

FINANCIAL IMPACTS AND DIFFICULTIES OF HAVING POOR PLANNING IN A PUBLIC OFFICE

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In order to plan for both short- and long-term spending for everything from new hiring to the cost of operations, an organization needs the tools to track how the organization is doing financially. This includes the ability to track the budget. Additionally, it can enable an organization to communicate with a governing body about its procedures and budget as well as to present and future references, who may request essential status updates.

In the Department of Education just like any other government agency, the General Appropriations Act which is an act that appropriates funds for the operation of the government of the Republic of the Philippines from January 1 to December 31 is the law that governs the budgeting and spending of government offices, agencies and entities.

A department or agency might want to give it some thought if it hasn't yet created or is inconsistent with budgeting. Financial objectives are made easier to reach with the help of a budget's straightforward rules than they may be without them. After all, a budget is a really straightforward instrument that mostly serves as a way to keep track of where and how much money will be spent.

Many big goals require thought and planning most importantly in an organization. Once you have a clear picture of the expenses, you can then direct the budget purposefully and carefully toward the things the agency needs to achieve its goals and perform its operations productively.

A budget is a tool to make all of the agency's goals happen. Without one, an organization may experience severe financial implications, such as:

Amass on debt. Budget is a guide to your income and expenses, but also a way to keep the agency honest and prepared. Without guidelines, it's easy to let debts accumulate. Without a budget, an organization won't have an easy time carving out extra savings to pay down unexpected expenses and benefits. That's why a Work and Financial Plan (WFP) is being used to plan ahead the physical, obligation and financial plan that will be incurred by an office;

Struggle to meet financial goals. All of the organization's financial objectives are entirely theoretical without a budget. The first step in setting aside funds for the significant items it needs to save for is to create a budget. Without those standards, the department might not be aware of where the money is going, and it might even be planning and saving in inefficient ways. To ensure effective planning and budgeting is taking place the Department of Budget and Management (DBM) uses a system to monitor each department's utilization of allocated budget called the Unified Reporting System (URS);

Overspend. With a budget, an organization can know exactly how much to spend in each category. The agency will find it simpler to keep to a budget if it's determined already the expenses the agency will incur. Without a plan, spending can become haphazard and it's easy to go over budget, thus plotting the expenses carefully and mindfully in an office's WFP is always encouraged; and

Unprepared for emergencies. Having an emergency fund is one of the most crucial pieces of financial advice given by financial professionals. This money may be used for small expenses like fixing an item or major purchases. Without a budget, it will be difficult for the agency to determine how much fund it can realistically set aside for this cause and it will be less inclined to do so. The DRRM allocation is the fund that the agency normally use in preparation to attending emergencies.

To be successful in budgeting, a budget must be well-planned, flexible, realistic, and clearly communicated.

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