

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

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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, government departments 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 look out for concerning the budgetary process in the public sector. The primary objective for this research was to; identify 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.

Keywords: structurally defective, budgeting systems, cost overrun, inefficient service delivery, project.

1. INTRODUCTION

Government departments in the Western Cape have been accused persistently for failing to meet the community expectations on services to be delivered. 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, et al. (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.

2. LITERATURE REVIEW

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 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.

1. Budget, and Budgeting Systems

According to (Klun, & Benčina, 2021:188-208) budgeting is a basic government service and represents a clear government intention to achieve specific community needs. 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, et al., 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, et al., 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.

In addition to previous definitions provided above, (Ahmodu, 2018) 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 (Zweni, & Jowah, 2017:118-132) 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 (Courtois, et al., 2018:607–620). Various techniques are said to have been implemented within construction projects, however, the project is rarely completed within the allocated budget (Johnson, & Babu, 2020:402-411). It is suggested by Jastrzębska (2020:3-14) that the most challenging task facing government departments 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: below details the problems relating to budgets as identified by Zweni and Jowah (2017:118-132).

Table 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 Zweni and Jowah (2017:118-132)

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 construction industry is facing major challenges and problems including cost overrun globally (Rivera, et al., 2016:567).

2. Cost Overrun

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 2: below illustrates the major causes of cost overrun as identified by Nasir, et al. (2016:73)

Table 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 Nasir, et al. (2016:73)

Other factors identified by Karim and 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 Prasad, et al., 2019:216-238). 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).

3. Inefficient delivery

According to Gunduz and Yahya (2018:67-80), many recent studies have suggested that within the project management industry it is very important to achieve project objectives. Johnson and Babu (2020:402-411) further acknowledge the delays that have erupted over time as a serious problem for the 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 (Zidane, & Andersen, 2018:80-91).

Table 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.

The discovery of conventional ways of dealing with project management 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).

4. Project

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, et al. (2018:349-365) indicate that a project is 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 3 below).

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

Source: Author's own construction adapted from Turner (2014:14)

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.

5. Structurally Defective Budgeting

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).

3. PROBLEM STATEMENT

The primary definition of successful project execution is when the triple constraints or the iron triangle is met and the scope covered. Consistently government projects are never completed within budget and time, too often without adhering to the quality requirements. One critical element (not to be little the others) is the budget as it is a determinant for continued execution or abandonment of the project. At the initiating stage, where the project is conceptualised, who are the critical stakeholders responsible for the estimation of the project execution costs. There have been consistent problems resulting in violent strikes from the community where expected service delivery was never realised. The focus of this study was to understand the one critical aspect

of budgeting and how this is conducted in this specific government department. It was also critically important (in the research) to have an understanding on how the budgeting is done and why there is consistent shortfalls on the amounts budgeted for these community projects.

4. RESEARCH OBJECTIVES

Aim of the research: was to understand how the budget is determined in this large department responsible for community service and management of service delivery projects.

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

1. To identify the project budgeting process followed for the community projects in this department
2. To establish the role played by the cost centres in the department responsible for execution
3. To establish if there are administrative shortfalls in the execution of projects within the budget
4. To identify any other causal factors for the continued cost overruns and failed project execution

5. RESEARCH QUESTIONS

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 are the budgeting processes followed in determining the project budget in the department?
2. What is the role played by cost centres in the determination of the project and the budget required thereof?
3. What are the administrative problems that may impact on the effective execution of the projects to be delivered?

4. What other factors are known to be impediments to the efficient and effective execution of department projects?

6. RESEARCH METHODOLOGY

6.1 Research Approach

According to Jowah (2015:102) a research design is a plan or programme of action that indicates the process to be used by a researcher. Numerous designs were available but the researchers opted for the descriptive research design as this was intended to assist in describing the phenomenon in detail. This was used together with mixed research methodology (qualitative and quantitative), which, though they are generally known to be opposed to each other, they are complementary to each other. The use of descriptive design and mixed research methodology enabled the understanding of the phenomenon in both breadth and depth thereby allowing informed conclusions.

6.2 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). The respondents for this research were supervisors / managers of cost centres within the department which were responsible for execution of the projects and the control of the budget.

6.3 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). The sample frame was 392 unit managers / supervisors / WBS leaders of the cost centres or units. Systematic random sampling was used considering the distribution of the cost centres in the department. In all 130 respondents were involved in the survey, this number was considered large enough for generalisations.

6.4 Research Instrument

A structured questionnaire was constructed and piloted on 10 respondents in the department, it was reconstructed with the assistance of a statistician who assisted in making the

instrument reliable and valid. The questionnaire had three sections; **Section A – Biography** (eligibility of respondents), **Section B - Likert Scale** (respondents experience with budgeting) and **Section C – Open ended questions** (interaction with respondents on their experience and any other information on budgeting).

6.5 Data collection method

With the assistance of 3 trained research assistants the questionnaires were administered in person to the respondents. 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.

6.6 Data coding and analysis

The questionnaires were brought together, cleaned, edited and coded before loading them onto an excel spread sheet (ESS) from which illustrations were drawn. The illustrations (graphs, charts, frequency polygons and tables) assisted in comparing of the variables and the interpretation thereof.

7. FINDINGS

The recording of the findings follows the format of the questionnaire sequentially with a comment after each of the questions or statements. Section C (open ended), the statements provided by the respondents were grouped according to similarity in ascending order of frequency. Lastly, conclusions of the finding and the recommendations are discussed at the end of the report.

SECTION A - BIOGRAPHY

The main purpose of the biography section was to identify eligible respondents and provide validity and reliability to the research findings. Each question is stated as it is in the research tool, and responded to in that chronological order.

QUESTION 1; How old are you this year?

RESPONSE; knowing age group merely helped to estimate the likelihood of them having had exposure and thus expect some level of understanding of the matter. The response is in figure 1 below.

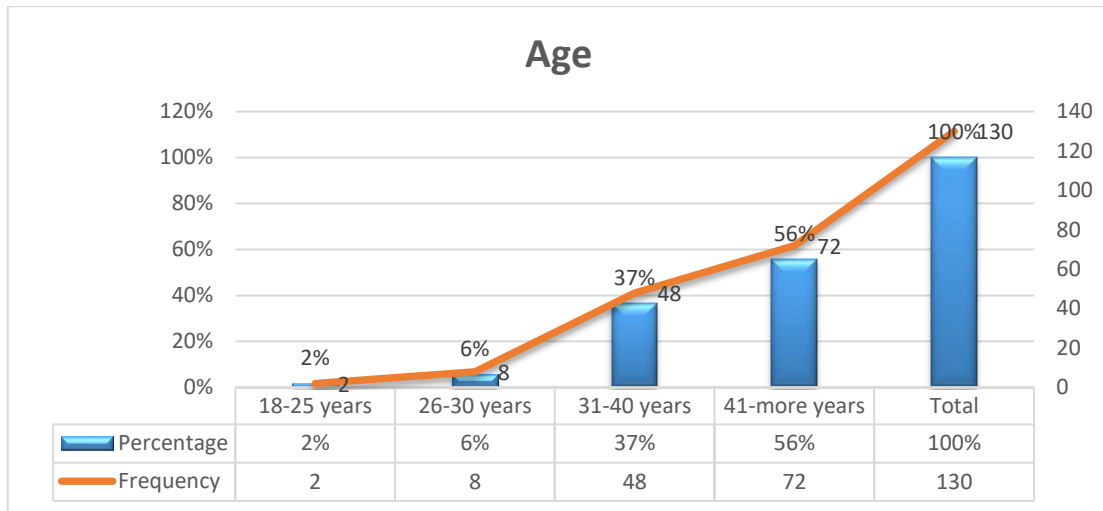


Figure 1: Age of the respondents

Source: Author's data from respondents

From the survey results, 93% of the respondents are from the ages of 31 and up, being top of the rundown, this age group is sufficient evidence that in the department there is less youthful and more established people in budgeting. **Recommendation;** it is recommended that young graduates should be given opportunities to assume positions of responsibility.

QUESTION 2; What is your position in the organization?

RESPONSE; Positions in the organization separate managers from subordinates, or at least identify managers who also have their own line managers. Both can understand what it means to let the responsibility manager focus on managing the area of responsibility.

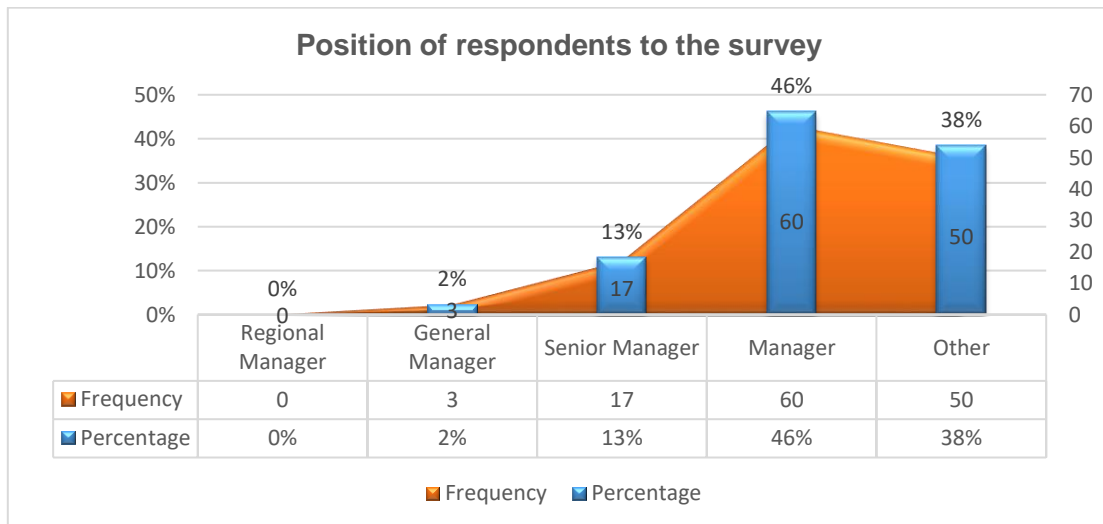


Figure 2: Position in the organization

Source: Author's data from respondents

From the survey results, 61% of the respondents are managers / leaders in one form or another, and everyone reports to a line manager. Therefore, it can be concluded that the selected population is relevant to the research. **Recommendation;** It is recommended that all future research in the

implementation of the budget must specifically involve those engaged in budgeting.

QUESTION 3; How long have you been working for the Department?

RESPONSE; Length of service in the same department provided respondents with better understanding of the budget process in the department.

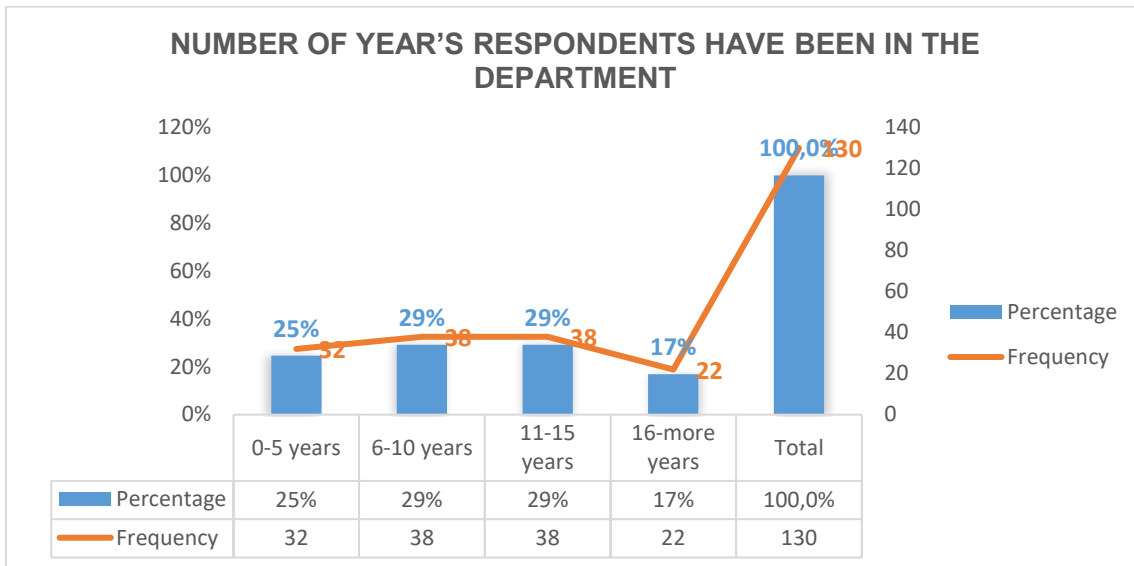


Figure 3: Number of years in the Department

Source: Author's data from respondents

Majority of respondents (75) had been involved in the budget process for more than 6 years in the department, only 25% had been in the positions for 0-5 years. Respondents are expected to have been involved in the budgeting, either as estimators or mere implementers for long enough for them to understand. **Recommendation;** it is recommended that constant training on

budgeting be provided to department employees for their own development.

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

RESPONSE; Length of service provided respondents with better ideas and opportunities to compare the budget process of different organisation or rather government institutions.

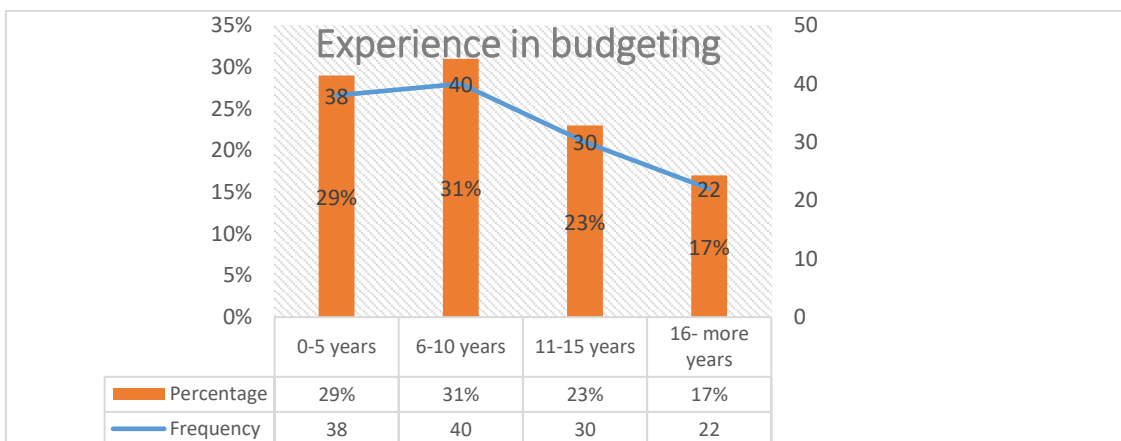


Figure 4: Experience in budgeting

Source: Author's data from respondents

The majority of respondents (71%) had been involved in budgeting for more than 6 years, 29% had been involved in budgets for 0 to 5 years. It can be concluded that the respondents had enough experience. **Recommendation;** continued training since there are constant problems with cost overruns.

QUESTION 5; What is your highest qualification?

RESPONSE; The level of education informed the researchers on the likely understanding of budgeting and the position of the individual responding.

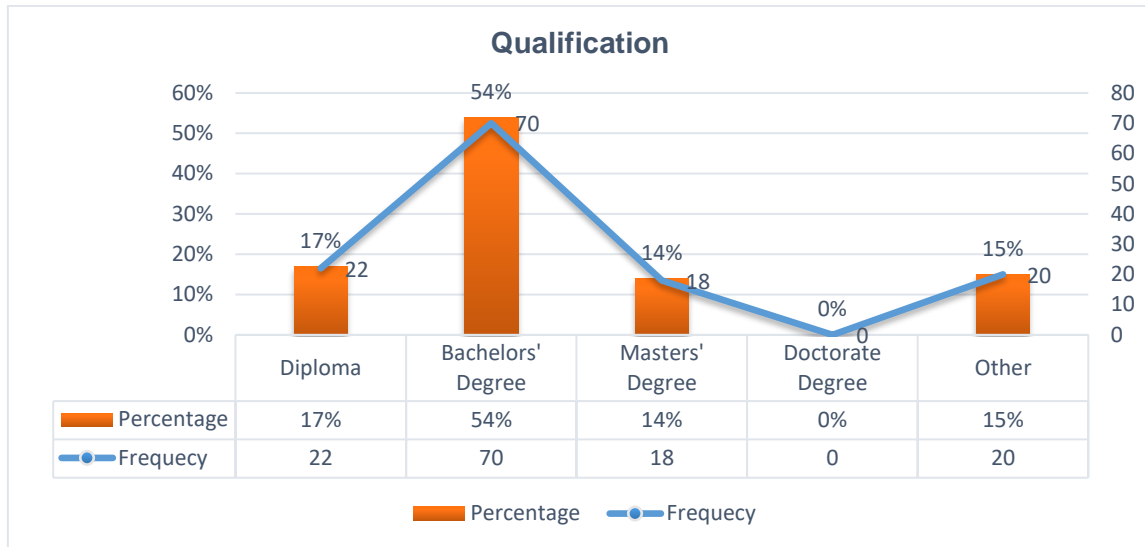


Figure 5: Respondents' qualification
 Source: Author's data from respondents

The majority of respondents 85% indicated that they had diplomas and degrees, with 15% having short courses and internal training.

SECTION B – THE LIKERT SCALE

The scale is designed to rank the statements (derived from literature on budgeting) in an effort to measure and understand the views, attitudes and or perceptions of the budget practitioners about their budgeting system. The

scale used was on a one to five (1-5). The ranges are; 1 = strongly disagree, 2 = disagree, 3 = neutral / indifferent, 4 = agree and 5 = strongly agree. These statements rather than questions, were intended to measure the truthfulness of the theoretical assumptions made during the literature review. The statements are put in the Likert scale table below and the responses follow the statements and the interpretation from the respondents' submissions.

Table 4: Budgeting process in my department

	Budgeting process in my department	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
		1	2	3	4	5
1	Budgeting sets the objectives for our department	6%	17%	4%	51%	22%
2	Department budgeting is done by us bottom up	14%	48%	20%	14%	4%
3	Everyone does budgets for their own work station	22%	37%	20%	21%	0%
4	Budgets are the best way to measure performance	10%	16%	22%	47%	5%
5	Budgets are passed top bottom by senior officials	4%	14%	10%	46%	26%

Statement 1; Budgeting sets the objectives for our department. The researcher sought to understand the views of the respondents on the importance and purpose of budget. **Conclusion;** An over whelming 73% (51% agree and 22% strongly agree) agreed that the budget is an indication of the objectives of the department. **Recommendation;** It is recommended that budgeting should be done

from the lowest level up to enable a match between costs and projects to be executed.

Statement 2; Department budgeting is done by us bottom up

The number disagreeing is a total of 62%, with neutral at 20%, clearly suggesting that the budget process is done elsewhere and was not activity based costing (ABC). **Conclusion;** there is likely going to be a misalignment if

those who operate at the task level are not involved in the cost estimation. **Recommendation;** the department must accept that budgeting from bottom up provides better cost estimations.

Statement 3; Everyone does budgets for their own work station

The number disagreeing (strongly disagree - 22% and disagree at 37%) gives a total of 59%, with ambivalence at 20% (rather too high). **Conclusion;** it can be generalised that the findings indicate that budgets are passed top bottom. **Recommendation;** this will continue to cost misalignment of the projects to be executed and the amounts allocated for those activities.

Statement 4; Budgets are the best way to measure performance

Neutral went up to 22% with a total of 52% agreeing with the sentiments, and those disagreeing totalling 26%. **Conclusion;** it can be generalised that budgeting is considered as

a means of measuring performance, even though the numbers are less. It is also likely that the respondents are not sure exactly as to how budgets affect performance.

Recommendation; regular sessions on the budgeted and the actual expenditure in between the execution may provide clarity as to how budgets work.

Statement 5; Budgets are passed top bottom by senior officials

Only 18% total, of the respondents disagreed that budgets are passed top to bottom, with neutral surprisingly low at 10%. The remainder, a total of 72% agree that budgets are passed or decided on from the top and given to the bottom. **Conclusion;** there is a serious likelihood that there will always be misaligned between cost of projects and amount allocated.

Recommendation; departments should adopt the Activity Based Costing concept and build the budget bottom-up to align estimates to operations and avoid cost overruns and project failure.

Table 5: Budget problems

	BUDGET PROBLEMS	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
		1	2	3	4	5
6	Management tells us what to spend and on what	2%	19%	15%	45%	19%
7	Budgets are passed down to us to implement	0%	10%	15%	58%	17%
8	We take instructions to implement not to originate	0%	21%	12%	56%	12%
9	I am not allowed to change any approved budgets	4%	27%	12%	38%	19%
10	Budgets are fixed and there is no mid-term budget	14%	65%	10%	8%	4%

Statement 6; Management tells us what to spend and on what.

A total of 64% (45% agree and 19% strongly agree) are told what to spend and where, with neutral at 15% and 21% total disagreeing with the statement. **Conclusion;** it can be generalised that subordinates do not know how much to spend and on what because they were never involved in the budgeting in the first place – managers simply use their discretion. **Recommendations;** let it be the subordinates to identify the required costs with the assistance of the manager, and not the other way round.

Statement 7; Budgets are passed down to us to implement

This statement had been agreed on in the previous section at 72%, the same respondents now repeated this with a score of 75% (58% agreed and 17% strongly agreed), and neutral has stayed at 15% with only 10% disagreeing with the statement. **Conclusion;** budgeting is done at the top and the subordinates are merely asked to make do with what has been provided.

Recommendation; involving practitioners at operational level to participate in budgeting may reduce the project failure rate.

Statement 8; We take instructions to implement not to originate

Another total of 68% in agreement. **Conclusion;** it can be concluded that the

budgeting process does not involve people and the operational level. **Recommendation;** budgeting should involve all individuals at their operation site, and this will be sent up for management to compile. This will help avoid the constant project failure in government service delivery projects.

Statement 9; I am not allowed to change any approved budgets

Neutral is at 12%, those disagreeing total 31% with the remainder of 57% (38% agree and 19% strongly agree) in the affirmative. **Conclusion;** the practitioners at operational level have very little input into the whole budget construction process. **Recommendations;** the departments should appreciate the resourcefulness of the people at

operational centres and entrust them with the responsibility of budgeting for their cost centres.

Statement 10; Budgets are fixed and there is no mid-term budget

An overwhelming 79% (14% strongly disagree and 65% disagree) with the statement, neutral is at 10% with only 12% agreeing. **Conclusion;** this means that there are mid-term budgets and budgets are flexible, possible in that the managers may allocate according to perceived need. **Recommendation;** if the budgeting starts from the bottom, of course under management supervision the figures are likely to be more realistic and allow the manager to allocate with suffocating the project needs.

Table 6: Budget implementation

	BUDGET IMPLEMENTATION	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
		1	2	3	4	5
11	I have to allocate a given budget into the projects	4%	8%	10%	62%	17%
12	I can't contest the formula but implement budgets	0%	33%	13%	42%	12%
13	Implemented budget differ from approved budget	0%	27%	21%	46%	6%
14	Politics impacts execution of effective budgets	0%	12%	21%	44%	23%
15	Budget approved by the executive is unrealistic	0%	19%	40%	31%	10%

Statement 11; I have to allocate a given budget into the projects

The vast majority of respondents (79%) agreed that they need to split up what they are given in order to tailor projects, neutral is 10% and those disagreeing total 12%. **Conclusion;** the budget from the top has to be made to fit into the requirements, this may result in change on some of the items (quality) needed by the project or the inevitable cost overrun. **Recommendation;** when calculating project costs, those directly involved should be consulted so that costs can be properly identified in order to complete the project on time.

Statement 12; I can't contest the formula but implement budgets

Neutral is at 13% with those disagreeing at a combined 33% (strongly disagree – 0% and disagree at 33%), the remainder of 54% are in agreement with the statement. **Conclusion;** it

can be generalised that the budget implementers do not have much to say about how costs are reached at, they simply have to make. **Recommendation;** if the department continues to do things the same way always, they will always get the same results. The solution is involve everyone in the budgeting process.

Statement 13; Implemented budget differ from approved budget

Neutral has gone high to 21% (not sure why) and those disagreeing have a total of 27% with 52% (42% agree and 12% strongly agree) as the majority in agreement with the statement. **Conclusion;** there will always be a difference (possibly large) as long as the budgeting system is done by people who are not involved in task execution. **Recommendation;** people in the cost centres must be allowed to participate in the budgeting process.

Statement 14; Politics impacts execution of effective budgets

A majority of 67% (44% agree and 23% strongly agree) are of the view that politics gets the way in project budget systems, neutral is at 21% leaving a total of 12% of those that disagree. **Conclusion;** needless to state that politics seems to encroach on the budgeting processes, inevitably because it is done top-bottom. **Recommendation;** do budgeting bottom up and that will remove politics.

Statement 15; Budget approved by the executive is unrealistic

Neutral is at all-time high with 40%, those agreeing are at 41% and those disagreeing at 19%. **Conclusion;** no generalisation can be made, possibly the rest of the practitioners do not know how much was approved and how much was spent at the end of the period. **Recommendation;** engage subordinates in the budgeting process from the beginning.

Table 7: Strategic plan

	STRATEGIC PLAN	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
		1	2	3	4	5
16	The budget speaks the firm’s strategic objectives	6%	12%	6%	71%	6%
17	The budget fits into the requirements of the plan	6%	19%	15%	54%	6%
18	The budget contradicts effective implementation	6%	38%	23%	25%	8%
19	The budget may be short for plan implementation	0%	17%	15%	62%	6%
20	The budget is always adequate for the objectives	17%	48%	23%	12%	0%

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

Neutral is high at 23% ($\frac{1}{5}$) with total disagreeing at 44% and total of those agreeing at 33% leaving no room for generalisation. Though in earlier responses the indication was that the budget was never enough for the projects identified, there appears to be a split. **Conclusion;** could be that the question was not well understood.

Statement 17; The budget fits into the requirements of the plan

The budget by definition is 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 (Kaab & Nair, 2021:41-51). It is there in a way the quantification of the objectives for the period as a projection. A total majority of 70% (54% agreed – 6% strongly agreed) that the budget fits or should fit into the requirements of the plan. **Conclusion;** it is known and agreed on that the budget is meant to help achieve the plan for the period. **Recommendation;** budgeting therefore needs to be constructed from the bottom where the expenditure is made.

Statement 19; The budget may be short for plan implementation

This statement and the preceding one are more or less the same, but the response here has those agreeing totalling 68% whereas those disagreeing totalled 17% (down from 44% above) with ambivalence at 15% down from 23%. **Conclusion;** it can be generalised that the budget does not suffice for the implementation. **Recommendation;** budgeting should be down from the bottom up and not top to bottom.

Statement 18; The budget contradicts effective implementation

Statement 20; The budget is always adequate for the objectives

This statement was more like checking on the accuracy of the responses to the previous two statements, those disagreeing totalled 65%, the indifferent remained at 23% with those saying the budget sufficed for plans to be implemented sitting at 12%. **Conclusion;** the budget passed down from top management is

not always adequate for the implementation. **Recommendation;** like always budgeting should start from the operational levels upwards.

Table 8: Legislation

	LEGISLATION	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
		1	2	3	4	5
21	Legislation plays a critical in budget management	0%	4%	4%	75%	17%
22	There are strict policies for effective budgeting	2%	7%	4%	62%	25%
23	Managers have to abide by the Public Finance Act	0%	0%	2%	46%	52%
24	There is a misfit between plans & provision of the Act	0%	29%	6%	27%	37%
25	The Act is not clear about how to manage budgets	10%	60%	15%	13%	2%

Statement 21; Legislation plays in critical in budget management

There is an emphatic acceptance or agreement with the statement, with 92% of the respondents in the affirmative. **Conclusion;** there is no doubt that because public funds are involved managers have certain policy guidelines, but a wrong budget cannot be correct by legislation. **Recommendation;** there is a need for a bold stand by practitioners to highlight any aspects of the legislation that may be counterproductive.

Statement 22; There are strict policies for effective budgeting

A clear majority of 87% believe that there strict policies or guidelines on budgeting with only 4% staying neutral and 9% disagreeing. **Conclusion;** most of the problems to do with service delivery failure may be embedded in the policies that govern the budgeting system. **Recommendations;** it may be necessary to make suggestions on the aspects of the policy that may work against effective service delivery.

Statement 23; Managers have to abide by the Public Finance Act. With the exception of 2% that opted to be neutral, 98% of the respondents agreed, there was a 0% disagreement. **Conclusion;** there is a regular “interface” between the managers and

supervisors with the Finance Act over budgeting suggesting that the management may have or can identify weaknesses in the policy. **Recommendation;** regular review of policy and budget needs to be the norm, with regular training on the Public Finance Act and the budgeting process.

Statement 24; There is a misfit between plans & provision of the Act

Whilst 29% disagree that there is a misfit, only 6% were ambivalent with the remainder of 64% agreeing that there is a misfit. **Conclusion;** there is a misfit between the budget and what is provided for the execution of these service delivery projects. **Recommendations;** there should be constant training if budgets are of importance to service delivery, and costs must be estimated by the people who convert plans to project deliverables.

Statement 25; The Act is not clear about how to manage budgets

There is a strong disagreement by 70%, suggesting that it is assumed that the Act is, or should be clear to everyone. **Conclusion;** evidently the larger part of the workforce understand the Act. **Recommendations;** there is no substitute for regular training and “workshopping” on the budgets and budget allocations.

Table 9: Formal training in budgeting

	FORMAL TRAINING IN BUDGETING	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
		1	2	3	4	5
26	I have attended extensive training on budgeting	17%	55%	17%	7%	4%
27	We always have short budgeting sessions yearly	8%	25%	15%	44%	8%
28	I have never been taught formerly how to budget	8%	35%	4%	44%	10%
29	Managers are trained to budget and they show us	10%	33%	29%	24%	4%
30	There is no need for us to be trained budgeting	58%	38%	0%	4%	0%

Statement 26; I have attended extensive training on budgeting

With ambivalence at 17%, total of those agreeing (7%) and strongly agreeing (4%) equalling 11%, the majority is 72% (17% strongly disagreeing and 55% disagreeing) the responses allow for a generalisation.

Conclusion; the practitioners are generally not trained in budgeting, adding to the above, they do not participate in budget processes. They therefore know very little about budgeting and consequently merely follow instructions without adding value to the execution processes. **Recommendations;** project practitioners who are engaged in all phases of the budget processes will take ownership of project execution.

Statement 27; We always have short budgeting sessions yearly

Just over half (52%) agreed that they occasionally have budgeting workshops, 15% remained indifferent with 33% disagreeing.

Conclusion; some individuals may be exposed to some workshops for budgeting and not all practitioners. **Recommendation;** budgeting knowledge and the budget implementation processes should be disseminated to all the employees to engage them.

Statement 28; “I have never been taught formerly how to budget”. A total of 54% of the respondents agreed with the statement, while 43% disagreed with the statement and 5% of the respondents were neutral. Recommendation; managers should be formally trained on how to budget. If they are non-financial managers, the managers must have at least one qualification for financial management as a second qualification.

Statement 29; Managers are trained to budget and they show us

Ambivalence is high at 29% (almost a $\frac{1}{3}$ of respondents), on 28% in total agreed that managers are taught budgeting and they pass it down to them. The remainder of 44% (10% strongly disagreeing and 33% disagreeing) indicates that they have no knowledge of that.

Conclusion; little is known about budgeting processes and the general employee does not seem to be involved. **Recommendations;** it is prudent to make everyone know about budgets and budgeting for the sake of motivating employees to perform when they know what their work is about.

Statement 30; There is no need for us to be trained budgeting

An overwhelming majority (96%) are opposed to the statement, clearly indicating that there is a need for knowledge about budgeting amongst the practitioners. **Conclusion;** the project practitioners want to know more about budgeting. **Recommendation;** the only way to make the practitioners to know about budgeting is through regular training, workshops and involvement in the budget estimations / processes.

SECTION C – OPEN ENDED QUESTIONS

This section is intended to deliberately expand discussions with participants and encourage respondents to ask other questions or concerns that may be relevant. This section recognizes that no matter how thorough your plan may be, you may have omitted another element in your survey creation. As part of the survey, respondents can consider what they have learned and everything they find. Respondents were asked to provide information on a particular area of study. This was followed by

questions / statements and answers of the same format.

The idea was to petition on the side of the budget management respondents (Budget holders). This isn't always mentioned, but it makes a difference in budget processes and efficiency.

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

1	
2	We are just given budget figures for a unit and we have to decide what goes where, we don't know how the total budget amount for a unit is arrived at
3	The budget figures are always given to us late by senior management, and there is never a plan / guide given on monitoring and evaluating the budget
4	Division managers are not involved in the budgeting, they just release figures and without information of our cost structures they just allocate
5	The amounts allocated to us do not correspond to the requirements of the units and too often we have to procure material below the prescribed quality
6	We are never involved in the costing of the project or construction of the Statement of Requirements (SOR) forcing us to make do with what we are given
7	Budget allocation does not always meet the objectives of the department and results in the underfunding of the projects to be delivered
8	Always we are asked to submit lists of requirements after the department budget has already been allocated, causing confusion and short comings
9	We are never taken into confidence when the decisions on expenditure on projects in our units are discussed, before we submit the project charter
10	We are never training on budget development and implementation, we just find our way based on those with previous experience
11	Most managers ignore the financial policies and work with what they have in hand because they were never involved in the processes from the start.
12	Poor consultation and lack of communication resulting in with the operational people always results in skewed budget allocation

REQUEST 2: Please identify critical issues / things that are omitted regularly during the budgeting process.

1	No proper consultation with department or units to understand their real financial needs prior to budget allocations.
2	There is never a review of lessons learnt in previous years so as to know what to avoid and what to perfect as part of project execution.
3	Office needs are not taken into consideration because there is no consultation with the administrators during approval of the budget.
4	Employees are never informed of their roles in the planning or budget processes even though they are the ones to implement the projects from the budget
5	There is no consequence management in place and many of the items procured are not for the use of the people in projects execution – we are never consulted
6	The employees who implement the budget are never given training nor are they consulted when the budgeting process is done.
7	Activity plan and projects not detailed during budget requests and projects are never completed in time because of shortage of funds
8	Since there are no specific requirements from units during budget construction, there is a lot of wasteful expenditure which cannot be reported.
9	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 things you do not like during budgeting that you are expected to be involved in.

1	We have detailed plans on projects to be executed but we are requested to submit these to management after the budget figures are already determined
2	What we say or require is never considered for the budget processes and thus we are always short of funds or don't have material to deliver on projects
3	We are given figures to spend on operations that need procurement from suppliers and the suppliers prices are never considered during budgeting
4	You are expected to coordinate limited budget allocation and you are still expected to meet all targets decided on from the top without the bottom knowing
5	Material prices are never taken into the budget, the budget is a political decision and not practitioners inputs into the operational costs.
6	We are expected to fit organizational plans into the budget decided on from the top instead of operational plans influencing budgets.
7	We are expected to control a "budget expenditure" which is not originated by us at operations and which is not aligned to performance targets.

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

1	The project initiation phase would coopt the program and project managers who should also be involved in the writing of the project charter
2	A risk management plan will be put together and this will allow for continuous monitoring and evaluation of budget, time and quality specifications
3	The program and project managers would therefore identify the key personnel (unit and WDS leaders) needed for the execution of the project.
4	The leaders will be given to indicate their personnel and material requirements for the duration of the execution of the project
5	The finance department and or human resources will be needed to assist with the salaries of the personnel with consideration for inflation
6	Execution planning is done involving all leaders focusing on resource allocation, resource costing, task duration and milestones for reviews
7	All the leaders will undergo extensive training on different aspects of budgeting at appropriate times during the project phases
8	Every unit / WBS will submit their budget for consolidation at the divisions and the division after consolidate with send to the department for final consolidation
9	Stakeholder engagement and communication will be a continuous process throughout the 5 phases of the project's life cycle
10	Regular meetings with unit / WBS leaders will be needed for regular updates on the state of the project progress or problems
11	Develop online tracking within the unit, for real time up to date budget tracking and expenditure with easy user friendly interface

8. RECOMMENDATIONS

The level of frustration of the project practitioners is indicated in the responses they provided and this suggests a workforce that is not engaged in its activities. A motivated workforce tends to aspire for the best results and this would add on to the efficient execution of tasks and a willingness to extend beyond the call of duty (Ntenga & Awuor, 2018:87-109). Effective management is generally when the employees are carried along with the management, and allowed the opportunity of

increased employee engagement (Jowah, 2016:10-17). The tone of the responses in this study shows a workforce that simply works hard enough not to be fired and thus would not feel encouraged by their own work environment. The researchers, after this interaction with the project practitioners, make the following recommendations;

1. Once the project plan is complete it should be brought down to everyone in the cost centres and the objectives and the expectations from the department

2. Budgeting should involve the participation of every cost centre personnel to increase motivation for the successful execution of a project
3. Costing of material prices should be done at the lowest possible level where there is interface between the supplier and the user
4. Extensive training on budgeting should be given to these leaders (supervisors, team leaders, etc) where execution of the tasks takes place
5. Every unit should be assisted in constructing their own budget (with quotations from suppliers) to be submitted to the division for consolidation
6. Different divisions in the department must therefore, after consolidating section budgets, send their budgets to the department which will submit to the minister
7. Budgets should always be a bottom up and top-to-bottom as indicated in the research findings in the study

9. CONCLUSION

The aim and objectives of this study were to establish the role played by the budget and how the budget was determined which resulted in continuous failure to deliver to the community. The consequence of this failure to deliver has brought about an increase of violent strikes by the community, and the strikes are increasingly violent, sometimes destroyed the very infrastructure that they need. The project budgeting process which was primary in the study, as indicated by the findings involves a top-bottom budgeting system which is not considerate of the drastically changing inflationary rate. Figures are determined at the top, no one knows the formula, but this without consideration of operational realities on the ground where planning meets reality. Consequently no budget training is provided to staff at operational levels, who just have to make do with what they are given, and have nothing to compare it to. The value of monitoring and evaluation of the triple constraints of project success is lost because no figures were estimated from the cost centres in the first place, so there is no budgeted expenditure to be compared to actual expenditure. The end result is continuous cost

overruns, unfinished projects, frustrated employees and perpetual disgruntlement amongst the community who will continue to strike violently and destroy whatever little is in place. While generalizations can be made, as in the findings above it can be concluded that budgeting has a favourable impact on project success in this context, although it must be acknowledged that this does not always apply universally. As a result, it is acceptable to recognize that the expectations for a generic budget process implementation for budget holders and other stakeholder is not exclusive.

10. RECOMMENDATION FOR FURHER RESEACH

Budgeting is an extremely interesting study; therefore, it is suggested that this study be repeated in the future to allow for comparative analysis studies and additional interpretations, and given the generally diverse nature of a budget process, it remains a complicated area of study.

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