

The Essential of Planning Programming Budgeting Systems and Their Applicability in Public Sector

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Abstract – There are varying views throughout on the necessity for a public budget since time immemorial. The main reason for the early use was the desire to limit governmental expenditure and taxes before the 20th century. In the mid-20th century, socio-economic conditions and thus budgeting changed greatly globally. Keynesian thought has caused a large number of economists not only to see the government budget as a legislative instrument, but also as an instrument of public sector politics, economy, accounting and administration. Since then, a variety of disciplines have studied the budget.

This article examines the question of PPBS and its applicable public sector budgeting and budgeting methods. Comparisons have shown that although TBS is extensively utilized within the public sector, PPBS is nevertheless the most functional technology for budgeting applications.

Keywords – Planning, Programming, Budgeting, PPB;

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INTRODUCTION

1. The PPBS is an integrated management system which emphasizes the use of analysis for grammatical decision-taking. PPBS is designed to offer management with a stronger analysis foundation for the decision-making and implementation of such choices by integrating the planning, programming and budgeting processes. In its widest meaning, the word management is employed here; it is used in the context of the whole management and management of the company. The decision-making of the program is a key management role. It means making fundamental decisions
2. Concerning the direction and allocation of the resources of an organization appropriately. This task is firstly to define the organization's objectives and then to decide on the measures to be taken in order to achieve those objectives and lastly to implement the chosen action routes.
3. The PPBS mainly addresses significant policy cessations. Its focus is on the managerial activities before real operations. An organization may be seen as performing its duties through five fundamental and sequence stages in a simplified manner:
 4. (1) planning, (2) programming, (3) budgeting, (4) work and (5) assessment. PPBS deals with the first three stages as its name implies. Each phase has a separate but connected role in the overall management of the business.
 5. Planning is an analytical activity which helps to determine the goals of the business and then examines action pathways which may be followed with the aims. Planning really raises the issue of certain measures which would help the company to achieve its objective more than its numerous alternatives.
 6. Programming is the role of transforming plans into a particular [or organization] action schedule. It comprises of programming
 7. Developing and implementing the necessary plans for the specific resource needs.
 8. The activity is the budgeting of the organization's yearly budget preparation and justification. The budgeting role is to obtain enough money to implement the programme.
 9. The operations are the actual implementation of the program of the

organization. All the other stages are to be prepared for operation.

10. Evaluation is the function which assesses the value of OTPs. The value of programs in achieving objectives, is assessed and evaluated via program evaluation. Evaluation findings are used to change existing activities, if warranted, or to plan future initiatives.

ESSENTIAL OF PPBS

Output Orientation

The program structure components are designed to reflect an organization's outcomes. In other words, program components consist of unique combinations of actual sources, combined to carry out a particular job or mission in pursuit of certain goals. This characteristic also refers to an "end-product" approach. The focus is on the task or task. The staff, real estate, equipment, training facilities, suppliers and other inputs needed to do certain specific tasks are genuine re-sources. For example, a child-development program, chosen as an action course in pursuit of educational objectives for the agency, would include staff needs, such as teachers and support staff, building infrastructures, such as schools and playgrounds, teacher training personnel, playground equipment etc. Real resources are recognized and reported in the programme, but only for end-products or specific action courses. The emphasis is on end products and aims, rather than particular resources, they serve.

This output guidance is centered on objectives and has been accepted by PPBS as an arrangement more helpful than input type programmes, which is still seen in many organizations. Input programming implies that the resources are focused. Usually, budgeting reflects the focus on resources. In these situations, choices are taken and programs are presented according to the kind of resources and only secondary or indirect attention is given to the function of the resources.

Completeness

The list of program elements should be comprehensive in that it is necessary to reflect all the main courses of action chosen by the organization. The framework of the program should include each activity and cost. There should be no major actual or projected costs or expenses incurred in the future. No significant action should be left unnamed.

This completeness concept should not lead to excessive information being incorporated in the structure of the programme. The structure is designed to support key program choices; therefore, it is essential that the components of the program are not too many.

As a working document for higher management the program document, the program, and the financial plan should be utilized. The actions described should be main paths, and the aims of the agency should be its primary goals.

Suitability for Analysis

The structure of the program should display the facts in a manner conducive to examination of the program. The analysis of the program mainly involves the allocation of various resources.

The program analysis method includes the identification of changes in program efficacy resulting from hypothesized add-ons or reductions in allocations to certain components. The structure of the program and its components should allow identification of agency action courses, each of which is an analytical topic. Such action courses or program components should be portrayed so as to allow expansion or decrease of their levels to be taken into account. Therefore, a unit of measure or output unit should be associated with each element of the program. These units may be regarded as units of planning. For example, for analytic reasons a program element for pre-school activities should contain a measuring unit based on the utility of the measure for planning and programming purposes, which may consist of a number of children receiving the service or of the classes defined.

Identification with Organizational Units

Decisions about actions to be taken by an organization in pursuit of its objectives must finally be taken by the organization's operations units. The program structure should reflect this responsibility for operations. The list of program components should clearly indicate which organizational unit is responsible for each action. If there is accountability for more than one unit, this should be stated. Organizational units should be able to learn from the program document about their present tasks and what their units are to accomplish in the future.

Decision-Makers Preferences.

It is conceivable, and perhaps even probable, to develop multiple program architectures which fulfill all of the aforementioned requirements. The ultimate selection of the program components and the structure form should be a major reflection of management preferences or program decision-makers' preferences. The PPBS helps the decision-maker as stated before. The program decision-maker is not a substitute. PPBS aims at facilitating the management mechanics; presenting information in a manner that is more significant to the decision maker; and sharpening the opinion of the decision maker by using analytical methods. Every decision-maker has his own style and views. This uniqueness is reflected in the pro-program structure. The program structure

should be designed with regular interaction with decision makers in order to reflect their individual preferences. If a desire is demonstrated to focus on particular elements or certain types of choices, the program structure must continue to identify these activities.

Planning, Programming, Budgeting System (PPBS)

It was then carried out in the public sector after the initial deployment of PPBS by the Defense Department in the USA. Its adoption has been especially focused on TBS owing to the limitations of the current budgetary system. The PPBS is primarily aimed at helping departments enhance their provisions' efficiency and efficiency. Therefore, PPBS was introduced as an alternative to the TBS for the first time. PPBS connects program information to financial decision-making planning and assesses public services in terms of production. The necessity for PPBS emerges primarily in the field of public sector resources being restricted in the face of increased demand from the public. In the 1960s, PPBS was suggested as an alternative to public budgeting in order to offer better welfare for people and maximize their demand in the face of limited public resources.

Since PPBS was primarily used as an alternative to TBS, various TBS and PPBS features are best explained as showcasing some of their fundamental differences. In the TBS, input and expenses are taken into account in each administrative department. These may be described as follows:

1. While they are assessed for targets in PPBS (Edizdoğan, 1991:155-6).
2. While inputs are the emphasis of TBS, PPBS also takes care of long-term outcomes (Gordon and Heivilin, 1982:319).
3. The assessment of the TBS budget relies mainly on the kind and extent of the expenditure. In PPBS, the budgetary assessment criteria rely primarily on the objectives and their achievement. It takes into consideration all options and allows decision makers to decide on the most advantageous alternative by providing beneficiaries with superior cost/benefits (Edizdogan, 1991:155-6).
4. Expenditure not benefiting its recipients may be included in the TBS. In contrast, PPBS appears to be able to respond to public demands by showing new programming and removing non-necessary ones. Imagine that additional instructors in elementary schools were to be provided over the past half-decade in education services, given the intense population of students. But the elementary education and intensity of these students is currently lower than in the past five years in the new pupil's population. In this scenario, even if they're no longer needed at elementary schools TBS might continue employing such an expanded number of instructors. The use of PPBS therefore reveals that it is no longer advantageous to hire an additional number of instructors in this kind of education but an extra expense.
5. Since the TBS only considers how high expenses are, no other means of achieving the objectives and the determined amount of expenditure are considered. On the other hand, PPBS examines the achievement of its goals. In order to figure out the best method to achieve objectives in accordance with the most efficient manner, it very carefully evaluates different options on one goal.
6. Suppose a department has a solid reason for achieving a goal. With both methods, it may be feasible to achieve such a goal. If so, it is possible to inquire what could happen inside these systems. Since TBS does not examine other methods to achieve the goals and simply takes account of "inputs," the aim would probably not be achieved successfully. Whereas the department may achieve its goals in the most effective manner, since PPBS takes care of all options. For example, the police may seek to enhance its crime prevention capacity in the city Centre. To accomplish this, a variety of options may be available. Included amongst these options may be presented as two alternatives for decision making in PPBS: increasing number of patrols and the installation of cameras to monitor critical locations in the city center.
7. Some distinctions between TBS and PPBS are apparent from the political point of view. One is that TBS may be more convenient for politicians than PPBS to achieve their political goals. The argument is that politicians do not typically consider implementing long-term goals. With PPBS aiming to execute elements of its long-term yearly budget planning process with regard to cost-effective outcomes, politicians may not desire its objectives in a way that limits their existence as political leaders, unless they are re-elected. Pyhrr, in contrast, emphasizes the significance of PPBS (1973:140) and says that PPBS allows decision makers to identify strategic objectives, assess their costs/benefits and then decide on the inputs related to the time cycle of their budgets. Schick (1971:201-2) is also anxious to push for PPBS in addition to Pyhrr's support of PPBS and believes that

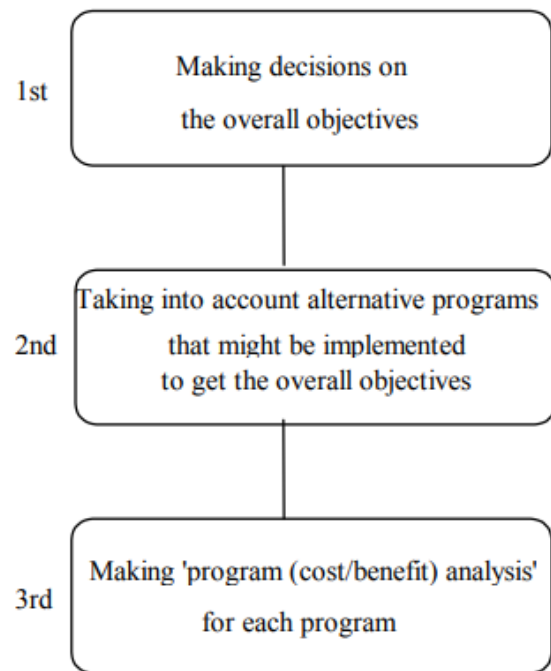
it is capable of increasing discussion on budgetary decision-making because the system shows options with the information given. Decision-makers were sufficiently informed to minimize conflicts and to take budgetary decisions. He considers PPBS "an attempt to expand the limits of communal reason."

8. Babunakis (1976:29) on the other hand alerts budget decision-makers that PPBS does not guarantee the objectiveness of decision-making, even if it offers excellent information for rational choice making.
9. Because TBS only considers the need to explain funding requests, it does not seem appropriate to defend its current initiatives for decision makers. It takes the budget as its foundation last year, so whether it is in public it would not be able to explain its activities. This may thus cost the public sector some disadvantages in its finances. The problem with PPBS is precisely a difference. In particular, the aim of PPBS is to take account of current programs in order to ensure that policy makers can reduce budgetary disadvantages. When any current program finds it no longer required by the public, PPBS is mostly dominant to identify the program and wake decision-makers to renounce it.
10. Two sections are characterized by the budget at TBS. These are referred to as "the budget for yearly income" and "the budget for capital." The first relates to revenue and spending in its process. The latter, however, relates to the revenues and expenses of capital. This difference is made between the two budgets and spending separately. The yearly Budget would most likely include expenses of operating government programmes, since the budget is primarily funded by revenue, i.e. tax money. The cost of capital improvement will be part of a capital budget funded by capital revenue, i.e. bonds and money.

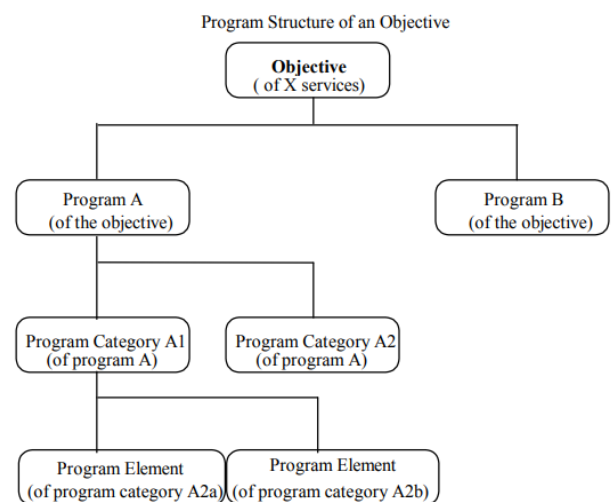
While the public provisions may be ineffective in two distinct budgets in TBS, these weaknesses may be addressed if combined with PPBS.

The graphic illustrates the three phases in which PPBS's mission may be applied, carried out and carried out. That was it;

Stages of Implementing PPBS



In the first phase, the determination of what goals are going to be made public in the budget of the following year is important for decision makers. After establishing these targets, PPBS is required to classify the targets by classifying sub-outlines into programs and categories forming part of the programs in programme. The PPBS program structure may be structured as follows;



Although the program structure inputs utilized via sub-programs, program categories and program components seem to have to be decided, identification of this may not enough. It may also require excellent communication and coordination across several departments. In other words, two or more departments may offer one program in certain aspects. In such a situation, a good "correspondence between the structure of programs and the

organization structure" (Jones and Pendlebury) should be considered (1992:72).

At this point, the problem is that although PPBS tends to measure one goal against a quantifiable benefit, it does not appear to be feasible for other goals. Examples include external and internal security policies. The purpose of the policy on internal security is not to condemn as much criminal as possible, but to offer them an opportunity to abandon their unlawful conduct.

In the second step, decision-makers need to discover and assess different methods to achieve their goals. This is the nature of PPBS to assess all options and determine, among other things, which one is the best. Cost/benefit analysis plays a key part in this process. The last phase of implementation of PPBS is the analysis of the program. This phase describes items and activities as well as their participation in the preparation and orientation of long-term goals. The core of PPBS is analytical activity. It is considered the cornerstone of the system because it systematically organizes and analyzes recognized activity alternatives.

Advantages of PPBS

The benefits of PPBS may be described as follows:

1. PPBS offers clear information about organization's goals: PPBS enables administrative departments to grasp what goals they need. At the end of the day, you may also find out whether you have achieved these goals. PPBS allows the public and the approval body both to assess the budget and to be aware of its programs and financial resources, because of its informational property.
2. PPBS displays the management responsibility centers: TBS is concerned with the departmental structures which are in accordance with its departmental operations as previously emphasized. The goals of PPBS, however, are also the core of activity responsibility. It would show who is accountable for the Budget's purpose.
3. It enables policy-makers to decide on programs: As PPBS seeks more than one option to achieve one goal, it allows decision-makers to assess alternatives and choose the best one for the goals of the budget. 3. (Eckstein, 1973:28).
4. PPBS offers the ability to find out which programs overlap and therefore save excessive expenditure on resources.

5. PPBS takes account of programs' long-term impacts: New program costs during the first year would be unnecessary. But sensible guy should take into account the whole life of any programme. The PPBS also takes into consideration the whole lifetime of the project annually.
6. PPBS offers decision-makers the ability to allocate resources taking into account program components' costs/benefits.
7. PPBS is able to provide resources and then monitor the accomplishment of outcomes to the particular services.
8. The fiscal budget must be excellent information and accessible from a taxpayers' point of view in order to enhance their confidence in decision-making. Howard (1973) appears correct to concur that "Most men will be rational and make better choices if greater knowledge is provided. Decision will be better if the decision maker understands what to do, if the goals are specified and if resources dedicated to the achievement are combined "There was a mistake (Howard, 1973:112).

- Public understanding must be accurate
- What sort of public service is available?
- How much does it cost?
- Are these services effectively delivered?

Calling for budget transparency will not only encourage policymakers to increase public accountability and to make the budget more concerned with public needs. From the PPBS assessment, such needs appear to be found through PPBS because most of the information systems are provided by and from PPBS participants.

Disadvantages of PPBS

It also presents some drawbacks, despite the benefits of PPBS, as described;

1. Although PPBS targets what might be done, it doesn't think how these goals are to be achieved.
2. In order to meet its goals, PPBS requires certain systematic system information. In the absence of system information for policy makers who wish to use PPBS, this would make authorities fail to succeed. It has been shown from the PPBS practices in the United States that PPBS is the primary topic. As Drew's analysis of the failure of PPBS

(1969:163-65) shows, it is generally recognized that it does not function in an environment in which information about the system is lacking. Therefore, the requirement for the data that PPBS requires appears to be identified and ensured that they are accessible. In order to succeed, a computerized network system may be used for well-organized information on systems. Schultze (1968) also appears as an excellent translation of the need of system information in and across departments if decision-makers wish to adopt PPBS. In his words, "the capacity of an agency head to manage its direction relies in part on being able to meet the information and analysis of their own programs with his operational subordinates".

3. Not the sole prescription for successful implementation of PPBS is the computer data processing. It may also help decision-makers avoid loss of time if they need certain information, namely, it appears very cheap to collect and arrange data in one location in the memory of the computer that can retrieve relevant information at any moment.
4. When PPBS assesses the cost of targets, it tends mainly to collect data and information from both planning and planning choices. It does not take into account current political choices and options.
 - i. In its priorities, PPBS does not seem able to define programs.
 - ii. PPBS focuses most on new or current programmes, which have been expanded to the required level 5.
 - iii. Some difficulty with PPBS is due to the fact that more computations and systematic long-term information are required. Assume a worker has multiple responsibilities in one department, each of which relates to distinct programmes. In this scenario, expenses of his participation in appropriate programs would have to be allocated.

In view of this reasoning, how might PPBS support budget-makers? It is important to inquire.

APPLICABILITY OF PPBS IN PUBLIC SECTOR

From the point of view of efficiency, it would assist decision makers to evaluate their current activities in order to justify and clarify their actions if the public sector has not already tried to adopt the PPBS since they probably had not previously reviewed these activities. Because the TBS feature makes extensive

use of the budget last year, decision-makers would not be able to provide solid reasons for and evaluate their present actions. At the same time, PPBS has established a system that classifies programs for activities that allow decision-makers to have programs and targets in place to fulfill their public requirements. The first advantage of the PPBS implementation is the 'application of program analysis in the public sector'.

The second advantage of PPBS implementation would be to allow decision-makers to find out whether they perform their duties in a manner specified in their budget policy. PPBS may also be able to restructure the public sector via effective interdepartmental communication. As previously emphasized, the failure to provide good interdepartmental communications by the TBS could lead to potential duplications of the delivery of certain services, which is why the characteristics of the PPBS would be characterized by providing good communications between departments and focusing on the purpose of expenditures. The PPBS also removes programs from next-year budgets that are no longer available to the public.

Public activities continue to grow, leading decision makers into a difficult situation, since public incomes do not increase as much as public needs increase. The public sector thus had better consider and ordered public overall requirements to be assessed in line with its objectives, so that services could be delivered. The PPBS provides decision-makers with the chance to determine which services are the most important and which ones are the least to respond to public demands.

The third advantage of PPBS may be shown in its effect on government. As is well known, the public sector employs a large number of people since it mostly has services. Intensively employed people in the sector show that any changes in pay rates, even minor ones, and any rise in influence on the level of payments, would certainly create additional costs for the public sector. The use of PPBS would offer the data necessary to enhance its administrative operations by the administration.

In addition, the PPBS features enable excellent coordination of the execution of and clarify roles and responsibilities across departments. This would make every department aware of the services that will be carried out and what obligations would be assumed. Cooperation with other departments with respect to the delivery of the same programs creates excellent connections with other departments, supposedly using the PPBS as well.

The fourth advantage of PPBS is that it allows the yearly revenue budget to be combined with the capital budget. PPBS may allow decision makers to take the two budgets into account when assessing options. This would be a chance for the combined budget to be evaluated and considered in cost/benefit

analysis. How important it is to take the two budgets as one understands Howar (1973) that development of the rational budgeting system would lead to a budgeting process that would reduce the difference between operational and capital budgets. "All the expenses, operating and equity, must be assessed throughout the study. This focus may make a less essential difference between operations and capital expenditures, both important in estimating the overall cost and outcomes of the program.

Under the fourth advantage, what advantage might this process provide decision-makers? The issue may be asked the response to this question may be an excellent example. The combination of both budgets may give budget decision makers with excellent knowledge in which to choose one of the many options. The example of police searches to locate crime areas as soon as feasible may illustrate these possibilities. There would be two ways to build additional police stations in high-crime regions and hire more police officers to keep the police officers up to date. Two options are available in the example to choose one of them. Decision-makers are likely to consider these options' costs/benefits. The previous option is an alternative to capital expenditure, while the latter is an alternative to income spending. The PPBS appears to be more appropriate to decide on one of the options since it does not take account of financial resources, but it allows decision makers to choose the most effective. Moreover, since PPBS priorities for programs may offer decision-makers with advantages in terms of priority in the ranking of programs and sub-programs, irrespective of which capital is one and which revenue is one of their activities.

The fifth advantage of PPBS is to make the prediction of capital improvement projects easier for decision makers. The PPBS is thus a planning process for many years in which the yearly budgets are to represent just their annual components in the overall plan. The PPBS thus would be a suitable evaluation of the capital improvement projects. Knezevich (1973:131) endorses the idea that "program planning will assist reduce the risk of disappointing low expenses during a new program's first fiscal year". In the area of disagreement and/or disputes amongst and between departments over the conduct of an existing or new program, the last advantage of adopting the PPBS may be noted. Assume that the Police and Health Departments are controversial about protecting adults from drug addiction. Both departments would argue that they are responsible for the program. The PPBS appears fairly relevant to define suitable department programs in order to address this problem.

CONCLUSION

The creation and application of public budgets for the public sector is a phenomenon. A survey in this article has shown many facts about the budgeting of the public sector in the existing literature of three

budgeting methods. Firstly, the budget perspective differs with regard to certain socio-economic situations. Early on, the government's control mechanism was considered by drafting the budget at a minimal spending level and maintaining the balance of the expenditure. Later, however, it became obvious that it is not right to keep the public sector and its budget content apart from nations' socio-economic life. On the other hand, the public sector must take an active part in socio-economic life and budgetary activities. This is because the budget is shown as a tool and a policy of decision-makers in the budget that helps and improves people' socio-economic lives. As a result, the growth of public budgeting has been rising tendencies. In particular, the Budget should not only be taken into consideration with regard to accounting issues relating to public spending observation and control, but also economic, administrative and political factors that enhance public activities efficiently and effectively.

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