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BUDGETARY CONSTRAINTS FACED BY LOCAL AUTHORITIES IN ZIMBABWE. THE CASE OF BEITBRIDGE TOWN COUNCIL

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This dissertation is submitted in partial fulfilment of the requirements for the Bachelor of Science Honours Degree in local Governance Studies offered by Midlands State University.

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DEDICATION

This research is dedicated to my mother, father, brothers and sisters. Thank you for your support that made me stay focused.

ABSTRACT

The researcher sought to assess the constraints faced by Beitbridge Town Council in the budgeting process. In Chapter one the researcher focuses on the background of the study. Beitbridge Town Council has its set vision, mission, objectives, core-values and goals that guard their daily operations but they were insurmountable constraints being faced in the budgeting process leading to the council failing to meet the set objectives. Research objectives are stated whereby the researcher wants to find out the constraints that are being faced in budgeting. The researcher wanted to find out the responses of Beitbridge town council employees, residence and councillor regarding the constraints being faced and to identify the strategies that are being used to overcome these constraints and how it impacts on service delivery. Researcher justification, limitations and their solutions, delimitations and assumptions are also noted in this chapter. Chapter two reviews on, budgeting systems used in local authorities, constraints encountered in the budgetary process, the link between service delivery and budgeting as well as strategies that can be used to improve budget performance. Chapter three focuses on research methodology which contains the research design, the researcher used both the qualitative and quantitative data gathering techniques. Questionnaires, observations, purposive and random sampling, internal budgeting performance records and interviews were used to gather data by the researcher. The researcher targeted 83% for questionnaires and 17% for interviews. In Chapter four the researcher presents and analyses data findings were the constraints faced in the budgeting process causes of are analysed, responses of Beitbridge Town Councils employees regarding these constraints are also interpreted and the researcher also evaluated if the reasons to poor service delivery by the council was mainly because of poor budget performance. Finally in Chapter five the researcher summarises the whole research and concludes that the major problems faced in budgeting are politically interference, weak internal control systems, ineffective communication, lack of resources and harsh economic conditions. The recommendations of the researcher for Beitbridge Town Council to its budget performance includes improve citizen participation, seek donor funding and improve communication in flows between the council and its residents.

ACKNOWLEDGEMENTS

The researcher is most grateful and would like to thank all the people who made the preparation and compilation of this document possible. The following organisation and people deserve a special mention. Beitbridge Town Council Community and its staff Mr. M. Muleya and Mr. H. Dube. I would like to extend my gratitude to Ms. Matsika my dissertation supervisor who sacrificed a lot to make this piece of work successful, her professional expertise enthusiasm and commitment to supervise my work. A special mention goes to the chairperson and lecturers in the department of Local Governance Studies.

I would like to thank my parents, brothers, sisters, wife for their tireless support throughout my academic career. It is in this regard that I would thank my work mates whose company gave me comfort that was necessary for successfully completion of this research project. Nothing could have materialised to the advantage of this study had they be no team work. Last but not least I would like to thank the Almighty God for giving me the strength to finish this research because without Him I would not have done anything.

DECLARATION

I, Mulaudzi Andrew declare that this dissertation is based on my own work. It has not been

submitted before for any degree for examination at any other university.

Signed.. Date.............**November 2014**

ACRONYMS

BTC	-	Beitbridge Town Council
DA	-	District Administrator
LA	-	Local Authorities
NGO	-	Non Governmental Organisation
RDC	-	Rural District Council
RDCA	-	Rural District Council Association
SADC	-	Southern Africa Development Committee
UCA	-	Urban Councils Association
UNDP	-	United Nations Development Programme
VIDCO	-	Village Development Committee

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CHAPTER I
INTRODUCTION

1.0 INTRODUCTION

The focus of this research is to outline the constraints faced by local authorities in the budgetary process and to provide guidelines to strengthen local public finances in improving the financial management and creditworthiness of local government entities.This chapter forms the basis of the study on the budgeting constrains faced by Zimbabwean Local Authorities. The chapter provides a background to the study, the research problem, the purpose of the study, the research questions, justification for the study and delimitation of the study as well as the limitations of the study.

1.1 Background of the study

Urban local authorities, which encompass City Councils, Municipalities, Town Councils, and Local Boards as well as Rural District Councils, are governed by the Urban Councils Act [29:15], while Rural councils fall under the Rural District Councils Act [29:13]. According to Coutinho (2010:72), these Acts empower the councils to enact by-laws that allow the authority to raise revenue through an assortment of 'service charges made for any services, amenities or facilities provided by council' and the 'fixing and imposition of a supplementary charge' on immovable property in its area to 'cover the expenses incurred by the council in the administration of the area concerned' and to impose fines and penalties for any breach of council by-laws. Section 96 of the Rural District Councils Act provides for the imposition of a land development levy on owners of rural land within the council area, or on owners of mining locations situated on rural land within the council area, or on licensed dealers who carry on the business on rural land within the council area, as well as the imposition of a development levy upon all persons who are heads of household within any communal or resettlement ward of the council. The development levy is commonly referred to as the 'Unit Tax'.

The Rural District Councils Act [Chapter 29: 13] in terms of Section 97 empowers rural local authorities to impose 'special levies in rural areas' to cover expenses incurred as a result of any 'development project or service within the council area' or for expenses occasioned by 'unusual

circumstances or conditions or from an unequal demand on services provided by the council. Section 98 of the Act empowers the council to impose rates on any ratable property in any urban land within the council area or to impose special rates on owners of ratable property within the council area. The RDCA in section 108 outlines different sources of revenue since it empowers the rural local authorities to impose an interest charge on any amounts due to it that remain unpaid after a period of thirty days from the fixed date relating to the charge at a rate fixed by the council. Part XIX of the Urban Councils Act provides for the imposition of rates on any ratable property within a council area, or the imposition of special rates. Section 221 provides for the council to 'engage in any commercial, industrial, agricultural, or other activity for the purpose of raising revenue for the council.'

Local authorities are required by law to craft budgets following certain procedures. The procedures to be followed on the crafting of budgets or estimates are provided for under section 288 of the Urban Councils Act [Chapter 29:15] and section 121 of the Rural District Councils Act [Chapter 29:13]. Both rural and urban local authorities are required to make available three copies of such estimates within two months of their approval by council to the Minister responsible for local government for approval of rates to be charged in high density suburbs. The legislation does not, however, prescribe the process to be followed in crafting the budget, and leaves the entire responsibility of preparing the budget under the auspices of the council's finance committee and approval by the council.

It is, therefore, ultra-vires for any local authority to operate without an approved budget or supplementary budget. A local authority may not incur any expenditure that is not budgeted for and expected council revenues should cover all expenditure.

According to Mika (2004) due to poor financial and accounting systems, there is often no proper monitoring of budgets, and cost overruns are often not properly regularized through supplementary budgets as required by law. The council is prohibited from expending any monies "unless such expenditure has been covered by estimates or supplementary estimates approved in terms of the Act" (Coutinho, 2010: 84).

To have a clear understanding of the research, the researcher used the Beitbridge Town council which has six wards as proclaimed by Statutory Instrument 113/2007. Its operations are guided

by the Urban Councils Act Chapter 29:15 and other Acts as specified by the Warrant (Revised 2003) and the Parliament of Zimbabwe.

Beitbridge town council is a border town in the province of Matabeleland South in Zimbabwe. The town lies just north of the Limpopo River about 1km from the Alfred BeitRoad Bridge which spans the Limpopo River between South Africa and Zimbabwe. It is located 321 km North West to Bulawayo and 585 km north east to Beitbridge. It is also located 16km North of Musina Municipality and 187km east of Vhembe District Municipality in the Limpopo Province of South Africa.

The Beitbridge settlement dates back to the early 20[th]century. Beitbridge Town derives its name from Alfred Beit who was named after the Alfred Beit Road Bridge which spans across the Limpopo River between Zimbabwe and South Africa. The original Alfred Beit Bridge was completed in 1929 by Doman Long and named after Alfred Beit the gold and diamond magnate a close ally of Cecil John Rhodes. The area became a staging post for Zimbabweans leaving the country enroute to South Africa. During the colonial era up to 1995, both Beitbridge urban and rural was administered by Mwenezi-Beitbridge Rural District Council. From 1992 there were administration problems and there arose the need to create a local council which will provide services to the local residents. In 1995 Beitbridge became a growth point and was administered by Beitbridge Rural District Council which is divided into 27 Wards. The upgrading of Beitbridge into a growth point was declared with a view to eventually decentralise infrastructural services in place. Hence Beitbridge Rural District Council was proclaimed in 1996 to carry the above mandate. Due to urbanization of Beitbridge, it was then seen as a need to have a town council which will govern the operations of Beitbridge urban. After the proclamation in 2007, a commission was set to run the affairs of the town before an elected body of councillors took over. The town was formed after realizing that the town component of Beitbridge is able to govern its affairs without the rural component. Several factors were considered to reach the decision to accord such status. These included revenue collection strength, structures, population and resources. BBBTC is quasi -governmental but autonomous and it reports to the Minister of Local Government. The current position of the council in terms of the local authority structure still reflects an on-going transition of the inherited pre-independence era.

1.2 Statement of the problem

Local authorities are facing many constraints in the budgetary process; this has been due to limited participation of stakeholders in budgetary process. As a result local authorities are facing challenges in providing services. This research seeks to improve the budgetary process in local authorities to improve service delivery.

1.3 Research Objectives

The objectives of the study are:

- ❖ To identify the budgeting system in local authorities.
- ❖ To analyse the challenges faced by local authorities in budgeting process
- ❖ To highlight effective strategies to be put in place in local authorities in order to alleviate challenges faced in budgeting.
- ❖ To link budgeting and service delivery.

1.4 Research Questions

The research seeks to answer the following questions:

- ❖ What is the budgeting system in local authorities?
- ❖ What are the challenges faced by local authorities in the crafting of budgets?
- ❖ What are the causes to the challenges encountered in budgeting?
- ❖ What can be done to address such challenges?
- ❖ What is the link between budgeting and service delivery?

1.5 Rationale of the Study

To **BBTC:** Depending on the outcome, the research will help the executive and non-executive directors of the local authority to improve the budgeting systems.

To **MSU:** The research will be a source of information and will be held in its archives so that reference on related subject matters can be accessed whenever required by other researchers.

To **the Researcher:** This research will enhance his skills, enhance his problem solving skills and decision making in the management of local government finances. It will also facilitate in the

acquiring of Bachelor's Degree in Local Governance Studies.

1.6Limitations

❖ **Political Differences**

The researcher may fail to get all the required relevant information due to political differences prevailing in the local authorities. To overcome this, the researcher will not be confined to any political party but focused on academic information only and not politics.

❖ **Confidentiality**

Some information is sensitive which can make it difficult for the researcher to come up with all the required information. To overcome this, the researcher will seek permission to carry out the study using Beitbridge Town Council as a case study and the researcher will use diplomacy as a tool to convince respondents for them to provide information freely.

❖ **Lack of co-operation from the respondents.**

The researcher is likely to face difficulties in the gathering of information as some respondents will be unwilling to cooperate. The researcher will have to clarify the reason for carrying out the research.

1.7 Delimitation of the Study

The research was confined to three wards of BBTC. The period of study covered 2010 to 2014.

1.8 Summary

This chapter was concerned with giving an overview of what drove the researcher to do the research, since it is driven by a problem, objectives as well as research questions**.** The chapter went further to highlight limitations to the study, delimitation of the study and how the research can be beneficial to both the researcher and the interested stakeholders. The subsequent Chapter will look at the Literature review which further explores deeper insights on the budgeting and budget submission challenges faced by Zimbabwean Local Authorities.

CHAPTER II
LITERATURE REVIEW

2.0 Introduction

This chapter presents a literature review on the relevant themes of the research. The main themes, namely, budgeting, budgetary process, challenges faced in budgeting, strategies to improve budgeting and the relationship between budgeting and service provision will be discussed. The reviewed literature is used to analyze the themes and sub themes and work towards the development of a conceptual framework. Each theme is defined, followed by an overview of existing literature and is then narrowed down towards the research objectives.

According to Fisher(2007) the purpose of a critical literature review is to ensure that the concepts, theories and arguments that one takes from the literature enable the research to be robust so as to; remove the need to rediscover knowledge that has already been reported; build upon the work that has already been done in the field of one's research; and ensuring that things have not been missed in the research by showing one has searched the literature thoroughly and have identified most of the material that could be useful in the project. The characteristics of the main themes are identified in order to operationalize them for the empirical research.

2.1 Budgeting

Budgeting is defined as a process of compiling estimates and subsequently adhering to them as closely as possible (Maitland, 2000). It is a process that turns management's perspective forward. As stated by Lucy (2004) a budget can be defined as a quantitative economic plan with regard to time. Therefore ,for something to be characterized as a budget it must comprise the quantities of economic resources to be allocated and consumed, it has to be expressed in monetary terms ,it has to be a plan- not a hope or a forecast but an authoritative intention and it must be made within certain period of time (Harper, 2000).

Mutizwa et al (2006) argues that budgets need to be prepared for all the activities to be undertaken in the financial year. A realistic assessment of the organization's fund raising capacity must play a critical part in the budgeting process. These budgets should include income,

expenditure and the employment of the capital. The demand for results must be balanced against the need for accuracy and being realistic in preparing these budgets. Matovu, (2007), states that the prime objective of the budgetary control is to delegate responsibility for cost control to the persons who actually commit resources and incur expenditure. This clarifies responsibilities and gives the person concerned the authority to spend and improve managerial accountability by facilitating comparisons so that a more objective assessment of performance can be made. Provisions for inflation must also be included in the budgeted figures. Abrahams (2006) identifies a budget as "probably the single most important instrument of development policy." This implies that budgets are the instruments where local services are funded and have great impact on the poorest within our communities. For this reason transparency and participation in the budgetary process is particularly important. (www.participatorybudgeting.org.uk).

2.1.1 History of Budgets
The word budget stems from the French word "bougette" and the Latin word "bulga" which was a leather bag or a large –sized purse which travelers in medieval times hung on the saddles of their horse. The treasurers "bougette" was the predecessor to the small leather case from which finance ministries even today in countries like Britain and Holland present their yearly financial plan to the State. So after being used to describe the word wallet and then state finances, the word "budget" in the 19th century slowly shifted to the financial plan itself ,initially only for government and then later for the private and legal entities (Hofstede,2001).

2.1.2Importance of Budgeting
According to Harper, (2000: 321) budgeting is a complex process and it comes as no surprise that budgets are trying to fulfill numerous functions such as:

a) **Planning:** a budget establishes a plan of action that enables management to know in advance the amounts and timing of the production factors.Forces management to look ahead, to set out detailed plans for achieving the targets for each department, operation and (ideally) each manager, to anticipate and give the organisation purpose and direction

b) **Controlling:** a budget can be used to help an organization reach its objective by ensuring that each of the individual steps are taken as planned. Local authorities can be able to meet the stated mission statement.

c) **Coordination**: all financial components of an organization – individual units, divisions and departments are assembled into a coherent master picture that expresses the organization's overall operation objectives and strategic goals.

d) **Communicating:** by publishing budgets, management explicitly informs subordinates as to what exactly they must be doing and what other departments will be doing.

e) **Performance Measurement:** A budget provides a basis for performance appraisal (variance analysis). A budget is basically a yardstick against which actual performance is measured and assessed. Control is provided by comparisons of actual results against budget plan. Deviations from budget can then be investigated and the reasons for the differences can be divided into controllable and non-controllable factors.

f) **Clearly defines areas of responsibility:** requires managers of budget centres to be made responsible for the achievement of budget targets for the operations under their personal control.

2.2 Budgeting Systems in LA's: Participatory Budgeting

According to Chaeruka and Sigauke (2007) Zimbabwean local authorities are hooking on to the fashionable concept of participatory budgeting as an endeavour to increase citizen participation in how they are governed in the allocation of resources for development and service delivery in the community which is line with the ministerial guidelines Local Government Circular No 3 of 2011. The circular highlights the guidelines in practicing participatory budgeting. Budget estimates should be a product of a participatory process achieved through consultation of stakeholders. In addition, it is rather expedient to denote that the Urban Councils Act of 1996, Part XX, and the Rural District Councils Act of 1996, Part XI proffers the framework for practising participatory budgeting in Local Authority realm as noted by Mika (2004). Part VIII of the Rural District Council Act (1996) provides the formation of Ward Development Committees and Village Development Committees which are expected to plan and foster development. It is through these committees that participatory budgeting in drawing up projects has to done. The Urban Councils Act, Part XXI, covers participatory budgeting in the sense that if council is to borrow funds for a specific project it has to advertise it. Residents have an opportunity to make an input.

Participatory Budgeting traces its roots in the city of Porto Alegre, Brazil in 1989. Mika (2004), states that due to its success in the city, it spread rapidly to over 190 municipalities and scaled up to 6 Brazilian states. Later it was adopted by some Latin American and Caribbean countries like Argentina, Paraguay, Chile and Mexico. In Brazil Participatory Budgeting came into existence as an effort to establish democracy and citizen participation after decades of military dictatorship, political patronage and corruption.

2.2.1 The Participatory Budgeting Cycle
According to the MLGRUD (2011), the budgetary process has four main stages which are expected to be carried out by local authorities in Zimbabwe. The procedures to be followed in budgeting are laid in section 288 and 121 of the UCA [Chapter 29:15] and RDCA [Chapter 29: 13] respectively. The budget cycle in local authorities is as follows:

Figure 1: The Participatory Budgeting Cycle
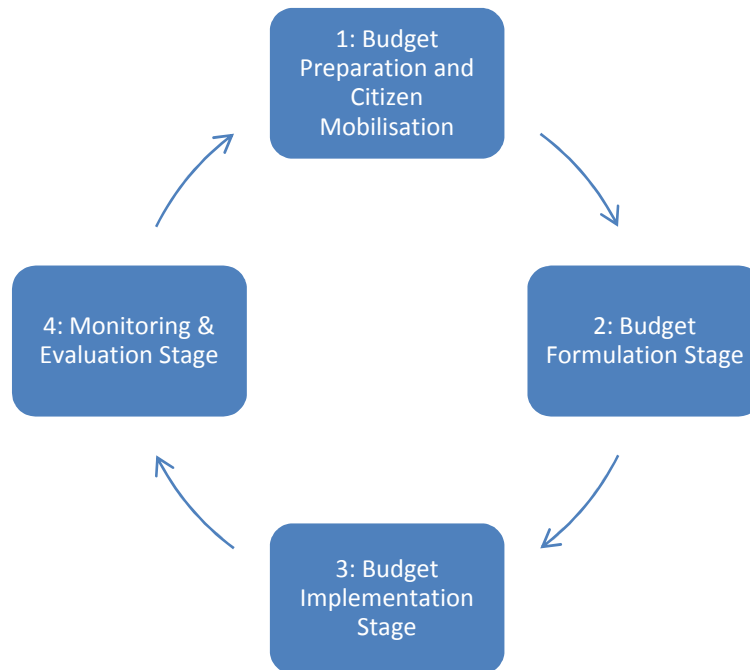
Source: MLGRUD 2010

2.2.2 The Preparatory Stage

At this stage departments submit proposals to Head of Department week of August. The stage allows for a better understanding of the local authorities' situation in collecting essential information to make participatory budgeting successful. In this context, one analyses information about the profile of the local authority, existing infrastructure and their quality and access. This information will be complemented with a mapping of local actors, their interests and their stake. Further, the success of this process, which promotes linkages among and across different actors, will depend on a clear and shared definition of the rules governing the process. In the absence of the explicit definition of roles and responsibilities of different constituents participating in the process, the introduction of participatory budgeting risks degenerating into numerous conflicts in the short term. These rules target different criteria for territorial zoning (for example wards), the definition for the representation system and the nomination of delegates. It also entails the council's determination and announcement of the amount of resources that can be assigned to investments for participatory budgeting. This information will allow various partners and citizens to appreciate the final investment options in the budgetary process. The following tools and mechanisms are mapping the situation and actors of the local authority, situational analysis, mapping local actors, defining the rule of the process, internal rules and criteria for representation and prioritization, determine the amount and origin of the resources.

2.2.3 The Formulation Stage

According to Chaeruka and Sigauke (2007) this stage promotes sharing the collected information and situational profile of the councilling order to develop a decision-making tool. In many local authorities, participatory budgeting committees are set-up at this phase to make the budgetary process easier. Further, it will be crucial at this stage to create the largest possible alliances that could be brought into the process. Essential questions to be answered include who are the allied? What are their interests, their stake? What contributions can be mobilized? Ideally, the alliance would agree on the implementation of infrastructure and services in a participatory approach. After the budget has been formulated, local authorities are required to advertise the draft budget approved by the council for 30 days in 2 local press for objections, put the advert on the council offices, raise awareness- third week of October and then submit it to the Ministry of Local Government for ministerial information before 30 November.

2.2.4 The Implementation Stage

Local authorities are required to implement budgets on the beginning of financial year (01 January). It involves execution of projects and action agreed upon in the participatory budget formulation, attention will be drawn to the principles of accountability with respect to public expenditure and transparency in decision making. It is the stage at which plans will be taken into action.

2.2.5 Monitoring and Evaluation Stage

This stage allows for the evaluation of progress made. The monitoring is permanent during the participatory budgeting process and according to the context, whereas the evaluation could be on a regular basis, for instance in the middle and at the end of the cycle.

2.3 Constraints faced in Budgeting

According to UNDP (2008), local authorities face insurmountable challenges in the budgetary process such as lack of community ownership, political interference, lack of skilled personnel, ministerial delays, hyperinflation, poor internal control systems, lack of resources, poor linkage between planning and budgeting which are going to be discussed below.

2.3.1 Lack of Community Ownership

Participatory budgeting aims to infuse the values of citizen participation into the most basic and frequently the most formal procedure of governance which include the distribution of resources through the budgeting process (Mika, 2004). Citizen participation fosters accountability, transparency, and more effective distribution of resources as noted by Wampler (2000). Participation of stakeholders is a pre-requisite in the budget formulation process as prescribed by the ministerial directive Local Government Circular Number 3 of 2011 which requires that estimates should be a product of a participatory process as the public and all other stakeholders are allowed make their input in the budget formulation process. This is in the interest of participatory democracy, that councils should hold consultation meetings with ratepayers, and take into account their concerns when formulating the budget (Mika, 2004). The ratepayers are also allowed to make objections to the budget that is approved by council, and council should take into account those objections before tabling the final budget estimates. Various reports by ratepayers have been made claiming that the many local authorities are not including the input of

the community in the budget formulation process as they are viewed passive recipients of the budgetary process.

According to the Local Government, Urban and Rural Development Portfolio Committee (2011) which conducted public hearings to find out the state of service delivery systems in the towns of Norton, Chitungwiza and the City of Harare, the residents of Norton Town Council revealed that they did not participate in the budget formulation process for the 2011 financial year and were also not consulted on such matters. The only time that residents saw the budget was only when it had already been passed. The residents further lamented that where consultations were supposedly conducted it was a mere formality as their views were not considered by the town council, rendering the whole process futile due to ratepayers resisting their bills because of failure to be involved in the budgeting process. In BBTC residents complain about lack of consultation during budget preparation. "People have to pay development levies to the council; it is however unfortunate those residents are given no opportunity to influence budgets, as they should be doing" (ACPD 2002:38).

Furthermore, Combined Harare Residents Association director Mr Mufundo Mlilo (Herald- 11 October 2011) said "while the Harare City Council would be commended for not increasing tariffs in the 2012 budget, it had excluded a lot of issues raised during the consultative meetings; there is no input from residents". "We expected the council to address the issue of water but it had failed and what it means is water woes will remain the order of the day because no efforts have been put in place to address the challenges," he said. Most council budgets countrywide have been deemed "anti-people" and branded "money-making schemes" that have seen increased cries from resident associations.

This leads to shrinkages in revenue inflows as residents resist paying their rates as they fall due since the budget will be deemed as 'salary budget' as criticized by Councillor Tavarwisa of Harare City Council about US$112 million, which is 41 percent of the total budget has been earmarked for salaries and allowances. This is in defiance of the Ministry of Local Government, Rural and Urban Development's directive that 70 percent of the revenue should be channelled towards service delivery while 30 percent goes to salaries. Minister of Local Government, Rural and Urban Development Chombo said the US$272 million being proposed was a "thumb-sucked" figure as it did not relate to what residents and ratepayers were paying. He described the

budget as "false" adding that the city fathers had to go back to the drawing board and incorporate residents' input. Residents' associations and some councilors have already criticized the budget saying it was more of a "salary budget" while others said it was a "cut and paste" document of the previous budget. "The budget is not realistic in that they have not yet collected the US$260 million they stated last year and are even not going to reach that amount by year-end. They now want to repeat that same mistake next year." Last year's budget was US$260 million and council admitted residents had failed to finance it. Minister Chombo said the budget should come for approval after residents have exhausted examining it. The budget, he said, was silent on "cardinal" issues such as water and sewer reticulation.

2.3.2 Ministerial Delays

Local Authorities are required by legislation to submit estimates approved by council to the Minister for his information as provided for in section 288 of the UCA [Chapter 29:15] and section 121 of the RDCA. It is, therefore, illegal for any council to operate without submitting the budget or supplementary budget to the Minister as noted by Machingauta (2010). A council may not incur any expenditure that is not budgeted and expected council revenues should cover all expenditure. The Minister through various circulars prohibits urban local authorities from applying certain levies, such as, supplementary charges without ministerial approval of high density tariffs and charges. This inhibits the efficient collection of revenue by the urban councils, especially given the delays experienced in the approval process. Chakaipa (2010:33) noted that the late submission of tariffs and charges by council or late approval of submitted tariffs by the Minister can play havoc with a council budget as collections cannot be effected before approval. This leads to council failing to adhere to timeous billing as bills will come late after residents have spent their meager resource on more pressing needs (Chakaipa, 2010). This leads to diminishing revenues inflows which contribute to appalling service provision.

2.3.3 Political Interference

According to Makumbe (2004), local authorities are viewed as grassroots politicised institutions. As politicians are the policy makers in the local government circles, the decision making process during the budget formulation process is affected by political interest as councillors fix charges which are uneconomical in a bid to maintain a cling on to power when it comes to plebiscite.

Sigauke (2007) noted that participatory budgeting process may be hijacked for political ambition. Aspiring Member of Parliaments and Councillors may find themselves in a situation whereby they are at serious variance with the community. This can lead to the process being longer hence delaying the budget implementation.

Hofstede (2001) argued that key tension within participatory budgeting thematic concerns whether the best-informed political activists try to lead or dominate political discussions. This tension is most acute during the initial years of a new program consolidation; the average participant's political knowledge should expand. There is the danger that participatory budgeting programs may be manipulated due to the central role played by the politicians. Council agencies, bureaucrats, or elected officials may try to use participatory budgeting programs to advance their own agendas. Non disclosure of key information, the lack of implementation of selected public policies, or the weakening of citizen oversight committees are all potential ways that the program can be manipulated. Robbins (2003) stated that some participatory budgeting programs in Brazil at the municipal level have been rejected by social movements and non-governmental organizations due to the political interference.

Mika (2004) argued that multi political parties are also viewed as an impediment for civic participation in the budget formulation. Citizens previously attended village, ward and district development committees are now viewed as partisan and this has tended to reduce attendance in these decision-making processes as some people do not want to be associated with a political party in civic matters. Some want "de-politicized" local decision-making mechanisms.

2.3.4 Weak Internal Controls Systems

Internal control system is a process that is designed and intentionally implemented by an organization to achieve a number of objectives such as compliance to an entity's or national laws. Pizzy (2003) defined internal control as a process, effected by an entity's board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the categories which include effectiveness and efficiency of operations, reliability of financial reporting ,compliance with applicable laws and regulations.

On the other hand, Harrison and Hongren (1999; 282) "Internal control is the organizational plan and all the related measures adopted by an entity to; safeguard assets, encourage adherence to

company policies, promote operational efficiency, and ensure accurate and reliable accounting records. There are three major types of internal controls. Edmonds and Schneider (2002) states that the three major types of internal controls will include detective controls, corrective controls and preventative controls. According to Edmonds et al (2002) the purpose of detective controls is to detect errors and frauds and activities that are not consistent with the expected. Detective controls should detect or pick errors, frauds or inappropriate use of funds before it grows to astronomical levels. Corrective measures are meant to provide remedial services to the errors that would have been picked by the detective controls. On the other hand preventative controls seek to avoid the occurrence of uncalled for practices. All these controls will work hand in hand rather than in isolation and is not the responsibility of one person. As noted by Coutinho (2010) poor financial reporting regimes and poor corporate governance structures result in weak internal control systems leading unethical practices such as fraud, theft of council property, and abuse of council assets to prevail in local authorities.

The Local Government, Urban and Rural Development Portfolio Committee Report (2011) revealed that the billing system at the Norton Town Council was defective. It was noted that residents continued to receive bills that varied with each month, despite the fact that they had never received water. The use of estimates was prevalent. Further, schools were being billed using industrial rates, instead of being considered as non-profit making organizations which are due to weak internal control system. Furthermore, the Portfolio Committee (2011:17) reported that "council workers in Chitungwiza Municipality, especially those from the engineering department were allegedly using councilor materials for their own private part-time jobs. This was evident enough to show that there was a collapse of internal control systems at the council stores as there seemed to be no records of material that was received by the council and that taken for outside council jobs." This affect the budget performance as resources are channelled towards private gains rather than what was budgeted for.

2.3.5 Hyper Inflation

According to McLeod (2007; 92), hyper inflation is an excess rate of inflation and inflation refers to a general increase in the price level. Hyper inflation has a direct impact on the preparation of estimates in local authorities. The Reserve Bank of Zimbabwe Governor, Dr Gono (Financial Gazette, June10-16, 2006), stated four types of inflation which are the demand pull

inflation, cost push inflation, imported inflation and structural inflation. He went on further to state the effects of inflation as high levels of poverty, social unrest, deterioration in the standards of living, and low levels of economic growth and development.

Tibaijuka (2005) pointed out that hyper inflation in Zimbabwe led to serious erosion of local government capacity in terms of planning, budgeting and the provision of basic local services adequately. According to Lucy (2004) hyper inflation renders local authorities being unable to prepare more realistic budgets covering the whole financial year as a dollar today is not a dollar tomorrow due to price changes on an hourly basis. In addition the hyper inflation in Zimbabwe before the introduction of multi currency was characterised by high interest rates making it difficult for local authorities expensive to acquire loans to finance capital projects.

The escalating inflation environment which reached a billion percent by December 2008 led to closure of many industries and loss of employment leading to residents failing to pay their bills due to poverty. With the introduction of United States Dollar in 2009, all debts from ratepayers were not recovered leading to budget deficit. The 2008 budget of BBTC was in deficit of Zimbabwean Dollar 8 338 559 684 million which constituted 20 percent of the budgeted amount due to arrears from the ratepayers (BBTC Report, 2008).

The introduction of the dollarization process was described by Bond et al (2003), as the replacement of the domestic currency by the universal currency that is the United States dollar or currency of any other country completely made budgeting to become difficulty with the new currency. The major challenge was that most local authorities overpriced their services and residents are resisting paying. According to Chakaipa (2010) the transition from Zimbabwe dollars to other currencies was not accompanied by any studies on the cost of services in foreign currency, especially within the region. Many local authorities had to revise their budgets downwards. Up to the end of July 2009, the BBTC had only collected USD 184 096 out of target of USD 771 234. The Council resolved to reduce its budget by 50 percent and hoped that residents would respond. With most people in formal employment earning not more than USD150 per month, council charges are a very low priority on their list of needs as they cannot afford to pay such rates.

2.3.6 Lack of Skilled Human Resources

The success of every organisation is in its human resources (Armstrong, 2004). According to Hieman (2007) lack of skilled personnel in Zimbabwean local authorities due brain drain affects the financial management of councils. Cloete (2005) defined brain drain as the economically active qualified personnel migrate from one country to the other in search of better working and living standards. Due to the harsh economic conditions that prevailed in the country remuneration of employees was not satisfactory and most workers evaded the country in search for 'green pastures'. According to The Herald (2003), the Minister of Local Government, Rural and Urban Development, Dr. Chombo, pointed out that brain drain was a serious issue that undermined service delivery in most local authorities when he said, disruptions in service delivery in many cities is a result of labour migration to other countries in the region particularly South Africa, Botswana and Mozambique who seem to have good working conditions and good economies.

Cherrington (2001) noted that loss of skilled personnel due to poor remuneration in poor financial accounting systems leading to poor service delivery in most local authorities. Lack of skilled employees led to financial reporting being done without taking into account the International Financial Reporting Standards or International Public Sector Financial Reporting Standards which encourage better reporting standards and ensure increased credibility of the financial statements, as well as ensuring that there is increased comparability of the financial statements of different financial years. The 2010 budget of BBTC was not prepared by financial technocrats as the council was operating without four substantive heads of department (Finance, Planning, Human Resources and Administration and Engineering departments). This resulted in the underperformance of budget since expenditures were under estimated leading to the some votes being surpassed during the mid budget performance review meeting held on 26 June 2010. The District Administrator advised the house to avoid the dead votes in the next budget to avoid the distortion of the budget and also urged the council to fill the vacant post to improve the management of the council.

2.3.7 Community Inadequate Skills in Budgeting

One of the most complicated parts of participatory budgeting as a policy-making process is that citizen participants have low levels of information and knowledge about most budget concepts. As noted by Mika (2004) budgeting process may be largely acts of rubberstamping, as most participants follow the lead of the most experienced council officials. The fact that citizens with low levels of information and expertise are involved in making important public policy decisions is a clear drawback of participatory budgeting programs. It is not clear whether participants are gaining the information and knowledge necessary to become full-fledged policy advocates or whether their participation is being used to legitimize the policy choices of the government.

Participatory budgeting thematic meetings allow participants to set broad priorities for public policies Kundishora (2004). The first stage of this process requires that the local government provide detailed information on current policies and spending priorities. The second stage is a series of discussions in which participants evaluate the government's priorities. The last stage is the ordering of priorities by participants. To date, participants do not propose and debate their own policies but focus on the government's preexisting policies. For example, participants prioritize the level of spending that should be dedicated to prenatal care or to the eradication of infectious diseases. They do not, for the most part, independently propose new policies. This suggests that citizens work closely with government officials to determine the best ways to spend resources. Local governments bring their expertise, and participants signal their policy preferences. When local government officials believe strongly in a policy program, they strongly argue its merits to convince participants to support it.

There is a fine line between providing information and coercing participants, which governments must tread carefully. Often they cross this line. If there is complicity between government officials and citizens (especially leaders), participatory budgeting runs the risk that participants simply rubberstamp the government's policy positions.

The quality of the meetings and debates varies. Some participants are longtime advocates of particular issues. Their knowledge of other policy a second limitation is the dependence of participants on the mayor's office. While participatory budgeting programs directly incorporate civil society actors in the policy-making process, the government remains the principal actor. It organizes meetings, provides information, ensures that bureaucrats meet with citizens, and

guarantees that selected policies will be implemented. The influence of the mayor and the governing coalition is substantial. The lack of a strong commitment to participatory budgeting by Government leaders make it difficult for participatory budgeting programs to succeed. In Recife, for example, the mayor began to use participatory budgeting as a means to distribute public monies for the yearly carnival. Instead of holding open, transparent meetings, he manipulated the release of funds so that "friendly" participants would benefit. Nonparticipating citizens and "unfriendly" citizen-delegates did not have access to the public resources. Participatory budgeting participants expressed concern that if they did not act a certain way they would be "boycotted" by the government. This does little to empower citizens and may just be a new form of clientelism.

2.3.8 Lack of Finance to undertake Participatory Budget Meetings

According to the UNDP (2008) financing the budgeting participatory practices is costly in terms financial resources and human resources taking into account the current shrinkage of revenue base in sub national government. Finance needed in the procurement of fuel, allowances for staff and councillors to visit all wards during the budget formulation process is seen as a burden to the council. This leads to council resorting to a cut and paste budgeting method better known as incremental budgeting. For example the lack of vehicles in BTC hinders a fully fledged participatory budget since during the course of work related learning (August 2010- July 2011) was using a single vehicle for its operations.

2.3.9 Limited Strategies Linkages and Leveraging of Funding Sources

According to Chakaipa (2010) local authorities prepare strategic plans, local plans, master plans, rolling plans, and annual plans. Many of them gather dust in drawers and shelves. The link between planning and budgeting is weak. Since the inception of decentralized planning in the 1980's, the current planning system raised expectations, as it is participatory and bottom up but lack of funds to meet shopping lists of needs from grassroots levels has wrecked havoc in local authorities. It is important for council to plan within the limits of available resources, and not rely on the centre as the source of all development finance. Strategic plans which are being prepared with elaborate visions and missions should be participatory and realistic. As noted by

De Visser (2005) numerous plans are crafted by a few technocrats and thus lack ownership and a shared vision, making them inoperative from the start. Development plans from villages and ward levels end up at a provincial, where a province development plan is consolidated. The planning process would become more meaningful if some funding was available for development at the provincial level. This creates unfunded mandates as central government grants to finance capital projects has diminished.

Furthermore, Woodcock et al (2000) noted that in many local authorities, the systems are fragmented contributing to poor budgeting outcomes at the macro, strategic and operational levels in developing countries. Policy making, planning and budgeting take place independently of each other. Departments in local authorities tend to budget and spend on an ad hoc basis because even small discretionary allocations are rarely predictable. Unpredictability of funding, from one year to the next and within the budget year, is one of many factors that contribute to the poor operational performance of public sectors.

On the other hand Luft et al (2003) argued that the failure of the budget is related to the failure to direct resources to policy priorities – in significant part because budgeting is treated as an annual funding exercise, not a policy-based exercise and the lack of authority and responsibility given to heads of department to manage resources at their disposal.

In the absence of effective decision-making processes, policy making and planning are disconnected from each other and from budgeting, and they are not constrained by resource availability or by strategic priorities. Overall, this leads to a massive mismatch between what is promised through local government mission to deliver services. The annual budgeting process, therefore, becomes more about scrambling to keep things afloat, rather than allocating resources on the basis of clear policy choices to achieve strategic objectives.

2.4 Strategies to Overcome Budgeting Constraints

2.4.1 Cash Management
Management of cash can be best defined to mean the planning, organizing and implementation of ways that ensures adequate cash resources at any given time and the best use of the money. Van Horne (2002:431), "cash management involves managing the monies of the organization to maximize cash availability". Proper cash management should increase the availability of cash at an organization. It strives to address cash flow problems and related problems such as failure to pay for other organizational expenses such as salaries. Diane (2005; 04) "financial managers have the primary responsibility for acquiring funds needed by the firm and for directing those funds into projects that will maximize the value of the firm."

2.4.2 Auditing
A number of scholars have put forward some definitions of auditing but Smith and Smith (2002) definition stands out as one of the most comprehensive ones. Smith et al (2002) defined auditing as a process by which a competent independent person accumulates and evaluates evidence about quantifiable information related to a specific economic entity for the purpose of determining and reporting on the degree of correspondence. On the other hand Wallace (2004) defined auditing as a systematic process of (1) objectively obtaining and evaluating evidence regarding assertions about economic actions of events in order to ascertain the degree to which such assertions correspond to established criteria, and (2) communicating results. The two definitions above seem to agree on a number of things including evaluating evidence regarding assertions, auditing involves economic actions of events, establish the extend or degree of compliance to laid down rules and regulations and the need to communicate results. Smith et al (2002) went on to state that auditing should be done by an independent person. This person or organization should not be biased if the results or findings are to be reliable hence the auditor should be independent. However, most organizations especially public institutions have internal audit departments or sections which cannot be totally independent from their organizations. This brings out another important aspect about audits-there are two types of audits.

There are external auditors and internal auditors. Jackson et al (2001; 414) "External auditors are those that are independent of the organization that there are auditing "On the other hand internal

auditors are those that are employees of the organization their auditor hence cannot be exclusively independent. Smith et al (2002) outline some of the reasons that propel the need for audits and these include to detect errors, fraud and to prevent errors and fraud by the deterrent and moral effect of the audit.

Section 134 of the RDCA (Chapter 29:13) provides for the appointment of external auditors to audit the books of the council. The auditor will perform a number of functions that include checking on the compliance to regulations and make examinations of the council books. It is important to note that auditing is not only confined to financial matters only but goes on to include even non financial matters. According to the RDCA (Chapter 29; 13) section 136 (1a) "the auditor shall have power at any time and without notice to make an examination of any records and assets of a council". Besides the external auditors, LAs also have internal auditors.

Auditing is of paramount importance since it comes up with recommendations on how to improve the financial performance of LA's.

2.4.3 Better Citizen Consultation
The issue of communicating with residents is crucial in trying to improve the budget performance of LA's. Tibiajuka (2008), notes that most LA's got challenges in terms of communication and information sharing. Most LAs experience difficulties in distributing information due to lack of effective communication systems. For example the use of the radio stations as witnessed in Soroti municipal council in Uganda. The municipality has two radio stations which disseminate information on the budget events and radio phones-ins are provided for citizens with questions and comments hence making information distribution easier and increasing levels of participation by residents. Inefficient information distribution therefore results to limited involvement of stakeholders. To overcome this, Tibiajuka (2004) goes on to suggest that local authorities should make extensive use newsletters, meetings, posters, school and church announcements

2.4.4 Capacity Building
Matovu (2007) identifies capacity constraints as a major challenge to effective inclusion of residents in the participatory budgeting process due to lack of skills by both council officials and

councillors, limited participation of women and negative community attitudes. There is for raining and capacity building for all stakeholders, sensitization of councillors and other stakeholders on resource mobilization, training and capacity, open discussion and lobbying for the elimination of cultural traditions in order to improve the budgeting process.

2.5 Link between Budgeting and Service Delivery

According to Mika (2004) effective and efficient service delivery requires performance management. In performance management, the local authorities establish service objectives and monitors performance towards the attainment of those objectives. Local government performance is of primary concern to every citizen in the community because there is an expectation that all local government resources are to be used efficiently in providing the highest level of public services. In turn, the local government has the responsibility to ensure that the programs that it provides meet their stated objectives and are cost effective. By measuring the level, efficiency, and outcome of a program's efforts, performance indicators can guide local government resource allocation decisions and communicate to the community the goals, objectives and effectiveness of public programs.

There is a strong link between budgeting and service delivery as funds is needed to purchase necessary equipment needed in service provision. Matovu (2007) explained that poor budget performance in Zimbabwean local authorities has led to service delivery slippages.

The solid waste removal services of many LA's have suffered serious problems due to a lack of funds to buy vehicles or even to maintain and repair their existing ones. This has resulted in the growth of illegal rubbish dumps which pose serious health risks, are unsightly, and are symbols of the collapse of local governance.

For service delivery to improve, local authorities should be able to prepare more realistic budgets and come up with mechanism to improve revenue inflows Chakaipa (2010). This is so because of the 30 – 70 percent salary to service delivery ratio. If a local authority fails to collect the anticipated figure in the budget, there is no adjustment to be done on salary levels, so fewer funds will be availed towards service delivery.

2.6 Empirical Evidence

Budgeting is a critical issue not only to Zimbabwean LA's but to other local governments in other countries as well. Cases are going to be drawn from Ugandan and Zambian local authorities.

2.6.1 Budgeting Process in Entebbe Municipality, Uganda

The budgetary process for local authorities in Uganda consists of six stages Stakeholder participation occurs informally at three stages in the process. First, citizens are involved in identifying needs and priorities, which feed into the strategic development plan. Second, consultations with stakeholders are held to discuss the implications of their input on the budget and to vote on the preferred scenarios. Third, citizens are involved in monitoring and evaluating implementation of the budget. Citizens in Entebbe Municipality participate through ward-level residents development committees. Recommendations by the committees are passed on to the ward councillor and to council department heads. Participation occurs only in the first stage of the process and is limited to identifying needs and priorities.

Table 4: Stages in the Budgeting Process

Stage	Activity
1: Consultation with residents	Consultation with residents through residents' development residents committees. Field teams, consisting of representatives of the four departmental heads, meet with residents to solicit suggestions, ideas, and opinions and learn of problems and needs. Residents' development committees, with the assistance of field teams, list and prioritize their needs and draw up annual work plans based on an agreed set of priorities. The field teams then prepare their annual departmental budget estimates and submit them to the council.
2: Preparation of departmental budgets	Departmental budgets are prepared and consolidated. Each departmental budget estimate should be able to fund the priority activities for the coming year.

3: Consolidation of the budget	Departmental budget estimates are submitted to the budget standing committees for debate and necessary changes. The finance department then consolidates the departmental budgets into the council's annual Budget.
4: Submission of the budget to the Council for adoption	The director of finance submits the proposed annual budget to the council budget to the council for adoption. During this meeting for adoption councillors and other interested parties, including department heads, can bring in more project proposals and resident needs, which may be incorporated into the budget if they are deemed important and resources are available
5: Final Approval	Once the full council meeting approves the consolidated annual budget, it is submitted to the Ministry of Local Government and Housing for final approval
6: Budget Implementation	The budget is implemented, and prioritized projects are implementation monitored and evaluated.

2.6.2 Budgeting Challenges in Zambia

In Zambia fiscal transfers from the central government are unpredictable. Councils do not have information about funding policies, the amounts available for distribution from various sources, the criteria or formula adopted in disbursing grants, or the reasons for delays in releasing funds. This uncertainty makes it difficult if not impossible to plan for and use resources effectively. Lack of resources, both financial and physical, has had a negative impact on citizen participation. In some instances, dependence on donor funding to run participatory processes makes the participation process tenuous. The large size of the population in some towns and cities puts pressure on the resources available for participatory activities, as more meetings need to be held and more people require transport. In rural areas, where large distances must be covered, the council has to pay transport and subsistence costs in order to make it possible for citizens to attend meetings and participate in decision making. Councillors often lack institutional and resource bases to meaningfully consult with the people they represent. They lack the physical

infrastructure, such as information management systems, as well as the human resource capacity necessary for encouraging participation among their constituencies. Participation is still viewed with suspicion in some of the countries under review, sometimes with reason. Some councillors have ignored what has come up through the participatory process, instead putting forward issues that suit them. Issues raised by individuals or groups have sometimes been lost in the communication process from village to ward to municipal council.

2.7 Summary

In this chapter, the relevant literature on the topic "Budgeting and budget submission challenges in of local authorities" was discussed. The literature covered various aspects of budget systems, challenges faced in budgeting, what can be done to curb budgeting challenges and case studies drawn from other countries.

The next chapter focuses on the research methodology followed in gathering data needed to answer the research questions mentioned in chapter one.

CHAPTER 3

RESEARCH METHODOLOGY

3.0 Introduction

It will be impossible for the researcher to work with the whole of the Beitbridge Town Council employees which totals to 156 including 10 councillors, thus the researcher will be using sampling techniques to come up with specific respondents that will be interviewed and given questionnaires. The target population will be the councillors, senior management, the employees and selected residents. The researcher will reduce the population to a manageable sample of 50 respondents. Secondary data and primary data will be used to gather information. The research will use two data gathering techniques namely, questionnaire and interview. Hence the aim of this chapter is to explore the research methods that will be used by the researcher to carry out the study.

3.1 Definition of Methodology

Bell (1987:91) defined methodology as a criterion in which facts are elicited and structured in respect of possible sources in a meaningful and clear manner that will enable the researcher to achieve the goal of data analysis and eventually project compilation in an effective and efficient manner.

3.2 Research Design

A research design is a master plan that specifies the methods and procedures for collecting and analyzing needed information. Kinear and Taylor (1995) noted that a good research design forms the essential framework for research action and minimizes the danger of collecting haphazard data. Churchill (1999) defines research design as a plan, which shows how systematic the research study is undertaken. In light of this, the researcher sought to follow those procedural steps and conceptual frameworks that would ensure that the data collected meet the research objectives and more importantly the informational needed for decision making, Emony and Copper (1991). The researcher will use a set of questionnaires, interviews, and observation methods to collect data. The researcher will use this design because it involves the use of varied instruments that complement one another hence the data left from the questionnaire is probably

gathered by and through interviews. The merits and demerits of each of these instruments will be explained in detail below. The choice of the appropriate research design is derived from the aim and objectives of the research as well as cost and time constraints.

3.3 Descriptive Research

The study will make use of the descriptive survey design. Aaker (1999) defines descriptive research as a formal written form of specification and procedures for conducting and controlling the research project. Ortinail (2003) asserted that descriptive research is typically concerned with the frequency with which something occurs or relationship between two variables. The author went on to suggest that descriptive studies require a clear specification of who, what, when, where and how of the research. The research undertaken will be descriptive in nature as it sought to explore the aspect of Budgeting constraints in local governments. This entails that the research will be describing the events that have been taking place following the use of Results Based Budgeting techniques. The descriptive research will be used because the study is descriptive in nature, that is, in this case the poor financial performance of the BTC will be described and also the will be a description on how the budgeting is performing.

3.4 Population

Population is any group of members, which is the subject, under study. It is important for the researcher to define the population or universe that covers the entire group about which the study is being conducted. Population parameters and sampling procedures are important and become critical factors in the success of the research study.

3.6 Target Population

The researcher's target populations in the research study are the management and the employees of BBTC including the councillors and the local residents of Beitbridge. However it is not possible to cover all the targeted population therefore sampling techniques will be employed to select representative samples of the population.

Table 1: Sample population

Stratum	Sample size
Top management	5
Employees	20
Councillors	5
Selected residents	20
Total	**50**

3.5 Instrumentation

Instrumentation is the process of collecting data using data collection techniques such as interviews, questionnaire and document analysis and inspection. Thus the researcher will use questionnaires, interviews, observations as well as desk research to gather the required information.

3.8 Sampling Techniques

The researcher will use stratified sampling technique in categorizing people to be representatives of the population. Puttick (2006) describes stratified sampling as "a method that involves dividing or grouping population into strata or groups with similar characteristics". In this case the researcher will group the population according to the level of employment. The researcher will use stratified sampling because it focuses on important sub-populations and ignores irrelevant population.

Stratified Sampling

Stratified sampling allows use of different sampling techniques for example under senior management strata, convenience sampling will be used to come up with the head of departments of the council's five departments which are administration, treasury, engineering, human resources and health housing and community services. To reach a specific individual on the

residents segment, the researcher will choose two respondents per ward. One questionnaire will be given to the first and last house in the ward. BBTC is divided into ten wards and two questionnaires will be allocated for each ward to make them twenty to tally with 20 people on the sample population. The other 20 questionnaires were given to council employees that will be found at their offices during the days of the research. Lastly, the senior management and councillors will be interviewed but to choose specific individuals that are going to be interviewed the researcher will use convenience sampling and systematic sampling. Five councillors will be systematically chosen. The researcher will cover up the 6 wards of the town. Interviews will be conducted with councillors of these wards. Lastly the researcher will use all five head of departments by interviewing them as well as giving them the questionnaires.

3.6 Random Sampling

After coming up with 4 strata, the researcher will then use random sampling to identify respondents from each of the strata. Members who fall within the strata stand an equal chance of being picked. The technique saves time as the researcher can quickly select a respondent who falls within the desired strata. With the residents the researcher collects data from the first respondents he comes into contact with. Effort will be made to ensure that the respondents come from different locations and wards. With the employees of council, academics, NGOs, small-scale traders and the businesspeople, the researcher will identify whom to talk to by means of likelihood to possess the information the researcher wants.

3.7 Reasons for Sampling

Costs are likely to be lower compared to conducting a research on the total population. Costs are likely to be lower simply because rather than printing mounts or heaps of questionnaires of which some will not respond, the researcher will print fewer questionnaires. In this case the researcher will print questionnaires for the population to be sampled or selected population rather than printing questionnaires for the entire town that amounts to thousands hence sampling lowers costs.

Sampling will gear greater accuracy of the results and saves time. Sampling gives room for the researcher to choose the most probable population which can give vital information rather than

everyone in the community of which some are just laymen of which do not even know what the researcher is asking or is looking for. In addition to that some of the informants targeted are professionals who have a technical knowhow of what the subject is all about and they are likely to be cooperative in most cases so as to help with the research.

3.8 Sources of Data

The researcher will use basically two sources of data, that is the primary and secondary sources of data.

3.9 Secondary Data

Secondary data involves analysis of existing data, the use and further analysis of data collected for another purpose and found by means of desk research. This involves the use of journals, newspapers, textbooks and the internet. This mode of research is advantageous in that it is cheap and easy to assemble and provides a wide and global coverage of research. However there is need to complement with primary data. Secondary data can be categorized into internal and external.

3.9.1 Internal Secondary Data

Secondary data is the data that is obtained from within the organization (in-house) for example council meeting minutes and annual mayoral minutes. It is often the least costly secondary data and tends to be the most accessible. However this depends on the research problem or opportunity because there may be useful data available from several departments or areas within the organization.

Secondary data is cost effective as data is easy to obtain and also saves the researcher on time and provide information that cannot be obtained by the researcher through interviews and questionnaires. The limitation of secondary data is that some information is not relevant to the research problem since their primary source is different to the research problem and also some of the data may not be problem specific, provides biased information, data is outdated for example data quantified in figures like fines in the year 2000 if to be used by researchers this year its

outdated because it was quoted in Zimbabwean dollars and other challenges faced by council recorded in the previous years might be no longer existent at the time of this research.

3.9.2 External secondary data

In pursuant of this research the researcher will make use of external secondary sources of information such as journals, internet, textbooks, articles and newspapers. This will be done as a prelude to the actual research in the field. This familiarizes the researcher with the area under investigation as well as identifying gaps that need to be filled. Secondary research set the tone for the entire research. Secondary research allows comparison of different sources, and is cost effective and therefore easier to conduct.

3.9.3 Primary Data

This is data captured at the point where it is generated. Such data is captured for the first time and with a specific purpose in mind. Primary source of data includes questionnaires, personal and telephone interviews. The researcher will find the information pertinent to the situation, since it is captured with a specific rationale and the researcher has control over the data and the data is current not outdated. It is costly since information is not available and this calls for data gathering so the researcher has to print questionnaires and commute in order to reach the interviewees (councillors, council management, employees and residents to Beitbridge). This also consumes a lot of time since the researcher requires a longer time to come out with the findings and some of the data might be biased.

3.9.4 Data Collection Techniques

The techniques to be used to collect the data are mainly questionnaires and interviews that are primary sources of data.

3.9.5 Interviews

Interviews will be conducted with at least two senior managers and the researcher will try to make sure that all the senior managers have filled the questionnaires. Efforts will be made to ensure that the targeted employees will respond to both the questionnaires and the interviews. At

least half of the targeted residents are expected to be interviewed and as much as possible are expected to complete their questionnaires. The reason for putting much emphasis on the employees is that they have better information and knowledge about the budgeting processes being done and are mostly in their available in their offices than any other group from the mentioned ones. The researcher is looking forward to interview at least five councillors and as many as possible to fill their questionnaires. The interviews will be unstructured to ensure that as much data as possible is gathered.

Advantages

❖ Interviews allow the researcher to take note of non-verbal communication, which can be vital in understanding the emotions and feelings of the respondents.

❖ Interviews are flexible; the researcher may adjust to probe more interesting issues that may arise during the course of the interview.

❖ A face to face conversation offers the possibility of modifying one's line of inquiry.

❖ During interviews there is the possibility of getting in-depth information, which a respondent may not want to put in writing.

Disadvantages

❖ Interviewees have a tendency to give biased information especially on issues regarding systems and policies that are in place, people naturally tend to portray their situation as better than it is on the ground.

❖ Illiteracy will also impact negatively on the collection of data as some within the sample maybe semi literate and not in a position to comprehend the intricacies budgeting processes and the council's financial performance.

❖ Some employees of council may be unwilling to be interviewed by the researcher.

3.9.6 Questionnaires

A questionnaire is a tool or device for securing answers to the set of questions by the respondents who fills in the questionnaires. Self-administered standardized questionnaires will be sent to the respondents. The researcher designed three questionnaires that are to be sent and distributed to the council management, residents and the council employees.

Advantages

- ❖ Questionnaires are cost effective and economic method of gathering information since the researcher will deliver them personally and thus no postage delays and lost mishandling fears.

- ❖ A large number of respondents is expected to be reached and questionnaires also will allow comparability owing to the uniformity of the questions.

- ❖ Respondents will be given time to think through the questions and to complete them at their own time and far-fetched responses are minimized by giving instructions on what is needed and the guidelines on how to answer the questions.

Disadvantages

- ❖ In some instances, the respondents might fail to interpret the questions and might give inaccurate answers so the researcher need to be there to ensure that the respondents get necessary understanding give necessary information.

3.9.7 Observations

The human observer can carry out direct observations or indirect observations in the field. There are areas that have been observed directly on the budgeting systems by the researcher during his work related learning with the organisation. These include the experience especially when the researcher was working in the finance department. The whole observation took place from the period of January 2011 to date.

Advantages

- ❖ Observation according to Collins et al (Ibid) is that it is a direct technique as you simply observe the activities and events and one can be able to observe a non–linguistic aspects in human behaviour hence one overcome the issue of language barrier.

- ❖ It also permits a lack of artificiality which is found in other techniques.

Disadvantages

- ❖ It should be noted that observations are disadvantageous in that some events may go simultaneously making it difficult for the observer to see all that is going on. This may result in collection of insufficient information on the particular event.

3.9.8 Data Collection Procedures

To obtain data, proper procedures must be followed so as to avoid suspicion and resentment from the interviewees and directors of institutions. For the administering of questionnaires, permission to distribute the questionnaire will be sought from the Director of Health, Housing and Community Services whom the researcher worked during the work related learning as his supervisor who also happens to be the one is used to help the previous researchers in respondents identification. The researcher is also looking forward to get some help from the lower grades officers and academic students on work related learning at the organisation. The officers will help to identify employees from the organisation who have years of experience in budgeting systems. The employees will be randomly selected from the pool of officers in the organisation. The questionnaires were then collected after 5 days to give the respondents enough time to complete the questions adequately.

3.9.9 Personal Distribution and collection of Questionnaires

The researcher will personally distribute and collect the questionnaires as the researcher feels this procedure increased the response rate, and errors of omission of certain questions eliminated, as the researcher is able to clarify and emphasis the instructions and to make sure that respondents have answered all questions.

3.10.0 Telephone

The researcher will also employed this method because travel time and costs can be eliminated and also because there is greater probability of reaching the respondents. Telephone is an effective tool because respondents get the impression that the interview is to be very brief and reduce the fear of victimization because there is no face-to-face interaction thus more cooperative. The downside is that the none-verbal communication advantage is eliminated.

3.10.1 Summary

This chapter highlighted the research design, research methods and sampling techniques to be employed by the researcher to come up with specific respondents that will be interviewed and given questionnaires. The target populations are councillors, senior management, employees and the residents. The researcher reduced the population to a manageable sample of 50 respondents. Secondary data and primary data will be used to gather information. To carry the research the

researcher will use three data gathering techniques namely, questionnaire, interview and observation. The advantages and disadvantages of the mentioned techniques were outlined above. The data will be presented in chapter four using pie charts, bar graphs and tables to aid in reading, understanding and summarizing the findings of data gathered in a narrative form.

CHAPTER FOUR
DATA ANALYSIS AND PRESENTATION

4.0. Introduction

This chapter deals with findings, presentation and analysis of data collected through interviews and questionnaires administered to respondents. Issues pertaining to budgeting constraints faced by BBTC are also presented and analysed. Findings are presented using charts, graphs, excel and pie charts.

4.1. Responses

4.1.1. Responses through questionnaires

The table below shows the questionnaire response rate.

Table1: Response Rate to Questionnaires

Category	Targeted No. Of Respondents	Frequencies Of Responses	Response Rate As A Percentage
D.A	1	1	100%
Councillors	9	9	100%
Residents	50	40	80%
Total	**60**	**50**	**83%**

Source: Fieldwork 2014

An overall response rate of 83% was achieved. All target respondents in the form of council employees and councillors returned the questionnaires. A response rate of 80% was attained from residents, 100% from both the district administrator and councillors. This high overall response rate was attributed due to the physical follow-up by the researcher on questionnaires distributed.

4.1.2. Responses through Interviews

The researcher held interviews with the 10 council employees.

4.2. Levels of Education of the Respondents

4.2.1. Beitbridge Town Council employees' level of education

The bar graph below presents the levels of education for BTC employees.

Figure 2: Educational levels of council employees
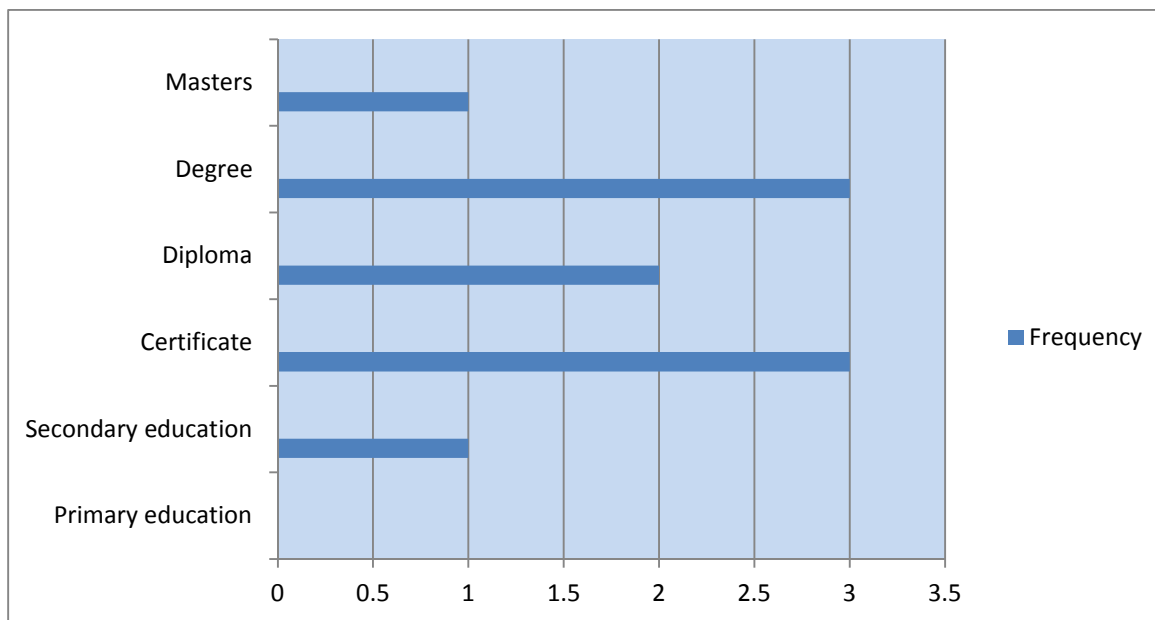
Source: BTC Registry 2014

Out of a total of 10 council employees, 1 of the employees (10%) had attained master's degree, 3 employees(30%) hold first degrees, and 2 employees (20%)had diplomas and 3 possess professional certificates (30%). 1 of the interviewees (10%) reached secondary level of education. The levels of education of BBTC employees provide a good opportunity for implementing participatory budgeting system in Council as the majority of employees are enlightened. Armed with these levels of education and experience in local government, there should be a better understanding of the benefits of participatory budgeting. They should easily understand participatory budgeting as an approach of achieving effective local governance.

4.2.3. Education levels of Councillors

Figure 3 below, shows the educational levels of Councillors in BTC who responded to the questionnaires.

Figure 3: Education Levels of Councillors
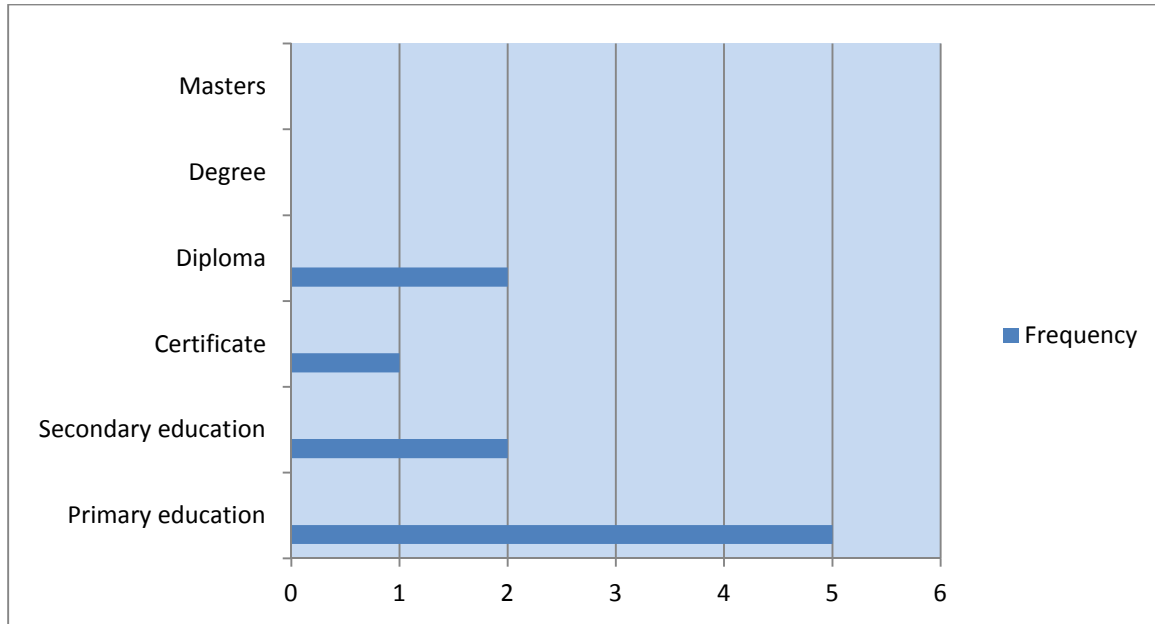
Source: Fieldwork 2014

Two councillors, representing 20% of the selected councillors, holds diplomas. One councillor (10%), of the selected councillors, possesses professional certificates. Two councillors (20%) attained secondary level of education and five councillors representing 50% attained primary education. One of the weaknesses of the Zimbabwe local Government system is that both the RDCA and the UCA do not stipulate any qualifications for Councillors. This presents challenges to local governance as some councillors fail to comprehend some of the issues pertaining to the operations of Council such as budgeting systems. Low levels of Councillors also make them unable to separate civic issues from politics.

Figure 4: Educational Level of Residents

Horizontal bar chart showing frequency of education levels: Primary education ≈ 16, Secondary education ≈ 14, Certificate ≈ 6, Diploma ≈ 2, Degree ≈ 2. Legend: Frequency. X-axis from 0 to 18.
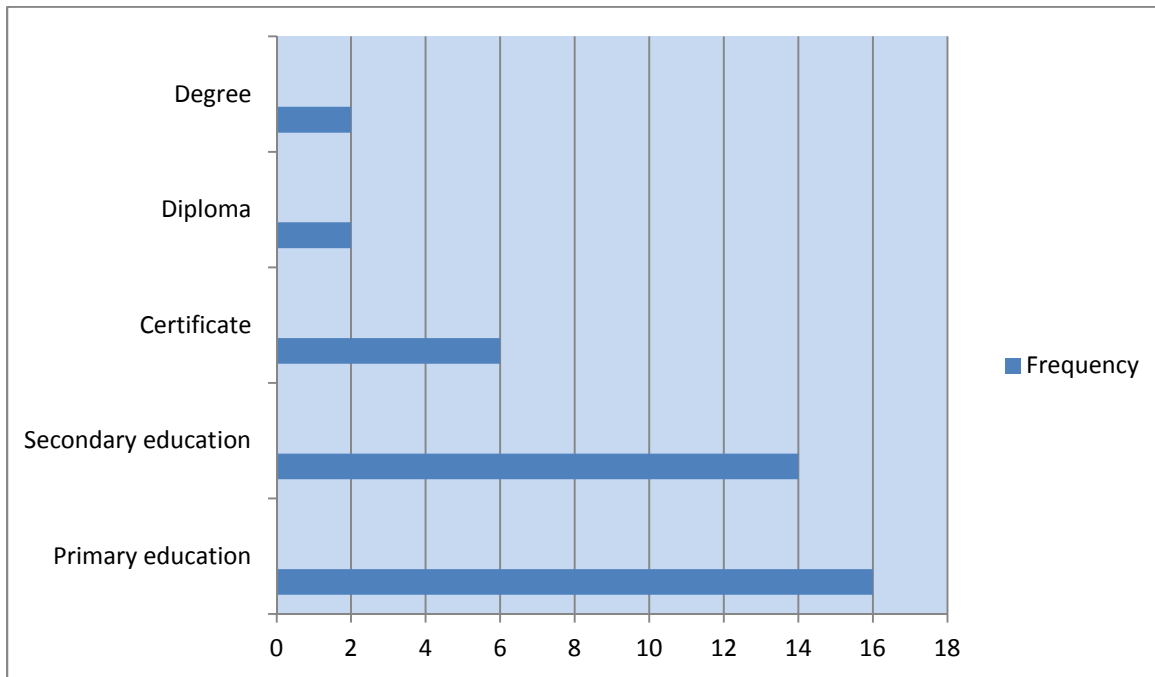
Source: Fieldwork 2014

The graph above shows the education levels for BTC residents. The highest level attained is degree with 3% representing 1 respondent, followed by diploma with 1 respondent (3%), then certificate with 16% representing 6 respondents, secondary level with the second highest percentage of 37% representing 14 residents and finally the primary level being the least level attained but with a highest percentage of 41% representing 16 respondents. The research findings show that the larger population of Beitbridge District residents attained primary and secondary level thus being a challenge to the council for better understanding of the participatory budgeting process. However, the findings also show that still a larger population can read and write thus being an advantage to the council in the training and understanding of the participatory budgeting process.

Table 6: Residents' involvement in the Participatory Budgeting process

Responses	Total	Percentage (%)
Yes	10	25
No	30	75
Total	40	100

Source: Fieldwork 2014

The table above shows the involvement of stakeholders in the participatory budgeting process by BBTC. The research shows that 25% of the residents (10 respondents) stated that they are involved in the participatory budgeting process. However, a percentage of 75% representing 30 respondents stated that they are not involved in the participatory budgeting process with a large number of it stating that they are not aware of what participatory budgeting is. The research also reveals that the local authority visited its wards for participatory budgeting consultation meetings but the residents will not be aware of the agenda and this will result to them not participating and council will then impose their prepared tariffs assuming that the residents do understand the process. Some residents even clearly stated that they are not aware of such an activity. This implies that there is need for council to capacitate the community on the participatory budgeting process.

To add on the research also shows that tariffs are not agreed together with the residents as most residents stated that council does not consider their objections if there are any. This implies that the community has no input in participatory budgeting process and resulting to the process being less participatory as Frewer (2005) asserts that one of the three mechanisms of public participation is public dialogue which involves exchange of information between the stakeholders and council in the activities of council. In support of the latter statement Wampler (2000) states that the main aim of stakeholder involvement is to have public input captured into the council budget, hence the need to deliberate and negotiate over the distribution of public resources.

Figure 5: Responses from BBTC Residents, Councillors and District Administrator on challenges faced in the budgeting process
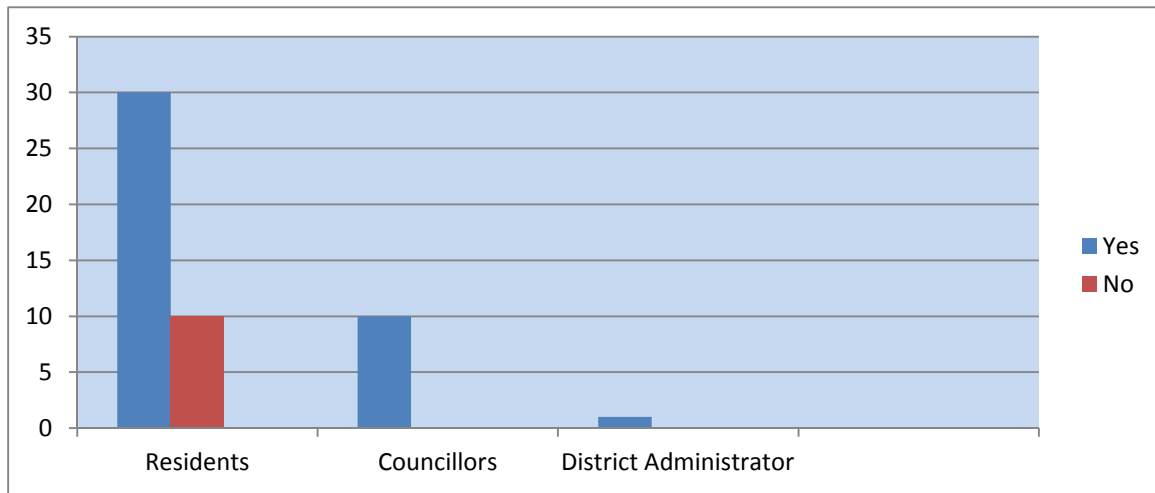
Source: Fieldwork 2014

From the graph, 98% of the respondents concurred that the local authority is facing challenges in the budgeting process.

Figure 6: Constraints faced in the Budgeting Process
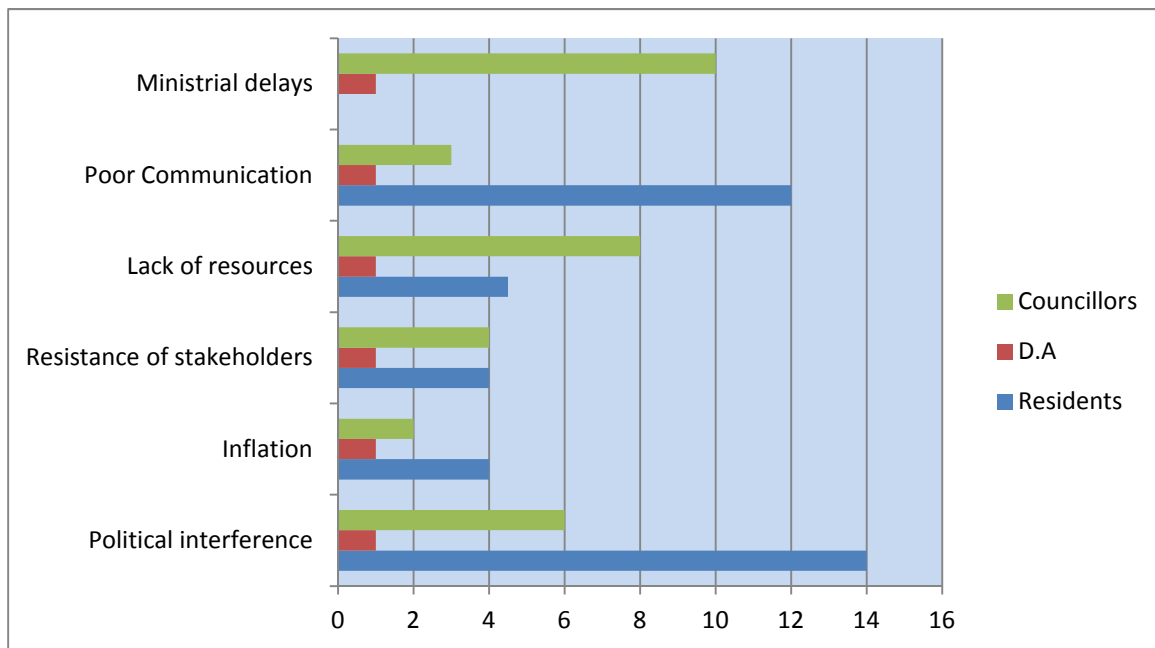
Source: Fieldwork 2014

The research findings revealed political interference as the major challenges faced in the participatory budgeting process as this was mentioned by 21 respondents (42%). Inability by local politicians to separate politics from civic or development issues and negative political pronouncements that discourage people from participating in the budgeting process as well as mixing civic and political issues, create negative attitudes towards participation by members of the community. Problems of politicking are singled out to be the most serious constraints to the initiation and further deepening of citizen participation during the budgeting process in BBTC. In most situations whilst the council will be busy mobilizing citizens for participation, the local politicians will be busy demobilizing the same citizens encouraging them not to participate and this is often done along political party lines.

Lack of resources was also identified as one of the challenges faced in budgeting process. This was mentioned by 14 respondents representing 28% of the sample population. Findings show that the district is too big and due to time and financial constraints the council cannot manage to carry out consultations at village level. During the period of conducting this research, BBTC had 4 running vehicles. This makes it difficult for council to visit all wards during the budgeting period.

Ministerial delays were also mentioned as another challenge faced BBTC in the budgeting process as this was identified by 11 respondents representing 22% of the sample size. Respondents mentioned that the approval of high density suburbs for Dulibadzimu in 2008 and 2010 made it difficult for the local authority to collect revenue in time as such rates were approved in April and May respectively.

The other challenge noted in the research findings is the lack of effective communication for community mobilization as it was mentioned by 16 respondents representing 32% of the sample size. It was noted that the council has problems in trying to send information on consultation budget meetings due to its big wards and quiet distant from the local authority's offices. Information dissemination becomes difficult with a limited number getting it on time and a very few people attending the meeting thus inefficient information distribution therefore results to limited involvement of stakeholders.

Ratepayers' resistance was also pointed out as a challenge faced in the budgeting process by 9 respondents on behalf of 18% of the sample size.. This is so due to limited knowledge of participatory budgeting, most residents tend to be hesitant and are unwilling to take part, thus resulting to low levels of participation. Ratepayers resist paying their bill as they fall due to poor service delivery and limited participation in the budgetary process as they will be viewing the Councils' budget as a tool for hefty salaries.

Figure 7: Responses from residents on whether BBTC is meeting the needs of their needs or not.
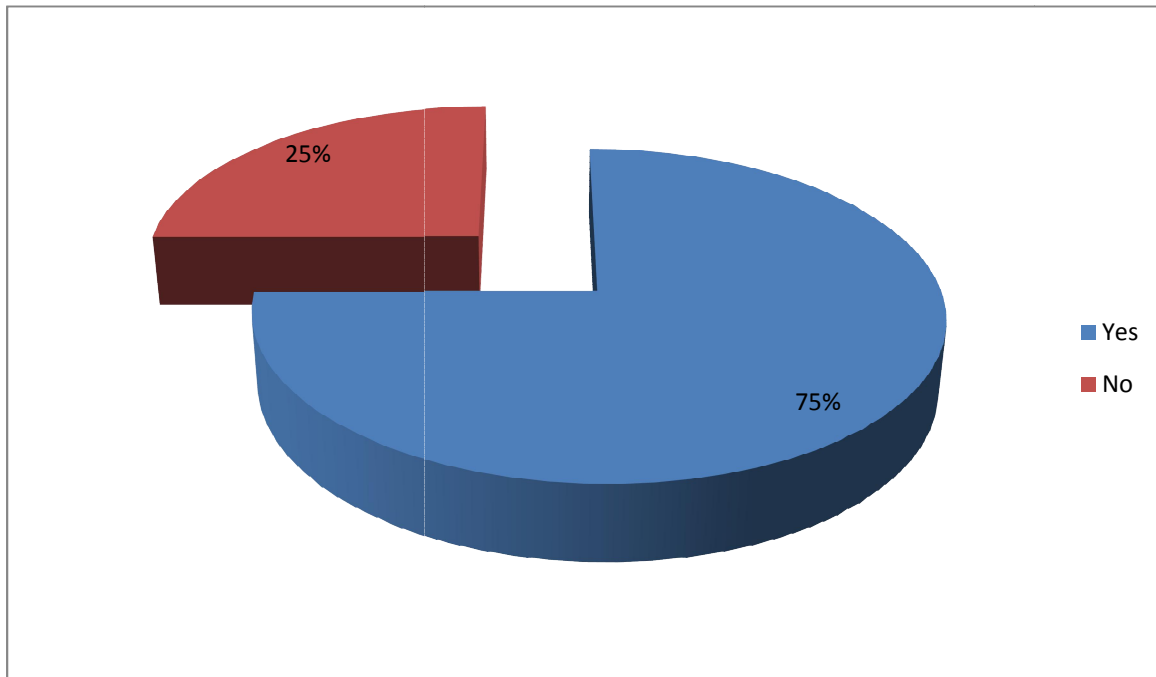
Source: Fieldwork 2014

From the chart above, it clearly shows that the 38 respondents (75%) of Beitbridge residents are not satisfied with the service delivery. Many respondents mentioned that though the service delivery has improved due to dollarization, it is still far from their expectation as the Council is failing to offer serviced stands, poor roads, erratic water supply and poor health provision.12 respondents representing 25% mentioned that they are satisfied with BBTC service delivery.

Figure 8: What Council can do to improve budget performance?
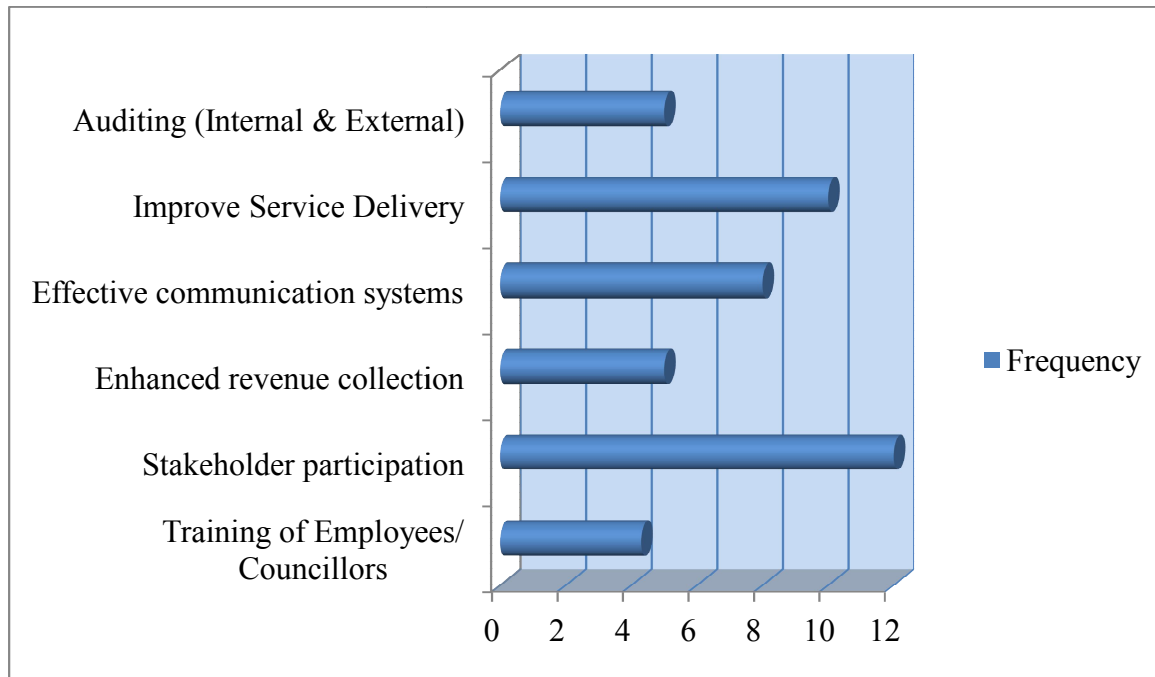
Source: Fieldwork 2014

There was a widespread call for enhanced revenue collection efforts by council in order for it to be capacitated to deliver effective services. Some residents even suggested use of professional debt collectors to manage council debtors. Some respondents expressed worry on why council was not taking action to sue influential ratepayers who do not honour their obligations to council. Residents believed that if all cash due to Council is received, meaningful progress would be witnessed on service delivery.

The second call was that Council should involve all stakeholders in its budgeting process and all developmental activities. This was viewed as one way residents would understand Council programmes and operations. This would minimise conflicts between council and residents when it comes to settling of debts.

Residents in various wards called for internal and external audits to be periodically conducted so as to deter fraud and mismanagement of funds. Some respondents further explained that auditing is crucial as it comes up with recommendation on how to improve the financial performance of the council.

Respondents also suggested that the council should put in place training programmes so as to capacitate both councillors and employees on participatory budgeting processes.

4.3 Interview Responses

The interviews took around 20 minutes each. The interview helped the researcher to gather the necessary information that might have been left out in the questionnaires as the researcher had an opportunity to probe more questions and ask for explanations where necessary.

4.3.1 Why is budgeting important to your organization?

Several ideas were given by respondents. Most of the respondent mentioned that budgeting is importance in the operation of the local authority as it enables proper allocation of resources; act as a communication tool between the management and its employees as well as fostering coordination among various departments which constitute a council.

4.3.2 Which system of budgeting does your organization employ?

All interviewees revealed that the local authority practise participatory budgeting.

The research findings show that the budget cycle starts in mid- August with the HODs coming together with the Finance Committee to review the current budget performance. Then the HODs together with their Committees are expected to come up with their Departmental budget estimates which are then used by the treasurer to come up with the budget guidelines for the coming year. In mid-September budget guidelines are submitted to the Finance Committee which is held together with some stakeholders' representatives selected randomly. These usually include Business Associations, Residents Associations, Parastatals and Farmers Unions amongst others. The idea of including the stakeholders in this meeting is to give them a participatory platform to represent various groups in setting up the tariffs and lobby for their interests in the budget for the coming year.

It is then the duty for the Treasurer and the Finance Committee to consolidate the budget before presenting it to the Full Council for consideration. After consideration by the Full Council, this is the draft that is then taken out to the residents for consultation in late September. After residents' consultation, the objections are then considered by the Finance Committee which then presents

them to the Full Council for consideration. However, the research shows that when tariffs have been set, Council rarely adjusts them. This poses a great threat to the Council as residents may resist participating citing that their views are not considered as mentioned in the research. A final budget is then made and sent for advertisement by the 30th of September.

4.3.3 Why such system of budgeting is being used?
Respondents noted that participatory budgeting increases public ownership. Participatory budgeting enhances the spirit of oneness and public ownership of development programmes. Citizens begin to demonstrate this openly and care for public investments. This results to better management of resources, reduction of vandalism as well as increase in voluntary support and services.

Some respondents further notes that participatory budgeting leads to the creation of a common vision. It promotes the creation of a common vision and understanding which in turn leads to the appreciation of community challenges, based on the development of a shared vision and unity of purpose. By having unity of purpose, the council can concentrate on the long term development of the locality.

The Town Secretary states that participatory budgeting matches priorities to available resources. Participatory budgeting articulates participatory strategic planning processes and their implementation. At the same time assists the local authority to match approved priorities with available resources.

The interview outcome also revealed that participatory budgeting facilitates capacity building. Citizens' exposure to the skills and knowledge related to budgeting help them to understand how their local authority works. Citizens also get to know their rights and obligations. It was also explained that participatory budgeting helps to build joint coalitions around issues among people of different groupings. In this regard it helps the council to avoid unnecessary arguments with council employees and between the council and stakeholders.

Many interviewees explained that participatory budgeting enhances political legitimacy and voter support. Through the engagement of the citizens in decision making enables councils to respond to the community needs. Citizens are also in a position to understand the councils'

capacities and constraints in regard to service provision and development. This reduces demonstrations and payment boycotts. Thus increased legitimacy enhances the possibilities of creation of long lasting partnerships and trust and trust between the council and stakeholders.

Management revealed that participatory budgeting increases citizen's interests in monitoring and evaluation of development projects. In cases where citizens are not part of the decision-making process they often lack interests in getting to know the results. But where they are involved they become the 'eyes and ears' of the local authority with regard to progress and results of development programmes. This helps to ensure that project implementation is on target, resources are applied in accordance with agreements and quality control is in place. This ultimately assists in guiding against abuse of public office and resources. The research seeks to find out if BBTC and its residents benefit in the practice of participatory budgeting.

4.3.4 Is the council complying with legislation regarding the budgetary process?
Interviewees noted that the Council was complying with the provisions of the Urban Councils Act [Chapter 29: 15] which the procedures to be employed in the budgetary process. The Town Secretary further mentioned that it is in line with section 121 of the afore cited Act and by the ministerial directive Local Government Circular Number 3 of 2011

4.3.5 What challenges are you facing in terms of budgeting?
A number of challenges were mentioned during the interviews which the council was facing in the budgeting process which includes resistance of ratepayers, political interference, ineffective communication, lack of staff, lack of resources, poor service delivery and inflation among others.

4.3.6 What is the Council doing to overcome these challenges?
A number of strategies which includes ward based revenue collection, 10 percent contingence as an adjustment to inflation, virementing as well as budget taskforce committee to undertake budget consultative meetings.

4.3.7 Is Beitbridge Town Council budget performance improving or deteriorating since dollarization? Explain your answer

Head of Departments explained that since the inception of foreign currency in 2009 the council was capable of preparing realistic budgets due to the stability of the currency. Thus the budget performance since dollarization has improved because of fewer deviations between the forecasted revenue and actual collected revenue.

4.3.8 What is the relationship between budget performance and service delivery?

Respondents noted that there is a closer correlation since they depend on each other that is to say if the budget poorly performs it means that there will be little funds to be availed to service delivery and vice versa. The Administration officer further explained that this is so because that Council salary bill is 30 percent against the total revenue anticipated. If the anticipated figures failed to be realised there is no adjustment to be made on salaries, so less revenue will be left for service provision.

4.4 Summary

The chapter focused on presentation and analysis of the findings. Data presentation was done through use of tables, graphs and pie charts. The research revealed that BBTC was facing constrains in budgeting which include resistance of ratepayers, low capacity of council to undertake budgeting consultative meetings, lack of skills for councillors and employees as well as inflation from the period of 2007 to date. Most members of the community feel that there are not involved in the budgeting process hence the need for council to improve the information dissemination methods and communication strategies as well as the consultation strategies. However, a greater need lies on educating and training the community on the importance of participatory budgeting.

The next chapter gives a summary, conclusion and the recommendations.

CHAPTER 5
SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0. Introduction

This chapter summarises the previous chapters and conclusions are drawn from the research findings. Recommendations on how BBTC can manage budgeting challenges are then given.

5.1 Summary

Using BBTC as a case study, the study focused on challenges faced in budgeting. Chapter I gave an insight of BBTC, specifically its location and size, the brief background of budgeting practices in local authorities. The problem statement being that BBTC is facing challenges in the budgeting preparation process. The justification of the study is that the research helped the researcher to come up with challenges faced by most local authorities in trying to involve stakeholders in the budgeting process. This also helped the researcher to come up with the solutions and strategies to such challenges that will help to benefit the local authorities in engaging its stakeholders in the participatory budgeting process. Objectives and research questions were also covered in this chapter. These helped the researcher to determine the budgeting system employed by the local authority, challenges faced in budgeting, strategies that can be used to overcome these challenges as well as the link between budgeting and service delivery. The objectives also worked as a guideline to the study as a whole. The chapter went on to look at the limitations that included political differences, lack of cooperation and confidentiality. Delimitations were that the research focused on BBTC and covered a period 2008 to 2014.

Chapter II dealt with literature review of the research topic. This chapter focused on the evolution of budgeting, its conceptual framework and the salient characteristics of an effective budgeting. It went on looking at the budgeting system employed by local authorities in Zimbabwe which was found to be Participatory Budgeting which started as an experiment in Porto Alegre in Brazil in 1989 and later spread to other countries.

Chapter II went on to look at the constraints faced in budgeting process. Challenges identified include political interference, ineffective communication, hyper inflation, ministerial delays, poor relation between planning and budgeting and lack of community ownership.

In chapter II strategies that can be used to address challenges faced in budgeting were also identified. Strategies such as cash management, systematic auditing, citizen consultation and capacity building were explained. It also went on to look at the link between budgeting and service delivery.

Chapter III deals with the research methodology and research design. The chapter focuses on the population under study and the sources of data that were used in the study. This helped the research to come up with the research sample to be surveyed. The chapter goes on to look at the instruments used in the research study and these include the questionnaires and interviews. Questionnaires were used for data collection from the residents, D.A and councillors. Interviews were as a way of gathering data from council employees.

Data gathered was then presented and analyzed in chapter IV. This chapter dealt with the presentation of information collected from the ground. For clarity and further interpretation, information was also presented diagrammatically and these were graphs, pie charts and tables. These helped the researcher to explain further as well as identify the gaps that need to be filled for addressing the challenges faced in budgeting.

5.2. Conclusion

The research concludes that the major constraints being faced by BBTC are poor service delivery, political interference, hyper inflation, poor relationship between planning and budgeting, lack of community ownership, poor communication between council and its stakeholders. There is evidence that councillors, council employees and residents are facing challenges in undertaking participatory budgeting practises in Beitbridge district. It is clear that residents feel neglected or rather side-lined by Council on participatory budgeting. They are only asked to pay rates to council but no explanation is given on how their money is utilised by Council.

Accordingly, the stakeholders' expect improvements in service delivery by the council. They also expect improvements in revenue collection, improved communication flows between

council and various stakeholders, stakeholder participation in council affairs, equitable distribution of resources and seeking for donor funding. On revenue collection, stakeholders are in favour of taking legal action against defaulters.

Secondly, a strategic plan was developed but was let to gather dust on the shelves. There is lack of proper implementation plan and a review mechanism. Stakeholders cited lack of ownership of the plan as well as weak implementation. They also highlighted that the time frame of the plan is too long to withstand modern rapid changes in the operating environment. However, the plan was observed to be an excellent document with a clearly articulated vision, mission statement, values, strategic objectives, strategies as well as the action plan. It is a comprehensive road map for development.

The research identified political interference, inflation, lack of resources and lack of community ownership as the major challenges that are being faced in the participatory budgeting process. As a remedy, they urged non-involvement by council on political affairs. The call for proper management of Council resources appeared to be linked to the call for non-involvement by Council on political activities.

Residents are not aware of the broad spectrum of services that a local authority should be doing. They view Council mainly as a roads authority and this means that if the council was to be able to fully attend to its roads, then complaints may be very minimal. In attending to these demands Council needs to be clearly visible, that it is supplying the service through feedback meetings and publicity material.

5.3 Recommendations
From the above analysis and conclusions, the following recommendations are made to assist Council to achieve its vision to be the best local authority in service delivery according to its stakeholders.

➢ **Communication**
   It is recommended BBTC increases its information dissemination strategies. This can be done through the establishment of the council information desk and use of VIDCOs as the

lowest tiers of information sharing. This will help to promote full disclosure and strengthen information sharing system.

> **Public Relations Management**

Council should have a public relations and marketing officer who will assist in managing the council's public image.

> **Stakeholder Participation**

Council must fully involve all stakeholders in planning and development issues in order to improve stakeholder buy-in.

It is also recommended that, the Participatory Budgeting process be more gender sensitive. In this regard the local authority officers and policy makers should be equipped with the necessary gender analysis skills that will enable them to meaningfully engage other groups like women, youths, marginalized and other disadvantaged groups. Similar strategy can also be used to include such groups in the decision making positions and in representative of targeted groups.

> **Improve Service Quality Aspects**

Council must improve the appearance of its physical aspects of a service such as equipment, facilities and staff.

> **Maximise Revenue Collection Mechanisms**

From established and statutory revenue sources, council should ensure maximum collection through use of legal mechanisms against defaulters and other revenue collection strategies.

> **Capacity Building**

BBTC should come up with a cost effective method of training the community on the benefits of participatory budgeting as well as strategies to involve the stakeholders in the participatory budgeting process.

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Appendix 1
QUESTIONNAIRES FOR RESIDENTS

Dear Respondent

My name is Andrew Mulaudzi and I am studying for Bachelor of Science Honours Degree in Local Governance Studies with Midlands State University. I am carrying out a study on budgeting constraints faced by local authorities. A case of Beitbridge Town Council. Your responses will be kept strictly confidential. The results of this research will only be shared with those interested in the study. You are kindly being requested to respond to the questions below.

Instructions

i) Tick the suitable answers in the boxes provided.

ii) Write your answers on the spaces provided below.

iii) Do not write your name on the questionnaire.

SECTION A: BACKGROUND INFORMATION

1. How long have you been staying in Beitbridge District?

0 – 5 years [   ]   6 – 10 years [   ]   11 – 15 years [   ]   16+ years [   ]

2. Age   20 - 30 [   ]   31 - 40 [   ]   41 - 50 [   ]   51 +

3. Gender: Male [   ]   Female [   ]

4. Educational Qualifications

   None [   ]   ZJC [   ]   "O" Level [   ]   "A" Level [   ]

5. Professional Qualifications

   Certificate [   ]   Diploma [   ]   Degree [   ]   Others [   ]

SECTION B: BUDGETING SYSTEM IN LOCAL AUTHORITIES

6. Do you know what budgeting is?

   ………………………………………………………………………………………………

   ………………………………………………………………………………………………

……

7. Why is budgeting important to your local authority?

……

……

……

8. i) Do you participate in the budgeting process?

        Yes [   ]   No [   ]

ii) Explain your answer

……

……

……

SECTION C: CONSTRAINTS FACED IN THE BUDGETING PROCESS

9. i) Do you face challenges in the budget preparation process?

        Yes [ ]   No [   ]

ii) If yes, what are the challenges?

……

……

……

SECTION D: STRATEGIES USED IN OVERCOMING BUDGETING CONSTRAINTS

10. What is Council doing to overcome these constraints?

……

……

……

……

……

……

SECTION E: BUDGET PERFORMANCE AND SERVICE DELIVERY

11. i) Is the council meeting your needs in terms of service provision?

Yes [   ]   No   [   ]

ii) Give reasons to support your answer

....

....

12. i) Do you think budget performance has an impact on service delivery?

   Yes [   ]   No [   ]

   ii) Explain your answer?

   ....

   ....

   ....

13. What do you think the council should do in order to improve the budget performance?

   ....

   ....

   ....

APPENDIX 2
INTERVIEW GUIDELINES FOR COUNCIL EMPLOYEES

1. How long have you been working at Beitbridge Town Council and in which department?
2. Why budgeting is important to your organization?
3. Which system of budgeting does your organisation employ?
4. Why such system of budgeting is being used?
5. Is the council complying with the legislation regarding the budgetary process?
6. What challenges are you facing as management in terms of budgeting?
7. What is the Council doing to overcome these constraints?
8. Is Beitbridge Town Council budget performance improving or deteriorating since dollarization? Explain your answer
9. What is the relationship between budget performance and service delivery?

APPENDIX 3
QUESTIONNAIRE FOR COUNCILLORS/ DISTRICT ADMINISTRATOR

My name is Andrew Mulaudzi and I am studying for Bachelor of Science Honours degree in Local Governance Studies with Midlands State University. I am carrying out a study on budgeting constraints of local authorities. A case of Beitbridge Town Council. Your responses will be kept strictly confidential. The results of this research will only be shared with those interested in the study. You are kindly being requested to respond to the questions below.

Instructions

i) Tick the suitable answers in the boxes provided.

ii) Write your answers on the spaces provided below.

iii) Do not write your name on the questionnaire.

SECTION A: BACKGROUND INFORMATION

1. How long have you been staying in Beitbridge District?

   0 – 5 years [   ]   6 – 10 years [   ]   11 – 15 years [   ]   16+ years [   ]

2. Age   20 - 30 [   ]   31 - 40 [   ]   41 - 50 [   ]   51 +

3. Gender: Male [   ]   Female [   ]

4. Educational Qualifications

   None [   ]   ZJC [   ]   "O" Level [   ]   "A" Level [   ]

5. Professional Qualifications

   Certificate [   ]   Diploma [   ]   Degree [   ]   Others [   ]

6. How long have you been serving as a councillor at Beitbridge Town Council?

   ....

SECTION B: BUDGETING SYSTEM IN LOACAL AUTHORITIES

7. Why budgeting is important to your local authority?

   ………………………………………………………………………………………………

   ………………………………………………………………………………………………

   ………………………………………………………………………………………………

8. i) Which system of budgeting does your council employ?

   ....

   ....

   ii) In your own view, explain why such system is important in the budgeting process?

   ....

   ....

   ....

9. Does the Council submit the budget to the Minister of Local Government, Rural and Urban

   Development for his information as required by the UC Act [Chapter 29:15]?

   Yes   [   ]   No [   ]

   ii) Explain your answer?

   ....

   ....

   ....

SECTION C: CHALLENGES FACED IN THE BUDGETING PROCESS

10. What are the constraints faced by the council in the budgeting process?

   ....

   ....

   ....

   ....

SECTION D: STRATEGIES USED IN OVERCOMING BUDGETING CONSTRAINTS

11. As policy makers what policies or strategies have you put in place to improve budgeting in your council?

....

....

....

SECTION E: BUDGET PERFORMANCE AND SERVICE DELIVERY

12. i) Is there any link between budgeting and service delivery?

Yes [   ]   No [   ]

ii) Explain your answer?

....

....

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