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FACULTY OF COMMERCE

DEPARTMENT OF ACCOUNTING

RESEARCH TOPIC

*Impact of budgeting process on service delivery in local authorities in
Zimbabwe: A Case of Harare City*

BY

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DEDICATION

I dedicate this work to my father who has been there for me throughout my studies offering all the support and advice. May the Lord bless him.

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I would want to express my gratitude to my project supervisor Mr. Mugozi for the advice and guidance he provided during the research period.

Special thanks goes to City of Harare for allowing me to conduct a research and council employees for their time and effort during the research.

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ABSTRACT

The research aimed at assessing the impact of budgeting process on service delivery in local authorities in Zimbabwe. Special attention was on City Council as a case study for the research, targeting year 2015 and 2016. The research objectives were centered on reviewing the budget process, assess the impact of result based budgeting on service delivery, identifying the challenges in the budget process and establish if poor service delivery can be traced to poor budgeting. The research used available literature both published and unpublished to give an insight of the budgeting process. Data was gathered by way of questionnaires and interview from 27 people who were considered for the sample, out of the 27 people issued with questionnaires only 23 managed to answer and return the questionnaires. Finding were presented and analyzed and a conclusion was reached that Harare council need to improve in budget formulation as it is now an annual ritual performed to comply with statutory requirements, flexibility was an issue, transparency and accountability and address the issue of adverse variance before they become acute. The research recommended that the Harare council should address its internal control system in budget areas as resource are not being accounted for properly.

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CHAPTER 1

INTRODUCTION

1.0 Introduction

The study centre on the impact of budgeting process in enhancing service delivery of local authorities in Zimbabwe. It focus on City of Harare which has the overall responsibility for the provision of public goods and services to its residents. These services include waste collection, education, social services, law and order, highway, libraries, housing and water.

This chapter covers the background to the study, statement of problem, an outline of the research objectives and research questions, assumptions, delimitation of the study, limitation of the study and significance of the study.

1.1 Background the to study

Agboka (2013) states that budget process is considered by management as the process that encourage planning and deliberate thoughtfulness of alternatives. Budgeting process essentially aims at planning and implementation of expected expenditure and income for a specific period of time according to Franklin and Douglas (2013). There is need for proper planning in local authorities across the globe, this is because local authorities that does not plan their operations encounter a lot of problems. Planning deals with selection of strategy, tactic, and policies to be used in order to enhance service delivery to the local residents. Some of the problems faced when an organization does not plan its operations include reckless management and mismanagement of public funds.

Budgeting in local authorities is founded on planning and monitoring containing the amounts within the framework of an item of revenue and expenditure. Bosky (2014) says management plan towards the individual ceiling for a given item, most local authority's support that kind of formulation as it avoids duplication of efforts and unnecessary wasting of resources.

Planning for a budget for a local authority depends on the fiscal policy of the government in power. Local government manual (2014) mentions that local units have to consider government priorities when planning budgetary expenditure bearing in mind realistic local budgetary revenue. Budgeted revenue and receipts should be shown according to sources and expenditure

according to purpose, management must be able to justify each line item in the estimates. In Zimbabwe they are statutory provisions which must be adhered to achieve a balancing budget.

Budgeting process involve more than projecting receipts, expenditure and disbursements as sighted by the Local government manual (2014) As mentioned earlier the budget gives a financial plan for the local authorities, the stakeholders such as fiscal bodies, officers and taxpayers identifies essential elements contributing to the success of the local unit for a given year. The officers work throughout the year monitoring the process because budget implementation occur all year round following a budget cycle. Flink (2014) brings out the priorities and establishing and maintaining taxpayer trust. Re-evaluation of the budget gives a sense of direction to the local authorities as they will monitoring progress against goals and taxpayer trust is of essence as it avoid conflict between management and taxpayer, this may trigger strikes if the taxpayer is not satisfied with the way funds are being handled.

Furthermore, the idea of monitoring budgets is supported by Moynihan (2013), brought the idea that the aim of monitoring a budget is to overcome negative trends in the budget process. This can be done by way of identifying current problems and determining measures to improve the management of the budget process. Monitoring involve discovering deviations from the set plan and analyze the reasons for the changes, entail collecting and summarizing data and performing internal control evaluation. The monitoring of a budget allow management to follow progress in service delivery. It is vital to establish between monitoring a budget and budget control, this is because the results of monitoring are used for resource reallocation to enhance the service delivery among sub programs.

More so, budget process is used as a management technique by to management for directing, coordinating and control of activities of a local authority. When the budget is adopted the second stage is coordinating and control and control of the budget which is a continuous process. Shaw (2012) says during the financial period for which the local authority has prepared a budget, the budget therefore works as a yard stick for control of expenditure. Most of the departments in the local authorities work hand in hand in their operations therefore, budgets are prepared and controlled in an integrated approach.

The necessity to prudently manage the scarce financial resources resulted in the budget process Jon et al (2015). At the same time budgets serves as the first step in expenditure authorization,

base for control and evaluation. In profit making entities budgets are considered to be vital element in policy making. Success of an organization is dependent largely on the superiority of the budget preparation and implementation. Nowadays many businesses fail to erupt as a result of poor budgeting techniques as highlighted by the ministry of healthy.

Gules (2014) suggests that budgets must be prepared based on the availability of resources, realistic sources of income and classified expenditure. City of Harare should ensure that it generates adequate resources to make sure that its supports its expenditure requirements. If the local authority does not have adequate funding to support itself, if the local authority is not capable of supporting itself it should outsource elsewhere. Outsourcing can be in form of government grants, donor funding or loans from commercial banks for long term or short term financing. Failure to outsource funds may mean some activities captured in the budget may not be undertaken.

City of Harare operate under a decentralized local government system that is mainly guided by the Urban Councils Act (Chapter 29:15), Regional, Town and Country Planning Act (Chapter 29:12) and the Administration Act and Provincial Council (Chapter 29:11). The reason behind decentralization of local government system comprise enhancing effectiveness of service delivery through taxpayer participation. Kelly (2014) says that lacking financial independence the local unit will head to a subdue life therefore decentralization ensure independence to the local authorities in Zimbabwe. City council has been sampled for the study on impact of budget process on service delivery. Harare being the capital city has a budgeting system which may provide findings that can be comprehensive to the other cities in Zimbabwe.

Council strategic plan (2004) clearly outlines that due to rapid growth and expansion after independence in 1980. There has been an increased rural to urban migration and the infrastructure has remained largely unchanged to accommodate the increasing population. This has resulted in problems associated with overcrowding which have negative impact on the environment and bring diseases like cholera. Furthermore, the council strategic report indicates that the city is experiencing high growth rate in population therefore, this evolution has resulted in management to consider an effective budget and implementation approach to enhance the service delivery to the ever growing population of Harare.

Need for financial control in local authorities brought on the issue of budgets are noted by Ryu (2011). Local authority's expenditure is unavoidable as most of the expenditure incurred is the responsibility by law or conditions of the life in the city. Much of the expenditure is a result of the provision and services delivery such as supply of water, street lighting, schools, social services, maintaining of roads and health services. On the other hand the local authority also receive revenue. On the other hand, the local authorities also receive revenue from government grants , business rates and council taxes and rates, Local authorities therefore plans towards what it receives and spends in line with its policies, knowledge is used in financial planning is also used in budgeting process.

The motivation to carry out the study come from Mortensen (2010) who investigated the topic on the role of budgetary control on a company in creating and sustaining a competitive advantage. The research was aimed at establishing the relationship between the budgetary control and the benefits that can be obtained from budgeting in the business over other competitors in the business.

The subject on budgeting in local authorities was carried pot by Sturminus Kasozi- Mulindwa at the University of Birmingham. His study was carried out on the background observing that in developing countries participatory budgeting (PB) is a ceremony conducted to conform to pressure from government agencies. The writer also argued that the process of budgeting should involve citizens in coming up with local authority plans and budgets that consider their priorities and needs.

Another study was carried out at Aston University by Sofian (2011), the study aims at examining the effects if budgeting on departmental performance through organizational commitment, adequacy and ambiguity as drivers. Information use for the research was obtained for Malaysian local authority. The results obtained from the research indicated that the drivers have an important link in budgeting. Furthermore, the writer went on to establish the direct and indirect effects of budgeting on overall performance of the organization. The writer gathered enough evidence to conclude that budget users and budget preparers affect the performance of the organization as a whole through the drivers.

A related study was also carried at Makerere University its aim was to bring about the relationship between budget system and effectiveness of service delivery under decentralized

system in Uganda. Oyang does on further to strike the relationship that exist in formulation of a financial plan and the local authorities' vision, mission statement and its objectives. The writer established that the planning and vision has a moderate relationship to the service delivery.

The study also concluded that the contribution of budget and budgetary control was insignificant due to some factors. Rubin (2013) highlighted that some of the major factors as ineffective budget allocation, institutional deficiencies, weak monitoring mechanisms and lack of managerial competence to plan and execute their plans timeously.

A research showing the impact of budgets on service delivery was carried out in Lesotho in the city of Maseru. The study aim at establishing the relationship between the decentralized local government system and how it is managing to provide services and its challenges. Nyane (2016) highlighted that they are still problem to do with structure in the formulation of budgets as they are not locally enough, local units serves to many villages and some villages struggle to get enough service delivered due to complexity of the structures. The recommendation of the challenge was that the government should have a local authority in each village to prepare its own budget as it enhance service delivery and eliminates red tape in local units.

The research in Maseru also indicated that there was a problem in resource allocation by government to the local authorities. This affected how the local authority's performed as the problem of scarce resource allocation affects budget allocation and resource allocation among different sectors the council is supposed to provide. Corresponding findings to this problem suggested that, there should be independent mobilization of resources in the country this would mean that the local authorities in Maseru would have the power to prepare their budgets and charge local taxes and collect local revenue as a strategy that was aimed at improving service delivery.

Another research was conducted in South Africa in Mpumalanga Province which fall under Gert Sibande District. The research stressed the point that the budgeting process should be considered for the province in line with the population within the municipality. Planning for service need to be budgeted based on the estimates for population growth rate. The research further indicated that Mpumalanga municipality was divided into wards which makes it easy for planning and budgeting process when the population within a ward has been established. Zama (2013) suggests that the solution to the planning and budget problems faced by Mpumalanga may be

solved by communicating with people their needs through Citizen Report Cards which are deemed as a tool to strengthen government and public relations.

A review of performance based budgeting was conducted by Mazzucato (2013) in Denmark the study targeted Danish hospitals though they draw more attention to Rigs hospital which is controlled by the local unit. The research strike a relationship between performances based budgeting, competition faced by the hospital and service delivery considering the type of services offered by the hospital. They established that the local authority budget for the hospital largely on the degree of activity which they said to be vital for efficient service delivery to the clients and a little of performance based due to the Danish system. On determining the level of competition the hospital was facing five forces model was used, they concluded that there was free choice of hospitals and five force model was difficult to apply as market like competition was not a key drive.

Another study was conducted in the city of Zagreb which is the capita of Croatia. The study was carried out to examine the degree of dependence and control over affairs from the central government and how it impact on service delivery. In Croatia the financial and administrative work is carried out by the central government. Finance ministry manage the financial reporting of the units but does not control the budgeting of the city of Zagreb. The research findings discovered that there was a problem of non-existence of department of internal and budgetary control in local authorities, yet it was an obligation under law. However, there is a representative body of local units which is independent and carries out regular checks on the execution of budgets and financial operations and reporting of the finance ministry.

The research also found that there was an unclear function in service delivery due to the confusion in governmental levels which was shown in financial relationship. Zagreb local authority has complex chain of command which makes it difficult to finance some of the activities which are part of service delivery. Andrews (2011) discourage the idea of complex chain of command as they leave a gap for unrestricted financial decision making which cause weak internal control. According to the functional classification of Zagreb expenditure for service delivery is classified into 12 groups, there groups are considered in the formulation of budgets. The study discovered that the ministry have no well-organized data base for local

authorities, this have an impact on service delivery as the financial affairs which pertain to the 12 groups of expenditure for service delivery cannot be properly monitored.

Another study was conducted in Hague metropolitan in Netherlands, the research analyzed how authorities budgets for land development projects. The research aim at aspects of flexibility in budgets, financial results and public accountability as aids in enhancing service delivery in projects of local authorities. The study findings suggests municipal management have greater flexibility and freedom when budgeting and managing land developing projects as most of them are not bound by contracts. Shaw (2012) says flexibility in budgeting aims at creating room to maneuver in the budgeting process, allowing for possibility for future adjustments to the project budget. Research also establish that decisions made by management in cases of public land development is an issue of public debate through local units budgets and other financial reports as stakeholders have different opinions of what they deem necessary to be developed on the public land. The study concluded that local unit has a dual role as managerial authority in relation to the budgets and as arena for debate by stakeholder representative thus giving room to public accountability.

Research need to be conducted at City of Harare as they have not been research on the related study and there is need to cover the gap of lack of transparency and accountability in the budget process. This has caused problems of cost overrun, according to Shaw (2012) overrun cost have a triple effect on the performance which negatively affects service delivery in the city of Harare. In addition, there is need to consider variance analysis which arise as a result of poor budgeting process. Variances imply that the city will end up spending more than what it had budgeted or failing to raise some of the revenue it had expected to receive.

1.2 Statement of problem

City's treasury had budgeted for expenditure of \$272 million for 2016 which increased to \$343 million during the year, resulting an additional expense of \$71 million. The budget increased by 28% from the estimates. On the other hand, due to the current economic hardships experience in Zimbabwe most of the rates payers, property owners and lease holders are failing to honor their obligations. As a result 55% of the budgeted revenue from rents and rates was collected only, worsening the liquidity problem. According to the City of Harare Budget Performance Review (2016) \$380 million remained uncollected at the end of the financial period.

Non-existence of accountability and transparency is also a problem in budget formulation at City of Harare. The budget show unclear lines of expenses and unrealistic sources of revenue making the whole budget process ineffective.

1.3 Research Objectives

1. To review the budget process at City of Harare.
2. To assess impact of result based budgeting process on service delivery.
3. Identify the challenges faced by council in formulation and implementation of budgets.
4. Establish if poor service delivery can be trace to poor budgeting process.

1.4 Research Questions

1. Are budgets effectively formulated, implemented and monitored?
2. Is the council financial viable?
3. What are the limitations faced in formulation and implementation of budgets?
How best can this limitations be overcome?
4. Is poor service delivery linked to poor budget process?

1.5 Assumptions

- Individual interview have knowledge and are skilled in area under study
- All responded considered for the sample in form of questionnaires provided correct answers without any bias or prejudice
- Information obtained by the student was enough for the study and in coming up with a conclusion.

1.6 Delimitation of the study

The study seeks to explore the relationship between budgeting and its impact on service delivery in local authorities in Zimbabwe. It also aims at examining the budget process paying special attention to stakeholder involvement, implementation and monitoring of budgets in all organizational levels.

The study will be targeting Harare. Interviews and questionnaires will be conducted and issued at City council finance department staff.

The study covers the period from 2015 to 2016. Information relating to budgets will be gathered for the study.

1.7 Limitation of the study

During the research period the research faces some financial constraints, there were no adequate funds for transport as there was need to interact and get information from council employees. Also there was a challenge in stationary needed to conduct the research.

The student have never conduct a similar research before therefore, the student was inexperienced and time was also a concern during the study. However, the supervisor was there to offer assistance and guidance to the student during the research period.

Gathering of information is a major challenge as managers and city fathers consider information in reports as confidential and can only be used by management. Some of the people who hold management positions where not available to provide relevant information and answer questions for the study.

1.8 Significance of the study

The study is of paramount importance as it serves as a guidance to management in preparing, implementation and monitoring of budgets by referring to the recommendations which will be made by the researcher. It is used as a reference point to ensure prudent financial management of public funds.

In addition the study increase the knowledge base and help the student to have an in depth understanding of the area of study. The thesis is also a requirement for one to be awarded an honors degree in accounting at Midlands State University.

To Midlands State University the research is important as it becomes school property which can be in the library for reference by other students in related studies.

1.9 Chapter Summary

Chapter one aims to introduce the research topic and the company used as a case study, background of the study mentioning what motivated the study, statement of the problem pertaining to City of Harare. It stretches on to research objectives, research question,

assumptions on which the study is based, delimitations and limitations and significance of the study. The chapter highlighted the consequences which would result if the problem in budgets are not corrected. Next chapter review literature by different authors about budgets.

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

Various studies have been carried out to evaluate the budget process in local authorities across the globe, several measures have been formulated and implemented to improve the budget process in local units. However, an appropriate solution to enhance the budget process of City of Harare is yet to be discovered in an attempt to improve the service delivery. This chapter reviews literature of different authors around the globe on budgeting process and how the process can be used to enhance service delivery. Literature review is defined as selection of documents, published and unpublished containing information on the research. It is vital to the academic research as it allows the researcher to locate and understand the theoretical and empirical roots of the study, it also clarifies ideas and develops suitable methodology for the study.

Theoretical Review

Kuosmanen (2016) highlighted that government policies should be translated into projects, activities, programmes which are achieved through a budget which can be a national or a local government budget. LaBarge and Stinson (2013) defined a budget as a financial plan with estimates of revenues and expenditures for a given period of time. Budgets are the lifeblood in the development of any town or city as they encourage decision making in light of the policies. Franklin et al (2013) define a policy as a translation of the political priorities and principles of the government, therefore a budget is said to be a framework for policy instrument. Budgeting encourages planning, coordination, communication, motivation, control and performance evaluation. If these elements are incorporated in the budgeting process successfully service delivery will be enhanced.

2.1 Budgeting Process

By law each local unit is required to have a budget which will be debated upon and published when approved. Flink and Monila (2016) support the idea that a local government budget is a

public document and it is bound for debate and inspection by the public, debate will arise if other parties feel that their need has been suppressed. Stabe and Jones (2011) stresses the need of a balanced budget as a way to solve debate crisis. According to the Urban Councils Act [Chapter 29:15] before the financial period ends the finance committee of a local unit is required to draw and present council estimates for approval, this done in a manner of income and expenditure and capital accounts for the next financial period. Mazzucato (2013) supports the idea that local units are required by law to draw annual budget which include the capital expenditure, operating income and operational expenditure, levies and other charges. Oregon department of revenue (2012) is in line with the idea that budgeting is a tool which allows local units to evaluate its requirements in light of revenue resources which are available at the present moment to meet its needs. The budgeting process follows a budget cycle which happens in stages.

2.2 Budget cycle

Graham et al (2013) says the budgeting process involve for stages which are formulation of estimates, authorisation/approval phase, implementation/execution phase and the monitoring/oversight phase this stages are referred to as the budget cycle.

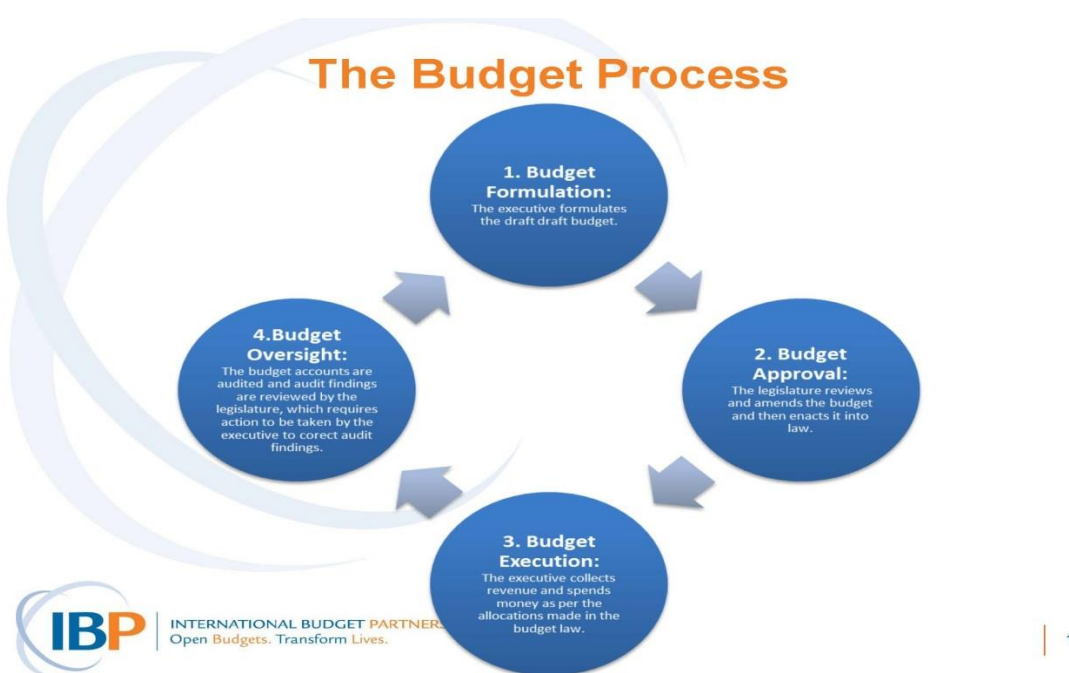


Figure 2.2 Budget process (API, 2014)

The purpose of the budget cycle is to help manage and formulate expectations at each stage, making easier for management to come up with reports and allowing management to come up with corrective measures to performance problems. Flink (2014). For instance, City of Harare department of works can limit how much it spends on labour during the financial period by comparing the budget and the cost it has incurred up to a certain time during the year by analysing work sheets for that period. At the end of each financial period the management will prepare variance analysis comparing actual performance and projections giving management more detailed information on the courses of action to take.

2.2.1 Budget Formulation

After the planning process budget preparation is the next step, the plans which relates to service delivery will now be captured in the budget. Jobe et al (2013) say the budget preparation is translating the overall objective of a local authority into a detailed feasible plan of action. The process of preparing a budget is a complex process as it involves many stakeholders who will be interest in the budget, therefore the budget have to strike a balance between all stakeholders according to needs that can be justified. Oberholze et al (2013) mentions that the preparation process of an annual budget requires time and energy devoted to it, as the process draws a financial map for the local unit. It is vital that the local unit must be able to follow correctly all the steps of coming up with a budget annual. This is important as it enable the local authority to perform trend analysis on available estimates from year to year.

For a local authority the budget period is twelve months and it is designed to match the central government year. According to Kelly (2013) treasury is charged with the responsibility of preparing budget document at City of Harare, this involves collecting data, verifying expense estimates, forecasting local revenue, rates and intergovernmental transfers. Graham et al (2013) mentions that the preparation of budgets should done in a bottom up approach as this may increase chances that middle management will strive to reach set goals. At City of Harare accountants of different sectors are charged with the preparation of the budgets for their sectors with the help of principle accountants and the management accountant who ensure that budget is compatible with organisational goal. City and Town Budget Manual (2013) states once a formal budget has been prepared the management must submit the proposed levies, tax rates and budget

to the budget committee in 40 days before the budget adoption for review. Urban Councils Act [Chapter 29:15] say the budget committee pass recommendation which the treasury is supposed to use in at least 15 days before the budget is approved and adopted.

2.2.2 Budget Approval

The budget committee meets and discuss the proposed budget highlighting any major changes to the local government fiscal policy. After that the first meeting the Local Government Manual (2014) stipulates that the budget committee meets as many times as may be deemed necessary in order to revise the budget. Before the budget is approved comments made by public representative may result in additions or removal of some items in the budget as supported by Kasymova (2017). Kelly (2014) mentions that public representatives are important as they boost taxpayer trust, a society where taxpayer trust is a foundation the residents are willing to pay rents and rates which goes a long way in improving service delivery as the funds will be available.

When the budget committee is satisfied that the budget satisfies all the legislative requirements, the committee approves the budget. The estimates are signed by the Mayor or the Chairperson of the council in accordance with the Urban Councils Act [Chapter 29:19]. Law requires three copies of the budget to be forwarded to the Minister of local government, public works and national housing for inspection. Giles (2014) is of the idea that when the budget is approved funds are now made available for use. Approval of the budget for City of Harare means the different sectors within the organisation can now spend what has been allocated to the sectors. On the other hand, it means that the revenue resources that have been forecasted to generate revenue should start to bring inflows into the organisation.

2.2.3 Budget Execution

Local unit collects and spend funds approved basing on the budget. Weingast (2014) express that revenue collected and received by the local unit are public funds and must be managed in the trust of the citizens. Urban Councils Act [Chapter 29:14] says if the local authority collects more income than it had budgeted or intents to spend more than budgeted supplementary estimates are supposed to be drawn to authorize the use of addition funds. After authorization funds are then used by different sectors of City of Harare in carrying out their mandate of service delivery.

During this phase the budget acts as motivation to managers in their attempt to achieve organizational objectives, if the budget was not imposed upon them by top management which may be de-motivating.

2.2.4 Budget Oversight

This phase encourages accountability and show if management have been good stewards of resources entrusted to them. Jobe et al (2013) says accountability is recognised when management become responsible for their actions on matters relating to the use of public funds. Accounts are audited and review by the committees, if public resource have been misused corrective measure must be implemented.

Drury (2008) mentions that the budget can now be compared with the actual results, diversions can be analysed in form of standard costing and variance analyses, this phase can be said to be the control stage of the budget. Appropriate actions can be taken to control and correct the reasons for the inefficiencies leading to variances. Management can as well evaluate performance against set targets, for instance where the budget set revenue of 2 million then it realise revenue is 2.2 million, this way management have evaluated performance against set targets.

2.3 Performance budgeting process and service delivery

Sohn and Bae (2017) are of the view that performance of local authorities is of concern to the public and they suggested performance based budgeting (PBB) also referred as result based budgeting (RBB) is the way to achieve the organisational goals. Performance based budgeting is achieved when performance information is used in the preparation of budgets. Brinkerhoff and Wetterberg (2013) says the process of performance based budgeting involve performance management which entail that resources should be channelled on the bases of effective use and efficient. It allows operational accountability when managers assume responsibility in the affairs of output in relation to the input provided to them. Performance management view efficiency and effectiveness when measuring service delivery. Gutierrez and Lozano (2014) says that performance management can exist on its own but performance budgeting cannot exist without

performance management. Emphasis is placed on performance management as the pillar for performance based budgeting in local authorities.

2.4 Performance management

Blackman et al (2017) define performance management as a process that involves establishing of a shared understanding with peers, employees and management about what the organization want to achieve and how they want to achieve in an attempt to enhance service delivery. Lee (2012) highlight the importance of establishing a common ground with employees as he says it increases the chances that the organization will perform better, if done well. The use of performance management can be best described using the performance management framework. Advanced Performance Institute (2014) says in order to implement the performance management framework successful the organisation should first define its strategy, secondly they establish performance standards then lastly they use indicators to measure performance.

2.5 Performance Management Framework



Figure 2.5 Enterprise performance Management model (API, 2014)

Enterprise performance management model

2.5.1 Financial planning, consolidation and budgeting

Integrating objectives, priorities, financial plan and budgeting process result in well distributed resource. Klase (2014) says if local authorities consider their objectives in line with financial resources in preparation of performance based budgets efficiency and effectiveness will be attained in delivering services to the local people.

2.5.2 Project and programme management

Organisation needs to consider its priorities in project and programme management. One way this can be done is by considering the importance of the project or programme in relation to the objectives of the organisation to avoid wasteful efforts.

2.5.3 People Performance, Rewards and Recognition

Marr (2014) is of the view that people are the most valuable asset to the organisation. People are charged with the responsibility to deliver strategic plans, budgets, projects and programmes therefore they must be awarded and recognised for their effort and long service to the organisation.

2.5.4 Risk Management

Performance management framework has noted key drivers for measuring risk, this drivers include key partnerships, staff competence and company reputation. Marr (2014) mentions that it is important for an organisation to assess and monitor risk using these drivers in relation to the performance drivers established by the framework. Management should not only focus on financial risk and disaster that may occur to property.

2.5.5 Performance Reporting, Dashboards and Scorecards

Dashboards and scorecards can be used internal to measure performance and set target. Dashboards and scorecards may act as yard stick in controlling outcomes and correcting any deviations from the set plan. This may result in performance improvements and better decision making by management.

2.5.6 Business Intelligence and full analytical integration

Business intelligence may be defined as data analyses aimed at improving business performance, by helping executives and end users to make better improved decisions. Integrating performance framework and business intelligence local unit can achieve its objectives as the two can be applied hand in hand to achieve organisational objectives.

2.6 Performance based budgeting applied in Zimbabwe

In Zimbabwe performance based budgeting (RBB) was started in 2005 backed by the Cabinet, Reforms Department and the office of the President. It was adopted as a measure of improving efficiency in all ministries in Zimbabwe as the system centres on the objectives of the organisation and expected results. It was also adopted as it focus on accountability on the use of public funds mainly on what public funds have been used for. The ministry of finance head the performance based budgeting program in Zimbabwe, there is result based committee at the ministry of finance. The committee is chaired by a secretary and the members consists the head of ministry and the secretariat. The role of the committee is to give guidance and to supervise the smooth implementation of performance based budgeting. Each organisation under the ministry is required to prepare an annual progress report on the implementation of performance based budgeting. The report should be submitted to the result based budgeting committee within 10 days after the end of the financial period, the committee review the reports and provide advice to ministries and organisations.

The result based budget committee is required to submit annual report of its findings to the Ministry of Finance before the end of the first month after the final period ends. Law requires the Ministry of Finance to prepare a consolidated annual report for all ministries which will be presented to the cabinet for approval.

The public sector in Zimbabwe is responsible for the provision welfare services therefore performance of the public sector has become key objective in development. Public sector organisational performance level in developing countries is often equated with the efficiency and effectiveness. Output in the public sector cannot be measured reliably as most organisations deals with the provision of services therefore performance based budgeting has desired characteristics which enhance service delivery. The following factors make the performance based budgeting a necessity in Zimbabwe: need for better services delivery, Ministry of Finance

aim at effective resources allocation, private sector want to lease improved infrastructure from local authorities, public sector management wants to perform more efficiently and effectively. However, since the performance based budgeting system was adopted in 2005 there has been controversy on applicability and usefulness. Some stakeholders are against the system as they do not want to move away from the traditional method of budgeting in governmental organisations.

Nevertheless, most officials have shown great confidence in performance based budgeting system contribution towards a concise and systematic way of assessing progress. Another notable achievement realised is improved production of information on accurate results which were being given little attention when traditional method of budgeting was used.

2.7 Merits of performance based budgeting

Gutiérrez and Lozano (2012) mentions that performance based budgeting is a modern budgeting philosophy and approaches which emphasis on the suitable and timely achievement of objectives and goals through strategic planning, systematic implementation and resource utilization. It results in efficient allocation of resources as it is based on needs and benefits.

It is suitable for the current economic crisis which characterised by liquidity problems and inflation. Performance based budgeting drives management to find cost effective way which improve operations and eliminates wastages in ministries, departments and all government controlled bodies, management is encouraged to utilise the scarce available resource. More so, performance based budgeting detects inflated budgets due to the budgeting techniques and principles applied.

It is a more focused approach to achieving goals and objectives as it centres on expected results and performance indicators for measuring results against set targets. The process involves worker participation which increases staff motivation by providing initiative and responsibility in decision making.

2.8 Criticism against performance based budgeting

Governmental budgets are too rigid to respond to changes and involve slow implementation. Birkhead (2016) supports the idea that budget is slow and rigid as he suggests that unified

government results in delays as they may be conflict in legislative policy approval. This may result in poor service delivery in some area that may require quick response.

Lack of agreed definitions for Performance Based Budgets\Result Based Budgeting terms among state controlled organizations in Zimbabwe which makes it clear this is an aspect of the new methodology that still requires further development. In addition, for the implementation to be successful training is still required among managers of all levels in state controlled institutions, knowledge about result based budgeting is more vested in top management.

Most state controlled organisations in Zimbabwe are large therefore it becomes difficult for one person to understand all the organisational departments and their specific needs in relation to the formulation of result based budget. There might be need for compressing information which relates to all departments for it to be usable, this increase the chances that critical detail might be left out.

2.9 Challenges faced by council in formulation and implementation of budgets

According to Hilvert and Swindell (2013) mentions that local authority managers are facing challenges, these challenges include need to strike a balance between politics and professionalism in the creation of budgets, lack of accountability and transparency, ever increasing demand for services, reduced revenue and maximized overloads. Therefore, management has to keep finding alternative ways to cope with changes in order for them to keep up with changes.

2.9.1 Politics in budgeting process

Flink and Monila (2016) say that local units face challenges in the process of ensuring that provision of public goods is in accordance with the preference of different stakeholders. Urban local units have a critical task of delivering services to the growing population, the local units show their main interest through a budget which is the lifeblood of public policies. In the formulation and implementation of policies and budgets there is politics which influence the outcome. According to Rubin (2014) politics define who will get what, how and when, political activities centres on the use of power. The ability to influence outcomes and get desired results can be defined as power. Kerr et al (2013) supports the idea that public budgeting is affected by politics and the budgetary decisions are usually swayed in favor of those with political power.

This is a challenge because policy makers may not be able to make rational decisions which are in the best interest of the public in budget formation and service delivery. More so, those with the political powers tend to abuse their power in a bid to gain what they want.

2.9.2 Professionalism in budgeting process

While local government budget may be a product of political power, financial resources must be distributed with the objective of addressing problems and meeting demand. Officials should exercise professionalism in policy making and budget formulation, this is done by way of considering current demands and considering problems of the citizens. Rubin (2014) says there is a tension between professionalism and politics as professionalism aims at distributing of resources equally and politics aims at satisfying on segment for political gains. Professionalism approach suggests that officials and decision makers should rely on objectives and should be apolitical when formulating and implementing budgets.

2.9.3 Accountability and transparency

International Monetary Fund (2012) defines transparency as reliability, clarity, timeliness and relevance of reporting and openness in policy making. Rois et al (2016) highlights that the government has the obligation to be transparent to the tax payer patterning handling of money. Yoon Jik & Poister (2014) say that every citizen in the local authority boundaries should have access to budgets and be able to hold the local government accountable for programs which were financed through budgets. In developing countries such as Zimbabwe public budgeting process is considered as a secret and is done by executives, it is not debated by every willing citizen. High budget transparency in local authorities enhance service delivery in local authorities as local budget relates to policy making therefore, problems do with budget process may have originated in policy making. Bolivar et al (2013) noted that budget transparency is one way to fight against poverty in a country, it was also noted that budget transparency is weak in countries with poverty. Leak of budget transparency trigger misuse of public funds in form of corruption and ineffective service delivery. Resultantly these have a negative impact to the economy as they will be an increase in level of poverty and poor governance in local units.

Abbas and Ahmed (2016) defines accountability as the demand side attempt for good governance and how communities can interact with local government in demanding better service delivery. Accountability represents the relationship between the state and its people. Wehner & de Renzio (2013) mentions that accountability is used by citizens in an attempt to push management to be accountable and answerable for the resources entrusted to them in an attempt to improve service delivery in local units. King (2014) says that in the long term accountability have benefits to the communities as it has the potential to reduce poverty, create policies that are centered to the people and enhance service delivery. Budget tracking, participatory budgeting and community score cards are mentioned by Stabe and Jones (2012) as tools for accountability. These methods to accountability to officials are strengthened by right to information and awareness.

2.10 Decentralization

The issue of decentralization cannot be over looked when talking about local government issues. Ryu (2011) defines decentralization as transfer of resources, responsibilities and power to lower level authorities largely or wholly independent. Issue of decentralization is taking center stage in developing countries as local authorities are being given autonomy in their operations in an attempt to enhance effectiveness and efficiency. Variations exist in degree of decentralization as level of financing, decision making powers and control differs. Fink and Wagner (2013) postulate that when there is decentralization in financing issues means local units create their budgets and are given autonomy to charge rates in their jurisdiction. When the local unit prepare its budgets they become more efficient than the central government in the provision of public goods. But, too many assessment of performance in decentralized local units is still a challenge. This is because council employees need to be trained in relation to the concepts of decentralization. More so, Bolivar (2013) mentions that though decentralization has been accepted in some other parts of the country other communities too small and cannot manage to undertake meaningful projects own their own.

Empirical Review

2.11 Budgeting process in Indonesia

Brinkerhoff and Wetterberg (2013) carried out a research were they established what they termed pathways to enhance service delivery in local authorities in Indonesia. The objective of the study

was to review current thinking in improving service delivery and assess pathways to improve service delivery in local authorities. Data was sampled using stratified sampling technique and for analysis they relied on secondary data interventions because they contain well documented experiments. Performance based budgeting was one of the pathways to improve service delivery in the developing country. They used secondary means of collecting data, relying mostly on interventions as they said they represent well documented experiments and their wide scope. Local authorities in Indonesia showed great performance in their performance indicators since they have reformed to use of the pathways. However, they were variations in the local units due to difference in region, public and private provisions and socioeconomic class. The variations came because of difference in the level of development in each region, this affects the type of services each local unit is supposed to deliver to its people.

The public sector reform in Indonesia was aimed at supporting decentralization of local authorities in an attempt to improve effectiveness and efficiency in service delivery. Performance based budgeting for local authorities were instituted in 2000 and 2002 in an attempt to improve transparency and accountability in use of public funds. However, data collected showed that bottlenecks existed in accountability and 63 of 78 local units had passed their budgets on time.

It was noted that information flow and transparency had improved for the past decade in Indonesia. There had been reforms which include citizen participation. This improved transparency and accountability in local units. McLaren (2011) noted that budget analysis had improved which was led by Sekretariat Nasional Forum Indonesia. Civil society and other stakeholders have worked to analyze budget allocation and the availability of resources. But this achievement was limited to a certain area. All local authorities in Indonesia were encouraged to reform and adopt recent reforms. Brinkerhoff and Wetterberg (2013) recommended that implementation of pathways should be a gradual process as they were long time in the current implementation strategies applied.

2.11.1 Performance based budgeting and use of performance indicators in California

Research on the impact of performance measures on budgeting and managements process in local authorities was conducted in North California by Kenneth Klase. The objective was to assess the impact of performance based budgeting and performance indicators on service

delivery. Data was analyzed using local polynomial regression and stratified sampling technique was applied. Data on performance measured and on total costs was collected from annual reports produced by local units and Final Reports on City Services for the years 1998 to 2011. Total cost data was for measuring performance for public work services in the following areas water services, residential refuse collection, and maintenance and repairs.

The research allowed the 17 cities to compare themselves with one another and to benchmark on performance on cost information, performance measures, compiling services and comparing results. Rivenbark (2008) found that success of North Carolina local units was based on moving to performance based budgets. Klase (2016) reported evidence that performance indicators from cities in the research were successfully integrated into management systems and results for improvements in service delivery was noted. Data used for the past 14 years showed that performance measures have an impact on managerial and budgetary decision making as it was evident in these cities. Research recommendations were that all local units in the state move towards the use of use of performance measures as they encourage benchmarking and performance based budgeting for decision making.

2.11.2 Improving service delivery in Malaysia city of Majlis

Khalid (2010) conducted a research in Malaysia targeting the city of Majlis. The objective of the study was to examine implementation of key performance indicators in local units, access how the indicators were formulated and accessing the process of improving services delivery. Judgmental sampling was used to collect data and descriptive analysis was employed for data analysis. Primary and secondary sources of data were used for the research, primary methods include interviews to government officials and secondary methods include local government reports. Local units in Malaysia were regarded as inefficient and lacking accountability in their operations. Central government in had faced similar challenge and the implemented key performance indicators strategy which require developing of performance indicators to improve service delivery. The concept of performance measure was not new in the economy as it was used in performance planning budget in the 1970s and reformed to performance based measures in the budgeting process.

Key performance indicators were introduced in Majlis by a government agency aim for improvements called Malaysian Administration Modernization. It was implemented through training programs and meeting in order to educate stakeholders on the program. The program initiated reforms in budgeting and planning, indicators would be the bases in the planning and budgeting process. The use of performance indicators in planning and budgeting led to improved service delivery and accountability as the officials were now held accountable for use of public funds. However the reforms could not address all the challenges faced in Majlis therefore the research recommended that the council improve on transparency for better governance.

2.11.3 Performance based budgeting in Korea

Sohn and Bae (2017) conducted a research on performance based budgeting in Korea for the years 2005 to 2011. Secondary methods of gathering data was used during the research, they used administrative records, score cards. The objectives of the study were to evaluate effectiveness of public programs and establish a relationship between performance information provided and budgeting process. Data was analyzed with the use of standard deviations from one year to another, local polynomial regression and the use of graphical analysis. Non probability sampling was applied in the study.

Performance based budgeting was introduced with the aim of promoting effectiveness and efficiency in local authorities in Korea and provide the public with progress reports and hold management accountable for their actions. The program was named Assessment Rating Tool (PART). Korea set up the Program Assessment Rating Tool (PART) system was implemented in 2005, the system was introduced for two major reasons: promoting performance of public programs and increasing linkage between performance information and budgeting process. PART program was benchmarked from the US part system so as a result they share features with the one in the United States. The PART program is based on strategic planning, accountability and results, it has been introduced in phases both in Korea and in the United States with the aim of establishing a strong link between PART and budget process.

The program found out that they are factors that affect performance based budgeting like politics and bureaucratic system in local authorities. Politics in budgeting in Korea has effects as resources are channeled to those with the political power thus impairing fair distribution of

resources. Bureaucracy creates a time lag which delay operation of the local unit which result in delay of projects and service delivery. It was recommended that local authorities in Korea should make timely decisions as decision making was taking long.

2.12 Conclusion

A critical review of the literature on impact of budgeting process on service delivery was necessary to help the researcher and the readers to develop a thorough understanding of and insight into previous research that is related to the questions and objectives of this study.

Some previous research finds explore the significance of a budgeting process and the budgeting techniques used in different local units. The performance management framework and performance based budgeting process was reviewed as well as the importance of budgeting in planning and controlling the organisation.

CHAPTER 3

RESEARCH METHODOLOGY

3.0 Introduction

This chapter focus on the methodology employed to collect data for testing. The emphasis of the research design for this study will be based on the research objectives as outline in chapter one. This section highlights on research design, population, sample and sampling procedure, instruments, data collection procedures, presentation and analysis procedures. It also discusses the steps undertaken to protect the validity and genuineness of results and also the vital concerns that are essential in the study.

3.1 Research design

Gupta (2014) defines research design as the overall strategy that the researcher chooses to assimilate the components of the study in an intelligible and logical way, making sure the research problem is effectively addressed covering the measurement, the blueprint of collection and the analysis of data. Purswell and Ray (2014) says that the main reason for a research design is to communicate the aims of the researcher, purpose and importance of the study and provide a plan for the research that allow accurate assessment of causes and effects as well as bringing out the relationships that exist between the independent and dependent variable in the study. It supposed to show courses of action via stage by stage through the objectives which were highlighted in chapter one.

Descriptive research design is adopted for the gathering of data under this research. The research design allows for a survey, fact finding and collection of numerical information patterning to a study. Sa ́nchez (2016) says descriptive research design provide answers to questions like who, when, what, how and where in association with a particular research problem. The research objectives aim to ascertain the current situation at City of Harare in reviewing the budget process, assessing the budget process and service delivery and establishing the relationship between budgeting and service delivery.

The descriptive research design is well suited for quantitative research and qualitative research Gupta (2014). Quantitative research is centered on measurements in the case of the study trend analysis from one year to another will be performed on budgets and standard variances on actual results and budget will be calculated. It is ideal for this particular study as it enabled the researcher to identify trends in budgeting and link them to performance indicators for service delivery. On the other hand, qualitative research is based on qualitative phenomenon as highlighted by Salaga (2017). Qualitative research in this study will applied in assessing service delivery as it is based on the standard of leaving in a city.

3.2 Target Population

Tyner (2013) says a target population is a group of people chosen for a survey from which research data is collected to make inference. Thus, target population defines the subjects from which findings of the study will come from. The research is targeting a population consisting the finance department and treasury staff, the accountants for various sectors, principle accountants, the management accountant and finance director, the audit committee members and the internal audit staff.

3.3 Sampling and Sampling Techniques

Tamul and Martínez (2017) define a sample as a subset representing the whole population. Data gathered on a small part represents the whole parent population and is used to indicate what the whole population is perceived. Mouw and Verdery (2012) suggest that sampling is done because there is no enough time and money to measure every single item in a population. Therefore, the appropriate sampling strategy must be adopted to obtain a valid statistical representation of the whole sample.

The research is not going to use the whole population to conduct the survey. This is because it is perceived that the whole population share the same organisational goals, the sample will indicate various issues about budgeting process at City of Harare and the impact of budgets on service delivery. Saunders et al (2012) suggest that larger sample must be used as they tend to produce an accurate representation of the whole population.

The research will be conducted on non-probability sampling applying judgemental sampling method. Yang and Banamah (2013) says non probability sampling strikes a balance between cost and benefits as the method have a purpose in mind which is highlighted in purposive sampling. Judgemental sampling involve nominating the people to include in a sample by special consideration. Sample include people considered to have experience and knowledge about budgeting process at City of Harare.

Table 3.3: City of Harare-Human Capital Department

Targeted Respondent	Population	Sample Size	% of Population
Finance Director	1	1	100%
Management Accountant	1	1	100%
Senior Accountants	22	15	68%
Finance and treasury	12	8	66%
Audit committee	5	2	40%
TOTAL	41	27	66%

3.4 Sources of Data

The research need to be conducted with appropriate source of data on which to base and confirm the research findings. Data can be defined as information stored in digital form, text, images, videos Koltay (2017). Research data is output from a methodical investigation which involve experiments and observations. Taniguchi (2012) say that they are two main sources of data which are primary sources and secondary sources. The study integrated both source of data which is termed as dual methodology or triangulation.

Primary sources of data consist of data collected directly from participants by the researcher, this data has never been gathered before. Usually the data is collected when a research is conducted and the researcher cannot find the data elsewhere, primary data collection entail tailor making of questionnaires and collection strategy to best fit the research. The data is collected through questionnaires and interviews as highlighted by Cornegay & Segal (2013). The research will use

primary source of data collection methods as the result in collection of current and relevant data which is vital in the formulation of a position about the budgeting process at City of Harare. However, primary sources of data involve a lot of preparation and procedure to obtain. Some of the companies may be reluctant to authorize the research to obtain information in an attempt to preserve their confidentiality as it is vital in an organization.

Another available source of data for a research is the secondary sources of data. Koltay (2017) highlight that secondary data is that data previously collected for other reasons. Usually this type of data may be collected for other studies done by other organizations. This research will use secondary source of data inform of budget committee minutes, financial reports, annual financial statements and audit reports. The mentioned documents contain relevant information concerning City of Harare budgets and can be used for the benefit of this research. On contrary, secondary data requires extra caution as there is less validity when it comes to secondary data. This is because it is hard to determine how the data was collected and the purpose the data was collected, this brings the validity of secondary data into question.

3.5 Research Instruments

Research instruments can be defined as tool used for data collection. The researcher should ensure that the research instruments used are valid and reliable to ensure data integrity. Validity and reliability of information highly depends on appropriateness of the instruments used. Instruments for data collection includes questionnaires, readings, interviews and observations.

3.5.1 Interviews

Marcovich and Shinn (2017) suggests that interview are used when the researcher feels that there is need for face to face interaction with the people in the sample. Oral questions are posed by the interviewer to the interviewee in an attempt to elicit direct response. For a research the interviewer has to choose an interviewee that he deems can give information that adds value to the research. Quality of outcome largely depend on the interviewee therefore the interviewer has to have a tactical plan in order to obtain information from the interviewee. Focus interviews are used for this research. Simoulin (2017) say focus interviews are for of unstructured interviews where by attention is drawn to the respondent response on the subject and his/ her experience.

This form of interviews will be conducted mostly to City of Harare accountants who are charged with the responsibility of preparing annual budgets.

3.5.2 Questionnaires

Questionnaires are data collection instrument mostly used in normative survey. Simoulin (2017) defines questionnaires as a systematically prepared document or form with a prepared questions purposefully designed to elicit response or for collection of data. This is one form of primary data collection by way of distributing the questionnaires to the population whom the researcher intent to sample. The effectiveness of questionnaires on data collection for research depends on the formulation and administration of the questionnaires.

Questionnaire were used because they are efficient and easy to administer. Salaga (2017) says this type of data collection has advantages over some other types of surveys as it is cheap, does not need as much effort from the questioner like telephone and verbal surveys and often has standardized answers that make it simple to compile data. More so, questionnaire have an added advantage as giving participants ample time to think over answers. They allows for obscurity resulting in respondents giving honest answers in a free atmosphere. A questionnaire also reduces the bias existing in interview due to interactions between interviewer and respondent. However, questionnaires are also subject to some disadvantages. There is no control over who responds to the questionnaire and whether or not that person consults with other colleagues while completing the form. In addition, misunderstandings cannot be rectified because when the questionnaire is answered the person conducting the research may not be there.

There are several types of questionnaires that can be used in a research, this include close ended, open ended and Likert scale. The questions contained in the questionnaires should be neutral, simple, appropriate and clear. For the research likert scale was employed.

3.5.2.1 Likert Scale

According to Kozlowski et al (2013) likert scale is a psychometric response scale used in questionnaires to get participants degree of agreement with a statement. Likert scale require participants to rank there consideration in the spaces provided highlighting if they strongly agree, agrees, neutral, disagrees or strongly disagrees. The advantage of a likert scale is that it is easy to

come with and might come up with a reliable scale. However, likert scale have several demerits, this include central tendency bias which means people chosen to answer may avoid extreme response categories. More so, they may not be honest and choose to be socially favourable.

3.6 Data Collection Procedure

Interviews and questionnaires were used for data collection. Focus interviews were used in accordance with a list of scheduled candidates whom were deemed to have knowledge and experience on the subject. Questionnaires were distributed to council employees and were given ample time to think and answer before the collection of the questionnaires.

3.7 Validity and reliability

Haralambos and Holbon (2012) define validity as the degree which an interference can test the appropriate and meaningful. Trafimow and MacDonald (2017) says validity can also said it is the ability of a research instrument to test or measure what it was designed for. To assure and enhance validity in the collection of data the researcher targeted people in the finance department mainly the accountants who have the responsibility of preparing budgets as highlighted earlier, the member of the budget committee and auditors. The researcher also targeted the finance director and management accountant of City of Harare who oversee all the financial affairs. In addition to ensure reliability and validity of questionnaires and interview questions a pilot was conducted. According to Center of Evaluation and Research (2011) says a pilot test identifies the strengths and weaknesses in preparation of the full study, it make sure that the sample understands the questions. Two representatives from City of Harare finance department where chosen for the pilot test and the findings where used to correct and make amendments to the questions.

The questions contained in the questionnaires and interview booklets were made in a way that they completely address the research objectives and questions. In gathering data, data gathering techniques were applied in way that they eliminate uncertainty in findings of the study.

The research also used data triangulation, which defined as use of diverse data source in research. Primary and secondary sources of data where used to enhance reliability and validity in the research. Finding in a research can be upheld by data triangulation as the weakness from one

sources of data are complimented by strengths of another source of data thus primary and secondary sources of data integrate each other increasing the validity and reliability of results obtained from the study.

Reliability refers to whether the measures and evidence used were consisted and stable Coles et al (2014). Adequate level of reliability can be determined when the research instruments or methods used to produce data does not show inconsistencies in the results obtained when changes are applied in measurements. Structured and non-structured questions were asked in the questionnaires to get as much understanding on the budgeting process at City of Harare. The use of judgmental sampling was used to select the respondents who have knowledge on budgeting process among the council employees in an attempt to enhance reliability in data collection.

3.8 Data Analysis

Three types of questionnaire validation were used in conducting the study, which are, construct validity, content validity and criterion- related validity. Three questionnaires were preliminary distributed to peers for review to make sure that they accurately measured what they aimed measure. Questionnaires were validated to help to gather better quality data with high comparability and intensify the credibility of data.

Before processing the responses, the completed questionnaires were checked and edited for completeness and consistency. The data from responders was grouped into various categories and descriptive analysis was used. Descriptive statistics was used to summarize the data, included percentages and frequencies. All quantitative data was measured in real values by normalizing, data was analysed using Microsoft Excel.

Emerging themes were used for analysis of qualitative interview questions. Emerging themes seeks to develop themes through close analysis of data. To develop theme from research data the research used focus interviews and the data was analysed by way of looking for patterns in data, determining regularities and irregularities and making substantial connections between the interviews answers obtained from council employees. Margan (2007) sights that the goal of emerging themes is to reach a saturation point, where by no further insights can be obtained in additional data analysis, the research was targeting to obtain all relevant data from interviews about the budget process in relation to service delivery.

3.9 Data presentation

Tables, pie charts and other graphical presentations suitable were used to present the data collected for simplicity, understanding and analysis. Findings were presented through tabulations and percentages. Tyler (2012) highlights that the use of percentages is important for two major reasons; first they simplify data by reducing all the numbers to range between 0 and 100. Secondly, they translate the data into standard form with a base of 100 for ease relative comparisons.

3.10 Summary

The chapter looked at the research methodology, with a view of aligning the research design to the objectives and research questions. Interviews and questionnaires were the major approaches of data collection implemented to gather data for the study.

CHAPTER 4

DATA PRESENTATION AND ANALYSIS

4.0 Introduction

This chapter presents and analysis data collected and presented in various data instruments which were considered for this research. The center piece of this chapter was on questionnaires, interviews and other City of Harare documents presented and use by management on budgets. Data analysis can be defined as a process of conveying order and meaning to the data collected in the field and secondary sources as highlighted by Katherine et al (2011). Analysis involve a strategy of dealing with research objectives and research questions, data analysis for this study categorized data collected into different themes, applied data triangulation for variety into insights about the budgeting process at City of Harare and interpretation framework.

4.1 Response Rate on questionnaires

Table 4.1: Response on questionnaires

Questionnaires distributed	Questionnaires returned	Response rate
27	23	85%

Information in Table 4.1 shows that 27 questionnaire were distributed to employees of City of Harare and out of the 27 dispatched 23 questionnaires were returned making a response rate of 85%.

4.2 Sex

The questionnaires were distributed to council employees despite gender. Questionnaires asked the responded to indicate there sex, out of the 23 questionnaire returned 15 were males and 8 were females. As present in Fig 4.1 over leaf 65% (15/23) males responded to the questionnaires and 35% (8/23) females responded as presented.

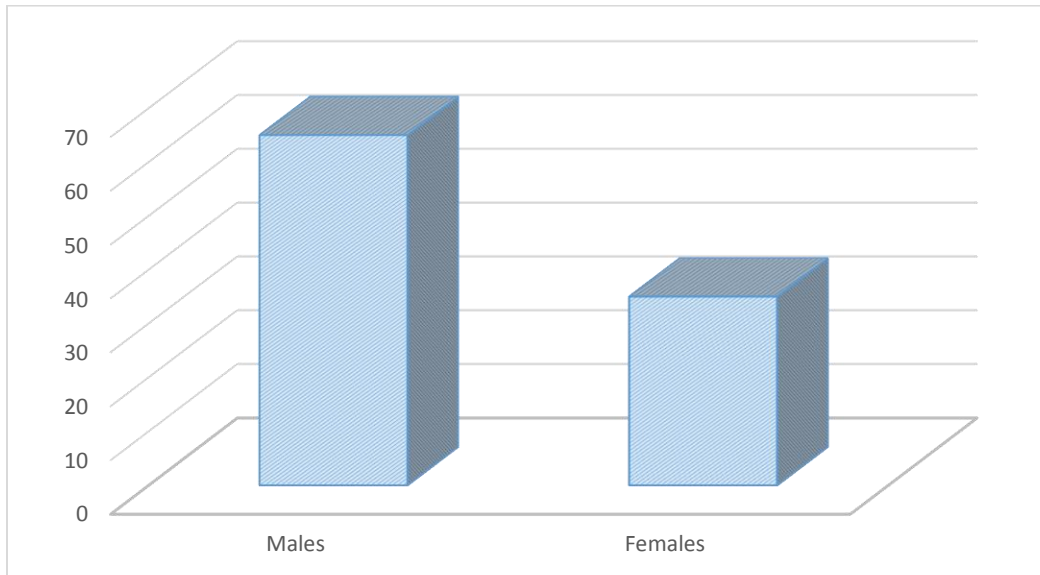


Fig 4.2: Gender participants

4.3 Designation

Table 4.3: Designation of Council employees

Targeted Respondent	Questionnaires Distributed	Response	Response Rate
Finance Director	1	1	100%
Management Accountant	1	1	100%
Senior Accountants	15	13	87%
Finance and treasury	8	7	88%
Audit committee	2	1	50%
TOTAL	27	23	85%

Table 4.3 above shows information of questionnaire distributed according to employees designation and the response accordingly. The research had 100% response rate from finance

director and the management accountant, 87% from senior accountants, 88% from finance and treasury staff and 50% response rate from audit committee members. Generally, the response rate from council employees was over whelming.

4.4 Qualifications

Most of council employees in the finance department have at least an academic qualification. The researcher targeted respondents he deemed to have academic qualification and would give a reliable feedback as they could possess some knowledge about the budgeting process at City of Harare and budgeting in general.

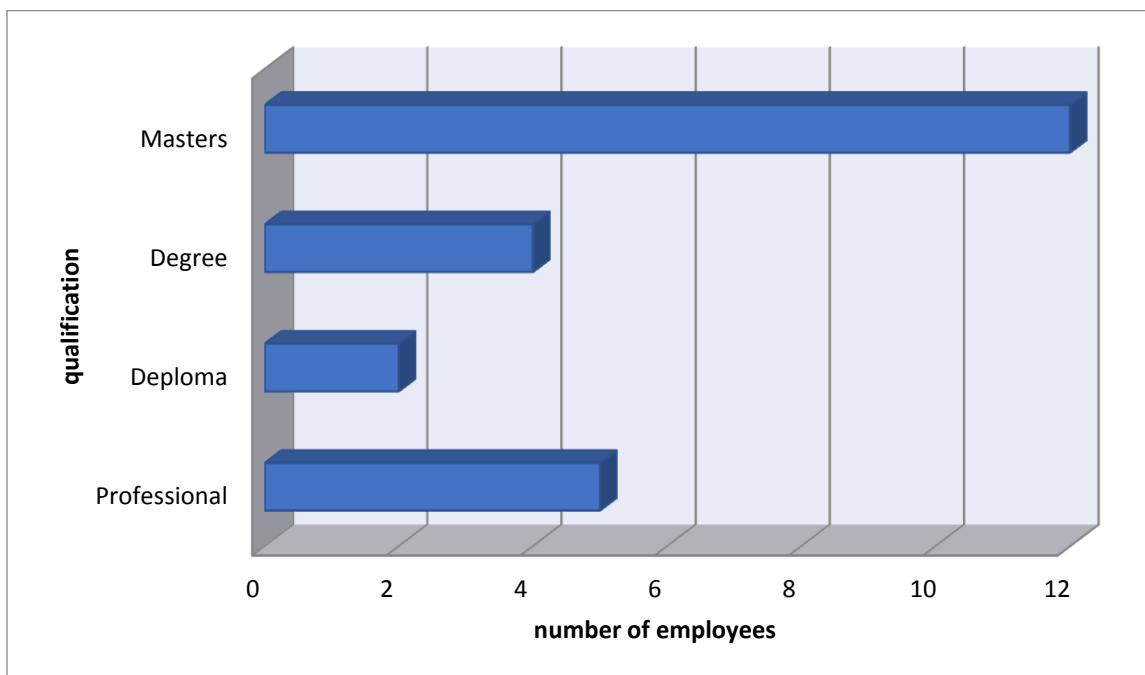


Fig 4.4: Employees qualifications in the finance department

The finance department of City of Harare consist of different posts which are held by different people with different academic qualifications, they are all required to be part of a professional board of public accountants. Management accountant and finance director and most of the senior accountants have masters as there least qualification totaling to 12 employees, 4 employees are degree holders, 2 have diploma's and 5 have professional certificates such as ACCA and CIMA.

4.5 Employment tenure

Mode was used as way of analyzing the number of years members of the finance department have employed. Most of City of Harare employees fall in the range of 11 years to 16 years on the job. Face to face interactions were conducted on collection of questionnaires, most of the finance department employees did not start in the departments they raised with the ranks when they were vacant post which suit their academic qualifications which they had acquired.

4.6 The budget process takes a stipulated procedure every year

Table 4.6: Response on budgeting procedure

Strongly disagree	Disagree	Unsure	Agree	Strongly Agree
3	1	4	5	10

The budget process at City of Harare is said to follow a stipulated procedure from one year to another following a budget cycle according to the Local Government Manual (2013). Majority of the people considered for the sample strongly agree that the budget process follow a cycle every year thus (10/23) 43%, (5/23) 21% agree to the notion that the budget process follow a procedure, (4/23) 17% are unsure that the budget process follow a yearly cycle, (1/23) 4% disagree that the budget process does not follow a budget process and (3/23) 13% strongly disagree that the budget process follow a procedure yearly.

Most responders (43+21) 64% agree that the budgeting process follows a budget procedure. Graham et al (2013) mentions that the budgeting process follows a budget process or cycle which make the planning efficient and avoid variety of procedures which makes trend analysis difficult as it require consistence for accuracy. Council budget reports also requires budget preparers to say that the budget process may be an annual ritual which does not give room for improvement as it might not be flexible.

The other 17% were unsure if the budget process follow a stipulated procedure whereas the other 17% disagree to the notion that the budget process follow a stipulated procedure annually. The

research indicated that the budgeting process at City of Harare follow set procedures as majority of the people considered for the sample agreed that the budget process follow a cycle.

4.7 Budgets have a direct impact on service delivery

They are many factors that can affect service delivery of a city, this factors include lack of funds to fund services, rapid expansion of the city and budgetary priorities of the local authority. Research seeks to find the sample view on the relationship between the budget process and service delivery.



Fig 4.7: Impact of the budget on service delivery

Research findings showed that they are many factors the sample perceived it affects service delivery in local authorities. In the sample 8% strongly agreed that budgeting process has a direct impact on service delivery, 41% agrees, 24% disagrees and 27% strongly disagrees.

The research findings show that majority of council employees disagree to the position that the budgeting process has a direct impact on service delivery, 51% of the questionnaires indicated that the budgeting process is not directly linked to service delivery. Most of the people considered for the sample feel that they are many factors which affects service delivery besides the budget process. However, majority of the council employees are not in agreement with the fact that budgeting process have a direct impact on service delivery, Sohn and Bae (2017)

suggest that performance indicators are implemented to enhance service delivery of local authorities through performance indicators which are used to formulate budgets.

4.8 Citizen participation in the budget process

The results revealed that there is citizen participation in budget process. In the sample 12% strongly disagree, 6% disagree and 50% agree and 32% strongly agree, it can be therefore concluded that citizen participation exist in Harare during the budget formulation. Duran (2014) suggested that citizen participation is done to get a deep insight of what the local residents wish could be provided in their local units and to cater for their needs more precisely. Urban Council Act [Chapter 29:14] mentions that they should be public representatives when budgets are debated and their need must be considered. If need be, line items in a budgets are added or removed in order to consider the needs of citizens.

4.9 Result based budgeting has a positive impact on service delivery

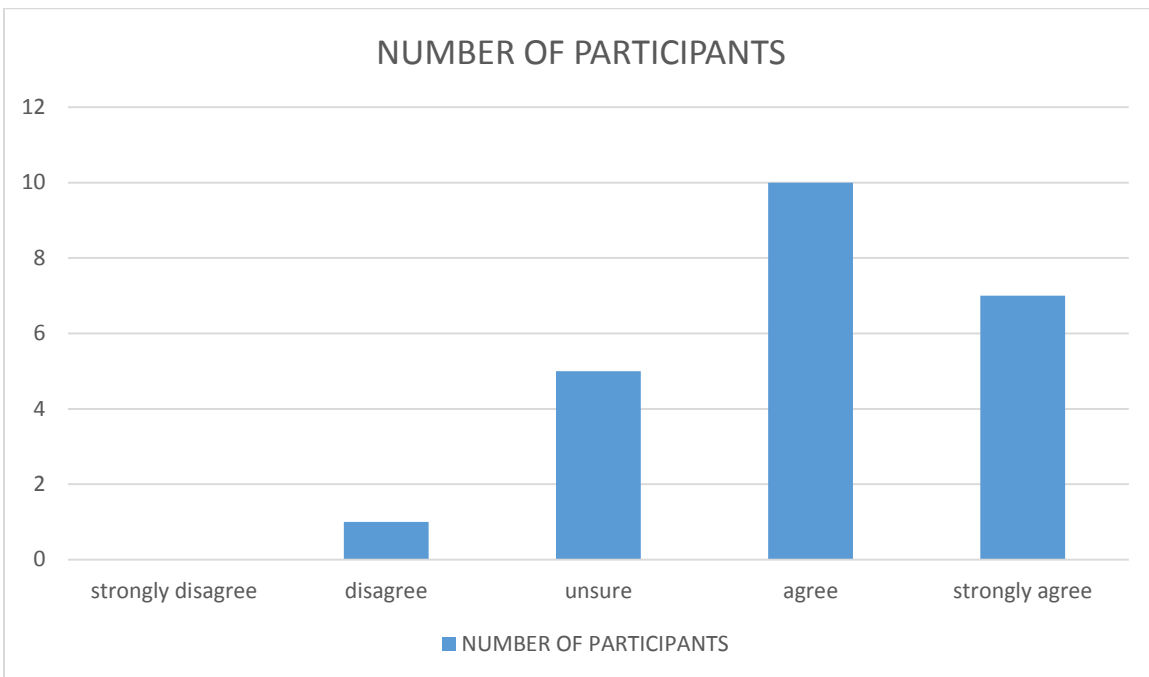


Fig 4.9: Positive impact of RBB

Research findings are indicating that result based budgeting has a positive impact on service delivery. The theme of the questionnaires are showing an agreement toward result based

budgeting as a tool of enhancing service delivery. Only one participant disagreed, 5 participants were unsure, 10 were in agreement and 7 strongly agreed with the statement.

Performance based budgeting (PBB) or result based budgeting (RBB) was introduced with the aim of improving efficiency in all local units in Zimbabwe. The system bases on the objective of the local units and expected results, resources are channeled to a program or activity with expected returns in mind Gutierrez and Lozano (2012). Result based budgeting encourage management to rank their priorities for distribution of scarce resources, the system of encourage prudent management of public funds.

4.10 Result based budgeting led to accountability and transparency

Transparency and accountability are some of the major problem in council budgeting as mentioned by the auditor's general report. Line items in the budget are not clearly stated, the budget show unclear line items in expenses and some sources of revenue. This affects budget transparency as transparency in budgeting for a local authority is of paramount importance as it is a translation of policies into monetary terms. Auditors General Report (2015) also states that management should be held accountable for its actions to the people. Abbas and Ahmed (2016) mentions that accountability aims to improve good governance in the local unit thus it patterns to how management conduct business.

Questionnaires returned confirmed the position that accountability and transparency needs to be considered in the budget process. Results from the study indicated that 13% that result based budgeting enhanced accountability and transparency since it was introduced, 52% in the sample disagree, 22% are unsure and 13% agree. Research is showing that there other measure which should be considered besides result based budgeting.

Table 4.10: Accountability and transparency

Attitude	Strongly disagree	Disagree	Unsure	Agree	Strongly agree	Total
Number of people	3	12	5	3	-	23
Percentage	13%	52%	22%	13%	-	100%

4.11 Political factors in budgeting

Research finding revealed that most of the people were not aware of the political factors in the budgeting process. They may be other factors which prevail when budgets are formulated and approved or the political factors acts as an invisible hand that control how resources are distributed by the central government. Kerr et al (2013) says public budgets are platforms that were those with the political mussels exercise their power in resource allocation. The political mechanism in budgeting might be in such a way that top management are mostly exposed to the force in politics.

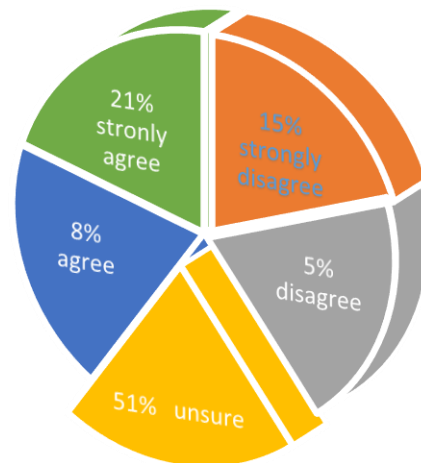


Fig 4.11: Politics in budgeting

Sample considered for the study were unsure of the political factors that existed about budgets on their level in the organization. 51% of the people were unsure thus the majority of the sample chosen for the study, 5% disagreed that there is politics in budgeting, 21% strongly disagree, 8% agreed that political factors exist and 15% strongly agreed. An analysis of results about this question showed that people who agreed that there are political factor in budgeting are top management who interacts with the external stakeholders and government agencies thus why they share the same view about political factors in budgets.

4.12 Existence of hindrance in budget formulation and implementation

Research findings supported that they are challenges in the formulation and implementation of budgets at City of Harare. 64% agreed to the statement that budget formulation and

implementation have hindrances, 7% strongly agree, 15% were unsure of the position and 14% disagreed.

Hilvert and Swindell (2013) says that large organizations may experience several problem in the implementation and formulation of budgets. Due to complexity in the organizational structure coming up the organizational budget that cater for all the needs of every department might be a difficult task. The task involve may people which make coordination of the budgeting process difficult.

For an organization such as City of Harare implementation of budgets may be the most difficult part because the organization is too big and it carries variety of tasks. Implementation of a budget involve communication of budget estimates to every level in the organization. Rubin (2014) mentions that large governmental organizations have red tape in their operations. This means that there is a slow decision making and implementation of actions as decision making goes through a long chain of command. In case of City of Harare are referred to the town clerk through the chain of command which is time consuming.

4.13 Budgets are monitored at each organizational level to ensure efficiency.

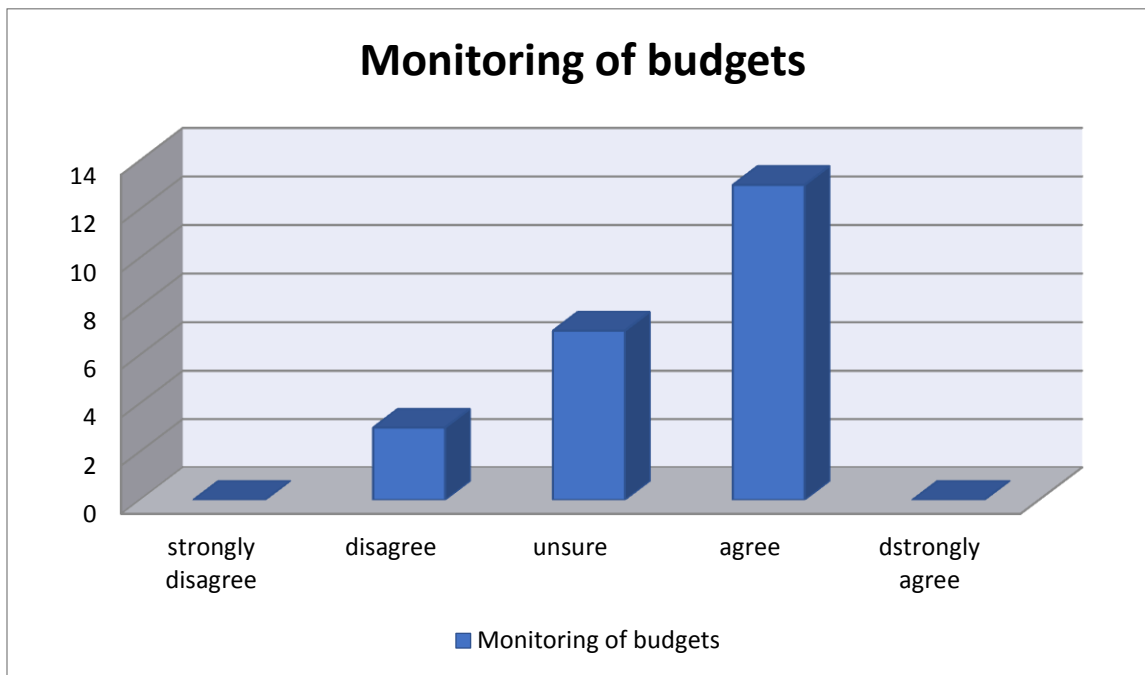


Fig 4.13: departmental efficiency in budgeting

Budgets are monitored at each level to ensure efficiency at each level at City of Harare, research findings are in support. However, (3/23) 13% disagree that budgets are monitored at every level in the organization to ensure efficiency and assure that organizational are achieved. The 13% are saying that council does not implement its plan efficiently as monitoring of a budget requires the management to have a pipe line to follow in an attempt to reach set targets.

The other (7/23) 30% where neutral to the position that budgets are monitored at every level in the organization. One the other hand the majority are confirming that the budgets are monitored at each level of the organization once approved. (13/23) 57% of the sample are in support, this prove the fact that budgets are monitored from the research perspective.

Result obtained on this question shows there are no extreme ends as shown in *fig 4.14* above. There are no people who strongly agree or disagree to the statement that budgets are monitored at each level in the organization. This may be an indicator that people considered for the sample might not be sure of activities and strategies that are applied in different departments and sectors of City of Harare of effectively and efficiently manage annual budgets.

4.14 Poor service delivery can be traced to poor budgeting process

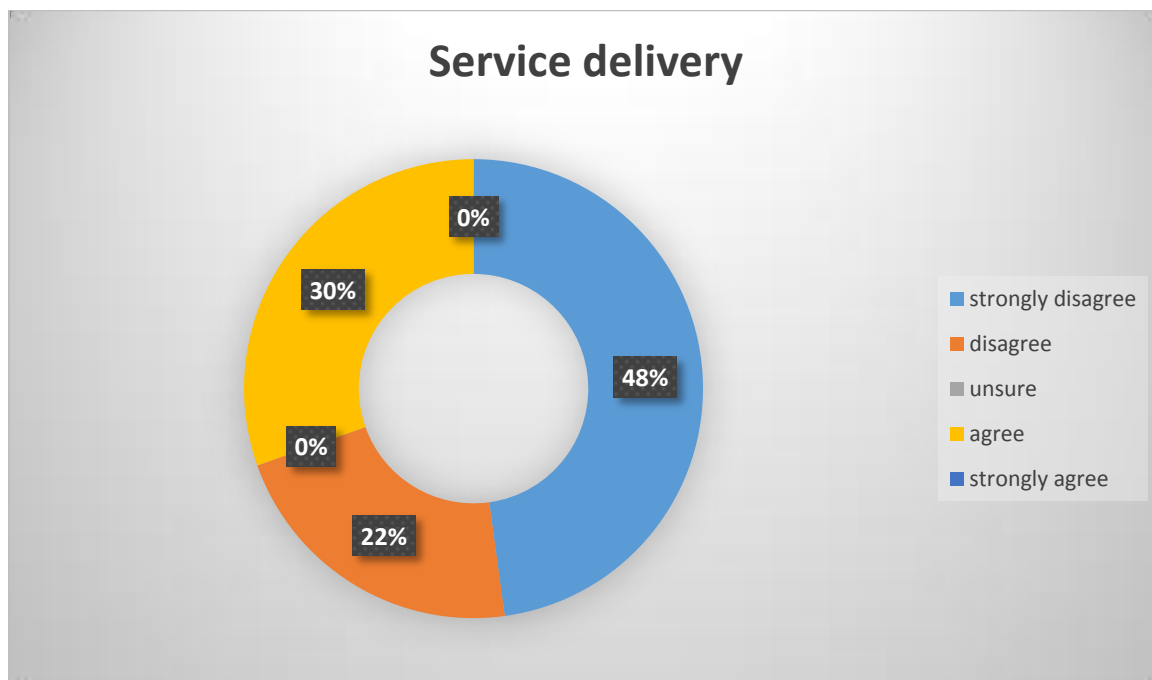


Fig 4.14: Service delivery

Providing services is the mandate of council, it is required by law to provide for its people. The study attempt to get an insight if poor service delivery can be traced to poor budgeting process, results of the study indicated that poor service delivery is independent of the budgeting process.

48% of the sample strongly disagreed to the opinion that poor service delivery is traced to poor budgeting and 22% disagreed, making a total of 70% of people who are not in agreement of the statement. There are many other things that can affect service delivery of a city, it included rapid expansion of the city due to rural to urban migration as highlighted by the Strategic report (2004). The report indicated that as an area of concern as the council was not being able to cater for the people and there was need for more space in order to accommodate the people. More so, due to economic hardships which the country of Zimbabwe is going through most of the people are failing to pay their rents and rates Auditor General Report (2015). This implies that the local unit will fail to provide services it is supposed to provide to the fullest.

The other 30% support that poor service delivery can be traced to poor budgeting. Minority is indicating that service delivery is depend on the budgeting process thus if the budget offers less than the required funds for a project they may be challenges in delivering that project, *ceteris paribus*.

4.15 Evaluation of the budget and actual results

Table 4.15: Evaluation of budgets

Attitude	Strongly disagree	Disagree	Unsure	Agree	Strongly agree
Response	-	-	1	16	6

Research confirmed that an evaluation scheme exist such as variance analysis for comparison of actual results and budgeted results and establishing reason why there have been variances. One questionnaire indicated that the individual was unsure of the position, 16 questionnaires agreed and 6 questionnaires strongly agreed that an evaluation program is conducted annually as a management tool for control. Jon et al (2015) management use budget to set target which they wish to achieve for a fiscal year, the budgets should be realistic and attainable. To measure if

management have attained their goal standard costing is used to measure performance and set goals Advanced Performance Institute (2014).

According to Auditor General Report (2015) emphasis was placed on budgetary control on funding their accounts in government institutions. The report highlighted that local authorities incurred excess expenditure exceeding budgetary income by a total of \$10 256 876. This is evidence that all local authorities are required by ministry and auditor general to exercise budgetary control such as variance analysis at certain interval for control purposes.

4.16 The budget is approved in time

Table 4.16: Budget approval

Attitude	Strongly disagree	Disagree	Unsure	Agree	Strongly Disagree
Response	6	7	4	4	2

For an organization to carry out its mandate in time the budget should be approved in time to avoid lag behind of some programs and service delivery strategies need to be implemented early before some problems became acute.

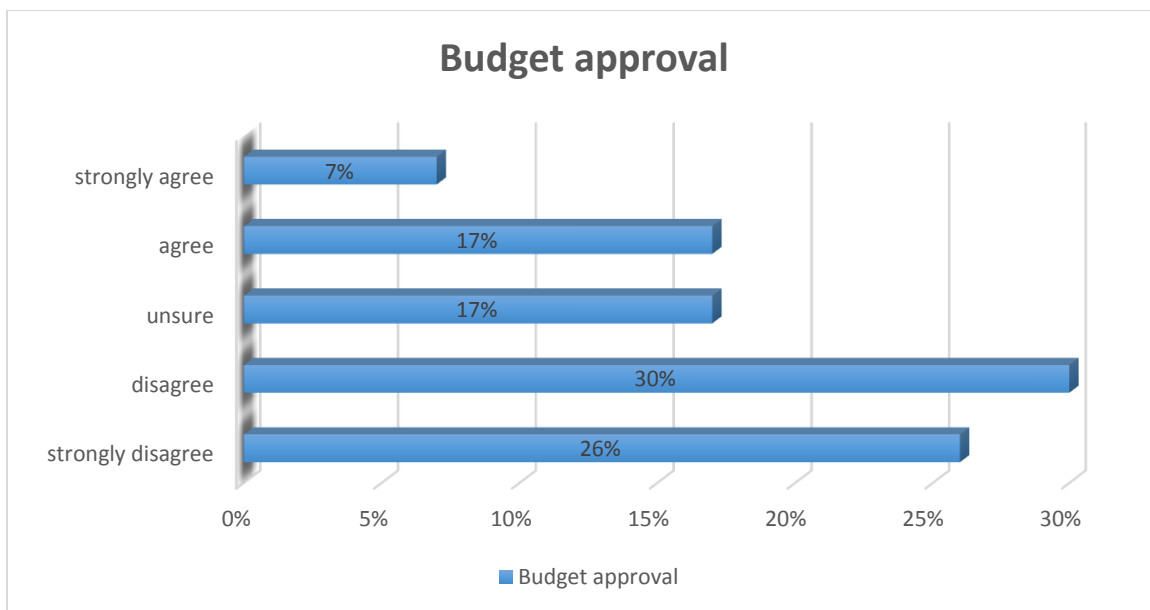


Fig 4.16: Budget approval

Majority of the people considered for the sample disagree with the statement that budgets are approved on time by the central government. 56% (30+26) disagreed with the statement, 17% were unsure of that position, 17% agree and 7% strongly agreed.

4.17 Financial viability of City of Harare

For analysis of financial viability of City of Harare data triangulation was used, primary data from questionnaire and secondary data from financial statements and other reports for the years 2015 and 2016 was used.

Harare municipal has been affect by lack of management in key management positions. Over the past years there have been a lot of people acting in key management positions such as finance director and town clerk. This affect quality of decisions made by people holding those positions as they are ever changing, also the process of taking over work which was being done by another person may be difficult as different managers have different approaches.

There are other indicator that can be used to see if the council is financially viable, this include use of ratios such as acid test ratio, quick ratio, current ratio and return on capital employed. This ratios are employed to test different aspects of a company financial performance and we can ascertain whether City of Harare id financially viable in project management and carrying out its mandate.

Source of finds the council depend on can be used to show I council is financially viable. This source of finance include government grants, rents and rates, fees, business licenses and donor funds. This funds are the lifeblood for council to carry out its operations as the projects and offering services need to be adequately funded through capital budgets which deal with the purchase of machinery and equipment and revenue estimated which are used for day to day operations.

From the literature and financial gazette available evidence indicate that council is financial viable in project management and carrying out is mandate to its local residents. More so, questionnaires were also used to source the response of council employees on the matter. Results obtained are presented overleaf.

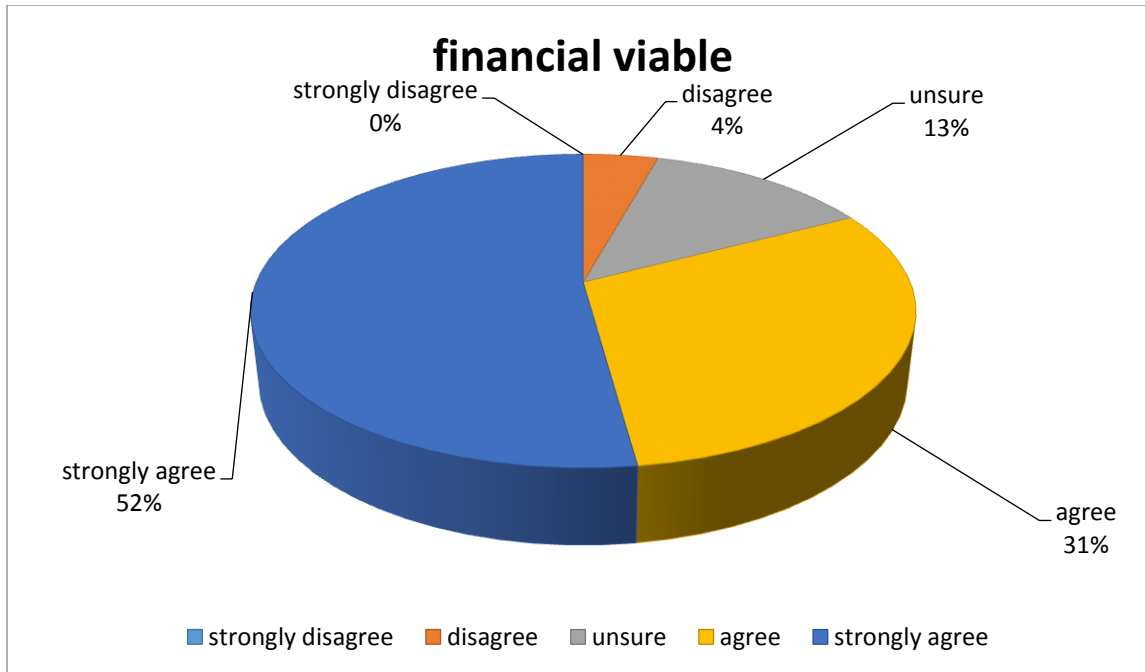


Fig 4.17: Financial viability

Most of the questionnaires returned indicated that council is financial viable in project management and carrying out its mandate. No one in the sample strongly disagreed, (1/23) 4% disagreed that City of Harare is financial viable, (3/23) 13% were unsure if council is financial viable, (7/23) 31% agreed and (12/23) 52% strongly agreed.

Evidence from secondary data and primary data agreed that City of Harare is financial viable in project management. A conclusion can be drawn that City of Harare is financially viable.

4.18 Interviews

Focus interviews were conducted to City of Harare accountants, these interviews were meant to gain an insight about the budget process. Simoulin (2017) says focus interview are designed to response which is based on the experience of the interviewee on a particular subject. The researcher only managed to interview 4 people from the accounts department and one from the internal audit department. Analysis of interview was based on the theme derived from answers given by the interviewee.

4.18.1 Design, implementation and monitor of performance based budgeting

Budgets are designed by way of considering relevant components from the previous budget adjusting for inflation. Management also consider emerging concerns from citizen

representatives for the upcoming budget. Capital budgets are designed by considering the projects that are ongoing and those projects council expects to do during the financial period. This is achieved by consulting with directors and fiscal plan for the upcoming period.

Interviewees agreed the same about implementation and monitoring of budgets. City of Harare budgets are implemented and monitored by sector. Each sector is allocated for its revenue and capital estimates, when the budget is approved line items are captured in the BIQ system which is the accounting system used by all local authorities in Zimbabwe. The accounting system is used to check for limits and monitor as it shows to columns one for the budget and the other one for expenditure to date for the budgeted item. BIQ system allows for comparison to be made, it also allows for segregation of duties thus deter fraud in budget concerns. An account holder can only access functions depending on the individual position in the organization.

4.18.2 Challenges faced in service delivery

Interviews presented different challenges that are faced by City of Harare in service delivery. The challenges include high staff turnover leading to loss of expert knowledge in certain fields, inflexibility due to the organizational structure, strategic leadership is not properly designed, and lack of proper staff training in complex matters, lack of adequate funding, tension between administrative procedures and politics and corruption.

Most of the challenges presented by the interviewee are institutional challenges that hinder service delivery. Management are charged with the responsibility of correcting those challenges for a better tomorrow in service delivery. Flink and Monila (2016) supports the idea of professionalism and politics as forces that exist in organizations and one of the interviewee highlighted that some of the decisions undertaken are completely for political reasons.

4.18.3 Major challenges that have a bearing on service delivery

The pattern on this question indicate that major challenges that affects service delivery is high labor turnover. City of Harare high labor turnover is increasing as the government laws require civil servants to resign at the age of 60. This affecting the expert base posed by the local unit as experience employees are leaving without replacement as City of Harare is currently freezing recruiting new staff.

Another, major challenge presented was lack of adequate funding. For council to carry out its mandate there is need for adequate funding in projects and daily service delivery, employees are saying the council has what it take to fund the projects and basic service delivery but however there misappropriation and abuse of funds.

In addition, one of the key challenges presented was lack of strategic management in key positions. City of Harare has a lot of acting directors and management the interviewee are saying it is a major problem which is affecting service delivery as some of the people placed on those positions are not qualified for those positions.

4.18.4 Budget, internal control system and procedure

4 of the people considered for interviews agree that the internal control system is strong although they maybe management over rides in some instance. Internal control in question related to segregation of duties, authorization of transactions and procedure for which unforeseen expenditure is considered.

The other 2 were of the view that internal control need to be considered as it is weak. Weak internal control give room to fraud and misappropriation of public funds. More so, in an environment where internal control are weak transparency and accountability is not significant Abbas and Ahmed (2016). This also have triple effects on service delivery as the management may not be accountable to the public for poor service delivery.

4.18.5 Viability of City of Harare in terms of investments versus maintenance of infrastructure, revenue versus expenditure and assets versus liabilities.

Interviews where of different view on this question as it tries to cover different aspects of the organization components presented in the financial statements and analytics for management. From the accountants considered for the interviews answers were provided based on their sectors which they prepare financial statements. Patterns to establish what might be true about all the aspects of Harare City Council were drawn based on what most of the people considered for the interviews answered.

City of Harare has the capacity to invest in projects and other capital goods, it prepare a capital budget annually which help directs capital investments for each sector in council. Maintenance

of infrastructure is considered on revenue estimates and are also prepared annually, the aim of this part of the question is comparing capital investments and infrastructure maintenance. The interviewees are of the position that City Council is financially viable in capital expenditure, for instance it purchase and owns equipment such as jet patches and tipper which are used in road construction. On the other hand council need to reconsider its properties that it owns and maintenance as most of them are now old and drain a lot revenue of maintenance costs.

Comparison of revenue and expenditure, the interviewees indicated that it's an area of concern as revenues source are not able to generate the expected revenue. Revenue items presented in the budget are not realistic thus creating a problem as revenue fall short of expenditure. The Auditor General Report (2015) indicated that the council need to consider its expenditure in line with revenue as it incurring adverse variances.

All the interviewees agree that council is financially viable on assets verse liabilities. City of Harare owns many assets which are more than its expenditure as confirmed by the interviewees. Thus council is in a position to service its liabilities from income it generates from assets it owns.

419 Conclusion

The chapter looked at result obtained from the research, data presentation and data analysis on the budgeting process and how it affects service delivery. Data was presented in graphs and tables in order to facilitate in interpretation of results. The next chapter folds the study and gives recommendations on findings of the research.

CHAPTER 5

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

The purpose of this research was to assess the impact budgeting process on service delivery in local authorities in Zimbabwe. This chapter summaries all the important aspects covered in this research, concludes on the major finds and gives appropriate recommendations that can be beneficial to Harare council management.

5.1 Summary

The research assessed the impact of budgeting process on service delivery in local authorities in Zimbabwe. The research objectives where to review the budget process, assess the impact of budgeting on service delivery, identify challenges faced by City of Harare and trace if poor service delivery can be traced to poor budgeting process.

The research targeted council employees from the fiancé department for interview and questionnaires. A sample of 27 people was considered for the research and the researcher managed to get response from 23 people which was an overwhelming response rate of 85%.

Finding of the research showed that the budget process at City of Harare takes a stipulated procedure annually. The estimates have a deadline on which all accountants must have completed and submission for approval have to be done before that date. Before the budget is approved citizens are given the opportunity to scrutinize the budget and give what they wish should be provided by the local authority. This is done through citizen representative who are trusted and appointed by the people, if the committee see that they are any adjustments to be made they recommend for the council to make adjustments to the budget.

Research also indicated that accountability and transparency is still lacking in budgeting at city council. Public funds needs to be used in a transparent way which does not promote fraud and misappropriation of public funds. When the funds have been used management need to be held accountable for the way they have used the public funds. Research also indicated that

transparency is still lacking in project management which affects the projects in many ways such as delay in completion and unforeseen shortage of raw materials.

They are still challenges faced by council in budgeting process and service delivery. Some of this challenges affect both budgeting and service delivery like inadequacy in funding. This problem have impact in the budget as the management is faced with constrains to spread the available resource among all programs or to forgo some of the programs which also affects the quality of services council will provide to its residents. Basic challenges highlighted as having a negative bearing on service delivery include high labor turnover due to governmental laws, lack of permanent strategic management, tension between set administrative procedure and politics and shortage in man power as the people retrenched are not being replaced as council is not externally recruiting staff.

Interview where designed in a way that they saturate the knowledge of the interviewee, so they asked a question on the major challenges that are affects City of Harare. Some of the major challenges mentioned include lack of adequate funding in council and lack of permanent strategic management which make it difficult to design and successfully implement strategic operations for the long run.

Council is financially viable in its operations, this objective was aiming at establishing whether City of Harare have the financial muscle to carry out its mandate. This is the lifeblood of service delivery as the municipal cannot budget to spend what it does not have. Vital aspects such as revenue and expenditure, investment and maintenance, assets and liabilities were compared. A position was reached that council is financially viable in all the aspects however, there are variance which are encounter from time to time.

5.3 Recommendations

City of Harare should evaluate its source of revenue in order to ascertain which source a capable of generating revenue reliably. This will avoid over estimating of revenue source and avoid line items which does not exist in the budget. Due to the economic hardships and cash shortage experience in the country some of the rates payers and lease holders are not able to honor their obligation

Harare being the capital city. Council should be able to prepare a budget that cooperates the growing population of Harare. This is because of the rural to urban migration as people are moving from the rural areas to seek employment and better living standards.

The minister of local government and urban planning should consider the recruiting for the top management vacant positions as they are strategic for service delivery. People placed to act in these positions are only there for the short term hence and these positions are concerned with making long term decisions.

Internal audit department should ensure that budget process and operations are done in a more transparent way in order to discourage fraud and misappropriation of public funds.

Adverse variance have a negative impact and the city fathers should control expenditure and place internal controls that ensure that expenditure does not go above stipulated.

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APPENDIX A
MIDLANDS STATE UNIVERSITY
FACULTY OF COMMERCE
DEPARTMENT OF ACCOUNTING

Date..../..../2017

To Whom It May Concern:

Dear Sir/Madam

Ref: Request for information for a research

My name is Mapasure Tafadzwa (Registration Number – R142455j). I am a student at the Midlands State University studying for a Bachelor of Commerce Accounting Honours Degree. I am conducting a study entailed ***“Impact of budgeting process on service delivery in local authorities in Zimbabwe; A Case of Harare City”***, in partial fulfillment of the requirements for degree ward. I intend to collect data by use of the attached questionnaire and interviews. I kindly ask you to complete the questionnaire. I assure you that all information will be used for purely academic purposes and confidentiality shall be maintained.

Your co-operation will be profoundly appreciated.

Appendix B

Research Questionnaire

Impact of budgeting process on service delivery in local authorities in Zimbabwe: A case study of Harare City

Instructions: Kindly complete the questionnaire by ticking your answer in the circles provided for each question.

1. Gender

Male Female

2. Designation

Accountant Auditor Finance Director Management Accountant Other

3. Qualifications

Academic Certificate/ Diploma Degree Masters Professional (ACCA etc.)

4. Employment tenure

Less than 2 years 2-5 years 6-10 years 11-16 years 17 and above

5. The budget process takes a stipulated procedure every year.

Strongly disagree Disagree Unsure Agree Strongly agree

6. Budgets have a direct impact on service delivery.

Strongly disagree Disagree Unsure Agree Strongly agree

7. The budget process involve citizen participation in an attempt to cater for their needs and improve service delivery.

Strongly disagree Disagree Unsure Agree Strongly agree

8. Result based budgeting has a positive impact on service delivery.

Strongly disagree Disagree Unsure Agree Strongly agree

9. Result based budgeting has led to improve accountability and transparency since it was introduced at COH.

Strongly disagree Disagree Unsure Agree Strongly agree

10. Political factors exist in the formulation of annual budgets. Example resource resources being channelled to ward where they are people with more political power.

Strongly disagree Disagree Unsure Agree Strongly agree

11. When the budget is approved it is monitored at each organizational level to improve efficiency and effectiveness at COH.

Strongly disagree Disagree Unsure Agree Strongly agree

12. COH is financially viable in project management and carrying out its mandate of delivering services.

Strongly disagree Disagree Unsure Agree Strongly agree

13. There hindrance which exist in the formulation and implementation of budgets.

Strongly disagree Disagree Unsure Agree Strongly agree

14. Poor service delivery can be traced to poor budgeting process.

Strongly disagree Disagree Unsure Agree Strongly agree

15. An annual evaluation program is conducted comparing the budget and actual results establishing variance analysis and reasons for variances.

Strongly disagree Disagree Unsure Agree Strongly agree

16. The budget is approved in time by the central government.

Strongly disagree Disagree Unsure Agree Strongly agree

End of Questionnaire

Thank you for your participation

APPENDIX C

Interview Guide

How does City of Harare design, Implement and monitor Performance Based Budgeting?

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.....

What are some of the challenges faced by City of Harare in providing services?

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.....

In your own opinion, which challenges have a major negative bearing on service delivery?

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.....

How is the service delivery strategies formulated at City of Harare and your role in it?

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In your opinion, the budget, internal controls systems and procedures of City of Harare support service delivery and if yes, elaborate how?

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.....
.....

Do you consider City of Harare to be financially viable in terms investment versus maintenance of infrastructure, revenue versus expenditure and assets versus liability management?

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