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MISALIGNMENT BETWEEN GOVERNMENT PLANNING AND BUDGETING IN LIMPOPO DEPARTMENT OF ECONOMIC DEVELOPMENT, ENVIRONMENT AND TOURISM

by

ELIZABETH SARONA MAHLATJI

Student Number: 601166

In partial fulfilment of the requirements for the degree: Master of Management in the field of Management and Governance

Supervisor:

Ms. Kholiswa Malindini

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ABSTRACT

Prior to 1994 in South Africa, strategic planning and budgeting processes were fragmented. However, in the post-1994 democratic dispensation, the South African government introduced certain strategic planning and budgeting reforms. The aim of these reforms was to ensure alignment between government planning and budgeting processes to enhance service delivery, as well as the effective and efficient utilisation of resources. These reforms included the introduction of various policy frameworks, structures, and systems to guide planning and budgeting. The purpose of this research was to assess the factors contributing to misalignment between strategic planning and budgeting and challenges this presents in the execution of government programs in LEDET. The study employed the organisational alignment theory to guide the development of this empirical journey stressing the integration of various functional areas within an organisation to enhance performance.

A qualitative research approach was employed and a total of 13 senior and middle management officials within the chosen case study participated in the study. Participants were purposefully sampled for semi-structured interviews so as to provide rich information relevant to the phenomenon under investigation due to the experience and knowledge they possess relating to the subject. A thematic data analysis method was used to analyse the primary data and formulate the themes.

Some of the findings of this study indicate that, despite the government reforms to ensure alignment between planning and budgeting, misalignment still persists. This misalignment impacts negatively on effective and efficient utilisation of government resources in terms of budget and achievement of planned developmental programs and projects for improved organisational performance. The study further discovered that misalignment between government planning and budgeting is due to both internal and external factors. Internally, misalignment between planning and budgeting is as a result of parallel processes by planning and budgeting units with no efforts for synchronisation. There is duplication of functions that existed for a long time between the department and some state owned entities which has a bearing on allocation of limited resources. In addition, the study found that evaluations of departmental programs and projects to determine their impact on the plight of the poor people and

also to inform future planning and budgeting are not conducted. Furthermore, a lack of strategic leadership contributes to the misalignment between planning and budget, as sometimes things are done just for compliance, rather than for improving the quality of the processes to ensure synchronisation.

It may be necessary to deploy effective planning and budgeting processes to enhance alignment, support the evaluation of departmental programs and projects to inform future planning and budgeting.

Key words: planning, budgeting, LEDET, government, organisational alignment theory, MTEF, MTSF, PFMA, NDP, strategic plan, APP, constitution, Limpopo

DECLARATION

I declare that this mini-dissertation is my own, unaided work and all sources have been duly acknowledged. It is submitted in partial fulfilment of the requirements of the degree of Master of Management (in the field of Governance and Management) in the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in any other university.

_____ _____

Elizabeth Sarona Mahlatji Date

DEDICATION

The research is dedicated to my late mother, Mrs Mahlatji RA who passed away on 27 July 2021 during the crucial time when I was finalising the report. She highly valued education and has inspired me to work hard for anything I desire in life. I thank her for the unwavering support she always provided and for being my pillar of strength. The research is also dedicated to my late grandmother, Mrs Malema A, who also encouraged me to continue to further my studies. I am nothing without these phenomenal women and may their souls rest in eternal peace.

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Sincere appreciation is extended to the following amazing individuals and institution:

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- to my employer, the Department of Economic Development, Environment and Tourism (LEDET) for offering me a bursary to pursue the degree; I cannot thank you enough; and
- to my classmates, whom I began the master's degree journey with, for always encouraging each other and providing support.

LIST OF ABBREVIATIONS

4IR:	Fourth Industrial Revolution
AG:	Auditor-General
ANC:	African National Congress
APP:	Annual Performance Plan
DPME:	Department of Planning, Monitoring and Evaluation
ENE:	Estimates of National Expenditure
EPRE:	Estimates of Provincial Revenue and Expenditure
FMPPI:	Framework for Managing Programme Performance Information
FSAPPs:	Framework for Strategic and Annual Performance Plans
GWMES:	Government-Wide Monitoring and Evaluation System
ICT:	Information and Communication Technology
IGR:	Inter-Governmental Relation
LDP:	Limpopo Development Plan
LEDA:	Limpopo Economic Development Agency
LEDET:	Limpopo Economic Development, Environment and Tourism
LGB:	Limpopo Gambling Board
LTA	Limpopo Tourism Agency
MBO:	Management by Objectives
MTEC:	Medium-Term Expenditure Committee
MTEF:	Medium-Term Expenditure Framework
MTSF:	Medium-Term Strategic Framework
NDP:	National Development Plan
NEPF:	National Evaluation Policy Framework
OECD:	Organisation for Economic Co-operation and Development
PEM:	Public Expenditure Management
PESTEL:	Political, Economic, Social, Technological and Legal
PFMA:	Public Finance Management Act
PHD:	Doctor of Philosophy
PPB:	Prioritised Program Budgeting

PPBS:	Planning-Programming- Budgeting-System
PPPM:	Prioritised Program Planning and Budgeting
PRSAP:	Poverty Reduction Strategy and Action Plan
SASSA:	South Africa Social Security Agency
SCM:	Supply Chain Management
SWGs:	Sector Working Groups
SWOT:	Strengthens, Weaknesses, Opportunities and Threats
WITS:	University of the Witwatersrand

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CHAPTER ONE: INTRODUCTION OF THE STUDY

1.1. Introduction

This chapter provides the roadmap followed in conducting this research. The chapter introduces the research journey undertaken, by discussing the background to the study on misalignment between strategic planning and budgeting in government, with specific reference to the Department of Economic Development, Environment and Tourism (LEDET) in Limpopo Province. Secondly, the chapter defines the problem statement and purpose of this research study. It further outlines the main objective and sub-objectives of the study. The main research question and sub-questions and the significance of the research are also outlined. Lastly, the chapter concludes by outlining the structure of this research study.

1.2. Background of the Study

Decades ago, public sector managers used to develop institutions' strategies and execute them over a period of time, without being concerned about having to review or assess the impact of the strategies on service delivery (Ehlers and Lazenby, 2007). Budgeting was not given much attention in government, as there was neither transparency nor accountability embedded in the process. Ehlers and Lazenby (2007) postulate that since the 21st century, the world has been evolving rapidly due to new developments, such as technologies, changing markets, globalisation, diminishing resources, shifting government policies, and increasing needs by stakeholders.

Ehlers and Lazenby (2007) further argue that the function of strategic planning and budgeting has now become more necessary, although complicated, due to the new developments. However, applying strategic planning and budgeting in government allows public sector managers involved in the processes a chance to improve planning for the future and operate government in the interest of the citizens. Planning and budgeting are inseparable, given that for a strategy to be implemented successfully, financial resources must be allocated. Budget serves as a crucial tool by means of which to realise the strategic goals of any organisation.

Usui and Alisjahbana (2003) argue that developing countries broadly introduced long-term planning and budgeting reforms in the 1960s. The aim of these reforms was to address the development challenges facing many governments. Despite these strategic planning and budgeting reforms, empirical evidence, however, still indicates that there is no clear linkage between organisational plans and actual budget, which results in the failure of realising the strategic objectives outlined in the development plans of organisations. Ideally, budgets ought to be prepared based on the plans reflecting the priorities of government (Usui and Alisjahbana, 2003).

Since the democratic dispensation in 1994, the South African government introduced reforms on budgeting and strategic planning, guided and governed by frameworks and policies designed to improve synergy between the two, including execution, monitoring, and evaluation of government programmes (Ledger and Meny-Gibert, 2018). These authors argue that, regardless of the available legal prescripts and structures in place, there are regular concerns in the government institutions that plans are disintegrated from the reality of their execution, and especially the budget that is needed to give effect to the plans' implementation (Ledger and Meny-Gibert, 2018).

To deal with this challenge, the Presidency (2009) introduced the Green Paper on Strategic Planning in order to address the non-existence of clear long-term planning, which has destabilised government's capacity. The aim was to provide clear and stable policies and prioritise allocation of resources to drive execution of government commitments. Moreover, the Public Finance Management Act (PFMA) (1999) was introduced to promote sound financial management, such as the proper utilisation of public finances in government institutions. Since 1994 in South Africa, planning and budgeting were located at national level within National Treasury, and at provincial level at the provincial treasuries. The expectation was that there would be alignment of strategic planning and budgeting, as the two functions were coordinated by a single government institution.

As the reforms unfolded, the function of planning was later removed from the National Treasury to the newly established Department of Planning, Monitoring and Evaluation (DPME) in the President's office, in order to improve government planning and coordination in the three spheres of government, that is, national, provincial, and local government. The DPME's role includes, among other things, ensuring integrated

planning between the three spheres of government, and overseeing government performance monitoring and evaluation systems. The National Treasury, however, still retained the function of allocating and managing government's fiscus and the expenditure.

Although Section 40 (1) of the Constitution of the Republic of South Africa stipulates that the three spheres of government (i.e., national, provincial, and local government) are interdependent, distinctive, and interrelated, it however seems that the function of integrated planning and coordination by the DPME presents further challenges. It is worse with the local sphere of government, simply because its financial year starting and ending periods are different from other spheres of government. This poses a challenge to the DPME in terms of ensuring integrated planning and reporting by municipalities. The Presidency (2009) points out that the developed nations struggle to improve coordination, with highly sophisticated public management reforms failing in these nations. It is further argued that coordination challenges constitute a contributing factor to countless service delivery challenges and protests in South Africa, and that these challenges affect the efficiency and effectiveness of the state.

The National Treasury (2010) outlines planning processes in government and describes the strategic plan as long-term focused, usually between 5 to 20 years, whilst budgeting is short-term oriented (i.e., annual and three years' period commonly known as Medium Term Expenditure Framework (MTEF). These differences on the periods in planning and budget impede alignment between strategic plans and the budget in order to attain the development agenda of government.

Furthermore, it has been observed that the conflicting processes of planning and budgeting present a challenge during the mid-term budget review, which normally happens around October each year in South Africa. This is the period when a government's budget is reviewed and adjusted. However, the planning framework, such as the Revised Framework for the Strategic Plan and the Annual Performance Plans, does not make provision for the review of both the annual performance plans and the five-year strategic plans of government institutions during the budget adjustment period. This disjuncture affects the attainment of certain institution's strategic objectives due to budget cuts. When the budget is cut, government institutions such as LEDET are not given the opportunity to reprioritise their

programmes and budget to ensure that planned projects or priorities are aligned to the new budget cut as a result of budget adjustment, which in many instances affects service delivery. This challenge also results in audit queries being raised against the departments by the Auditor-General who assesses the department plans to determine whether or not planned institutional targets are achieved. It is also observed that even at institutional level, there are deficiencies in coordination and communication, which hinder synergy between strategic planning and budgeting.

Ledger and Many-Gibert (2018) argue that South Africa is one of the African countries with a better MTEF, but improvements are required to come up with a robust linkage between development plans and budgets. Similarly, Uganda adopted budget reforms, including the MTEF, which has enabled the country to allocate resources efficiently to implement poverty reduction programmes (Ledger and Many-Gibert, 2018). However, Uganda still experiences weaknesses at sector level planning and delivery.

1.3. Description of research setting

The Limpopo Department of Economic Development, Environment and Tourism (LEDET) was chosen as the case study to evaluate the factors behind the misalignment between strategic planning and budgeting in government. LEDET is located in Polokwane, which is the economic hub of the Limpopo Province. LEDET is one of the 12 government departments in the province. It has offices in the five districts of the province, namely Capricorn, Mopani, Vhembe, Waterberg, and Sekhukhune districts, and approximately 43 state-owned nature reserves. LEDET was established in terms of the Constitution of the Republic of South Africa, is responsible for promoting economic development, ensuring protection and sustainable management of natural resources, as well as promoting tourism growth and development in the Limpopo Province.

In terms of the structure, LEDET has a political head who is a Member of the Executive Council (MEC) deployed by the Premier of the Province to give political direction to the institution. There is also an administrative head in the form of the accounting officer responsible for the administration of the department. The department is comprised of four programmes namely, administration, economic development, environmental affairs and tourism. The four programmes are headed by chief directors for administration and deputy director generals for economic development, environmental

affairs and tourism. The department accounts to various institutions on the implementation of its programmes and expenditure of the budget allocated. Some of the oversight bodies the institution accounts to include the Provincial Legislature, Provincial Treasury, relevant national departments, and Office of the Premier. LEDET is audited by the Auditor-General of South Africa on a yearly basis and who expresses an opinion on its performance.

LEDET is also responsible for three public entities, which serve as the department's implementing agencies, namely, Limpopo Economic Development Agency (LEDA), Limpopo Gambling Board (LGB), and the Limpopo Tourism Agency (LTA). LEDA's mandate is on implementation of programmes to enhance economic growth such as support to small businesses, mining, transport, housing loans, among other things. The LGB exists to regulate gambling activities in Limpopo Province while the LTA promotes tourism. The Department provides policy direction and monitors the implementation of the mentioned programmes. Given the vast mandates of the Department, it is important to ensure alignment of departmental plans and the budget to deliver effectively on its core constitutional and other legal mandates. However, it has been observed with concern that often planning and budgeting are disconnected from each other because there seems to be insufficient integration.

1.4. Problem statement

Rakabe (2013) argues that despite the reforms on strategic planning and budgeting, synchronised planning, and performance-based budgeting remain serious challenges in the public sector. This means aligning planning and budgeting to achieving intended outcomes is a problem faced not only by South Africa, but by other world governments. The author asserts that aligning planning and budgeting is not seen as an easy task to perform. Okpala (2014) also attests to the fact that the failure to align policy, planning and budgeting has the potential to destruct a government system. According to this author, this might be the contributing factor to poor budgeting and implementation of strategic plans in developing countries.

In similar vein, Ledger and Meny-Gibert (2018) assert that a substantial amount of the budget allocations among the three spheres of government are not made to ensure alignment between the budget and planning priorities. According to these authors, the

allocation is based on the constitutional rights of each sphere of government to obtain an equitable share of the national revenue.

In a study commissioned by the DPME, it is revealed that the lack of integration often results in budgeting leading planning rather than plans informing the budget (DPME, 2018). This simply implies that there is no interface or rather alignment between the two functions. The DPME further states that the problem of misalignment between planning and budgeting is exacerbated by functions such as strategic planning, budgeting, reporting, monitoring, and evaluation being performed by different divisions within public organisations that are separate from one another. This is, of course, a case within the Department of Economic Development, Environment, and Tourism. Evidence suggests that there is a different unit responsible for strategic planning and another unit responsible for budgeting. Ajam (2008) concurs that there are different teams, one responsible for planning, and another for budgeting, which operate in isolation from each other, without any formal coordination and consultation measures in place. As a consequence, plans are not always connected to the budget allocations. There is therefore a misalignment between strategic planning and budgeting within LEDET.

Similarly, Siswana (2007) argues that some government departments still struggle to integrate strategic planning and budgeting. The poor linkage often results in either overspending, or under-spending, as well as unauthorised expenditure of the budget. As noted by Siswana (2007), a study by the Public Service Commission (PSC) also confirmed misalignment between planning, budgeting, and reporting in the South African public service. This study emphasises that alignment among strategic planning, budgeting, execution, and performance monitoring and evaluation are crucial to ensure the delivery of quality services to communities.

Although the DPME was established to oversee planning, monitoring, and evaluation in government in collaboration with the National Treasury so as to ensure the linkage between planning and budgeting, there are still deficiencies hindering the alignment. Ajam (2008) points out that, despite the establishment of institutions, systems, and processes for planning and budgeting, strategic plans are often disconnected from the budgets. In addition, the plans are not clear about the decisions to be made in a situation of limited financial resources, and how these decisions can be made in a

coordinated and integrated fashion across the public sector (Ledger and Meny-Gibert, 2018).

As noted earlier, the *Green Paper on National Strategic Planning* acknowledges that governments are vastly complicated organisations governed by a system of bureaucracy (Presidency, 2009). For this reason, collaboration among other institutions, people, markets and the global communities increases the complexity to an even greater extent. To address these problems, strategic planning and budgeting systems were introduced by government to manage and integrate its effort to effectively and efficiently improve service delivery. However, despite the state's efforts to improve its systems, weaknesses that hinder the effectiveness of some systems including the alignment of planning and budgeting continue to be identified.

The National Treasury (2017) concludes that the linkage between the planning and budgeting frameworks remain generally frail, as the results have rarely produced the outcomes and impact expected by the country. According to the National Treasury (2017), planning, costing, monitoring, and reporting frameworks normally focus on inputs, activities, and outputs, rather than results and the impact. The National Treasury further argues that if the results and impact are to be pursued, different methods need to be considered to achieve that.

1.5. Purpose statement

- The purpose of this research was to assess factors contributing to the misalignment between strategic planning and budgeting in LEDET.
- To identify challenges that misalignment present to LEDET in the execution of government programmes.

1.6. Principle objective

To examine the extent to which misalignment between strategic planning and budgeting present a challenge to LEDET in the execution of government programmes.

1.7. Research sub-objectives

- To establish the factors contributing to the misalignment between planning and budgeting in LEDET.

- To determine whether these factors are internal or external to the Department.
- To investigate the challenges brought about as a result of misalignment between planning and budgeting in the implementation of the Department's programmes.
- To identify policy inconsistencies pertaining to planning and budgeting in government.
- To generate policy proposals on how to improve the alignment between planning and budgeting.

1.8. Main research question

To what extent does the misalignment between strategic planning and budgeting present a challenge to LEDET in the execution of government programmes?

1.9. Research sub-questions

- What are the factors contributing to the non-alignment between planning and budgeting?
- Are these factors internal or external to LEDET?
- How do challenges that emerge as a result of the misalignment between planning and budgeting affect the execution of government programmes?
- What policy gaps hinder the alignment between planning and budgeting?
- What policy proposals can contribute towards enhancing the alignment between planning and budgeting?

1.10. Significance of the study

It is imperative for strategic planning and budgeting systems in government or any other organisation to be well aligned in order to meet its intended goals. Given that there is inadequate literature on the subject of non-alignment between government strategic planning and budgeting, it is also not expanded to investigate the challenges brought by the misalignment in the implementation of government programmes. For example, Mokgope (2015) investigated the strategic planning and budgeting

alignment at the Social Security Agency in South Africa (SASSA) with the objective of identifying a potential misalignment. Mokgope's findings indicate that SASSA does not have a proper model to execute strategic planning and budgeting allocation and the process is not consultative. Other literature looked at the complexity of budget reforms and performance management (see Olivier, 2016). There has been no study undertaken that focuses on the factors contributing to misalignment between planning and budgeting including the challenges that it presents in the execution of government programmes. This study is based on the premise that there is misalignment. Mokgope's research concentrated on investigating a potential misalignment between strategic planning and budgeting while this study investigates the factors contributing to the misalignment. For this reason, this is the research gap that this study intended to fill, so as to contribute towards knowledge creation building on the existing literature.

Moreover, this study contributes towards generating appropriate measures for relevant authorities in LEDET to consider in order to improve and strengthen the alignment between planning and budgeting systems for effective and efficient delivery on the priorities of government. If these measures are implemented, surely, there would be a positive impact on the lives of the citizenry.

1.11. Conclusion

The chapter has introduced the study by providing a detailed background, outlining and clearly defining the research problem investigated and the intended research objectives. The chapter explained that the problem of misalignment between strategic planning and budget in LEDET cut across all government institutions not only in South Africa but other government institutions elsewhere. The next chapter presents the theoretical framework adopted that guided the development of this research.

1.12. Research structure

Chapter One presents the research problem definition and discussion. Chapter Two deals with the literature review on the phenomenon under investigation. This chapter encompasses the theoretical framework adopted that guided the development of this research. Chapter Three outlines the research methodology underpinning this research project, while Chapter Four presents the research findings and Chapter Five

provides analysis and interpretation of the findings. Lastly, Chapter Six concludes this research journey and makes recommendations to improve alignment between strategic planning and budget in government with reference to the Department of Economic Development, Environment and Tourism in the Limpopo Province.

CHAPTER 2: LITERATURE REVIEW

2.1. Introduction

The purpose of this chapter is to analyse the existing literature on the misalignment between strategic planning and budgeting from international, regional, and local contexts to guide the research project. The literature was obtained from various sources such as journal articles, as well as publications from both the public and private sector.

It is evident from the literature that there is no consensus among scholars pertaining to the definition of misalignment between strategic planning and budgeting, and that this requires clarification. However, the importance of alignment has been stressed, as central for governments to plan and allocate the required resources to improve institutional efficiency through delivery on commitments made to the citizens.

The literature focuses on strategic planning as an essential tool for programme budgeting, the importance of performance information in guiding planning and budgeting. The chapter also discusses African countries' practice relating to the concepts of planning and budgeting. Pre and post-democracy planning and budgeting systems in South Africa are outlined. Furthermore, the concepts of strategic planning and budgeting are defined, and the relevant processes guiding the two are explained. Importantly the chapter also discusses organisational alignment theory as a theoretical framework which underpinned the study.

2.2. Strategic planning as an essential precondition for effective programme budgeting: Georgia

Le Houerou and Taliercio (2002) posit that failure to link policy objectives, strategic planning, and budgeting, which leads to the disintegration of a system, could be the main issue contributing to poor budgeting results at the macro, strategic, and operational stages within emerging nations. They also allude to the fact that when policy making, planning, and budgeting happen in isolation of the other, annual budget spending is made on an ad hoc basis, because even small optional allocations are not anticipated (World Bank, 1998 cited in Okpala, 2014).

The newly elected governor of Georgia, Sonny Perdue, introduced Prioritized Program Planning and Budgeting (PPPB) as a budgetary reform in 2003, currently renamed Prioritized Program Budgeting (PPB) (Bourdeaux, 2007). The author further elaborates that this reform transitioned the country from budgeting by line item to by programme, and mandated agencies to prioritise programmes to develop strategic plans and performance measures.

Oboladze (2016) argues that strategic planning plays a crucial role as that tool which encourages rational public policies, the justification for budgetary programmes, and it supports the key policies to be funded. The author asserts that strategic planning can also be useful in providing efficient control of public finances in respect of a performance-based programme budgeting system, and Georgia adopted the system because of its effectiveness, however, there is a need for greater improvement. Performance-based budgeting method advocates that the allocation of budgets ought to be aligned to the results envisaged by an institution in achieving its objectives and goals (Oboladze, 2016). Performance-based budgeting also promotes transparency, accountability and effectiveness in managing public finances and realising the intended results.

Certain challenges were identified, such as an unclear link between strategic planning, budgeting and policy framework, the arrangement in place, and whether is there a relationship between these three elements (Oboladze, 2016).

According to Bourdeaux (2007), various reforms have failed to realise the intended purpose, because they do not acknowledge and consider the usual organisational tension between the legislative and the executive. The transition to programme budgeting in Georgia has become a battle between the legislature that wants to exercise power over the programme structure as an extension of its capacity to communicate legislative intention; and the executive and agencies that have to struggle with the technical and managerial difficulties linked with defining programme structures (Bourdeaux, 2007).

2.3. Performance information informing planning and budgeting in OECD countries

National Treasury (2007) defines performance information as the data that illustrate how well an organisation is achieving the intended goals and objectives, including the effectiveness of the established processes and policies. Performance information is fundamental to sound management of planning, budgeting, execution, monitoring and reporting (National Treasury, 2007). Performance information shows what is working and not working in an institution, which helps the management to apply corrective measures where the set objectives are not being accomplished.

Since the initiation of performance information in budgeting processes over 15 years, countries within the Organisation for Economic Co-operation and Development (OECD) have encountered challenges with its implementation (Curristine, Lonti and Joumard, 2007). The countries struggle to integrate performance information in decision-making relating to budgeting and planning. Curristine et al. (2007) point out that the OECD introduced performance budgeting as a type of budgeting that requires funds allocation to measurable outcomes. Performance budgeting is defined as a management tool to guide implementation of government policies and for controlling spending (Mukdad, 2013). The author asserts that the focus is more on the performance of the organisation rather than on things that government purchases. The OECD (2018) suggests that performance budgeting provides an opportunity to support the links between policy priorities of government and decisions on budget allocation, thereby enhancing the prospects of government to successfully deliver on its constitutional requirements.

Performance budgeting offers a range of possible benefits that are of interest to various stakeholders. For instance, performance budgeting provides an opportunity to strengthen the alignment between decisions on budget allocation and policy priorities of government, thereby increasing the possibility of government to deliver on key initiatives (OECD, 2018). For parliaments, performance budgeting provides greater clarity on the purposes of expenditure incurred and what goods and services are to be delivered in return for the budget they have voted on, as well as a way to hold officials accountable for the accomplishment of the organisational goals. Performance budgeting assists parliament to assess how the allocated budget was utilised, whether

there was value for money and if this has contributed towards improved performance of an institution. It enforces accountability by those responsible for an institution's finances and performance.

According to the OECD (2018), a performance budgeting system was initiated mainly to strengthen alignment between the state policy priorities and the budget, however, in practice, strategic planning and budgeting happen in parallel, whereby strategic plans are formulated without considering limited resources, and budgets are decided without aligning to strategic policy goals. Performance budgeting also supports programme managers to perform their duties as it enables them to track performance including the expenditures incurred, and it also fosters better accountability and transparency (OECD, 2018). According to Mukdad (2013), there are pitfalls linked to performance budgeting which include: possible inflation of the expenditure when operating the system; sometimes it does not state the people's demands; and it is difficult to measure performance. It also requires active participation at different levels which might be challenging to get such participation and does not consider alternatives to achieve a particular task.

Curristine et al. (2007) argue that over forty-six percent (46 %) of OECD countries fail to link expenditures to targets, due to the absence of a systematic government-wide approach promoting the importance of linking planning and budgeting. In certain countries, planning is completely disconnected from budgeting, because strategic and annual performance plans are approved by the president and ministry of planning without assessing that linkage.

2.4. Strategic planning and budgeting in Africa

Many African countries are faced with a major problem of improving credibility of the budget by lessening the gap between planned and actual expenditure. Kenya, for example, has implemented budget reforms from incremental, annual budgets to a medium term expenditure framework (MTEF) so as to improve budgeting and meet its development objectives (Mburu, 2013). Despite these changes, the budgetary system in Kenya continues to be compounded by challenges such as the difference between actual and budgeted expenses, insufficient monitoring of expenditures, weak

accountability, inadequate financial controls, and poor compliance to budget projections (Mburu, 2013).

Since Nigeria gained independence in 1960, it prioritised development in the country, where the level thereof differentiates between developed and developing states (Adebayo, 1983, cited in Ojo, 2012). However, there are still development challenges faced by the country, such as poverty, unemployment, and inequality, among others. Ojo and Adebayo (2012) report on empirical evidence that shows that after years of planning and budgeting, implementation is still a challenge. The authors argue that Nigeria's economy is now worse than it was fifty years ago, due to lack of integration between strategic planning and budgeting.

In Zimbabwe, development planning processes have been unsuccessful in achieving the set goals, since planning is subordinate to the financial part of decentralisation and other development goals (Hadingham, 2003). The author argues that a slightly longer period on the budgeting horizon would allow bigger, more beneficial projects to be executed in an effective manner, as well as allowing a strategic view to be taken.

Chigwata and Marumahoko (2017) comment that often, there is a disconnect between objectives in the development plans and priorities in the budgets. The authors emphasise that in order for planning and budgeting process to be effective in coordinating state activities in Zimbabwe, a close link between planning and budgeting is crucial within the spheres of government, and it is the only way to assure the successful execution of development plans.

Swaziland adopted its National Development Strategy in 1999, which outlines the country's long-term vision for economic development, and to operationalise its execution, the Government also developed and adopted the Poverty Reduction Strategy and Action Plan (PRSAP) in 2006 (Muwanga, 2012). Government introduced organisational reforms based on a sector-wide approach to facilitate the execution of the PRSAP. Muwanga (2012) points out that Sector Working Groups (SWGs), which are crucial structures in different sectors, provide the platform for policy discussions and coordination within and between the government and other relevant stakeholders.

Swaziland's budget planning framework, which is based on an annual cycle, is restricting the government's capacity to implement its policy obligations over the medium-term period. Currently, budget provisions are prepared for one year, even

though the budget book reflects figures over a three-year period, and budget figures beyond the first year are not subjected to detailed planning in the context of a multi-year budget framework (Muwanga, 2012). However, there are plans to introduce a medium-term planning framework over the next three years to ensure alignment of budgets with development plans.

It is evident from the above discussion, that many African countries struggle with aligning planning and budgeting in government, which in turn, poses a challenge to the implementation of development plans seeking to address the scourge of poverty, unemployment, and equality. However, efforts are being made to improve the situation through various ways including the introduction of certain policies.

2.5. Planning and budgeting pre-1994 in South Africa

Coetzee (2012) argues that during the apartheid era in the late twentieth century, planning in South Africa was autocratic, which advanced segregation and fragmented development, in line with apartheid government policies. This autocratic planning system promoted racial discrimination, land-use, and socio-economic exclusion of Africans, with poor housing far from their place of employment (Coetzee, 2012). There was no integrated planning for urban and rural development, as the planning approach concentrated on certain areas, and excluded others. Prior to the democratic dispensation in 1994, planning and budgeting were fragmented. There was poor planning, as well as less integration between strategic planning and budgeting. Hence, there was a lack of service delivery, especially in areas designated for Africans.

South Africa was isolated from the rest of the world politically, economically, diplomatically, and culturally. The Presidency (2014) points out that diplomatically, the country was excluded from nearly all multilateral organisations, while economically, it was isolated for longer than a decade, through imposed sanctions and a lack of investment, with around 90 percent of the country's goods' exports exposed to restrictions on trade. The economy was performing poorly, resulting in slow economic growth, where the state was facing considerable debt, and was on a high budget shortfall, foreign exchange reserves were low, and there was no foreign investment (The Presidency, 2014).

The financial management system was centralised, and “rule-bound” with accounting officers playing a passive role in the control of public finances (Parliament of South Africa, 2011). The system concentrated on inputs instead of outputs and outcomes. There was no value for money, transparency, and accountability.

Pearson, Pillay, and Ledger (2015) assert that the apartheid budget process was disintegrated, because it was based on annual planning for (incremental increases) inputs, such as wages and procurement of goods and services, and not for outputs (which are the delivery of goods and services by government); there were secret expenditure categories (such as illegal sanctions-busting acquisitions); and the whole system weakened effective performance management.

A systematic analysis of the efficiency and effectiveness of expenditure or linking allocations directly to policy was not undertaken. The annual budgeting system did not promote transparency, with secret expenditure and insufficient tools to draw good data to inform a rigorous budget process that fostered accountability (Fölscher and Cole, 2006). Overspending, and wasteful and fruitless expenditures were incurred at the time, and even in the new regime, the government still faces these problems, despite better systems to prevent such irregular spending.

2.6. Planning and budgeting post-1994 in South Africa

The transition to a democratic state presented many challenges in government planning and management of public finances in South Africa. The new administration did not commence on a good foundation, both in terms of strategic planning and budgeting (Fölscher and Cole, 2006). Planning was skewed towards a privileged minority, while the majority of the population remained marginalised socially, economically, and politically, as apartheid had intended. Fölscher and Cole (2006) state that the democratic government inherited an annual budgeting system with insufficient mechanisms to stabilise fiscal balances and control the necessary policy changes. This system was vastly fragmented, not linking policy, budgeting, and implementation.

The apartheid regime created a fragmented and oppressive development system that segregated certain groups of the population. The dawn of democracy and the

transformation process which started in South Africa effectively in 1994, resulted not only in a new dispensation, but the government has made substantial progress in developing a suitable, developmental, integrated, strategic and sustainable development planning system according to the global planning principles (Coetzee, 2012). Strategic planning and budgeting in South Africa have evolved since the new dispensation to address the fragmentation that existed before 1994. Legislation, policies, and structures were introduced to support planning and budgeting in order to achieve the developmental state that is envisaged.

The government commenced with the process of institutionalising national planning, with the aim of creating an efficient and integrated planning system (DPME, n.d.)[1]. The DPME further alludes that there were flaws identified in government planning following the democratic era, which included the lack of links between plans and budgets; lack of prioritisation in state action; no clarity on the powers and responsibilities of the Department of Planning, Monitoring, and Evaluation (DPME) as the Department tasked with managing planning; and poor coordination between plans and programmes of the three spheres of government.

The evolution of democracy also resulted in the formulation of a new budget management system that reformed the governance of public finances through policies aimed at realising social and economic stability in the long term (Parliament of South Africa, 2011). Ajam (2008) posits that the decentralisation of the financial system as provided by the Constitution of the Republic of South Africa, (1996) made it essential to link planning and budgeting across the three spheres of government.

The Financial and Fiscal Commission (2013) explains that focus was placed on integrating budgets and results started in the country as part of comprehensive public sector reforms, which mandated the national, provincial, and local spheres of government to present the annual budgets simultaneously, with strategic and annual performance plans at parliament for scrutiny and endorsement. State reforms emphasise the integration of strategic planning and budgeting activities, however,

[1] See https://www.dpme.gov.za/keyfocusareas/gwmeSite

despite the reforms, better coordinated planning and performance-based budgeting is still lacking (Rakabe, 2013).

2.7. Relevant legislation supporting planning and budgeting in Government

The Constitution of the Republic of South Africa, Act 108 of 1996, regarded as the supreme law of the country, requires the state to provide basic services to citizens as outlined in Chapter 2 of the Bill of Rights, and to ensure maximum performance of institutions within the allocated budgets. The rights include: the right to life; healthcare; food; water; human dignity; education; housing; and social security. Section 27(2) of the Constitution mandates the government to undertake rational legislative and other measures within the available resources to meet the basic rights (Republic of South Africa, 1996). Further, Section 215 (1) of the Constitution states that the budgets and budgetary processes of the national, provincial and local spheres of government "must promote transparency, accountability and effective financial management of the economy, debt and the public sector" (Republic of South Africa, 1996).

The Public Finance Management Act enacted in 1999 provided a structure for the integration of planning and budgeting at government institutions, and the adoption of the Medium-Term Expenditure Framework (MTEF) in 1998 made the integration a requirement (Ajam, 2008). The MTEF also promotes the allocation of financial resources, according to the priorities of government, while the PFMA promotes accountability and transparency when using public resources (Parliament of South Africa, 2011).

Chapter Four of the Public Finance Management Act (1999) links the budget and expenditure mandate, by assigning the accounting officer of departments the responsibility to submit the annual budget to Parliament or provincial legislature together with predetermined objectives (Republic of South Africa, 1999). Chapter Five outlines the duties of accounting officers, which include budgetary control and reporting, as well as the transfer of assets and liabilities (Republic of South Africa, 1999).

Chapter 5, paragraph 5.1.1 of the Treasury Regulations of 2001 requires accounting officers of government institutions to develop a strategic plan for the Medium-Term Expenditure Framework (MTEF) period covering the mandate, deliverables, and targets of the organisation (National Treasury, 2001). The strategic plan must be in line with published medium-term expenditure estimates. However, there are inconsistencies identified between Treasury Regulations and the planning framework specifically on the period for the strategic plan. In terms of the Regulations, strategic plan covers three years, whilst the planning framework encompasses five years.

The national planning framework has evolved considerably in the South African government since its inception in 2001. During 2007, the Government-wide Monitoring and Evaluation System (GWMES) was introduced, placing focus on a results-based approach that is also entailed in the National Outcomes Approach (2010) (DMPE, 2007 & 2010). The revised planning framework of 2019 emphasises the alignment between planning, budgeting, reporting, monitoring, and evaluation processes (DPME, 2019).

Both planning and budgeting functions were located within National Treasury. In 2007, Treasury published the Framework for Managing Programme Performance Information (FMPPI), providing a basis for developing performance measurements. However, the planning function was relocated to the Department of Planning, Monitoring, and Evaluation (DPME) in 2014 as a recommendation by the National Planning Commission that was established by former President Zuma in 2010 to focus on government long-term planning. The DPME is also responsible for monitoring and evaluation in government, which was neglected for a while. The commission was mandated to develop the National Development Plan (NDP): 2030 vision of government, with the main objectives of eradicating poverty, unemployment, and inequality (Republic of South Africa: 2012).

Olivier (2016) points out that the National Development Plan (NDP) as adopted in 2012 became the blueprint to be considered in the strategic planning and budgeting processes since government institutions are required to link their plans with the NDP. The NDP is implemented through the Medium-Term Strategic Framework (MTSF) which is regarded as government's five-year strategic plan linked to the electoral cycle of government.

The DPME (2018) describes government strategic planning as differing from the private sector, since government exists to render basic services to citizens, as enshrined in the constitution of the country. Meanwhile, the private sector mainly wants to maximise profit and gain a competitive advantage from other companies. Government planning conforms to prescribed legislation and policies.

A Medium-Term Strategic Framework (MTSF) was introduced by the DPME in 2014 as an implementation plan of the NDP linked to the five-year electoral cycle and manifesto of the ruling party. On the other hand, a Medium-Term Expenditure Framework (MTEF) was adopted, which enables budgeting within a three-year cycle. In 2010, when the National Treasury was still responsible for the government planning function, it came up with the Framework for Strategic and Annual Performance Plans (FSAPPs) to standardise, align and inform departmental strategic and annual performance planning (DPME, 2018). The FSAPPs was evaluated by an independent service provider appointed by DPME in 2016/17 to assess its usefulness in guiding government planning and it was revised to incorporate the recommendations including integrating the monitoring and evaluation aspects in the framework.

Although the FSAPPs summarises the envisioned linkage between departmental plans and budgets, in reality there is a disconnect between planning and budgeting. The strategic plan takes a medium-term view of five years, while the budgets extend across three years, in alignment with the budget programme structure. The structure provides a linkage between the Department's objectives and its budget to meet its service delivery mandate. Although budgeting processes have a yearly adjustment period around October, planning does not make provision for revision of the plans, which affects performance in instances where budgets are reduced or reprioritised. Usually, both planning and budgeting are performed separately, with different timelines, which affect proper integration.

2.8. The concept of strategic planning

Strategic planning began in the public sector in the late 1950s and early 1960s at the US Department of Defence. The Department was looking for useful methods to plan for its long-term desires, whilst also saving costs. The Planning-Programming-Budgeting-System (PPBS) was introduced, resulting in several varying strategic planning and budgeting systems (Young, 2003). The other strategic planning

approaches introduced to date include the Management by Objectives in 1970, Zero-Based Budgeting in 1977, and the Government Performance Act in 1993 (Young, 2003).

Zen (2013) argues that planning that leads budgeting is a logical consequence for an effective expenditure. The objectives and outcomes are decided before identifying and assigning the resources to attain them. An accurate sequence of planning-programming-budgeting and a solid link between the plan and budget would result in better execution of the goals (Zen, 2013). The author asserts that, in all nations, the existing institutional arrangements for planning and budgeting are immaterial, but that it is crucial that an effective mechanism for aligning the budget process and the planning process be developed.

Maleka (2014) describes strategic planning as a management process used to set the priorities of an organisation, allocate resources, improve operations, and ensure employees and other stakeholders support and work towards achieving the shared vision and goals. Young (2003), meanwhile, defines this as a formal process undertaken by an organisation to establish its current status and where it intends to be in the future, including developing a long-term strategy to guide its actions.

On the other hand, government strategic planning is defined as a process of formulating a long-term plan with a clear vision, mission, goals, and objectives to guide the actions of government (DPME, 2018). Public sector planning is regarded as a fundamental tool for translating government policies, strategic goals, and objectives into daily management activities (Tsofa, Molyneux and Goodman, 2016). The authors define two different forms of planning in the government sector: firstly, as a policy making process of long-term sector strategic vision; secondly, as a daily management tool for operationalising policies through short-term, i.e., annual and operational plans. However, developing nations struggle from persistent misalignment between policy, planning, and budgeting (Tsofa et al., 2016).

The DPME (2018) argues that if strategic planning is done properly, it will possibly strengthen accountability and coordination, and establish a basis for realising institutional vision including constantly learning and improving planning. A strategic

and long-term focused approach is necessary in South Africa considering the developmental challenges that exist. Such an approach ought to inform the allocation of resources to progressively address the historical inequities, and operational plans have to be formulated within the situation of scarce resources, guided by the State's long term plans and priorities (National Treasury, 2010). Planning and budgeting must be intertwined because one cannot exist without the other.

The public sector planning and budgeting are highly regulated by policies and frameworks to be adhered to by government institutions (Nkomo, 2009). It encourages greater participation by relevant stakeholders for their input into the processes, and enforces accountability through various mechanisms, as well as the oversight bodies which include both Parliament and the general public. On the other side, private sector planning and budgeting seem to be flexible and not rigid. Nkomo (2009) postulates that private sector plans can be changed at any time to accommodate new developments in the environment within which they operate. According to the author, these include revising the price of goods and services, and introducing new products to increase the market share. It is the nature of business that compels such changes for the sector to be relevant and profitable.

Paterson (2009) asserts that the decision of the African National Congress for government to become a developmental state and the establishment of the National Planning Commission in 2009 evidently point to the significance of strategic planning in government. The author further argues that developmental challenges, such as poverty, unemployment, and inequality faced by developing countries, has prompted countries to adopt the approach of becoming developmental states.

2.8.1. The steps of strategic planning

Young (2003, p. 4) defines the following steps for strategic planning:

a) analysis of both the external and internal organisational environment using applicable techniques such as SWOT to analyse the strengthens, weaknesses, opportunities, and threats and PESTEL (Political, Economic, Social, Technological and Legal factors). This includes stakeholder analysis to

determine relevant individuals, groups, or institutions whose interests and concerns are of significance to the general strategic process;

b) formulation of a future vision and associated mission statement which describes the key purpose of an organisation and its principles;
c) the formulation of the goals, objectives, explicit targets, and performance measurements to measure an institution's progress;
d) identification of the possible risks which could hinder the Department from achieving its goals and mitigation measures thereof;
e) a set of strategies to specify the actions of the organisation to ultimately achieve its outcomes;
f) the execution of detailed annual performance and operational plans that outline the staff duties and schedules; and lastly,
g) the monitoring and evaluation during implementation to track progress and adjust the broad strategic approach as it progresses to maintain its relevance.

Links to Planning Frameworks and Other Plans

The public sector planning process considers numerous government policies and long-term plans to guide its planning as depicted in **Figure 2.1** diagram below. The National Development Plan: Vision 2030 is implemented through a five-year Medium-Term Strategic Framework, which is regarded as the strategic plan of government aligned to the electoral cycle. Respective sectors of government develop sectoral strategies and plans to guide their actions in achieving their mandate. Clusters of government also develop the programme of action and monitor implementation. Each province develops a Provincial Growth and Development Strategy, with specific five-year targets. On a yearly basis, the President makes pronouncements on the policy direction of government through the State of the Nation Address (SONA), and similarly, the premiers of various provinces present state of the province addresses outlining the plans of a province for a particular year. Finally, municipalities develop integrated development plans to address communities' needs.

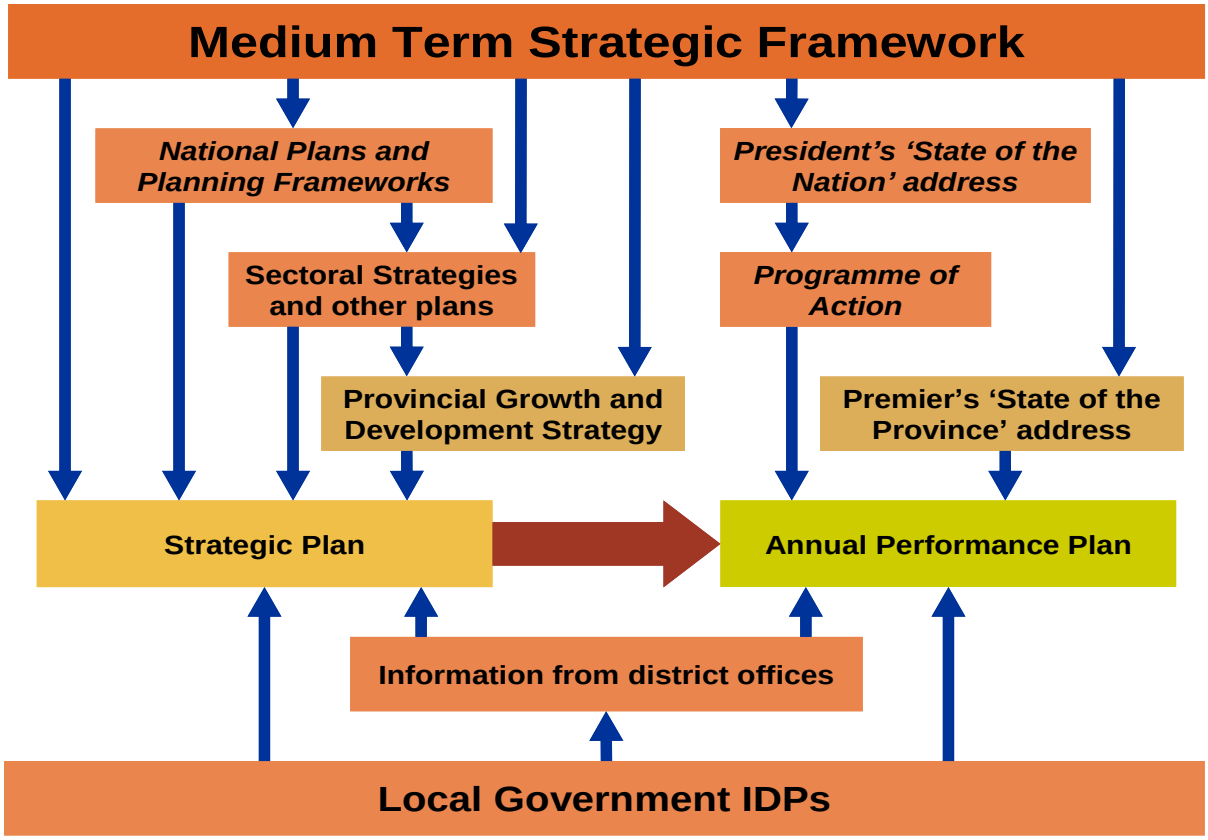


Figure 2.1. Medium-term strategic framework

Source: National Treasury (2010)

The National Treasury framework on strategic plans and annual performances plans of 2010 and the revised version of 2019, prescribes to government institutions the guidelines for developing a five-year strategic plan, and an annual performance plan, which are aligned to the priorities of government and allocate budget to achieve the set objectives. Departments engage in a strategic planning process by developing strategic plans every five years aligned to the electoral cycle of the state, and plan outlines for the policy priorities, vision, mission, and outcomes. The planning process involves the scanning of the environment within which the Department operates to understand the internal and external factors that might affect the realisation of the set vision and mission (Siswana, 2007). Siswana (2007) further states that in executing the strategic plan, the allocation of funds ought to be assessed and aligned according to departmental activities.

On an annual basis, a performance plan is developed with specific performance indicators and targets, towards the realisation of commitments made in the five-year strategic plan. Lastly, an operational plan is developed. According to Tsofa, Molyneux

and Goodman (2016), operational planning is regarded as a fundamental instrument for translating state policies and outcomes into daily management actions.

The challenges confronted by the Limpopo provincial government of linking strategic plans and budgets include the effecting of budget cuts, where APP is approved and submitted before the budget is finalised and tabled at the legislature (Diedericks, 2017). The author suggests that there are times where the budget allocation is reduced or cut after the submission of APP impacting negatively on the targets set out in the APP, implying they might not be attained. Setting of targets is not based on activity-based costing methods, where activities to support the attainment of the targets in the APP are costed (Diedericks, 2017). Similarly, Mokgoro (2010) identified various factors in LEDET that bring about misalignment between plans and budget, which include the culture of working in silos within the Department and its parastatals, lack of strategic leadership, where planning is done for compliance, and an inefficient budget allocation process.

2.8.2. Models of strategic planning and budgeting

2.8.2.1. Management by Objectives (MBO)

MBO has been followed for decades in both the public and private sector, advocating for the setting of goals, participation in decision-making and feedback on progress (Gotteiner, 2016). Olivier (2016) defines management by objectives as a process of outlining the objectives of an institution, which are agreed upon by the management and employees with the aim of improving the organisational performance. MBO is one of the reforms introduced by government both in planning and budgeting. In budgeting, MBO is implemented through the MTEF which is regarded as a significant reform in the government budgeting process (Pauw, Woods, Van de Linde, Fourie & Visser cited in Olivier, 2016).

MBO was previously applied in government planning through the crafting of goals, strategic objectives and outputs linked to the mandate of an institution. Transition in government planning necessitated the need for institutions to switch their focus from

measuring merely outputs to outcomes, and impact of programmes and projects that are implemented, where a theory of change was introduced.

2.8.2.2. Theory of Change

The theory of change is defined by Vogel (2012) (cited in National School of Government, 2019) as an explanation of a series of events anticipated to drive the intended results. The National Evaluation Policy Framework (NEPF) (cited in National School of Government, 2019) refers to the theory of change as an instrument that defines the process of intended change from the assumption to planned outputs, outcomes, and impact to be realised. The South African government's planning is underpinned by the theory of change, which guides and describes the planned outputs and ultimately their impact. The government has transformed its planning from measuring inputs and outputs to focus on outcomes and impact to improve the lives of the citizens.

2.8.2.3. Systems Theory of Management

The concept of management in organisations is evolving, and new developments and ways of managing the institutions are being developed. Olum (2004) opined that management theory provides the basis for management practices of planning, organising, staffing, leading, and controlling. Olum (2004) outlines current improvements in management theory comprising of the systems, situational or contingency, chaos and team-building theories. Systems theory is applied in the administration of modern-day organisations focusing on the relationship between interrelated segments in order to accomplish the objectives of an institution (Chikere and Nwoka, 2015).

Systems theory originated in the 1960s in physical and natural sciences and was introduced by a biologist named Ludwig Von Bertalanffy. Similarly, Barnard and Parker Follet also contributed towards the development of the concept (Mullins, 2011 and Lawal, 2012, cited in Olarewaju and George, 2014). Olarewaju and George (2014) maintain that a system within an organisation ordinarily has sub-systems, which are dependent and interconnected, such as manufacturing, promotion, finance,

transactions, financial accounts, and operations. Von Bertalanffy (1968) (cited in Chikere and Nwoka, 2015) posits that the term system involves a set of components that are connected.

Strategic planning and budgeting are the systems used in any institution to realise its mandate. In government, the two systems are crucial in ensuring the delivery of services as one cannot exist without the other, while strategic planning and budgeting are interdependent. Olarewaju and George (2014) meanwhile, point out that the efficiency and effectiveness of an institution is reliant on its systems, rather than on various individuals' characters, and managers are aware that the prosperity and failure of an organisation is as a result of the developed system.

2.9. The concept of a budget and budgeting

Raghunandan, Ramgulam and Raghunandan-Mohammed (2012) describe a budget as the part of management control intended to promote the efficient utilisation of resources by providing support to critical functions of an organisation. Raghunandan et al. (2012) state that the budgeting process provides a structure for executing the main strategic decisions and ensures that scarce funds are allocated efficiently and effectively in order to achieve specific objectives and targets. As such, Raghunandan et al. (2012) argue that public sector budgeting involves more inputs than it does outputs, where instead, the budget unit must link the spending priorities in the budget to the performance of the entire programme, rather than assessing each in isolation; and that the budgeting process ought to promote better coordination, collaboration and communication between the different sections in an institution.

A budget is an important aspect that determines whether an organisation will achieve its goals, therefore the budget management process is inseparable from performance management, and attention must not only be on spending control but again on the attainment of goals (Olivier, 2016). OECD (2014) defines a budget as a central policy plan, reflecting how an organisation will prioritise and attain its yearly and multi-year objectives, while budgeting is a process that comprises all spheres of government where different mandates and levels of independence apply in different nations. The

budget outlines the financial decisions made by government to realise its developmental objectives and it articulate how money will be spent and revenue collected to finance the spending (Parliament of South Africa, 2011).

Developing countries adopted the medium-term expenditure framework from the mid- to late-1990s in order to create a link between policy, planning and budgeting (Le Houerou and Taliercion, 2002). Nevertheless, developing nations still encounter persistent disintegration between policy, plans, and budgets. Le Houerou and Taliercion (2002) state that the World Bank participated in the decision to approve and implement an MTEF, which was as a result of a public expenditure assessment. The Asian Development Bank (1999) and the International Monetary Fund (1999) also advocated for MTEF, although with some reservations (Le Houerou and Taliercion, 2002).

Oxford Policy Management (2000) points out that the experience of budget reform within OECD and developing states propose that MTEFs can assist in enhancing budgeting processes and outcomes through well-defined policy goals, forecasts in budget allocations, inclusive coverage, and transparency in using public resources. In addition, Oxford Policy Management (2000) explains that the MTEF is not an absolute solution, but an effective MTEF must be analytic and robust since improving budget results necessitates focus on where the real challenge lies. National Treasury (1999) postulate that the MTEF provides the South African government with an instrument to control the tension between competing policy priorities and the realities of budget constraints. This assists government to reprioritise spending and make informed policy decisions that are affordable within the medium term period (National Treasury, 1999). The South African government has made strides in ensuring the MTEF contributes towards improving budgeting in ensuring a link between plans and budget despite the concerning economic situation faced by the country of low economic growth and limited finances.

Although an MTEF has the potential of improving government budgeting over a three-year cycle and planning through linking budget to policy imperatives, however, there are weaknesses that have been identified. An assessment of the MTEF conducted by Le Houerou and Taliercion (2002) revealed that the MTEF in its relatively short few

years of existence made no impact on Public Expenditure Management (PEM) in the African region. Le Houerou and Taliercion (2002) argue that MTEF on its own would not deliver an improved PEM in nations where other key elements of budget control remain weak. There is a need for a holistic approach in addressing public expenditure management challenges that exist through strengthening budget control measures.

Earlier investigation revealed three reasons for the gap between the ability of MTEFs and their actual impact (Le Houerou and Taliercion, 2002). Firstly, MTEF reforms have not considered a country's situation in basic elements of budget management, particularly comprehensiveness of budget, implementation, and auditing. Secondly, MTEF reforms paid less attention to the institutional and political aspects of the reform process. Lastly, operational MTEFs deviate from the theoretical requirements, which pose questions about the viability of initiating fully-fledged MTEFs in various developing nations (Le Houerou and Taliercion, 2002).

Proper budgeting which is informed by policies of government should support the various pillars of contemporary public sector governance, of honesty, transparency, participation, accountability, and a strategic perspective to planning and reaching national goals (OECD, 2014).

2.10. Methods of budgeting

2.10.1. Line-Item budgeting

A line-item budget approach promotes the allocation of finances according to the line items of sections within an institution, such as capital, operating, and personnel costs (Mukdad, 2013). Mukdad (2013) further points out that the budgeting approach is regarded as an expenditure control tool emphasising whether the appropriated funds were spent accordingly or not and the spending was proper or not. The South African government follows the line-item budget approach through allocation of funds using various standard items within a department. Henry (1980) (cited in Siswana, 2007) points out that line-item budgeting focuses on the inputs and neglects the results or outcome of a program or project. Khalo and Fourie (2006) argue that this budgeting system is considered to be incremental because

it is based on the data of previous financial year, as well as the current and the coming financial year. It relies on a gradual increase in spending. Some of the advantages are: that it is a very clear and simple accounting approach; it assists to facilitate spending control; and is easy to analyse (Mukdad, 2013).

Siswana (2007) claims that the disadvantage of line-item budgeting is its dependency on inputs or internal processes, rather than the results. Mukdad (2013) suggests line-item budgeting does not illustrate the relationship between the expenditure incurred and the results achieved. It focuses more on what was procured, not on the aim of those expenses, therefore, it is challenging to use line–item budgeting for long-term planning or for management tasks (Lunenburg, 2010). The approach tends to be too rigid without changing to accommodate new initiatives (Mukdad, 2013).

2.10.2. Zero-based budgeting

According to Lunenburg (2010), zero-based budgeting was adopted in 1970 by Texas Instruments and initially formulated for use in government institutions to motivate for budget needs for the following year. The creators of the method extracted a feasible budgetary system from management by objectives, performance, programme, incremental and line budgeting systems. It promotes budgeting from zero each financial year, where managers plan future spending as an increase or decrease from the year prior (Lunenburg, 2010). Zero-base budgeting is defined as a decision-making process by the management of an institution on how finances will be utilised to meet goals and objectives (Sargent, 1978).

Sargent (1978) further outlined the two basic steps associated with zero-base budgeting: firstly, it involves developing "decision packages" through assessing and explaining each activity, current and desired new activities; secondly, it involves ranking of the decision packages according to their importance taking into account an evaluation process which categorises the packages in an order of importance through cost benefit analysis. Fundamental to zero-base budgeting is the identification and evaluation of available alternatives for each activity.

Zero-based budgeting is usually used in the case of new projects or programmes, and does not consider the previous year's budgets, but only those related to future priorities of an institution (Khalo and Fourie, 2006). The system has the potential to produce good results if applied appropriately through the allocation of budget where needed to support implementation of government priorities. However, the disadvantage of zero-based budgeting is that it usually undervalues the involvement of political structures and technological limitations in the process (Henry, 1980 cited in Siswana, 2007). According to Sargent (1978), the other disadvantage is that it involves a lot of paperwork which can be overwhelming, and it is also time consuming due to the time spent on analysing the alternatives and ranking them as compared with traditional budgeting methods. Traditional budgeting is based on the premise that the previous year's budget serves as the baseline for the following year's budget which is challenging for new projects.

2.10.3. Performance budgeting

The OECD (2018) asserts that performance budgeting has long been promoted by the United Nations for third world nations to link budgets with development goals, and is defined as the use of performance information to guide allocation of budgets. Performance budgeting emphasises openness and accountability throughout the budget process, by informing the general public about the performance and outcomes. The OECD also suggests that it is better to focus more on the results of expenditure and the attainment of policy goals rather than on managing inputs and activities.

Most African and OECD countries follow performance budgeting, where, in the South African context, this is aligned to the Medium-Term Expenditure Framework (MTEF), the Public Finance Management Act, and the Constitution of the country, following the principles of accountability, transparency, and general good governance (Siswana, 2007). Khalo and Fourie (2006) maintain that performance-based budgeting creates a linkage between funds and policy objectives of an organisation, including an emphasis placed on a long-term view of budgeting and planning.

According to Siswana (2007), since the performance budgeting method is results-oriented, strategic planning is critical for setting goals, priorities, and expected results, including the allocation of financial resources to achieve the goals. Siswana (2007) further comments that the method tries to incorporate strategic, financial planning, and performance management.

2.11. The budget process of the South African Government

The National Treasury (2016) explains that the budget process aims to ensure the resources are distributed equitably to achieve the political priorities and to improve the quality and efficiency of government spending within sustainable financial limits. Parliament plays a crucial role of oversight on the budget process to determine how budgets are allocated and spent by government. Given the reality of budget constraints in the country, the government has a difficult task to balance legislative obligations and demands against the limited budget (Parliament of South Africa, 2011).

National Treasury (2016) outlines the objectives of the budget process as follows:

- financial sustainability through reaching a proper balance between revenue, expenditure, debt level, and other fiscal aggregates in a way that enhances economic stability over the economic phase and realises a sustainable fiscal point;
- effective distribution of resources by ensuring allocation of scarce resources that reflects the political and policy priorities of government and considers the evidence of programme efficacy; and
- ensure value for money by allocating resources through the budget and new methods of procurement to contribute to the constitutional obligation that “efficient, economic and effective usage of resources must be promoted”.

2.12. Theoretical Framework

Grant and Osanloo (2014) refer to a theoretical framework as a guide or structure used to support the research project, including selecting a theory underpinning the

view of a researcher, that will be followed in the research. The theoretical framework emerges from existing literature on the theory related to the study.

In the literature, there are numerous theories of strategic planning and budgeting. Some of these theories have competing views about planning and budgeting, while others are complementary in nature.

The theories on strategic management include the survival-based theory, which emphasises the need for organisations to constantly adjust their competitive settings in order to survive (Omalaja and Eruola, 2011). This theory will not be applicable to this research, because government exists to render services to its citizens, and not to engage in competition in this regard. The human resource-based theory emphasises the significance of the human element in the process of formulating the strategy of an organisation (Omalaja and Eruola, 2011). Human resources are also critical for the implementation of an organisational strategy to deliver on its objectives.

Omalaja and Eruola (2011) further explain agency theory which concerns the link and partnerships between the different stakeholders of an organisation to thrive, while contingency theory is based on the idea that there is no single best method to manage institutions, and that therefore, organisations ought to develop a relevant strategy based on the state and circumstances in which they are operating.

Siswana (2007) defines governance theory as a process whereby the state and its institutions execute public policies according to the rules and procedures established by the government, without any deviations. The theory is key in government for promoting the values and principles enshrined in Section 1 and 195 (1) of the Constitution of South Africa. The theory promotes the values of transparency and accountability especially when dealing with taxpayers' monies in the delivery of services to ensure that taxes are used economically, efficiently, and effectively (Siswana, 2007). Both planning and budgeting are two of the tools used in government to promote good governance through adherence to relevant prescripts guiding the two functions.

The theory of organisational alignment was adopted to guide the development of this research project. Organisational alignment theory emphasises the importance

of aligning different functions and systems within an institution to attain the intended strategic goals and enhance organisational performance. Planning and budgeting are two of the functions applicable in both the private and public sector which must be synchronised and integrated to improve performance. Although the theory is concerned with the effectiveness of an organisation through aligning different segments, it also focuses on gaining competitive advantage. For the purpose of this study, alignment is limited to the enhancement of organisational effectiveness, as the research setting is a government institution which is not about gaining competitive advantage over other companies, but rather, service delivery to communities.

2.12.1. Theory of Organisational Alignment

Organisations are complicated social systems that require resilience and continuous adaptation in the form of alignment and re-alignment to respond adequately to an ever-changing environment (Burger, Pelser and Ellis, 2019). Kaplan and Norton (2005) state that alignment requires focus and better coordination throughout even the most complicated institutions, making it possible to identify and realise synergies. Currently, few firms manage the process of alignment actively: in several instances, division strategies have only rhetorical links with the broader corporate strategy (Kaplan and Norton, 2005).

Fonvielle and Carr (2001) define alignment as the accomplishment of outcomes, where all segments and functions of an institution's value chain operate toward a common purpose. Successful implementation of a strategy depends on proper alignment, which constitutes an essential precondition for organisational efficiency (Fonvielle and Carr, 2001).

According to Andrade and Goksel (2017), the theory of organisational alignment is concerned with organisational efficiency, and has been associated with various descriptions or concepts which they cite as being: 'fit' by Porter (1996); integration by Weill and Broadbent (1998); bridge by Ciborra (1997); harmony by Luftman et al. (1996); fusion by Smaczny, 2001; and linkage by Henderson and Venkatraman, (1989). Powell (1992), (cited in Alagaraja, Rose, Shuck and Bergman, 2015)

emphasises the need for connection between organisational alignment and competitive advantage to create an alignment-firm performance.

Tosti and Jackson (2000) describe the theory of organisational alignment as referring to when strategic goals and organisational values are equally supported, including when the main components of an institution are linked and attuned with one another. Tosti and Jackson (2000) further argue that few institutions will attain perfect alignment unless they operate in a very steady environment. Alagaraja et al. (2015) suggest that organisational alignment refers to the way in which different sections work towards the attainment of common goals, and the process of planning for and executing alignment of plans is valuable to workers and organisational success. The theory promotes teamwork among organisational departments as they need each other to achieve the set goals and improve the performance of the organisation.

When organisational alignment is weak, employees work toward different directions and actions become less effective (Fonvielle and Carr, 2001). Four forms of misalignment identified by Fonvielle and Carr (2001) are: workers have conflicting goals or share the same goals but have unspecified differences about how goals must be achieved; opposing camps exist within an institution, ensuring that the general commitment to any preferred strategy is weakened; groups are not convinced of the need for the recommended action, and workers are not aware of the ultimate goals of the organisation.

Teerikangas and Geraldi (2015) state that the importance of the idea of integration in the understanding of organisations was developed by Lawrence and Lorsch in 1967, with the introduction of the influential argument regarding how departments in an organisation are structured to respond to the ever-changing demands from the external environment. Teerikangas and Geraldi (2015) further posit that integration and being distinctive are necessary in structuring institutions for differentiation from others.

Organisational alignment is viewed by Limani, Tomovska-Misoska, and Bojadjiev (2015) as complex, and difficult to explain. According to Limani et al (2015), there

are various theoretical opinions about the concept of organisational alignment, although many writers associate it with the three elements of strategy, structure, and culture within an organisation. Semler (1997) also postulates that organisational alignment refers to the extent to which the strategy, structure, and culture cooperate towards the achievement of the goals set by an institution. According to Bojadjiev (2019), many organisations attempt to measure culture and alignment using various methods and that, despite the significance of organisational alignment, there is no standard tool for measuring it. However, transformation is required to facilitate organisational alignment within an institution.

The Vox Organisations were introduced in 2011 to explore the level of alignment between organisational strategy, structure, leadership, and culture (Bojadjiev, 2019). Limani et al. (2015) have explained that the Vox Organisation is an organisational alignment model that distinguishes between the non-formal and formal elements of organisational functioning necessary for alignment. The non-formal elements include organisational culture and leadership values, while formal aspects refer to the structure, strategy, and policies governing it.

The strategy serves as a roadmap and it gives direction to the organisation to work towards accomplishing the goals and objectives entailed in the strategy (Gareth, 2010). The author opined that strategy helps organisations to be more proactive as opposed to being reactive in creating its future. Without a clear strategy with well-defined objectives an organisation will not be able to achieve what it has set to do. Hence the need for institutions to dedicate enough time to develop a credible strategy that will lead the organisation to greater heights.

The structure follows the approach which will enable the implementation of the strategy. The structure explains how job tasks are divided, coordinated and what constitutes the reporting relationships (Ajagbe, Bih, Olujobi and Udo Udo, 2016). It is key for the structure to be well designed and capacitated with qualified personnel to support implementation of the strategy. Ajagbe et al (2016) argue that for institutions to function efficiently, there has to be a proper alignment between organisational strategy and structure. Without the alignment an organisation risks not meeting its objectives because one cannot exist without the other.

According to Bojadjiev (2019), culture is another important element required for organisational alignment, and which emphasises creativity, flexibility, and adaptability. The staff members of organisations are encouraged to be creative when performing their duties by introducing better and efficient ways of achieving the goals. Organisations also require adaptable and resilient staff due to the constant changing working environment within which organisations operate. Such an environment also promotes learning among the staff.

The importance of good leadership in facilitating and leading organisational alignment cannot be overemphasised. Bojadjiev (2019) claims that participative and supportive leadership styles are positively linked to organisational performance. Leadership that is consultative and encourages participation in decision-making is key in ensuring organisational alignment. Leadership is supposed to provide direction in setting goals for the organisation and to promote a culture that supports implementation of the strategy.

Policies that are clear, unambiguous, and implementable are crucial for any organisation to deliver on what it has been created for.

The Vox model has proven itself to work in the Republic of Macedonia. The research conducted indicated that there was a greater level of alignment in one of the public sector organisations chosen as a case study, and some improvements were suggested (Limani et al., 2015). When it comes to the organisational culture, the findings reveal a participatory approach in decision-making, where all the employees are involved in the process, leaning towards a democratic process of decision-making. According to Limani et al. (2015) in the main, both the non-formal and formal aspects of organisational alignment are aligned with few areas that need to be improved.

The model emphasises openness within an institution through cooperation and collaboration amongst employees and the environment in which it operates, and that organisations that are well aligned tend to perform efficiently, and reduce losses through the optimisation of available resources (Bojadjiev, 2019).

The focus of this study is on planning and budgeting, which constitute the processes followed by organisations linked to the elements relevant for

organisational alignment as articulated by various authors. These elements include organisational culture, structure, policies, and leadership which are all required to achieve strong alignment. This research investigates the factors contributing to the misalignment between planning and budgeting, with the aim of making recommendations to strengthen alignment between the two processes. As the research focuses on a government institution, it will not delve into the element of competitiveness that is also emphasised by the theory of organisational alignment. The government exists to render services and not compete with other organisations, as is the case for the private sector, which focuses on being competitive and making a profit.

An alignment between an institution and its environment is an important basis of strategic management if it needs to sustain competitiveness and sustainability of the organisation over the long term (Burger, 2016). Fiol and Lyles (1985) argue that alignment and re-alignment suggest that an institution ought to have the potential to learn, unlearn, or relearn, based on past experiences and performance.

The concepts of alignment and misalignment remain unclear, where there are gaps in the existing literature, and academics hold different views regarding the definition and the effect of alignment (Corsaro and Snehota, 2011). However, alignment is a broad subject, with the concept initially formulated from the notion that institutions ought to match the allocation of resources with the competitive environment (Cao,Baker & Hoffman, 2012 and Burger, 2016). The theory of organisational alignment does not suggest that it is the only crucial measurement element, and that overall organisational success can be defined by alignment only (Semler, 1997). There are also external factors to be considered that can impact on organisational performance such as technology, policies, social and economic factors.

Alagaraja et al. (2015) view organisational alignment from three perspectives, namely, process, relational, and strategic, which identify distinct measures for converting the priorities of an organisation into goals, outcomes, and activities. These key perspectives recommend the idea of alignment as evolving and

performative emanating from the various interactions concerning the organisation's internal and external environment, as well as internal links that occur between the strategy, structure, values, culture and other organisational processes Alagaraja et al. (2015).

2.12.1.1 Process Perspective of Alignment

The process perspective defines alignment as a constant and dynamic process, which occurs when the organisation ensures that departments can work collectively in harmony (Burns, 1996, Tallon & Kraemer, 1999; and Kanter, 1994, cited in Alagaraja et al. 2015).

This view emphasises an understanding of operational processes and the generation of systematic agreement towards optimisation and constant improvement of organisational processes, and highlights the conceptualisation of organisations mainly as a sequence of processes and procedural arrangements (Alagaraja et al., 2015). There should be a close collaboration and signage between organisational departments in working towards a common goal. This can also be supported by a clear organisational structure with clear working relationships and processes geared towards successful implementation of the strategy.

2.12.1.2 Relational Perspective of Alignment

Alagaraja et al. (2015) point out that this perspective emphasises the importance of flexibility, adaptation, and capability by an organisation to react to dynamics in both the internal and external environment. Alagaraja et al. (2015) further allude to the fact that organisational priorities and arrangements are viewed to be dependent upon the circumstances of the environment, and therefore, that alignment occurs through constant adaptation of the organisation. All organisations operate in a forever changing environment which necessitates resilience and flexibility among the workers to adapt to such an environment. Training also becomes a fundamental tool of adjusting and learning the new things that are introduced to improve alignment which include but are not limited to technological developments, policies, and other innovations.

2.12.1.3 Strategic Perspective of Alignment

Strategic alignment is referred to as the alignment between corporate and operational strategies, where corporate strategy is an overall design of numerous ways employed to achieve corporate goals. Similarly, operational strategy is defined as the overall design of decisions that shape the long-term abilities of all types of operations and their response to the broad strategy (Cao et al., 2012).

The creation of alignment in an institution faces many obstacles, and in order for an organisation's strategy to be successfully implemented, these barriers have to be addressed. The difficulty is that many blockages are hidden and rarely acknowledged, or openly or clearly addressed (Hough and Liebig, 2013).

Beer and Eisenstat (2000) outline the "Silent Killers" of the implementation of a strategy, which are:

- Vague strategy with opposing priorities, in which some organisational strategies are not clear and specific in terms of what the organisation envisages to achieve while also there are conflicting priorities not supportive of the overall goals.
- Ineffective top management structure; this type of a structure does not support the implementation of organisational strategy. Top management structure should be well designed to lead the organisation towards delivering on its mandate.
- Poor coordination among different departments, roles and/ geographic areas; lack of teamwork and working in silos result in poor coordination of the work of an institution which hinders accomplishment of the set objectives.
- Lack of leadership capabilities; leaders ought to possess the required skills and knowledge to lead and influence others towards ensuring organisational performance. The lack of leadership capabilities hinders progress due to unclear strategic direction which the organisation has to follow.
- Poor vertical communication;

Poor communication is described by Beer and Eisenstat (2000) as the most complicated factor of the "Silent Killers", since it hinders an institution not only from

alignment of the strategy, but also in deliberating on and eliminating other barriers. Hough and Liebig (2013) argue that an ineffective management team, a vague strategy with opposing priorities, and a controlling management style prevent management from openly communicating a strategy to an institution.

In order to address the challenges of strategic misalignment, Fonvielle and Carr (2001) proposed a five-phased process to accomplish strategic alignment, that is, firstly, the clear identification of the key strategic drivers; secondly, the focus areas for the institution's success; thirdly, a description of key strategic goals; and fourthly the performance measures. Finally, clear internal communication, which is necessary for successful alignment as it signifies the link between planning and implementation.

2.13. Conclusion

Proper alignment between strategic planning and budgeting in organisations world-wide is strongly supported and encouraged in the literature. It is considered the most effective way to ensure that the set goals are attained by institutions. Efforts are made by countries through the introduction of various measures in the form of legislation, policy, and institutional structures to align planning and budgeting. Performance-based budgeting or medium-term expenditure approaches are highly recommended, mainly as they are founded on the notion that budgets ought to be allocated according to the development agenda of each country. However, it is acknowledged by the literature that challenges are encountered by different nations in order to achieve the required integration. Some of the reasons presented are the inefficiencies that result from weak internal processes within organisations, poor communication, lack of strategic leadership, and gaps in some policies.

The theory of organisational alignment has emphasised the importance of achieving appropriate alignment between various segments within an institution so as to enable the attainment of its objectives and goals. Although, according to the literature, there is no standardised tool for measuring alignment, many authors studied organisational alignment theory from the context of the Vox organisation

model. The model concentrates on the link between organisational structure, strategy, culture, leadership, and policies to achieve alignment within an institution. However, the alignment between these internal factors does not presuppose the organisation will perform better; there are other external factors to consider that have impact on success of the organisation. Given the fact that organisations operate in a highly dynamic environment, whether in the private or public sector, it becomes fundamental to review the strategy regularly and re-align where necessary so as to remain relevant. It was discovered that the concept of alignment specifically between planning and budgeting as a prerequisite for organisational alignment remains under-researched.

CHAPTER 3: RESEARCH METHODOLOGY

3.1. Introduction

This chapter outlines the approach followed in conducting the research. The chapter begins by acknowledging the various research approaches used in research and the qualitative methodology, which are comprehensively discussed, where the suitable method for the research is guided by the objectives and questions formulated. A case study design was chosen, in order to focus the research on only one case, namely the Limpopo Development of Economic Development, Environment and Tourism (LEDET), due to its vast mandate.

The research tools applicable in a qualitative methodology are now explained. A semi-structured interview instrument was employed to gather the required data from the sampled participants. Furthermore, the population of the study and appropriate sampling technique is discussed. Given the nature of this research, non-probability sampling, namely, purposive sampling technique, was deemed relevant for the study, as it targeted specific officials with knowledge on the subject matter. The process of data analysis using a thematic technique is discussed. The limitations, feasibility and positionality elements are also explained in the context of the topic on misalignment between strategic planning and budgeting.

Components of reliability and validity in research that are generally known to be more relevant for quantitative studies are briefly described, while in the context of a qualitative study, the term trustworthiness is recommended by authors. Lastly, ethics as a cornerstone of ethical research is explained, so as to ensure all ethical issues are cleared and ethical principles adhered to.

3.2. Research approach

There are different types of research approaches that various scholars refer to, chief amongst which are quantitative, qualitative, and mixed methods research. These three methods are regarded as useful depending on the nature of research that a researcher undertakes, although some weaknesses have been noted for each method (Daniel, 2016). This research project adopted a qualitative research approach due to the nature of the study, the questions formulated, and its research objectives.

Qualitative research methodology understands human thought and conduct from a social perspective, and encompasses a wide range of phenomena to make sense of them in that human interactions, thinking, beliefs, composition, and standards are researched holistically due to in-depth investigation of the given phenomena (Daniel, 2016). Mohajan (2018) describes the approach as exploratory, seeking to answer the questions regarding the 'how' and 'why' of a specific social phenomenon.

Similarly, Maree (2010) points out that the qualitative approach emphasises understanding the procedures, as well as societal and traditional backgrounds, which motivate numerous behavioural patterns. This approach generally explores the "why" questions of a study. In addition, it analyses persons or practices by engaging with and observing the respondents in their usual setting, and focusing on their meanings and interpretations. Sutton and Austin (2015) maintain that a qualitative approach assists researchers to observe the views and feelings of the participants to allow the formulation of an understanding of the meaning that people attribute to their experiences. On the other hand, a quantitative research approach is employed to determine the number of people undertaking certain behaviours.

Shakouri (2014) outlines the advantages of a qualitative approach that includes the researcher being fully involved in the process, and who is able to gain an in-depth understanding of the participant's views, attitudes, experiences of, or the dynamics of a given situation. Shakouri (2014) suggests that this manner of argument uses words and pictures, which seem more informative than statistics which are used in a quantitative approach. Another advantage of a qualitative methodology is that it is an iterative process, which requires the researcher to revisit the data between data gathering and analysis (Leedy and Ormrod, 2015).

Often, the results obtained from a quantitative approach is a matter of concern as there is no evidence as to whether or not the researcher is skilled in using and interpreting quantitative data (Shakouri, 2014). Whereas, Daniel (2016) argues that in qualitative studies, the close relationship that takes place between the researcher and the participants allows the participants to more easily and freely contribute in shaping the research.

For this reason, this study adopted a qualitative research approach, as it is exploratory, helping the researcher to gain more insight about the problem of non-alignment between strategic planning and budgeting, including challenges this presents in the execution of government programs in LEDET. A qualitative approach enabled the researcher to gather detailed information through interpreting participants' views, beliefs and experiences relating to non-alignment between planning and budgeting.

3.2.1. Research design

The study employed a single case study research design because the research setting is LEDET. The purpose of this was to extensively explore the extent of non-alignment between strategic planning and budgeting, including the challenges it presents in the implementation of government programs in LEDET. According to Rowley (2002), case studies are largely used since they provide the insights that may not be realised with other design methods. Furthermore, Rowley (2002) argues that case study design supports an in-depth investigation of a phenomenon vital to respond to the "how and why" questions of the research. A case study is regarded as beneficial for the preliminary exploratory phase of a research project.

A case study becomes highly valuable where a researcher requires extensive understanding of a specific problem or situation, and where a case with rich information is identified and where a case study is planned as a study of the whole organisation, as suggested by Noor (2008), however, this study, focuses on a particular matter, feature or component of analysis.

According to Welman, Kruger and Mitchell (2006), a case study is concerned with a limited quantity of elements of exploration (often only one), where an individual, a group, or an organisation receives extensive scrutiny. The researcher selected only

one case, given the scope of the institution, which is three departments in one, where the mandate is to facilitate economic development, as well as protect and manage the environment and natural resources, including promotion of tourism activities in the Limpopo Province. The researcher wanted to study the phenomena extensively within LEDET, given its composition.

3.3. Research tools and their application

Qualitative studies mainly rely on interviews, surveys, and observations as tools for collecting data. In this study, interviews were conducted, as the researcher sought to understand extensively experiences and views of participants on the research problem. The researcher collected primary data through face-to-face interviews and acquired secondary data related to the topic from documents related to planning and budgeting in government. Some of the sources of the secondary data used were annual reports, budgets, departmental plans, relevant policies, planning and budgeting frameworks. The use of interviews enabled the researcher to gather data about the phenomena through comprehensive discussions with the respondents to obtain their opinion and thus gain a clear understanding of the challenges.

The interviews were semi-structured, and conducted according to the interview schedule. Semi-structured interviews allowed the researcher to probe for clarity on some responses for more insight about the issues. Semi-structured interviews are regarded as deeper interviews, where the researcher sits with participants, either individually or as a group, to ask pre-arranged open-ended questions about the phenomenon under investigation (Jamshed, 2014). DeJonckheere and Vaughn (2019) argue that semi-structured interviews are useful for data collection when the interviewer intends, firstly, to collect qualitative and open-ended data; secondly, they serve to investigate participant opinions, feelings, and beliefs about a specific subject; and lastly, they are undertaken so as to dig more deeply into private, and sometimes sensitive matters.

Leedy and Ormrod (2015) allude to the fact that in a semi-structured interview, the researcher asks pre-set questions and also requests additional information from respondents to gain clarity concerning certain answers and related matters. The sampled population was invited to participate in the research through emails and they consented to the interview by signing the form. The interviews were held between the

month of November and December in 2020. The interview was voluntary, as no one was forced to participate in the study. Out of a sample of 14 officials, the researcher was able to secure interviews with 13 officials, that comprised six senior managers and seven middle managers. The researcher carefully explained to participants the purpose of the research, including the questions to be asked. A permission letter was presented to assure participants that permission was granted by the Department to conduct the research and an ethical clearance certificate was obtained from the University.

The interviews were recorded using a cell phone, with the permission of participants, however, two participants preferred not to be recorded and notes were handwritten. However, the researcher preferred to record interviews to save time, and to get detailed and accurate information, as opposed to taking notes and potentially misquote participants during the presentation of the findings. The cell phone recordings were transcribed into a document for analysis. According to DeJonckheere and Vaughn (2019), the use of audio recording is highly encouraged in qualitative studies for the interviewer to focus on the interview and establish rapport to avoid distractions caused by extensive note-taking.

3.4. Population and sampling

The chosen case study, which is LEDET, is located within the Limpopo Province, and has a staff complement of 1410, including contract workers, which makes up the total population of the study. The Department also has offices across five districts of the province namely: Capricorn, Mopani, Sekhukhune, Waterberg, Vhembe and 43 state-owned nature reserves. However, the research was conducted at the head office in Polokwane, where senior managers and most middle management officials are based.

The decision to focus on the head office was purely based on the centralisation of planning and budgeting. The targeted group sampled comprised senior management, who are responsible and more involved in the strategic planning and budgeting processes. Middle managers were also interviewed, because they are involved in the operational planning, implementation, expenditure, management, and monitoring of projects. LEDET has 45 senior managers in total, while there are approximately 93

middle managers. For this study, 14 officials were selected from the sample, which comprised seven senior managers and seven middle managers. The sample was based mainly on the availability of officials due to their tight schedule, and the time allocated to complete the research, given that the collection and analyses of qualitative data is time consuming due to the type of questions asked to the respondents. Furthermore, the study contributed only 50% towards the qualification. From a sample of 14, only 13 officials were available for the interviews. The participants were selected from the four departmental programmes, which included administration, economic development, environment, and tourism, so as to obtain perspectives from different sections of LEDET.

A non-probability sampling method was used, since only components within the sampling frame have had the same opportunity to be part of the sample, due to the knowledge and expertise they possess on planning and budgeting. In non-probability sampling, elements for the sample are selected deliberately by the researcher. This implies that within non-probability sampling, the researcher purposively chooses the specific elements of the population to constitute a sample on the basis that they are well-informed, and have adequate experience to enable them to provide detailed information about the phenomenon (Etikan, Musa and Alkassim, 2016).

According to Sharma (2017), within the non-probability sampling technique, there are four techniques, namely: quota (where groups studied are proportional to the population, for example male and female are equally represented); purposive (a sample is selected based on the judgement of the researcher); self-selection (individuals or institutions voluntarily take part in the research); and snowball (a referral method, where subjects recruit their associates to take part in the research). Laher and Botha (2012) share the views of Sharma (2017) in terms of non-probability sampling techniques, however, they describe convenience sampling to involve the researcher selecting whomsoever is willingly available to participate in the research, which they also refer to as accidental/haphazard sampling, as distinct from the self-selection technique described by Sharma (2017).

The researcher in this study employed purposive/judgemental sampling, which Laher and Botha (2012) regard as the most useful non-probability technique, as the

researcher uses particular criteria to select the appropriate individuals to participate in the study. It is for this reason that only officials within the sample frame were interviewed, because they are knowledgeable about strategic planning and budgeting in government. In addition, they were selected due to their involvement in organisational decision-making on the allocation of resources.

The criteria for selecting participates was on seniority and direct involvement in the development of the departmental plans, which includes strategic and annual performance plans, and those responsible for budgeting. Practically, all managers are involved in the planning and budgeting exercise since each unit within the department is allocated a budget to manage. In other words, it is the responsibility of each manager within the department to efficiently and economically manage the allocated budget and account for its use.

3.5. Data analysis process

In qualitative research, data is studied to determine the connotations that lie within them. Data analyses starts instantly to direct subsequent data collection (Leedy and Ormrod, 2015). Some of the qualitative data analysis tools discussed by Kawulich and Holland (2012) include narrative, thematic, phenomenological, and discourse analysis. Thematic analysis was selected as the appropriate method to analyse this qualitative data. The researcher examined the data collected, interpreted it, and gave a meaning of what it implies, while avoiding bias.

Through thematic data analysis, the researcher was able to generate and categorise themes, as well as identify patterns in the data collected from respondents. Themes are useful to assist the research to develop headings in the research report, specifically the chapter dealing with research findings and analysis. The reason was to understand the respondents' views and experiences on non-alignment between strategic planning and budgeting including challenges it presents to LEDET in the execution of government programmes. Themes were generated from the reviewed literature supported by the data set. Nowell, Norris, White and Moules (2017) point out that a thematic data analysis method is used to recognise, analyse, arrange, define and report the themes within a data set. Kawulich and Holland (2012) describe thematic data analysis as the discovery of recurring themes and finding patterns in the

data by also using codes to compare new data with the previous data as well as checking frequency.

Braun and Clarke (2006) consider thematic analysis to be an introductory method for qualitative data analysis. It provides researchers with essential skills that will be beneficial for conducting other types of qualitative analysis. The advantage of thematic analysis is its flexibility and usefulness, which has the potential of providing rich and comprehensive data (Braun and Clarke, 2006). According to the authors, the flexibility of thematic analysis is that it allows for a broad range of analytic alternatives, meaning the data can be interpreted in various ways.

Other advantages of thematic analysis suggested by Braun and Clarke (2006), is that it is fairly easy, and quick to understand, and is available to researchers with little or no experience of qualitative research; additionally, it is useful for summarising the significant features of a large amount of data, and offers a rich description of the data set. Furthermore, it can expose similarities and differences throughout the data set, and has the potential of producing unexpected insight, and can produce qualitative analyses suitable to inform policy formulation (Braun and Clarke, 2006).

Although Braun and Clarke (2006) acknowledge the advantages of thematic analysis, there are likewise disadvantages. It prohibits the researcher from making assertions about language use; and although flexible, can result in inconsistency due to its flexibility and non-coherence when formulating themes obtained from the research data (Holloway and Todres, 2003).

3.6. Reliability and validity of research

The concepts of reliability and validity are commonly used in quantitative study, mainly due to generalisation of the findings, as opposed to qualitative research, which seeks to understand a phenomenon in its “real world setting” and employs a set of methods to achieve validity of the research (Golafshani, 2003; Junior, Abib and Hoppen, 2019). According to Brink (1993), reliability and validity constitute the key aspects of any research, especially in qualitative research, where the researcher’s subjectivity can cloud the data interpretation leading to the findings being questioned by other researchers. Golafshani (2003) notes that validity in qualitative research is described with various terms such as trustworthiness, rigour, relevance, and quality. These

elements assist to eliminate bias in research and promote truthfulness by the researcher.

Bashir, Afzal and Azeem (2008) outline the strategies to increase validity in qualitative research, including that it:

- involves lengthy and persistent field work – allowing for provisional data analysis and corroboration to ensure a match between research findings and participants reality;
- automatically recodes data through the use of tape recorders, cell phone recorders, photographs, and videotapes;
- uses multiple-method strategies such as triangulation in data collection and analysis;
- requests participants to review synthesis of interviews by researcher for accuracy of representation commonly done in interview studies; and
- uses peer debriefing to assess data findings and interpretation by an independent and impartial knowledgeable person.

Hail, Hurst, and Camp (2011) describe peer debriefing as a strategy used in qualitative research to improve credibility, helping to concentrate the accuracy of data interpretations and conclusions, while eliminating researcher bias.

Braun and Clarke (2006) maintain that the use of thematic analysis promotes trustworthiness of the data, since it is an iterative and reflective process that progresses over time and involves continuously going back and forward between phases. Braun and Clarke (2006) encourage researchers to work honestly and systematically through the whole data set, paying full and equal attention to every data item, and recognising interesting elements in the data items that might form the basis of themes throughout the data set.

The use of thematic data analysis contributed to improving the reliability and validity of this research, because it is an iterative, intensive, and thorough data analysis tool. It required the researcher to move back and forth between the data sets to identify patterns, and make sense of these. A peer debriefing mechanism was also employed to guard against possible bias in the interpretation of data through the assistance of a colleague who is a qualified researcher with a PhD degree. The colleague reviewed

the transcribed data and assessed Chapter 4's research findings and analysis in Chapter 5, in order to enhance trustworthiness and objectivity of the data to ensure the credibility of the research. To further avoid bias, the researcher remained neutral throughout the data analysis and interpretation process, so as not to jeopardise the quality of the project and in adherence to ethical principles.

3.7. Study limitations, feasibility and positionality

The limitation of any research pertains to possible weaknesses that are ordinarily out of the researcher's control, such as those related to the preferred research design, access to information, data analysis model constraints, inadequate funding, or other factors (Theofanidis and Fountouki, 2018). In the current study, having considered the size of the Department with offices in the five districts of the province and multiple state-owned nature reserves, it was not feasible for the researcher to cover all these contexts where some middle managers responsible for operational planning are based. It was indeed impossible to visit all of the offices due to limited time and finances to travel to collect data because some offices are far from the head office, which is in Polokwane.

Therefore, the research focused on the head office, where senior management and most middle management are based. The other reason for this is that both strategic planning and budgeting functions are centralised at head office. Another limitation was the unavailability of certain officials to participate in the study, due to their busy schedules. Although the researcher secured appointments with them well in advance, and reminders were sent prior to the set interview dates, only one official was not available for the interview.

The research was feasible, as there was secondary data available to base the research on, including other studies and literature on the non-alignment between government planning and budgeting. The researcher was able to collect primary data from the sampled population given the already established professional relationship with them. The scope of the research was manageable because it was a single case study.

In terms of positionality, Freire (2000, cited in Bourke, 2014) is of the view that positionality is where objectivity and subjectivity meet, because it is impossible to separate ourselves from being subjective. Researchers often have their own views and beliefs on a particular problem before and during the research. Sometimes researchers can be biased towards particular information. In this research, the researcher was fair and neutral during the research process by not allowing her subjectivity to dominate in the process, but instead ensured that the data was interpreted impartially.

As an employee of the Department, it was crucial to conduct the research with a high level of professionalism and maintain objectivity not to compromise the quality of the research. The researcher did not have power over the target population, due to the fact that some of them hold senior positions in the Department.

The assumption of the research was that there is non-alignment between planning and budgeting, as both processes run in isolation from the other. The location of the functions in different sections and line of reporting within the organisation makes it almost impossible to integrate the two. This assumption was confirmed by the existing literature and data collected from participants, namely, that certainly there is persistent non-alignment between the plans and budget due to various reasons, as discussed in the preceding chapters.

It is also crucial to mention that this mini-dissertation was subjected to language editing by a professional editor. (Editing letter is attached as annexure D).

3.8. Ethical considerations

Ethics is described by Gildenhuys (2004) as a set of values or principles informing human behaviour, which at times is referred to as morals. According to Gildenhuys (2004), it also refers to the ability to distinguish between good and bad, right and wrong, acceptable and unacceptable. Similarly, Orb, Eisenhauer and Wynaden (2001) argue that ethics concerns exhibiting good conduct and avoiding any harm, and that the protection of subjects or respondents in any research project is vital, as is the adherence to appropriate ethical principles to avoid causing any harm to participants.

It is acknowledged that ethics is key in any research in maintaining respect of respondents, ensuring confidentiality of information provided and being honest. Therefore, the research was conducted in a professional, truthful, very sensitive manner, without upsetting the respondents in any way. No one was forced to participate in the study as it was strictly voluntary, and respondents were given the option to withdraw at any time should they lose interest. Privacy of confidential information was guaranteed, and explicitly explained in participants' information sheets, provided to participants who were requested to sign a consent form. Fleming and Zegwaard (2018) argue that ensuring confidentiality and anonymity are essential steps in protecting the respondents from possible harm.

Welman et al. (2006) indicate that there are four crucial ethical concerns for any researcher, namely, informed consent, right of privacy, protection from mischief, and participation of the researcher. These ethical fundamentals were properly observed in this research. Informed consent is regarded by Denzin and Lincoln (2011, cited in Fleming and Zegwaard, 2018) as the basis of ethical research, not to be overlooked in any research.

It is important for the researcher to be transparent to the respondents by explaining the purpose of the research, what data is to be collected, how it will be collected, and how it will be used and reported, and that the respondents must give detailed, clear, and signed consent to participate in the research, with the knowledge of having access to their data and the right to withdraw at any time (Fleming and Zegwaard, 2018). The research commenced after ethical clearance was obtained from the University Ethics Committee, as a standard procedure in ensuring all ethical matters are clarified to avoid any breach. Further approval was granted by the Department to conduct the research, and together with the University Clearance Certificate was presented to participants during the interviews as an assurance that proper procedures were followed. Both the University Clearance Certificate issued and the Departmental approval letter are attached to this research report as Annexures.

3.9. Conclusion

The chapter has explained in great detail the methodology underpinning the research, where a qualitative approach was deemed appropriate so as to provide deeper insight into the misalignment between strategic planning and budgeting in LEDET. Semi-structured interviews were conducted according to an interview schedule to acquire the data, allowing open interaction between the researcher and participants through probing further on the questions and answers provided.

Non-probability sampling is commonly used in qualitative studies, which by its nature is non-random, and in this study, the purposive method assisted in obtaining the data from six senior managers and seven middle managers. The sample was selected based on their knowledge and experience in strategic planning and budgeting matters in the public sector. Thematic data analysis was used, and was considered to be useful, through the identification of common themes and the tracking of patterns in the data set to arrive at greater understanding.

The limitations and feasibility of the research were discussed as well as the positionality of the researcher during the study to avoid any bias. The principle of objectivity was maintained by the researcher in order not to compromise the quality of the study. Finally, the principles and importance of ethics in research were explained in detail so as to guard against any breach.

CHAPTER 4: PRESENTATION OF RESEARCH RESULTS

4.1. Introduction

The previous chapter explained in detail the process through which the researcher went about collecting primary data through interviews. The previous chapter further explained the process of analysing the collected data. Having collected the primary data through in-depth interviews with the sampled respondents, this chapter narratively presents the research results. The research targeted senior and middle managers within the Department of Economic Development, Environment and Tourism who are involved in strategic planning and budgeting processes in Limpopo province. The rationale was for this targeted group of officials to share their views and experiences on the subject of non-alignment between planning and budgeting. Further, the aim of this study was to identify the challenges that the misalignment of the two key concepts presents in the execution of the department's programmes and projects.

4.2. Thematic data analysis technique

The previous chapter explained that a thematic data analysis method was employed as the framework to analyse the data and present the results. The technique suggests that common themes and patterns are identified from the dataset during the project analysis phase and supported by the relevant literature. Therefore, the research findings in this chapter are presented based on the main themes generated from the data. Eight thematic areas were identified, which include the following:

1. Importance of strategic planning and budgeting linkages;

2. Identification and funding of departmental priorities;

3. Linkage between departmental priorities and national as well as provincial priorities;

4. Effective and efficient implementation of department programmes;

5. Collaboration between planning and budgeting units;

6. Challenges associated with misalignment between planning and budgeting;

7. The impact of misalignment planning and budgeting; and

8. Alignment between strategic planning and budgeting from a policy perspective;

As said above, this chapter presents the results based on these themes in narrative form using direct quotes from the respondents in order to avoid misrepresenting and distorting their views and lived experiences.

4.3. The importance of strategic planning and budgeting linkages

All the respondents understood and emphasised the importance of linking planning and budgeting processes during the finalisation and approval of organisational plans, which is necessary for LEDET to meet its legal obligations as contained in various pieces of legislation. When there is proper alignment the priorities and commitments outlined in the strategic documents will be well funded. This will result in improved delivery of quality services rendered by LEDET, which communities rely on for a living and survival. The respondents stressed that a plan requires a budget and other related resources in order to be executed effectively and efficiently. There is no plan that can be successfully implemented without being resourced. Therefore, the link between budget and strategic plans is crucial so as to ensure that the priorities of government are well-planned, funded, implemented, and attained.

The participants (all cited verbatim in what appears below) stressed the significance of linking strategic planning and budgeting as follows:

The evidence provided by Respondent 1 on the importance of alignment indicates that:

> *the linkage between the planning and budgeting is important because what the Department intends to implement should be properly planned and budgeted for. During the planning processes where priorities are identified, budget allocations should be presented so that managers can take decisions to implement prioritised programmes and projects based on available budget. It will not help for program managers to identify their service delivery priorities and later be told there is no budget to implement those priorities* (Respondent 1: 12 November 2020).

Another respondent had this to say:

> *when engaged in planning*, *organisations should be able to cost the activities in the strategy that is being developed for implementation. The finances will help to achieve the outcomes outlined in the strategy over and above other types of resources. It is of no value to have a plan without a budget to execute it or rather have a budget with no plan, the two coexist* (Respondent 4: 25 November 2020).

Another respondent mentioned that:

> *budgeting is an integral part of planning, when planning we plan for the resources, which will be required to ensure implementation of the plan. You cannot plan without taking into consideration the required finances that will enable execution of the plan. Therefore, it is important to integrate planning and budgeting processes to achieve organisational objectives* (Respondent 5: 25 November 2020).

A similar sentiment was shared by Respondent 7 on the importance of alignment, who indicated that:

> *there must be a plan first and then determine how much will be needed to implement it. The link is important, if there is no linkage the Department runs the risk of not implementing the plan and not rendering services to communities as expected* (Respondent 7: 27 November 2020).

What all these sentiments illustrate is that there was a general consensus among the respondents that the functional areas of planning and budgeting are inseparable because they are interdependent. The two processes complement each other and proper alignment contributes towards optimal implementation of the department plans to achieve the stated objectives outlined in the plans. However, it cannot be concluded that alignment is the only means to achieve the set goals and objectives. As Semler (1997), claims, there are other variables that can have an impact on organisational success.

4.4. Identification and funding of departmental priorities

All research participants, constituting 100%, have a clear understanding of how the department's priorities are identified and funded. The respondents elaborated on the

fact that the priorities of LEDET are identified from government legislative framework, which include the national and provincial policies that inform the work of LEDET. It is necessary that the identified priorities of government find expression in the departmental plans and allocated funds for implementation so as to fulfil the commitments made by the state to the citizens. The political party voted into power by the majority of voters, that is the ANC, in Limpopo province has also set priorities as contained in its 2019 election manifesto for implementation by all government departments including LEDET and its three public entities (i.e. Limpopo Gambling Board, Limpopo Economic Development Agency, and Limpopo Tourism Agency). The manifesto is cascaded into government policy documents such as the Medium Term Strategic Framework (MTSF), sector plans, policies, and Limpopo provincial growth strategies with specific outcomes, and targets to be achieved over a five-year period. The support and collaboration of the private sector with government is also emphasised.

Some respondents outlined how LEDET identifies and funds its programs. For instance, three respondents agree that:

> *the Departmental priorities are identified based on the national policy framework and provincial development plans. It is the projects that are aligned to government priorities that are funded for implementation.*

However, they raised a concern that in government with reference to LEDET, officials are restricted by how much is available to execute the programs due to limited finances:

> *the budget is always given as the MTEF prescribes what the Department can do in terms of finances and as such the budget informs the plan" (Respondents 1,3 & 5: 12, 24 & 25 November 2020).*

In similar tone, another respondent mentioned that:

> *the departmental priorities are drawn from the priorities of the ruling party that is the African National Congress (ANC) and government plans such as the NDP, MTSF, sector policies and Limpopo Development Plan (LDP). The budget is not increasing hence is vital to allocate the limited funding to the strategic imperatives"* (Respondent 6: 27 November 2020).

Furthermore, Respondent 10 had this to say about identification and funding of departmental priorities:

> *the identification of priorities is informed by the legislative core mandate of the Department, demands from consultation with stakeholders through Intergovernmental Relations forums (IGR). Generally, there is inadequate budget and the plan is not reprioritised to align to available budget. Directorates have to work with the budget allocated* (Respondent 10: 02 December 2020).

Furthermore, Respondent 11 had this to say about the process of identifying and funding of priorities in LEDET:

> *identification of priorities is done during LEDET budget committee meetings and it is a norm that the identified priorities are funded by Treasury. If there is surplus of money other programs are considered and for others such as the contractual obligations a baseline is used* (Respondent 11: 07 December 2020).

Generally, the majority of the respondents, with few exceptions, are well informed about how the departmental priorities are identified and funded. Although, there are obstacles such as limited budget faced by the department like any other government institution, LEDET is able to prioritise and fund programmes and projects. The task of prioritising and reprioritising programmes and projects is not a seamless one as it involves a lot of compromises on some obligations that need attention from managers. In the absence of adequate budget to fund all planned programmes, implementation of certain programmes have had to be deferred for future years given the challenges of diminishing resources.

4.4.1. Linkages between departmental priorities and national as well as provincial priorities

National government is responsible for setting up national priorities and also providing resources for effective implementation of those priorities at provincial and local government levels. National priorities are contained in the National Development Plan: Vision 2030, which is South Africa's long-term plan. However, the country's long-term plan is implemented through medium-term plans of at least five years through the MTSF and other government plans and strategies. For instance, the 2019-2024 MTSF has identified seven strategic pillars or outcomes to be implemented and achieved by

the South African government. The provinces such as Limpopo, for example, then develop their own socio-economic developmental growth strategies to give effect to national imperatives for implementation at the provincial and local levels. For example, Limpopo provincial government reviewed its own Limpopo Development Plan (LDP) to align with the 2019-2024 national MTSF priorities.

A few of the interviewed research respondents mentioned that the MTSF is a five-year implementation plan of the NDP. Therefore, once the province, such as Limpopo, has identified its own developmental priorities aligned to national priorities, all provincial departments including LEDET and public entities are in turn expected to align their service delivery priorities to the provincial ones based on the department's constitutional mandate. Even the revised framework for the strategic plans and annual performance plans (DPME, 2019) emphasises the linkages or alignment between the departmental priorities to the national and provincial priorities during the strategic planning and budgeting processes.

Respondent 6 explained that:

> *the strategic plan is drawn from the priorities of the ruling party and government plans such as the NDP, MTSF, provincial and sector plans. Strategic plan cannot be delivered if there is money to implement it and it is critical to allocate the budget to the strategic imperatives (Respondent 6: 27 November 2020).*

Therefore, the Provincial Treasury is legally required to provide the budget to finance all the identified and approved departmental priorities linked to the provincial priorities. In other words, resourcing in terms of budget of the department's priorities is linked to the prioritisation and execution of national and/ or provincial priorities. There is no way that LEDET can avoid aligning and reporting on its developmental and service delivery priorities to the provincial priorities. This is simply because the department, through the Executive Authority, regularly provides progress on the implementation of the provincial priorities to the political leadership of the province.

4.4.2. Deficiencies in Identification and Funding of LEDET Priorities

It emerged from the interviews that the process of identifying the priorities is not rigorous and robust. The process is done for compliance without thoroughly interrogating or analysing how certain planned projects and programmes benefit

communities or service beneficiaries. Without this rigorous process, the Department runs the risk of prioritising projects according to their urgency and importance. For example, a number of projects are started every year but there are no tangible results as some projects are never completed despite money being committed. Some respondents felt that the process of identifying priorities and providing funding in LEDET is somewhat unfair. They argued that some of the important programmes and projects are not funded, but instead, money is allocated to programmes that have no value to poor communities as their results are not visible at all. Respondents identified deficiencies in the identification and funding of LEDET priorities as follows:

Respondent 2 indicated that:

> *priorities are identified based on, can the Department perform on the indicators and targets but not what is key in terms of the legal obligations and things are done for compliance. The budgeting method of using the baseline and MTEF hinders alignment. The baseline for budgeting has been the same for a very long time without considering what is important to be implemented to address the needs of communities. The department should focus on legal obligations, which have to guide budgeting. The problem is that planning is based on things which are not legal obligations* (Respondent 2: 24 November 2020).

Another respondent strongly felt that:

> *there is bias in the identification of priorities and funding without considering which programs are more important in achieving the mandate of the Department. The strategic plan identifies critical areas to deliver on the mandate but programmes are not allocated enough funding. Strategic planning sessions that are held yearly seem not to yield positive results as anticipated, since some issues are discussed with no tangible progress* (Respondent 6: 27 November 2020).

According to Respondent 10:

> *there is no process of costing priorities except the normal budgeting exercise. Generally, there is inadequate budget but no thorough reprioritisation or review of the plan to be linked to the available budget (Respondent 10: 02 December 2020).*

Respondent 13 shared the sentiment with the other respondents about the deficiencies in identifying and funding LEDET priorities, saying:

> *the budget is shared equally irrespective of the mandate and not considering the nature of work performed by different directorates. The budget is cut across the board not looking at the work and impact of the units* (Respondents 13 & 15: December 2020).

4.5. Efficient and effective implementation of departmental programmes

The achievement of any organisational goals and objectives is determined by various factors internally and externally that ought to be seriously considered during the planning and budgeting processes. From the data collected, it emerged that the department needs to implement its plans with the sole purpose of achieving its intended outcomes and impact. The respondents alluded to various factors such as resources, skilled and competent personnel, good leadership, etc., for efficient and effective implementation of LEDET programmes. This is clearly captured by the following statement:

> *the internal factors that are most important are resources. The Department also needs capable and skilled personnel to execute the mandate of the organisation. Good leadership with the right attitudes is paramount to inspire and give direction to others to achieve the set organisational objectives. Such leadership must be principled, firm, and have passion for the Department (Respondent 4: 25 November 2020).*

This respondent further mentioned that it is very important for LEDET to embrace the fourth Industrial Revolution (4IR) by digitising or modernising all departmental processes and systems for efficient service delivery. This is a similar view shared by Respondent 5 who further reiterated the importance of internal factors thus mentioning that:

> *there is a need for sufficient budget allocation, filling of all critical positions and digitisation of the administration processes and systems to speed up service delivery (Respondent 5: 25 November 2020).*

Respondent 11 also spoke about the importance of:

> *frequent communication between planning, budgeting, and Supply Chain Management units within the department.*

According to this respondent:

> *such procedure would enable integrated planning and also assist to align processes to for common goal of delivering on the mandate of the institution* (Respondent 11: 07 December 2020).

Respondent 2 again emphasised that:

> *working spirit of the officials and commitment, an objective performance management system and proper infrastructure in the form of ICT, office accommodation with necessary resources are key internal factors that can lead towards a successful organisation. Externally, gratitude of the stakeholders or service recipients gives motivation to staff to want to work very hard and meets the needs and expectations of the stakeholders. Most often people from outside LEDET recognise the work done by officials than management (*Respondent 2: 24 November 2020).

According to another respondent:

> *externally, factors important to drive organisational success include clear government policy, long-term plans and strategies where the Department draws its mandate from such as the National Development Plan, Medium-Term Strategic Framework (MTSF) and related prescripts* (Respondents 13 & 15: December 2020).

Moreover, a respondent stressed the importance of:

> *knowing and* u*nderstanding of the mandate of the Department, and the needs of service beneficiaries that the department serves. Therefore, prioritising according to the ability of the Department to deliver are key factors to consider towards effective execution of programmes* (Respondent 5: 25 November 2020).

Other respondents spoke about the importance of establishing partnerships with other stakeholders, especially the private sector including the donor funders to assist in growing the economy and creating jobs. This is well captured by this statement:

> *due to limited resources, it is important for the Department to establish partnerships with different partners especially external stakeholders including donor funders to assist with funding implementation of certain programmes and projects. This is because the private sector that has the money to assist with implementation of some programs* (Respondent 11: 07 December 2020).

Respondent 6 further mentioned the importance of internal actors in driving organisational success through alignment of planning and budgeting. This respondent argued that:

> *a suitable organisational structure to support the strategy and address the challenges of duplications in terms of functions that exist within the department is critical for the realisation of organisational goals and avoidance of financial waste. This has the potential to improve organisational performance and enhance its image in the face of citizens.*

This respondent emphasised the importance of:

> *having an ethical and honest leadership that strives to prevent wrong things from happening, while motivating and inspiring confidence unto other officials, particularly at the junior levels* (Respondent 6: 27 November 2020).

In a nutshell, the majority of the respondents emphasised the importance of both internal and external factors in driving successful organisations with reference to LEDET. However, it seems that the internal organisational factors outweigh the external factors in driving organisational success.

4.6. Collaboration between planning and budgeting units

All participants were of the view that the strategic planning and budget management units within the Department work in silos, meaning that there is no integration and collaboration. They further claimed that there is poor communication and coordination between the two units to ensure that departmental plans are aligned to the available

budget. The planning unit does not interrogate the budget that is submitted by the budget management unit to make sure all activities in the plan are budgeted for. Again, the budget management unit does not analyse the service delivery performance of the department against the allocated budget. One respondent gave an example of a situation where the department at the end of a particular quarter or financial year, had spent almost 99% of the allocated budget, but had achieved less in terms of the set performance indicators and targets. This disjuncture between the budget expenditure and service delivery performance clearly illustrates a lack of communication and coordination between the two key strategic units within LEDET.

The budget management unit only concentrates on the financial figures for the expenditure projections and not the results or service delivery, while the strategic planning unit does the same by focusing only on non-financial performance information. Furthermore, the budget unit does not participate in quarterly monitoring and evaluation exercises hosted by the planning unit to review the departmental performance on a quarterly basis so as to ascertain and understand why sometimes service delivery performance is so high and expenditure is so low, and vice-versa.

Lack of collaboration between the two key units within the department to ensure alignment of plans to budget was captured by the following respondent:

> *the two units work in silos despite the fact that the revised planning framework requires the two to meet to ensure alignment between plans and budget before finalisation and approval of departmental plans such as the annual performance plan. However, the location of the two units is not a problem that causes the misalignment but the lack of communication is a serious hindrance* (Respondent 1: 12 November 2020).

The above view was supported by another research respondent who noted that:

> t*here is no alignment between plans and budget as both planning and budget units work separately from each other. Even when the plans are discussed at the strategic planning session, they are never linked to available finances. The strategic planning unit focuses only on plans with no interest on the budget but only on APP including its performance, while budget component only concentrates on budget and related expenditure not actual performance against the plan (*Respondent 3: 24 November 2020*).*

This respondent maintained that the two units are correctly positioned on the interaction and coordination to promote the alignment between the plans and budget.

Furthermore, Respondent 13 expressed the view that there are no engagements at all arranged by the planning and budget units inviting other directorates within the department to come and interrogate plans against the budget needed. According to this respondent, this situation has led to different branches competing for resources including human resource, instead of prioritising what is normally important:

> *Some directorates are allocated more money and personnel while doing less work whereas other directorates do a lot of work with little money and staff being allocated* (Respondent 13: 15 December 2020).

Another respondent's assertion corroborates with that of other respondents by saying that planning and budget units do not collaborate as expected since they work in isolation and their work is compounded by different submission timelines of plans and budget to various oversight institutions such as the cluster audit committees, the Auditor-General, Provincial Treasury Department, Office of the Premier and the Provincial Legislature's Portfolio Committees as well as the Department of Planning, Monitoring and Evaluation in the President Office:

> *the position of the two units on the organisational structure is perfect. What remains important is for the two units to integrate the processes to ensure alignment between plans and budget*" (Respondent 11: 07 December 2020).

4.7. Challenges associated with the misalignment between strategic planning and budgeting

Despite government's efforts through legislation, policies, frameworks, budget program structures and systems to promote alignment between planning and budgeting, there are still inefficiencies identified that continue to hinder proper linkages. This disintegration between planning and budgeting results not only in the non-achievement of the planned targets and commitments made in the departmental plans, but also impacts negatively on service delivery. During the interviews, participants alluded to the fact that the misalignment adversely affects the performance of the Department since important programmes are not executed

accordingly due to resource limitations such as insufficient budget. In addition, certain legal obligations are not even considered during the budget prioritisation exercise. This omission results in the Department failing to honour certain contractual obligations timeously, deciding on where finances are needed the most, which leads to some obligations not being fully performed as expected.

One of the respondents said that:

> *the misalignment of planning and budgeting often leads to audit queries being raised against the department by the Auditor-General South Africa when performance targets in the plans are not met as money is spent on things that were not intended or planned for. Again misalignment may lead to under or overspending of the allocated budget simply because the Department would be under pressure to spend funds towards the end of the financial year and not considering the quality of the services being rendered. Of course, this has adverse effects on the service delivery value chain for the department. On another hand, funds get surrendered back to the Provincial Treasury at the end of the financial year because the department failed to spend accordingly due to misalignment of budget and the plans* (Respondent 3: 24 November 2020).

Further, according to another respondent:

> *service delivery expectations of poor communities are not met due to the misalignment. This occurs irrespective of whether the Department has developed a good strategy as long as there is no budget to implement the strategy. The Department then suffers trust deficit from members of the community as their promises are never fulfilled"* (Respondent 6: 27 November 2020).

This sentiment was shared by respondents 1 and 5 who argued that:

> *non-implementation of government programs results in communities revolting against the Department since government promises made during the electioneering process are not fulfilled and the Department ends up losing credibility with communities* (Respondents 1 & 5: 12 & 25 November 2020).

Other respondents raised the issue of the duplication of functions between the Department and its parastatals, especially the Limpopo Economic Development

Agency and Limpopo Tourism Agency. The issue of functions duplication has been a thorny issue for years especially after the results of a commissioned evaluation study by Wits University. The results of this evaluation study indicated that there is a tendency in the Department to allocate resources in terms of monetary value to the same programmes being implemented by both the Department and the two entities.

> *the Department has failed to address the issue of functions duplication between Economic Development branch in LEDET and LEDA* (Respondents 8 & 9: 30 November 2020*).*
>
> Furthermore, it was alleged that misalignment affects implementation of legislation as the resource since both financial and non-financial resources are not adequately allocated to execute certain programmes.

Another important issue raised was that:

> *staff always leaves the Department every month or quarter but these people are always not replaced, especially within core functions that severely affect service delivery* (Respondents 8 & 9: 30 November 2020).

4.7.1. Disintegration between plans and budget

Although the importance of integrating planning and budgeting was stressed by the respondents, it has emerged strongly from the interviews that there is no proper alignment between the plans and budget in LEDET. 12 of the participants, which represent 92% of respondents, indicated that the plans are disintegrated from budget since there is no thorough process to cost the activities meant to realise the objectives outlined in the plans, affecting the performance of individual directorates, and ultimately the Department. Some participants pointed out that some units are allocated more funding than others without considering the nature of work performed. An element of corruption emerged from the data, where money is spent, but with no tangible evidence to support what it has been used for. Participants explained the disintegration between plans and budget as follows:

Respondent 2 strongly articulated that:

> *planning is based on things which are not legal obligations, the Department does not internalise what it does to determine as whether are they impactful.*

There is no feedback from strategic planning sessions and management plan without engaging junior officials who are implementers of most programmes. The baseline budgeting and MTEF systems are not working for the Department, rather, focus on legal obligations during planning and that has to guide budgeting.

Respondent 6 explained that:

there is disintegration between planning and budgeting, most crucial core functions (economic development, environment, and tourism) *of the Department are not adequately prioritised during budgeting as expected. The vast mandate of the Department including its parastatals sometimes makes allocation of limited resources challenging. Due to the disjuncture between planning and budgeting, there is a need to review how the budget is allocated. Operational functions are prioritised as opposed to strategic areas of growing the economy* (Respondent 6: 27 November 2020).

Similarly, Respondent 4 expressed the view that:

we do not think through what we want to do as a department. We keep repeating the old things in the plans and do not care if it's working or not. We do not give much thought of where we are and where we want to be to realise the mandate. *It has been observed that people bid for budgets, after getting the money then decide what they will do. There is always pressure to spend money towards the end of the financial year due to the disintegration between plan and budget. There is corruption that occurs as people bid for money to enrich themselves and not about service delivery* (Respondent 4: 25 November 2020).

Respondents 8 and 9 indicated that there is no evaluation of the interventions implemented to guide future plans:

evaluation of programs and projects implemented by the Department is not conducted to determine their impact also to inform planning and allocation of budget (Respondent 8: 30 November 2020).

Administration branch is allocated more money than core business and most things are done for compliance and not service delivery based (Respondent 9: 30 November 2020).

There were strong views expressed by the respondents that there is disintegration between plans and budget which poses challenges to the department. Respondents claimed that disintegration is as a result of various factors which include a baseline budgeting system which is not working, given that the previous year's budget baseline informs the next year's allocation. The system was described as ineffective together with the MTEF as both overlook other pertinent legislation obligations which must be undertaken by the department. It also emerged from the investigation that due to the size of the Department with three mandates of economic development, environment and tourism including the three state owned entities, there is competition over the budget. This competition exists within the institutional divisions and its state owned entities as they get transfers from the department on a quarterly basis. It becomes difficult to allocate the limited budget equitably to all sections.

> *internal factors which are most important are resources. The Department needs capable and skilled personnel to execute the mandate of the organisation, due to limited budget, units that are important to realise the mandate of the Department must be prioritised through provision of personnel. Leadership with good qualities to lead is paramount to give direction to achieve the objectives. The leadership that is principled, firm, and have passion for the Department. The LEDET has to prioritise and embrace the fourth Industrial Revolution (4IR) by digitising some department processed for efficiency purposes. The financial resources are also key, even though very scarce, hence the principle of prioritisation of interventions is crucial* (Respondent 4: 25 November 2020).

Respondent 11 indicated that these factors are key in realising the LEDET's mandate, where:

> *frequent communication between planning, budgeting, SCM units with departmental units is important to ensure integrated planning and align processes to realise a common goal of delivering on the mandate of the institution"* (Respondent 11: 07 December 2020).

According to Respondent 13:

externally factors to be considered are the government policy, plans and strategies where the Department draws its mandate from such as the National Development Plan, Medium-Term Strategic Framework (MTSF) and related prescripts (Respondent 13: 15 December 2020).

Respondent 5 stressed that:

understanding the mandate of the Department, needs of beneficiaries that it serves and prioritise according to the ability of the Department to deliver are key factors to consider towards effective execution of programmes" (Respondent 5: 25 November 2020).

Similar to the view of Respondent 4, Respondent 5 reiterated that:

as internal factors, there is a need for sufficient budget, filling of critical positions and digitise administration processes to speed up service delivery. Due to limited resources, it is important for the Department to establish partnerships with different partners especially external stakeholders including donor funders to assist with funding certain programmes and projects for implementation" (Respondent 11: 07 December 2020).

Respondents 6 mentioned the following:

internal factors that need attention; a suitable organisational structure to support the strategy, address the duplications that exist within the department and its entities to save limited budget, get the priorities right according to their importance and potential of improving performance, need visionary leadership, capable human capital, there must be honesty to prevent wrong things from happening and evaluation of the performance management system used. The external factors to consider are understanding the needs of the communities served by the department, establish partnerships including with the private sector that has the money to assist with implementation of some programs (Respondent 6: 27 November 2020).

The findings show similarities of responses among the respondents on both internal and external factors to be considered by the department for effective implementation of departmental programmes.

4.8. Impact of Misalignment

The majority of the participants felt that planning and budgeting misalignment has dire consequence for the department and communities. From the departmental perspective, misalignment not only hinders the Department to deploy resources to projects with significant value to realise its vision and mission, but also service delivery to poor communities in the province. As said earlier, the failure by the Department to complete implementation of planned projects makes communities lose trust and confidence in government with specific reference to LEDET.

Justification of the above statement is provided by one respondent who said:

> *the misalignment causes delay in implementing certain planned projects because oftentimes no budget is made available. This lead to late appointment of service providers to implement the projects after the budget adjustment processes. Again, this situation forces the department to amend the plans in the middle of the year or to reprioritise the budget so as to implement the planned projects based on the reprioritised budget or additional funding made available after the budget adjustment. The implications of budget reprioritisation means that the budget for other projects has to be cut and those projects then deferred to the next financial years for implementation. Implementation of unfunded plans or mandates causes unauthorised expenditures* (Respondent 11: 07 December 2020).

Another impact of misalignment relates to the fact that it results in the implementation of unfounded mandates or unplanned programmes with no tangible outcomes due to a lack of thorough analysis of the potential results. This is well captured by the respondent who said:

> *implementation of unfunded plans or mandates causes unauthorised expenditures* (Respondent 11: 07 December 2020).

Furthermore, this scenario may lead to either over-expenditure normally referred to as unauthorised expenditure or under-spending of budgets. When such cases of financial misconduct occur, the Department gets blamed for poor planning and poor costing of

activities. Again, when the allocated budget for projects is not spent, the implication is that the fund may be taken away from the department and then given to another department that is successfully implementing its developmental projects but not having adequate budget to complete the projects. Empirical evidence shows that a huge amount of money (in the millions) has once or twice been taken from one department to another or from one province to another province. The costs of attaining performance targets oftentimes are not explicitly established, resulting in a mismatch between resources and the projected outcomes.

4.9. Alignment between strategic planning and budgeting from a policy perspective

In the literature chapter discussed previously, it was explained that the democratic government has introduced a number of planning and reporting reforms to deal with the weaknesses identified from the apartheid planning and budgeting systems. These reforms sought to support and strengthen government's efforts to ensure better and integrated planning and budgeting across government. The reforms were also aimed at aligning the two processes to carry out the developmental agenda of the state through improved coordination and better quality service delivery to the citizens of the country. Despite the existence of the planning and budgeting reforms, there are still gaps that are identified, which cause deficiencies in planning and budgeting processes.

However, it has been observed from the collected data that the respondents had diverse views on this topic of alignment between planning and budgeting from a policy perspective. For example, 11 research participants, which constitute 85% of the respondents, indicated that the policy frameworks encourage integration and coordination, while only two participants, constituting 15% of the respondents said alignment and integration are only theoretical rather than practical due to the gaps in the policy frameworks. Although gaps were said to exist in the government policy frameworks, the researcher observed that almost all the participants interviewed made reference to government policies in general, and not specific to planning or budgeting. It was only a few of the research respondents, representing 15%, who made specific

reference to planning and budgeting policies and frameworks that support and guide the planning and budgeting processes in government.

The view by respondents that general government policy frameworks do encourage alignment between planning and budgeting is captured by the following statements:

> *Government policies such as the NDP, MTSF, provincial and national plans serve as the basis for departments planning and allocation of budgets to priorities. Legislation is fine and clear and what is important is for the Department to understand what is expected of it. The challenge is with implementation of the policy due to biasness and competition when management decides which programs to prioritise and fund* (Respondent 6: 27 November 2020).

> *Legislation does promote alignment as commitments contained in the legislation should be allocated the resources for implementation. However, the specific sector strategies fail to recognise limited resources to execute some programmes. Strategic plan, annual performance plan and budget are stagnant, they must be designed in such a way that we implement the sector strategies* (Respondents 8 & 9: 30 November 2020).

As said above, the majority of the respondents were making general reference to government policies and / or strategies such as the NDP, for example, that promote alignment between planning and budgeting, but failed to pinpoint relevant planning and budgeting policies such as the PFMA, the Revised Framework for Strategic Plans and Annual Performance Plans, etc.

However, it emerged during the interviews that the government legislation and policies do promote alignment between planning and budgeting, because it is a requirement for finances to be allocated towards the execution of the objectives as outlined in a policy. However, due to budgetary constraints, not everything in the policy gets funded for implementation. That is why some policies are not fully implemented, especially those policies that require a lot of resources in terms of funding. The PFMA provides a framework for integrating planning and budgeting at government level both at national and provincial levels by giving operational effect to section 215 and 216 of the South African Constitution, which defines the standards of good financial governance (Ajam, 2008).

Although existing policy frameworks such as the PFMA, the Revised Framework for the Strategic Plans and APPs promote alignment, few respondents, constituting at least 15%, mentioned that the different timelines prescribed for finalisation of the planning and budgeting processes hinder the alignment. These different timelines for submission mean the non-existence of synergy between the two variables. In other words, the two processes run parallel to each other without integration meaning that there is no convergence. This was confirmed by one respondent thus:

> *the policy including associated frameworks for budgeting and planning do not encourage the alignment due to different timelines guiding the two processes. It is therefore, upon the Department to integrate the internal processes to realise the alignment* (Respondent 11: 07 December 2020).

Departmental draft plans such as the APP and / or the five-year strategic plan are submitted to the Department of Planning, Monitoring and Evaluation via the Office of the Premier at different times from the draft budget, which is submitted to the Provincial Treasury for analysis with different timelines. The same applies to the provisional and final confirmation of the budget allocated to departments on an annual basis. This suggests that the final budget for the departments is confirmed almost too late when the plan with identified service delivery priorities is already in the final stages of approval and tabling in the legislature.

Additionally, when the budget gets cut in the middle of the financial year, the Department ends up not having sufficient time to revise the approved plan against the final adjusted budget, which normally happens in November or December every year, thus resulting in instances where some projects end up not being implemented due to budget cuts.

One of the respondents further argued that some guiding frameworks in terms of planning and budgeting hinder integration and alignment. This sentiment is captured as follows:

> *the MTEF for budgeting is not working in government, as it is changing every year unlike the Medium-Term Strategic Framework (MTSF), which is a fixed five-year policy document of government with clear policy priorities for implementation during that five-year period. Both the MTEF and MTSF should align even with the time span/horizon for better integration between plans and*

budget. The fact that the MTEF is reviewed annual to some degree contributes towards non-achievements of commitments over the MTSF period due to in-year budget adjustment and budget reprioritisation as a result of budgets cut or increases but not adjusting the planned performance targets (Respondent 13: 15 December 2020).

4.10. Conclusion

The empirical data gathered and analysed using the thematic data analysis tool demonstrates not only the importance of strategic planning and budgeting but their alignment in organisations such as LEDET to improve the institutional performance and meet minimum service delivery expectations of communities. Eight themes that emerged from the project analysis phase in this study were developed to clearly present the research results. Despite the existence of supportive and guiding planning and budgeting policy frameworks, the research findings confirmed the existence of misalignment between strategic planning and budgeting processes in the Department. The misalignment was said to result from weak internal processes rather than largely external factors.

The majority of the research participants attributed this planning and budgeting misalignment to various factors such as poor coordination, collaboration and communication between strategic planning and budget management units that are responsible for the two functions. The findings further suggest that there is no evaluation of developmental programmes and projects that are implemented by the department to determine the impact and inform future planning and budgeting processes. The study further revealed the duplication of functions between the Department and some of its entities such as LEDA and LTA as the implementing agents. This duplication of functions between the department and its entities results in competition over limited resources.

Another key finding was that the administration branch, as a support function to all other core programs or branches of the Department is always allocated more resources than the core business. The core business or mandate of the Department is carried out through Economic Development branch, Environment and Tourism

branch. Each core branch has its unique service delivery mandate derived from the Constitution to fulfil, such as the promotion of trade and investment to stimulate local economic development and growth; to ensure sustainable environmental utilisation and protection; and lastly, the promotion of tourism transformation and development in Limpopo province. Having presented the research results from this empirical study, the next chapter deals with the analysis and interpretation of the research findings.

CHAPTER 5: ANALYSIS AND INTERPRETATION OF THE RESULTS

5.1. Introduction

The purpose of this chapter is to analyse and interpret the research findings presented in Chapter 4. One of the data analysis procedures is to interpret the research results or make meanings of the data. As Yin (2011) argues, a good empirical study does not simply end with the straightforward analysis of the data or the literal presentation of the research results. A good research study takes further steps to interpret the results and draw overall study conclusion(s) from the project's entirety. The analysis helps the researcher to answer the research questions and meet the research objectives as outlined in this study. The process of interpreting the results is made easy by the fact that in the previous chapter, the researcher presented the results based on various themes generated. These themes include, inter alia, the importance of linking strategic planning and budgeting; identification and funding of departmental priorities; effective and efficient implementation of departmental programmes; challenges associated with misalignment between planning and budgeting; collaboration between planning and budgeting teams; impact of misalignment; and the alignment between strategic planning and budgeting from a policy perspective.

5.2. The importance of linking strategic planning and budgeting

The emphasis on linking the budgets with plans in South Africa for effective and efficient implementation of organisational plans started as part of a wider public sector reform. As the Financial and Fiscal Commission (2013) indicates, all government institutions at any level of government table their annual budgets simultaneously with the strategic plans and annual performance plans for approval by legislature before the departments can implement their plans. Implementing the plans without approval by the provincial legislature is tantamount to spending money without approval and this constitutes financial misconduct for the department. Furthermore, departmental plans and budgets need to be tabled for the legislature to scrutinise and assess whether the department's plans contain both national and provincial priorities as expected. The process further enables the legislature to assess whether these priorities have been adequately budgeted for. Indeed, the idea is to ensure that a budget is accompanied by a plan, and vice versa, since it is of no use to table a budget

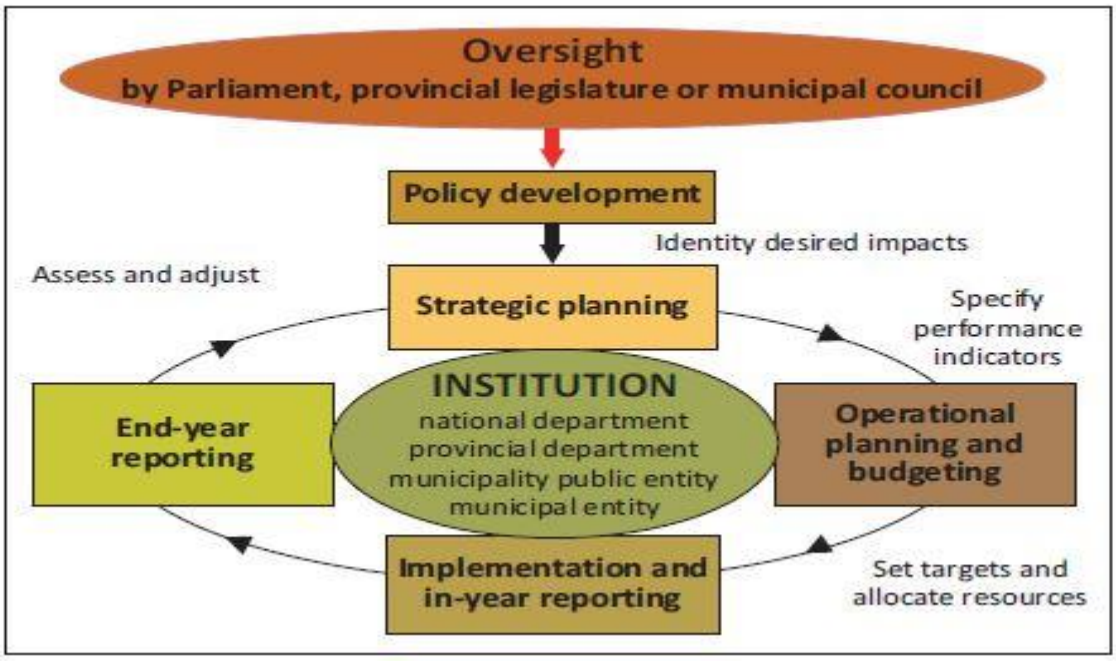
that is not supported by a plan or a plan that is not supported by a budget. This procedure or process confirms the finding of this study that planning and budgeting are practically inseparable. This is because no organisational plan can be successfully implemented without being supported by the budget.

It is evident from the research findings that the importance of linking planning and budgeting processes cannot be overemphasised. It is essential to ensure proper linkage between the plans and budget to enable the department to achieve its intended outcomes, as outlined in the departmental strategy and annual performance plan, as well as operational plans. In other words, planning and budgeting are intertwined because one cannot exist without the other. This view is supported by the organisational alignment theory, which argues that functional areas of an institution must be integrated for operational efficiency and improved performance. The annual pronouncements made in the state of the nation and province addresses by the President and Premier respectively, inform the department's planning process.

Ajam (2008) also confirms the findings that it is crucial for the plans and budgets to be aligned so as to improve operational efficiency as opposed to being done purely for compliance purposes; and further asserts that there is a wide acknowledgement of the importance of integrating planning and budgeting, including the need to strike a good balance to support delivery of services.

The **Figure 5.1** below depicts the relationship between planning, budgeting, and reporting processes.

Figure 5.1: Planning, budgeting, and reporting cycle



Source: National Treasury, 2007

Figure 5.1 illustrates that parliament leads the process of developing government policies and plays an oversight role in the implementation of those policies as constitutionally empowered to do. Policies inform strategic planning processes of government institutions through the development of strategic and annual performance plans, budget, and operational plans. Implementation of these plans is monitored on a quarterly and annual basis in which the reports are submitted to oversight institutions in ensuring transparency and accountability.

Table 5.1 below also depicts the budgeting cycle followed in government including the stipulated dates and activities; departments also develop their own schedules for internal processes.

Table 5.1: Budget cycle of the South African government

Dates	Activity	Responsibility
June- July	• Budget guidelines developed and issued to national and provincial institutions. • Departments and entities compile database of estimates for the next three years.	National Treasury
August	• Medium-Term Expenditure Committee (MTEC) makes recommendations on budget allocation and liaises with all departments.	MTEC

Dates	Activity	Responsibility
	• Budget allocations are matched with expenditures and service delivery projections.	
September	• MTEC submits initial recommendations to Ministers Committee (MINCOMBUD) on budget for deliberations. • The MINCOMBUD takes recommendations to Cabinet.	MINCOMBUD
October	Medium-term Budget Policy Statement to Parliament presented by the Minister of Finance.	National Treasury
November and December	• Parliamentary Committees discuss annual reports and assess budgetary needs of departments against performance. • Cabinet approves final allocations after considering MINCOMBUD recommendations. • National departments submit final Estimates of National Expenditure (ENE).	• Parliament • Cabinet • National departments
February	Minister of Finance presents budget speech to Parliament and tables budget tools (Appropriation Bill and Division of Revenue Bill).	National Treasury
March	• Parliament engages departments on budget legislation and approves the fiscal framework and division of revenue across spheres of government. The public is given an opportunity to provide input. • Provincial budgets tabled 14 days after the national budget.	• Parliament • Public • Provincial Treasury

Source: National Treasury, 2018

Table 5.2 below further illustrates the budget preparation processes within LEDET that are followed until the budget is approved and tabled in the provincial legislature.

Table 5.2: LEDET budget preparation process of 2019/20

Dates	Activities
May-July	Budget Committee meetings
July	Department and its entities submit 1st draft MTEF budget inputs
September	Budget Bilateral with branches
October	Provincial MTEC Hearings
	Budget Committee meetings - One-on-one session in preparation for Budget Adjustment

Dates	Activities
November	Department and entities receive draft allocation letter from Provincial Treasury
	Department and entities submit 2nd draft 2020 MTEF budget inputs
December	Department and entities receive revised allocation letter inclusive of conditional grants from Provincial Treasury
January	Departments and entities submit the revised database and EPRE
	National and Provincial Treasury conduct bilateral with department on databases
February	Department and entities receive the final budget allocation letter from Provincial Treasury

Source: LEDET 2019/20

Table 5.2 above illustrates the process followed by LEDET to prepare and finalise its budget process until approval and tabling in the Legislature. There is synchronisation between the budgeting processes with national and / or provincial processes in line with the MTEF technical guidelines that are issued to provinces annually. The process involves meetings of the budget committee in the department to discuss budget matters. It is crucial to note that the strategic planning unit is a member of this budget committee to ensure alignment of the budget to the plans. It includes the submission of the draft MTEF budget to Provincial Treasury for analysis, with an appearance before the MTEC hearings to account for the budget and expenditure, and thereby informing future budget allocations. The process also covers the consultations and preparations for the budget adjustment during the month of October every year before the adjusted budget is passed by the legislature.

The data further indicates that it is important for LEDET to plan thoroughly by firstly identifying and funding its own priorities that are clear for everyone within the department. Adequate financing of all activities or projects in the plans enable effective and efficient execution of the plan to support service delivery. From the analysis of the data and findings generated, it is clear that the process of identifying the developmental and service delivery priorities of the LEDET is clear, especially for the senior management. However, there seems to be a gap between management

and junior officials pertaining to this process. One of the respondents indicated that there is no or limited knowledge and understanding of the prioritisation process to identify and budget for departmental priorities. In other words, not everyone in the department is familiar with how departmental priorities are aligned to national and / or provincial priorities.

5.2.1. Disintegration between plans and budget

Despite the existence of the government policy framework encouraging alignment, one of the findings illustrates that in reality there is a perpetual disconnect between planning and budgeting. For example, the departmental strategic plans are designed for a medium-term of five-years but the budgeting period is limited to three years. This means the departmental plans cannot be funded for a period of five years. Again, the law allows for the budget to be adjusted annually, normally around October or November every year when the Minister of Finance tables the adjusted budget in the legislature. However, this is not the case with the approved annual performance plans.

This is simply because the planning frameworks in government discourage revising the institutional plans being implemented during the course of the financial year, unless there are serious policy changes to the mandate of the department, or the service delivery environment for the department has seriously changed. For example, when the service delivery environment considerably changed in the 2020/21 financial year due to the outbreak of the Covid-19 pandemic, all government institutions were allowed to revise their plans to deal with the impact of the pandemic. Another reason that prompted government departments such as LEDET to amend their plans was to implement significant budget cuts across the board to cater for Covid-19 interventions. The data further reveals that when the annual budget allocation of the department is significantly reduced, this then negatively affects the implementation of the institutional plans. This is because budget cuts mean that certain projects, which have been planned and approved for implementation get deferred to the next financial years because there is no more budget to continue with their implementation. Implementation of some projects may even be completely abandoned as the annual budget is reprioritised.

The evidence indicates that the exercise affects alignment of the plans with the budget since it is not given the necessary attention, and is often done for compliance without interrogating the importance and possible outcomes of planned programs. Ajam (2008) highlights several operational factors in organisations that hinder the linkage between plans and budgets. These factors include ineffective strategic planning and budgeting systems, processes, structures, flow of information, organisational culture, and leadership style. The theory of organisation alignment stresses the importance of having an appropriate organisational strategy, structure, culture, and good leadership to enhance organisational efficiency in the delivery of goods and services.

The findings further reveal that feedback from strategic planning sessions held is not communicated back to all staff members within LEDET, especially at junior level so that everyone is aware of major decisions made by senior management. This culture often leaves junior officials not knowing what is expected from them as implementers of departmental programmes and projects. As was indicated by one respondent, there is a tendency of not recognising good performance by management in the department.

5.3. The process of identifying and funding of departmental priorities

As government planning and budgeting processes are highly regulated, the findings reveal that management is familiar with the processes of identifying and funding the chosen priorities. As said earlier, this is, however, not the case with all officials, especially at junior or middle management in the department. Evidently, the majority of the respondents, except for a few, seemed not to be aware of the specific policies, frameworks and laws governing planning and budgeting in government. Undeniably, it is expected of all government officials to have thorough knowledge and understanding of the laws, policies, regulations and frameworks governing their operations, particularly strategic planning and budgeting processes. Failure to appropriately implement these policies may result in non-compliance with legislation, which is problematic, and could lead to a negative audit outcome by the Auditor-General.

However, the findings of this study indicate that priorities relevant to LEDET are derived from government legal frameworks such as the Constitution, NDP, LDP, etc., that seek to tackle the triple challenges of poverty, unemployment, and inequality. It was indicated in the previous chapter that one of the mandates of the department is

to promote trade and investment so as to facilitate local economic growth and development in Limpopo province. Priorities are also drawn from the MTSF as a five-year implementation plan of the NDP and sector strategies. Section 196 of the Constitution of 1996 also sets out the basic values and principles governing public administration, which LEDET is also expected to adhere to, in its endeavour to render services to the communities. One of the values and principles governing public administration is that the provision of public services must be done impartially, fairly, equitably, and without bias.

It has been found that the Medium Term Expenditure Framework (MTEF) guides budgeting for the identified priorities over a three-year period in government. Ideally, the plans must inform the budget to ensure all planned programmes and projects are funded and then implemented. However, given the reality of scarce resources in government, the concept of prioritisation was introduced to prioritise important programmes with huge impact on the lives of the people. It is evident from the findings that the budget is never enough to cover everything that the department desires to implement. It is often a challenge to reprioritise the budget after the adjustment, simply because this exercise causes tension between directorates, as some feel victimised when their initial budget is taken away to fund budget pressures on certain items or projects. This suggests that some program managers may feel that their programs are overlooked in favour of other programs. The study results highlighted the issue of competition over the budget between directorates.

5.3.1. Deficiencies in identification and funding of LEDET priorities

The findings further reveal deficiencies in the strategic planning and budgeting processes. It was observed from the data analysed that not much effort is made when identifying and funding the priorities of the department. The majority of the respondents claimed that annual strategic planning sessions of the department are just ‘talk shows’, where the same issues are discussed every year with no significant changes. Apparently, management tend to focus more on developing easy and soft performance targets to achieve rather than coming up with performance indicators and targets with impact.

As previously mentioned, the evidence further reveals that there is competition between directorates over what gets prioritised and funded. The exercise is not seen as a departmental process, but rather as individual units seeking to get more money than others. In fact, the data demonstrates that the budget is not activity-based, but rather programme-based, meaning that the budget is allocated to programs instead of being allocated to individual projects within a program. This tendency creates a problem for many people since there is a situation where the program budget allocated is not enough to cater for all planned projects. Project managers would be then told to bid for more funding during the budget adjustment process in which there is no guarantee that additional money will be made available to implement the outstanding projects. If additional money is not provided during the budget adjustment, this forces the department to defer or abandon the planned projects. This will sometimes be viewed by society (including the politicians) as incapacity to implement the development projects to change the lives of ordinary and poor communities for the better. The budget is given, and directorates have to work with what has been provided. However, the researcher is aware of the principle that is encouraged in government of “doing more with less”.

Ajam (2008) points out that institutional strategic plans ought to be developed with due consideration of limited resources and be distributed across the priorities outlined in the strategy. This argument is consistent with the claim by the National Treasury (2004) that reprioritisation is a significant budgeting principle introduced in government to identify savings that can be reallocated to fund priority programmes of a department.

5.4. Importance of effectiveness and efficient implementation of departmental programmes

Effective and efficient implementation of service delivery programs by government institutions is critical to enhance community confidence and trust in government. Even Section 192 of the South African constitution says that efficient, economic and effective use of resources must be promoted within the country’s public administration. According to the National Treasury (2017), to effectively achieve the intended objectives of government institutions, there ought to be a clear, direct, and visible link regarding the planned and budgeted interventions. The National Treasury further emphasises the importance of developing outcomes that are inclusive and productive

to enhance sustainable development to reduce poverty, unemployment, and inequality.

The research has uncovered both internal and external factors necessary to drive institutional success in implementing the programs and projects more efficiently and economically. Regarding the internal factors, resources such as human and financial, organisational structure, culture, decisive and ethical leadership, among other things, have been touted as very crucial to ensure effective, economical, and efficient implementation of the planned projects because without resources nothing will be achieved. The finding is consistent with the principles of organisational alignment theory, which places leadership with good qualities at the centre of leading alignment within an organisation.

As Semler (1997) posits, the theory of organisational alignment does not suggest that alignment is the only measure to achieve overall organisational success, but there are other external factors that account for improved institutional performance. These external factors must be considered when planning to improve organisational efficiency and alignment. External factors that emerged from the findings include partnerships with various key stakeholders including the private sector, and the legislative framework that the department derives its mandate from. Policy prescripts should serve as the basis for departmental planning and budgeting processes as it contains the priorities to align to in the plans and budget.

There is a general belief that the private sector has the resources that government can leverage and use to transform society and grow the economy to create jobs and address unemployment and poverty. The department is encouraged to partner with private business including donors to fund some of its projects, but a culture of transparency and accountability is required to instil lasting confidence for these partners. However, it has been demonstrated from this study, that there are instances where government projects are not efficiently and effectively implemented, thus resulting in under-spending of the budget, which is then later surrendered back to the Provincial Treasury. One of the respondents alluded to the fact that under-spending of the budget for projects is problematic because unspent money can be taken over from the department and be given to another department either within Limpopo or in

another province, especially when Treasury refuses to reallocate such funds as rollover.

Proper communication and working in collaboration between different departmental units such as the planning and budgeting units have been regarded as paramount in integrating the efforts towards achieving common goals of the department. In addition, commitment by staff, equipped with necessary resources, and support from management, were cited as necessary to inspire workers to render services to communities effectively.

5.4.1. Importance of stakeholder's consultation

In identifying its service delivery priorities and commitments, LEDET consults with various stakeholders who are directly affected by the work of the Department to achieve its vision, mission, impact and intended outcomes. These stakeholders include its three parastatals (i.e. LEDA, LGB and LTA), national departments with concurrent functions and municipalities, organised labour and business forums including the private sector in the province as well as communities. The Provincial Treasury is also an important stakeholder as it is custodian of planning and budgeting. The annual pronouncements made in state of the nation and province addresses by the President and Premier, respectively, inform the Department's plans. All these stakeholders are involved in the development of the departmental strategy.

5.5. Challenges associated with misalignment between planning and budgeting

It has emerged from the evidence that non-alignment between planning and budgeting result in audit queries by both internal and external auditors relating to instances where commitments made in the plans are not achieved. In fact, the program budgets may be underspent or overspent, which constitute cases of financial misconduct in terms of the PMFA which are punishable. The implication of underspending of allocated funds is that money would be returned to the Treasury Department. In turn, this signals poor planning since money is allocated but not utilised. It has also been observed that there is a culture of 'putting the cart before the horse' when it comes to bidding for additional funds during the budget adjustment process in the middle the year. For

instance, one of the respondents claimed that officials would sometimes bid for more funds for projects without first having a plan on what they would do with those funds. The respondent said the department would bid for funds and once those additional funds had been approved, they would then decide on what to do with them.

As previously stated, another challenge of misalignment is the duplication of functions. The duplications cause wastage of money since similar programmes from different institutions or directorates (e.g. LEDA versus LEDET or Tourism branch versus LTA) are allocated resources. This is due to poor coordination and communication between different units that are supposed to integrate their work to improve service delivery. For example, officials within planning unit are not involved in the budgeting process much as officials from the finance unit are not involved in the planning processes (DPME, 2018). This situation may lead to 'finger pointing' and a 'blame game' when important programmes and projects meant to benefit poor communities are not implemented or completed on time. This leads to a trust deficit by communities as a result of the failure by the Department to fulfil its promises, thus often resulting in violent community service delivery protests.

In fact, a challenge of functions duplication is consistent with the results of a study by Mokgoro (2010) who asserts that alignment between planning and budgeting is hindered by too much duplication of functions, among other things, between an oversight department and its parastatals causing competition over limited resources. Mokgoro (2010) explained that there is a culture of working in silos in government institutions rather than integrating efforts.

Mokgoro (2010) further discovered that the allocation of resources at LEDET is not strategic, as it is dependent on the historical approach of doing things where management is preoccupied with old models and staff vacancies, rather than fundamental issues, and that it seems as if the senior management teams tend to throw resources at problems rather than proactively tackling problems head-on.

Allegations of corruption in LEDET also emerged from the data. This might be true in the sense that the Auditor-General of South Africa continuously reports on cases of fruitless and wasteful expenditure, irregular expenditure, and sometimes unauthorised expenditure incurred by the Department. Of course, these anomalies constitute cases of financial misconduct in terms of the law such as the PFMA. For an example, in the

2018/19 financial year annual report of the Department an amount of R47.52 million was declared as irregular expenditure, of which R12.17 million was in relation to irregularities in security tenders, while R10.3 million stemmed from inconsistencies in evaluation of construction tender from 2016/17 financial year (LEDET Annual Report, 2019). The analysis of wasteful expenditures (e.g., fruitless and wasteful expenditure) indicates that this problem has been recurring from the previous financial years on interests charged by Eskom and municipalities. Interests charged against the Department by service providers mean LEDET had failed to honour its contractual obligations on time, hence the interests. Further analysis indicates that the Department is failing to deal with this problem as most of the old financial misconduct cases are not cleared, despite the development and implementation of audit action plans.

Another observation emerging from the data is that planning and budgeting within LEDET takes a top-down rather than a bottom-up approach. Evidence suggests that the exercise of finalising and resourcing the plans is often rushed and concluded only by the executive management without involving middle managers and other junior staff members. In addition, there is no feedback from such strategic management engagements, yet junior officials and middle managers are expected to efficiently implement these plans. Evidently, there is no fairness in the allocation of resources to developmental projects within the department as some directorates get more money than others.

The location of strategic planning and budget management units on the organisational structure was viewed by some respondents as an impediment to alignment. This is because the manner in which the two units perform their functions is seen as incoherent with no available mechanisms to encourage effective collaboration and regular interactions in achieving the required alignment. This argument confirms the claim by Ajam (2008) that there are no formal coordination and consultation mechanisms between the team responsible for annual performance plans and the one in charge of budgeting. Ajam (2008), however, acknowledges the differences in the development and approval timelines between the planning and budgeting processes, which forces the two units to work independently of each other and this affects alignment.

Other respondents had a contrary view from the above argument. These respondents claimed that the planning and budgeting sections are well located, which the researcher is in agreement with, and concurs that separate location of the two units on the organisational structured is not a hindrance to effective collaboration and regular interactions. What is required, however, is for these two key strategic units to improve coordination and communication to ensure alignment of the budget to the plans. Similarly, Steurer and Martinuzzi (2005) attest that integration amongst different organisational units requires continuous coordination and collaboration, which depend on concrete mechanisms being in place to encourage regular engagements to align with organisational processes.

Ajam (2008) concurs that for government to reap the benefits of both planning and budgeting alignment, state institutions must maintain separate but yet aligned processes. It must be noted that even the 2019 Revised Framework for the Strategic Plans and APPs encourage collaboration and consultation between the two units in government departments before finalisation and approval of the strategic plans. The study by DPME (2018) observed that oftentimes budgeting in government departments leads planning due to a lack of integration.

5.5.1. Lack of project evaluation

It has emerged from the data that completed previous projects are not evaluated to measure their impact on service delivery. As discussed in the previous chapter, 77% of respondents alluded to the fact that the LEDET continues to implement programmes or projects that do not have any impact on poverty reduction or economic development. Evaluation of completed projects is viewed by many project managers as a ‘witch hunt’ to expose individuals, hence there is a reluctance to have present programs and projects evaluated annually. Earlier in this study, it was explained that between 2014 and 2019, only one evaluation study focusing on enterprise development was conducted by Wits University. However, the recommendations of such an evaluative study were never implemented because the management disagreed with the evaluation results that did not show them in a positive light.

To reiterate, the findings of this study also highlighted the issue of duplication of functions as being a problem between LEDET and its entities such as LEDA. The problem of duplication of functions was raised by the evaluation study conducted by an independent institution like Wits. As this problem was once again raised by the respondents in this study, this means that the department is struggling to deal with this issue. The failure to address this problem of the duplication of functions suggests an embedded culture of a lack of accountability and impunity. Undoubtedly, the duplication of functions means that the department is wasting resources as the resources from different directorates are channelled to the same project. This is exacerbated if there is no communication and coordination between the directorates within the department.

5.6. The impact of misalignment

The data reveals that there is no synergy between the departmental achievement of set indicators or targets and budget expenditure. In other words, there is a gap between the reported organisational performance and spending on a quarterly or annual basis wherein the expenditure does not correspond with the reported performance. Various annual reports of the department revealed areas of disjuncture between the planned annual performance targets and annual expenditure. Most often, budget expenditure at the end of the financial year is above the achievement of the planned performance targets.

The analysis shows that LEDET has consistently spent above 98% of the total budget allocation for a period of over five years, while the performance of the department in terms of annual targets is below 90%. Most of the time, the reasons advanced for non-achievement of planned annual performance targets is insufficient budget to implement planned projects (LEDET Annual Reports, 2017 & 2018). This disjuncture between performance information and budget expenditure has been raised on several occasions by oversight structures such as the audit committee and the portfolio committee of the Limpopo Provincial Legislature during their meetings with the Department. There appears to be a tendency in the Department to appoint service providers late to implement certain projects. This leads to the non-achievement of

planned targets. The National Treasury (2017) asserts that the results of planning and budgeting have barely produced the outcomes and impacts envisioned.

5.7. Limited knowledge on policy frameworks governing planning and budgeting

Although the DPME (2018) acknowledges the gaps in existing government policy frameworks, the analysis of the data reveals that the majority of the respondents interviewed, with a few exceptions, had limited knowledge on the specific policy frameworks governing planning and budgeting in government. Yet there was a general feeling that the policies are clear on the planning and budgeting processes, but that they do not support the alignment. Respondents highlighted the different set timelines for the preparations and submission of draft annual performance plans vis-a-vis the draft annual budget before their approvals.

The data further reveals that the MTEF that informs budgeting does not correlate with the planning frameworks such as the revised planning framework on the strategic plans and the annual performance plans as well as their implementation guidelines. Since the custodianship of the MTEF and Planning Frameworks such as the MTSF, etc., reside with different departments at national level (i.e. DPME and National Treasury), the review process of these frameworks is not done concurrently or simultaneously to ensure alignment and synergy. As already stated, the MTEF is a three-year budget plan, while the MTSF is a fixed five-year plan. Similarly, the National Treasury Regulation 5 directs that the annual preparation of strategic plans must cover a period of at least three years, which is aligned to the MTEF (National Treasury, 2007), not the Revised Framework for the Strategic Plans and APPs (RFSAPP). This disjuncture between the PFMA, MTEF and MTSF as well as the RFSPAPP contributes negatively towards achieving proper alignment between the planning and budgeting in government.

5.8. Conclusion

While alignment between planning and budgeting in government with specific reference to LEDET is a desired outcome and very important, the data reveals that it is difficult to achieve this ultimate outcome due to various reasons as described by the respondents. These include inconsistencies contained in the policy frameworks governing strategic planning and budgeting processes. This has been confirmed by the findings of this empirical study. The timelines for the preparation and approval of the planning documents and budget allocations are not synchronised thus preventing integration. This chapter has tried to analyse and interpret the data collected through face-to-face interviews during the practical fieldwork research in LEDET, Limpopo Province. The next chapter then tries to draw conclusions from the data analysis and interpretation phases and concludes the research project as well as making policy recommendations to address this challenge of misalignment in government.

CHAPTER 6: STUDY CONCLUSIONS AND RECOMMENDATIONS

6.1. Introduction

This chapter concludes the study and makes recommendations based on the evidence gathered through the investigation undertaken to examine the non-alignment between planning and budgeting in LEDET. One of the prerequisites for enhancing organisational performance is to ensure proper alignment between planning and budgeting. However, empirical evidence gathered through interviews in the study indicates that there is persisting disintegration between the two processes in the Department, which negatively impacts on the achievement of set objectives. The research was conducted to identify factors that contribute to misalignment, and to recommend measures that might assist to improve alignment within LEDET so as to effectively meet its constitutional mandate. Additionally, the research intended to contribute to the existing limited literature about non-alignment between government strategic planning and budgeting. This chapter also determines whether the study's following sub-objectives were fulfilled:

a) establish the factors contributing to the non-alignment between planning and budgeting in LEDET;
b) determine whether these factors are internal or external to the Department;
c) investigate the challenges brought about as a result of misalignment between planning and budgeting in the implementation of the Department's programmes;
d) identify policy inconsistencies pertaining to planning and budgeting in Government; and
e) generate policy recommendations to enhance the alignment between planning and budgeting.

The organisational alignment theory, which underpinned the development of this study stresses that alignment between institutional functional areas is paramount to improve organisational performance. However, proponents of this theory argue that alignment is not the only measure for organisational success but there are other external factors that have an impact on the organisational performance. The theory focuses specifically

on the Vox Organisation model designed to measure the level of organisational alignment. The model assesses alignment based on factors such as the strategy, structure, policies, culture, and leadership. Other scholars have defined the theory from the perspective of organisational processes and systems, which are interrelated, and employed to improve organisational performance. The conclusion and recommendations outlined herein are largely informed by the research findings generated through the interviews with 13 participants on their views and experiences relating to the phenomena investigated.

6.2. Summary of key findings

The study has discovered that both strategic planning and budgeting are paramount in government institutions such as LEDET, as it is the case in the private sector. Planning helps government to have focused interventions by means of which to respond to various social and economic challenges facing poor communities that are relevant to the constitutional mandate of individual departments within set timeframes, while budgeting allows for allocation of funds to give effect to the planned interventions. The alignment between the plans and budget was emphasised as a precondition for the achievement of organisational objectives and improved organisational performance. The study investigated planning and budgeting from a global, regional, and local context, which demonstrated their evolution over the years. In the South African context, since the dawn of democracy in 1994, the democratic government introduced various reforms to improve planning and budgeting processes through legislation, policy, and structures. Notwithstanding the importance of the two processes, the data has acknowledged and confirmed the existence of misalignment between planning and budgeting that causes deficiencies in the organisational systems and performance.

The study established various factors that lead to the misalignment between planning and budgeting. Firstly, the two functions are performed in isolation from each other, without proper integration. Whenever this is done, this is purely for compliance purposes. According to the findings of this study, the problem of disintegration in LEDET is exacerbated by working in silos between strategic planning and budgeting units that are responsible for the two functions. The study revealed poor

communication, lack of collaboration, and coordination as the major impediments towards achieving the alignment between the two variables.

The results of a study by Tsofa et al. (2016) indicate that integration between plans and budget is unlikely to be attained unless certain organisational contexts and relations between various stakeholders are taken into consideration. Tsofa et al. (2016) further suggest that there is a need for organisational alignment of the processes informing planning and budgeting, with a common cycle and reporting timelines for improved data to guide proper and accurate target setting.

Secondly, the study indicates that the prioritisation and reprioritisation exercise that is conducted is not thoroughly done. This is because certain important programmes and legal obligations are not considered during the planning and budgeting processes and/ or budget adjustment process. Often the prioritisation exercise is individualised, as opposed to being a holistic process where there is no competition over which programmes get prioritised and there are more additional resources in terms of funds. The process ought to be treated as a departmental process that seeks to benefit the Department, not individual interests.

Thirdly, it has emerged from the data that the Department struggles with capable leadership that possess good qualities to direct the organisation into the right path. Good leadership could ensure that LEDET delivers efficiently and effectively on its constitutional mandate of economic development, environmental management, and tourism promotion. The Department experiences a recursive pattern without positive results. Having capable leadership can assist to alleviate this problem and ensure important programmes are prioritised and allocated adequate resources for effective implementation.

Moreover, the study has identified various internal and external factors that LEDET needs to take into consideration to achieve its objectives. The internal factors identified include the resources, both human and financial, skilled and competent personnel, and adequate budget. Information and Communication Technology (ICT) is critical in adjusting to the Fourth Industrial Revolution regime in order to modernise organisational processes and systems and speed up service delivery. The right leadership with good qualities and ethical values was emphasised by the participants.

The external factors that emerged from the analysis of the data include, among other things, the policy framework from which LEDET derives its service delivery mandate, which serves as the basis for planning and budgeting. Inputs from various stakeholders that have an interest in the LEDET operations ought to be considered. Another factor is that, due to inadequate finances, the Department should leverage the support of donors and the private sector in order to fund some of its programmes and projects that LEDET is unable to implement due to budgetary constraints.

Numerous challenges that are presented by the non-alignment between plans and budget were articulated through the data analysis and interpretation processes. These include audit findings emerging from misstatements from the planning and reporting documents where the objectives in the plans are not met, thereby affecting service delivery. Since service delivery is hampered by the misalignment, this leads communities to lose trust in LEDET and to sometimes embark on protests in demand of good and quality services.

The study reveals that active participation of various stakeholders in the process of integrating plans and budgets cannot be underestimated. This suggests regular interactions to ensure alignment is encouraged. Consistent with the findings of Tsofa et al. (2016), the finding of this study underscore the fact that the cycle and schedules in line with the frameworks informing planning and budgeting processes in government must be synchronised to eliminate the barriers that hinder integration.

6.3. Conclusion

In summarising the entire study, Chapter 1 introduced the study by providing the background of this research project. The problem statement, purpose, the main research objectives including sub-objectives, research questions as well as sub-questions and the significance of the study were also briefly discussed in this chapter. Having introduced the study and defined the research problem, Chapter 2 reviewed the relevant literature on the subject matter that was investigated, which served as the basis for the study. In the literature review chapter, the discussion on non-alignment between planning and budgeting was outlined from the global, regional, and local context and then narrowed down to the case of LEDET. The analysis of the literature

has confirmed that non-alignment is a common problem across the globe and this affects organisational efficiency as well as service delivery, particularly in Africa, which is confronted by many developmental challenges. In terms of the theoretical framework, the theory of organisational alignment informed the development of this empirical study.

The theory emphasises the integration of functional areas in an institution to promote alignment and enhance performance. It emphasises the importance of linking various elements such as the strategy, structure, systems, processes, leadership, policies, and culture within an organisation to accomplish the set goals. It has emerged from the literature that there is no standardised tool to measure alignment, as it is studied from various perspectives. However, in this study, the focus was mainly on the alignment of systems and processes of planning and budgeting within LEDET.

Chapter 3 discussed the research methodology and design that underpinned the study. A qualitative approach was chosen, given the nature of the study and types of questions asked, which include the 'what', 'why', and 'how' questions, which warranted face-to-face interviews with sampled participants. The study adopted a single case research design with LEDET as the case in point that is mandated to promote economic development, ensure a sustainable environment, and tourism transformation and development. The elements of reliability and validity in the context of qualitative research were also explained.

To improve reliability and validity, a peer debriefing mechanism was employed to guard against possible bias in the interpretation of data through the review of the transcribed data, presentation and analysis by a colleague who is an experienced researcher. Of great importance in any research are the ethical issues that were discussed and adhered to throughout this research project. An ethical clearance was secured and provided by the University to allow the researcher to carry out this research project. In addition, permission was also granted by the Head of Department of LEDET for the researcher to conduct the research within the institution. Participation in the study was voluntary and respondents were requested to sign a consent form prior to interviews. Lastly, the interviews were recorded with the permission of participants.

Chapter 4 presented the research results guided by the thematic data analysis approach. The themes were developed from the dataset. The data was analysed and interpreted using this analytical tool in order to give meaning to the empirical data. The study identified eight main themes that were used as the base for analysis, discussion and interpretation of primary data also linking to the main theory of organisational alignment that guided the research project. The importance of linking planning and budgeting was articulated as key for LEDET to deliver on its mandate. To reiterate, the findings suggest that there is misalignment between planning and budgeting in LEDET and this problem has existed for a long time, despite the reforms introduced by government promoting integration of the plans and budget.

The chapter explained numerous factors that result in the non-alignment and possible solutions to address the barriers to achieve the required alignment. The alignment and non-alignment were also discussed from a policy perspective, with diverse views expressed by the respondents. The general sentiment from the participants was that policy in general does promote alignment, while a few respondents felt policy specifically on planning and budgeting does not support integration between plans and budget.

The chapter further stated the critical role that strategic planning and budget management units have to play in leading the process of ensuring alignment between planning and budgeting processes. It was argued that proper communication mechanisms, better cooperation, and coordination can assist to ensure alignment between planning and budgeting. Importantly, the executive management of LEDET must provide leadership and support in the process.

Chapter 5 dealt with data analysis and interpretation of the research results, as presented in Chapter 4. The chapter stressed the importance of planning and budgeting and the linkage thereof to accomplish organisational goals and improve performance. This is also supported by the theory of organisational alignment theory, which argues that functional areas of an institution must be integrated for operational efficiency. The chapter further explained the relationship between planning, budgeting, and reporting as forming the backbone of the Government's strategic planning process. However, the analysis indicated that it is often difficult to achieve alignment between plan and budget not because of the organisational structure, but because of

lack of communication and coordination between the units responsible for the two functions. Different schedules and timelines in preparation of the LEDET plans and budget causes disintegration. The chapter also explained that planning and budgeting in the Department takes a top-down rather than a bottom-up approach. Moreover, it was explained that management does not provide feedback from the strategic planning sessions. Yet the stakeholder consultations were seen as very critical in identifying and agreeing on departmental priorities during planning and budgeting processes for effective and efficient implementation of programmes and projects.

Chapter 5 also explained that LEDET is very reluctant to identify programs or projects for evaluation because managers see project evaluation as a 'witch-hunt' to expose them. Lastly, it was elaborated that not everyone is conversant with specific policy frameworks governing planning and budgeting in government and this warrants an intervention to capacitate the relevant officials.

Lastly, Chapter 6 concluded the study, and makes several recommendations informed by the empirical evidence gathered through interviews with the respondents, as guided by the study objectives and questions. The recommendations aim to provide guidance to LEDET to improve alignment between planning and budgeting processes that could ultimately result in the achievement of institutional objectives and efficient service delivery.

The objectives and sub-objectives of the study were achieved, as the non-alignment between planning and budgeting was confirmed by the literature, and findings from data collected and analysed. The factors contributing to non-alignment, including challenges presented by the disintegration between plans and budget in the execution of LEDET programmes were also discussed.

6.4. Recommendations

In light of the findings presented and discussed, this study makes the following recommendations:

6.4.1. Effective planning and budgeting processes to enhance alignment

Alignment of plans and budget requires concerted efforts through full involvement, cooperation, and commitment of all relevant stakeholders. There must be an effective

structure which is comprised of departmental units and their entities that meet regularly to enhance the alignment. For the process of integration to yield positive results, it must be well-managed and supported by all stakeholders with the aim of improving performance by concentrating on the holistic mandate of the Department rather than individual interest. Given the reality of scarce and ever-diminishing resources, the identified priorities of the Department have to be ranked according to the predetermined criteria and assessed based on the status of readiness of the planned projects for implementation. This has to be according to their importance and urgency with the potential to contribute significantly to the legal mandate entrusted upon LEDET of growing the economy, ensuring sustainable environmental management, and protection and promotion of tourism activities in the Province.

Planning must be based on available resources to deliver effectively on the mandate of LEDET. Big projects that go on tender have to be well-planned a year prior to implementation so as to begin early in the new financial year to avoid surrendering funds back to Treasury at the end of the financial year and / or incurring unwanted expenditures, which result in audit queries.

6.4.2. Strengthen collaboration and coordination between strategic planning and budgeting units

Both the strategic planning and budget management directorates entrusted with the responsibility of managing planning and budgeting processes respectively need to improve their working relationship and communication. There should be well set communication mechanisms in place with clear timelines to promote regular interaction, so as to ensure alignment between planning and budgeting activities. The Department should not wait until the last minute during the finalisation stage to align plans and budget. These interactions must involve all departmental branches, which are serviced by the two directorates to discharge their duties efficiently and effectively to enhance organisational performance.

6.4.3. Evaluation of departmental programmes and projects to inform future planning and budgeting

The Department of Planning, Monitoring and Evaluation (DPME) encourages government institutions to undertake evaluation of their programmes and projects implemented. The DPME has also come up with the framework and guidelines to guide the process. However, LEDET has failed to carry out the evaluation of programs or projects for several years, as expected. The only evaluation study was commissioned on enterprise development in the Limpopo Province and was conducted during the 2017/18 financial year, but the recommendations of the study were never implemented. The reason for non-implementation of the study recommendations was that management of the Department, specifically LEDA, did not agree with some evaluation findings and recommendations. Thus, despite this shortcoming, the Department continues to implement various developmental projects over the years with huge sums of money used, but which are never evaluated to establish their impact.

Furthermore, evaluation is a highly specialised field, and the monitoring and evaluation unit within the Department has to be capacitated to be able to undertake this process. However, it is also important for evaluations to be conducted by an independent body so as to ensure objectivity, and this is a preferred methodological approach encouraged by DPME. For this reason, it is crucial for the Department to identify and prioritise programs or projects for evaluation to determine their impact in order to provide accurate evidence to guide future planning and budgeting. Indeed, it is very important for the executive management of the department to put funds aside to carry out the program or project evaluations every two years.

6.4.4. Capable leadership to give direction and drive alignment

Competent, strategic, firm, and principled leadership is required, which is key to ensuring the Department is able more effectively to fulfil the mandate entrusted to the LEDET. Executive management should be able to take tough decisions in the interest of the Department and service delivery. Participatory decision-making processes should also be promoted, where staff provide inputs. The executive management

structure must schedule regular engagements with officials at junior or middle-management level to deliberate on departmental matters, and provide feedback on departmental programmes, including planning and budgeting matters. The Management Committee has the responsibility to provide support to the staff to carry out their duties diligently by availing resources and promoting capacity building.

6.4.5. Consider applying the zero-based budgeting approach

Although the MTEF budgeting system was introduced with the good intention of allocating budget to policy priorities of government, the system has proven to be inefficient across government including in LEDET, where budgeting allocation is based on the baseline of the previous year. The study recommends the use of a zero-based budgeting system that has the potential to eliminate some of the budgeting challenges in government, and provide a better solution in an era of constrained finances. The system advocates for the allocation of budgets to the priorities of government in every financial year. Zero-based budgeting is embedded in a thorough process, and the justification for each and every activity ought to be prioritised and budgeted. The system also emphasises evaluation of the previous performance so as to determine the outcome and impact made for improved planning and budgeting. This recommendation is in line with Mboweni's (2020) view that the parliament of South Africa must consider adopting a zero-based budgeting system for the country to concentrate on strategic areas to improve economic growth through infrastructure development and related activities.

6.4.6. Implement the 2017/18 Enterprise Development Evaluation Study recommendations to deal with duplication of functions within the Department and its state owned entities

As it has emerged from the findings of this study that there is duplication of functions that existed for a long time between the Department and entities that must be addressed. As said earlier on, a similar finding of duplication of functions was also raised by a study on the Evaluation of Enterprise Development commissioned by Wits University that there was duplication of functions relating to support services provided

to local enterprises in Limpopo province between LEDET and its entities. To reiterate, this study strongly recommends for the Department to address the duplication of functions that exist in order to save and ensure optimal utilisation of limited resources available. Resolving the duplications will also allow other important programs to be allocated resources to carry out other obligations and promote institutional efficiency.

6.4.7. Provide training and capacity building to departmental officials on existing planning and budgeting policy frameworks

The study reveals that the majority of participants are not aware of specific policies guiding planning and budgeting, specifically the frameworks guiding the two processes in government. Therefore, it is recommended that officials must be trained on the relevant policy and associated frameworks, given their involvement in planning and budgeting matters so as to have a thorough knowledge and understanding to enhance the integration of plans and budget. If the officials are well-trained and committed to the process, most of the challenges caused by the non-alignment could be eliminated.

6.4.8. Review the existing planning and budgeting policies and frameworks to strengthen and institutionalise alignment

The minority of officials that are familiar with specific policies and frameworks on planning and budgeting emphasised that the planning and budgeting policies and frameworks have to be aligned specifically in terms of the cycle or phases that relate to preparation up to finalisation of plans and budget. This is to ensure that commitments made in the plans are based on the available and confirmed budget, which is not reprioritised after the plan is approved. Additionally, the budget adjustment period that takes place annually in October, should also be applicable to those plans where funds are reduced, or reprioritised to accommodate such an alteration in plans.

6.4.9. Future research

Although this research has attempted to contribute to the existing literature on the non-alignment between planning and budgeting, the phenomenon remains chronically under-researched, and requires expanded scrutiny. Instead, the available literature on the theory of organisational alignment focuses mainly on alignment from the perspective of organisational structure, strategy, leadership, policies, and culture. Whereas, this study concentrated on planning and budgeting which are policy imperatives.

Since the research was a case study focusing on LEDET, the findings cannot be generalised to the entire Government, and therefore, a comparative study between government departments is required so as to determine whether or not non-alignment is prevalent throughout government, and towards designing measures that are relevant to government as a whole.

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APPENDIX A: INTERVIEW SCHEDULE

Main question

What factors contribute to the non-alignment between strategic planning and budgeting, challenges it presents to LEDET in the execution of government programmes?

1. **What is your view on the integration between strategic planning and budgeting in the Department?**
   - 1.1. In your view, how important is it to link strategic planning and budgeting in the Department?
   - 1.2. How are departmental priorities identified and funded?
   - 1.3. To what extent do the Departmental plans (SP & APP) inform the budget allocation?
2. **In your view, which factors matter most for the execution of the Department objectives?**
   - 2.1. Are these internal or external factors?
   - 2.2. Has the Department been confronted with challenges that you think are associated with the misalignment of strategic planning and budgeting?
   - 2.3. In your opinion, does strategic planning and budget management directorates work in collaboration to ensure the alignment?
3. **How are challenges brought as a result of the misalignment between planning and budgeting affect the execution of government programmes?**
   - 3.1. How does the misalignment between strategic planning and budgeting affect the implementation of government programmes by the Department?
4. **How important is the alignment between strategic planning and budgeting from a policy perspective?**
   - 4.1. How do the applicable legislations promote alignment between strategic planning and budgeting?
   - 4.2. What are the gaps in the legislations that hinders the alignment between strategic planning and budgeting?

5. What policy proposals can contribute towards enhancing the alignment between planning and budgeting?

5.1. What do you suggest should be done to improve alignment between planning and budgeting?

APPENDIX B: ETHICAL CLEARANCE

UNIVERSITY OF THE WITWATERSRAND, JOHANNESBURG

WITS SCHOOL OF GOVERNANCE
UNIVERSITY OF THE WITWATERSRAND, JOHANNESBURG

Research Office:
Sithembile Xaba
Tel: 011 717 3133
Email: Sithembile.Xaba@wits.ac.za

Research Director:
Prof Pundy Pillay
Tel: 011 717 3501
Email: pundy.pillay@wits.ac.za

21 October 2020

Dear Miss Elizabeth Sarona Mahlatji

Title: Misalignment between government planning and budgeting: The Case of the Limpopo Department of Economic Development, Environment and Tourism (LEDET)
Student Number: 601166
Degree: Masters of Management in the field of Governance specialising in Governance and Management
Ethics Clearance Number: *WSG-2020-18*

All candidates must satisfy the University's ethical standards for research. Your ethics application has been received and reviewed by the Wits School of Governance Human Research Ethics Committee.

Your ethical clearance has been approved subject to you getting permission to conduct research from all sites where research is conducted. The letter(s) of permission to undertake research must be submitted to the WSG Research Office and kept on file with your final proposal and other ethics documents.

You may commence your data collection under the guidance of your supervisor. In the event that the scope, methodology or nature of the research changes, you are required to submit another ethics application reflecting the changes.

The onus is on you as the candidate, with support from your supervisor, to ensure your research complies with university human research ethics policies and protocols at all stages of the research process.

It is recommended that you keep this letter in a safe place as you are responsible for ensuring you have proof of ethics clearance and have lodged the ethics clearance / protocol number with Faculty before final submission of your research report. If you do not have an ethics clearance number, you are not permitted to graduate.

Please do not hesitate to contact me if you have any queries.

Yours sincerely

Professor Pundy Pillay
Research Director

APPENDIX C: PERMISSION LETTER

LIMPOPO
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

65/11

DEPARTMENT OF
ECONOMIC DEVELOPMENT, ENVIRONMENT & TOURISM

DATE: 11 NOVEMBER 2020
TO: HEAD OF THE DEPARTMENT

FROM: MAHLATJI ES, STRATEGIC OPERATIONS

SUBJECT: REQUEST FOR PERMISSION TO CONDUCT RESEARCH AT THE LIMPOPO DEPARTMENT OF ECONOMIC DEVELOPMENT, ENVIRONMENT AND TOURISM (LEDET).

1. PURPOSE

My name is Ms. Elizabeth Sarona Mahlatji, an employee of the department and a bursary holder. I am studying for a Master of Management in the field of Governance specializing in Governance and Management at the School of Governance, University of the Witwatersrand. As part of the qualification requirement I have to complete a research project. Therefore, this memo serves to request permission to conduct research at LEDET. The title of the research is "***Misalignment between government planning and budgeting: The case of LEDET***".

2. MOTIVATION

Strategic planning and budgeting systems were introduced by government to manage and integrate its effort to effectively and efficiently improve service delivery. Despite the state efforts to improve its systems to be efficient and effective, weaknesses continue to be identified that hinder the effectiveness of some systems including the alignment of planning and budgeting. LEDET has been chosen as a case study because of its vast mandate of economic development, protection and management of the environment including promotion of tourism activities in the Limpopo Province. The significance of the study is to generate appropriate measures for relevant authorities to consider in order to improve and strengthen the alignment between the two systems to ensure effective delivery on the priorities of government and impact positively on the lives of the citizen.

The research will entail collecting data from senior and middle management of the department who are involved in strategic planning and budgeting processes. I will invite sampled

individuals from the department to participate in this study. If they agree, they will be asked to be interviewed for approximately 35 minutes when they are available and the interviews may also be conducted after working hours.

Participation in this study will be voluntary hence participates will be asked to give their written consent before the research begins. Their responses will be treated confidentially, and identities (their names) will be anonymous unless otherwise expressly indicated. Individual privacy will be maintained in all published and written data resulting from the study. The results of the study will be communicated with the department if required and the mini-dissertation will be available from the University website upon completion for easy access to everyone.

The research participants will not be advantaged or disadvantaged in any way. They will be reassured that they can withdraw their permission at any time during this project without any penalty. There are no foreseeable risks in participating in this study. The participants will not be paid for this study. All research data collected will be kept for a period of three years after which it will be destroyed.

3. OTHER CHIEF DIRECTORATE CONSULTED

None

4. COMMUNICATION IMPLICATIONS

None

5. PERSONNEL/HUMAN RESOURCE IMPLICATIONS

None

6. FINANCIAL IMPLICATIONS

The qualification is paid for by the department as a bursary holder.

7. LEGAL IMPLICATIONS

None

The University has provided an approved ethical clearance to conduct the study and is attached for easy reference.

8. RECOMMENDATIONS

It is recommended that the department grant me permission in writing to conduct research at LEDET. It is requested that the permission letter be on the organisation's headed paper/letter head, signed and dated, and specifically referring to myself by name and the title of my study as required by the University.

SUPPORTED/~~NOT SUPPORTED~~

Dr MJ Mamogale
DIRECTOR: STRATEGIC OPERATIONS
Date: 11/11/2020

RECOMMENDED/~~NOT RECOMMENDED~~

MR Mugari EL
CHIEF DIRECTOR: CORPORATE SERVICES
Date: 2020/11/12

APPROVED/~~NOT APPROVED~~

NS Kgopong
HEAD OF DEPARTMENT
Date: 13/11/2020

APPENDIX D: EDITING LETTER

Delia Layton (PhD)
Language editing, proofreading, curriculum development

Associate member: Professional Editors Guild (PEG) #LAY002

Associate member: South African Freelancers' Association (SAFREA) #SAF03765

Cell: +27 (0)83 675 1506

Email: dlayton@mweb.co.za

Website: www.languageediting.co.za

22 April 2022

To whom it may concern

This letter serves to confirm that I have edited and proofread the research report entitled *"Misalignment between Government planning and budgeting in Limpopo Department of Economic Development, Environment and Tourism"* by Elizabeth Saroni Mahlatji (Student no: 601166), for the degree, Master of Management in the field of Management and Governance, University of Witwatersrand.

My involvement was restricted to language usage and spelling, completeness, consistency, and referencing style.

All changes were indicated by Track Changes (MS Word) for the author to verify. As the editor I am not responsible for any changes not implemented, any plagiarism or unverified facts. The final document remains the responsibility of the author.

Yours faithfully



Dr Delia Layton