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Analysis of the results-based budget and its effect on the quality of public expenditure of the national penitentiary institute, Peru

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Abstract: Since 2007, Peru has implemented results-based budgeting in order to ensure the quality of public spending in State entities and that the population receives goods and services in a timely manner; However, the demands of the current legal and regulatory context require a progressive application to budget processes such as that of the National Penitentiary Institute, which is basically focused on the allocation of resources by the central government, the collections it receives for penitentiary work. and the TUPA; Likewise, it requires strategic programming based on results, refining the procedures for programming, formulation, execution and evaluation of the budget. The objective of this research work is to describe the relationship between results-based budget management and the quality of spending in the Altiplano-Puno Regional Directorate of the National Penitentiary Institute in the period 2019. To achieve the objective, the descriptive explanatory method was used; in addition, the questionnaire and documentary analysis were used as a data collection instrument to determine the relationship between the study variables. Finally, it is concluded that the results-based budget is significantly related to the quality of spending, which means that the entity managed to apply the results-based budgeting methodology efficiently, obtaining an improvement in the quality of spending, consequently focusing on the optimization of the use of financial resources to achieve the strategic objectives of the penitentiary administration in this region. This approach seeks not only to guarantee the correct execution of spending, but also to maximize its positive impact on the management and conditions of penitentiary centers. In this way, a results-based budget approach must be implemented and ensuring the quality of public spending will allow the Office Regional Altiplano Puno of the INPE use its resources more effectively, achieving the objectives of prison security and rehabilitation and improving conditions in penitentiary centers. The adoption of efficient and transparent management practices will contribute significantly to a more responsible and results-oriented public administration.

Keywords: quality of expenditure; prison conditions; budget by results

1. Introduction

In public management, the analysis of the budget by results and the quality of spending are fundamental tools to ensure efficiency and effectiveness in the use of resources. In the context of the Altiplano-Puno Regional Office of the National Penitentiary Institute (INPE) of Peru, this analysis takes on special relevance given the unique environment and specific challenges of the region.

Performance budgeting focuses on allocating resources based on expected and

measurable results, rather than simply distributing funds based on historical or traditional budget criteria. This approach seeks not only the correct execution of spending, but also the achievement of specific objectives and improvement in the quality of the services provided.

On the other hand, the quality of public spending refers to the efficiency, effectiveness and equity with which state resources are used. It involves rigorous scrutiny to ensure that allocated funds are not only used appropriately, but also create the desired impacts on the community and prison management.

In the INPE Altiplano Puno Regional Office, these concepts are especially important. This region faces significant challenges, such as heterogeneity in the distribution of resources, the need to adapt policies to local conditions, and the strengthening of institutional capacities. A detailed analysis of the results-based budget and the quality of public spending will identify areas for improvement and guarantee that the resources allocated to prison administration and rehabilitation effectively contribute to the objectives of security, social reintegration and well-being of inmates.

This introduction serves as a starting point for a more in-depth evaluation of the impact and efficiency of spending in the INPE Altiplano Puno Regional Office, with the aim of optimizing the use of resources and improving results in penitentiary management.

Therefore, the purpose of the study was to describe the relationship between budget management by results and the quality of spending in the Puno Regional Directorate of the National Penitentiary Institute in 2019, having as a hypothesis that there is a positive and significant relationship between the study variables. Likewise, the study aims to answer the question: Is there a relationship between budget management by results and the quality of INPE spending? Finally, the study is relevant because it allows us to rethink whether the expenditure executed really solves the problems for which it was assigned; and on the other hand, whether the budget is being managed adequately for the purposes for which it was redistributed.

2. Literature review

The Budget for Results [PpR], is defined as an approach to prepare the public budget, where resources are programmed, assigned, executed and evaluated in relation to the specific positive changes that are desired to be achieved in the well-being of the population; in addition, it is considered as a public management strategy that contributes to improving the quality of public spending in public entities (Ministerio de Economía y Finanzas, n.d.; Reilly, 2009), which in its incorporation stage promotes the use of instruments such as strategic budget programming, physical goals, result indicators, and finally, the application of pilot evaluation tests (Ley de presupuesto del sector público para el año fiscal 2007, 2006).

Likewise, the implementation of the PpR is a proposal for a change in the traditional methodology to one where the goods and services provided by public entities have a greater participation in the areas that produce them, going from prioritizing only the inputs to focusing on the results and products (Reilly, 2009; Vargas and Zavaleta, 2020). According to Blas et al. (2022) the development of

modernity, it goes beyond the modern or antonym of the old, it implies revolutionary results in society, one of them is the competition in the provision of services. On the one hand, the application of the management model by processes (Flores and Núñez, 2021) not it is more than a normative implementation in the Peruvian state, since the benefits it provides are not valued due to the little experience and knowledge of public servants to generate impacts on institutional management, whether in quality, simplification, customer satisfaction, competitiveness and others. Well, the cycle of continuous improvement and change management goes beyond the identification of general processes in the framework of modernization of the State.

In this sense, the scope of the PpR management has as a referential framework the new public management (Franciskovic, 2013), where the citizen demands a modern, efficient, unitary and decentralized, inclusive and open State, capable of guaranteeing the population a growing access to goods, and quality public services, being these opportune, equitable and pertinent (Presidencia del Consejo de Ministros, 2013).

In turn, he (Carrasco, 2015) refers that in the PpR the information on results in all stages of the budget cycle is very important, even more so in the preparation process, thus ensuring that the improvement of the prioritization of spending is guaranteed. For his part Dávila and Sánchez (2021) indicates that the management of the budget by result is decisive in the quality of spending and the efficient management of state resources.

On the other hand, Armijo and Espada (2014) indicate that the quality of public spending encompasses elements that guarantee the effective and efficient use of public resources, aimed at raising the growth potential of the economy and ensuring increasing degrees of distributive equity (Pinedo et al., 2021). The quality of spending is alluded to the efficient mode of those actions in which they had an impact with the public budget. According to ECLAC according to Muñoz and Andrea (2017) To identify the quality of spending, efficacy, efficiency and effectiveness indicators are used to measure the effects of the implementation of public policies.

However, the MEF, 2007, cited by Abusada et al. (2008), refers to some problems of the quality of spending:

- a) Lack of articulation of planning with the budget from a results perspective; b) Abundance and inconsistency of regulations that hinder institutional management and do not promote a results-based approach; c) Weakness in the information, monitoring and evaluation systems in the sectors and institutions that give a clear and timely account of the situation of the results and products; d) Institutional ordering and functions that do not facilitate the achievement of results.*

Indeed, the execution of public spending must be measured and prudent, capable of generating added value and quality of life with the goods and services provided by the State (Prieto, 2012).

In accordance with the aforementioned, the budget process of the National Penitentiary Institute is characterized by the consolidation and strengthening of the technical concepts and operational processes implemented from the application of the functional budget in the public sector in accordance with the provisions of Law No. 28411, General Law of the National Budget System. In addition, it is considered that

the budget assigned to the National Penitentiary Institute is basically focused on the resource assigned by the central government and the collections it receives for prison work and the TUPA.

In the context of this study, the field work was carried out during the first two weeks of November, where the surveys were carried out at the Altiplano-Puno Regional Office-INPE. Indeed, it is established as a general hypothesis that the management of the budget by results influences positively in improving the quality of public spending, and as a general objective, it is intended to analyze how the management of the budget by results influences in improving the quality of spending in the Regional Office. Altiplano Puno of the National Penitentiary Institute in the period 2019.

3. Materials and methods

The scope of study included the Altiplano Puno Regional Office of the National Penitentiary Institute where from there the penal establishments of the jurisdictions included in the jurisdiction of the departments of Puno and Tacna are administered. The population and sample consisted of 56 informants of the administrative staff. The type of research has a quantitative approach of descriptive scope, with a non-experimental cross-sectional design. The data collection technique was the survey and observation.

4. Results and discussions

Regarding the budget for results, 87.50% of the informants state that they are aware of it, as well as 80.36% have been applying it; in addition, 73.21% state that the budget administered by the entity is mainly intended to improve the positive social reintegration of the inmates in prisons.

On the other hand, 85.7% mention that the management of the budget for results is aimed at improving the quality of spending public; from this it is inferred that budget management by results becomes an alternative to improve the quality of public spending (**Table 1**). In addition to this, 92.9% state that this model generates better results with respect to the traditional model (**Table 2**), evidencing it below:

Table 1. Management of the budget for results and the quality of public spending.

		Frequency	Percentage	Valid Percentage	Accumulated percentage
Valid	Yeah	48	85.7	85.7	85.7
	No	8	14.3	14.3	100.0
	Total	56	100.0	100.0	

Table 2. Budget model for results with respect to the traditional model.

		Frequency	Percentage	Valid Percentage	Accumulated percentage
Valid	Yeah	52	92.9	92.9	92.9
	No	4	7.1	7.1	100.0
	Total	56	100.0	100.0	

In reference to the evaluation of the decision-making of the entity, regarding public spending, 66.71% indicate that it is efficient, however, 53.6% report that the expenses are not oriented to provide quality health services for inmates of the prisons, and affirm that the expenses are oriented to provide quality service in social reintegration for the inmates (**Table 3**).

Table 3. Expenditure made by the INPE as the health of the inmates.

		Frequency	Percentage	Valid Percentage	Accumulated percentage
Valid	Yeah	26	46.4	46.4	46.4
	No	30	53.6	53.6	100.0
	Total	56	100.0	100.0	

Table 4. Expenditures made at INPE brida quality in social reinsertion.

		Frequency	Percentage	Valid Percentage	Accumulated percentage
Valid	Yeah	30	53.6	53.6	46.4
	No	26	46.4	46.4	100.0
	Total	56	100.0	100.0	

For 53.6% of the informants, they indicate that the concept of spending quality is to invest mainly to improve the positive social reintegration of inmates, and 83.93% state that this should be evaluated by its social impact and not by the amount that is spent. Spend (**Table 4**). On the other hand, the execution of strategic programs has made it possible to improve the quality of public spending in the entity, and that the executed projects managed to be destined for the improvement of positive labor reintegration, this is reported by 73.2% and 71.4% of the informants respectively (**Tables 5 and 6**).

Table 5. The execution of programs makes it possible to improve the quality of Public Expenditure.

		Frequency	Percentage	Valid Percentage	Accumulated percentage
Valid	Yeah	41	73.2	73.2	73.2
	No	15	26.8	26.8	100.0
	Total	56	100.0	100.0	

Table 6. The projects executed were aimed at improving social integration.

		Frequency	Percentage	Valid Percentage	Accumulated percentage
Valid	Yeah	40	71.4	71.4	71.4
	No	16	28.6	28.6	100.0
	Total	56	100.0	100.0	

Based on what is described in the results, the hypothesis formulated in this study subjected to the Chi-Square test results in the existence of asyntonic (bilateral) significance of $0.035 < 0.05$, accepting the alternative hypothesis where budget management by results is significantly related with the quality of public spending of

the Altiplano Puno Regional Office of the National Penitentiary Institute, it is displayed below (**Tables 7 and 8**):

Table 7. General hypothesis test.

		Quality of Public Expenditure		Total	
		YEAH	NO		
Budget for Results	YEAH	Count	31	17	48
		expected count	28.3	19.7	48.0
		% of the total	55.4%	30.4%	85.7%
	NO	Count	2	6	8
		expected count	4.7	3.3	8.0
		% of the total	3.6%	10.7%	14.3%
Total	Count	33	23	56	
	expected count	33.0	23.0	56.0	
	% of the total	58.9%	41.1%	100.0%	

Table 8. Chi-Square test of general hypothesis.

Chi-square tests					
	Worth	df	Asymptotic (bilateral) significance	exact significance (bilateral)	exact significance (one-sided)
Pearson chi-square	4439a	1	0.035		
Continuity correction b	2954	1	0.086		
Likelihood ratio	4441	1	0.035		
Fisher's exact test				0.053	0.044
linear by linear association	4360	1	0.037		
No of valid cases	56				

to. 2 cells (50.0%) have expected a count less than 5. The minimum expected count is 3.29.

b. It has only been calculated for a 2x2 table

In turn, specific hypotheses 1 and 2 were subjected to the chi-square test, where it is observed that the asymptotic (bilateral) significance is $0.183 > 0.05$ for the first, while for the second it is $0.026 < 0.05$, accepting the null hypothesis (there is no relationship between strategic programs with the quality of public spending) and the alternative hypothesis (orientation of public spending is significantly related to the quality of public spending) consequently it should be

Improving the quality of public spending in the Altiplano Puno Regional Office of the National Penitentiary Institute (INPE) of Peru is a crucial task to optimize the use of resources allocated to prison administration and to guarantee that these resources generate positive and measurable results.

Here I detail some approaches and strategies that could allow this improvement:

- 1) Evaluation and Strategic Planning
- Comprehensive Diagnosis: Perform a thorough analysis of the current situation of the office, identifying critical areas, management deficiencies and opportunities for improvement.

- Establishment of Clear Objectives: Define clear strategic and operational objectives that align spending with the expected results, such as improving the conditions of penitentiary centers, the rehabilitation of inmates and the reduction of recidivism.
- 2) Implementation of Results-Based Budgeting
- Linking Budget to Results: Ensure that budgets are allocated and used based on specific and measurable results, rather than just following historical or provenance criteria.
- Monitoring and Evaluation: Establish monitoring and evaluation systems to measure the performance and impact of expenditures made, adjusting budget allocations as necessary.
- 3) Strengthening Transparency and Accountability
- Information Transparency: Publish detailed reports on the use of resources and the results achieved to promote accountability and allow public scrutiny.
- Audits and Reviews: Conduct periodic audits and external reviews to ensure that funds are used efficiently and effectively, and to detect and correct irregularities.
- 4) Training and Development of Personnel
- Continuous Training: Train staff in budget management, results analysis and public administration to improve their skills and knowledge in resource management.
- Competency Development: Invest in the development of specific competencies related to budget planning and execution, as well as the evaluation of programs and projects.
- 5) Optimization of Internal Processes
- Process Reengineering: Review and improve internal processes related to budget management, ensuring that they are efficient and reduce unnecessary costs.
- Automation and Technology: Implement technologies that facilitate budget tracking and management, as well as the collection of data on performance and results.
- 6) Participation and Interinstitutional Collaboration
- Coordination with Other Entities: Work in collaboration with other government institutions and civil society organizations to share information, resources and good practices in public spending management.
- Community Involvement: Encourage the participation of the community and interest groups in the planning and evaluation of prison programs and projects.
- 7) Efficient Resource Management
- Investment Prioritization: Direct resources towards areas that maximize impact and contribute to strategic objectives, such as infrastructure improvement, personnel training and rehabilitation programs.
- Cost Control: Implement measures to control and reduce costs without compromising the quality of the services and programs offered.

Implementing these strategies can help ensure that the resources assigned to the INPE Altiplano Puno Regional Office are used more efficiently and effectively, thus contributing to better prison management and more positive results in the region.

5. Conclusions

It is determined that in the Altiplano-Puno Regional Office of the National Penitentiary Institute in the 2019 period, there is a significant relationship between the budget for results and the quality of public spending in the entity; In turn, after the analysis it was possible to show that there is no significant relationship between the strategic programs and the quality of spending in the entity, because according to the respondents, they work according to historical data, without an analysis corresponding to each year, they only increase; On the other hand, there is a relationship between the orientation of public spending and the quality of public spending, because the budget would be running as scheduled.

The analysis of budgeting by results and the quality of public spending in the Altiplano Puno Regional Office of the National Penitentiary Institute (INPE) of Peru reveals the importance of aligning the allocation and use of resources with the strategic objectives and specific needs of the region. In the prison context, where challenges include efficient resource management and improving inmate conditions, it is essential to adopt an approach that maximizes positive impact and ensures effective budget management, such as:

Alignment with Results and Objectives: Results-based budgeting provides a methodology to link spending with specific and measurable results. For the Altiplano Puno Regional Office, this means that resources must be directed towards areas that really contribute to the improvement of penitentiary conditions, the rehabilitation and reintegration of inmates, and security in penitentiary centers. Strategic planning and continuous evaluation are crucial to ensure that objectives are met and that public spending is truly effective.

Improving the quality of spending: The quality of public spending is not limited to the correct use of resources, but also to the generation of tangible and positive results for society. In this sense, the Altiplano Puno Regional Office must implement practices that promote efficiency and effectiveness in the use of the budget. This includes strengthening internal control mechanisms, ensuring transparency in financial management, and conducting periodic audits and evaluations to identify and correct areas for improvement.

Importance of transparency and accountability: Transparency and accountability are fundamental elements for successful budget management. Publishing detailed reports on the use of resources and the results achieved builds public trust and ensures that funds are used appropriately. Community participation and collaboration with other institutions are also key to more inclusive and effective management.

Training and personnel development: Investing in the training and development of human resources is essential to improve the quality of spending. Personnel trained in budget management and results analysis can contribute significantly to optimizing the use of resources and achieving institutional objectives.

Optimization of internal processes: The review and improvement of internal processes, as well as the adoption of advanced technologies, can lead to more efficient management and the reduction of unnecessary costs. Implementing monitoring and evaluation systems also facilitates informed decision making and continuous improvement.

Consequently, the improvement in the quality of public spending and the analysis of the budget by results are critical tools to optimize the management of the Altiplano Puno Regional Office of the INPE. Adopting a results-based approach, ensuring transparency, training staff and optimizing internal processes will allow resources to be used more effectively, thus contributing to the improvement of prison conditions and the strengthening of prison administration in the region. The effective implementation of these strategies will not only increase efficiency and effectiveness in the use of the budget, but will also promote more responsible and results-oriented public management.

6. Recommendations

To improve the effectiveness of the results-based budget analysis and the quality of public spending in the INPE Altiplano Puno Regional Office, the following recommendations are presented:

Establishing clear and measurable objectives for each expenditure will allow for better alignment between the resources allocated and the expected results. Likewise, performance indicators will allow for the evaluation of the impact of the investments and activities carried out, which should be directly related to the strategic objectives of the office.

Implementation of a monitoring and evaluation system to assess budget use and progress towards expected results. Use management tools that allow real-time monitoring through periodic evaluations of public spending performance to identify areas of success and improvement.

Strengthening transparency and accountability through the publication of reports to ensure that financial and performance reports are accessible to the public and oversight bodies. External audits to assess the effectiveness and efficiency of spending.

Optimizing internal processes by reviewing internal processes related to budget management to identify and eliminate inefficiencies. Implementing standardized procedures to improve consistency and effectiveness. Process automation: Adopting technological tools and financial management systems to automate processes and reduce administrative burden.

Staff training and development through ongoing training programs for staff on topics related to budget management, results analysis and public administration. Training will strengthen the competencies and skills of the team. Encourage the development of leadership and management skills in managers and budget holders to ensure informed and effective decision making.

Fostering stakeholder participation and collaboration: Involving relevant stakeholders, including local communities, non-governmental organizations and other institutional actors, in the planning and evaluation of programs and projects. Inter-institutional coordination with other government entities and organizations to share resources, knowledge and good practices in public expenditure management.

Prioritization and reallocation of resources to priority areas that have a high impact on strategic objectives. Flexible reallocation to address emerging issues or adjust strategies in response to changes in the operating environment.

Promoting efficient use of resources. Implementing rigorous measures to control

and reduce costs without compromising the quality of services and programs. Innovation in the use of resources to improve the effectiveness of spending and maximize benefits for the prison community.

Consequently, implementing these recommendations will allow the INPE Altiplano Puno Regional Office to improve the quality of public spending, optimize the use of resources and more effectively achieve strategic objectives in penitentiary administration. Results-based management and efficient budget administration will contribute to significant improvement in the prison system and the well-being of inmates and the community at large.

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