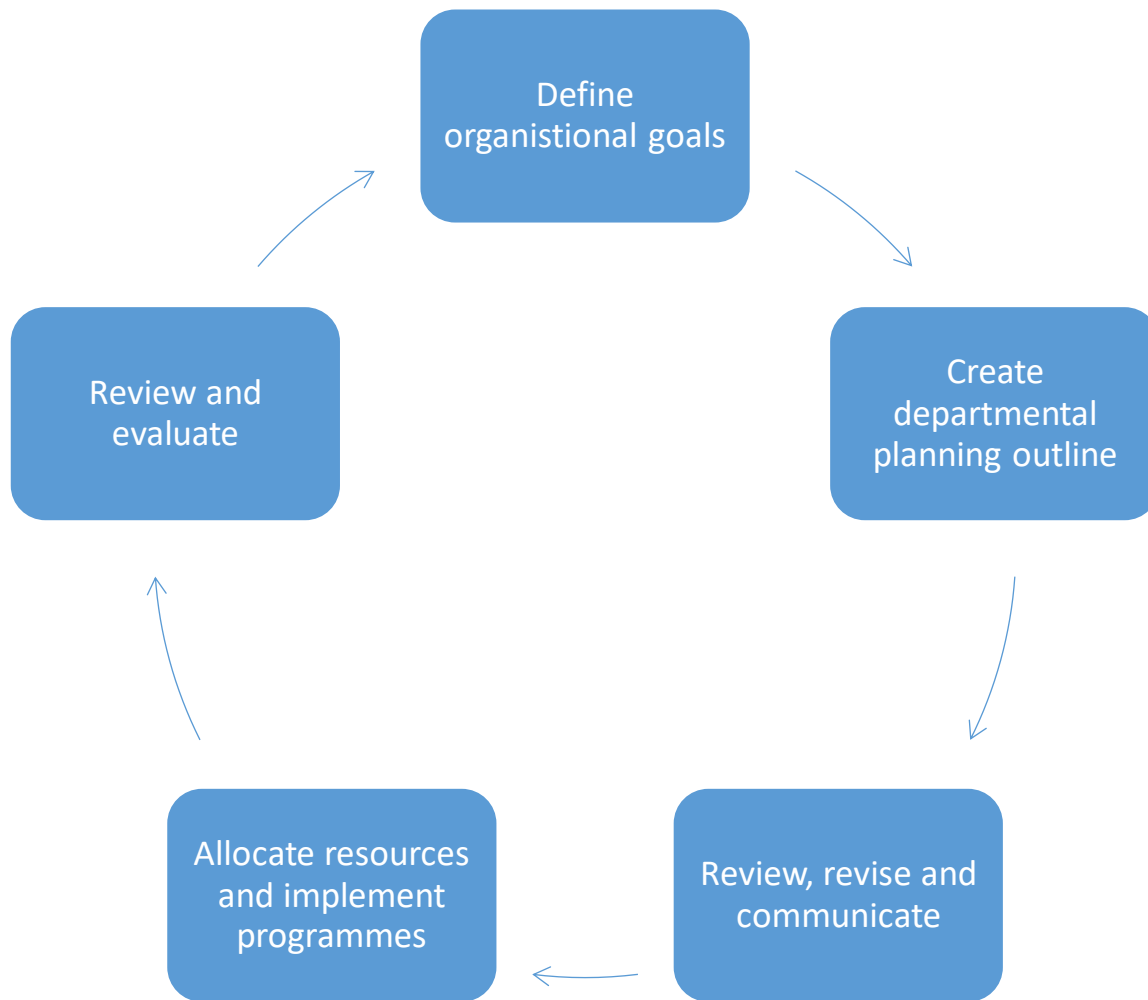
To have a superior comprehension of the difficult explanation of budgeting practices connected to this research study it is valuable to investigate reasonable models which can uphold the views expressed in this study. This chapter explains the hypothetical viewpoint determined by this study. The study endeavours to investigate the significance of budgeting theories and systems to arrive at the targets of this research project. Subsequently this chapter gives the applied structure supporting this research. The expectation of the theoretical system is to clarify the budget cycle in the public service generally, and the selected department specifically, considering the problem statement.

3.2 Budget Impact

For an organization to work adequately away from where the organization is driving should prompt what the organization is expecting to accomplish. Accordingly, clear standards and guidelines would need to be set up with the goal that objectives and destinations can be accomplished. For the most part an organization needs planning to be completely compelling and profitable. For a budget to improve and expand profitability it must be utilized as a planning and controlling apparatus. Qualified talented workers should be employed to prepare, actualize and monitor the implementation of the budget.

There are various budgeting models that are utilized by various organizations, Figure 3.1 below represents a budgeting model that an organization can use to define, execute and monitor budgeting.

Figure 3. 1: Budget Model



Sources: Author’s own construction adapted from reviewed literature.

As indicated in Figure 3.1 above, an organization should initially focus on characterizing and defining hierarchical objectives, and set out a reasonable vision and statement of purpose. Once needs and objectives have been characterized, the budget ought to be adjusted to meet authoritative objectives. Resources ought likewise to be adjusted to meet the organization’s goals and objectives.

When the planning phase has been completed, it must be audited consistently by a review committee within the organization. The review panel, comprised of senior managers and employees, should scrutinize the organization’s key needs. During the implementation stage monetary and different resources ought to be adjusted to coordinate the needs of the

organization so the activity plan can be executed. The financing requirements ought to be consolidated into an annual operating budget.

After the budget has been implemented it must be checked in order to address the following inquiries:

- To what degree have objectives and goals been accomplished?
- What is the reaction of the clients or the residents to the budget?
- How should the following year's planning, goals and objectives be executed and monitored?

3.3 Principles of Budgeting

Budgeting has been defined in the previous chapter as an important function of government that reflects a clear agreement between the government and the public involving a private exchange for public services and benefits that achieve national priorities and goals (Klun & Benčina, 2021:188-208). Budgets are often referred to as financial and other programmes such as work, programmes, political and social plans (Parliament of the Republic of South Africa Budget Analysis Manual, 2011:9). In addition, a budget is a document that contains words and statistics that propose the use of certain resources to achieve specific objectives. Furthermore, words describing expenditure items or objectives, together with accompanying numbers are attached to each objective. The term budget is also defined by Kaab & Nair (2021:41-51) as a process that involves a series of expenditures related to spending on a set of objectives, or as a process by which public funds are expended. Faleti *et al* (2014:44-52) suggests the following different reasons for preparing a budget:

- To provide a structure for executing major strategic decisions and ensuring that valuable restricted resources are proficiently and successfully assigned to accomplish explicit quantifiable targets.
- To cultivate coordination, collaboration and correspondence among the different business units.
- To accomplish ideal resource allocation, cost awareness and quantification of essential benefits.
- A comparison of actual outcomes against budgeted projections provides a premise to evaluate performance and signals the requirements necessary for remedial action.
- To aid the planning of annual operations.

- To facilitate the activities of the different divisions of the organization and to guarantee that these offices are operating according to the organization's set objectives.
- To impart plans to the different departmental managers.
- To propel managers and workers to accomplish the objectives of the organization.
- To control activities.
- To assess the performance of managers and workers.

As indicated by Silva *et al* (2012:354-360) there are four possible purposes behind budgeting in an organization:

- Operational planning.
- Performance evaluation.
- Communication of goals.
- Strategy formation.

Table 3. 1: Advantages of budgeting

Budgets	Build up a decent communication among management and employees.
	Help to keep a valuable trade of information
	Support a proficient resource allocation
	Help to acquire a more reliable, accurate and realistic budget
	Motivate subordinates to develop an uplifting disposition towards budgets, management and organization.
	Persuade subordinates
	Expand the fulfilment felt by employees at work
	Explain work assignments
	Decrease role uncertainty
	Increment organizational responsibility
	Expand subordinates' responsibility
	Motivate subordinates to be more devoted in accomplishing their targets
	Promote the foundation of sensible and feasible targets
Improve individual and organizational performance	

Sources: Author's own construction adapted from TĀNASE (2013:1-12)

It can be inferred that from Table 3. 1 above that the budgeting cycle empowers executives to consider why the organization exists, where the organization is going and how its objectives can and will be accomplished. It can be reasoned also that budgeting is one of the instruments that propels and directs subordinates to accomplish their objectives and considers them responsible for the outcome of their duties. TĂNASE (2013:1-12) attest that effective budgeting impacts workers' disposition towards the budgeting cycle.

3.4 Disadvantages of budgeting

When an organization prevents employees partaking in the budget cycle, they will be less motivated and fulfilled at work (TĂNASE, 2013:1-12). The budget cycle can be time consuming, particularly within a poorly coordinated organization. Table 3.2 below delineates the disadvantages of budgeting in an organization that does not permit its workers to take participate in the budget cycle.

Table 3. 2: Disadvantages of budgeting

Disadvantages
During the budget cycle successful communication between management and employees can be hard to accomplish
Budgeting can be time consuming and, subsequently, requires determination.
During the budgeting cycle It can be hard to ensure employees take an interest and to acquire information.
The budget cycle is bureaucratic and can be coercive.
The management and employees probably will not have an open demeanour.
Accomplishing contribution at top level of the organization is hard to achieve.
In the budget cycle employees may control budgets and resource distribution for their own advantage.
Management ought to give reasons for not encouraging employees to contribute to the final budget to prevent their demoralization,
At times employees might not have the relevant, essential information and knowledge that can approve their budget involvement.
Involvement can be seen by employees as a chore.
Expanded responsibility may pressurise employees.
Execution of budgeting framework includes costs.
Common trust between all stakeholders is significant for effective budgeting.

Sources: Author's own construction adapted from TĂNASE (2013:1-12)

All organizations plan budgets to be executed by the employees. In this manner it is crucial that employee participation in the process is not disregard. For an organization to work

proficiently management should include all employees. Budgeting impacts subordinates' mentality towards the budget cycle (TĂNASE, 2013:1-12).

3.5 The budget process (Cycle)

The budgeting process comprises three particular rounds, each of which requires the submission of the accompanying budget to the provincial treasury and national treasury. Budgeting is a top-down process in the department and generally throughout all public agencies. Employees are informed what they must accomplish and how to achieve these goals by executives who are usually politicians who do not participate in the budget generation process. An organization that ordinarily permits employees to take an interest in the budget process receives astonishing rewards (TĂNASE, 2013:1-12). South Africa's national and provincial budget process is a consistent cycle that runs from April to March each year (Public Education Office, 2015) and is indicated in the schedule for one year's budget cycle recorded below:

Previous Financial Year Budget

April

The national treasury issues departments with guidelines for demands for rollovers qualifying unspent funds from the previous financial year and, towards the month's end, rollover solicitations are submitted to the national treasury for evaluation.

May – June

Rollover designation letters are given to departments after endorsement by the Minister of Finance. During this period, the national treasury gives the MTEF budget guidelines (expenditure estimates guidelines) to departments (Public Education Office, 2015).

Round one for upcoming budget (July – August)

July

Departments present their expenditure estimates to the national treasury for the upcoming budget. Analysis and endorsement of changes to departments' budget programme structures also occurs. The cabinet's Lekgotla happens during in this month, whereby strategic needs and execution considerations are discussed and endorsed.

August

The ministers' committee on the budget (Mincombud) endorses the preliminary fiscal structure, division of revenue and sectoral budget needs.

September

The MTEC presents its recommendations of funding allocations for key government needs to the Mincombud, final recommendations on allocations are then taken to the cabinet for endorsement. The adjustments appropriation measure commences in September whereby recommendations with respect to unforeseeable/unavoidable expenditures are made. These changed allocations are appropriated during October.

Round two for upcoming budget (October – November)

October - November

The Adjustments Appropriation Bill and the Amended Division of Revenue Bill are tabled. The MTBPS which features key government needs, the extent of the spending envelope for the following MTEF period, the proposed division of revenue and major provincial and local government allocation, is also tabled in parliament. Allocations to national government departments and public agencies are finalised and proposed to cabinet in mid-November. When cabinet approves these proposals, allocation approval is conveyed to the respective departments.

Final round for upcoming budget (December – February)

December – February

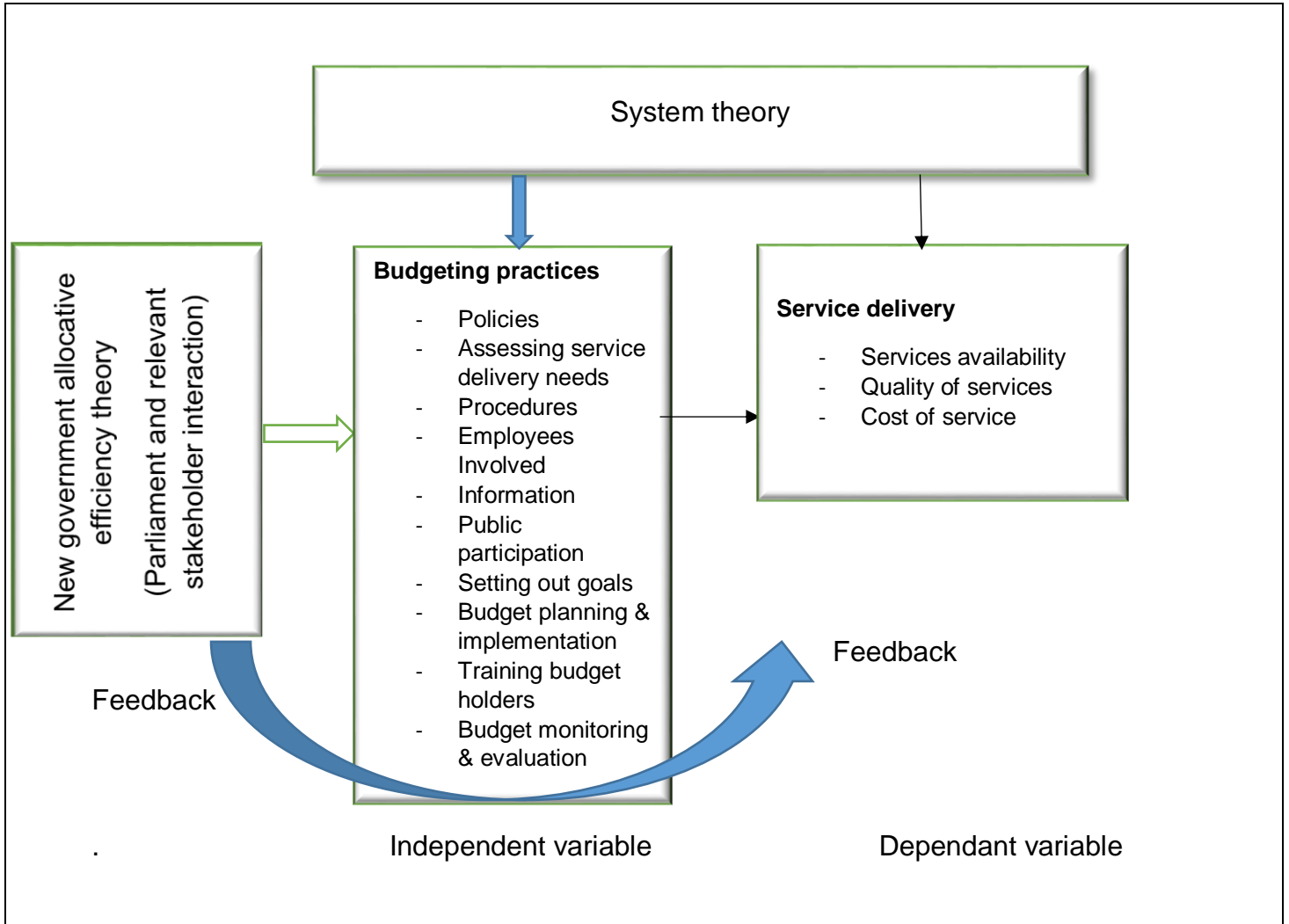
The Minister of Finance receives the budget review and recommendations reports in terms of the MTBPS, fiscal framework and division of revenue, from parliament. These reports are dissected by parliament between December and February, and its reaction obtained. The national budget, appropriation bill, division of revenue bill, estimates of national expenditure and related budget information are concluded and afterwards tabled by the Minister of Finance in parliament.

3.6 Recommended conceptual framework

The aim of the conceptual framework is to clarify the budget process/cycle in the public sector and the specific department considering the problem statement. Building and improving the way budgeting is conducted in the public sector, and more particularly the resource allocation process, is pivotal in guaranteeing that the proficient operation of public agencies. This practice also helps the public sector to adjust its planning and budgeting processes.

Figure 3. 2 below provides viewers with a clear understanding of the conceptual framework that is recommended by this research study to help the chosen public agency detail, execute and monitor its budgets.

Figure 3. 2: New Model – recommended conceptual framework



Sources: Author’s own construction adapted from reviewed literature.

In light of the different perspectives and the speculations provided in the reviewed literature, a conceptual framework for budgeting and service delivery conveyance (see Figure 3. 2 above) is recommended to show the connection between budgeting practices and service delivery in public sector entities. This framework holds that budgeting practices, as demonstrated by policies, methods, association of public officials, information and public interest, have a task to carry out in the idea of the advertised service. The quality of services offered by public entities are demonstrated by their accessibility to the residents, their quality and the cost of these services. Furthermore, government should interact with all stakeholders prior to setting up a

budget, because citizens need to know how their taxes are utilized. It is significant, therefore, for the government to audit the generation and enactment of its strategies to check whether they are in accordance with the guarantees made to the benefitting individuals and the budget's spending plan. Hence after the connection stage between the stakeholders and the state through which service delivery conveyance should be evaluated to highlight the important resources that are required for effective implementation. After service delivery needs have been surveyed, it is essential that the government should set principles governing how the restricted resources available for such needs can be administered with ingenuity. During the budgetary planning, strategic objectives both physical and money related targets, ought to be interpreted so that they match and/or are adjusted to the budget, to enable the government to effectively and efficiently actualize the budget. Before budgets are actualized, however, it is imperative that budget holders or the responsible managers are trained in the most proficient methods for capturing numbers on budget formats, examining budgets after money has been spent and composing income and expenditure reports. The training of budget holders will significantly improve their financial administration abilities because currently the majority of them are non-financial managers.

The proposed conceptual framework further recommends that estimating, monitoring and recording actual performance of both income and expenditure ought to be conducted monthly to allow each responsible department sufficient opportunity to make remedial actions if and when needed. Such a conceptual framework underlines the inter-linkages among the issues contemplated.

According to Sharma, *et al.* (2018:6-13) training plays an indispensable role in the building of the capabilities of new and current employees to perform their duties in a viable manner. Furthermore, training is considered an investment that brings the participating firm exceptional yields on investment as well as enabling it to accomplish the upper hand. Training produces benefits in terms of employee knowledge, aptitudes, capacity, abilities and conduct (Dabale, *et al.*, 2014: 71). It prepares workers to hold future positions in an organization with full ability and assists in reducing deficiencies in skilled labour in various job related areas (Sharma, *et al.*, 2018:6-13).

Table 3. 3: Rules for Employee Professional Evaluation and Development

Ability	Assess the employee's actual capacity and health issues, if there are any deficiencies, to choose to what extent the employee can perform the required work.
Standards	Assess how workers see their positions in terms of understanding their undertakings and obligations, smooth collaboration with their supervisors, and consciousness of time limits.
Knowledge and Skills	Assess if the workers' experience, knowledge and proficiency are viable with their roles and responsibilities. If they are not, check if there is any training necessary to eliminate the knowledge and expertise gaps.
Measurements	Conduct worker assessment by measuring the employee's performance regarding task execution in a way that prevents a biased assessment of the employee.
Feedback	Check if the worker regularly receives feedback on their work and performance.
Environment	Check if the worker is provided with the essential tools required for task completion and if sufficient time is allocated for task completion, or if the workplace environment encourages task fulfilment.
Motivation	Check if there are any incentives for good performance or discipline for poor quality performance.

Sources: Author's own construction adapted from Sharma, et al (2018:6-13)

Table 3.3 above shows that organization should not execute training and development programmes without recognizing the capabilities, knowledge and skills of its workers. Training and developing the workers' abilities is a significant cycle that an organization ought to implement because it enhances the performance and esteem of its workers.

3.7 Conclusion

Despite the fact that the budget cycle varies between the private and the public sectors, the crucial role player in the government's budgeting process is parliament which sets the policies that drive the budgeting cycle. All the stakeholders, especially the people the government serves, ought to be consulted regularly. Parliament needs to assume a major role in the budget cycle and to additionally guarantee that public funds and other resources are used ethically and proficiently.

Budgeting is one of the executive tools that help management in planning the effective use of organizational resources. While budgeting has its drawbacks, no organization can operate efficiently by without one. The new model that is recommended in this study helps to ensure that government budgets are generated, implemented and monitored without any challenges, thus, enhancing the delivery of social services.

Individuals involved with budgeting and their financial administration ought to be trained constantly in order to ensure adequate management of these processes. Each organization within the private and public sectors ought to implement training and development programmes to upgrade their workers' performance consistently. It is important, also, to train and improve the aptitude of managers especially in overseeing the financial resources of an organization.

CHAPTER FOUR: RESEARCH DESIGN AND METHODOLOGY

4.1 Introduction

This chapter clarifies the methodology that was utilized to drive this research study towards a framework for the effective budget management of project delivery. Research is defined as an intensive activity used to accumulate facts from which new ideas, hypothesis or theory can be created (Salkind, 2012:2). According to Marvasti (2018:23–37) research can be an after effect of amalgamation and/or investigation, or a blend of both, depending upon past research findings. Furthermore, logical research activities prompt the foundation of new facts, test new thoughts, contradict well established facts or simply affirm existing knowledge and reach new conclusions (Walliman, 2011:3). The research process is systematic and involves the efficient and objective collection of data, which is then analysed and interpreted in an attempt to answer the research question or provide an answer to an identified problem (Marvasti, 2018:23-37).

The beginning stage of a research process is the selection of a research topic based upon a problem identified by a researcher and, afterwards, to discover the causes of and solutions to that difficulty (Kumar, 2019:41–45).

4.2 Purpose of the study (Research Problem)

A problem statement is a clear objective of the study, it includes a vision, issue statement, and the method used to solve the problem (Jowah, 2015:77).

This study's problem statement:

South Africa's public agencies usually run out of funds in the middle of a project and, thus, leave many planned projects incomplete. Frequently these outcomes are the result of administrative conveyance fights and charges of corruption (due to abuse of government funds) for which no one is considered responsible or held accountable. Therefore, the motivation behind this study is to attempt to identify the causal factors for the failure of the budget system of the selected public agency and the defective budget in government projects in general. The study seeks to discover the role played by government employees who are responsible for budget planning and budget execution measures. This knowledge will empower the researcher and other interested parties to comprehend the probable explanation behind the fluctuation between budgeted and actual project costs each year.

4.3 Objectives of the study

The aim of this research is to understand the role of the budget in the execution of projects by considering the budget {cost} as part of the iron triangle used to determine the success and or failure of project execution according to the PMI stipulations.

Research objectives: these are the expectations of researchers as they undertake the survey.

The objectives for this research study are to:

- 4.3.1** Identify the relationship between budget and technical specifications
- 4.3.2** Identify the relationship between budget and quality specifications
- 4.3.3** Identify the relationship between budget and scope specifications,
- 4.3.4** Identify the relationship between budget and stakeholder management.

4.4 Research question(s)

These question[s] are intended to address the study gap indicated by the problem statement. The research question[s] are generally a dependable guide as to the literature to be reviewed for the research.

- 4.4.1** What is the relationship between budgets and technical specification in project execution success?
- 4.4.2** What is the impact of the relationship between budget and time in the success of a project?
- 4.4.3** What is the relationship between budget and scope in the project execution processes and success?
- 4.4.4** What is the role of the budget and stakeholder management in the project execution processes?

4.5 Research design and research methodology

Research design is the optical arrangement that is used to direct a research study. Jalil (2015:6) agrees that research design alludes to the coherent structure of the request. Furthermore, it expresses what information is needed, from whom and how it will respond to the research question. At a very basic level, research design influences the degree to which causal claims can be made about the effect of the intervention. Research design accordingly “manages a coherent problem, and not a calculated problem” (Oaks *et al.*, 2013:27). The

research design guides the research methodology and impacts the type of research techniques deemed fitting to be followed and includes the tools and techniques which are utilized to gather and analyse data (Campbell, 2016:659). As expressed by Jalil (2015:6), research design is a structured activity plan that gives guidance as to the means and methods to be followed during the research investigation. The researcher assumes that the research design provides a total rule as to data collection. The following items incorporate the ideal of a research design (Jalil, 2015: 8):

- Research approach selection,
- Sampling plan,
- Experiment plan and
- The design of the questionnaire.

Both narrative (qualitative) & numeric (quantitative) research approaches have advantages. To consolidate the advantages of the qualitative and quantitative research domains is, obviously, appealing (David, 2004). All research must guarantee some level of both legitimacy and speculation and, thus, is the reason such an investigation is called research and not craftsmanship. The need to separate or join narrative and numeric examination within a investigation is determined by the specific conditions of the research project in terms of its precise inquiries (Wisker, 2001:124).

4.5.1 Difference between research design and research methodology

Research design alludes to the structure of the request (Jalil, 2015:6). In addition, it explains what data is needed, from whom, and how this collected information will address the research question. The research design influences the degree to which causal claims can be made about the effect of the proposed intervention. Research design consequently “manages a legitimate problem and not a calculated one” (Oaks, Aberdeen & Psychology, 2013:27). Likewise, instructions to carry out the research, or what information to gather, becomes a choice of strategies.

Research methodology determines the method of data collection. This task governs whether qualitative or quantitative data is required, or a mixture of the two approaches. In principle there is no intrinsic reason why a particular research design requires a specific research technique, however, the majority of test designs generally utilize a quantitative method.

Table 4. 1: Difference between research design and research methodology

Research design	Research methodology
Overall strategy	Various processes of execution
Based on the request question or problem	Depends on the research design
Focuses on type of study planned & expected results	Emphasises type of methods/tools needed to collect & analyse the evidence
Emphasises rationality of the study	Emphasises processes and techniques
Emphasises what tasks should be conducted	Emphasises how research should it be conducted

Sources: Author’s own construction adapted from Wahyuni (2012:72)

According to the reviewed research literature depicted in Table 4.1. The above phrases are utilized reciprocally, however, it is significant that the distinction is made known. The research methodology is derived from the specified research design and, thus, constitutes a segment of the research design. The research methodology seeks to actualize effectively the overall research strategy to meet the ideal objectives. This research project determined the most appropriate research methodology to be adopted in terms of the research objectives.

4.5.2 Difference between qualitative and quantitative research

As mentioned above, the reviewed research literature recorded two types of research methodologies – quantitative and qualitative research techniques. These two methods vary in yet seem to supplement each other in specific kinds of research. The major differences between them are tabled below:

Table 4. 2: Difference between qualitative and quantitative research

Qualitative research (anti-positivist approach)	Quantitative research (positivist approach)
1. Seeks to understand and interpret.	1. Seeks to test hypothesis and make predictions
2. Uses smaller groups that are not randomly selected	2. Uses larger groups that are randomly selected
3. Focuses on studying the whole and not individual variables	3. Focuses on variables
4. Uses subjective data	4. Uses numbers and statistics
5. Uses patterns, features and themes	5. Uses statistical relationship

6. Subjective	6. Objective
7. Findings are less generalizable	7. Generalizable findings
8. Bottom-up method	8. Top-down method
9. Experiential model	9. Natural science model
10. Behaviour is studied in a natural environment	10. Behaviour is studied under controlled conditions
11. Attempts to be involved with subjects	11. Attempts to understand situation from outside
12. Considered multiple realities	12. Considers a single reality
13. Generates a narrative report	13. Generates a statistical report
14. Studies the breadth and depth of phenomena	14. Tests a specific hypothesis

Sources: Author's own construction adapted from Apuke (2017:42)

This research project was grounded in the post-positivist methodology which evolved from the conventional positivist theory. This strategy embraces both narrative and numerical exploratory procedures (Meissner, *et al.*, 2011:1–39). This approach was chosen because it involves an unbiased examination of factors that can be rationally confirmed, for example, determining the causal factors of faulty budgets, together with techniques and tools that aid the objective measurement of effectively delivered government projects.

The proposed study of a specific public agency's budgeting process, will apply a blended strategy approach by applying both narrative and numeric examination techniques to investigate the nature of an effective budget's generation, implementation and monitoring activities. Creswell. *et al.* (2003:240) note that "a blended strategy configuration is utilized to catch the best of both narrative (qualitative) and numeric (quantitative) methodologies".

4.6 Target population

The research population is usually a collection of a large number of individuals or objects, which are the main focus of scientific research (Jowah, 2015:94).

Population of the study: The objective respondents for this research investigation included representatives from various cost centres inside the selected Western Cape Public Agency who are associated with overseeing spending plans and activities. Most respondents will be managers who are responsible for managing budgets.

4.6.1 Sample selection and method of sampling

Sampling involves the method of selecting people from the population who will be considered in the sampling survey (Jowah, 2015: 99).

Sampling method of the study: The sample for this study incorporates managers who are directly involved with budget management. The researcher chose to utilize all the managers who are directly involved with budget management because this action did not result in any negative cost and time implications. Participants were selected randomly from the management level within one particular department because it would have been too expensive to involve a larger sample, plus the fact that generally there are always fewer managers than general employees within any organization.

4.6.2 Sample size

Sample size – refers to the number of participants or observations included in a study.

Sample size of the study: The population in the office is alluded to the budget holders. The sample is a base arrangement of 100 respondents. The selected Western Cape Public Agency has nine (9) units and five (5) sections per unit with an average of 30 officials per section. These units were stratified and sampling was undertaken randomly per stratum with a minimum of 10 officials per stratum being selected for the research.

4.7 Method of data collection

Data collection tools refer to the equipment/tools that are used to collect data, such as paper questionnaires or computer-assisted interview systems (Jowah, 2015:110).

In this research study a structured questionnaire was used to gather the data. This questionnaire is divided into 3 sections: Section 1 = Biography focusing on the eligibility of the respondents in terms of their work, responsibilities, and related issues. Section 2 = Likert Scale – this section focuses on the respondents' expectations in terms of budgeting systems and projects that may eliminate cost overruns. Section 3 = Open-ended – this section allows for interaction with the respondents during which the respondents are free to say anything they may consider important.

4.8 Data/Statistics analysis

This process involves converting the collected data into codes, usually numbers, so that the data can be transferred onto storage media for analysis usually through a computer analysis program (Jowah, 2015: 134).

The data collected was edited and cleaned to eliminate any possible errors and remove those that may not qualify. All the data were coded and the data was captured on to a program for analysis. The program used for data analysis is the Excel spreadsheet, the reason for choosing the program is the fact that it is user friendly. This data was then changed over to delineations as tables, pie graphs, histograms, recurrence polygons, bar diagrams, and so forth. These demonstrated the connections between the variables under study based on which the interpretation and analysis of the findings was based. This examined data is subsequently changed over to information on the basis on which generalization might be made on the research findings. The data part following is in this way a consequence of these findings and generalizations, from which conclusions and recommendations are inferred.

4.9 Ethical consideration

It is common research practice and a university requirement that respondents' ethical rights need to be protected, they should be allowed to participate voluntarily and anonymously and be able to pull out at any stage of the research process. No names nor any form of self-identification was allowed on the questionnaires. During the administration of the questionnaires, the following ethical considerations were adhered to:

- 4.9.1** All the respondents were informed about the objective of the research study, the methodology, and how the results were going to be used.
- 4.9.2** The privacy and confidentiality of all respondents were strictly maintained before, during, and after the research study.
- 4.9.3** Respondents had the right to withdraw from the research process before and during the survey process.
- 4.9.4** Respondents were selected from randomly chosen occupation sections.

4.10 Scope and limitation of the study

In as much as the study was maneuvered carefully and objectivity being at the focal point of the activities in the research cycle, the research has its own constraints. While these might have been deflected, it was imperative to acknowledge the real factors of the accessibility of different variables, cost of covering more respondents outside of the current contextual study. It is proposed to undertake this research study in the Western Cape Region. The scope of the study will be limited to the budget managers employed at a selected Western Cape Public Agency. The purpose sampling procedure decreases the generalizability of findings. This study will not be generalizable to all areas of budget management. The calibre of sampled population will be taken from all the offices within the said Western Cape Public Agency, inclusive of the General Managers, and all these participating Managers will be randomly selected to make up the minimum sample size of 100 respondents.

4.11 Summary and conclusion

The research methodology and design generally demonstrated the progression of the research for the given study. The appropriate data collection strategies were utilized. The overall research procedures and structures utilized in this research process comprise that of problem formulation to problem approval, including all the limitations. The research process established an appropriate framework and indicated how research methodology is contrived and employed by researchers. This process encourages researchers to consider it as an example and/or model for the research data collection process from the starting point of the problem statement until the research findings. In particular, this research stream draws new researchers to this specific research environment and methodology. Another essential component of the research outcome, based firmly on the reliability and legitimacy of the findings as providing proof of the appropriate population and the choice on the most proficient method for ascertaining the appropriate study population. The population must be applicable to the study, and, thus, people associated with budget management were regarded as pertinent to this study. To prevent gathering data from a few people who may have had indistinguishable issues and encounters, random and stratified sampling methods were utilized to make the population more representative. The use of a questionnaire as a data gathering tool was critical and, thus, had to be tested before it was utilized in the research process. The researcher further ensured that all fundamental research steps and processes were carefully executed to achieve the findings in the following chapter.

CHAPTER FIVE: DATA REPORTING, ANALYSIS AND INTERPRETATION OF THE FINDINGS

5.1 Introduction

This chapter describes and interprets the results originating from the research. As mentioned previously, the instrument used to gather the information was a structured questionnaire with closed questions (quantitative) and open-ended questions (qualitative). The aim of this research is to understand the role of the budget in the execution of projects by considering the budget {cost} as part of the iron triangle used to determine the success and or failure of project execution according to the PMI stipulations. The study seeks to discover the role played by budget holders in budget planning and budget execution measures. This information will empower the researcher to comprehend the probable reasons behind the differences that occur each year between budgeted and actual project costs. The study's objective was primarily to distinguish the extent of budget holders' inclusion in the development of the budget process with the intention of formulating intervention plans. Secondly, to develop a model that can be utilized by government to empower the budget holders to become more effective and efficient in the budget execution process.

As alluded to previously, a structured questionnaire was used to gather the data. This instrument was divided into 3 sections. Section 1 – Biography focusing on the eligibility of the respondents in terms of their work, responsibilities and other related issues. Section 2 – Likert Scale – this section focuses on the respondents' expectations in terms of budgeting systems and projects that may eliminate cost overruns. Section 3 – this section consisted of open-ended questions which the respondents were requested to answer.

The gathered data was captured and analysed utilizing an Excel spreadsheet and was then used to develop diagrams, tables, bar-graphs, structured presentations and histograms depicting the study's findings in order to exhibit the connection between its various factors. These findings are presented below.

5.2 Section A: Biographical information

The reporting of the data follows a specific pattern whereby the question is asked, accompanied by a brief explanation. The reaction that followed is then recorded in diagrams and/or tables. The purpose of the questions in the biographical section was to identify employees working for the chosen institution who qualified as survey participants for the study. The questionnaires completed by employees who did not qualify were removed and, thus, not

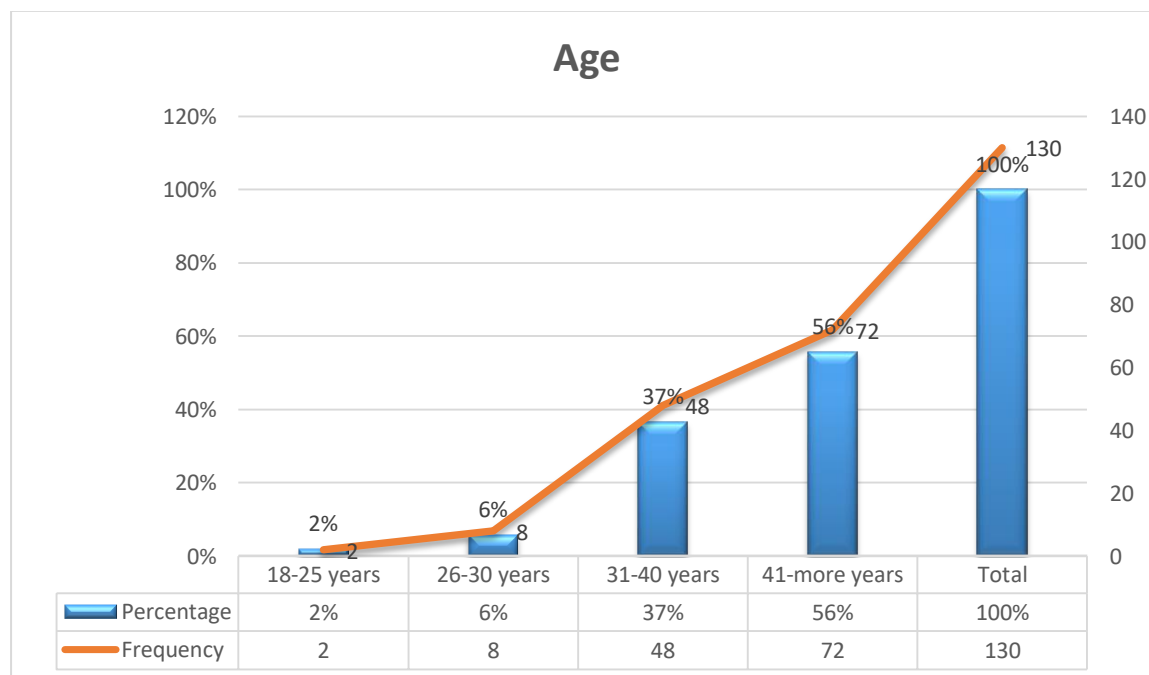
analysed. The analysis of participants' responses to questions or statements was presented through graphs, tables, charts and other illustrations that diagrammatically expressed their views.

Question 1: How old are you this year?

This question aimed to discover the age group of the individuals employed in the department, a process that permitted an evaluation of how long the respondents had worked in the department, together with their experiences throughout this term.

Responses: The research was completed by 130 individuals and their responses are shown as percentages in Figure 5. 1 below.

Figure 5. 1: Age range of the respondents



Source: Data analysed from study questionnaires (author's own construction)

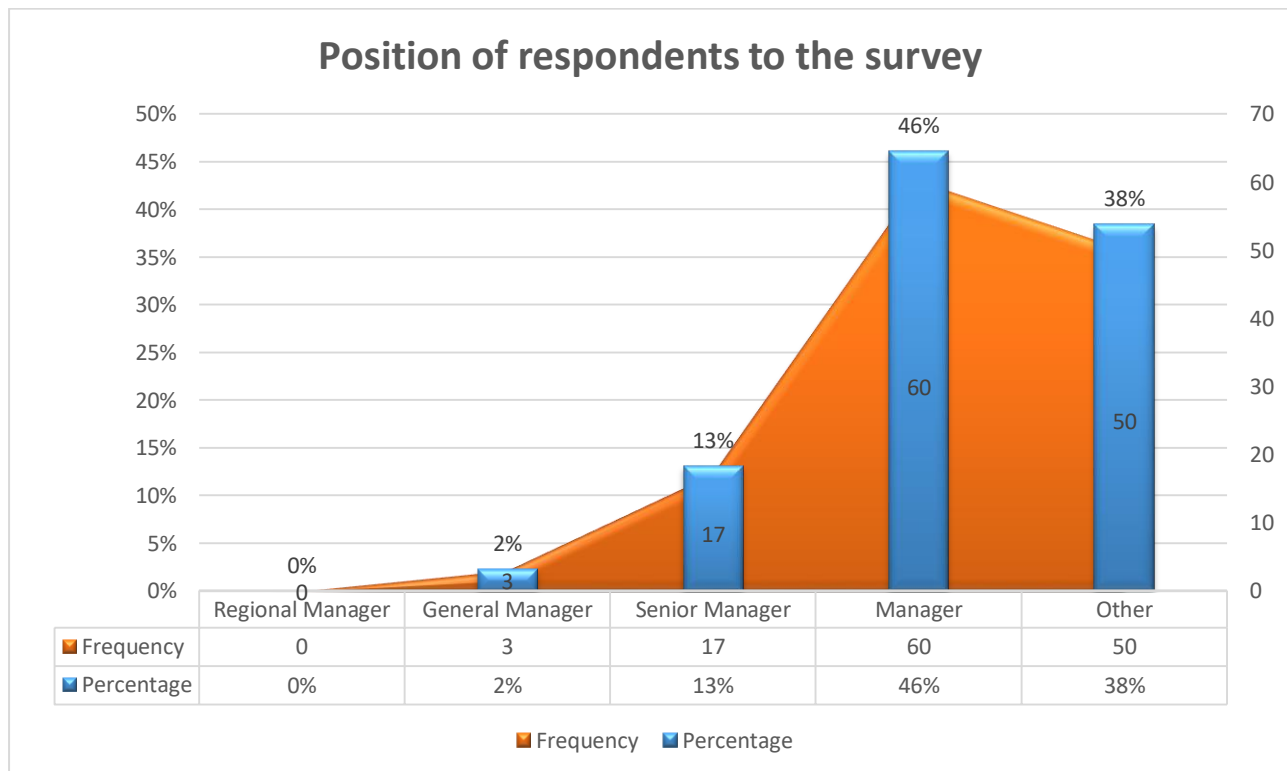
The major age group comprised respondents aged between 41 years and above (56%). 37% of the respondents were between 31 to 40 years, 6% were between 26 to 30 years, while only 2% were between 18 to 26 years. This result confirms that in the department there mainly more established people involved in budgeting.

Question 2: What is your position in the department?

This question aimed to discover the relevance of the respondent – subsequently it was necessary to request information on the role played by the respondent in the department.

Response: The percentages of the various management positions of respondents within the department are recorded in the column line graph below. The study respondents were required to participate in the budget process. Respondents who did not occupy a managerial post were also able to indicate their position in the department.

Figure 5. 2: Position of respondents to the survey



Source: Data analysed from survey for this study (author's own construction)

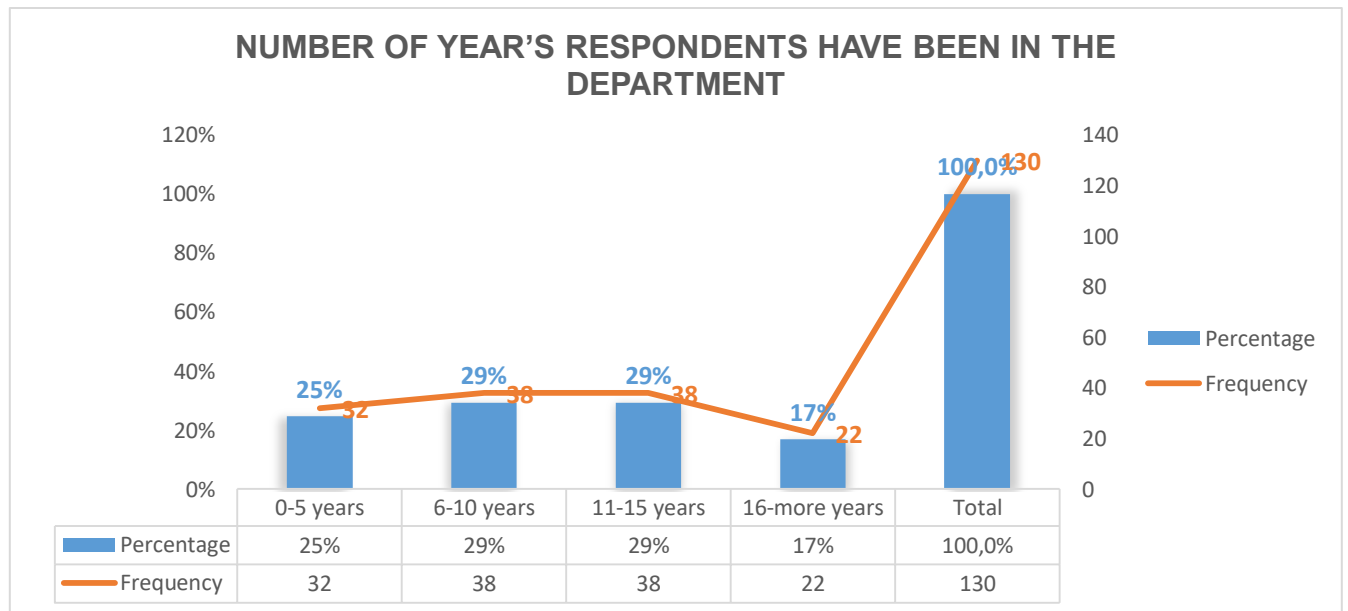
Figure 5. 2 above indicates that 2% of the respondents were General Managers, 13% were Senior Managers, 46% were Managers, and the remaining 38% were recorded as 'others'. These latter respondents' (38%) job titles were not listed in the questionnaire, however, it was verified that they were involved in the budget planning process.

Question 3: How long have you been working for the department?

This question was posed to further explore the possibilities of people who may have more experience in the budgeting process. Responses to this question would help to provide information based on respondents' years of experience. The presence of these senior members is expected to provide evidence that support and mentoring occurs within the department.

Response: There is no pre-existing knowledge about job rotation or expansion that results in new hires but, as mentioned above, 56% of the surveyed respondents were 41 years and older, which could give them an average of 5 years working life. The respondents' answers are recorded in Figure 5.3 below.

Figure 5. 3: Number of year's respondents have been in the department



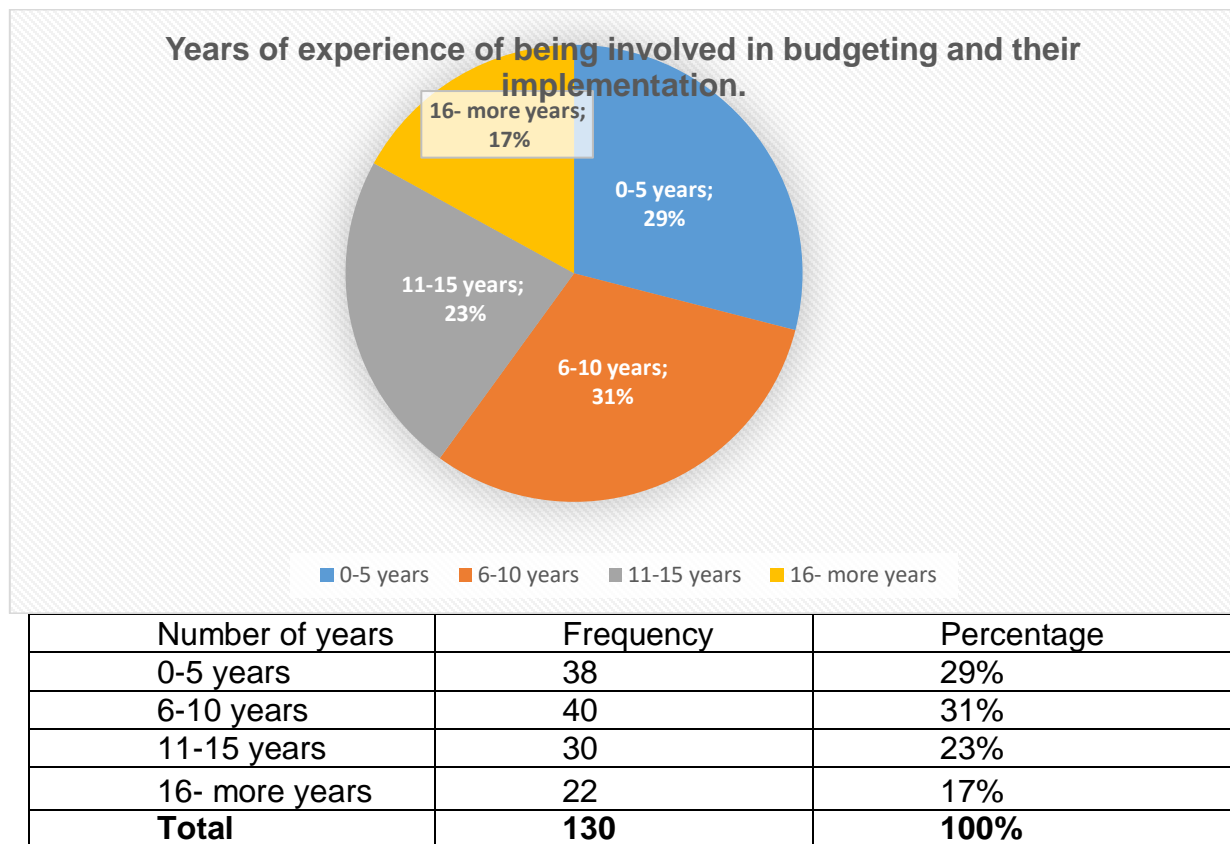
Source: Data analysed from survey for this study (author's own construction)

According to Figure 5.3 above, the majority of respondents have worked for this department between 6 to 10 years (29%), and 11 to 15 years (29%). A further 25% of respondents have worked for this department between 0 to 5 years. Lastly, 17% of respondents have worked for this department 16 or more years. It is a positive fact that the majority of respondents (75%) have been employed for more than 5 years because working with the government's financial resources and other assets requires experienced people capable of managing taxpayers' money.

Question 4: How long have you been involved in implementation of budgets and projects?

Response: This was an important question for measuring whether the respondents' involvement in budgeting and managing projects revealed leadership qualities. The respondents' years of experience helped determine their acceptance of discipline. The participants' feedback is shown in Figure 5.4 below.

Figure 5. 4: Years of experience of being involved in budgeting and their implementation.



Source: Data analysed from study survey (author's own construction)

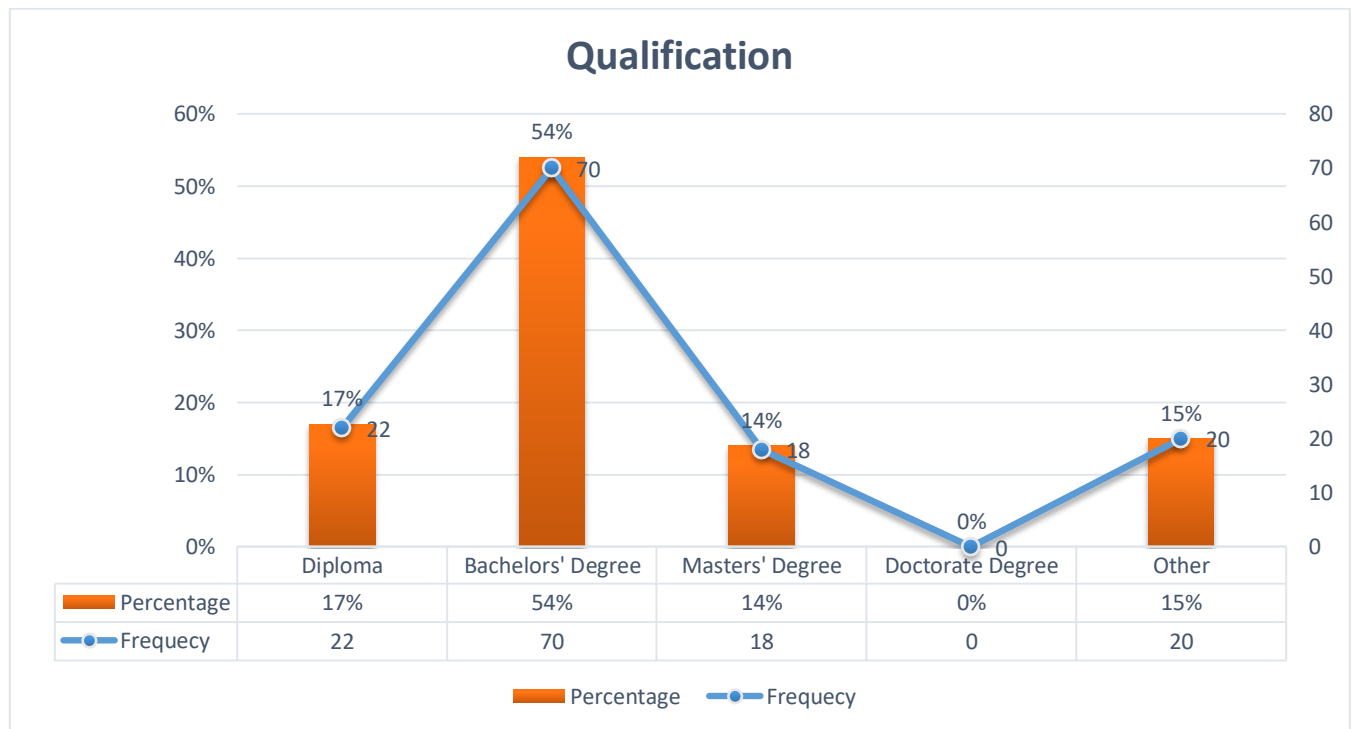
Figure 5.4 above shows the different number of years of experience of respondents' participation in budget planning activities. 31% of these have spent 6 to 10 years working on budgeting for projects. This period is sufficient time for them to learn about budgeting and how this process affects projects. However, the 29% of respondents who have been involved in projects for 5 years or less, still have more learning ahead of them, but probably with some different standards. 23% of the respondents have between 11 and 15 years' work experience. The lowest years of experience (17%) is registered for respondents of 41 years and above. Figure 5.4 above

indicates that the majority of respondents who hold middle and senior management positions have considerable experience and power in terms of the budgeting process.

Question 5: What is your highest qualification?

The purpose of this question is to determine each respondent’s level of education. Some form of tertiary qualification is a prerequisite for working in this particular department and the respondent’s qualifications include diplomas, degrees and/or doctorates. Figure 5.5 below illustrates the results obtained from this question.

Figure 5. 5: Highest qualification



Source: Data analysed from study survey (author’s own construction)

The majority of respondents (54%) have a bachelor's degree, 17% have a national diploma and 14% a master's degree. 15% of the respondents have other qualifications such as a post-graduate degree, advanced diploma, Honours degree, social security certificate and/or other short-term courses. These results indicate that the majority of employees involved in budget management are well qualified for this role.

Question 6: Are there any other issues you wish to comment on?

This question provided respondents with an opportunity to comment on any other issues that they felt were relevant to the survey topic.

Table 5. 1: Any other issues you may want to comment on.

Number	Respondents' responses
1	Applying the EEE principle – economical, efficient and effective as key components in budgeting
2	PFMA should form part of all government employees' orientation irrespective of rank.
3	Effective project budgeting systems are one of the essential elements of successful projects
4	Effective budgeting always determines better performance of an organization. It must be guided by a plan.
5	The budget within our department is already discussed at a high level and the middle management have to implement it.

Source: Data analysed from study survey (author's own construction).

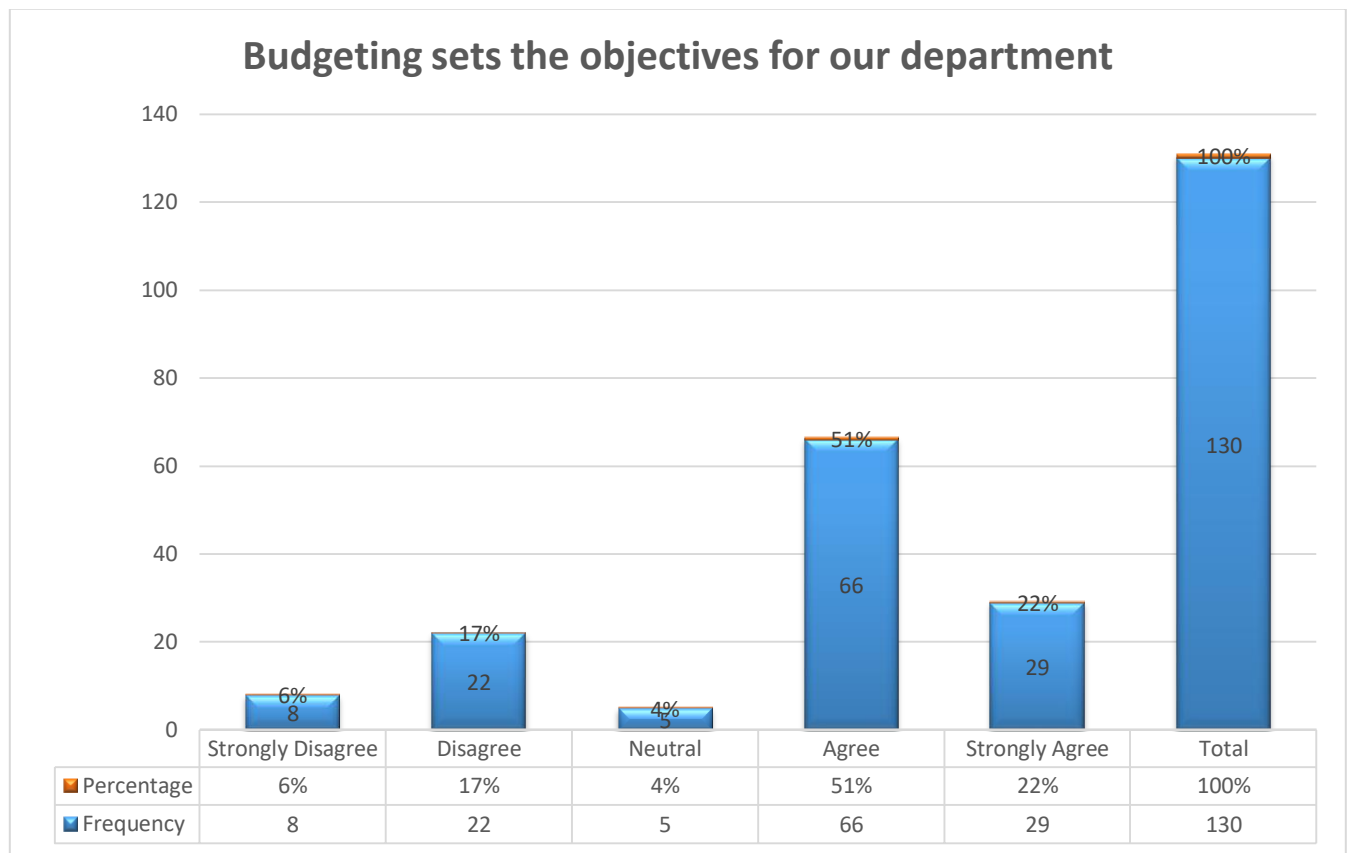
5.3 Section B

Likert scale: Factors that impact on effective budget management in the department. This section addresses aspects of the budget that respondents understand expressed on the following scale: strongly agree -1, disagree -2, neutral -3, agree -4 and strongly agree -5.

Statement number 1: Budgeting sets the objectives for our department. The budgeting process should be based on the strategy and resource needs of the department. It is important that personnel involved in budgeting understand the goals, objectives and policies that drive the department's operations

Response: Since the respondents are involved in the budget process, it is expected that they will need accurate information and be appropriately skilled before engaging in the budgeting process. The most important issue that managers need to understand is the department's strategic objectives that define the direction the department wants to take. Respondents' feedback to this statement is delineated in Figure 5.6 below.

Figure 5. 6: Budgeting sets the objectives for our department



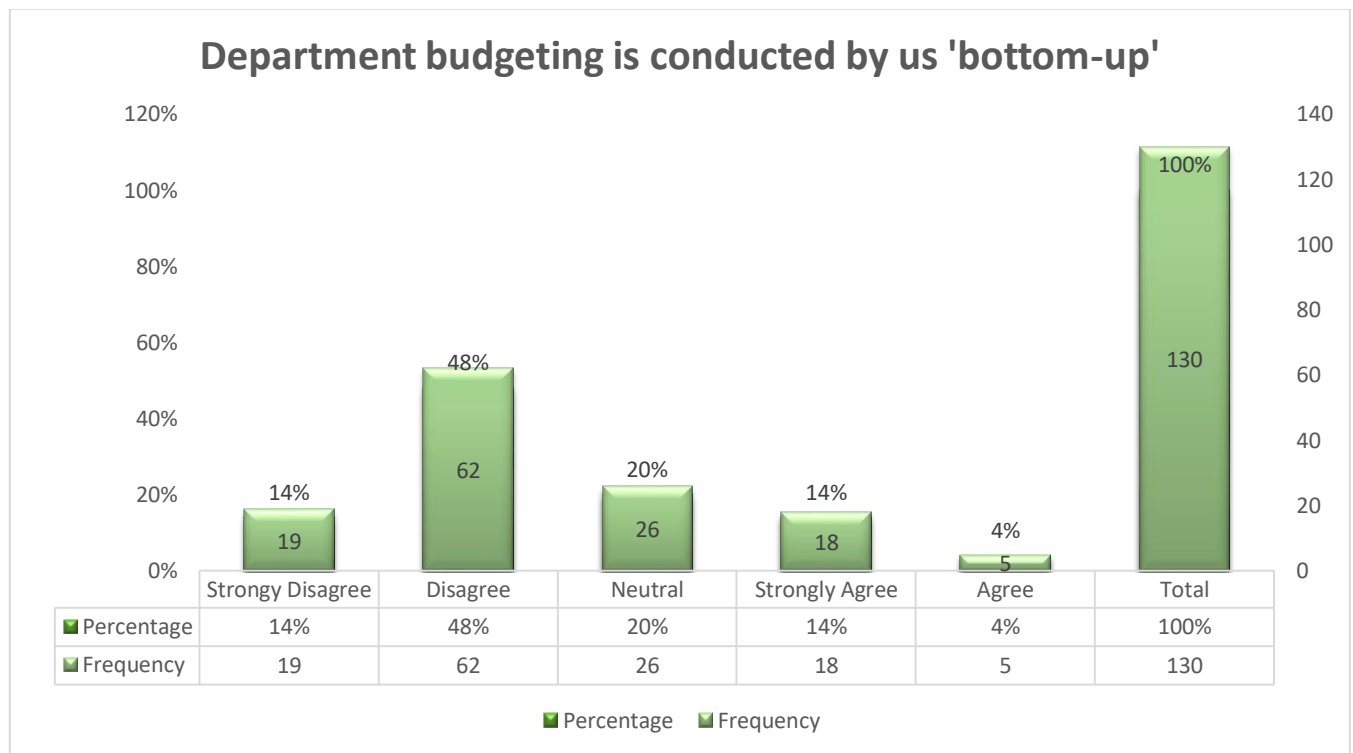
Source: Data analysed from study survey (author’s own construction)

A total of 73% respondents (51% and 22%) agreed and strongly agreed respectively that people involved in the department’s budget process generally know or should know that budget processes set the department's goals. 4% of respondents indicated a neutral response, a total of 23% disagreed (17% – disagree, 6% – strongly disagree). Therefore, it can be assumed that the majority of people involved in the budget process understand its connection with the department’s strategic objectives.

Statement number 2: Department budgeting is conducted by us ‘bottom-up’. In the organization, the budget should be created and calculated by the employees who are directly involved in budgeting.

Response: Employees who are directly/indirectly involved in the budget are expected to provide the least amount of input during the budget preparation stage. Figure 5.7 below records the views of the respondents in the context of this statement.

Figure 5. 7: Department budgeting is conducted by us 'bottom-up'.



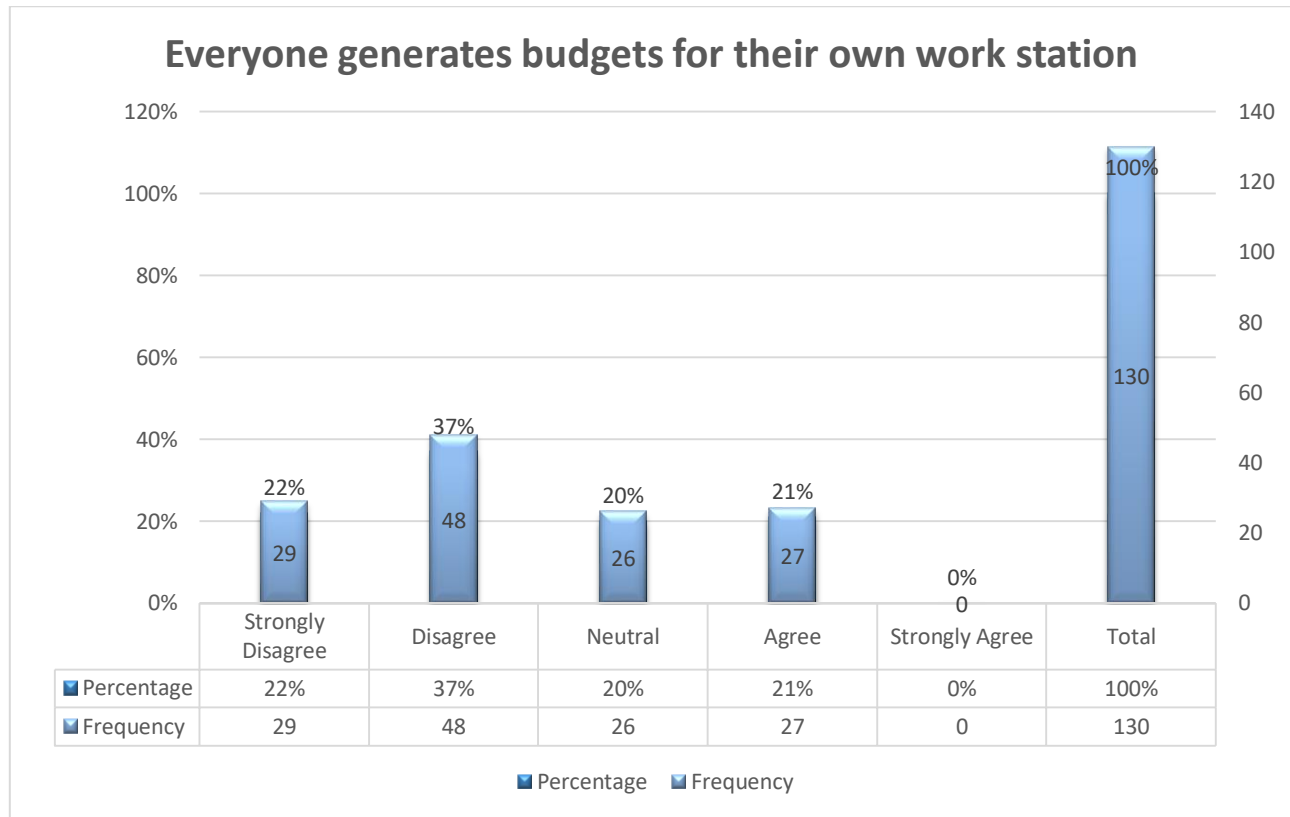
Source: Data analysed from study survey (author’s own construction)

Figure 5.7 above shows that most respondents (62%) (48% – disagree, 14% – strongly disagree) opposed the statement that the budget is generated by them, however 4% stated that it is, while 14% strongly agreed with this statement. 20% of respondents remained neutral on this issue.

Statement number 3: Everyone generates budgets for their own work station. Each employee is responsible for the effective management and control of the budget in their departments.

Response: In all organizations, public, private and/or non-profit, it is expected that all employees should be responsible for their actions in matters of financial employment. Employee should be accountable in his/her area of responsibility. The respondents’ answers to this statement are depicted in Figure 5.8 below.

Figure 5. 8: Everyone generates budgets for their own work station

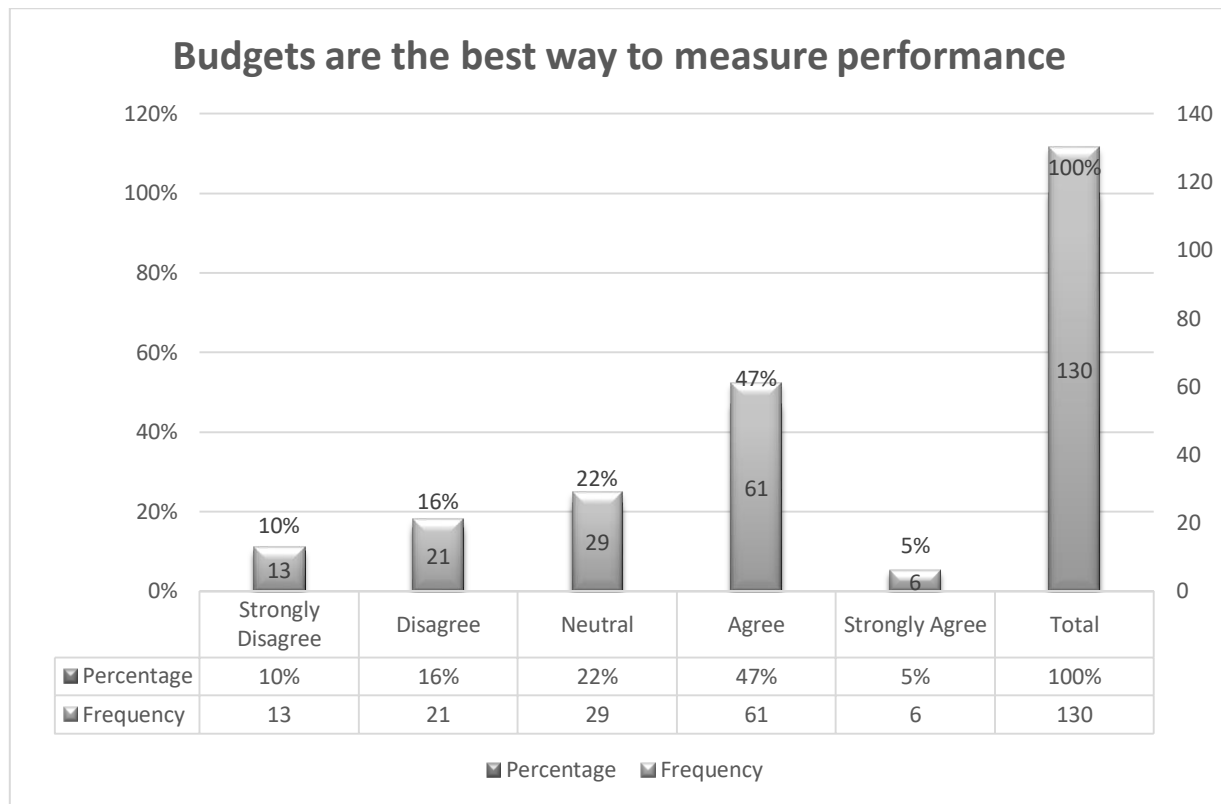


Source: Data analysed from study survey (author’s own construction)

According to Figure 5.8 above, the majority of respondents (37%) disagreed with the statement that all employees are responsible for budgeting in their workspace, while 22% strongly disagreed with it. 21% of respondents agreed with this statement, no one strongly agreed and 20% of responses were neutral.

Statement number 4: Budgets are the best way to measure performance. Budgeting allows employees to manage and stay accountable for their actions within the organization. This process will help the officials to assess employee’s contribution to the organization.

Figure 5. 9: Budgets are the best way to measure performance



Source: Data analysed from study survey (author’s own construction)

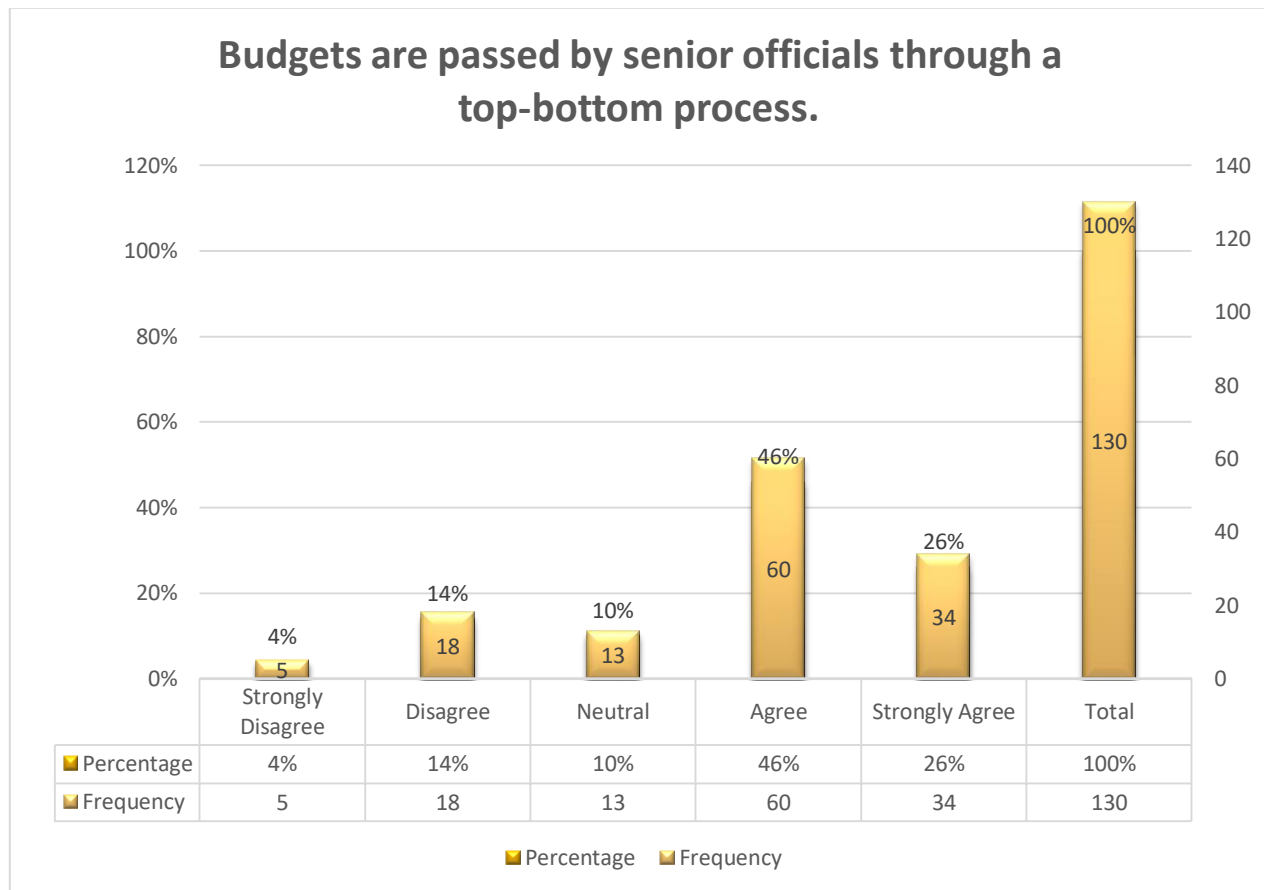
Figure 5.9 above reveals that 47% of the respondents agreed with the statement, while 5% of them strongly agreed. However, 16% disagreed and 10% strongly disagreed with the statement, while 22% of the responses were neutral. It is a matter of concern that 26% of employees do not regard the budget as a tool to measure performance. Many researchers believe that budget is the best performance measurement tool within an organization.

Statement number 5: Budgets are passed by senior officials through a top-down process.

In some organizations, project budgets that are generated solely by senior managers are put in place within the department, a process which creates difficulties for those employees who have to execute the budget and manage the projects. It is a much wiser strategy for the employees to cost their own projects.

Response: In an organization, the budget process should start from the bottom and move up to the top level of the organization. Figure 5.10 below records the respondents’ views that indicate that not all departmental employees are involved in budget preparation for the organization.

Figure 5. 10: Budgets are passed by senior officials through a top-bottom process.



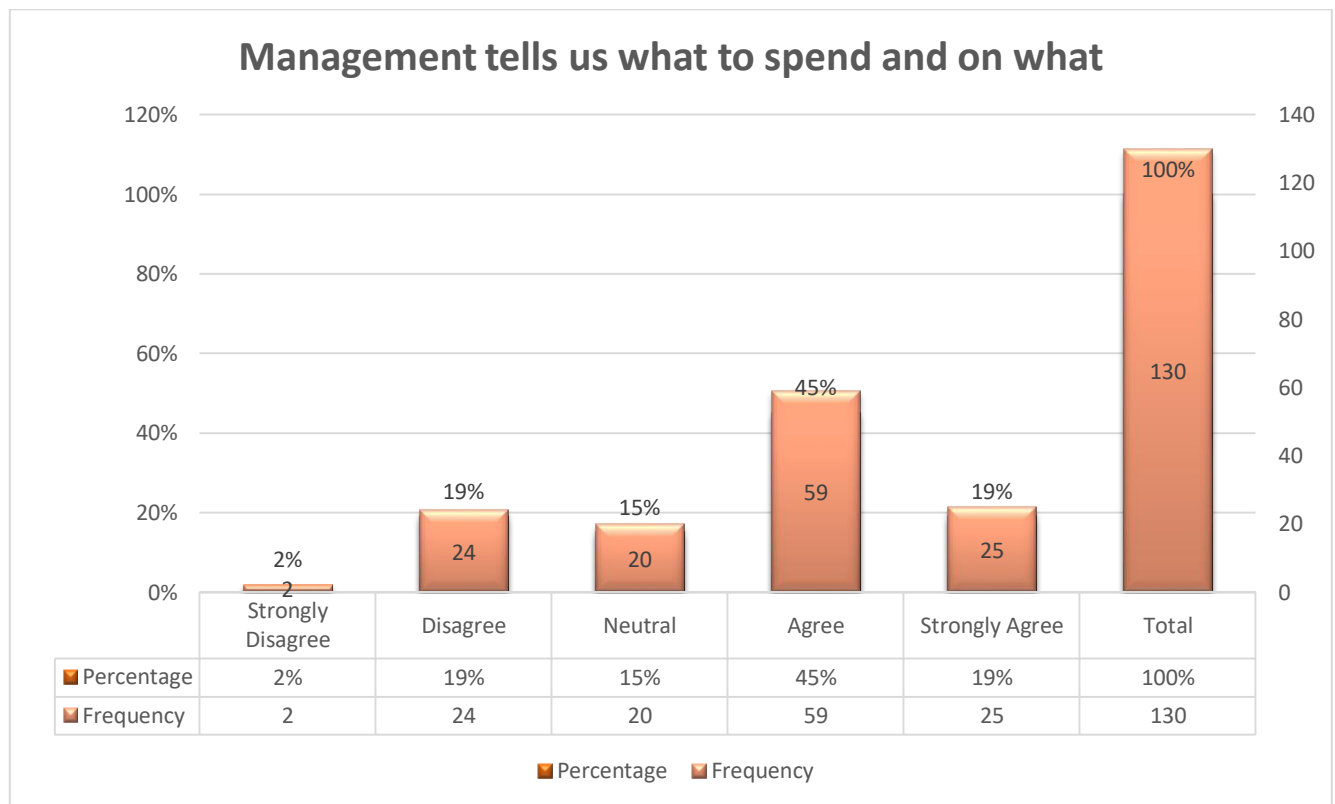
Source: Data analysed from study survey (author’s own construction)

According to Figure 5. 10 above, 46% of respondents agreed and 26% strongly agreed that the department’s budget is prepared and approved entirely by high-level officials and then passed down to them. 14% of respondents did not agree, and 4% strongly disagreed that the budget is generated by high-level officials, while 10% of responses were neutral.

Statement number 6: Management tells us what to spend and on what. When employees are told how to spend the budget allocated to them in terms of both amounts and project items, these directives often hinder the progress of projects, thus, resulting in failure to achieve the department’s goals and objectives.

Response: Employees are expected to spend the budget according to how they have planned and costed the money. Political interference often hinders, affects or delays the completion of projects. Figure 5. 11 below shows the respondents’ answers.

Figure 5. 11: Management tells us what to spend and on what



Source: Data analysed from study survey (author’s own construction)

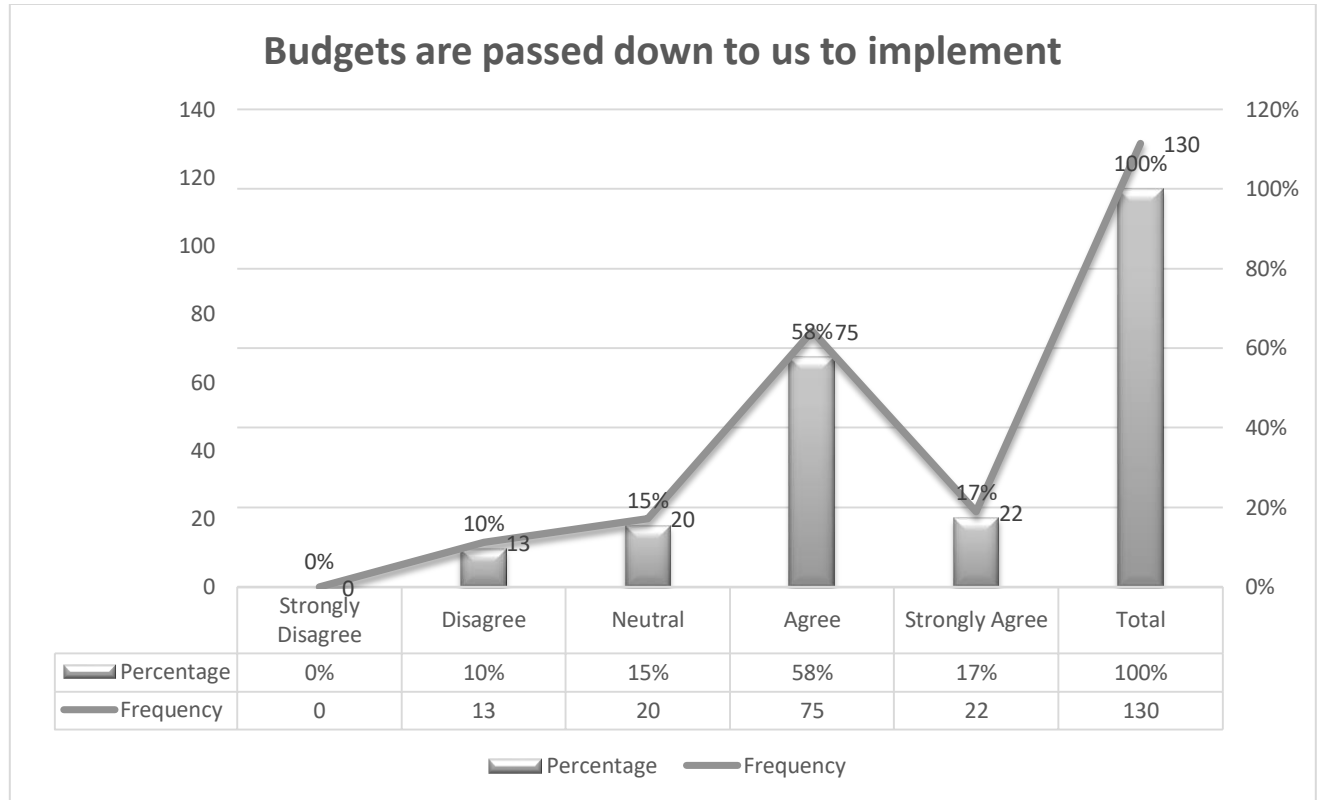
Figure 5. 11 above shows that the majority of respondents (64%) agreed that management told them what money to spend and how to spend it, while 21% disagreed with this statement and 15% remained neutral. It often impossible for employees to fulfil their duties and manage budgets if management constantly tells them how they should complete their work, making it difficult for them to provide the required services.

Statement number 7: Budgets are passed down to us to implement. Politicians always ensure that political will succeeds over legal will. As a result, government employees are always instructed on what to do. These instructions frequently are not part of the planning phase in terms of actions that need to be implemented to achieve departmental goals and objectives effectively and efficiently.

Response: Employees need to be clear about what actions are being implemented within the organization and what resources are needed for these activities. Planning is an important tool

in the organization because it guides the organization towards its goals and objectives. Figure 5.12 below shows the respondent's answers.

Figure 5. 12: Budgets are passed down to us to implement



Source: Data analysed from study survey (author's own construction)

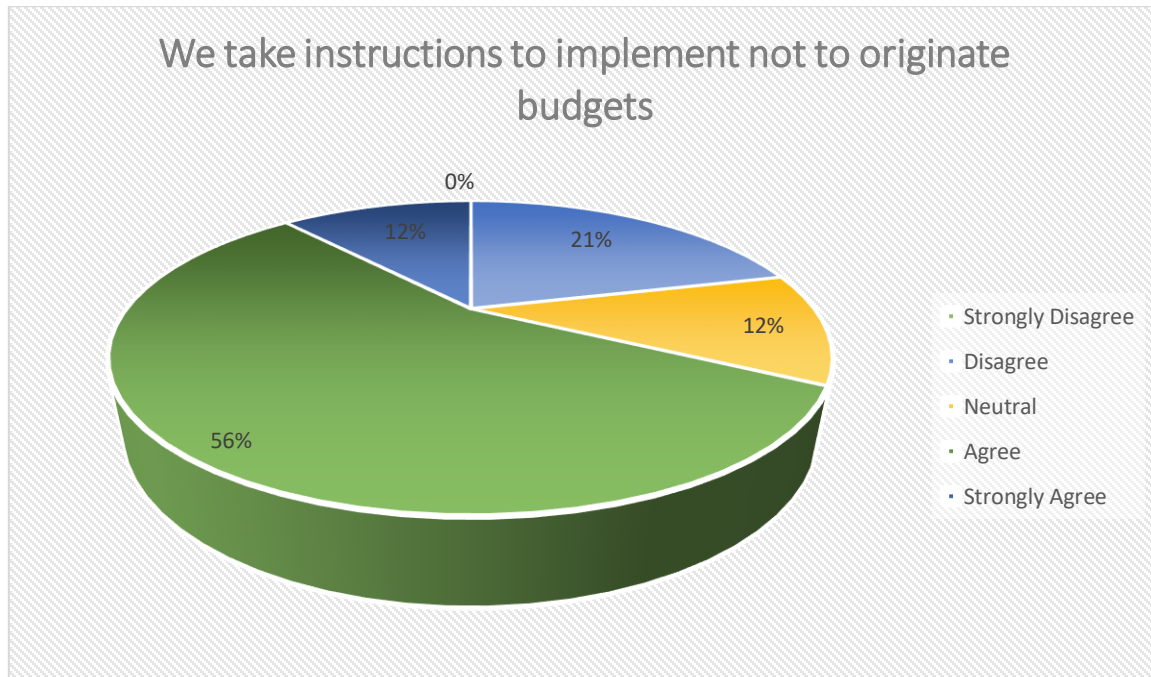
The majority of respondents (75%) agreed that the work was prepared by the management and they only take instructions, 10% of them disagreed with this statement, while 15% remained neutral. The numbers listed above clearly indicate that the department's top-level management makes decisions without consulting those who are directly involved in the budget projects.

Statement number 8: We take instructions to implement budget not to originate them.

The employees or administrators must be the originators of the projects, since they are directly involved in the provision of services the government provides to citizens.

Response: Employees of an organization are expected to be originators, not implementers of projects. Figure 5.13 below indicates the degree to which respondents agreed or disagreed that they only implement budgets and projects.

Figure 5. 13: We take instructions to implement not to originate budgets



	Frequency	Percentage
Strongly Disagree	0	0%
Disagree	26	21%
Neutral	15	12%
Agree	73	56%
Strongly Agree	16	12%
Total	130	100%

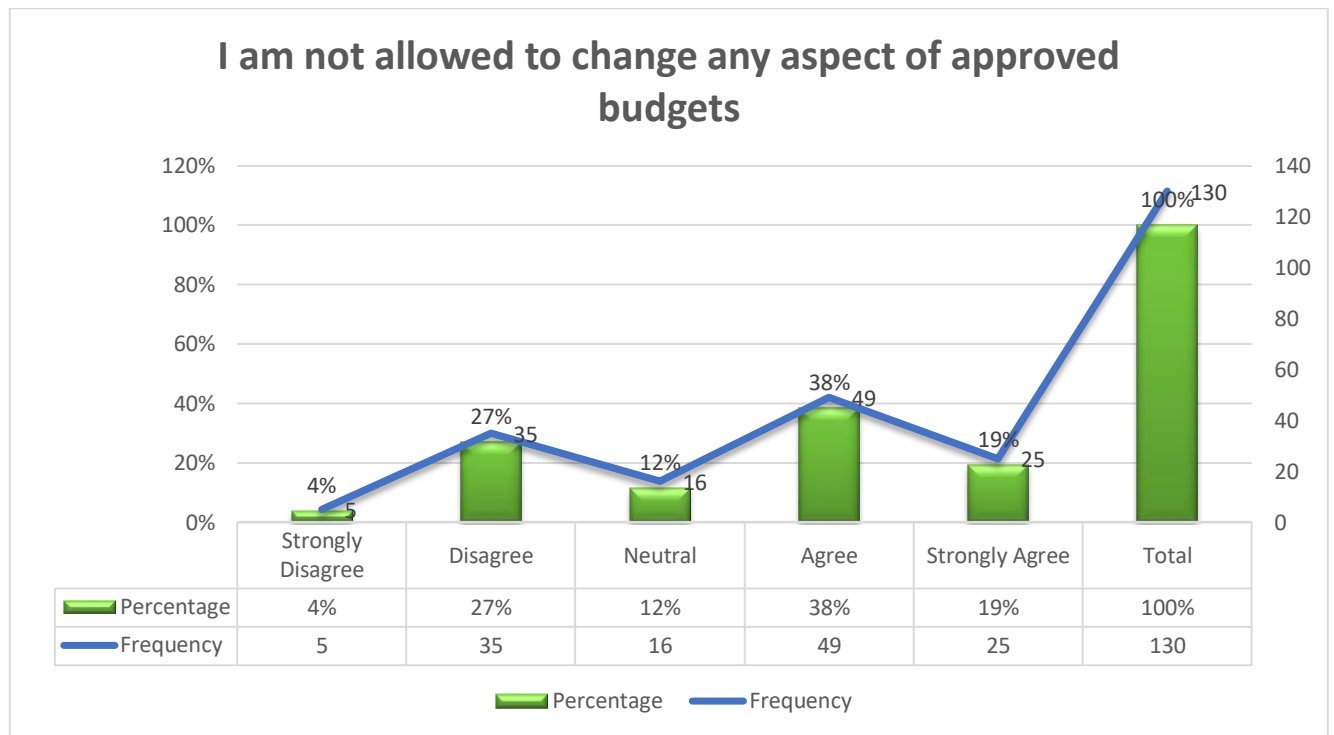
Source: Data analysed from study survey (author's own construction)

The majority of respondents (68%) agreed that work is planned by management and they only receive instructions for its implementation, 21% of them disagreed with the statement while 12% of respondents remained neutral to the statement. With reference to Figure 5.13 above, it can be seen that department's top management makes decisions regarding the budget allocated and about what actions should be taken without consulting the people who are directly involved in the implementation of the programmes.

Statement number 9: I am not allowed to change any aspect of approved budgets. Once the budget plan has been submitted to and approved by the national or provincial parliament, it becomes a budget and, therefore, cannot be changed.

Response: It is expected that the employees of an organization will be able to adjust the budget to re-prioritize projects and complete them on time. Figure 5.14 below shows the extent to which respondents agreed or disagreed.

Figure 5. 14: I am not allowed to change any aspect of approved budgets



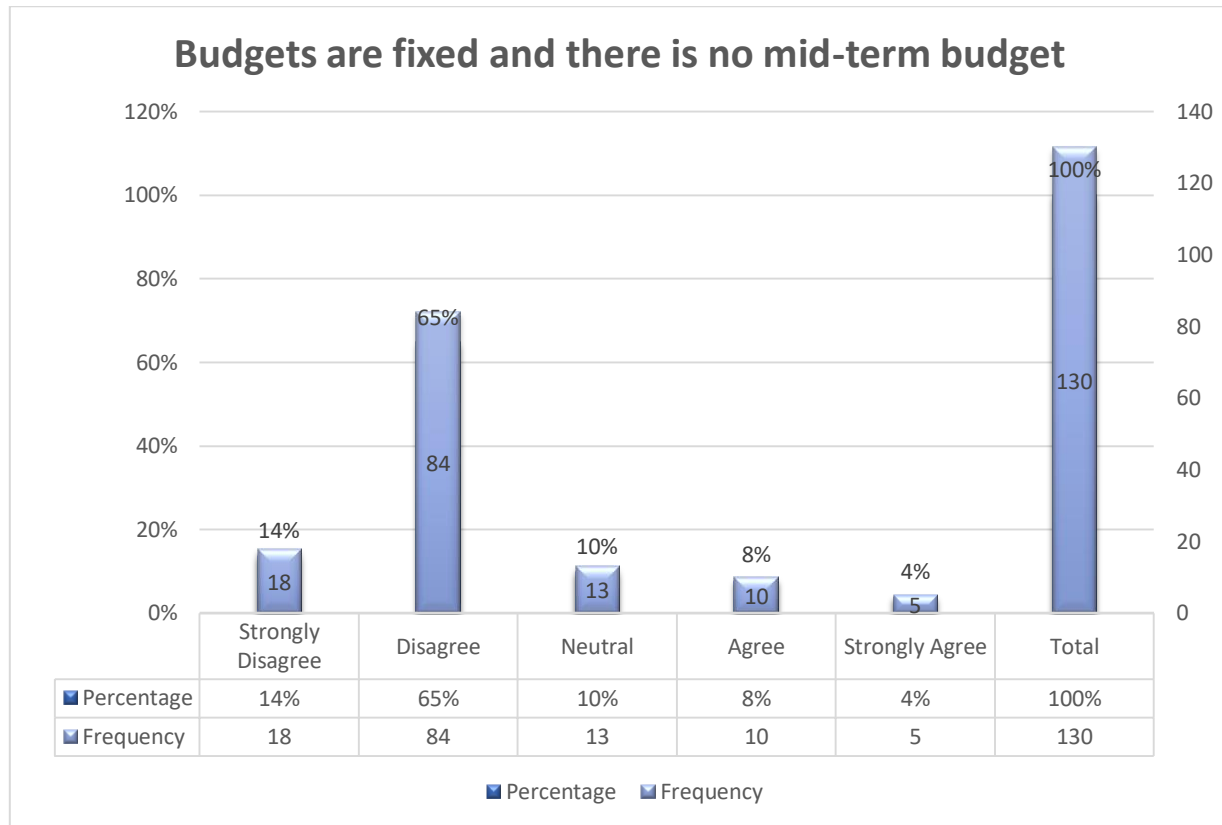
Source: Data analysed from study survey (author’s own construction)

Figure 5. 14 above indicates that the majority of respondents (38%) agreed, while 19% strongly agreed that they must use the budget given to them without changing anything aspect. 27% of respondents disagreed and 4% strongly disagreed with this statement and 13% of them remained neutral.

Statement number 10: Budgets are fixed and there is no mid-term budget. Actions must be taken to ensure that the impact of the adjusted budget on the annual performance plan is taken into account.

Response: Reallocation of funds during the adjustment budget process is aimed at achieving one or both of the following objectives: (1) Adjust the department's budget to achieve the government's proposed results. (2) More effective spending allocation to achieve government policy goals. The reaction to this statement is documented in Figure 5. 15 below.

Figure 5. 15: Budgets are fixed and there is no mid-term budget



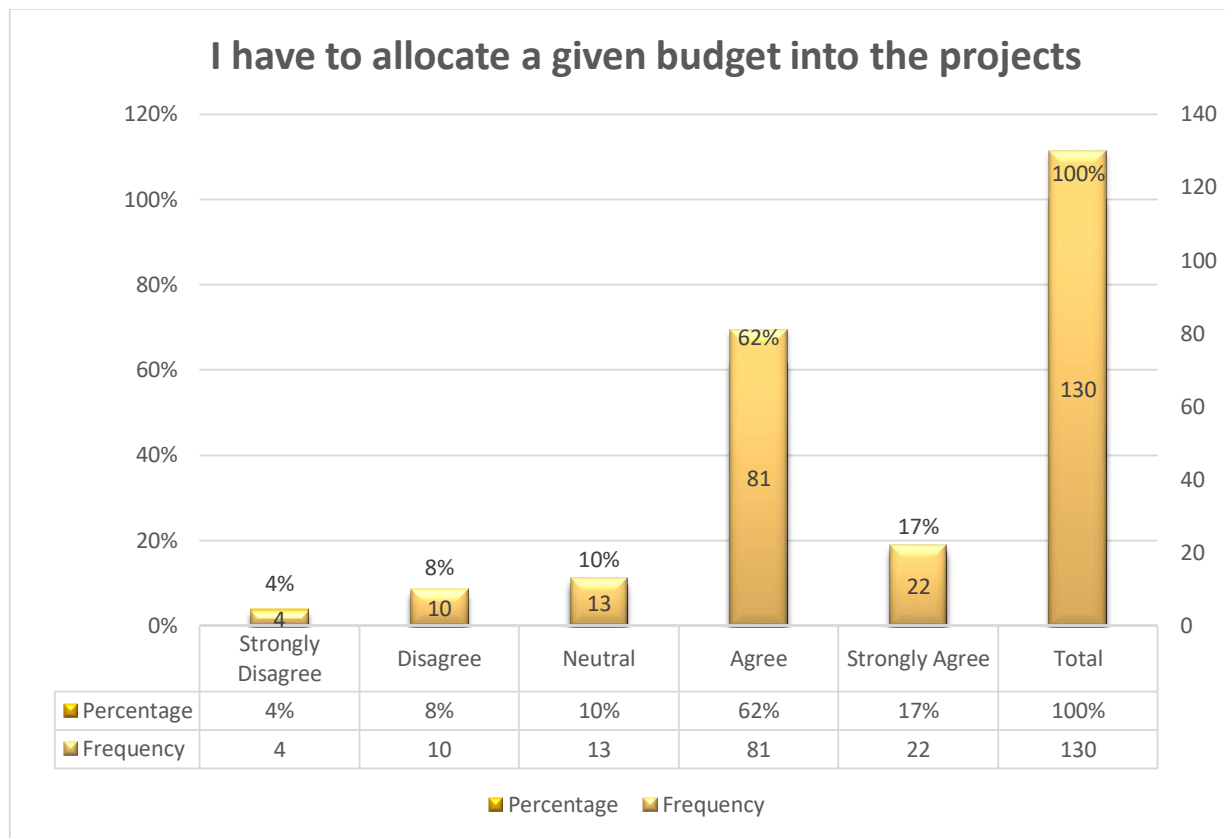
Source: Data analysed from study survey (author’s own construction)

In Figure 5.15 above, most respondents (65%) disagreed while 14% strongly disagreed that they would have to wait for the new fiscal year when the budget ends before making amendments. Most respondents believed that the budget could be halved in a financial year. 8% of respondents agreed and 4% strongly agreed that when the budget monies run out, they will have to wait until the next fiscal year to complete their projects. 10% of despondences were neutral.

Statement number 11: I have to allocate a given budget into the projects. Employees are excluded by management in the budget implementation process as shown in the previous charts. Thus, employees have to ensure that whatever budget is given to them, they reprioritize and provide services.

Response: It is expected that employees within an organization should spend on their projects to meet departmental goals and objectives. Responses to this statement are shown in Figure 5. 16 below.

Figure 5. 16: I have to allocate a given budget into the projects



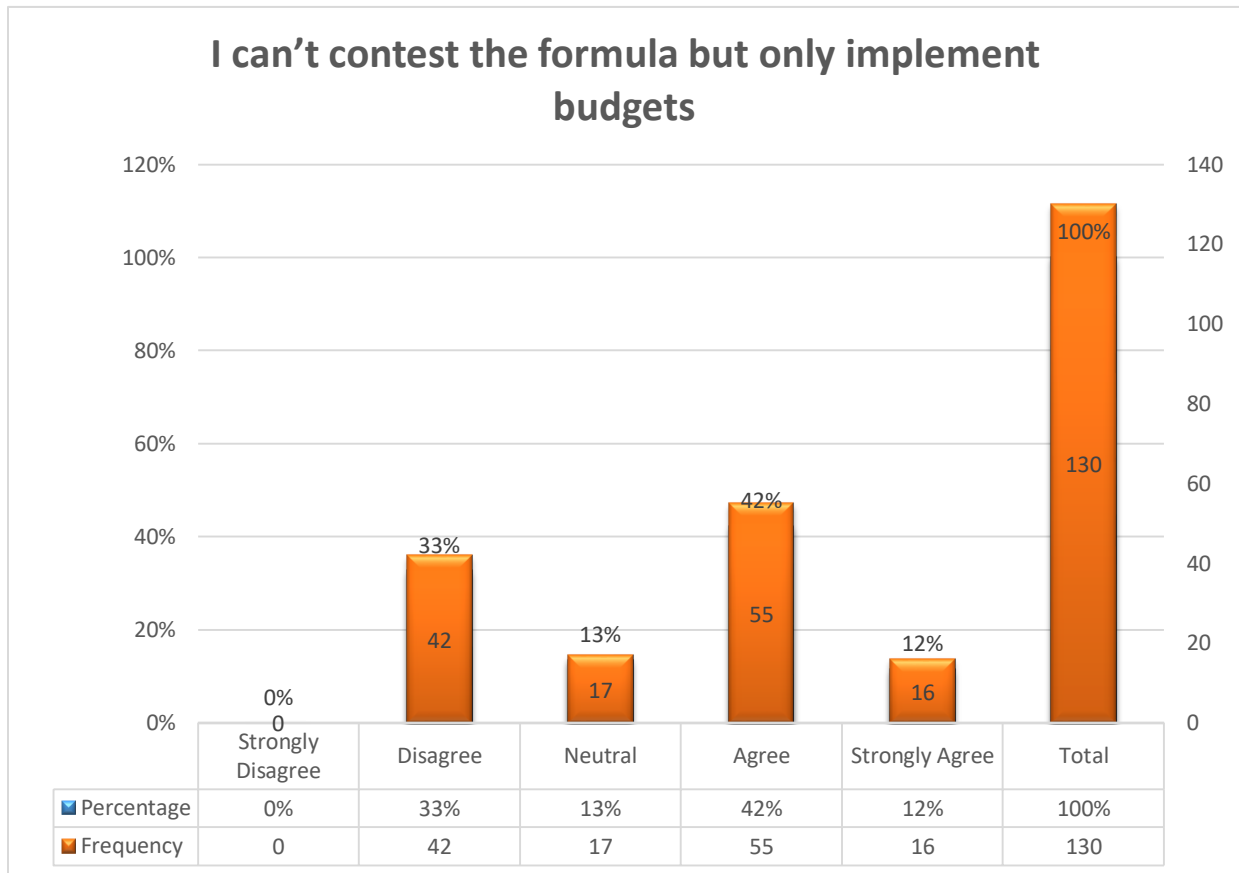
Source: Data analysed from study survey (author’s own construction)

Figure 5. 16 shows that the majority of respondents (79%) agreed that they need to divide the funds they are allocated in order to tailor projects. 12% of respondents disagreed with this statement and 10% remained neutral. When calculating project costs, those people directly involved should be consulted so that costs can be properly identified in order to complete the project timeously.

Statement number 12: I cannot contest the formula but only implement budgets. The budget should always be implemented according to the annual performance plan and the expenditure should be aligned to the allocated budget to avoid unauthorized and irregular expenditure.

Response: Budgets are expected to be drafted, planned, implemented and monitored by employees within the organization, but these employees need to understand how the budget allocated to them was developed. Figure 5. 17 below shows the reaction to the above statement.

Figure 5. 17: I can't contest the formula but only implement budgets



Source: Data analysed from study survey (author's own construction)

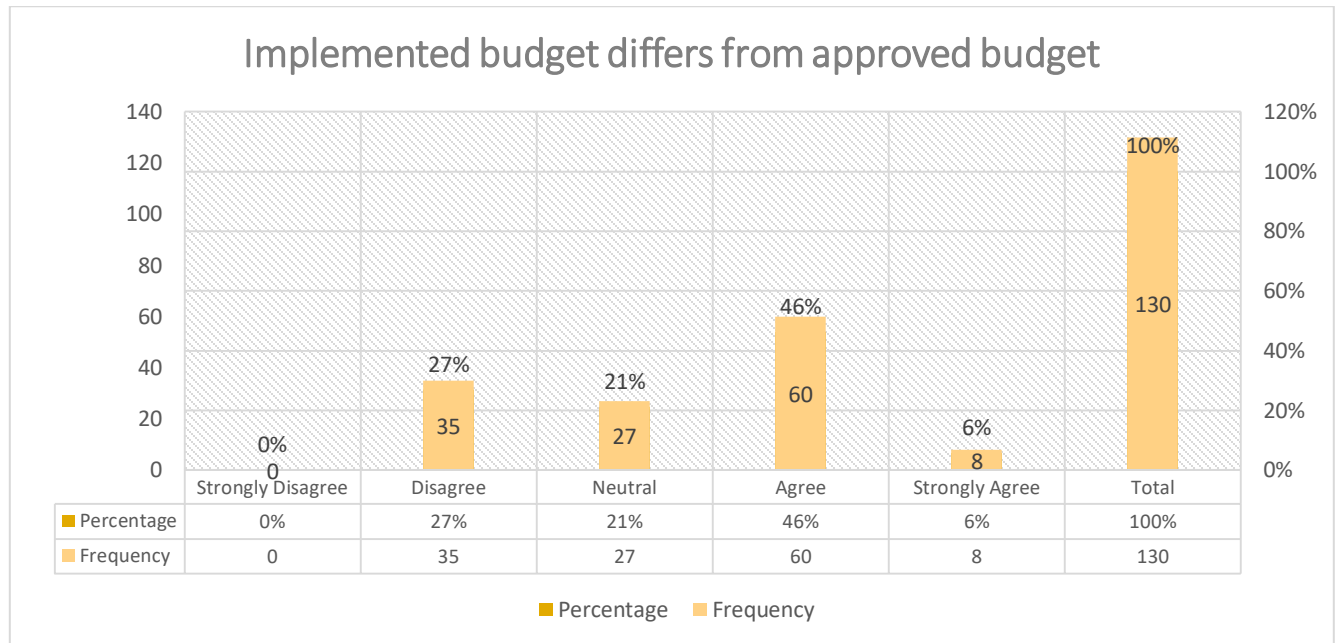
Figure 5. 17 above indicates that 42% of respondents agreed and 12% strongly agreed that they did not know how the management calculated the figures allocated to them, while 33% disagreed and 13% strongly disagreed with the statement and 13% remained neutral. It can be concluded that only some employees are involved in budget preparation and calculating project costs.

Statement number 13: Implemented budget differs from approved budget.

Departmental plans must be set in terms of an approved budget. Budget allocation letters should be issued to each business unit so that its operational plans can be executed.

Response: Operational plans should be closely monitored to ensure that the approved budget is consistent with the planned budget and what the department is set to achieve. In this way, the set goals and budget performances are achieved. The responses to this statement is shown in Figure 5. 18 below.

Figure 5. 18: Implemented budget differs from approved budget



Source: Data analysed from study survey (author’s own construction)

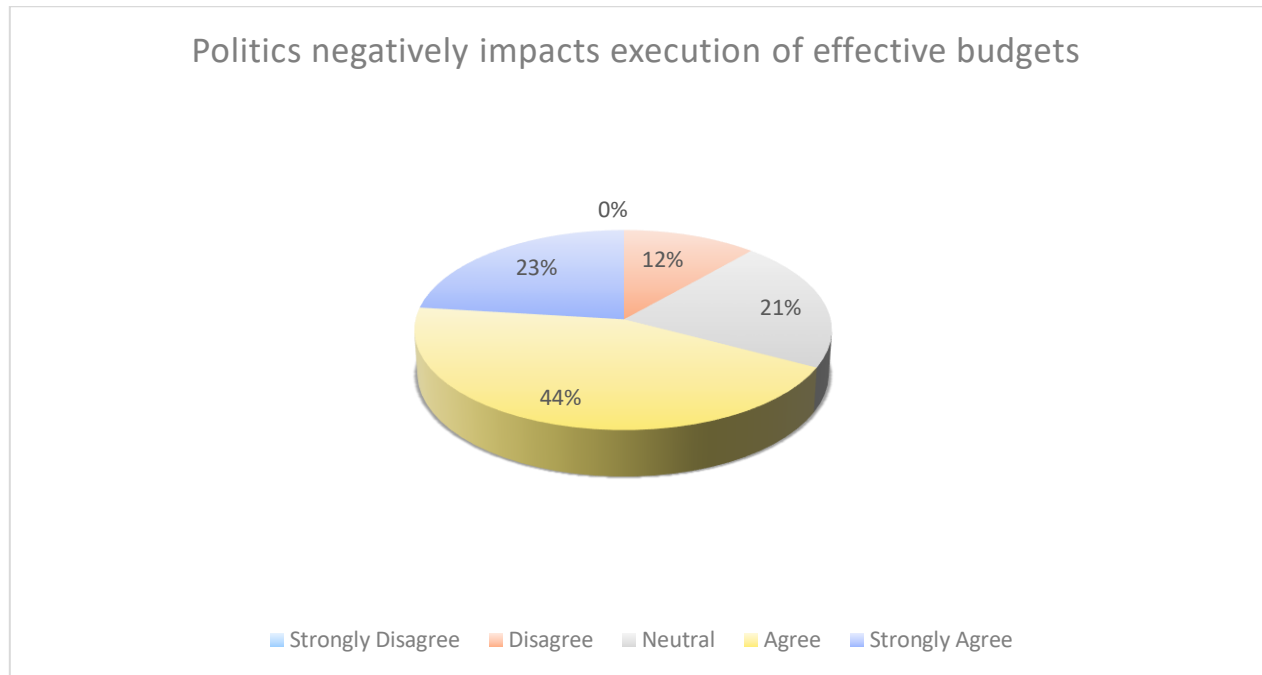
Figure 5.18 above shows that the majority of respondents (46%) agreed and (6%) strongly agreed that the implemented budget was different from the approved budget. 27% of respondents disagreed with the statement while 21% (neutral) declined to comment because they were unaware of the significance of the statement.

Statement number 14: Politics negatively impact the execution of effective budgets.

Politicians have the power to make political decisions that have a negative impact on the management of public sector financial budgets. It is difficult to persuade politicians to allow legal to prevail over political will.

Response: Politicians should allow government officials to carry out their tasks without any interference so that their mandate to serve the general public can be delivered effectively and efficiently. The responses to this statement are shown in Figure 5. 19 below.

Figure 5. 19: Politics negatively impacts execution of effective budgets



	Frequency	Percentage
Strongly Disagree	0	0%
Disagree	16	12%
Neutral	27	21%
Agree	57	44%
Strongly Agree	30	23%
Total	130	100%

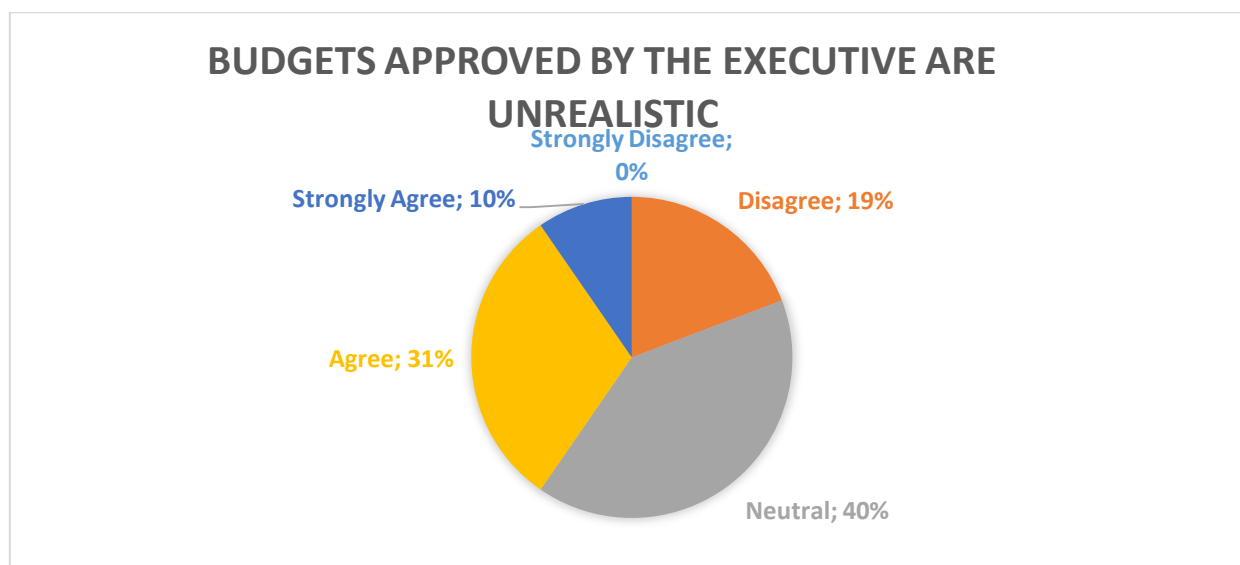
Source: Data analysed from study survey (author’s own construction)

According to Figure 5.19 above, the majority of respondents (67%) agreed that political interference has a negative effect on budget implementation. 12% of the respondents disagreed with the statement and 21% remained neutral. These results imply that political interference predominantly has a negative effect on the implementation of the budget because politicians want their political aspirations to dominate their legal aspirations, thus, making it difficult for government employees to spend the allocated funds according to the budget specifications.

Statement number 15: Budgets approved by the executive are unrealistic. Implementing an unrealistic and incorrect budget affects the timely completion of government projects, a practice which can have negative consequences in terms of achieving the department's goals and objectives.

Response: The budget must be realistic and in line with the government public agency plans to avoid setbacks. Participants responded to this statement as depicted in Figure 5.20 below.

Figure 5. 20: Budgets approved by the executive are unrealistic



	Frequency	Percentage
Strongly Disagree	0	0%
Disagree	25	19%
Neutral	52	40%
Agree	40	31%
Strongly Agree	13	10%
Total	130	100%

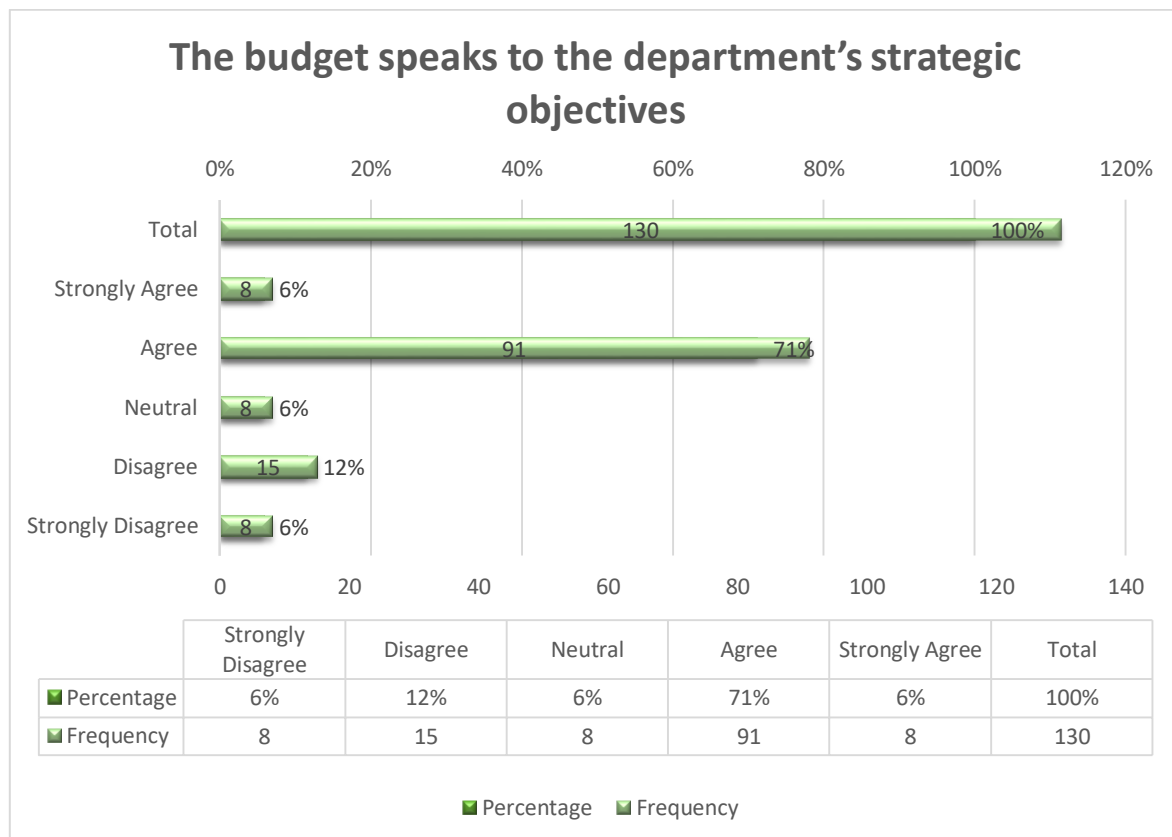
Source: Data analysed from study survey (author’s own construction)

Figure 5. 20 above shows that most respondents (41%) agreed that budgets approved by executives are often unrealistic and inaccurate, while 19% of them opposed this statement. Of major concern is the fact that 40% of respondents chose to remain neutral to such an important statement. However, based on the figure of a 41% majority, it is clear that unrealistic budgets often are approved by executives and that they lead to unfulfilled departmental goals and objectives.

Statement number 16: The budget speaks to the department’s strategic objectives. The strategic plan should include constitutional and other legislative, practical and policy blueprints that identify the final outcome for which the department is responsible. Therefore, the project should be in line with the activities of the department to achieve its goals and objectives.

Response: The strategic plan should set realistic measurable goals, expected outcomes, programme products, indicators and also the objectives of the organization's programmes. Figure 5. 21 below records the respondents’ opinions on the above statement.

Figure 5. 21: The budget speaks to the department’s strategic objectives



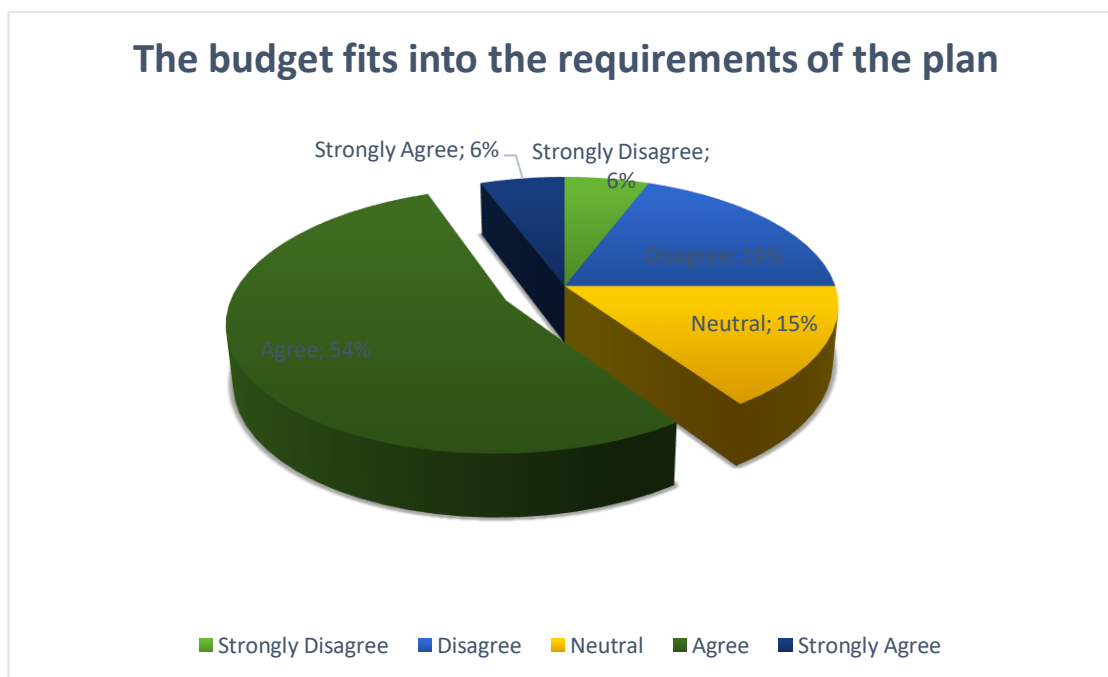
Source: Data analysed from study survey (author' own construction)

The majority of respondents (77%) agreed that the department's budget is in line with its strategic and operational plans, while 18% of them disagreed and 6% remained neutral.

Statement number 17: The budget fits into the requirements of the plan. The budget is created in accordance with the department's strategic goals and priorities. All business areas create their operational plans according to the APP. These plans are reviewed against approved budget disbursements issued to each business area to implement the operational plans.

Response: The operational plans of the business should always be monitored for both achievement of targets and budget performance.

Figure 5. 22: The budget fits into the requirements of the plan



	Frequency	Percentage
Strongly Disagree	8	6%
Disagree	24	19%
Neutral	20	15%
Agree	70	54%
Strongly Agree	8	6%
Total	130	100%

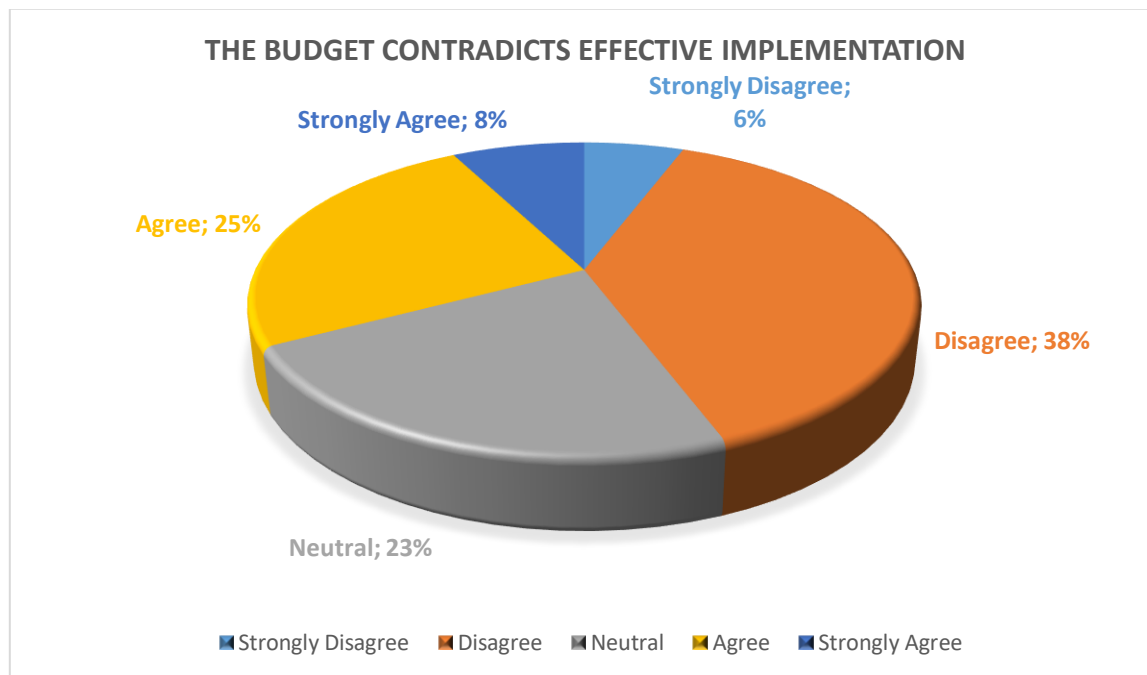
Source: Data analysed from study survey (author’s own construction)

Figure 5. 22 above illustrates that the majority of respondent (60%) agreed that the accepted budget fits into the planned requirements, while 25% of them disagreed with the statement and 15% were neutral. Figure 5. 22 above indicate that it is important that the budget speaks to the departmental plans.

Statement number 18: The budget contradict effective implementation. The national treasury monitors departmental expenditures against demand plans on a monthly basis to ensure that departments are neither over-spending nor under-spending the budgeted finances.

Response: Guidelines regarding the rules and regulations of the national treasury should be provided through circulars to ensure that the departmental projects and operational activities are implemented effectively and efficiently. Figure 5. 23 below records the respondents’ answer to this statement

Figure 5. 23: The budget contradicts effective implementation.



	Frequency	Percentage
Strongly Disagree	8	6%
Disagree	49	38%
Neutral	30	23%
Agree	33	25%
Strongly Agree	10	8%
Total	130	100%

Source: Data analysed from study survey (author’s own construction)

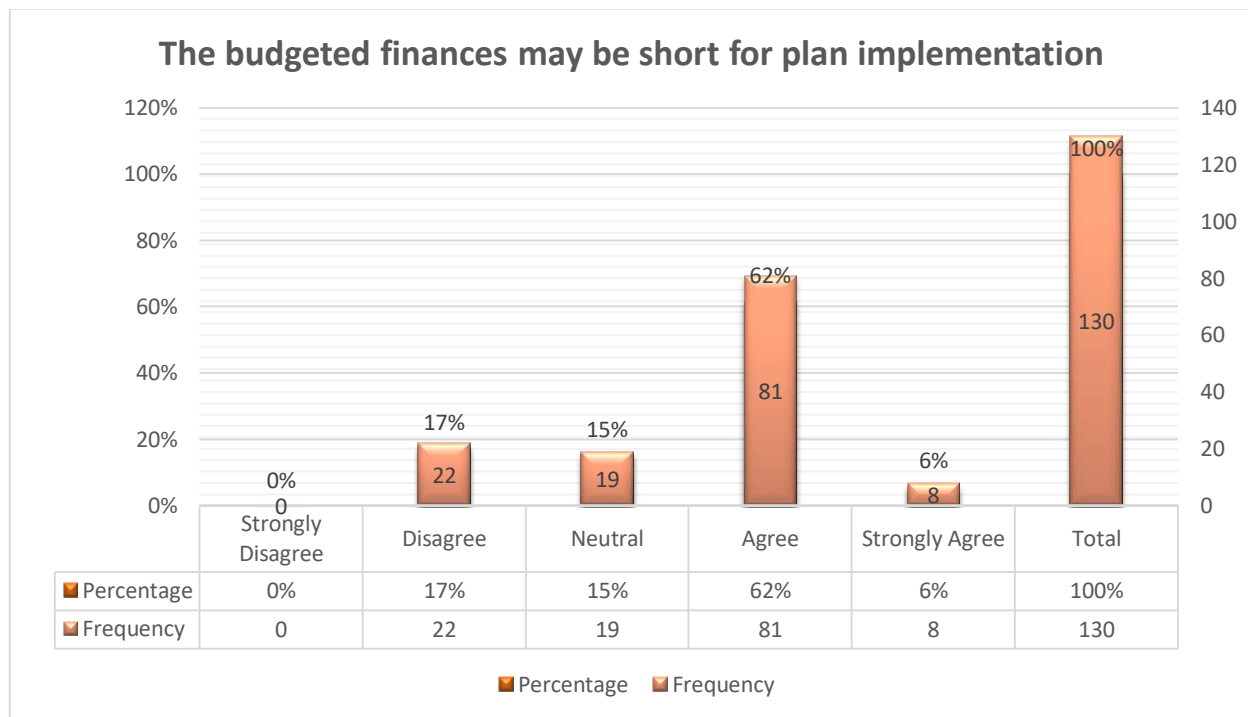
Figure 5.23 indicates that 33% of respondents agreed that the budget does not allow for its effective implementation, while 44% of respondents disagreed with this statement and 23% of respondents remained neutral.

Statement number 19: The budgeted finances may be short for plan implementation.

There is always a contradiction between the plans and goals of senior management and the resources available. Senior managers, therefore, must ensure that the required resources are received timeously and used optimally so that the department’s plans can be fully implemented.

Response: Executives must always provide a clear direction of what needs to be accomplished and identify sufficient resources to be used before starting the project or activity. Figure 5. 24 below records respondents’ reactions to this statement.

Figure 5. 24: The budgeted finances may be short for plan implementation



Source: Data analysed from study survey (author’s own construction)

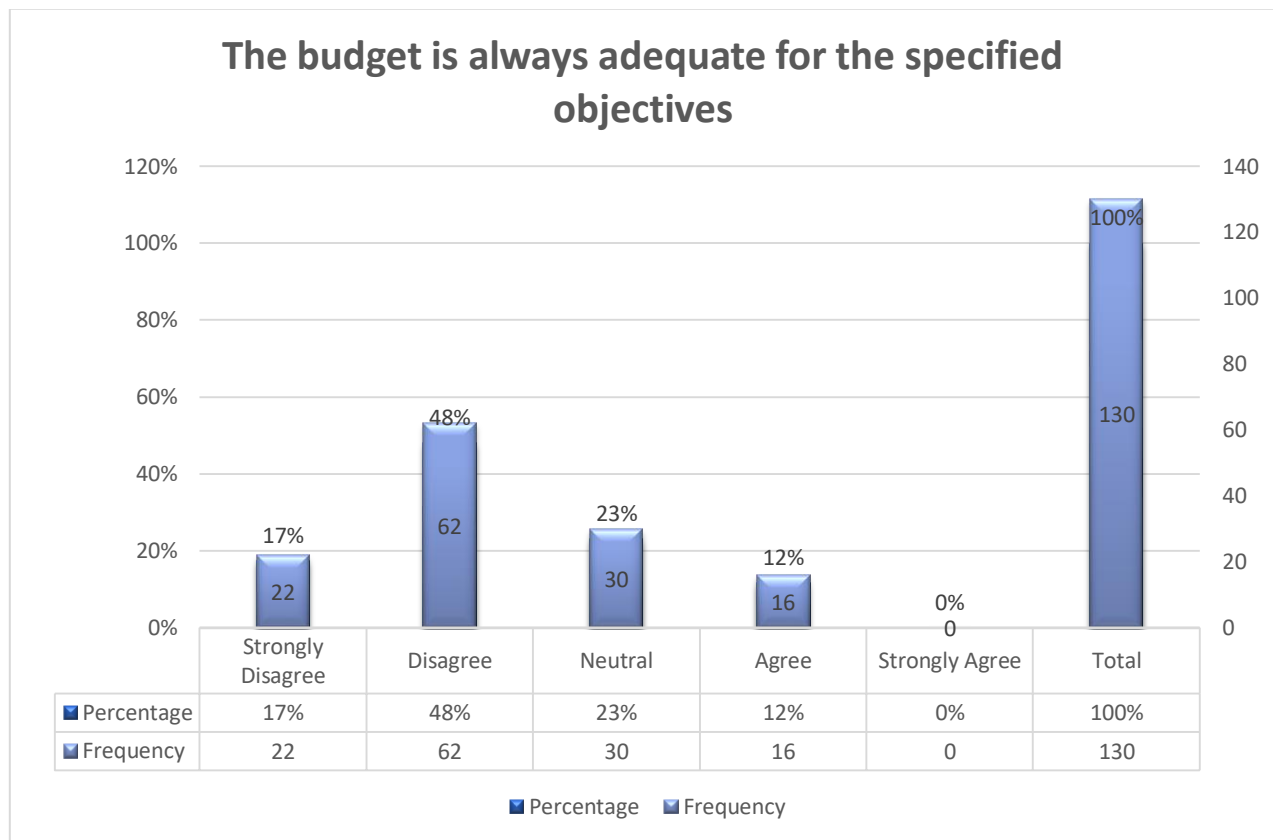
When asked if they have ignore any part of the project plan due to lack of budgeted finances, a majority of 68% respondents agreed, 17% disagreed and 15% remained neutral. If the project is changed due to lack of funds, the specified goals and objectives cannot be achieved and the government will have to delay serving the general public.

Statement number 20: The budget is always adequate for the specified objectives.

Achieving goals and objectives within a public agency requires a series of steps to implement the project, and a budget that is realistic and sufficient.

Response: It is always expected and/or known that there will be a relationship between the budget and the project plans to ensure that the department’s programmes and projects can be implemented professionally and successfully. The respondents’ views are noted in Figure 5. 25 below.

Figure 5. 25: The budget is always adequate for the specified objectives



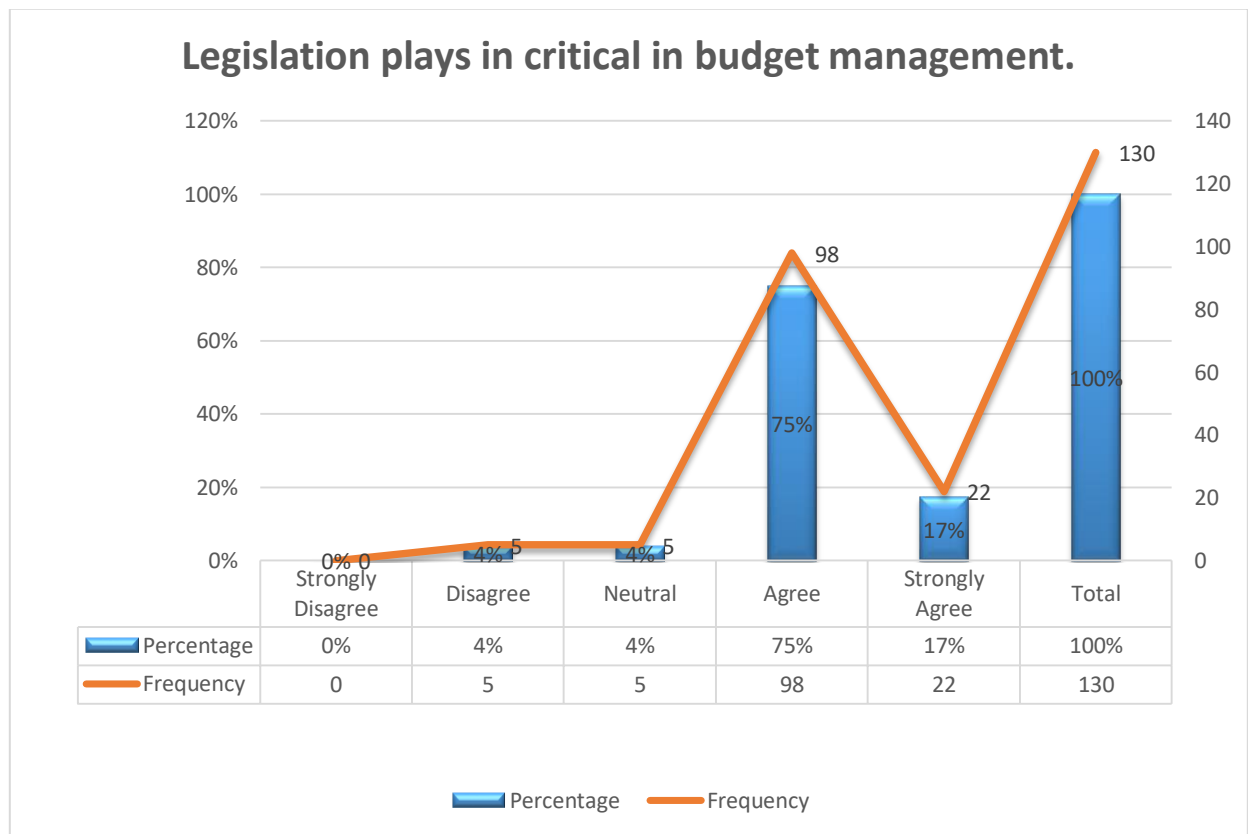
Source: Data analysed from study survey (author’s own construction)

The majority (65%) of the respondents disagreed with the statement that they always receive both the budget and the project plan and are able to carry out these plans, while 12% of them agreed with the statement and 23% remained neutral.

Statement number 21: Legislation plays in critical role in budget management. The Public Finance Management Act of 1999 ensures that the government has guidance on the management of the financial system and that the manual relating to this law plays an important role in ensuring that departmental budgets are managed efficiently.

Response: Regulations should ensure adequate control of financial management in public agencies and other public entities and, therefore, employees should always be well informed of such regulations. Figure 5. 26 below delineates the respondents’ reactions to this statement.

Figure 5. 26: Legislation plays in critical in budget management.



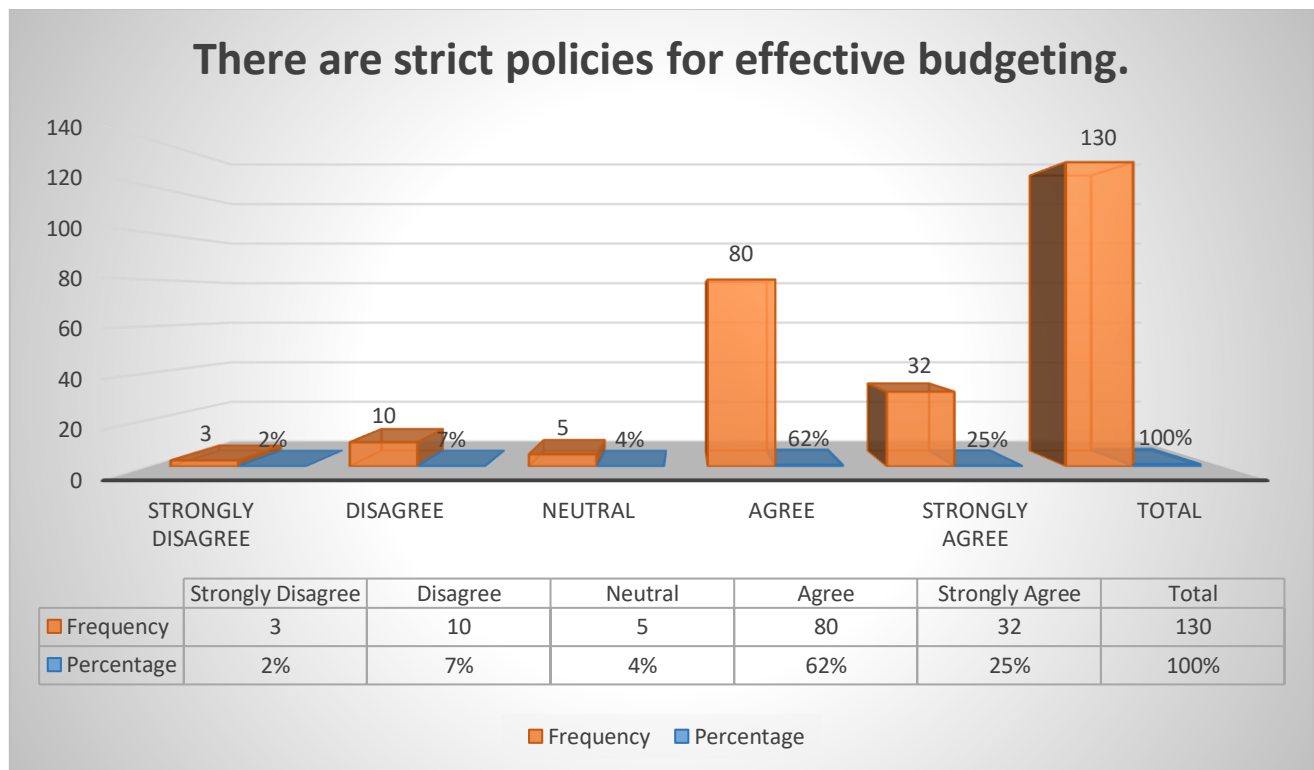
Source: Data analysed from the study survey (author’s own construction)

Most respondents (92%) agreed that legislation and regulations play an important role in the management of the departmental budgets, 4% of them disagreed and the remaining 4% remained neutral. This result means that an overwhelming majority of respondents understand the important role that law plays in the public service.

Statement number 22: There are strict policies for effective budgeting. The government resolutions and budget allocations are usually implemented through a top to bottom approach. Although personnel within the department’s different sections and levels are cognizant of operational needs, the decisions are still implemented in a top down manner.

Response: The purpose of this statement was to establish whether legislation would determine budget-related practices rather than operational issues. Figure 5. 27 below depicts the participants’ responses.

Figure 5. 27: There are strict policies for effective budgeting



Source: Data analysed from study survey (author’s own construction)

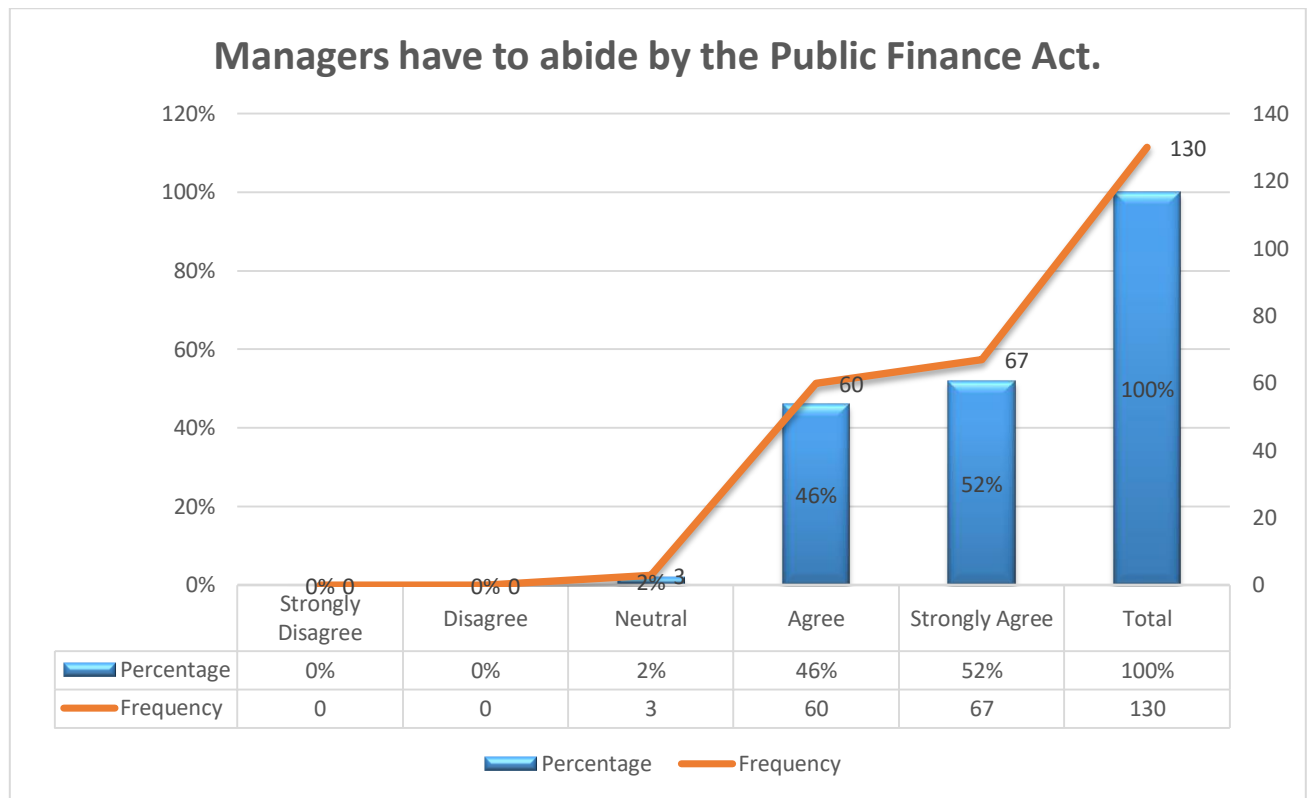
When respondents were asked if they believed they were legally controlled regarding budget management, the majority of them (87%) agreed that they were legally controlled regarding the management of government funds, while 9% of them disagreed with the statement, and 4% remained neutral. Due to the importance of law in the management and control of public funds, it is a matter of concern that 5% of respondents refused to accept this statement (Figure 5. 27 above).

Statement number 23: Managers have to abide by the Public Finance Act.

The department budget is an important policy document that needs to be monitored by the government, thus, employees should carefully consider how it is implemented because this practice will be monitored.

Response: The top management in any organization is expected to know how it is implementing certain policies, as well as how public sector managers should be monitored and the policy should be implemented in the form of a budget. The participants’ response to this statement is given in Figure 5. 28 below.

Figure 5. 28: Managers have to abide by the Public Finance Act.



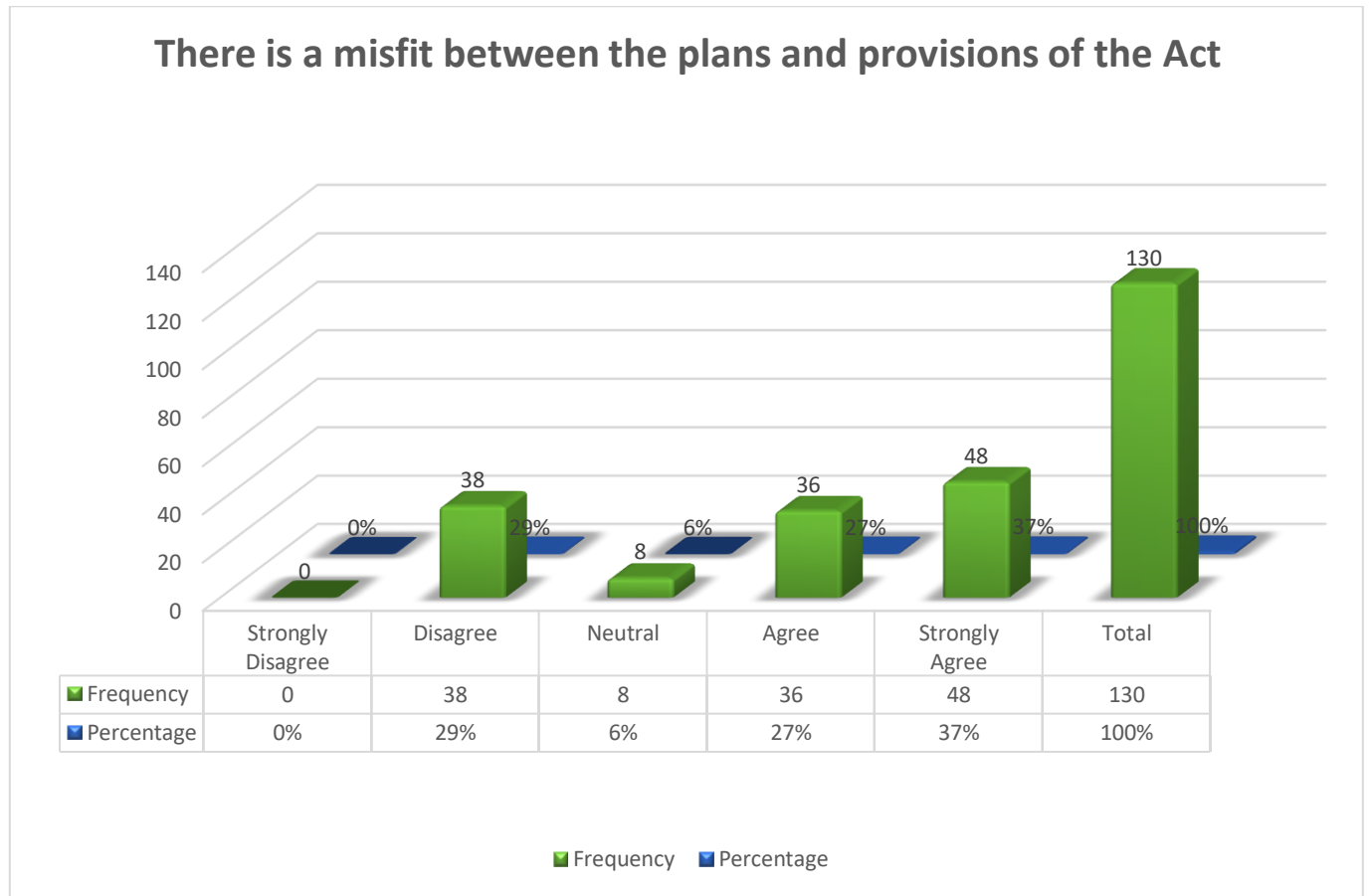
Source: Data analysed from study survey (author’s own construction)

In Figures 5. 28 above, the results of the study show that the majority of respondents (52%) strongly agreed and (46%) agreed that managers are bound by government regulations, while 2% of respondents were neutral.

Statement number 24: There is a misfit of plans and the provisions of the Public Finance Act. When there is disagreement between government laws and plans, it will be difficult to meet budget demands and advocate for resources to be better allocated.

Response: The government should ensure that plans, policies and laws ‘talk’ to each other in order to implement its strategies and plans. The participants’ responses to this statement is illustrated in Figure 5. 29 below.

Figure 5. 29: There is a misfit between the plans and provisions of the Act



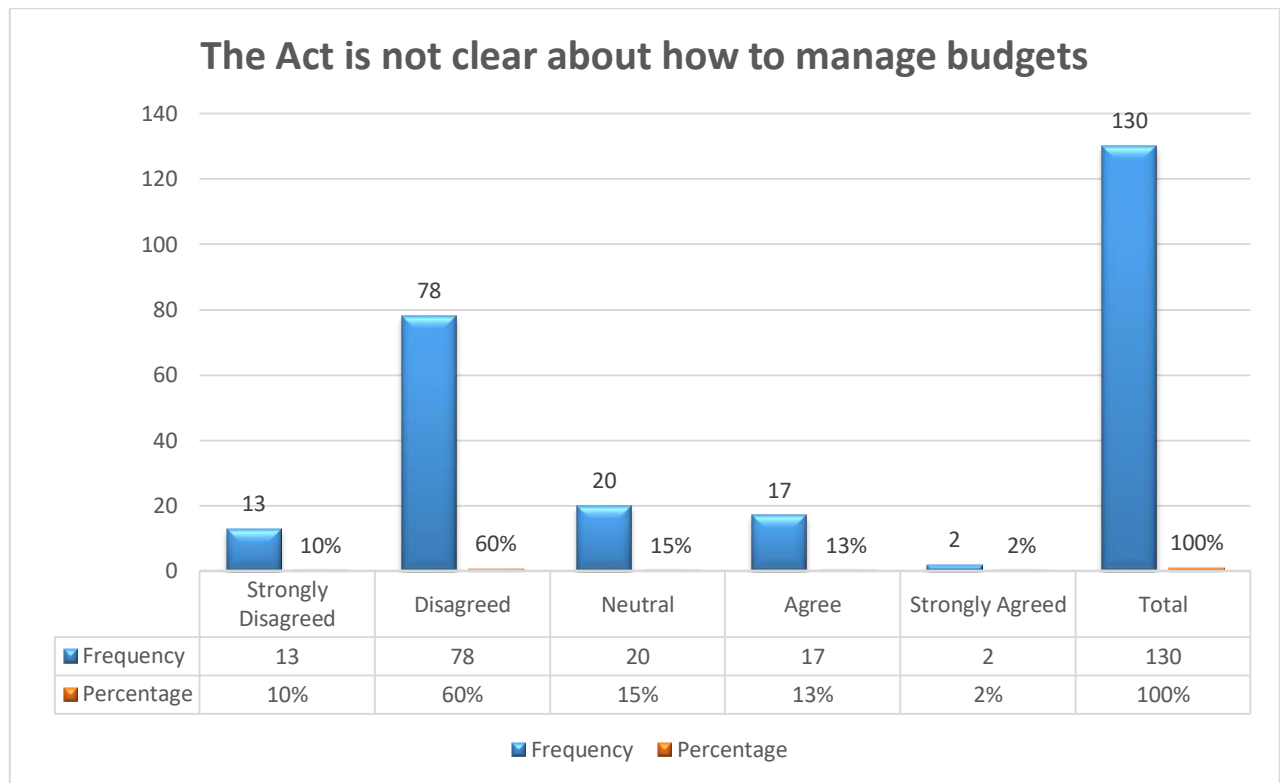
Source: Data analysed from study survey (author’s own construction)

Figure 5. 29 above shows that the majority of respondents (37%) strongly agreed and 27% agreed that there is a gap between the department's plans and the provisions of the Act, while 38% disagreed with this statement and 6% remained neutral. Most respondents felt that there should be a link between the provisions of the law and the plans of public agencies.

Statement number 25: The Act is not clear about how to manage budgets. Law plays an important role in the financial management and operations of governments or public agencies.

Response: Legislation should be clear on how public agency should manage their resources. Figure 5. 30 below depicts respondents ‘views on laws governing departmental budgets.

Figure 5. 30: The Act is not clear about how to manage budgets



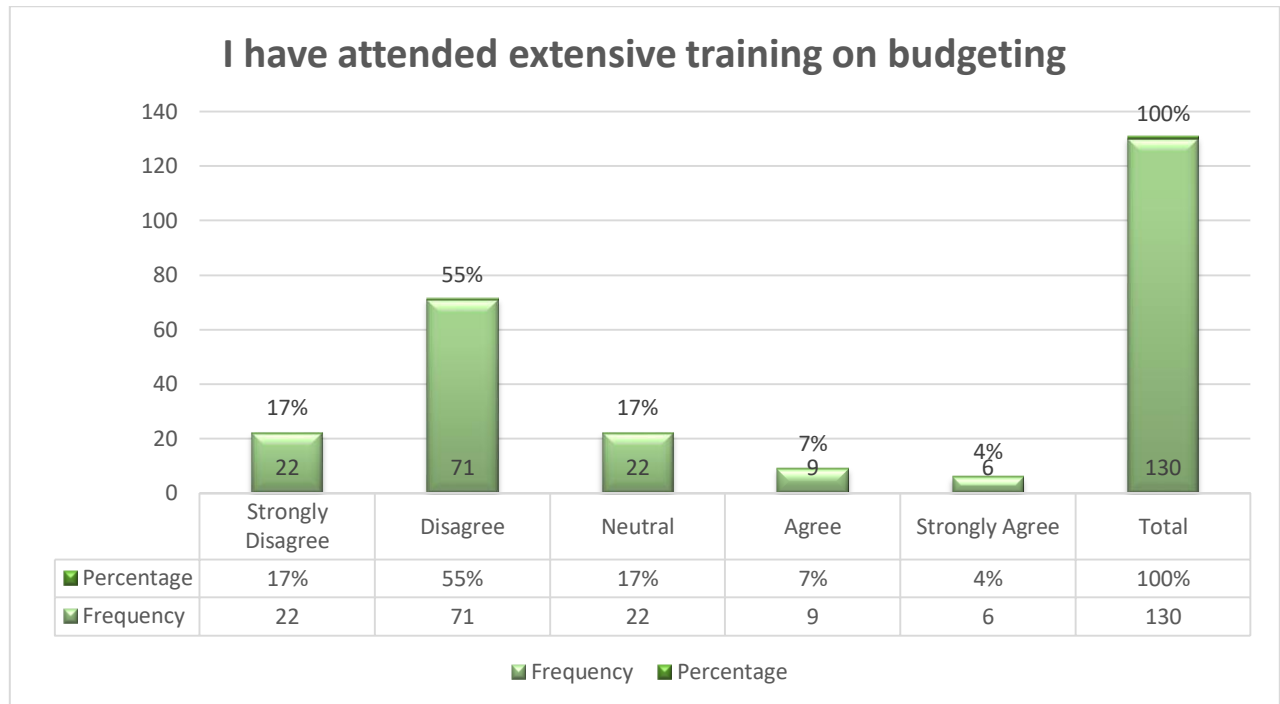
Source: Data analysed from study survey (author’s own construction)

Figure 5. 30 above shows that the majority of respondents (60%) disagreed and 10% strongly disagreed with the statement that the law does not specify how to manage departmental budgets, while 13% of them agreed and 2% strongly agreed with the statement. 15% of respondents remained neutral. Most employees are aware that the law clear indicates who has authority over budget control.

Statement number 26: I have attended extensive training on budgeting. Financial and budget training plays an important role in financial management and the operation of governmental or public institutions. In many cases, trained personnel do not need or utilize the skills in which they are trained.

Response: Non-financial budget managers should be receive financial and budgeting training and, thus, be equipped to perform the financial management activities of the department effectively and efficiently. Participants’ responses to this statement is depicted in Figure 5. 31 below.

Figure 5. 31: I have attended extensive training on budgeting



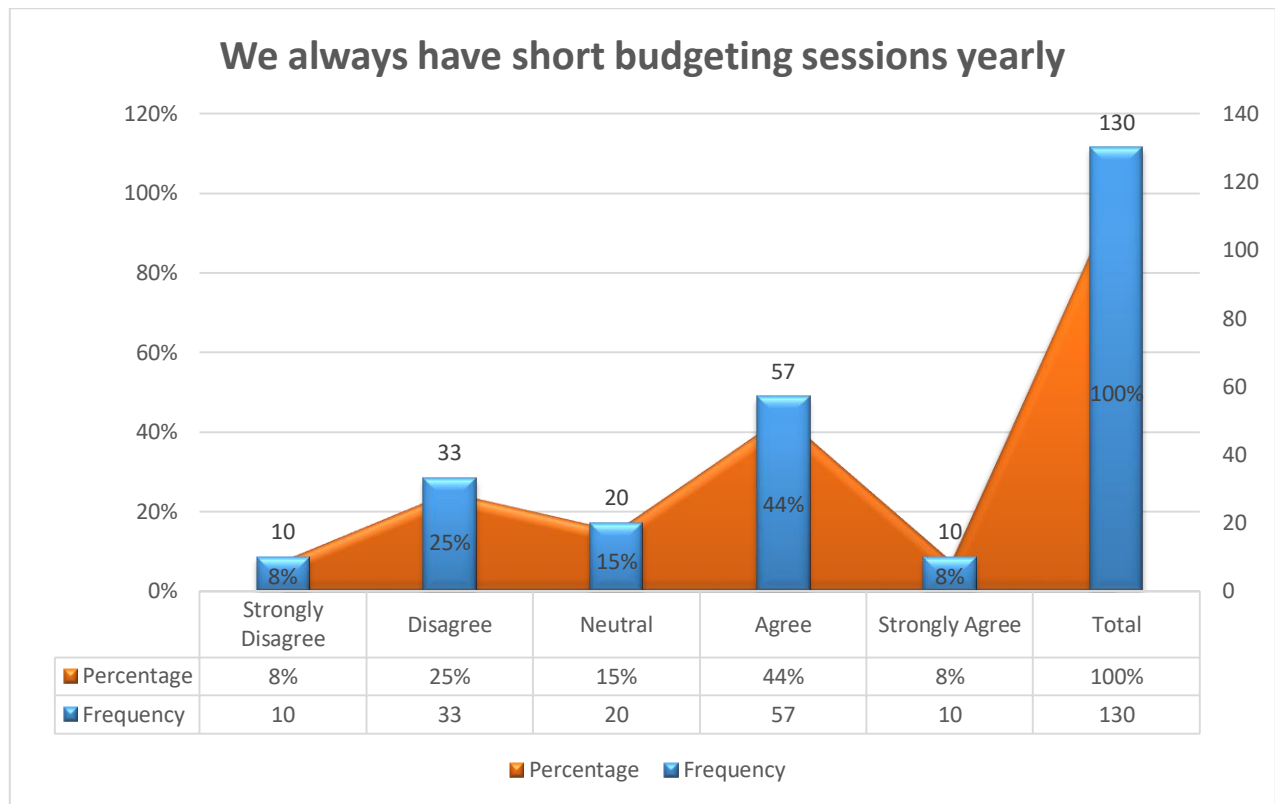
Source: Data analysed from study survey (author’s own construction)

Of the 130 respondents who participated in this survey, 72% had never attended a budget’s financial management training course. Only 11% of them had attended other financial management courses. 17% of participants gave a neutral response.

Statement number 27: We always have short budgeting sessions yearly. The sessions are used to improve manager’s financial and budget management skills.

Response: The government should ensure that managers are sent for financial and budget training courses to improve their financial and budget management skills. Participants’ responses to this statement appear in Figure 5. 32 below.

Figure 5. 32: We always have short budgeting sessions yearly



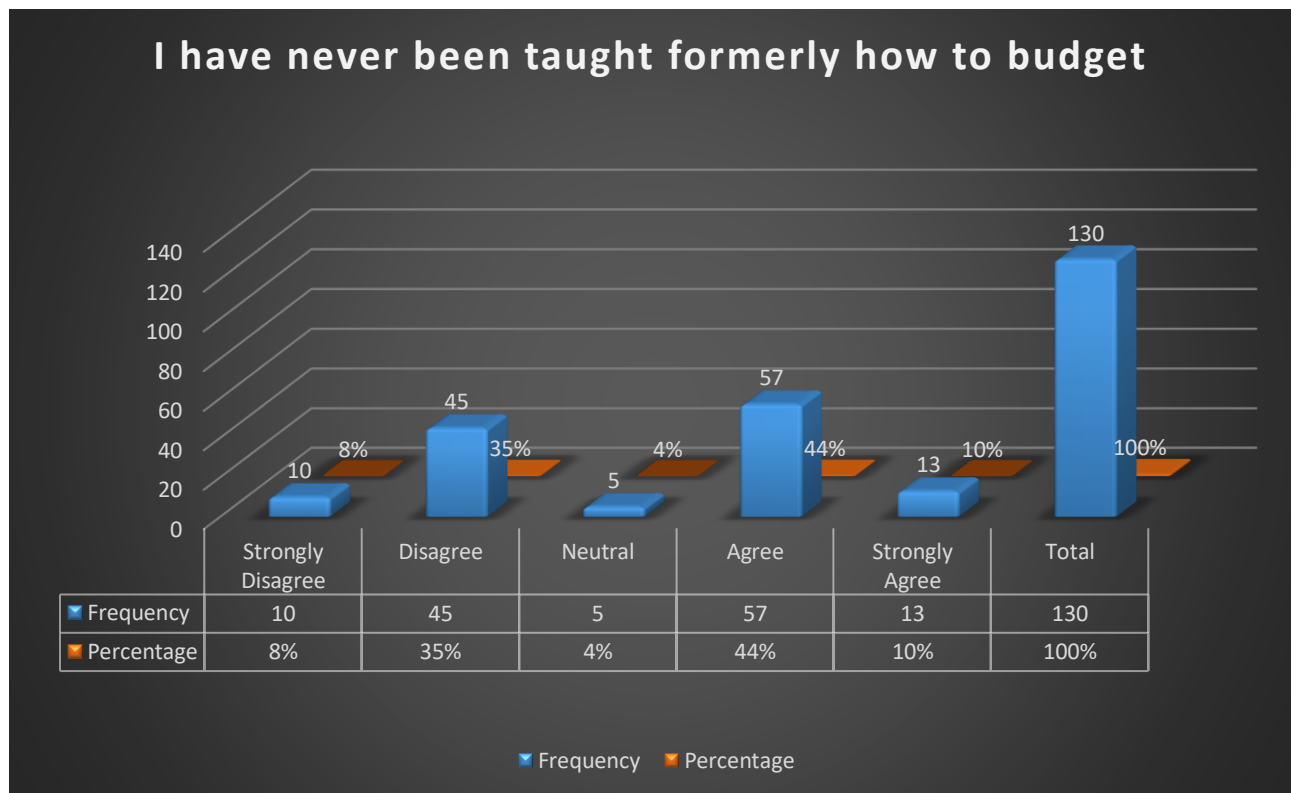
Source: Data analysed from study survey (author’s own construction)

Figure 5. 32 above shows that the majority of respondents (44%) agreed and 8% strongly agreed with the statement that they always attend short budgeting training sessions yearly, while 25% of respondents disagreed and 8% strongly disagreed with this statement. 15% of respondents remained neutral. Respondents who participated in the Financial Management Course opined that the course improved their financial management, analysis and budget management skills.

Statement number 28: I have never been taught formerly how to budget. Managers who manages the budget should be financially literate, therefore, formal financial training is crucial.

Response; Managers needs to be financially and accounting literate and formerly taught how to generate and implement budgets.

Figure 5. 33: I have never been taught formerly how to budget



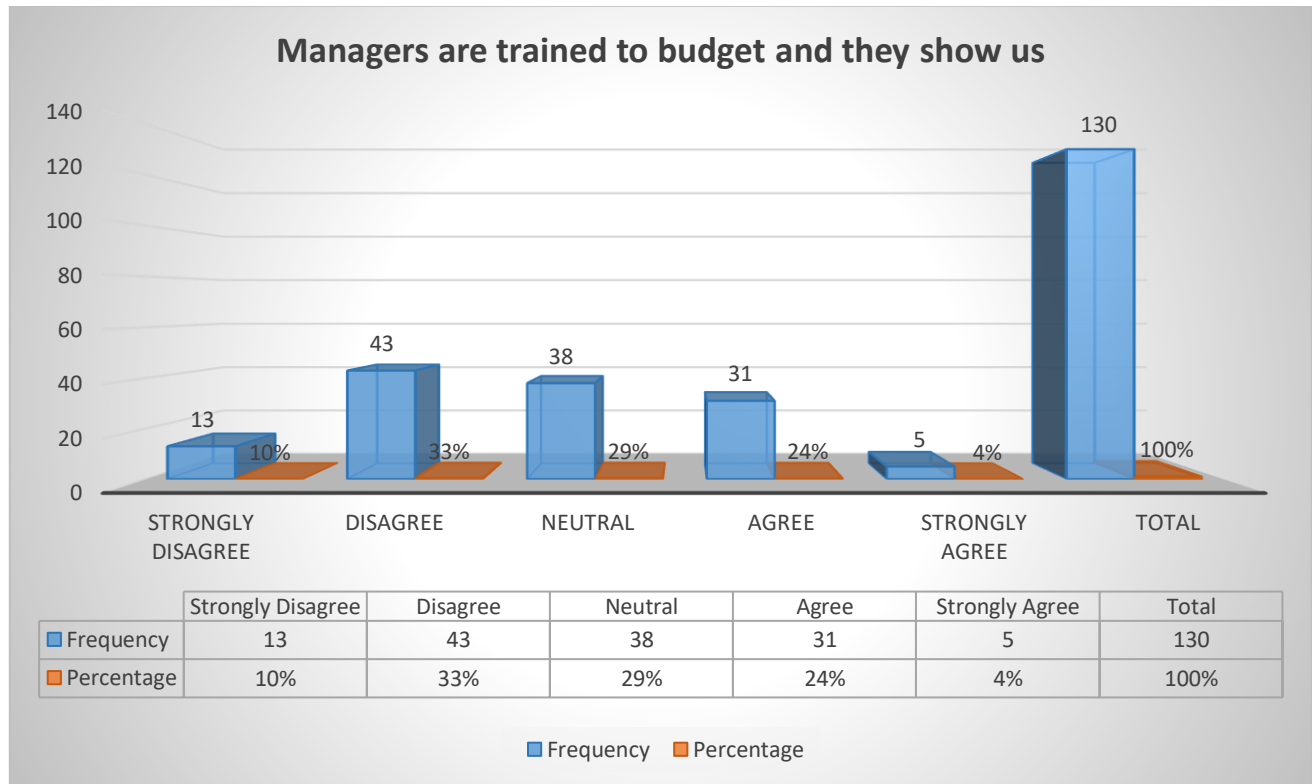
Source: Data analysed from study survey (author’s own construction)

Figure 5.33 indicates 44% of the respondents agreed with the statement, while 10% of them strongly agreed. However, 35% disagreed and 8% strongly disagreed with the statement, while 5% of the respondents were neutral. Managers should be formally trained on how to budget. If they are non-financial managers, they must have at least one qualification for financial management as a secondary qualification.

Statement number 29: Top-level managers are trained to budget and they show us. Top-level managers attend all the financial and budget training courses and, on their return, train their employees.

Response: In any organization it is expected that all employees who are involved in budgeting processes will be trained in financial matters. Figure 5. 34 below indicates participants’ response to this statement.

Figure 5. 34: Managers are trained to budget and they show us



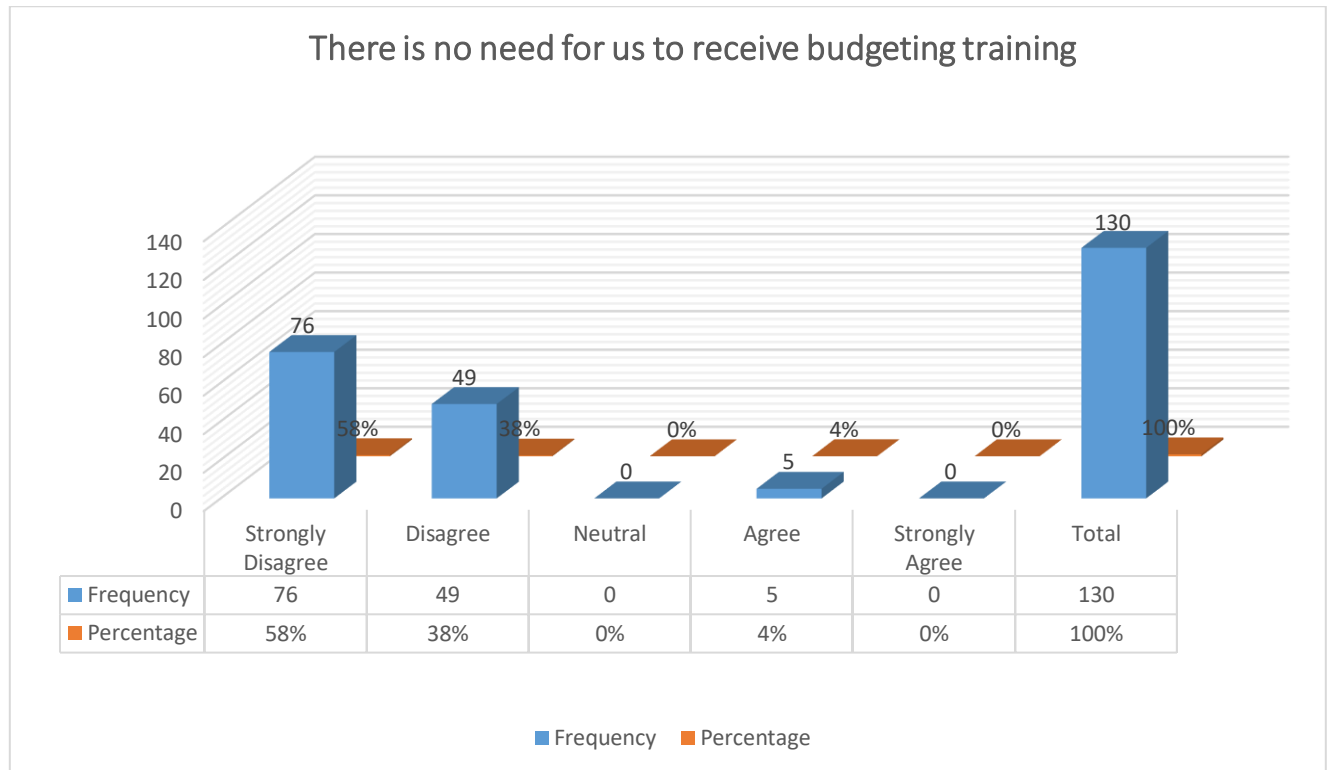
Source: Data analysed from study survey (author’s own construction)

Figure 5. 34 above records that the majority of respondents (33%) disagreed and 10% of them strongly disagreed with the statement that top-level managers are trained first on how to budget and then pass on this knowledge to them. 24% of respondents agreed and 4% strongly agreed with the statement, while 29% of them remained neutral.

Statement number 30: There is no need for all participating managers to receive budget training. All personnel who manage any part of the budget process should be financially literate and, therefore, formal budget training is crucial.

Response: It has been assumed from the reviewed literature (see Chapter Two above) that there is still a considerable need for non-financial managers to be trained and guided on financial and budget management related issues. 96% of the respondents stated that a person who manages budgets should have knowledge of finance and accounting. Only 4% of respondents felt that financial and accounting skills are not a necessary requirement for managing budgets and finances.

Figure 5. 35: There is no need for us to receive budgeting training



Source: Data analysed from study survey (author’s own construction)

Figure 5. 35 above indicates that 58% of respondents strongly disagreed and 38% of them disagreed with the statement that there is no need for them to receive budgeting training, while 4% of respondents agreed that there is no need for them to receive budgeting training.

5.4 Section C - Open ended section

This section deliberately intended to expand the researcher’s discussions with participants and to encourage them to ask other questions or raise relevant concerns. The researcher recognizes that no matter how thorough a research plan may be, elements could have been omitted during the survey creation. As part of the open-ended section, respondents can consider what they have learned and the knowledge they have gained. Respondents were asked to provide information on a particular area of study. This request was followed by questions/statements and answers in the same format.

REQUEST 1: Please state at least five (5) common problems with the budgeting system in your department.

The idea of this request was to petition the budget holders to think more deeply about the budget process. These problems might not always be mentioned, but can make a difference to the efficiency of the budget process.

Most respondents noted the following common problems:

- Budget is spent without authorization.
- Budget is not informed by reality.
- Budget is allocated from top to bottom.
- Budgets are confirmed late, resulting in rushed implementation.
- Budget monitoring is not a priority.
- Managers not being involved in budget planning.
- Lack of implementation of plans due to no budget.
- Budget allocation does not always meet the objectives of the department.
- Budgeting is implemented before approval of the operational plan, resulting in insufficient funds
- Centralization of the budget for certain items delays the delivery to the end user.
- Budget reduction every year.
- Projects are always underfunded.
- No workshops in terms of budgeting training.
- Some managers ignore the PFMA when spending their budgets.
- Incorrect interpretation of policies.
- Managers or the custodians of budgets within their own unit, lack the required information or training to use their budgets optimally.
- Too much political interference.
- No system in place to work-out budget.
- Department is reactive and not proactive.
- Bureaucratic process followed.
- Poor consultation and lack of communication resulting in skewed budget allocation.

REQUEST 2: Please identify critical issues/items you find are omitted regularly during the budgeting process.

Most of the respondents noted the following critical common issues.

- Consultation within the budget process is not done.
- No proper consultation with department or units to help them understand their real financial needs prior to budget allocations.
- No regular interaction with budget coaches.
- Office needs are not taken into consideration during approval of the budget.
- Lessons learnt from previous spending are not discussed.
- Poor communication.
- Employees not informed of their roles in the planning or budget process
- Training on PFMA never conducted.
- Training of staff is always optional.
- No consequences on underspending.
- No proper monitoring and accountability of allocated budget.
- No consequential management.
- Wasteful expenditure is deliberately not reported.
- No alignment to annual operational performance plan.
- Operational plans not aligned to strategic plans
- Budget goals/output not fully understood.
- Activity plan and projects not detailed during budget requests.
- No clear process given in advance.
- Budget bidding becomes toothless.
- Budget committee determines level of performance and rationale for reasoning for either shift and/or additional funds not always fit for purpose.

REQUEST 3: Please list aspects you do not like during budgeting process that you are expected to be involved in.

Most of the respondents noted the following common aspects.

- The budget been imposed on us.
- Detailed plans on targets and motivation but when budgets are allocated the funds only cover half of the targets on the operational plan.

- Making budget estimations that cannot be considered when allocating budget.
- Budget does not address the reality on the ground.
- To coordinate limited budget allocation and still expect all targets to be achieved as per the organizational/operational plan.
- Demand planning that is not informed by resource allocation.
- Trying to fit organizational plans into budgets instead of plans influencing budgets.
- Expected to control a budget expenditure not aligned to performance targets.
- Budgeting for non-essential projects.
- Limited control over how funds are allocated.
- The decision is made for implementation, exclusivity at times and insufficient inclusivity.
- Some budget shifts not communicated.
- Budgets are cut or shifted without prior consultation.
- Late planning and adjustment of demand plans to follow the available funds.
- Non-consideration of 'wish lists'.
- Cancelling projects due to shortage of funds.
- Budget concluded before the operational plans are aligned to strategic objectives.
- Budget acceptance not aligned to a demand plan.
- To create a demand plan that will be changed by finance unit to suit budget allocation.

REQUEST 4: Please identify critical actions you would undertake if you were in charge of the budgeting process in your department.

Most of the respondents listed the following common critical actions.

- Regular interaction and feedback on budget movement virtually.
- Ensure maximum participation.
- Consultation with units to understand their budget.
- Accept inputs from junior staff and involve them more in the planning process.
- Budget to start from bottom-up
- Ensuring that demand plans are drawn up.
- Align operational plan targets with budget.
- Use a zero-budget approach or activity-based cost budgeting.
- Budget based on strict realistic data.

- Continuous budget and financial training.
- Access to financial information to all employees.
- To instil accountability among officials.
- Include project managers in regular monitoring in order to get their status report.
- Ensure broader inclusivity to obtain better buy-in from all role players and stakeholders.
- Minimize political influence.

REQUEST 5: Please indicate what has motivated you to consider working with the budget process.

Most of the respondents noted the following common reasons.

- Helps to achieve planned targets and projects.
- The most important thing to ensure the success and to reach the objectives of our organization.
- Motivates one to be more fiscally minded and to pay greater attention to detail.
- The budget is critical in planning and implementation.
- Being part of projects and accountability.
- Helps with decision making.
- To encourage strategic spending of government funds.
- Ensures effective, efficient and economical use of financial resources to enable optimal employee performance

REQUEST 6: Please give any reasons why you would leave your involvement with the budget today.

Most of the respondents noted the following common reasons.

- Plans are not being fulfilled.
- Poor planning, allocation and implementation of budget
- No further development in the field/department
- No new challenges
- Corruption
- Political influence
- Lack of communication

- Lack of transparency
- Outdated command and control style of management
- For personal development
- No clear procedure guidelines

REQUEST 7: List any suggestions to improve and to enable effective management of budgets

Most of the respondents noted the following common reasons.

- Budget planning must be bottom-up and not top-down.
- Consultation with all stakeholders
- Regular engagement with/monitoring of units/departments
- Continuous training on budgeting and financial systems for all staff members
- Open and transparent sharing of information
- Reviewing of the allocated budget against the set operational and strategic targets
- PFMA training to be compulsory for all personnel entering the government sphere
- Regular meetings to discuss budget vs projections vs spending
- Budgeting should be independent
- Eliminate politics
- Remove bureaucratic roadblocks
- Develop online tracking within the unit, for real time up-to-date budget tracking and expenditure with easy user-friendly interface
- Align budgeting to demand and project plans
- Managers to be accountable for over/under spending of the budget

REQUEST 8: Please list anything that you feel was left out in the questionnaire that you would like to add.

Few respondents responded to this question.

- The use of technology to aid better planning
- Implication of tax
- Delays in budget allocations hampers projects' progress
- South Africa does have the necessary policies regarding managing budgets and using them effectively and efficiently

- Questions need to be asked about the responsibilities of government ministers and accounting officers within our departments
- How the budgets enabled optimal performance to improve the lives of the RSA citizens

5.5 Conclusion

Evidently, the investigation revealed some aspects of budget management and budget holders' roles not previously known to the researcher. These aspects will be discussed in detail in the succeeding chapter that include findings, summaries and conclusions. The findings will be consolidated and analyzed. The current section of this chapter consisted of dividing the questionnaire into more refined elements and of evaluating and understanding question by question as it appeared in the study instrument. These findings have been purposely reduced to provide the attentive reporting of various issues and to allow continuous orientation to the concepts that have been disclosed in the thesis prior to the outcomes. The first section mentioned at the start of this chapter was vital and assisted the identification of appropriate candidates for this research project. The second section of the questionnaire was ranked to the Likert scale that respondents used to rank the pre-worded statements based upon information obtained from the reviewed literature, on the basis of which diagrams were constructed, which were utilized for an easy clarification of the survey responses. The third section of the questionnaire consisted of open-ended questions which comprise the qualitative side of questions, in which respondents answered questions freely. This section provided additional information that may not have been specifically requested in the first part of the study questionnaire.

CHAPTER SIX: SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

Hence this study proposed to investigate the effect of budget related training on budget holders would improve the budget preparation and implementation procedures, plus improvement of the budget measures, to assess and the degree to which revisions within the current budget preparation and implementation procedures.

6.1 Introduction

A budget is considered as a fundamental administration apparatus that contributes towards the smooth running of an organization. Hence this study proposed to investigate the extent of inclusion of budget holders in budget preparation and implementation and to measure the degree to which revisions to this process could be made. It also sought to distinguish the influences and requirements experienced by the managers responsible for utilizing budget plans in their particular sections. This investigation also planned to investigate components that would improve budgeting within the chosen Western Cape Public Agencies as well as the empowering effects of budget related training on personnel involved in the implementation of budgets. A questionnaire overview was employed to accomplish these targets. As mentioned previously, the researcher disseminated 155 questionnaires, from which 130 acceptable responses were received, providing an 83.87% reaction rate.

Below is a brief summary of the previous chapters in this research study.

Chapter One presented the research study and gave the foundation of the investigation. It also provided a short description of exploration destinations, research questions, research configuration, research philosophy, and data collection strategies and instruments and data analysis.

Chapter Two presented a comprehensive literature review of government's fiscal policy, planning systems, budget allocation and bureaucratic planning systems. This all-inclusive review resulted in the development of the research proposition.

Chapter Three focused on the conceptual framework, detail relating to budgets such as budget objectives, structural budgets, budget models, as well as their advantages and disadvantages.

Chapter Four focused on the theory of the research structure and the methodology utilized in the study, as well as the instruments used to accumulate data.

Chapter Five presented all the Tables and Figures arising from the collected data, each survey question was addressed and interpreted in order to highlight the connections between the various factors and their frequencies. This chapter comprised a comparison of the study's empirical results with previous the literature and theories discussed in Chapter Two.

Chapter Six – this final chapter will summarise the research project, draw conclusions in order to answer the research questions and the purpose of the research is met. Finally it will make recommendations based upon the research finding and offer suggestions for possible future studies.

6.2 Summary of the findings

The findings detailed in Chapter Five above are summarized and the generalizations highlighted. Assumptions are made and propositions suggested where deemed right to do so, bearing in mind that the various study participants presented disparate responses. This researcher's understanding of the research findings is presented because the researcher had been involved throughout the duration of this study. The disclosures made will follow the plan utilized in Chapter Five above.

As stated earlier the questionnaire comprised three areas: Section A – Biography, Section B – Likert scale and Section C – Open-ended section which permitted for interaction between researcher and the participants. The method adopted below involves expressing the question and/or explanation provided by the investigation, followed by conclusion based on the discoveries recorded in Chapter Five above and subsequent suggestions.

6.2.1 Section A – Biography

The main purpose of the biography section is to identify eligible respondents and provide more information about their characteristics and experience. This information will help determine the appropriateness of the participants' contribution and the reliability and validity of the survey results. The format used to answer and discuss the findings in Chapter 5 is again used because it allows the researcher to cover all questions in considerable detail and to draw conclusions and make recommendations. Therefore, each question is repeated as it appears in the research tool, and conclusions drawn based upon what the researcher considers to be the relevant information for the research study.

Question 1: How old are you this year?

Knowledge of the participants' age group permitted an evaluation of how long the respondents had worked in the department and what their long term experience had been during their employment. **Conclusion:** From the survey results, 93% of the respondents were aged 31 years and older – a fact that indicates that the budget holders and implementers are well established employees. **Recommendation:** it is recommended that younger graduates should be given opportunities to assume positions of responsibility in terms of the budgeting process.

Question 2: What is your position in the organization?

The responses to this question indicated whether participants were top-level managers or line managers of the various sections. Both groups understand that it is necessary to allow managers to focus on supervising their particular area of responsibility. **Conclusion:** The survey results indicated that 61% of respondents are managers within the department, and that every one of them reports to a line manager. Therefore, it can be concluded that the selected population is relevant to the research study. **Recommendation:** It is recommended that all research into the implementation of the budget must specifically involve personnel engaged in budgeting.

Question 3: How long have you been working for the Department?

Long service within the same department provided respondents with a better understanding of the budget process. **Conclusion:** While 25% of respondents only had between 0-5 years' service, the majority of respondents (75%) had been involved in the budget process for more than 6 years within the same department. Thus, it can be concluded that most respondents have enough experience to understand the budget process of the department. **Recommendation:** All personnel responsible for implementing the budget should be given an opportunity to be part of budget generating process and to remain within the system for at least 5 years in order for them to train the younger graduates who have just assumed positions of responsibility.

Question 4: How long have you been involved in the implementation of budgets and projects?

Long service provided respondents with valuable ideas and opportunities to compare the budget process of different public agencies. **Conclusion:** the majority of respondents (71%) stated they had been involved in the budget process for more than 6 years, 29% of them 5 years or less experience. It can be concluded, therefore, that the majority of respondents have sufficient

experience to be able to compare the budget processes of the different public agencies.

Recommendation: Personnel should have at least two years' experience before becoming involved with budget generation and/or implementation.

Question 5: What is your highest qualification?

The majority of respondents (85%) have formal tertiary qualifications, such as diplomas and degrees, while 15% of respondents have other qualifications such as a Social Security Certificate and other short-term courses. **Conclusion:** Managers involved in budgeting should have relevant tertiary qualifications – it is commendable that in the department being studied, most of the employees involved in budget management are highly educated.

Recommendation: Managers supervising the budget process should be financially literate, therefore, relevant formal training is crucial.

6.2.2 Section B – Likert scale

This scale is designed to measure the degree of acceptance or disagreement with a statement. Therefore, statements are drawn on a scale from high to low, and vice versa, measuring the intensity indicated by the responder. In this scale, the measurement is based on a scale of strongly agree, agree, neutral, disagree, and strongly disagree. The ratio assumes that the distances between the elements are equal, and all elements are treated as copies of each other. These statements are based on information in the literature review and are measured by the respondents and are intended to measure the truthfulness of the theoretical assumptions expressed in the said literature review. Each statement is numbered, followed by the respondent's response, showing its intensity in the form of an illustration (pie charts, bar charts, histograms, graphs and/or tables) that are explained item by item.

Statement number 1: “Budgeting sets the objectives for our department”. This statement seeks to emphasize the importance of aligning the budget process/strategy to the resource needs of the department. It is important that those involved in budgeting understand the department's policies and objectives that drive operations. **Conclusion:** 73% of respondents agreed that people involved in the budget process generally know or should know that budget processes set the department's goals. **Recommendation:** The budget should be always aligned to the departmental objectives.

Statement number 2: “Department budgeting is created by us bottom-up”. The budget should be created and calculated by the employees who are directly involved in the budgeting

process. **Conclusion:** 62% of respondents disagreed that the budget is created done by them while 18% strongly agreed with this statement and 20% were neutral. **Recommendation:** Employees who are directly or indirectly involved in the budget should provide inputs during its preparatory stage.

Statement number 3: “Everyone creates budgets for their own work station”. It is expected that all employees should be responsible for their actions in matters of financial employment. **Conclusion:** the majority of respondents (59%) disagreed with the statement that every employee is responsible for budgeting in their workspace; while 21% agreed with the statement and 20% of respondents were neutral. **Recommendation:** each employee should be responsible for the effective management and control of the budget in the organization.

Statement number 4; “Budgets are the best way to measure performance’. This statement emphasizes the need for employees to be involved in budget process. **Conclusion:** 52% of respondents agreed with is statement, whilst 26% disagreed and 22% were neutral. It is a matter of is concern that 26% of employees did not regard the budget as performance measurement tool. **Recommendations:** The budget is the best performance measurement tool in any organization. Therefore, continuous training on budgeting and financial systems for all staff members is needed, together with consultations to ensure that department or unit’s heads understand their section’s financial needs prior to budget allocations.

Statement number 5: “Budgets are passed via a top down process by senior officials”. In an organization, the budget process is expected to operate from the bottom to the top of the organization. **Conclusion:** 72% of respondents agreed that the budget is prepared and approved by high-level officials and passed down to them, while 18% disagreed that it was compiled by high-level officials, and 10% remained neutral. **Recommendation:** Budget generation should be a bottom up process and not a top-down one.

Statement number 6: “Management tells us what to spend and on what”. Employees are expected to spend the budget according to how top-management plans and allocates funds. **Conclusion:** the majority of respondents (64%) agreed that top-management directs how they spend allocated funds, while 21% disagreed with the statement and 15% remained neutral. **Recommendation:** Employees find it difficult to fulfil their duties and manage budgets if senior management constantly tells them what to do, therefore, implementing budgeting funds should be an independent process.

Statement number 7: “Budgets are passed down to us to implement”. Employees are not part of the planning phase regarding what needs to be done to achieve goals and objectives effectively and effectively but are just instructed how to implement budgeted expenditure. **Conclusion:** The majority of respondents (75%) agreed that the budget is prepared by the management and they only take instructions regarding its implementation, 10% of the respondents disagreed with this statement and 15% remained neutral. In light of the above numbers, it is clear that the department's management makes decisions without consulting personnel who are directly involved in the projects. **Recommendation:** Line managers and less experienced personnel should be involved in the budget planning process and their input encouraged.

Statement number 8: “We take instructions to implement not to originate”. The budget administrators/implementers must be the involved in the budget planning process, since they are directly involved in the provision of services to citizens provided by the government. **Conclusion:** The majority of respondents (68%) agreed that work is planned by senior management and that they only receive instructions, while 21% of them disagreed with this statement and 12% remained neutral. The department's top- management makes decisions regarding the budget allocations without consulting the people who are directly involved in the projects. **Recommendations:** A broader range of inclusivity should be implemented to obtain greater 'buy-in' from all role players and stakeholders.

Statement number 9 : “I am not allowed to change any approved budgets”. It is expected that budget implementers will be able to adjust the budget allocations to re-prioritize projects and complete them timeously. **Conclusion:** 57% of respondents agreed that they execute the budget given to them without changing anything, 31% of them disagreed with this statement and 13% of the respondents remained neutral. **Recommendation:** A zero budget approach or activity-based cost budgeting process should be introduced.

Statement number 10: “Budgets are fixed and there is no mid-term budget”. This statement aimed to discover if it was possible for managers to adjust the department's budget mid-term to achieve the government's proposed results. **Conclusion:** 79% respondents disagreed that they would have to wait for the new fiscal year when the budget ends which meant that most respondents believed that the budget could be halved in a financial year. Meanwhile 11% agreed that when the allocated funding is exhausted, they will have to wait until

the next fiscal year to complete their projects and 10% of them remained neutral.

Recommendation: No recommendations are made here.

Statement number 11: “I have to allocate a given budget into the projects”. It is expected that employees in an organization should spend the allocated funds on their projects to meet the goals and objectives of the department. **Conclusion:** The majority of respondents (79%) agreed that they need to divide the allocated funds in order to tailor-make them to the needs of projects. 12% of them disagreed with the statement and 10% remained neutral.

Recommendation: When calculating project costs, those directly involved should be consulted so that costs can be properly identified in order to be able to complete the project on time.

Statement number 12: “I can’t contest the formula but implement budgets”. Budgets are expected to be implemented and monitored by employees within the organization, but these employees need to understand how the budget was developed and funding allocated to them.

Conclusion: 54% of respondents agreed that they did not know how the management calculated the funding allocated to them for completing projects while 46% disagreed with the statement and 13% remained neutral. It can be concluded that some employees are not involved in generating budgets and calculating project costs while others are involved.

Recommendation: Greater inclusivity is required to obtain more extensive ‘buy-in’ from all role-players and stakeholders to ensure maximum participation.

Statement number 13: “Implemented a budget differs from approving budget”.

Departmental plans must be based upon an approved budget. **Conclusion:** the majority of respondents (52%) agreed that the implemented budget is different from the approved budget, while 27% disagreed with the statement. The remaining respondents (21%) appeared unaware of the significance of the statement and so declined to comment. **Recommendation:** Regular interaction and feedback on budget movement should be arranged to help line-managers understand their unit’s budget.

Statement number 14: “Politics impact execution of effective budgets”. Politicians should allow government officials to do their jobs without any interference so that the mandate to serve the people of this country can be delivered effectively and efficiently. **Conclusion:** 67% of respondents agreed that political interference has an adverse effect on budget implementation, while 12% disagreed with the statement and 21% remained neutral. Politicians want their political

aspirations to dominate their legal aspirations, making it difficult to implement the set budget and spend the allocated funds. **Recommendation:** Political influence should be eliminated.

Statement number 15: “Budget approved by the executive is unrealistic”. The budget must be realistic and in line with the organizations plans to avoid setbacks. **Conclusion:** 41% of the respondents agreed that the budget approved by executives is unrealistic and inaccurate, while 19% of them opposed the statement. It was a matter of concern that 40% of respondents chose to remain neutral to such important statement. However, it is clear that unrealistic budgets are often approved by executives are usually lead to unfulfilled departmental goals and objectives. **Recommendation:** Budgets should be based on realistic data.

Statement number 16: “The budget speaks the firm’s strategic objectives”. The budget is aligned with the operational plan’s targets. **Conclusion:** The majority of respondents (77%) agreed that the department's budget is in line with strategic and operational plans, while 18% of them disagreed and 6% remained neutral. **Recommendation:** No recommendations are made here.

Statement number 17: “The budget fits into the requirements of the plan”. The budget is created in accordance with the strategic goals and priorities of the organization. **Conclusion:** 60% of the respondents agreed that the accepted budget fits well into the operational plan’s requirements, whereas 25% disagreed with the statement and 15% were neutral. **Recommendation:** No recommendations are made here.

Statement number 18: “The budget contradicts effective implementation”. Guidelines should be provided through circulars and rules and regulations of the National Treasury to ensure that the departmental projects and operational activities are implemented effectively and efficiently. **Conclusion:** 33% of the respondents agreed that the budget does not promote the effective implementation of projects, while the 44% of them disagreed with this statement and 23% of respondents remained neutral. **Recommendation:** Budgeting should be aligned to operations demands and project plans.

Statement number 19: “The budget may be short for plan implementation”. Executives must always provide clear direction regarding objectives that need to be accomplished and allocate sufficient resources for their use before commencing projects or activities. **Conclusion:** 68% of respondents agreed with this statement, 17% disagreed and 15% were neutral. If the

project is changed due to lack of funds, the goals and objectives cannot be achieved and the government will delay serving the general public. **Recommendation:** The allocated budget should be regularly reviewed against the set operational and strategic targets.

Statement number 20: “The budget is always adequate for the objectives”. The successful achievement of objectives within an organization requires a series of steps to implement the project, and a budget that is sufficient and realistic to achieve these goals. **Conclusion:** 65% of the respondents disagreed with the statement, while 12% of them agreed with it and 23% remained neutral. **Recommendation:** The budget should be based on realistic data and aligned to the operational plan’s targets.

Statement number 21: “Legislation plays a critical role in budget management”. Regulations should ensure adequate control of financial management in government and other public entities and, therefore, employees should always be well informed of such policies. **Conclusion:** 92% of respondents agreed with the statement, 4% disagreed and the remaining 4% were neutral. This result indicates that the majority of respondents understand the role of law in the public service. **Recommendation:** PFMA training should be compulsory for all personnel on entering the government employment.

Statement number 22: “There are strict policies for effective budgeting”. The purpose of this statement was to establish whether legislation or operational issues determine budget-related practices. **Conclusion:** 87% of respondents agreed that they were legally controlled regarding the management of government funds, whereas, 9% disagreed with the statement and 4% of respondents remained neutral. Due to the importance of law in the management and control of public funds, it is a matter of concern that 5% of respondents rejected the validity of statement number 22. **Recommendation:** Bureaucratic ‘roadblocks’ should be removed.

Statement number 23: “Managers have to abide by the Public Finance Act”. The top management in any organization is expected to understand how to implement certain policies, public sector managers should be monitored to ensure that such policies are implemented within the budgeting process. **Conclusion:** 52% of respondents strongly agreed and 46% agreed that managers are bound by regulations, while 2% of respondents were neutral. **Recommendation:** PFMA training should be compulsory for all personnel on entering the government service

Statement number 24: “There is a misfit between plans and the provisions of the Act”.

The government should ensure that laws, policies and plans are aligned when implementing its strategies. **Conclusion:** The majority of respondents (64%) agreed that there is a gap between the provisions of the Act and department's plans, while 38% disagreed with this statement and 6% remain neutral. **Recommendation:** There should be a link between the provisions of the policy (law) and the plans of the department.

Statement number 25: “The Act is not clear about how to manage budgets”. The legislation

should be clear on how departments should manage their resources. **Conclusion:** 70% of respondents disagreed that legislation does not specify how to manage the budget, while 15% of them agreed with the statement and 15% remained neutral. **Recommendation:** Most respondents are aware that the act gives clear authority over budget control, therefore, no recommendations are made here.

Statement number 26: “I have attended extensive training on budgeting”. Budget

managers who have no previous financial management experience should be sent for financial and budgeting training in order to be better equipped to perform the financial management activities of the department effectively and efficiently. **Conclusion:** 72% of the respondents had never attended a finance or budget management training course while only 11% of them had attended such courses. The remaining 17% respondents were neutral. **Recommendation:** Budgeting and financial systems training should be continuously offered for all staff members.

Statement number 27: “We always have short budgeting sessions yearly”. The

government should make sure that managers are sent for financial and budget courses to improve their financial and budget management skills. **Conclusion:** 52% of respondents agreed that they always have short budgeting sessions yearly, while 33% of them disagreed and 15% remained neutral. **Recommendation:** Continuous training on budgeting and financial systems for all staff members should be conducted based on the fact that the study participants who had participated in such courses opined that such training improved their financial management, analysis and budget management skills.

Statement number 28: “I have never been taught formerly how to budget”. Managers

should be literate in terms of both financial management and accounting and need to be formerly taught how to budget. **Conclusion:** 54% of the respondents agreed with the statement, while 43% of them disagreed and 5% were neutral. **Recommendation:** Managers should be formally

trained on how to budget. If they are non-financial managers, they should have passed at least one financial management course as a second qualification.

Statement number 29: “Managers are trained to budget and they show us”. In any organization it is expected that all employees who are involved in budget process are trained financial matters. **Conclusion:** 43% of respondents disagreed with the statement that managers are trained how to budget and pass this knowledge onto them, while 28% of them agreed with the statement and 29% were neutral. **Recommendation:** Budgeting and financial systems training should be provided for all staff members involved in budget creation and/or implementation.

Statement number 30: “There is no need for us to be trained on budgeting”. The person who manages the budget should be financially literate, therefore, formal financial training is crucial. **Conclusion:** 96% of respondents disagreed with the statement that there is no need for them to receive trained in relation to the budgeting process while only 4% of them agreed with the statement. **Recommendation:** Formal training on budgeting and financial systems should be provided for all staff members involved in generating and/o implementing budgets.

6.2.3 Section C – Open-ended questions

As stated in Chapter Five of this study, the open-ended questions provided an opportunity to expand discussions with respondents by encouraging them to ask raise relevant issues of concern. The researcher recognizes that is difficult to ensure that all relevant issues ae raised when creating a survey and thus through the open-ended questions respondents can consider their existing knowledge and experience and raise issues that they are uncertain about. The details relating to Requests 1 to 8 are provided in great detail in Chapter Five above.

6.3 Recommendations

As indicated previously, the aim of this research was to understand the role of the budget in the execution of projects considering that the budget {cost} as part of the iron triangle determines the success or failure of project execution according to the PMI stipulations.

The objectives for this research were thus to:

1. Identify the relationship between the budget and technical specifications.
2. Identify the relationship between the budget and quality specifications.
3. Identify the relationship between the budget and scope specifications.
4. Identify the relationship between the budget and stakeholder management.

Based on the findings of this research study specified above the following recommendations are made to improve the generation and implementation of the budget within public agencies:

- Budgets should be compiled through a bottom-up rather than a top-down process. Top management should understand the importance of encouraging employees to participate in the budgeting process.
- There should be consultation of all stakeholders, and personnel with executive authority should communicate effectively with the managers who prepare and implement budgets.
- Regular monitoring of budget implementation and engagements with units/departments should take place.
- Continuously training on budgeting and financial systems for all staff members should be offered.
- There should be continuous open and transparent sharing of information between all personnel involved with generating and/or implementing budgets.
- There should be regular reviewing of the allocated budget against the set operational and strategic targets, Executive authorities' decision making processes should be linked to the budgets so as to give clear direction in terms of the objectives and progress of the department.
- PFMA training should be instituted for all personnel entering the government sphere.
- Regular meetings to discuss the budget vs projections vs spending should be held.
- Budgeting should be independent of political influence.
- Bureaucratic 'roadblocks' in the form of 'red tape' issues should be reduced to give managers an opportunity to generate and implement budgets for their own projects.
- Online tracking with an easy user-friendly interface should be introduced within each unit to ensure 'real time' and up-to-date tracking of budget expenditure.
- Budgeting should be aligned to demand and project plans.
- Managers should be accountable for over/under spending of the budget
- Government should minimize the control of the executives in the budget process and, thus, permit managers to actualize the projects within their significant areas.

6.4 Recommendation for further research

As stated in Chapter 5 above, budgeting provides an extremely interesting area for research. It is suggested, therefore, that this study be repeated in the future to allow for comparative analysis and additional interpretations because, given the generally diverse nature of the budget process, it remains a complicated area of study. While generalizations can be made, as recorded in the

study findings in Chapter Five above, it can be concluded that efficient budgeting has a favourable impact on project success in the context of this research study, although it must be acknowledged that this fact does not apply universally. As a result, the researcher recognizes that the expectations for the implementation of a generic budget process for budget holders and other stakeholders is not exclusive.

6.5 Conclusion

As already stated, this study was conducted to determine the elements that influence budget management in a selected department of the Western Cape Provincial Government in the Republic of South Africa. The findings of the study have revealed elements that contribute to managers' inefficient budget management within their departments. The elements influencing a manager's capacity to manage research objectives were ascertained and, as a result, pertinent recommendations were made.

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Appendix A: Questionnaire

Title; The role of budgeting systems on successful project execution at a selected government department in the Cape Metropolis

This is an academic exercise and no information will be passed to any official, please do not write your name, nor that of your organization or any mark that may indicate who the respondent is. The target group is people generally involved in budget implementation and projects. REMEMBER; Your identity is protected, this remains the property of the university.

**SECTION A. BIOGRAPHY
(Statistical purposes only)**

Please make an (X) in the block corresponding to your choice.

1. How old are you this year, please use table to indicate your age range

18 – 25 years		26 – 30 years		31 – 40 years		41 –more years	
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2. What is your position in the organization?

Regional Manager		General Manager		Senior Manager		Manager		Other	
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If other please specify.....

3. How long have you been working for the Department?

0 – 5 years		6 – 10 years		11 – 15 years		16 –more years	
-------------	--	--------------	--	---------------	--	----------------	--

4. How long have you been involved in implementation of budgets and projects?

0 – 5 years		6 – 10 years		11 – 15 years		16 –more years	
-------------	--	--------------	--	---------------	--	----------------	--

5. What is your highest qualification?

National Diploma		Bachelors' Degree		Master's Degree		Doctorate		Other	
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If other please specify.....

6. Any other things you may want to say

.....

.....

.....

SECTION B

FACTORS THAT IMPACT ON EFFECTIVE BUDGET MANAGEMENT IN THE DEPARTMENT

Please rank the following by crossing the most applicable, use the scale 1 to 5. **NOTE:** 1 = disagree strongly, 2 = disagree, 3 = neutral, 4 = agree, and 5 = strongly agree

BUDGETING PROCESS IN MY DEPARTMENT		Degree of preference				
		1	2	3	4	5
1	Budgeting sets the objectives for our department	1	2	3	4	5
2	Department budgeting is done by us bottom up	1	2	3	4	5
3	Everyone does budgets for their own work station	1	2	3	4	5
4	Budgets are the best way to measure performance	1	2	3	4	5
5	Budgets are passed top bottom by senior officials	1	2	3	4	5
0	BUDGET PROBLEMS					
6	Management tells us what to spend and on what	1	2	3	4	5
7	Budgets are passed down to us to implement	1	2	3	4	5
8	We take instructions to implement not to originate	1	2	3	4	5
9	I am not allowed to change any approved budgets	1	2	3	4	5
10	Budgets are fixed and there is no mid-term budget	1	2	3	4	5
0	BUDGET IMPLEMENTATION					
11	I have to allocate a given budget into the projects	1	2	3	4	5
12	I can't contest the formula but implement budgets	1	2	3	4	5
13	Implemented budget differ from approved budget	1	2	3	4	5
14	Politics impacts execution of effective budgets	1	2	3	4	5
15	Budget approved by the executive is unrealistic	1	2	3	4	5
0	STRATEGIC PLAN					
16	The budget speaks the firm's strategic objectives	1	2	3	4	5
17	The budget fits into the requirements of the plan	1	2	3	4	5
18	The budget contradicts effective implementation	1	2	3	4	5
19	The budget may be short for plan implementation	1	2	3	4	5
20	The budget is always adequate for the objectives	1	2	3	4	5

0	LEGISLATION					
21	Legislation plays in critical in budget management	1	2	3	4	5
22	There are strict policies for effective budgeting	1	2	3	4	5
23	Managers have to abide by the Public Finance Act	1	2	3	4	5
24	There is a misfit plans & provision of the Act.	1	2	3	4	5
25	The Act is not clear about how to manage budgets	1	2	3	4	5
0	FORMAL TRAINING IN BUDGETING					
26	I have attended extensive training on budgeting	1	2	3	4	5
27	We always have short budgeting sessions yearly	1	2	3	4	5
28	I have never been taught formerly how to budget	1	2	3	4	5
29	Managers are trained to budget and they show us	1	2	3	4	5
30	There is no need for us to be trained budgeting	1	2	3	4	5

**SECTION C
OPEN ENDED QUESTIONS**

This section involved open discussion with the respondents, the respondents were requested to list. Discuss any aspects of budgeting (within themes) as they understood them within their work environment.

REQUEST 1; Please state at least five (5) common problems with the budgeting system in your department.

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REQUEST 2; Please identify critical issues / things you find omitted list regularly during the budgeting process.

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REQUEST 3; Please list things you do not like during budgeting that you are expected to be involved in.

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REQUEST 4; Please identify critical things you would do if you were in charge of the budgeting process in your department.

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REQUEST 5; Please indicate what has motivated you to consider working with budget.

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REQUEST 6; Please give any reasons why you would leave budget today.

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REQUEST 7; List any suggestions to improve and to enable effective management of budgets

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REQUEST 8; Please list anything that you feel was left out in the questionnaire that you would like to add.

-
-
-
-
-

THANK YOU FOR TAKING PART IN THIS STUDY.

Appendix B: Ethics Certificate



P.O. Box 1906 | Bellville 7535 Symphony Road
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Tel: +27 21 4603291

Email: fbmsethics@cput.ac.za

Office of the Chairperson
Research Ethics Committee

FACULTY: BUSINESS AND MANAGEMENT SCIENCES

The Faculty's Research Ethics Committee (FREC) on **14 September 2021**, ethics **APPROVAL** was granted to **Xolile Mkuhlana (201006073)** for a research activity for **M Tech: Bus Administration in Project Management** at Cape Peninsula University of Technology.

Title of dissertation / thesis /
project:

**The role of budgeting systems on successful project
execution at a selected government department in the Cape
Metropolis**

Lead Supervisor (s): Dr L.E. Jowah / Mr I. I. Desai

Decision: APPROVED



Signed: Chairperson: Research Ethics Committee

14 September 2021

Date

The proposed research may now commence with the provisions that:

1. The researcher(s) will ensure that the research project adheres to the values and principles expressed in the CPUT Policy on Research Ethics.
2. Any adverse circumstance arising in the undertaking of the research project that is relevant to the ethicality of the study requires that the researcher stops the study and immediately informs the chairperson of the relevant Faculty Ethics Committee.
3. The researcher(s) will conduct the study according to the methods and procedures set out in the approved application.
4. Any changes that can affect the study-related risks for the research participants, particularly in terms of assurances made with regards to the protection of participants' privacy and the confidentiality of the data, should be reported to the Committee in writing accompanied by a progress report.
5. The researcher will ensure that the research project adheres to any applicable national legislation, professional codes of conduct, institutional guidelines and scientific standards relevant to the specific field of study. Adherence to the following South African legislation is important, notably compliance with the Bill of Rights as provided for in the Constitution of the Republic of South Africa, 1996 (the Constitution) and where applicable: Protection of Personal Information Act, no 4 of 2013; Children's act no 38 of 2005 and the National Health Act, no 61 of 2003 and/or other legislations that is relevant.
6. Only de-identified research data may be used for secondary research purposes in future on condition that the research objectives are similar to those of the original research. Secondary use of identifiable human research data requires additional ethics clearance.
7. No field work activities may continue after two (2) years for Masters and Doctorate research project from the date of issue of the Ethics Certificate. Submission of a completed research ethics progress report (REC 6) will constitute an application for renewal of Ethics Research Committee approval.

Clearance Certificate No | 2021_FBMSREC 053



Submission

To: **Mr. Bandile Maqetuka: Regional Executive Manager**

From: **Mr. Xolile Mkuhlana: Assistant Manager – Management Accounting**

Branch: **Western Cape Region**

Date: **8 January 2021**

Subject: **PERMISSION TO COLLECT DATA FOR RESEARCH**

Enquiries: **Mr Xolile Mkuhlana**
0214690404

1. PURPOSE

The purpose of the submission is to request the approval from the Regional Executive Manager, Mr Bandile Maqetuka to carry out the survey at SASSA Western Cape Region Offices.

2. BACKGROUND

I, Xolile Mkuhlana (Student number 20100807) Assistant Manager in Management Accounting at Western Cape Region request a principle consent to collect data at SASSA Western Cape Region Offices as part of my dissertation of Masters of Technology research. The attached letter explains the nature of my research and of the data to be collected.

THE TITLE OF THE STUDY IS: The impact of structurally defective budgeting systems for delivery projects at a selected government department.

In addition, SASSA's name may or may not be used as indicated below (tick as appropriate).

	Thesis	Conference paper	Journal article	Research poster
Yes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. RECOMMENDATION

For Regional Executive Manager, Mr Bandile Maqetuka to approve the survey to be carried out at SASSA Western Cape Region Offices.


 Ms. Annelize Bester

Date: 1/04/2021

Recommended/Not Recommended /Amendment

Application of a constructive resolution approach must be applied to solve the outcome of the survey.

For Regional Executive Manager to approve the survey to be carried out at SASSA Western Cape Region Offices.


 Mr. Bandile Maqetuka

Date: 1/09/2021

Approved/Not Approved

AS AMENDED
Refer to the comments of the
TEAM IN ANCE ABOVE.



South African Social Security Agency
 Head Office

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Appendix D: Plagiarism certificate

The role of budgeting systems on successful project execution at a selected government department in the Cape Metropolis

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Appendix E: Declaration of language editing

DECLARATION OF LANGUAGE EDITING

A dissertation entitled:

THE ROLE OF BUDGETING SYSTEMS ON SUCCESSFUL PROJECT EXECUTION AT A SELECTED GOVERNMENT DEPARTMENT IN THE CAPE METROPOLIS

by

XOLILE MKUHLANA

submitted in partial fulfilment of the requirements for the degree Master of Technology: Business Administration in Project Management in the Faculty of Business Management Sciences at the Cape Peninsula University of Technology

Supervisor: Dr L E Jowah

has been subjected to an English language edit by Dr Barbara Basel

I should like to note that there were sections of the above dissertation that I found linguistically incomprehensible and, thus, it is possible that I have interpreted them incorrectly. It is the responsibility of the author to make the necessary changes to such sections.

D.Litt. University of Pretoria,
MA Potchefstroom University,
BA UNISA

Vice President of the Council of English Academy of Southern Africa
Associate Member Professional Editors' Guild

Past Lecturer in English Literature, Linguistics, Communication and Business English for 10 years at Pearson Institute for Higher Education (previously Midrand Graduate Institute), Cape Town Campus.

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7 September 2021

