

THE ROLE OF PROGRAMME PERFORMANCE BUDGETING SYSTEM
IN MARA INSTITUTE OF TECHNOLOGY

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ABSTRACT

Programme Performance Budgeting System (PPBS) is a system aimed at helping management make better decisions on the allocation of resources among alternative ways to attain government objective.

PPBS are required to reduce extravagance and waste in government departments by improving their efficiency and economy in the acquisition and use of resources.

CHAPTER ONE .

THE ROLE OF PROGRAMME PERFORMANCE BUDGETING SYSTEM IN ITM.

INTRODUCTION .

In recent years, budget has played an important role in establishing the objective of an organization. A budget is a plan of future actions expressed in quantitative terms, setting out the responsibilities of management in relation to the requirements of the company's overall objective.

Budget are important in government, business and non-profit organizations. Therefore budget must be well planned so that it will be meaningful and effective in assisting the firm or government to achieve its goal.

Budgets have wide potential use. Budgets involve the statement of plans, the coordination of these plans into well-balanced programmes and the constant controlling of actual performance to ensure that it is in line with the forecasted results.

Government budgeting is slightly different from those in business. The objective of Government budgeting is usually to ensure better services are provided for the nation. On the otherhand, the objectives of business budgeting is to get the maximum return on investment.

The concept of systematic budgeting in government is a relatively recent one. Previously there is lack of control in the Government budget system. Each department in government agency would submit its request for funds to the legislative body, often at different times during the year.

A standard method of accounting did not exist. Estimates of funds required were very general and unsupported. Requests were not related to the general plan of government. Furthermore, it encouraged corruption and resulted in incompetence officials and administrators.

The objective of implementing the Programming Performance Budgeting System (PPBS) is to reduce all the deficiencies. All departments are required to state the goals and plans on how to achieve their objectives. Evaluation of performance between the actual and the forecasted result is done to measure programme effectiveness.

With PPBS, government are committed to long-range planning. It permits the evaluation of the efficiency and effectiveness of programs, alternative programs or alternative ways of implementing the same programs and giving priority to various programs. This will assist in the evaluation of the nation programme submitted so that the overall effectiveness of the plan could be determined.

PPBS is an improvement in government budgeting. Eventhough it is supposed to provide better budgeting system in the government agencies, the implementation of the system created a problem to the agencies. Implementation of the system is not as easy as in theory. There are a lot of changes in the budgeting procedure which resulted in administrative difficulty in its implementation. All these problems need to be solved in order to create an efficient budget system.