

Improve Solution for Project Budget Management in Tan Bien District, Tay Ninh Provinces, Vietnam

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Abstract:

The study aims to analyze the improve solution for project budget management in Tân Biên district, Tây Ninh provinces from 2018 to 2020 about the achieved results, the remaining limitations by using qualitative research methods, from the results of analysis to propose four groups of solutions: Mobilize other sources and to allot annual budget for project; Improve organizational structure, project management, inspection and supervision of investors; increase use of science and technology in project management, administration and supervision; Other Solution Group.

Keywords: Project budget management; Tan Bien District.

1. Introduction

Tan Bien district includes nine communes (Thach Tay, Thanh Binh, Thach Bac, Tan Binh, Tan Lap, Tan Phong, Mo Cong, Tra Vong, Hoa Hiep) is in the North of Tay Ninh province. This district has an important strategic position in terms of politics, economy, national defense, and diplomatic relations because of the contiguity with Cambodia through the 92.5 km borderline and some international and auxiliary border gates. The local government is always interested in capital construction investment to take advantage of the region and create a driving force for economic development. However, because of the impact of the market economy and the Covid-19 epidemic, this investment attraction is facing challenges and difficulties. Research on budgetary capital management for capital construction investment projects has theoretical and practical significance. The research objective is to analyze and evaluate the current situation of capital construction investment in Tan Bien district, thereby suggesting several solutions to improve the management of budgetary capital for capital construction investment projects.

2. Definitions

2.1. State budget

According to the Law on State Budget in 2015, the state budget includes revenues and expenditures of the State that are estimated and realized in a particular period. State agencies will decide on spending the state budget to ensure the performance of state functions and tasks. The state budget is decentralized into central and local budgets (based on determining the scope, responsibilities, and powers of governments at all levels).

Budget revenues can be divided into three main groups:

- Taxes, fees and charges;
- Non-refundable loans or grants;
- Other revenues.

State budget expenditures include:

- Recurrent expenditure, development investment expenditure, national reserve expenditure, loan repayment, aid expenditure, additional expenditure to the financial reserve fund;
- Other expenditures.

2.2. Capital construction investment

Investment in capital construction is a significant expenditure task of the State budget to build and develop infrastructure.

Construction investment works are implemented mainly with the state budget, but some are also invested with non-state budget sources for the common purpose of serving the community's interests (road and railway transport system; educational infrastructure system, health care, drainage canal - irrigation, environmental protection...).

In addition, there are some characteristics of capital construction investment projects. First, a large amount of investment capital is used with many different cost items. Second, the execution time is relatively long. Finally, the projects carried out according to the plan are often constructed outside directly affected by the weather.

3. Methodology

3.1. Literature Review

Literature review is a method of using existing documents related to the research topic. The author studies the implementation of capital construction investment and state management, so the research documents include legal documents (Law, Decree, Circular... specialized); articles, magazines, websites, and some reference books.

3.2. Statistics, analysis, synthesis

The data in this article are secondary data collected from the public report on the results of capital construction activities in Tan Bien district in the period of 2018-2020. Based on the positive results and the existing limitations, the author proposes solutions to improve the state budget management for construction investment projects in the future.

4. Status in Tan Bien district

4.1. Overview

* * Geography, topography, climate:

Tan Bien district is located in the north of Tay Ninh city. It borders Tan Chau district to the east, Tay Ninh province and Chau Thanh district to the south, Cambodia to the west, and Cambodia to the north. The district (Tan Lap, Tan Binh, Hoa Hiep communes) has a border of 92.5 km with four districts of three provinces of Cambodia. Tan Bien has Suoi May river originating from Cambodia passing through Tan Bien town called Can Dang stream. There are many important traffic routes such as National Highway 22B, Provincial Road 783, Provincial Road 791, Provincial Road 795, Provincial Road 788. Tan Bien has 86,097.19 hectares of natural land and relatively flat terrain.

In terms of climate, Tan Bien district has tropical monsoon conditions, divided into two distinct seasons: the rainy season and the dry season. The dry season usually lasts from December to April of the following year and the rainy season from May to November.

* Socioeconomic:

Tan Bien has 860.97Km² of land area. The population in the district is about 102,991 people with 120 people/km² of population density. Besides the Kinh with the largest number, there are 11 ethnic minorities living (Khmer, Cham, Muong, Hoa, Ta Mun, Tay, Thai, Stieng, Nung, Dao, Ba Na).

Because of the climatic and topographical conditions, the most grown agricultural crops in Tan Bien are sugarcane, noodles, rubber, fruit trees... Specifically, the district has 461 hectares of certified fruit trees and other VietGAP crops. By the end of 2020, there are 203 businesses, 10 agricultural cooperatives, 253 cooperative groups, and nearly 5,700 individual business households.

4.2. Status

Results:

Most of the capital construction investment projects in the district are group C projects, which are inspected and supervised to ensure compliance with regulations (Public Investment Law, Construction Law, and State Budget Law). ...). They are also strictly controlled in terms of investment scope and scale. Besides, Tan Bien focuses on planned projects to achieve overall development goals. In the period 2015-2020, Tan Bien invests in 270 projects, reaching 103.4 percent of the plan with a total investment of 954 billion VND. The district has built 51 schools (Preschool: 14, Primary: 22, Middle School: 12, High School: 02, Center for Vocational Education – Continuing Education: 01), in which : Public: 50 schools – Private: 01 school (Kindergarten), the number of schools meeting national standards is 22. Tan Bien also invested in 128 traffic works with 242km in length.

The local government gradually improved the main roads, inter-commune roads, rural roads. In the first six months of 2021, the district achieved 151/171 new rural criteria, of which: Tan Binh, Tan Lap, Tan Phong, Mo Cong, and Hoa Hiep communes achieved 18 criteria; Tra Vong commune 15 criteria; Thanh Bac commune, Thanh Tay commune achieved 14 criteria. By the end of the 2015-2020 term, 6/9 communes have been recognized as new rural standards, including three border communes. In the future, the district will complete the New Advanced Rural with the target of 9/9 communes. The management agency also develops Tan Bien town (urban type 4) to achieve the goal of improving material and spiritual life.

The district strictly complies with regulations on capital construction investment strategy. Capital plans are allocated at the beginning of the year and then approved on time. Therefore, the construction progress and disbursement rate of the district always meet the set target. From 2018 to 2020, the total number of projects implemented by the district is 114 projects (disbursement rate of 99.94%).

Capital construction and disbursement plan from 2018-2020 (Unit: Billion VND)			
<i>Content</i>	Year 2018	Year 2019	Year 2020
Capital plan	141.44	175.00	174.97
disbursement plan	141.41	174.96	174.74

[Source: Construction investment project management board, 2018-2020]

During the project, the investor has coordinated with specialized agencies to strictly implement and comply with regulations to ensure the consistency of steps from start to finish. Tan Bien has partly limited risks and improved the efficiency of using state capital. In managing the scale and finalizing project costs, the district always implements close supervision (including all necessary tasks and only necessary tasks) to save the state budget.

Table: Finalization figures from 2018-2020

Unit: billion VND

Content	2018	2019	2020
New projects	41	52	21
TMĐT được duyệt (1)	169	214	59
Approved value for settlement (2)	147	191	49
Difference (1-2)	22	23	10

[Source: Construction investment project management board, 2018-2020]

Shortcomings:

Currently, the locality has not yet built an electronic information system on the field of capital construction investment of existing projects due to a lack of funding. This system provides a diverse database of locally implemented projects to find information/sample projects. Moreover, individuals can collect and access data completely and accurately, saving time. However, the district has not been able to do it yet because of the high cost of building a new system and annual maintenance.

Next, there are still adjustments to the total investment structure in some projects. Specifically, in planning, the estimation does not fully account for the costs, leading to some changes in implementation time. The new investment estimate is re-established according to the construction unit price and construction materials after.

Besides, investors outside Tan Bien are not interested in capital construction investment in this area. Most of the contractors involved in the project implementation are local contractors. It may lead to a decrease in competitiveness in the bidding process.

4. Solutions

4.1. Increase mobilization of non-budget capital in combination with rational use of budget capital.

Local budget capital is limited, while both quality and quantity of infrastructure systems is an essential task. Using state budget capital is not only to improve project management but also to mobilize financial resources in society. Attracting project investment from non-state enterprises is a measure to balance capital sources and reduce the budget burden. Based on the geographical advantage and natural characteristics of Tan Bien (92.5km borderline, two international border gates, many auxiliary border gates, and bordering 4 districts in 3 provinces of Cambodia), the Tan Bien government should make a list of projects that need to be socialized to implement the investment attraction plan. Furthermore, state agencies also arrange land funds for investment projects after site clearance to attract investors. Furthermore, project information should be updated regularly and completely. Tan Bien publishes information through mass media channels so that investors can easily learn and approach the project. On the other hand, the Tan Bien government should complete administrative procedures related to investment, support policies to create investors to form an ideal investment environment, thereby attracting attention from investors.

In capital construction investment, the state budget capital is a direct determining factor to the project scale. To invest more effectively, state budget capital is allocated for construction investment projects, including: Deciding on the list of construction investment works associated with socio-economic development goals; arranging the order of investment priorities to deploy optimally allocating local financial resources; Completing the budget allocation norms based on a survey of the actual local situation; Prioritize investment in projects that bring benefits in the future.

4.2. Improve organization, management, inspection and supervision

The investor plays a very important role in the project management process, so it is necessary to build an organizational structure according to responsibilities, authority, regulations, appropriateness with expertise, and capacity. An internal inspection department was established to regularly monitor the actual results of the work performed according to the set schedule. Employees must promptly report problems so that they can be resolved. Tan Bien government should provide intensive and long-term training in career skills. In addition, it is necessary to strictly punish and reward to create work motivation and healthy competition at work.

Contractors violating the schedule and quality of work should be inspected and sanctioned. In working with contractors, state employees seriously perform the following tasks: inspect, deliver and receive documents; monitor construction progress through inspection slip/working minutes with signed certification; record detailed work contents; not receive and hand over incomplete and incorrect documents; comply with the regulations on inspection time and the maximum number of times allowed for violations. This check sheet/working minutes will be attached documents to report to the Board of Directors, is the basis for sanctioning violations, and stored according to the works at the unit.

4.3. Increase science and technology in management, administration and supervision

Currently, science and technology used in management have been implemented by many businesses and are highly effective. Management software is created to manage the schedule so the task is carried out according to the plan. Managers can assess the actual situation and avoid misinformation. They will make timely resolutions of difficulties. The investment supervisory authority granted access will manage it more effectively. It helps investors receive timely support to solve problems from specialized agencies of the district. The use and storage of project information will contribute to forming a common database system on projects in the district, helping to shorten the time for checking and storing records.

4.4. Others

The community participates in monitoring because it is not only the right but also the responsibility of the residents. This solution is efficient and measures the most honest project metrics. However, most people are still not aware of the importance of this responsibility or do not know how to do it. Therefore, it is necessary to implement the following solutions: Improve people's knowledge about rights and responsibilities in project supervision; Disseminate ways and procedures to carry out monitoring; Finalize regulations and support hotline to guide and receive people's feedback; Form a group to solve difficulties and provide necessary data to the Investor; archive project files at the organization; Check project maintenance after receiving handover.

5. Conclusion

Tan Bien district is an area with a particularly important strategic position in terms of politics, economy, national defense, security and foreign affairs. Therefore, if the district's infrastructure is developed, it will help stabilize the socio-economic situation and improve the quality of people's lives. Therefore, it is necessary to improve the management of state budget capital for capital construction investment projects in the district

Through analyzing the current situation of existing limitations and considering the district's advantages, the study has identified 4 groups of solutions to overcome difficulties and promote the areas that the district has done well, including the Solution Group. measures to increase the mobilization of non-budget capital combined with rational allocation of state budget sources for construction investment projects; Group of solutions to complete the organization, management, inspection and supervision of the Investor; Group of solutions to enhance the application of science and technology in project management, administration and supervision; Another group of solutions. However, in order to perform well the management of state budget capital for capital construction investment projects, it always needs the coordination and efforts of the actors involved in the management and direct implementation. An effective solution or not is mainly in the implementation, this depends on the sense of responsibility of each individual directly involved in the implementation and management of the project, this is the right and also the duties of each civil servant

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