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Examining the Effectiveness of Budgeting Processes on Organisational Performance: A Case Study of the Lusaka City Council

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Abstract

This paper assesses the effectiveness of budgeting processes on organizational performance within the Lusaka City Council (LCC). A mixed-method design was adopted, using structured questionnaires and interviews to collect data from departmental staff directly involved in budget formulation and implementation. Descriptive and inferential techniques were employed to analyze relationships between budgeting practices, transparency, stakeholder participation, and service-delivery outcomes.

Results reveal that although LCC applies recognised public-sector budgeting frameworks, weak coordination, delayed approvals, and limited stakeholder engagement continue to undermine fiscal discipline and service effectiveness. The study concludes that strengthened monitoring, participatory planning, and performance-based budgeting are essential for enhancing efficiency and accountability in municipal finance.

Keywords: Budgeting Processes, Organizational Performance, Lusaka City Council, Public Finance, Zambia

1. Introduction

1.1 Backgound

Budgeting remains one of the most critical instruments of public-sector management, serving as both a financial plan and a policy implementation tool Jones & Pendlebury (2000). Through systematic allocation of resources, governments and local authorities translate political priorities into operational programmes that influence the quality and reach of service delivery OECD (2019) [29]. Within Zambia's decentralised governance framework, the budgeting system functions as a bridge between national policy objectives and community-level development needs.

According to the National Planning and Budgeting Act (2020), public entities are expected to integrate planning and budgeting in an evidence-based and results-oriented manner. However, despite this legal framework, many local institutions continue to grapple with inefficiencient budgeting preparations, political interference, and minimal alignment between financial inputs and performance outputs.

The Lusaka City Council (LCC), as the largest local authority in Zambia, has a vital mandate to provide essential public services—waste management, road maintenance, housing regulation, and community infrastructure. However, over the years, the institution has faced increasing public displesure for inconstant service delivery and operational incompentence attributed to weaknesses in the budgeting system. Previous reports by the Office of the Auditor General have noted that delayed budget approvals, limited stakeholder consultation, and weak internal monitoring systems continue to hinder municipal performance.

Against this backdrop, this study examines the "*effectiveness of budgeting processes on organisational performance"* at the Lusaka City Council. The intention is not only to assess how well current systems function but also to explore whether budgeting practices are aligned with principles of transparency, participation, and performance orientation. By identifying these linkages, the study contributes to the ongoing discourse on improving fiscal governance and institutional capacity in Zambia's public sector.

1.2 Objectives

1.2.1 General Objective: To examine the effectiveness of budgeting processes on organisational performance at the Lusaka City Council

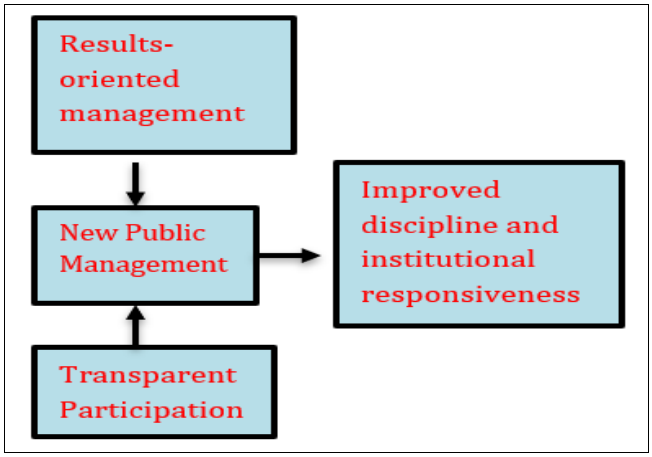
1.2.2 Specific Objectives:

To analyze the types of budgeting processes utilised within the Lusaka City Council.

1. To evaluate the effectiveness of existing budgeting processes in achieving organisational goals.
2. To identify the limitations and challenges that affect the budgeting cycle within the Council.

1.3 Conceptual Framework

The conceptual framework illustrates the relationship between budgeting processes and organisational performance. Independent variables—budget formulation, stakeholder participation, and monitoring mechanisms—are hypothesised to influence the dependent variable, organisational performance, measured through efficiency, service delivery, and accountability Agarwal (2006).



Source: Researcher

Fig 1.1: Conceptual Framework for Examining Budgeting Processes and Organisational Performance

The framework assumes accountable participation, and performance-based budgeting leads to improved financial discipline and institutional responsiveness. Conversely, *poor coordination, limited consultation, and inadequate oversight* are expected to result in weak performance outcomes.

From a theoretical standpoint, the model draws on New Public Management (NPM). NPM emphasises managerial accountability and results-oriented governance, while in the public-sector context, adopting such a framework allows institutions to demonstrate value for money and ensure that spending decisions are guided by clear performance indicators.

This conceptual framework therefore provides a structural lens through which the study evaluates how various budgeting stages collectively impact the effectiveness and performance of Lusaka City Council operations.

2. Literature Review

2.1 The Types of Budgeting Processes within Public Institutions

Effective budgeting remains a cornerstone of effective public financial management. A strong budget system enables institutions to plan expenditures, allocate resources efficiently, and evaluate performance against clearly defined objectives Allen, Hemming & Potter (2013). In public administration, budgeting serves a dual role: it acts as both a planning tool and a control mechanism to ensure fiscal responsibility and accountability.

Traditional line-item budgeting methods—though useful for expenditure control—often fail to link resource allocation to performance outcomes Andrews & Hill (2003). Modern reforms, such as performance-based and participatory budgeting, have been developed to address these gaps by aligning financial planning with measurable results and community priorities.

Recent scholarship has increasingly linked budgeting reforms to broader public-sector transformations under New Public Management (NPM). The shift from traditional bureaucratic administration to results-oriented management requires budgets to become more than annual financial statements; they must serve as corporate strategy tools that measure output and outcomes rather than merely inputs.

According to Robinson and Last (2009) countries that adopted performance-based budgeting frameworks—including Australia, New Zealand, and South Korea—saw measurable improvements in transparency and service efficiency. Their findings reveal that governments that integrate performance indicators into the budgeting cycle achieve better coordination between funding and policy outcomes.

According to Allen, Hemming, and Potter (2013), effective budgeting ensures fiscal discipline, allocative efficiency, and operational efficiency. Fiscal discipline refers to maintaining sustainable expenditure within resource constraints; allocative efficiency ensures that funds are directed to priority areas; and operational efficiency guarantees value for money in the delivery of public services. When any of these dimensions are compromised, the integrity of the budgeting system weakens, affecting overall organisational performance.

Across Sub-Saharan Africa, public-sector budgeting continues to face challenges such as limited technical capacity, weak data systems, and political interference OECD (2006). Studies from Kenya and Uganda reveal that public institutions frequently rely on historical expenditure patterns rather than evidence-based assessments when allocating funds. Similarly, Kalenzi (2011) [18] observed that Uganda's public institutions improved accountability where budgeting practices were rigorous, participatory, and regularly monitored.

In Zambia, studies such as Simfukwe (2019) show that municipal councils—including Lusaka City Council—still rely heavily on traditional, line-item budgeting systems. This approach limits flexibility and responsiveness to emerging priorities.

According to the Zambia Institute for Policy Analysis and Research (ZIPAR 2020), budgetary delays, lack of citizen participation, and poor linkage between budgets and outcomes remain key weaknesses in local government financial management. Despite the enactment of the National Planning and Budgeting Act (2020), implementation challenges persist due to inadequate training, weak information systems, and insufficient coordination between departments. As a result, resource allocations often fail to reflect the city's development priorities.

The Auditor-General's Reports (2017–2022) reveal recurring issues such as poor budget execution, weak

monitoring and evaluation frameworks, and inadequate record-keeping across local authorities. These inefficiencies have been linked to low levels of staff training in modern financial management systems and limited adoption of digital budgeting tools.

2.2 Effectiveness of Budgeting Processes within Public Institutions

Andrews and Hill (2003) conducted a study in which they examined the limitations of traditional line-item budgeting systems and their impact on public sector performance in the United Kingdom. Through a longitudinal approach that involved document reviews and interviews with public sector managers, they identified significant constraints posed by input-based budgeting methods. Line-item budgeting, a common practice in many public institutions, centres on controlling expenditures by assigning specific amounts to distinct categories such as salaries, office supplies, and capital investments. This system's primary advantage lies in its predictability and detailed financial control, which are crucial for ensuring transparency and accountability in the use of public funds.

However, Andrews and Hill highlighted that this rigid budgeting framework can also hinder effective management and organizational adaptability. One key finding was that the strict allocation of funds limited budget managers' ability to adjust spending in response to unforeseen challenges or evolving service needs. Because the budget was tightly segmented by expenditure type, reallocating resources quickly or innovatively was often impossible without undergoing lengthy approval processes. This inflexibility resulted in inefficiencies, as funds might remain unused in some areas while critical needs went unmet in others.

Kalenzi's 2023 [19] study, titled Budgeting and Financial Accountability in Public Sector Organisations in Uganda: A Case Study of Uganda Revenue Authority (URA), provides valuable insights into the critical relationship between budgeting practices and financial accountability in a key government institution. The research primarily aimed to explore how budgeting processes influence financial accountability mechanisms within URA, an institution responsible for revenue collection and management in Uganda. By focusing on such a pivotal public sector body, the study offers important empirical evidence on the role of budgeting in fostering transparency and financial discipline.

However, despite the study's significant contributions, it is important to note its limitations. Kalenzi's research primarily focuses on the link between budgeting and financial accountability, leaving other critical dimensions of organizational performance unexplored. For instance, the study does not examine how budgeting practices affect broader outcomes such as service delivery quality, operational efficiency, or citizen satisfaction. These factors are vital for a holistic understanding of public sector effectiveness, especially in institutions that provide direct services to the public or have wide-reaching impacts on communities.

Chikoya and Simbeye (2020), in their study An Assessment of Participatory Budgeting and Its Impact on Public Service Delivery in Kitwe City Council, examined how participatory budgeting initiatives influence service delivery in one of Zambia's largest urban municipalities. The study employed a combination of surveys, focus group discussions, and document analysis involving council staff and community residents. Their findings revealed that although Kitwe City Council had implemented participatory budgeting mechanisms aimed at improving transparency and inclusivity, the effectiveness of these initiatives was undermined by limited citizen awareness, minimal engagement, and inadequate follow-through on budget commitments. However, in areas where participatory budgeting was more inclusive and stakeholders were actively engaged, there were noticeable improvements in resource allocation efficiency and the responsiveness of service delivery to community needs. This study highlights both the potential and the challenges of participatory budgeting in Zambian urban governance. The insights are particularly relevant for Lusaka City Council, which faces similar urban governance complexities and could benefit from fostering greater citizen engagement in budgeting processes to improve accountability, resource distribution and service quality.

2.3 Limitations in the Budgeting Cycle within Public Institutions

Andrews (2010) provides a comparative analysis of public financial management reforms in regions such as Latin America and Southeast Asia, emphasizing that the definition of "good governance" and effective budgeting varies across different national and institutional contexts. His findings reveal that the success of budgeting reforms is often contingent upon local political dynamics, cultural norms, and the degree of bureaucratic autonomy. In many instances, reforms that were externally designed and adopted wholesale from international development models failed to produce the intended outcomes due to a lack of alignment with domestic governance realities. Andrews advocates for reform approaches that are adaptive and locally driven, rather than standardized and externally imposed. For Zambia's local government institutions, this suggests that improving budget planning, execution, and monitoring must consider local institutional capacities, political will, and societal expectations. Without this alignment, budgeting reforms risk being ineffective or unsustainable.

Asukile and Mbogo (2021) [2] conducted a study examining the impact of budgeting practices on budget performance within Local Government Authorities in Tanzania, focusing specifically on Ilala Municipal Council. Utilizing a survey research design, the study gathered data through structured questionnaires administered to participants within the council. The analysis was conducted using SPSS version 23, applying exploratory factor analysis, regression, and correlation methods to interpret the data. While the exact sample size was not disclosed, the methodological approach provided valuable quantitative insights into the relationship between budgeting practices and performance.

The study's key findings demonstrated that budget planning, participatory budgeting, and effective budget execution are all positively associated with enhanced budget performance. Among these, budget planning emerged as the most significant predictor, underscoring the importance of careful, strategic allocation of financial resources at the initial stages of the budgeting process. The research highlights that when budget planning is thorough and incorporates relevant stakeholders, it enhances the likelihood of achieving intended fiscal and operational outcomes. Similarly, participatory budgeting was shown to

contribute positively, reflecting the value of incorporating diverse perspectives and fostering transparency and accountability. Effective execution of the budget ensuring that planned expenditures align with actual spending and that funds are utilized efficiently was also identified as a crucial factor in driving improved performance.

However, the study is not without its limitations. Its scope was confined to a single local government entity in Tanzania, Ilala Municipal Council, which raises questions about the generalizability of its findings to other institutional contexts, such as Lusaka City Council in Zambia. Tanzania and Zambia, while sharing some similarities as sub-Saharan African countries, have distinct political, administrative, and socio-economic environments that may influence how budgeting practices are implemented and perceived. Therefore, it remains uncertain whether the observed relationships between budgeting practices and performance would hold true in a Zambian setting. Moreover, the study primarily focused on the link between budgeting practices and financial performance without exploring other dimensions of organizational effectiveness, such as service delivery quality, citizen satisfaction, or institutional capacity. This narrow focus limits its applicability to a holistic evaluation of budgetary effectiveness. As such, further research is necessary to validate these findings within the Zambian context and to expand the analysis to encompass broader indicators of organizational performance.

2.4 Literature Gap

A critical examination of the existing literature on budgeting processes within public institutions, particularly in the Zambian and broader African context, reveals several important research gaps that the current study seeks to address. These gaps reflect both conceptual and empirical limitations that, if tackled, could deepen understanding and improve the practical implementation of budgeting reforms at local government levels, such as Lusaka City Council.

One of the most glaring omissions in the literature is the predominant focus on financial performance as the primary indicator of budgeting effectiveness. While fiscal discipline, financial accountability and budgetary control remain essential components of sound public financial management, the exclusive emphasis on these factors oversimplifies the multifaceted nature of budgeting outcomes. The literature largely overlooks other critical dimensions such as service delivery quality, employee productivity, operational efficiency, and responsiveness to citizen needs. For example, studies by Kalenzi (2011) [18] and Mutungi (2017) [26] heavily prioritize financial outcomes, potentially missing how budgeting impacts the actual quality and timeliness of public services, which are arguably the ultimate goals of government expenditure. Such a narrow approach limits the utility of these studies for guiding reforms that aim at broader institutional improvements and enhanced public satisfaction. The current study aims to fill this gap by developing and employing a more holistic evaluation framework that integrates both financial and non-financial indicators. By assessing how budgeting processes influence a wider range of organizational performance metrics, the study seeks to offer a more comprehensive understanding of budgeting effectiveness that aligns better with public sector objectives beyond mere financial control.

It is from the background that this study is aimed at assessing the effectiveness of budgeting processes on organizational performance by providing empirical evidence from the Lusaka City Council.

3.1 Research Methods

The study adopted a case study research to achieve the objectives. The design facilitated the use of questionnaires and documentary reviews—thereby enhancing the credibility and depth of the findings.

3.2 Target Population

This study's target population was derived from the management staff employees of Lusaka city council directly involved in the budgeting process. According to the Lusaka City Council Annual Report (2024), numbers 3054 in total (Lusaka City Council, 2024). From which 300 participants came from 5 departments namely Finance, Planning, Engineering, Health and Environmental Services to ensure a representative subgroup of the Council's managerial cadre (Bryman, 2016) [4].

3.3 Sampling Design

The study used convenient and purposive sampling to pick the participants (Etikan, Musa & Alkassim, 2016). Purposive sampling is about the judgement of the researcher as to who can provide the best information to achieve the objectives of the study Cooper & Schindler (2010) [7]. This type of sampling is extremely useful when one wants to construct a historical reality, describe a phenomenon or develop something about which only a little is known.

3.4 Sample Size Determination

The sample size of the study consisted of three hundred 300 respondents from the management of Lusaka city council directly involved in the budgeting process. The Taro Yamane formula will be the method used to determine the sample size for a study.

$$n = N / (1 + N(e)^2)$$

Where:

n = sample size, N = population size, e = margin of error (expressed as a decimal)

$$n = N / (1 + Ne^2)$$

Given:

- Population size (N) = 3052
- Desired level of precision (e) = 0.055 (5% margin of error)

$$n = 3052 / (1 + 3052 * 0.05^2)$$

$$n = 1 + 9.2323 = 10.2323$$

$$n = 3052 / 10.2323$$

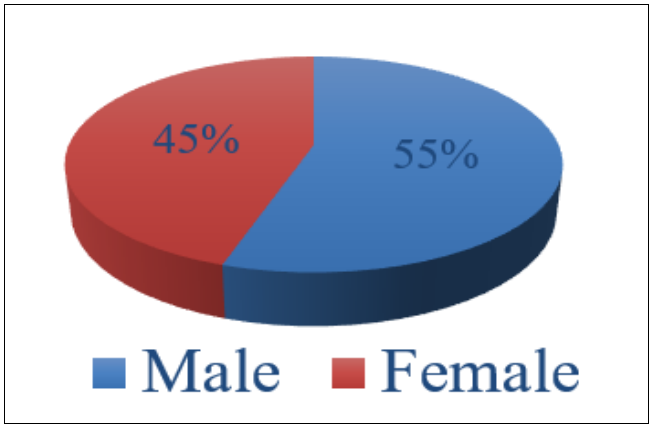
$$n \approx 298$$

Rounding to the nearest whole number gives a sample size of approximately 298, which is close to the target of 300.

3.5 Data Collection Methods
The researcher used structured self-administered questionnaires covering all the variables in the study, which were provided to the respondents at their work premises within the Lusaka City Council at civic center. To collect both primary and qualitative data. The questionnaire included closed and open-ended questions rated on a five-point Likert scale (1 = strongly disagree to 5 = strongly agree).

3.6 Data Analysis
Microsoft Excel and Statistical Package for Social Sciences (SPSS) 2022 version. This generated frequency tables for demographic and descriptive data.

4. Findings and Results
4.1 Characteristics of Respondents (Bio Data)
This chapter presents the research findings as presented in the research questions. The study targeted thirty (300) respondents who are the civil servants at Lusaka City Council (LCC). Questionnaires were given to these respondents of Lusaka City Council (LCC) that participate in the budget making process within the 5 departments chosen for this study namely Finance, Planning, Engineering, Health and Environmental Services. The study achieved 79% response rate from the questionnaires that were distributed, implying that 237 out of the 300 respondents answered the questionnaires. The respondent profile consisted mainly of departmental managers and financial officers with experience ranging between 3 and 15 years.



Source: Field Data

Fig 1.2: Gender of Respondents

The figure above shows that the majority of respondents 130(55%) were male and 107(45%) respondents were females. The sampled respondents show a male dominated distribution of gender.

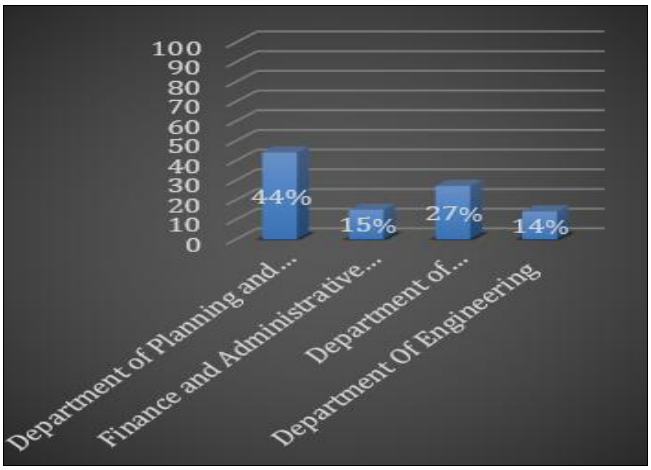
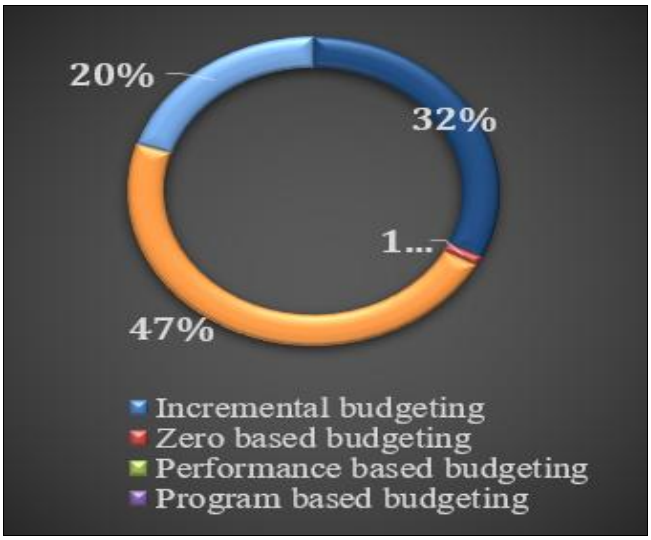


Fig 1.3: Department

Most respondents held diploma or degree-level qualifications, signifying a workforce competent enough to engage in budgetary matters.

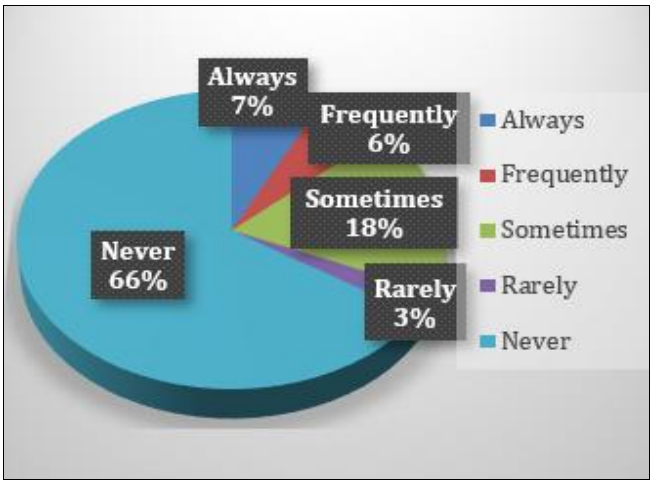
4.2 Types of Budgeting Processes Used at LCC



Source: Field Data

Fig 1.1: Types of Budgeting Processes Used

The Figure above shows the department of operation to which budgeting approach is primarily used in departments and it shows that the majority 112 (47%) of the respondents agreed that their department used performance-based budgeting, followed by 76 (32%) of the respondents that agreed they used Incremental Budgeting in their respective departments. 47(20%) of the respondents used program-based budgeting and lastly 2(1%) of the respondents used zero based budgeting in their departments.



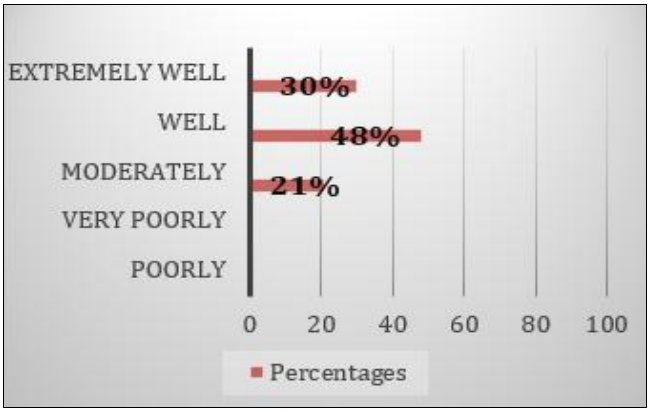
Source: Field Data

Fig 1.2: Departmental reliance on previous budgets during budgeting process

The figure above shows responses across all 5 departments about use of previous budgets with minimal changes to make new budgets.

The figure above shows responses across all 5 departments about use of previous budgets with minimal changes to make new budgets. 157(66%) of the respondents attested to their department never using previous budgets, followed by 14(6%) of the respondents who attested to frequently using previous budgets in their respective departments. However, 43(18%) of the respondents indicated sometimes using previous budgets to during budgeting processes and lastly 16(7%) of the respondents affirmed use of previous budgets as a guide for present budgets. Finally, 7(3%) of the respondents affirmed only rarely using previous budgets to influence new ones during budgeting processes.

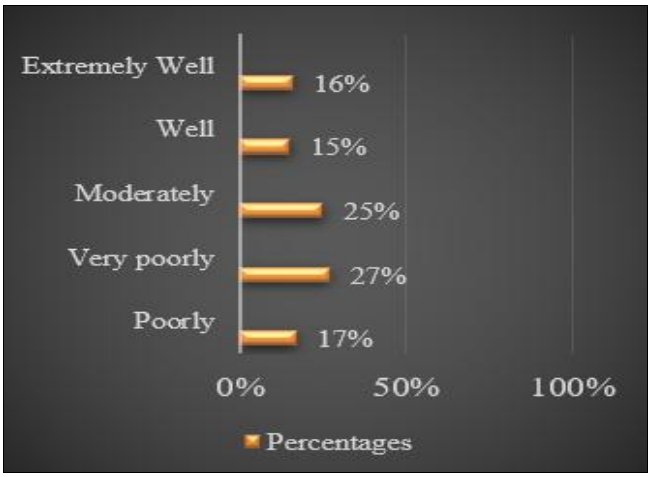
4.3 Effectiveness of Budgeting Processes



Source: Field Data

Fig 4.3.1: Overall rate on the effectiveness departmental budgeting process in meeting departmental priorities

The Figure above shows the rate on the overall effectiveness of department's budgeting process in meeting departmental priorities, from the responses it shows that the majority 114 (48%) of the respondents rated it to be well, followed by 71(30%) of respondents that rated it to be extremely well and 52(22%) that rated it to be moderate.



Source: Field Data

Fig 4.3.2: Budgeting process promote transparency and accountability in resource allocation

The figure above shows the response on how well the budgeting process promotes transparency and accountability in resource allocation. From the response it shows 64(27%) of the respondents indicated that it the budgeting process in their department is very poor in promoting transparency and accountability in resource allocation, followed by 59(25%) of respondents that indicated that it is moderate.

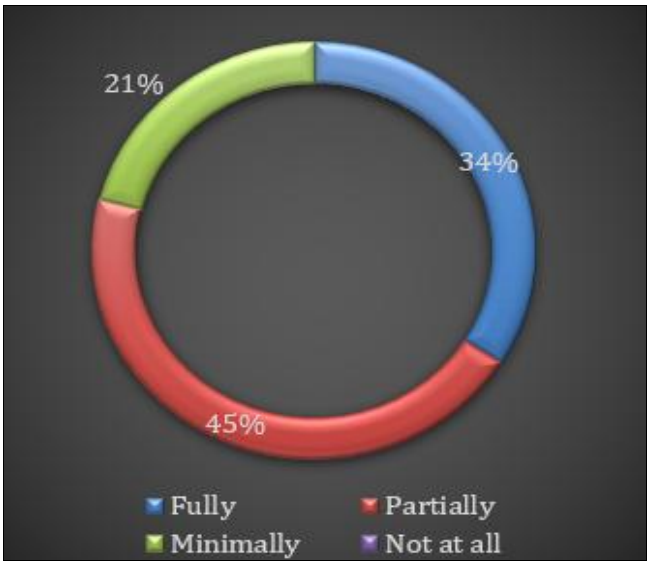


Fig 4.3.3: Budgeting process enabling departments to achieve its service delivery targets

The figure above shows respondents on the extent to which budgeting process enables departments to achieve its service delivery targets. From the findings it shows that the majority 107 (45%) of the respondents stated that budgeting processes partially achieve service delivery targets, 81(34%) of respondents that indicated fully and 50(21%) which indicated minimally.

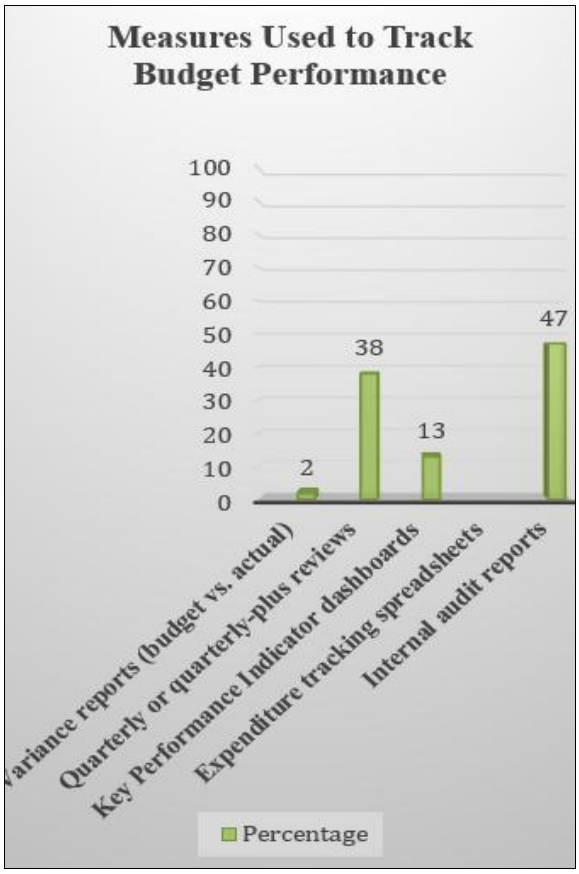


Fig 4.3.4: Measures Department's use to Track Budget Performance

The figure above shows the response on the measures used to track budget performance. From the findings it shows that 111(47%) of the respondents indicated that they used Internal Audit reports, followed by 90(38%) of respondents that indicated that they use Quarterly or quarterly plus reviews and 31(13%) of respondents that use Key Performance Indicator dashboards. Lastly, 5(2%) of the respondents indicated that they use Variance reports.

Table 4.4.1: Lusaka City Council has inadequate stakeholder involvement during the budgeting process

	Frequency	Percent	Valid Percent	Cumulative Percent
Highly Disagree	1	3.3	3.3	3.3
Disagree	20	66.7	66.7	70.0
Neither Disagree nor Agree	2	6.7	6.7	76.7
Agree	1	3.3	3.3	80.0
Highly Agree	6	20.0	20.0	100.0
Total	237	100.0	100.0	

Source: Field Data

The table above shows the response from respondents as to whether Lusaka City Council has inadequate stakeholder involvement during the budgeting process. The table shows that 6(20%) of the respondents highly agreed to the assertion 1(3.3%) agree, 2 (6.7) neither agree nor disagree, 1 (3.3) disagree and lastly the majority of respondents 20(66%) highly disagreed.

Table 4.4.2: Delays in the budget approval negatively impact the implementation of developmental projects

	Frequency	Percent	Valid Percent	Cumulative Percent
Highly Disagree	8	3.3	3.3	3.3
Disagree	21	8.7	8.7	12.0
Neither Disagree nor Agree		0	0	12.0
Agree	133	56.0	56.0	69.0
Highly Agree	76	32.0	32.0	100.0
Total	237	100.0	100.0	

Source: Field Data

The table above shows the response from respondents on whether delays in the budget approval negatively impact the implementation of developmental projects. The table shows that 132(56%) of the respondents agreed, 76(32%) highly agree, 21(8.7) disagreed, 8(3.3) highly disagreed.

Table 4.4.3: The budgeting cycle at Lusaka City Council lacks transparency in fund allocation and utilization

	Frequency	Percent	Valid Percent	Cumulative Percent
Highly Disagree	8	3.3	3.3	3.3
Disagree	47	20.0	20.0	6.7
Neither Disagree nor Agree	2	6.7	6.7	13.3
Agree	8	3.3	3.3	80.0
Highly Agree	158	66.7	66.7	100.0
Total	237	100.0	100.0	

The table above shows the response from respondents as to whether the budgeting cycle at Lusaka City Council lacks transparency in fund allocation and utilization. The table shows that 158(66.7%) of the respondents highly agree, 1(3.3%) agree, 2 (6.7) neither agree nor disagree, (20%) disagreed and lastly 8(3.3%) respondents highly disagreed.

Table 4.4.4: Inefficient Revenue Forecasting Methods

	Frequency	Percent	Valid Percent	Cumulative Percent
Highly Disagree	24	10.3	10.3	3.3
Disagree	29	23.7	23.7	34
Neither Disagree nor Agree				
Agree	45	19.0	19.0	53.0
Highly Agree	111	47.0	47.0	100.0
Total	237	100.0	100.0	

The table above shows the response from respondents as to whether revenue forecasting methods used at Lusaka City Council in the budgeting cycle are unreliable and inefficient. The table shows that 111(47%) of the respondents highly agreed, 45(19%) agreed, 29 (23.7) disagreed and lastly the 24(10.3%) respondents highly disagreed.

Table 4.4.5: insufficient alignment between the budgeting cycle and the actual service delivery priorities of the city

	Frequency	Percent	Valid Percent	Cumulative Percent
Highly Disagree	28	11.8	11.8	11.8
Disagree	27	11.3	11.3	23.1
Neither Disagree nor Agree	33	13.9	13.9	37
Agree	51	21.5	21.5	58.5
Highly Agree	98	41.3	41.3	100.0
Total	237	100.0	100.0	

The response from respondents as to whether revenue forecasting methods used at Lusaka City Council in the budgeting cycle are unreliable and inefficient. The table shows that 98(41.3%) of the respondents highly agreed, 51 (21.5%) agreed, 33(13.9%) Neither disagree nor agreed and lastly the 28(11.8%) respondents highly disagreed.

4.6 Discussion of Findings

The study revealed that performance-based budgeting is the most widely used approach at Lusaka City Council, accounting for 47% of respondents, followed by incremental budgeting (32%), programme-based budgeting (20%), and zero-based budgeting (1%). This finding aligns with the growing preference in public sector institutions to adopt performance-based budgeting (PBB), which links financial resources to measurable outputs and outcomes.

Performance based budgeting allows departments to align expenditures with service delivery indicators, thereby promoting efficiency and accountability. This finding corresponds with Shah (2019) who asserts that performance budgeting enhances transparency and resource utilisation by tying financial inputs to tangible results. Similarly, Allen and Tommasi (2020) argue that PBB improves strategic decision making in public institutions by ensuring that resources are directed towards priority areas.

Departments that employed incremental budgeting cited administrative simplicity and continuity as key benefits, as the approach builds upon previous budgets. However, as noted by Horngren *et al.* (2021), while incremental budgeting is easy to implement, it can perpetuate inefficiencies by assuming that past expenditure levels remain optimal, rather than encouraging innovation or cost saving measures. Programme based budgeting, used by 20% of departments, was seen as useful for aligning departmental plans with the Council's strategic development goals. This supports Folscher (2018), who found that programme budgeting enables governments to plan and monitor expenditures according to specific programmes and desired outcomes. Finally, zero based budgeting (ZBB) was rarely used, primarily due to limited technical and analytical capacity. Respondents noted that ZBB demands extensive documentation and justification for every expenditure item. This aligns with CIMA (2020), which highlights that ZBB, while effective in eliminating redundant spending, is resource-intensive and often unsuitable for institutions with limited analytical capabilities.

The study revealed several constraints that undermine the effectiveness of the budgeting cycle at LCC. These include inadequate stakeholder involvement, delays in budget approval, lack of transparency in fund allocation, and unreliable revenue forecasting methods.

Although the majority of respondents (66%) disagreed that stakeholder involvement was inadequate, 20% strongly agreed that public participation remains limited. This indicates that while some progress has been made, inclusiveness in budget formulation is still insufficient. According to Agyemang and Asiedu (2019), participatory budgeting enhances legitimacy and ensures that resource allocation reflects community priorities.

A more serious issue identified was delays in budget approval, with 88% of respondents (agreeing and strongly agreeing combined) acknowledging its negative impact on project implementation. This finding aligns with Karanja (2021), who observed that bureaucratic delays in budget approval can lead to cost overruns, project postponements, and reduced efficiency in local governance.

Additionally, the study found that 66.7% of respondents strongly agreed that the budgeting cycle lacks transparency in fund allocation and utilization. This lack of openness erodes public trust and can lead to misuse of resources. As Transparency International (2020) argues, financial transparency is essential for curbing corruption and ensuring that funds are directed to intended projects.

Finally, 47% of respondents reported that revenue forecasting methods are unreliable and inefficient. Poor forecasting affects the accuracy of budget estimates, leading to funding shortfalls or surpluses. According to IMF (2019), weak revenue forecasting in developing economies often stems from limited data systems and overreliance on historical trends rather than evidence-based projections.

The study found that a majority of respondents (79%) rated the budgeting process as well or extremely well in meeting departmental priorities, while 21% rated it as moderate. This indicates that the budgeting system at LCC has made notable progress in aligning financial resources with departmental objectives, though significant challenges persist.

Respondents highlighted that budgeting has become more structured and linked to departmental work plans, which ensures that funds are directed towards priority areas. This finding supports Robinson (2020), who asserts that effective budget alignment strengthens organizational performance by connecting planning, resource allocation, and service delivery outcomes. The findings further show that the budgeting process has improved accountability and financial monitoring through mechanisms such as quarterly reviews and internal audits. According to Andrews and Hill (2021), institutionalizing regular performance reviews enhances transparency and promotes better fiscal discipline in local governments.

However, delayed fund disbursement was cited as a major factor undermining the effectiveness of the budgeting process. Even when realistic budgets are prepared, project implementation is often hindered by untimely release of funds. Similar challenges were reported by Mutale (2019) in a study of local councils in Zambia, where delayed central government transfers disrupted service delivery and infrastructure projects.

Moreover, limited stakeholder participation in budget formulation reduces ownership and accountability. Respondents indicated that budget planning is often confined to senior officials, with minimal involvement from junior staff or community representatives. This finding resonates with World Bank (2018) [34], which emphasizes

that participatory budgeting promotes transparency and fosters citizen trust in public financial management. Finally, respondents identified capacity-building gaps, particularly in data analysis, monitoring, and performance evaluation. This highlights a need for continuous training in modern budgeting tools and performance measurement systems, as also suggested by OECD (2020) for improving budgeting outcomes in developing countries.

5. Conclusion

The findings indicate that while Lusaka City Council has adopted more progressive budgeting approaches such as performance based and programme-based budgeting, several challenges continue to impede their full effectiveness. The budgeting process has moderately enhanced accountability, alignment of departmental goals, and performance monitoring. However, recurring issues such as delayed fund disbursement, insufficient stakeholder participation, and lack of technical capacity limit the overall impact of budgeting on organizational performance.

The study's results are consistent with prior research in the field, confirming that effective budgeting systems are essential for improving public sector efficiency, yet their success largely depends on institutional capacity, transparency and timely financial management practices.

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