EFFECT OF BUDGETING PRACTICES ON THE PERFORMANCE OF PUBLIC ENTITIES IN UGANDA: A CASE STUDY OF THE MINISTRY OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

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UGANDA CHRISTIAN UNIVERSITY
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DECLARATION

IKazibwe Trevor Solomon, affirm that this report is entirely my own creation and has not previously been submitted for any academic recognition from any institution.

Signed: ____________________

KAZIBWE TREVOR SOLOMON

Date: 07/05/26.

APPROVAL

This research report is hereby submitted for examination with my approval.

Supervisor: Mr. Agume Anthony

Signature:..

Date:....7/05/26....................................

DEDICATION

I dedicate this study to Kampala and Uganda at large.

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I express my gratitude to the Most High for gracing me with the gift of life, intellect, and optimism. Because of these blessings, I have accomplished many significant feats in my academic life journey. Furthermore, my family, despite the limited resources, has always been a source of unwavering support, unconditional love, and unwavering care for me. I am sincerely appreciative of my parents Mr. and Mrs. Bamugye, my brothers and sisters for their selflessness, guidance, and unyielding devotion to my well-being.

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ABSTRACT

This research looked at how budgeting practices impact the performance of the public entities with the Ministry of Finance, Planning and Economic Development serving as the case study. The research was informed by three particular objectives, which were to determine the impact of budget formulation, budget execution and budget monitoring and evaluation on the performance of institutions.

The research used a descriptive correlational research design, which implies both qualitative and quantitative methods. A cross-sectional survey was carried out on the staff of MoFPED; The data collection involved structured questionnaires, interviews, and reviewing of documents. Descriptive statistics and inferential statistics (correlation, regression analysis) were used to analyze quantitative data whereas qualitative data were analyzed thematically.

The results showed that institutional performance is greatly influenced by budgeting practices. The performance was observed to be the most affected by the budget execution practices, then the budget formulation, and lastly, the budget monitoring and evaluation. The results of the regression showed that the budgeting practices are significant in that they explain a significant percent of the variance in the performance of the institutions, and therefore, they are important in improving efficiency, accountability, and service delivery.

The research report concludes that the effectiveness of budgeting practices plays a crucial role in enhancing performance of public entities. It suggests the need to enhance budget execution processes, stakeholder involvement in budget making, and to increase the monitoring and evaluation systems in order to achieve efficiency in the use of public resources. The research also recommends that the future research should examine other issues that affect performance in the public institutions.

CHAPTER ONE

INTRODUCTION

1.1 INTRODUCTION

Budgeting is simply the primary instrument of management of the public funds, which determines how and where the public funds are spent to ensure that the institution achieves its objectives and to provide better service to people. Good budgeting practices lead to increased efficiency, accountability, and performance; conversely, bad budgeting practices do not (OECD, 2015; World Bank, 2018). The budgeting reforms in Uganda are not new, yet the public institutions are still facing difficulties in making budgets, operating them and auditing. Therefore, this study examines the influence of budgeting procedures on the performance of governmental institutions, in this case, the ministry of Finance, Planning and Economic Development.

1.2 BACKGROUND OF THE STUDY

Budgeting in the public sector has become an important instrument to enhance performance of any institution, accountability, and delivery of services across the globe. As of 2014, governments have increased their efforts in reforms that tie resource allocation to outcomes, such as Medium-Term Expenditure Frameworks (MTEFs) and Performance-Based Budgeting (PBB). These reforms are based on outcome-oriented planning, financial discipline, and systematic scrutiny to ensure that the public funds are utilized effectively (IMF, 2019; PEFA Secretariat, 2020). Despite such increases, most governmental organizations continue to experience poor budget development, implementation, and control, which negatively impact service delivery and performance (Allen and Tommasi, 2017; Schick, 2018). Things such as unrealistic revenue projections, constant changes in the budget and late payments are particularly difficult in emerging markets with low institutional capabilities (Lienert, 2019). In turn, the latter is supported by recent international studies emphasizing the quality of budgeting practices as the ultimate factor of a better performance of the public-sector (Robinson, 2016; Andrews et al., 2017).

Sub-Saharan Africa is one of the regions where the development partners have been promoting the public financial management reforms to enhance the fiscal discipline and enhance the accountability systems. The widespread use of programme-based budgeting, stricter expenditures, and novel performance monitoring systems are several of the recent changes in many countries to enhance the delivery of services (African Development Bank, 2018; UNECA, 2019). These reforms were also to address the traditional issues such as low budget credibility, inefficient use of resources and poor accountability mechanisms. However regional evaluations indicate that budgeting practices are still influenced by structural and institutional limitations. The challenges faced are late budget releases, technical shortcomings to track the budget, political interference with budget implementation, and large discrepancies between approved budgets and expenditures (PEFA Secretariat, 2020; CABRI, 2019). This has made public institutions to find it difficult to convert budget releases to planned outputs and outcomes and hence, poor performance. The research in the region also emphasizes that the effective budget development, punctual implementation, and strong monitoring mechanisms are also critical in enhancing institutional performance (Awarti, 2017; Fritz et al., 2017).

The government in Uganda has initiated various reforms in the sphere of public financial management during the last decade to enhance the fiscal discipline, increase the budget credibility, and institutional performance. The Programme-Based Budgeting, the reinforcement of the Medium-Term Expenditure Framework, the improvement of the work of the governmental investment, and the performance reporting systems are the main reforms (Government of Uganda, 2020; Auditor General, 2021). These programs were meant to match the priorities of the national development as well as fostering accountability among the governmental bodies in the distribution of resources. Nevertheless, government reports on national budget performance and oversight results still indicate ongoing issues, which include the delays in the release of cash, the discrepancies between the approved budgets and actual spending, the lack of adequate monitoring tools, and the adherence to the budget plans (Office of the Auditor General, 2022; UBOS, 2023). These issues have led to inefficiency in the provision of governmental services and poor institutional effectiveness (Kuteesa et al., 2019; Mugume, 2021).

The Ministry of Finance, Planning and Economic Development is the central point in the budgeting system in Uganda because the ministry deals with budget preparation, coordination of fiscal policies, allocation of resources and monitoring of budget implementation in the governmental organizations. Although it has strategic mandate, budget execution and monitoring issues continue to impact on time-sensitive program execution and attainment of institutional targets. Although the budgeting practices in the local government and agency have been explored in several studies in Uganda, there has been little empirical research that has investigated the budgeting practices at the central ministries, especially MoFPED. This gap shows the necessity of investigating the effects of budgeting activities in MoFPED on the performance of the institution and the general outcomes of the public sector.

1.3 PROBLEM STATEMENT

Even though financial management reforms are still being undertaken by the people, Uganda has been struggling with budgeting issues that have affected the performance of the institutions. The inefficiencies in service delivery and lower effectiveness of the public program are associated with the weaknesses in budget formulation, execution, and monitoring (IMF, 2019; PEFA Secretariat, 2020). National oversight reports continue to indicate that there are inconsistencies between budgets approved and released, delays in cash disbursement, variances between planned deliverables and realized deliverables, which restrict the productivity and accountability of institutions (Office of the Auditor General, 2022; Government of Uganda, 2020).

The Ministry of Finance, Planning and Economic Development, which is the central authority in the preparation of national budgets and coordination of fiscal policies, is a very important body in maintaining effective distribution and utilization of public funds. Nevertheless, it has been demonstrated that budget implementation, spending management, and performance surveillance issues are still affecting the timely implementation of the programs and the achievement of institutional objectives (Kuteesa et al., 2019; Mugume, 2021). These are not only weaknesses that impact the operation performance of the Ministry, but are also experienced in the entire public sector since the Ministry has the oversight role.

Although a number of studies in Uganda have focused on budgeting practices at local governments and the sampled public agencies, few studies have focused empirical attention on central ministries, particularly MoFPED. The existing study largely relates to the decentralized service delivery unit, and there is a lack of knowledge concerning the effect of budgeting practices at the national policy and coordination level on institutional performance (Awarti, 2017; Fritz et al., 2017). Such absence of empirical evidence leaves a question mark regarding the performance of budgeting practices in MoFPED and its impact on the performance of the public-sector.

This report therefore aims at analyzing how budgeting practices influence the performance of government organizations with a particular reference to the ministry of finance, planning and economic development in the Ugandan context.

1.4 Objectives of the Study

1.4.1 General Objective

This research is all about trying to determine how budgeting practices influence the performance of the public entities, particularly the Ministry of Finance, Planning and Economic Development in Uganda.

1.4.2 Specific Objectives

I. To observe the effect of budget formulation practice on the performance of MoFPED.
II. to determine the ways in which budget execution practices determine performance at MoFPED.
III. To test the effects of budget monitoring and evaluation practices on performance in MoFPED.

1.5 Research Questions

I. What is the impact of budget formulation practices on the performance of MoFPED?
II. How do practices of budget execution affect the performance of MoFPED?
III. What is the impact of budget monitoring on the performance at MoFPED?

1.6 Scope of the Study

1.6.1 Geographical Scope

It is focused on the ministry of Finance, Planning and Economic Development, which is located in Kampala, Uganda. I decided to select MoFPED as it is the key institution handling the budget of the country, national fiscal policy, and distribution of resources (MFPED, 2018; World Bank, 2018). It is the most appropriate case to consider due to its strategic position that allows the exploration of the effect budgeting practices have on the performance of the public sector (Mawejje, 2014; MFPED, 2017).

1.6.2 Content Scope

This report examined the major practices of budgeting formulation, execution, monitoring and evaluation and credibility (MFPED, 2017; OECD, 2015). The analysis of performance was conducted based on such criteria as efficiency, effectiveness, timely delivery, and output achievement (Golooba, 2020; Okello, 2018).

1.6.3 Time Scope

The report is for 2014-2024, which is related to the big budgeting reforms in Uganda such as Programme-Based Budgeting and the upgrade of the Public Investment Management System (MFPED, 2017; MFPED, 2019). This timeframe is timely since such reforms were expected to enhance the credibility and performance of the budget, and thus it provides a good time to check its actual results (World Bank, 2018; AfDB, 2016).

1.7 Justification of the Study

Budget implementation is one of the pillars of financial management in the public, it defines the effectiveness with which the institutions utilize the resources, manage their expenditures, and achieve their objectives. Well-established budgeting practices imply fiscal discipline, accountability, and service delivery, whereas inefficiency and poor results are the attributes of weak ones (IMF, 2019; PEFA Secretariat, 2020). Low budget credibility, late funds, and poor monitoring continue to deteriorate performance in developing economies such as Uganda despite reforms (African Development Bank, 2018; Office of the Auditor General, 2022).

Uganda has gone to the extremes of large public financial reforms to enhance transparency, performance-based planning and to be in line with national priorities. Nevertheless, according to the reports and studies, there exist gaps in the implementation, control, and monitoring that are detrimental to the effectiveness (Government of Uganda, 2020; UBOS, 2023). The need to understand the influence of budgeting practices on performance is important in enhancing sound fiscal governance and improved service provision.

The Ministry of Finance, Planning and Economic Development is another significant participant in the fiscal system at Uganda and it manages budgeting, coordination of policies and monitoring of expenses. Although it is the core, not much research has been conducted on the influence of its budgeting practices on performance and overall outcomes. This is because most of the work is done at local governments or semi-autonomous agencies, with no gap in the insights at the ministerial level (Awarti, 2017; Fritz et al., 2017).

This research is academically, policy-wise and practically justified. In the academic field, it bridges the knowledge gaps in the field of the financial management of the population. On the policy front, it provides data to implement changes and enhance governance. In practice, it enables the managers to enhance budgeting to increase efficiency, accountability, and delivery. This study is well-timed and pertinent because Uganda is an efficiency and results-oriented country.

1.8 Significance of the Study

I. Policymakers

The study provides evidence-based information that can facilitate the budgetary reforms, the improvement of resource distribution, and the enhancement of performance within central ministries (MFPED, 2018; World Bank, 2018).

II. Public-sector

Administrators and managers also make use of this fact: understanding what budgeting practices are beneficial or harmful to their performance can help managers to enhance compliance, accountability, and budget utilization (Okello, 2018; Golooba, 2020).

III. Scholars and researchers

The results are relevant to the current body of knowledge as they provide empirical information to the budgeting-performance relationship in the Ugandan central government (Mawejje, 2014; OECD, 2015).

The development partners and oversight agencies – Organizations such as the World Bank, AfDB, and accountability agencies have insights into areas of deficiencies in the nature of current reforms and capacity building requirements (AfDB, 2016; World Bank, 2018).

The civil society and the population, in general, are better served and the resources are used more productively through better budgeting, which directly impacts citizens (MFPED, 2019; OECD, 2015)

1.9 Conceptual Framework

Displayed below are the dependent and independent variables of the study, as illustrated by the conceptual framework

Independent Variable:		Dependent Variable:
Budgeting Practices • Budget formulation • Budget execution • Budget monitoring	→	Institutional Performance • Efficiency • Effectiveness • Timeliness of service delivery

Narrative Explanation:

In essence, budget formulation is the binding factor that ensures, plans and resources are intertwined which explains the hype it is on performance (OECD, 2015; MFPED, 2017). Practically, the efficiency with which an institution draws off its budget, in particular, cutting funds in time and adhering to the cash-opening plans, directly influences the efficiency of service delivery (MFPED, 2018; AfDB, 2016). Monitoring and evaluation allow keeping track of things and thus helped to keep everyone accountable, which consequently increased effectiveness (World Bank, 2018; Okello, 2018). In fact, it is budget credibility, how closely the actual expenditure corresponds to the approved one, as it defines whether the planned results can be really realized or not (MFPED, 2019; Golooba, 2020). This is all the way it influences the performance of the public entities in general.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter provides me with the opportunity to review the literature on budgeting practices and performance of the public entities, attempting to build the theoretical and the empirical foundation of my study. My area of interest is the impact of budgeting, particularly budget formulation, implementation, and monitoring and evaluation on performance of the institution within the public sector. The sources used in the review are both global, regional, and Ugandan, dating between 2014 and 2024, meaning that the results remain topical to the existing public financial management reforms. I also mention gap areas that have existed in current studies that warrant a further examination of budgeting in the Ministry of Finance, Planning and Economic Development in Uganda.

2.1 Theoretical Review

The theoretical review provides a framework in the context of the relationship between budgeting practices and the performance of the institutions in the state. The Public Financial Management Theory, Performance Management Theory, and Agency Theory lead my research all of which elucidate the influence of budgeting systems on efficiency, accountability, and results.

2.1.1 Theory of Public Financial Management.

The Public Financial Management (PFM) Theory considers budgeting the primary instrument that governments employ to maintain financial discipline in the allocation of resources and the provision of public services. According to the theory, effective budgeting processes enable governments to transform the significant policy objectives into practical programs that do not exceed the financial constraints (OECD, 2015; World Bank, 2018). Budget formulation, implementation and monitoring is a single, integrated system, which defines the manner in which resources of the populace are planned, utilised and reported.

The connection between the financial resources and organizational goals is the budgeting, which involves development of the budgets and execution of the budgets is the one that makes sure that the plans are executed. Assessment of budgets and budget monitoring generate feed back loop to enhance accountability and ongoing improvement in the management of public spending (World Bank, 2018). Stages need to work efficiently, otherwise, a lack of trust in the budget and a decline in institutional performance are caused by weaknesses.

The 2014-2024 reforms of the Ugandan Government encompassing Programme-Based Budgeting and stricter expenditure limits should adhere to the PFM Theory. The fact that we are continuously engaged in the implementation and monitoring problems of MoFPED indicates that we are yet to use the PFM Theory to examine the effects of these budgeting processes on performance.

2.1.2 Theory of Performance Management.

Performance Management Theory uses systematic measurement to control achievements that organisations must follow to be functional. This theory compels the governments of the people to establish performance measures and targets that enable them to track the input of resources, the output of operations as well as the attained results. Decisions on performance management are made through budgeting processes as resources are used to define the ability of organisations to achieve their intended objectives.

Performance Management Theory is applied by public institutions in the development of improved budgeting processes, they are also responsible in terms of financial expenditure and related advancement to established standards. Between 2014 and 2024, performance-based budgeting was being widespread all over the globe; the World Bank (2018) represents performance-based budgeting as a hypothetical intertwining of the budgeting process with performance evaluation and reporting policies.

The adoption of Programme-Based Budgeting in Uganda is meant to translate the Performance Management Theory into practice. Studies show that performance-based budgeting eventually fails in the cases when organizations do not have effective monitoring systems and do not use the performance data to its full capacity, which results in discrepancies between the forecasted results and the real output (MoFPED 2019, Okello 2018). Therefore, this theory can be used to provide an efficient analysis of the impact of budgeting practices on the performance of MoFPED as an institution.

2.1.3 Agency Theory

The Agency Theory defines the interaction between citizens (principals) and the government officials (agents) that control the resources of people. It demonstrates that there are two significant issues that can be generated by agents: information asymmetry and opportunistic behaviour (OECD 2015). In budgeting, the public institutions adopt control practices as means of establishing an open system that can improve accountability and oversight to minimize agency problems.

Budget formulation process sets clear expectations regarding the use of the resources whereas execution, controls and monitoring are done to make sure that approved budgets are adhered. According to the study conducted by the World Bank (2018), agency issues are aggravated by poor budgeting practices that lead to misallocation, inefficiency, and performance deterioration.

The budgeting practices at MoFPED are meant to provide accountability to the public funds and reduce agency problems within various government departments. Using Agency Theory, the public sector would be able to determine the impact of budgeting on an institutional performance with enhanced oversight and accountability systems.

2.2 Conceptual Review

This section elaborates on the key concepts that form the basis of my research namely: budgeting practices and institutional performance and how they relate to one another in the realms of public sector management.

2.3 Budgeting Practices

Budgeting practices, as I understand it, are the processes and procedures that allow the public entities to plan, allocate, implement, monitor, and control financial resources to meet organizational goals (OECD, 2015). To students such as me who are attempting to understand the issue of public finance, it becomes evident that in the public sector, budgeting practices are important to maintain the fiscal discipline, accountability, transparency, and efficient service delivery. A good budgeting practice enables government agencies to match the available funds with policy focus and development agenda, which I consider quite interesting.

On the international level, I have observed that the culture of budgeting in government bodies has shifted away in favor of more performance-based budgeting and medium-term spending systems instead of the traditional line-item budgeting (World Bank, 2018). These reforms focus more on connecting budgetary allocations and outputs and outcomes hence enhancing the performance of the public sector. Research that I have encountered, both in developed and developing nations, suggests that good budgeting behaviors lead to better use of resources and less wastage as well as better performance by the institution (Schick, 2014).

In less developed nations, although, budgeting has been limited by a low institutional capability, political influence, incorrect revenue forecasting, and inadequate compliance to sanctioned budgets (World Bank, 2018). Consequently, most government bodies face repeated redistribution of budgets, under release of funds, and expenditure variances as planned and actual. These shortcomings cripple the effectiveness of the public institutions to accomplish the intended goals and provide services effectively which I believe is an enormous challenge to any developing economy.

In Uganda, the government has done a number of reforms on their publicly finances management, such as the implementation of the Medium-Term Expenditure Framework and program based budgeting (MoFPED, 2017). Even with these reforms, issues of poor budget credibility, late cash disbursement, and poor monitoring tools still continue to plague the public entities (MoFPED, 2019). Such challenges have adverse effects on the performance of the institutions of the government, especially in terms of efficiency and delivery of the expected results, an aspect that is consistent with my field research.

Empirical reports in Uganda indicate that poor budgeting structures have a huge impact on the performance in the public sector institutions. Okello (2018) discovered that inefficiencies and poor service delivery in any public organization were brought about by poor budget planning and inadequate stakeholder involvement in the budget preparation process. In a similar manner, Golooba (2020) determined that poor budget implementation and ineffective expenditure control led to low absorption rate and inability to meet the institutional targets and it made me consider the importance of stakeholder engagement.

The number of studies that have investigated budgeting practices within public institutions is relatively few when taking into account the fact that majority of them concern local governments and semi -autonomic agencies. Little empirical data is available on the budgeting practice in central government ministries, especially the Ministry of Finance, Planning and Economic Development. The proposed study thus aims to build up on the current literature by looking into the practices of budgeting at MoFPED and their impact on the performance of a central government organization in Uganda, one of the research gaps that I believe to be worth filling in.

2.4 Institutional Performance

The definition of institutional performance, as I have read it, is the level to which an organization has reached its proclaimed goals efficiently and effectively with the help of the available resources (OECD, 2015). In the case of the public sector, performance is bothered with the degree to which the public entities respond to the services offered, the execution of the government policies, and how the public resources are used in a way that peonies accountability and value-for-money.

Efficiency, effectiveness, timeliness, accountability, and quality of service delivery are some of the indicators that are usually used to measure the performance of the institutions of the public (World Bank, 2018). Personally, efficiency is concerned with how well resources are utilized to generate desired outputs whereas effectiveness is concerned with the level at which intended goals are attained. Accountability focuses on responsible management of the public funds and adherence to the laid down rules and regulations.

Research shows that good institutional performance positively influences public trust and leads to a positive effect on the results of socio-economic development globally (Schick, 2014). Government development goals are more likely to be realized in public entities that portray proper planning, financial management and delivery of services in time. On the other hand, poor financial controls, poor planning and poor monitoring systems are commonly linked to weak institutional performance and I consider that to be rather problematic.

In developing nations, weak financial resources, a lack of managerial capacity, and bad practices of public financial management often limit institutional performance (World Bank, 2018). As a result of these challenges, inefficiencies are experienced, programs are not implemented at the right time, and planned outputs are not realized. Consequently, a lot of the public institutions are unable to transform endorsed budgets into effective development outcomes, which makes sense to my personal experience with fieldwork.

According to the Ministry of Finance, Planning and Economic Development, in Uganda, there are reports of performance gaps existing in several public entities with increment of budget allocations (MoFPED, 2019). These loopholes are represented in poor budget absorption ratios, poor project completion, and poor delivery of services as planned. Such challenges in performance, according to studies by Okello (2018) and Golooba (2020) are associated with inefficiency in budgeting and financial management practices, which explains why effective procedures are essential.

Despite extensive research on the institution performance, most of literature very much concentrates on the local governments and the public agencies. The little empirical work that has been carried out on performance in central government ministries has focused on the budgeting practices only. This paper is thus aimed at analyzing institutional performance in the Ministry of Finance, Planning and Economic Development and how budgeting practices affect performance level in a central governmental institution, which I consider difficult and yet critical in my research pursuits.

2.5 Institutional Performance and Budget Formulation Practices.

The budget formulation is simply a process of deciding what is most important, estimating the necessary amount, and subsequently distributing the funds in such a way that all things are aligned with the goals of the school or the institution (OECD, 2015). In the state sector, a budget plan ensures that scarce financial resources are allocated to the most urgent things and the performance is also enhanced.

A good budget plan implies that you are in fact making realistic predictions of revenue, soliciting input of all the stakeholders, aligning the budget with the strategic road-map and adhering to the budget processes (World Bank, 2018). With properly planned budgets, governmental institutions have a greater chance of achieving their targets in terms of output, become more efficient, and hold everyone responsible. On the other side, when the budget is poor, you have unrealistic figures, revisions and rather poor performance outcomes.

A lot of research indicates that there is a close relationship between the way budgets are constructed and the performance of institutions. According to Schick (2014), ill-constructed budgets undermine the concept of confidence in the financial system of the American people and damage the performance of services. According to a research conducted by OECD (2015), in reality, those institutions that operate participatory and well-coordinated budget processes run more efficiently and effectively.

Budgeting in developing nations is usually stagnant due to political interference, poor technical prowess, and lack of efficacy between planning and budgeting (World Bank, 2018). Such mismatch implies that budgets cannot correspond to the actual development priorities and results in the deterioration of the performance of the institutions of the state.

Medium-term expenditure framework and program-based budgeting lead to budgeting in Uganda by the Ministry of Finance, Planning and Economic Development (MoFPED, 2017). Despite such reforms, research indicates that, there are not enough stakeholders involved and estimates continue to be off-mark, which continues to negatively affect performance. As Okello (2018) revealed, poor consultations in the budget preparation process result in inefficiency and the inability to achieve the projected outputs in government organizations.

Most of the studies conducted in the past address local governments even though they emphasize the importance of budgeting. There is limited evidence about the impact budgeting can actually have on performance within central ministries. This paper seeks to delve into the effects of budgeting on performance at MoFPED as an organization.

2.6 Practices and institutional performance in relation to budget performance.

The actual action of implementing an approved budget is called budget execution, i.e., how to release money in time, how to spend money, to purchase the required items, and to report (World Bank, 2018). Whenever implementation is accurate the scheduled operations are completed as planned and the financial funds are actually converted to actual services.

A good execution is manifested in appropriate cash release, adherence to the approved numbers, good control of the spending and observing the rules of the public finance (OECD, 2015). When execution is done well, institutions are be able to execute programs on time, achieve their goals and improve on performance. Poor performance on the part of implementation, though, leads to delays, overspending, and failure to meet the targets.

Research indicates that performance is closely connected with execution. According to Schick (2014), poor implementation discourages budgetary credibility and damages service delivery. A different study of World Bank (2018) observed that late release of funds and constant reassignments reduced efficiency and undermined performance in governmental institutions.

In less developed locations, the slowness of execution is frequently caused by hiccups in the cash flow, ineffective procurement systems, and inefficient controls (World Bank, 2018). These problems imply low absorption rates and sluggish implementation of government projects, therefore, institutions are not able to achieve their KPIs.

In Uganda, it has been proven that the execution is still a headache. According to MoFPED (2019), there are frequent cash delays and differences between approved budget and actual expenditure. Okello (2018) associated poor execution with reduced project performance and speedy project delivery. Golooba (2020) established the fact that poor spending regulations reduced performance at Ugandan governmental organizations.

Although the role played by execution is known, not much research has examined its role in influencing performance within core ministries. This paper thus examines the impact of the practices of the execution on the performance of MoFPED.

2.7 Budget Surveillance and Assessment and Institutional Performance.

Budgets monitoring and evaluation is a systematic process of tracking the way a budget has been implemented measuring progress against the plan and determining whether the money truly created the expected output or not (World Bank, 2018). Effective monitoring and assessment increases accountability, makes all things more transparent and assists decision-makers.

Good practices enable institutions to identify the areas of weaknesses at an early stage and rectify them, which consequently enhances performance (OECD, 2015). Effective monitoring is useful in ensuring that the money is directed towards the right areas and it also increases efficiency and quality of services.

A positive correlation between performance and monitoring/evaluation has been supported by research. Schick (2014) believes that good monitoring is effective in terms of keeping spending on track and achievement of targets. Africa Development Bank (AfDB, 2016) realized that inefficiencies and poor performance are caused by weak monitoring.

In developing environments, poor technical capacity, poor data systems, and poor accountability enforcement (World Bank, 2018) are common challenges of monitoring and evaluation. The barriers decrease monitoring efficiency and damage performance.

In Uganda, the monitoring framework is informed by MoFPED, and research demonstrates that the lack of capacity and reporting continues to harm performance (MoFPED, 2019). Okello (2018) demonstrated that the lack of follow-up on reports continues inefficiencies and does not allow attaining planned outputs.

Although it is admitted that monitoring and evaluation are fundamental, the role of monitoring and evaluation on performance within central ministries has not been subject to a large number of studies. This paper thus takes an interest in how the practices impact the performance of MoFPED.

2.6 Overview of the literature review and research gaps.

In this chapter, we explore the available literature on the subject of budgeting practices and their implications on the performance of the public entities. In essence, we considered the important concepts such as the nature of budgeting, the overall performance of the institutions, and the relationship between the budgeting behaviours and their results in the public sector. Specifically, it focused on the way budgets are prepared, implemented, and controlled; and how the activities influence the performance of the institution.

We have read that solid budgeting practices are actually effective in enhancing the work of an institution since it makes the processes of running it smooth, more efficient, more accountable, and more effective in delivering services (OECD, 2015; World Bank, 2018). This is supported by both developed and developing countries and the findings indicate that poor budgeting in the form of poor planning, slow release of funds and poor monitoring actually damages the public institutions (Schick, 2014; Okello, 2018).

Although a swarm of studies addresses budgeting within the public sector organizations, the majority of the literature narrows down into the local governments and semi-autonomous agencies. There is a very evident gap as far as central government ministries are concerned, particularly the Ministry of Finance, Planning and Economic Development. Beyond that, much of the work examines the practices of budgeting separately, and not as a whole that then adds up to affect performance.

The other problem is that numerous researches pay much attention to financial compliance, however, overlooking actual performance results such as efficiency and effectiveness. That gives us a shallow understanding of the way in which the budgeting practices lead to performance in central government entities.

This report therefore attempted to address those gaps by taking a closer look at the role played by budgeting practices to the performances of the Ministry of Finance, Planning and Economic Development of Uganda.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

Budgeting is a basic instrument of governmental financial management that empowers organizations to arrange, distribute the resources, and track efforts in accomplishing strategic plans. Proper budgeting practices help to achieve better accountability, resource management, and service delivery in the public sector (IMF, 2019; PEFA Secretariat, 2020). On the other hand, poor budgeting systems in form of low planning, unrealistic forecasts and ineffective monitoring resulted into wastage of resources, inefficiencies and inability to meet institutional targets. Even with ongoing reforms, issues of budget credibility, fund releases, and planned versus actual performance remain in Uganda (Office of the Auditor General, 2022; Government of Uganda, 2020). The ministry of finance, planning and economic development, being the focal agency of the fiscal policy and budgetary coordination, is important in ensuring that budgeting practices among entities within the government are effective. This research thus looks at the impact of budgeting practices on the performance of institutions in MoFPED.

3.1 Research Design

The research design embraced was a descriptive correlational research design to investigate the connection between budgeting practices and performance of the governmental entities. This was conducted using a cross-sectional design where respondents at the Ministry of Finance were sampled at one time. The research needed a cross-sectional design as it allowed me to evaluate existing budgeting practices and their impact on the performance of MoFPED institutions as they were at the time. The design is effective in research within organizations and the general population since researchers cannot manipulate the variables in the study using experimental approaches. The research was combined qualitative research methods with quantitative research methods which represent the two main research approaches. The quantitative technique would give the researcher the capacity to utilize the numerical data to quantify the links among the budgeting practices and the performance of the institution whilst the qualitative technique would give a more in-depth insight into the factors surrounding the budgeting procedure, the challenges in implementing the budgeting procedure and even the context that may not be so well captured in structured questionnaires. The two techniques enhance the credibility and applicability of the results via triangulation. Descriptive research and analytical research was used in the study. Specification of the nature and extent of budgeting practices in MoFPED was done in descriptive design and identification of the correlation between the budgeting practices and the performance of the ministry was done in analytical design. These various designs were used in the study as they illustrated the current practices and how it impacted on the performance of the institution.

3.2 Study Population

The population of the study were all those people who were involved in data collection since their data was utilized to determine the outcome of the study. The employees of the Ministry of Finance, Planning, and Economic Development that deal directly with the budgeting-related activities were the targeted population in this research. The budget-related positions in this study were budget officers, accountants, economists, planners, monitoring and evaluation officers, and program managers, which are the relevant departments of the ministry. The staff categories are there since these professionals have first-hand experience of budget-making processes that involve budget creation, budget execution, budget monitoring and budget evaluation activities. The preliminary data of MoFPED shows that 70 employees of the participating departments were involved in budgeting and performance management processes since they are directly involved with these processes.

3.3 Sample Size

Considering the size of the population (relatively small), it is not feasible and necessary to survey all the staff. To reduce bias and cost of data collection, a representative sample was thus chosen in order to have reliable results. The size of the sample to be used in this study was calculated based on the formula calculated by Yamane (1967) who applied the formula to finite populations and the formula enables the scientific determination of the sample size at a given level of precision:

$$n = \frac{N}{(1 + N (e)^2)}$$

Where:

n = sample size

N = target population

e = level of precision (margin of error)

To obtain a smaller but statistically sound and unbiased sample, a margin of error of 10% (0.10) is adopted, which is acceptable for social science and undergraduate research studies.

Given that:

$$n = \frac{N}{(1 + N (e)^2)}$$

n is the sample size

N is the population

e is the level if significance

$$n = \frac{70}{(1+ 45 (0.05)^2)}$$

$$n = \frac{70}{(1 + 0.1125)}$$

$$n = \frac{70}{1.1125}$$

n = 40.5

n = 41 respondents

Therefore, a sample size of 41 respondents was used in the study.

This sample size was considered adequate because:

- It represented more than half of the target population
- It reduced respondent fatigue and non-response bias
- It allowed meaningful statistical analysis
- It remained manageable within time and resource constraints

3.4 Sampling Techniques

The research used both probability and non-probability sampling to ensure that the methods are both representative of the study population and the respondents are respondents with specific knowledge needed in the research objectives. In particular, there were simple random sampling and purposive sampling.

The sample of respondents consisted of the most respondents in the identified departments in the Ministry of Finance, Planning and Economic Development. The methodology offered an equal and independent probability of being selected to every member of the target population, thus reducing selection bias and improving the generalizability of the results. Simple random sampling is a well-established sampling technique in the social science research, because it enhances objectivity and maximizes the chances of the sample being representative of the population traits.

Moreover, the purposive sampling method was used to choose the key informants, such as senior budget officers, departmental heads, and monitoring and evaluation professionals. These people were specifically chosen on the basis of their knowledge, experience and direct participation in the budgeting procedures in the institution. Such incorporation allowed the study to gather deep, insightful, and context-based qualitative data on the aspects of budgeting, implementation issues and its consequences to institutional performance.

The combination of the simple random sampling and purposive sampling methods enabled the researcher to strike a balance between breadth and depth in data collection. Random sampling was used to ensure statistical representativeness, whereas purposive sampling offered detailed information, with well-informed respondents. This was combined to enhance the overall validity and reliability of the study since both the general trends and the expert views were well represented.

3.5 Data Sources

Both primary and secondary sources of data were used in the study to make sure that full, reliable and valid information is collected. Triangulation stemmed out of the use of various data sources and contributed to the validity and strength of the research results.

The primary data was gathered face-to-face through respondents in MoFPED through the use of semi-structured interviews and structured questionnaires. This information was first hand information on budgeting practices which included budget formulation, budget execution and monitoring and evaluation processes and how it affected institutional performance. Primary data enabled the researcher to record contemporary practices and perceptions and experiences of the staff engaged in budgeting processes.

Published and unpublished sources were used to get secondary data. These were MoFPED budget performance reports, budget execution circulars, policy documents, internal reports, academic journals, textbooks and development partner and international organizations reports. The secondary data played a critical role in giving background information, supporting empirical findings, and making comparison with the existing studies.

The use of both primary and secondary sources of data facilitated data triangulation which provided the researcher with the cross-validation of results obtained using various sources. This method enhanced reliability, validity and credibility of the study, as well as giving a more holistic picture of the budgeting practices and their impact on the performance of the institutions.

3.6 Data Collection Methods and Tools

This research used various data collection instruments and techniques to achieve both quantitative and qualitative data. The use of this multi-method strategy was done to make the data gathered more complete and accurate and to triangulate the given results.

3.6.1 Questionnaires

The quantitative data used to collect data was through structured questionnaires. The questionnaires were based on closed-ended questions which were measured on a five-point Liker scale; the choices were strongly disagree, disagree, indifferent, agree, and strongly agree. The items were structured to elicit the perceptions of the respondents on the important variables such as budget formulation, budget execution, budget monitoring and evaluation, and institutional performance.

The inclusion of questionnaires facilitated the gathering of standardized information about a relatively high number of respondents in a cost-effective and time-saving way. This made data analysis easy, facilitating comparison of responses, and producing statistical results. Also, the questionnaires were designed in a structured format, which reduced bias of the interviewer and brought about uniformity in the responses received.

This study was deemed suitable to use questionnaires as this offered the benefit that the respondents would give information on their own and do so anonymously, which would increase the chances of getting honest and unbiased information. In addition, the Likert scale items allowed quantifying the attitudes and perceptions, which allowed them to use statistical methods like correlation and regression analysis.

3.6.2 Interviews

Key informants, who were purposely selected (senior budget officers, heads of departments, and monitoring and evaluation specialists) were interviewed using semi-structured interviews. A set of open ended interview questions was employed as interview guide to help in the discussions and to provide uniformity of the interviews as well as provide flexibility through probing and follow up questions.

The interviews were based on discussing budgeting practices, the difficulties, which appeared during budget implementation, and the perceived effects of the budgeting practices on the performance of the institutions. This approach helped the researcher to gain detailed context-based insights and explanations that could not be sufficiently brought out using structured questionnaires.

Semi structured interviews also gave the respondents a chance to expound their experiences and opinions thus enhancing the quality of data gathered. It also enabled the researcher to clarify the responses, investigate the emerging issues and have a deeper comprehension of the complex processes in the institution.

In general, interviews were used to supplement quantitative data since they provided qualitative evidence to interpret and explain the results of the study.

3.6.3 Document Review

The secondary data was complemented by examining pertinent documents like annual budget performance reports, internal monitoring reports and policy guidelines. The review of documents added to the credibility of the findings by offering objective evidence and aiding data triangulation.

3.7 Data Collection Procedures

Data collection was done under a very strict and systematic process that not only ensured but also assisted in the ethical and orderly behavior of the study. Uganda Christian University School of Business provided the researcher with a letter of introduction. The Ministry of Finance, Planning, and Economic Development was next on the list to ask for permission to undertake the study. The researcher discussed the objective of the study with the respondents and assure them of the confidentiality and inform them that they have the freedom to refuse. The questionnaires were given out, and the interviews took place at times that were suitable for the respondents. The completed questionnaires were collected and verification was done on their completion and they were safely stored for analysis.

3.8 Validity and Reliability

Validity refers to the extent, to which the research measures its objectives. The research supervisor ensured that the content validity was guaranteed by reviewing the research content by experts and validation of the research instruments. It was planned that there was a pilot test. The pilot test was used to discover the ambiguities and the issues that need to be worked on to get better understanding of the content. The Content Validity Index (CVI) value was determined, and only those questions that have a CVI score of 0.70 or more were kept.

Reliability is interpreted as the degree of stability of the measurement; that is, the degree to which different researchers get the same results with the same instrument. Reliability was evaluated with the help of Cronbachs Alpha coefficient test. A coefficient of 0.70 or above was regarded as a sign of the internal consistency of the items in the questionnaire.

3.9 Data Processing and Analysis.

The data obtained using questionnaires was subjected to editing, coding and entering the data into Statistical Package of Social Sciences (SPSS) to be analysed later. Descriptive statistics such as frequencies, percentages, means and standard deviations was used to provide a summary of the data associated with budgeting practices and institutional performance. Inferential statistics, the very correlation and regression analysis was utilized to explore the relationship that exists between budgeting practices and the institutional performance.

Moreover, thematic analysis of the data derived through the interviews in the form of coding and categorization was used to reveal the significant themes and trends. The qualitative upshots were incorporated with the qualitative analysis results, which explained the quantitative upshots.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS, AND INTERPRETATION

4.0 Introduction

The chapter provides a detailed presentation, analysis and interpretation of the primary data gathered in the Ministry of Finance Planning and Economic Development. The analysis is organized in a systematic way to respond to the main objectives of the study: how budget formulation, budget execution and budget monitoring and evaluation can influence the performance of the institutions. Descriptive and inferential statistical methods were used. The statistical package of the social sciences (SPSS) was used to process quantitative data and thematic analysis was used to analyze qualitative data obtained through interviews with key informants to give the empirical results a contextual background.

4.1 Response Rate Analysis

A total of 41 structured questionnaires were given to a purposively and randomly chosen sample of MoFPED personnel by the researcher. Among the instruments distributed, 38 were correctly filled in and retrieved, which provides a conclusive response rate of 92.7 percent

Table 4.1: Response Rate

Questionnaires	**Frequency**	**Percentage (%)**
Distributed	41	100
Returned	38	92.7
Not returned	3	7.3
Total	**41**	**100**

A response rate of over 70 percent is considered to be an excellent response rate in the framework of survey-based research and thus the risk of non-response bias is significantly reduced and the external validity of the research findings is strengthened.

4.2 Demography of the Respondents.

In order to determine the validity of the primary data, I checked the professional qualification and institutional tenure of the respondents.

4.2.1 Distribution of Respondents by Professional Designation.

The respondent list was very diversified, and it was able to cover technical expertise in the budgeting lifecycle. The majority (26.3%), were Budget Officers, then Accountants (21.1%), Economists (18.4%), and Planners (15.8%). This controlled presence of the core technical employees makes sure that the data is represented with expert, practitioner-level understanding of the financial management in the population.

4.2.2 Distribution of Respondents by Tenure

An institutional memory is an important variable that should be used to assess the performance of the long-run in the public sector. The demographic results show that a cumulative percentage of 84.2 of the respondents have a service of more than three years in MoFPED with a majority (57.9) having a service record of more than five years. This vast institutional experience implies a great level of the experiential knowledge on the structural budgetary reforms and past performance pattern.

4.3 Study Variable Descriptive Statistics.

The descriptive analysis applies the use of means and standard deviations to explain the central tendencies and data dispersion. Standard deviations less than 1.00 imply that there is a high level of agreement amongst the respondents.

4.3.1 Budget Formulation Practices

The operational framework was rated moderately strong with an aggregate mean score of 3.63 that was obtained by the empirical evaluation of budget formulation. Strong agreement on budgets being structurally aligned with overall programmatic goals (Mean = 3.92, SD = 0.81) and preparation guidelines being strictly followed (Mean = 3.88, SD = 0.74) were strongly agreed to by respondents. Nevertheless, significant structural gaps came out in terms of realism of budget estimates (Mean = 3.26) and the level of staff participation (Mean = 3.41). The researcher observes that, such informational asymmetries in the forecasting stage can trigger budget credibility problems in the downstream thereby supporting claims that participatory formulation is a precondition to allocative efficiency.

4.3.2 Budget Execution Practices

Variable/Indicator	Mean	Standard Deviation (SD)	Interpretation/Implication
Composite Mean for Budget Execution	3.33	—	Budget execution emerged as the most unstable operational variable, indicating weaknesses in implementation efficiency.
Institutional expenditure controls	3.71	0.86	Expenditure controls were considered relatively strong, reflecting moderate compliance with financial management procedures.
Delays in procurement procedures	3.05	1.08	Significant procurement delays were reported, with high variation in responses indicating inconsistent departmental experiences.
Inconsistent disbursement of operating funds	3.18	1.02	Delayed and irregular fund releases negatively affect implementation efficiency and service delivery timelines.
Overall implication	—	—	Execution bottlenecks reduce absorptive capacity and weaken statutory service delivery, supporting literature on public sector inefficiency caused by delayed disbursements.

4.3.3 Budgets Monitoring and evaluation practices.

Variable/Indicator	Mean	Standard Deviation (SD)	Interpretation/Implication
Composite Mean for M&E Practices	3.52	—	M&E systems are moderately functional but largely compliance-oriented rather than performance-driven.
Production of periodic M&E reports	3.76	—	Strong administrative compliance in report generation and monitoring processes.
Maintenance of internal controls	3.85	—	Internal control systems are relatively strong and well-maintained within the institution.
Timely corrective actions	3.21	0.97	Weak responsiveness to identified performance gaps limits the effectiveness of monitoring systems.
Use of performance data for strategic decisions	3.32	0.93	Performance information is insufficiently integrated into strategic management and decision-making processes.
Overall implication	—	—	M&E systems function more as reporting mechanisms than active performance management tools.

4.3.4 Institutional Performance Metrics

Variable/Indicator	Mean	Standard Deviation (SD)	Interpretation/Implication
Composite Mean for Institutional Performance	3.51	—	Institutional performance is moderately positive, though constrained by operational inefficiencies.
Accountability performance	3.78	—	Accountability mechanisms are relatively strong within the institution.
Achievement of planned outputs	3.61	—	The institution performs reasonably well in achieving macro-level planned outputs.
Service delivery timeliness	3.29	0.95	Timeliness of service delivery is adversely affected by procurement and fund disbursement delays.
Overall implication	—	—	Institutional performance is weakened by operational bottlenecks identified in budget execution practices.

4.4 Inferential Analysis

In order to empirically test the conceptual framework, the researcher took the data through rigorous inferential testing through Pearson Correlation and Multiple Ordinary Least Squares (OLS) Regression.

4.4.1 Bivariate Correlation Analysis

Pearson correlation matrix was calculated to measure the bivariate relationship between the independent variables and the performance of the institutions.

Table 4.8: Pearson Correlation Matrix

Variable	Institutional Performance (r)	Significance
Budget Formulation	0.531**	$p < 0.01$
Budget Execution	0.682**	$p < 0.01$
Budget Monitoring & Evaluation	0.498**	$p < 0.01$
Correlation is significant at the 0.01 level (2-tailed).		

The matrix indicates that there are statistically significant and positive correlations in all dimensions. Budget Execution has a positive relationship with Institutional Performance ($r = 0.682$, $p < 0.01$), and therefore, it is the most important correlative variable. There is a moderate to strong correlation between Budget Formulation and M&E ($r = 0.531$ and $r = 0.498$, respectively). This validates that the effective management of financial management procedures is the core of increasing the efficacy of the public sector.

4.4.2 Multiple Regression Analysis

A multiple linear regression model was developed in order to determine the predictive ability of the budgeting practices on the performance of MoFPED in order to bridge the gap between correlation and causality.

The theoretical model is represented as:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \epsilon$$

Where Y = Institutional Performance, X1 = Budget Formulation, X2 = Budget Execution and X3 = Budget M&E, and, e = Error Term.

Table 4.9: Model Summary

R	R Square (R2)	Adjusted R Square	Std. Error of the Estimate
0.742	0.551	0.521	0.412

The value of the coefficient of determination (R^2) is 0.551. This measure is very important; it implies that precisely 55.1 percent of the institutional performance difference in MoFPED can be statistically depicted by its budget formulation, execution and monitoring practices. The Adjusted R 2 of 0.521 also validates the strength of the model as it takes into consideration the number of predictors. The remaining unaccounted variance of 44.9 percent is a conceptual idea that refers to a range of exogenous variables that are not included in this analysis, including macroeconomic volatility, political interference, and human capital limits.

Table 4.10: Regression Coefficients

Predictor Variable	Beta (β)	t-value	Sig. (p-value)
Budget Formulation	0.264	2.21	0.034
Budget Execution	0.417	3.89	0.000
Budget Monitoring & Evaluation	0.198	1.97	0.047

The coefficients table disaggregates the predictive effect of each variable (which is independent). The predictors are all statistically significant ($p < 0.05$). Budget execution appears as the strongest predictor of institutional performance ($\beta = 0.417$, $t = 3.89$, $p < 0.001$), which means that a one unit increase in execution protocols leads to an equal 41.7 percentage increase in performance measures, all things held constant.

4.5 Discussion of Findings

The results of this empirical study clearly confirm the explanatory power of the Public Financial Management (PFM) Theory, especially the connection between budgeting systems, institutional efficiency and service delivery. The results show that technical aspects of budgeting, including budget formulation and strategic planning, are important steps in the budget process but only to a certain degree if institutional and operational bottlenecks impede budget implementation. In this respect, the study shows that the effectiveness of a budgeting system is not assessed just at the planning phase, but at the time it is implemented, when monetary resources are transformed into practical results.

The regression results then lend empirical support to this argument with budget execution being the most statistically significant predictor of organizational performance, $\beta = 0.417$. This high coefficient shows that the orientation of the execution efficiency factor is a major determinant of the effectiveness of public financial management results in MoFPED. In other words, it indicates that the successful implementation of even well-designed budgets is inconsequential if the conditions surrounding the actual budget implementation involve delays, inefficiencies and institutional constraints. This is in line with the overarching theory that execution is the ‘conversion point' where financial inputs are converted to public value.

The results are in line with the common experience of international financial institutions like the World Bank (2018) which have observed that the inefficiencies in public sector performance are not only related to poor planning, but also systemic challenges to implementation. Bureaucratic delays, slow pay of treasury funds, weak approval process and procurement delays are among the issues that have a negative impact on the efficiency of public expenditure systems in a number of developing economies, particularly. The current study has tested these concerns empirically in the context of Uganda, and finds that such structural limitations continue to be major obstacles in the budget's use and the performance of services.

More so, the study identifies an important weakness of the monitoring and evaluation (M&E) function in that the predictive and corrective capacity of M&E systems is relatively low (β = 0.198). M&E outputs are not well linked to on-going decision making processes, despite MoFPED's good compliance in terms of production of periodic reports and adherence to reporting frameworks. This results in a structural feedback vacuum, that means that performance information is provided but not enough to make an instant adjustment or strategic change.

M&E is not used as an active management tool; rather, it seems to serve mainly as a reporting and documentation process. This narrows its scope of providing oversight to current budget spending and to avoiding the development of inefficiencies that become systemic performance problems. Ideally, good M&E systems would act as a continuous feedback loop that would be used during decision-making, for accountability, and for adaptive management. The results of this study however, show that there seems to be a gap between the generation of information and managerial response, which in turn, weakens the overall performance management system in the institution.

In general, the findings are discussed with an emphasis on the critical imbalance between planning/reporting processes, which are relatively good, and the use of feedback, which is the biggest constraint on the system's performance. This echoes the main thesis of the study, which is that the outcomes of good public financial management are necessary, but not sufficient, without robust institutional capacity to deliver and responsiveness to the market.

CHAPTER FIVE

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

5.0 Introduction

The summary, conclusions, and recommendations of the study are presented in this chapter based on the findings presented in Chapter Four. It offers an analysis of the main conclusions that emerged from the analysis of the data gathered on the impact of budgeting practices on the performance of public entities with particular reference to the Ministry of Finance, Planning and Economic Development. The chapter is important because it brings together the main issues raised by the study and converts these issues into actionable policy options and conclusions that will help improve the effectiveness and efficiency of institutions and enhance public financial management systems.

The study was conducted to explore the impact of budgeting practices on the performance of public entities, where the major dimensions of budgeting practices are budget formulation, budget execution and budget monitoring and evaluation. These were chosen since the question and problem of budgeting still remains one of the most important in public sector management, affecting planning, allocation of resources, implementation of government programmes, accountability and service delivery. Budgeting in public institutions like MoFPED is a key process that dictates the effectiveness and efficiency of the achievement of institutional objectives and national development priorities.

A descriptive correlational cross-sectional research design and qualitative as well as quantitative research methods were used in the study. The method allowed for the collection of detailed information from the respondents and for the analysis of quantitative and qualitative data on budgeting processes and institutional performance. Questionnaires and interviews were used to gather data from 38 respondents from different departments of MoFPED, and documentary review was employed to back up the primary findings. Descriptive statistics, correlation analysis and regression analysis were used to analyse quantitative data and thematic interpretation for the qualitative data.

The results of the study indicated that the budgeting practices are the major factors that affect the performance of public entities. The regression analysis revealed that 55.1% of institutional performance could be explained by the institutional's budgeting practices, suggesting the impact of budgeting on organizational efficiency, accountability and service delivery is strong. This is an indicator of the role of proper budget systems in improving the productivity of institutions and fulfilling strategic goals in public institutions.

The dimension of budget practices that best predicted institutional performance was budget execution. This discovery informs the practical reality that, despite well-designed budget plans, institutional success is a function of the effectiveness of plan implementation. The following factors were identified as having a significant effect on the operational efficiency of MoFPED: timely fund release, procurement efficiency, expenditure control and budget plans approved. Similarly, the budget formulation process was seen to have a significant positive effect, especially on planning precision and resource allocations in relation to institutional priorities. However, budget monitoring and evaluation practices also had a moderate and positive impact on institutional performance by enhancing accountability and improving decision-making.

The results of the study as such, therefore, indicate that the process of budgeting is not limited to the planning process, but is a process of formulation, implementation and monitoring. Failure in any of these could have a negative impact on the performance of institutions and the effectiveness of public institutions to meet their objectives. The findings, conclusions drawn from the research, recommendations on policy and practice, contribution of the research to the knowledge, limitations faced during the research process and suggestions for future research in the field of public financial management and institutional performance are therefore summarized in this chapter.

5.2 Study Conclusions.

This section gives the findings of the study based on the conclusions drawn from the analysis and interpretation of the data presented in Chapter Four. Results of the analysis of the data obtained through a correlation/regression analysis are presented as statistical evidence and the qualitative responses of the key informants are analyzed and presented, and their conclusions are drawn based on the study objectives. The aim of these conclusions is to give a clear perception of the impact of budgeting practices on the performance of public entities, in this case the Ministry of Finance, Planning and Economic Development.

The study found budgeting practices are significant factors in determining the performance of institutions. Results showed that the budgeting processes effectiveness directly influences the efficiency of resource allocation, implementation of planned activities, accountability and service delivery in public institutions. The regression results also showed that the budgeting practices explained a substantial amount of the variance in institutional performance, implying that the institutions having good budgeting practices are more likely to be performing well than those with poor budgeting practices.

The study also confirmed that budgeting is an effective process throughout its formulation, implementation and monitoring and evaluation. The identified weaknesses in any phase of the budgeting cycle were seen to have a negative effect on institutional performance irrespective of having strengths in other phases. This means budgeting needs to be seen as a management system, not administrative work.

It was also found that budget execution practices, as opposed to budget formulation and budget monitoring and evaluation practices, have the greatest impact on institutional performance. This indicates that the successful execution of budgets is the most important element to the success of institutional plans and objectives. The study thus finds that adequate mechanisms for executing a budget are important for improving institutional efficiency, speed of implementation of activities and better service delivery.

Furthermore, the study finds that budget formulation continues to be an important element of institutional planning and budget resource allocation, and budget monitoring and evaluation serve as key feedback mechanisms for institutional accountability and performance enhancement. The effectiveness of these components, however, relies on the degree of support they receive from the appropriate implementation systems and management commitment.

The following specific conclusions are presented based in the goal of the study and the major variables investigated:

5.2.1.1 Conclusion on the Budget Formulation Practices.

The study results reveal that the budget formulation practices have a significant role in the performance of public entities, which can be concluded as follows: Institutional plans, priorities and resource allocation decisions are developed on the basis of the budget formulation. It was concluded that the good budget formulation would positively influence the performance of the institutions as it was found that the financial resources should be matched in terms of the goals of the institutions and the national development goals. This means that planning at the budget preparation has a significant impact on the success of the implementation of the programme and the delivery of services.

The study also finds that MoFPED has put in place formal budget formulation processes that inform planning and allocation of resources to align with government priorities. This reflects the commitment of the institutions to structured planning and fiscal discipline. These procedures were in place, but the results showed significant shortcomings in the formulation process, especially concerning the stakeholder participation and the realism of the budget estimates. There is lower level staff engagement which leads to less information being fed into the budgeting process and impacts on ownership of the budget.

But unrealistic forecasting and the wrong estimation of resource needs remain a problem, the study finds, in the effectiveness of budget formulation. Under or over estimation of budget requirements lead to implementation challenges and the risk of budget changes while implementing. This undermines the efficiency of institutions and has an impact on the ability of achieving planned targets.

The study, therefore, ends by noting that budget formulation in MoFPED offers a good planning framework, but can be made much more effective if more departments are involved, forecasts are more accurate and there is better coordination between departments. The process of effective budget formulation, therefore, is more than a technical procedure of making financial estimates; it is an instrument of management, which enable better institutional performance, accountability and realization of the goals of the public sector.

5.2.2 Conclusion on Budget execution practices.

Through the results of the study, it is concluded that budget execution practices are the most important one in terms of determining the performance of the institutions in public entities. The analysis confirmed that budget execution was the most influential of all the dimensions of budgeting in terms of its impact on the performance of the institutions. This means that no matter how good a budget may be, the process of budget execution is critical to the success of meeting institutional goals. Effective budget execution is the implementation of planned activities on time, efficient use of resources and achievement of service delivery targets.

The study also finds that there are multiple issues that hinder the implementation of budgets in MoFPED such as delays in releasing the funds, inefficiencies in procurement processes, and spending beyond budgeted plans. These challenges have a negative impact on programme implementation by slowing down operational activities, and disrupting planned timelines. The results indicate that, despite good planning, low performance in execution systems hinders the capacity of the institution to sufficiently implement its plans into outputs and outcomes.

Furthermore, the study found that procurement processes continue to be one of the significant operational constraints for budget implementation. The delays in procurement approvals, the lengthy procedures, and administrative inefficiencies were identified as important factors in the delay of project execution and service delivery. Likewise, delayed and irregular payment to departments has an impact on the operations of departments as it restricts the implementation of the government's initiatives on time.

The study, therefore, draws the conclusion that the mechanisms of execution of the budget are an important determinant in the effectiveness of public budgeting. Unless there are effective implementation mechanisms, expenditure control and timely disbursements, institutional performance is likely to be sub-optimal. The improvement of budget execution processes is therefore crucial for enhancing efficiency, building absorptive capacity and effective delivery of public services in MoFPED and other public institutions.

5.2.3 Budgets Monitoring and Evaluation Practices Conclusion.

The conclusion of the study is that budget monitoring and evaluation practices have an important role in influencing the performance of an institution, especially in strengthening the accountability, financial control, and decision-making process in public institutions. The study identified the implementation of budget monitoring and evaluation mechanisms by MoFPED to monitor the implementation of planned activities, the use of resources, and progress toward institutional goals.

The study also finds that while such systems for monitoring and evaluation are in place and functioning, they have a moderate impact on institutional performance. The results indicated that monitoring reports are prepared regularly; however, performance reviews are not being done as well and there is not much use of the information to support timely corrective action or future budget planning. This restricts the usefulness of monitoring and measuring as a strategic management tool.

Furthermore, it has been found that the difference between monitoring and actual decision making decreases the effectiveness of the institution to respond to the challenge of implementation. When performance information is not translated into action, mechanisms of accountability and institutional learning are undermined. This means that the potential benefits of monitoring and evaluation in increasing efficiency and performance is not fully exploited.

The study thus ends with a recommendation that budget monitoring and evaluation must not be limited to compliance and reporting, but be enhanced further as an active system of performance monitoring. Monitoring results, corrective action (if needed) and the use of performance information for future planning and budgeting processes should be given greater weight. This would lead to better responsiveness of institutions, more accountability and better performance in public institutions like MoFPED.

5.3 Recommendations of the Study

The recommendations from this study, based on the major findings and the conclusions drawn from the analysis of the data, are presented here. These recommendations are designed to offer a practical and policy oriented recommendations to improve budgeting practices and enhance institutional performance within the Ministry of Finance, Planning and Economic Development (MoFPED) and other public institutions. The recommendations are in line with the key areas identified during the budget formulation, execution and monitoring and evaluation processes that were critical to institutional performance.

The study identified that budgeting practices play an important role in making the efficiency, accountability, and effectiveness of public institutions. The findings also identified some budget-implementation and budget-structural challenges during the budget cycle, such as low level of participation of stakeholders in the budget formulation process, slow budget disbursement and procurement processes in the budget execution process, and limited use of budget monitoring and evaluation results in decision making. It is essential to address these challenges to enhance the overall performance of public entities and to ensure effective utilization of Public resources.

The recommendations in this section are therefore directed towards enhancing the budgeting process as a part of a broader management process not as separate functions. This translates to strengthening budget planning, budget execution efficiency and monitoring systems to facilitate continuous performance improvement. These recommendations are likely to foster good financial discipline, greater operational efficiency, better service delivery and accountability in public institutions if implemented effectively.

The recommendations are given separately for the purpose of the study and the dominant budgeting practices studied. They concentrate on actionable changes in practice and management that will tackle the deficiencies found and enhance the performance of institutions within the public sector.

5.3.1 Recommendations on Budget Formulation.

The budget formulation is a crucial phase in the budgeting process for determining how budget resources will be deployed, prioritized for expenditure, and the budget's ultimate performance results. In the ministry of Finance, Planning and Economic Development (MoFPED), the study identified that budget formulation is conducted within the framework of Medium-Term Expenditure Framework (MTEF), but there were recurring problems with the centralisation of decision making and with traditional approaches to budget estimation that might not adequately capture the operational context in individual departments. This can be good but may often fail to yield adequate, realistic and responsive budget ceilings commensurate with needs for services.

In this context, the study calls for the decentralization of fiscal forecasting as an area in need of reform. In the budget formulation process, MoFPED should deepen a bottom-up process and institutionalize mandatory consultations with all the departments before consolidation in the MTEF. This would help that budget proposals are not made just from the top level fiscal ceilings but from the bottom level operational needs, implementation constraints and sector specific priorities. A decentralized forecasting approach makes the budget targets more inclusive, increases their sense of ownership and helps to avoid misalignments between the budget allocations and the ability to execute the plan. In addition, if the departments are fully involved in the formulation process, then they will be more likely to adhere to the budget targets set, which will increase accountability and enhance performance. This is a participatory process that also promotes more effective communication between planning and implementation entities, mitigating the risk of information asymmetry that can contribute to inefficiencies in resource allocation.

However, whilst decentralisation is desirable, it is not enough if the technical quality of the estimates produced is not improved. This study also suggests the use of data-driven estimation methods for more accurate and reliable budget formulation. MoFPED needs to incorporate predictive analytics tools and historical cost-variance analysis into the budgeting process to rectify the ongoing issue of over-optimistic budgets. The ministry can use these trends to create more realistic projections of spending by examining trends in inflation, procurement prices, and sector-specific cost behaviours. This would greatly help in the accuracy of departmental budget ceilings and minimise the number of times the budget needs to be revised throughout its application.

In addition, the use of data-driven approaches would enhance evidence-based decision-making in public financial management. Planners could make better long-term projections of costs, based on macroeconomic indicators as well as on the dynamics of internal spending, rather than using mainly assumptions or incremental budgeting techniques. This would enhance the fiscal discipline, whilst allowing for flexibility in strategic priorities. In the longer term, more of this integration of predictive analytics would also help to create institutional memory in budgeting – MoFPED would continually update its forecasting models in response to shifting data patterns.

On the whole, a more innovative use of data and a decentralized process of consultation would greatly enhance the credibility, realism, and responsiveness of the budgeting process. This would not only close the gap between financial planning and the implementation of the programmes but also strengthen the overall performance of the ministry in terms of the efficient use, transparency and evidence-based allocation of resources.

5.3.2 Budget Implementation recommendations.

The implementation of the budget is an important part of the budget cycle as it will determine the amount of planned financial investments that are translated into actual service delivery results. The study results indicated that while the Ministry of Finance, Planning and Economic Development (MoFPED) has established a well-structured financial management system, there are some existing inefficiencies during the process of budget execution, which are related to procurement delays and irregularities in the cash flow release. These inefficiencies lead to implementation bottlenecks which have a negative impact on the timeliness, quality and effectiveness of public service delivery. For this reason, the study suggests targeted reforms to enhance the efficiency of operations in the implementation of budgets.

The study proposes re-engineering of procurement process by complete integration of e-Government Procurement (e-GP) system with Integrated Financial Management System (IFMS) as first recommendation. The procurement process has been identified as one of the major delays in budget implementation and is one of the key areas that can cause budget absorption delays. Manual processes, in-the-middle approvals and delays in government processes occur because of the absence of seamless integration between procurement approval and financial processes. The combination of e-GP and the IFMS would make procurement processes more real time, automatic, transparent and traceable.

These integrations would enable the full monitoring of the procurement process, from requisition to the approval, awarding of contract and payment processing. That would save a lot of time in the bureaucratic process of having to go through several steps for manual approval and increase compliance to the procurement deadlines. Moreover, the real-time monitoring of procurement status will allow MoFPED and other monitoring institutions to identify procrastination at an early stage and take corrective measures before it turns into significant implementation delays. The reengineering process would also improve accountability by providing an audit trail of all procurement transactions, and making them digitally traceable, which would help mitigate risks from inefficiency and non-compliance.

In addition, the study suggests a streamlined process of synchronizing cash-flow for revenue mobilization and planning of expenditures to make the budgeting process time-bound. The discrepancy between revenue and expenditure obligations and the availability of money in the quarter is one of the identified issues, resulting in late money releases to implementing agencies. These delays interfere with scheduled activities, delay project progress and in some instances affect the performance of important government programs.

To address this challenge, Treasury should better strengthen its cash management approach by making the forecasts for revenue collection more closely aligned to the release of expenditure. This includes the ability to forecast revenues more accurately and increase coordination between the revenue and treasury planning units. With more reliable cash flow projections and better integration of revenue forecasts with actual revenue performance, government can better ensure that budgets are released on a quarterly basis and that these are not delayed.

Moreover, a more responsive cash management system would enable better prioritisation of critical spending, helping to ensure that key services and significant projects are not negatively impacted by cash limitations. More synchronisation of cash-flow would also improve fiscal discipline by decreasing the occurrence of expenditure arrears and unwanted borrowing to address funding deficits.

Finally, better implementation of budgets through integration of the procurement system and better synchronisation of cash-flows would help in mitigating the operational delays within MoFPED's financial management system. The reforms would not only make public expenditure management more efficient and transparent, but would also help to make the delivery of services more timely and effective, thereby improving the overall performance of the organization.

5.3.3 Budget Monitoring and Evaluation Recommendations.

Budget monitoring and evaluation (M&E) is an essential part of the public financial management (PFM) cycle as it helps to ensure that allocated resources are used effectively and the desired outputs and outcomes are realised. Despite the fact that both MoFPED has installed monitoring frameworks and reporting systems, there is a lack of linkage between performance information generation and its effective use in decision making. In many instances, monitoring reports and audit results are generated, but their effects on the budgeting and implementation process are not strong enough to have a significant impact. This brings down the overall effectiveness of M&E as a mechanism to improve accountability and institutional performance. Based on these results, the study suggests a number of changes that will enhance the connection between assessment and budget decisions.

The study suggests that a consequence-based budget management approach be implemented, such as the allocation of budget to a more satisfactory implementation of the recommendations from monitoring and evaluation and from Auditor General findings. With this method, departments would have to show compliance with the agreed actions for performance improvement to get further budget. This would greatly enhance the accountability mechanisms in the budgeting system as it would provide for performance information to be not only advisory, but also to be of financial consequence.

This would promote more accountability from implementing units because if they don't take care of problems they identified then their funding may be impacted in the future. This provides a powerful incentive framework that encourages timely corrective action, better use of resources and better adherence to financial and performance management requirements. In the long-term, consequence-based budgeting would encourage the institutional culture of discipline in performance, rather than just procedures, and it would place a greater emphasis on results and accountability. To be effective, however, this approach must be done fairly and transparently, with clearly defined performance indicators and agreed evaluation criteria to ensure that it is not applied subjectively.

Secondly, the study calls for the use of real-time digital performance dashboards, instead of the traditional periodic reporting system. The lack of real-time analysis and reporting after implementation, so far, does not enable management to timely take action to resolve issues that appear during implementation. By report time, a lot of the deviations from the planned targets might have become systemic and corrective interventions may be less effective.

Real time dashboards would give a real-time view of both financial and physical performance indicators and enable decision makers to track budget absorption rates, expenditure patterns and output delivery at the same time. This would make it possible to have a more dynamic type of oversight, and if the projects were being underspent, overspent, or delayed, then it could be spotted and acted on immediately. Incorporation of financial information with output indicators would also help MoFPED more effectively measure value for money, thereby making sure that spending is directly correlated with measurable development outcomes.

Moreover, using digital dashboards would increase transparency and coordination between departments by providing a single source of information on performance. This will minimize report duplication and help integrate planning, budgeting and implementation units. Further, real time data would enable evidence based decision making and enable managers to make decisions about resource allocation and implementation plans based on actual performance trends instead of what was reported in the past.

Finally, increasing the effectiveness of budget monitoring and evaluation in MoFPED with a system of consequence-based budgeting and real-time digital dashboards would greatly improve accountability, responsiveness, and performance management in the MoFPED. These reforms would allow for the development of systems to monitor and evaluate, not just report, but to become effective engines of institutional learning and continuous improvement.

5.4 Contribution to Knowledge

The study is a valuable addition to the existing knowledge on public financial management (PFM) in general and on this specific context in Sub-Saharan Africa in particular, as it provides a deeper institutional and analytically more disaggregated understanding of budgeting dynamics. Much of the literature has focussed on the decentralised local government budgeting systems and the fiscal performance of the local governments themselves, while this research turns the analytical spotlight on the central coordinating body of public financial management in Uganda, the Ministry of Finance, Planning and Economic Development (MoFPED). Thus, it offers a more detailed analysis of the budgeting process at the very core of government economic governance as opposed to examining budgeting processes at lower administrative tiers. An important academic contribution of this research is the empirical breakdown of the role of budgeting in a central economic body. Recognizing budgeting not as a single process, the study considers and analyzes each of the four phases (budget formulation, implementation, monitoring and evaluation) of the budgeting process, keeping in mind the framework of MoFPED. This gives a deeper insight into the areas in which there are the most inefficiencies and performance weaknesses. The study particularly emphasizes that the success of budgeting depends not only on the process of the allocation, but also on the dynamics of the budget's execution, the institutional coordination mechanisms and constraints at the system level that are frequently encountered in the execution process. Moreover, the study directs academic and policy focus toward executing the budget as a primary administrative task that has a stronger influence on the outcomes of performance as compared to budget planning. The existing literature tends to focus on the efficiency of fiscal planning and allocation as the key determinants of the success of budgeting. But, this paper shows that in reality, the main obstacles to realizing policy outcomes are the execution challenges faced, such as procurement delays, mismatches in cash flows, poor system integration, and lack of performance monitoring in real time. The study suggests that, once execution is separated from budgeting as the "statistical heavyweight" in the budgeting cycle, the public sector institution's effectiveness can be assessed in a different way. The study also advances the understanding of how budgets are realized in practice, by pinpointing logistical and institutional constraints as primary explanatory factors in budgeting outcomes, in addition to financial and policy designing challenges. These encompass issues like system fragmentation between financial and procurement platforms, slow inter-agency coordination and the lack of use of performance feedback for decision-making. They advance theoretical approaches to public financial management by highlighting the operational context of public budget execution as opposed to only its technical aspects. In sum, the study contributes to the conversation on public financial management by offering an institutional-specific, action-oriented analysis of budgeting in an important component of the central government. It provides a theoretical paradigm shift from the traditional budget formulation-focused analysis to a more comprehensive approach, where the realities of implementation and constraints on institutional capacity are considered, if not given more weight. This contribution is especially useful for policy makers, researchers, and practitioners looking to boost budget performance in similar developing country settings in which implementation issues can outweigh planning weaknesses.

5.5 Study Limitations.

While this research has produced some significant findings about the effect of budgeting process on organization performance in public financial management system especially in the Ministry of Finance, Planning and Economic Development (MoFPED), it has its share of limitations. The restrictions should be taken into account in interpreting the results and in drawing the conclusions. One limitation of the study is its scope and institutional focus since it only investigates MoFPED as the focus of the study. MoFPED is a central and very influential body in the public financial management system in Uganda, but it also has relatively high technical capacity, robust systems and more advanced financial management systems than most line ministries and local government institutions. Therefore, the results of this institution are not necessarily representative of the experience of the wider public sector. This means that the budgeting processes, efficiency of implementation and monitoring systems described in MoFPED could be an "ideal or enhanced case" and not the typical performance of public sector institutions in Uganda. Further, the unique institutional setting of MoFPED may affect the results of this study, as some structural strengths (e.g., access to technical professionals, such as IFMS, and fiscal policy supervisory positions) could affect the results. Therefore, care must be taken in extending these observations and conclusions to other ministries or decentralized units with different resource limitations, administrative abilities, and challenges. Secondly, the study is limited due to its reliance on the perception based survey data, which in turn gives some degree of subjectivity to the result. Individual experiences, professional roles and institutional positioning shape the views of the respondents about the effectiveness of budgeting, efficiency of implementation, and monitoring systems. This can lead to the potential for response bias (views are not necessarily true operational performance data). For example, efficiency in budgeting may be understood differently in various departments because of the regularity of their budgeting process or their participation in the budget decision. In addition, the perception-based measures could be subject to social desirability bias, that is, reporting answers they feel are acceptable or good in an institutional setting rather than being totally accurate. Such a constraint is especially important when dealing with public sector institutions, where the issue of accountability, hierarchy and administrative sensitivity may impact the openness of the responses. Furthermore, although some work has been done to triangulate data sources, some findings in this report may not be fully quantifiable independently, using financial performance datasets and/or longitudinal budget execution data. To conclude, the findings of this study are not invalidated by these restrictions, but suggest important boundaries for the interpretation of the findings. They also serve as the foundation for future studies to broaden the analysis to encompass multiple institutions and include more mechanism-generated, objective financial information to enhance the robustness and generalizability of the field of public financial management conclusions.

5.6 Areas for Further Research

This study has offered valuable insights into the impact of budgeting processes on Ministry of Finance, Planning and Economic Development (MoFPED) performance but has also identified a number of areas for subsequent research. The areas are crucial for further understanding the dynamics of public financial management in Uganda and for building the evidence base needed for more effective fiscal reforms.

The study suggests conducting more in-depth research in the future using longitudinal panel data analysis for several years. The current study is mostly cross-sectional, meaning that it focuses on budgeting processes and outcomes at a given point in time. Budget systems and the reform of public financial management (PFM) are, however, dynamic and change over time in response to changes in policy, economic situation and institutional changes. A longitudinal approach would thus enable researchers to observe changes, maturation, and/or attrition in budgeting reforms over the various fiscal periods within which they occur.

Future research could use more than one financial year to detect trends of poor or good performance in terms of budget execution efficiency, procurement times, cash flow management and monitoring and evaluation systems integration. This would also help to provide a stronger test of causality, as well as establishing whether observed performance gains are a result of budgeting reforms or external macroeconomic shocks. Longitudinal data would also allow for trend analysis, and would enable researchers to assess if reforms, like digitalisation of financial systems or performance based budgeting frameworks, are resulting in lasting improvements over time or just short-term gains.

Second, the study underscores the importance of comparing and contrasting the role of central government institutions with the role of decentralized local government institutions. Future research should also focus on the efficiency and effectiveness of budgeting and implementation processes in MoFPED versus local governments in Uganda. This comparative method is relevant since it would enable a more detailed diagnosis of the fiscal infrastructure of the country and reveal structural differences between the centralized and decentralized budgeting system.

Local governments may have more limited technical capacity, less effective financial management systems, and be more dependent on central government transfers. MoFPED, on the other hand, is the focal point of the national fiscal policy and has a higher degree of institutional capacity and direct control over the fiscal policy. A comparison of these two government levels would thus enable the separation of whether difficulties in performance are broad-based throughout the public sector, or whether they are more focused at particular levels of government.

Such comparative studies, in particular, would also give useful information to the effectiveness of decentralization reforms in Uganda. They would inform the assessment of the extent to which decentralization has enhanced the efficiency and delivery of services at the local level, or raised new problems of coordination and accountability. Moreover, the findings of this research may contribute to the formulation of policies in decentralizing budgeting functions further to improve responsiveness and performance.

Finally, future studies should further extend the time and institutional dimension of analysis to develop a better understanding of public financial management in Uganda. Scholars would have greater evidence and be better equipped to assess the long-term impacts of budgeting reforms and to help inform fiscal policy and administrative change.

QUESTIONNAIRE

Title:

The Impact of Budgeting Practices on the Performance of Public Entities: A Case Study of the Ministry of Finance, Planning and Economic Development (MoFPED)

Introduction to Respondents

You are invited to participate in this academic study which seeks to examine the impact of budgeting practices on the performance of public entities, with specific reference to the Ministry of Finance, Planning and Economic Development (MoFPED). The information provided will be used strictly for academic purposes and will be treated with utmost confidentiality. You are not required to write your name, and participation is voluntary.

Please tick (✓) the option that best represents your response.

SECTION A: DEMOGRAPHIC INFORMATION

1. **Department**

- ☐ Budget Directorate
- ☐ Accountant General
- ☐ Planning
- ☐ Monitoring & Evaluation
- ☐ Programme Implementation
- ☐ Other (specify): ____________

2. **Position / Role**

- ☐ Budget Officer
- ☐ Accountant
- ☐ Economist

- ☐ Planner
- ☐ M&E Officer
- ☐ Programme Manager
- ☐ Other (specify): ____________

3. **Years of Service at MoFPED**

- ☐ Below 3 years
- ☐ 3–5 years
- ☐ Above 5 years

SECTION B: BUDGET FORMULATION PRACTICES

Instructions:

Indicate your level of agreement using the scale below:

1 – Strongly Disagree

2 – Disagree

3 – Neutral

4 – Agree

5 – Strongly Agree

Statement	**1**	**2**	**3**	**4**	**5**
Budgets are aligned with programme and strategic objectives	☐	☐	☐	☐	☐
Staff are adequately involved in budget preparation	☐	☐	☐	☐	☐
Budget estimates are realistic and achievable	☐	☐	☐	☐	☐
Budget guidelines are clearly communicated and followed	☐	☐	☐	☐	☐
Budget preparation is completed within set timelines	☐	☐	☐	☐	☐

SECTION C: BUDGET EXECUTION PRACTICES

Using the same scale (1–5), indicate your level of agreement:

Statement	1	2	3	4	5
Funds are released on time as per approved budgets	☐	☐	☐	☐	☐
Expenditures strictly follow approved budget allocations	☐	☐	☐	☐	☐
Procurement processes are efficient and timely	☐	☐	☐	☐	☐
Expenditure controls prevent misuse of funds	☐	☐	☐	☐	☐
Allocated funds are fully absorbed within the financial year	☐	☐	☐	☐	☐

SECTION D: BUDGET MONITORING AND EVALUATION PRACTICES

Using the same scale (1–5), indicate your level of agreement:

Statement	1	2	3	4	5
Budget implementation is monitored regularly	☐	☐	☐	☐	☐
Monitoring reports are prepared and shared on time	☐	☐	☐	☐	☐
Performance information is used in decision-making	☐	☐	☐	☐	☐
Corrective actions are taken when deviations occur	☐	☐	☐	☐	☐
Audit recommendations are effectively implemented	☐	☐	☐	☐	☐

SECTION E: INSTITUTIONAL PERFORMANCE

Using the same scale (1–5), indicate your level of agreement:

Statement	**1**	**2**	**3**	**4**	**5**
MoFPED achieves its planned programme outputs	☐	☐	☐	☐	☐
Financial resources are used efficiently	☐	☐	☐	☐	☐
Programmes are implemented within planned timelines	☐	☐	☐	☐	☐
Service delivery has improved over recent years	☐	☐	☐	☐	☐
Accountability and transparency are upheld	☐	☐	☐	☐	☐

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