

# **APPLICATION OF ZERO BASE BUDGETING IN SRI LANKAN PUBLIC SECTOR**

by

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## **Abstract**

Objective of this study is to investigate whether Zero-Base Budgeting (ZBB) implemented in Sri Lanka in 2016 is a reality as planned or a merely rhetoric. Sample of study comprises of provincial level accountants, directors of budget/accounts and payments, directors planning/development, and other support staff who engage in budget preparation.

The study finds that preparers of ZBB have symbolically complied with the rules and guidelines given without understanding what ZBB really mean. Common understanding of participants about ZBB embodies the myth that it starts and ends with zeros in the given fiscal year. ZBB in Sri Lanka is becoming an institutionalized practice of estimating numbers in the same traditional way but filling up new reporting formats as per national budget guidelines for ZBB. The need of integration of budget planning, review, output and outcome is not well communicated so that it has been perceived as an alienated concept.

Operational context is also found to be not conducive for successful implementation of ZBB mainly due to lack of technological setup, required training and guidance given prior to implementation. ZBB is also seen as a tool to cut the budget in terms of allocations instead of bringing about efficiency and effectiveness. Implementation of ZBB in Sri Lanka should have been focused on long term strategic management perspective instead of being hurried to implement before the ground is ready for takeoff.

**Keywords:** Zero Base Budgeting, Planning, Prioritizing, Output and Outcome