

**BUDGET MANAGEMENT AND PERFORMANCE OF LOCAL GOVERNMENTS :  
A CASE STUDY OF NAKAPIRIPIT DISTRICT LOCAL GOVERNMENT**

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**S22/MUC/BBA/037**

**A DISSERTATION SUBMITTED TO THE SCHOOL OF BUSINESS IN PARTIAL FULFILLMENT  
OF THE REQUIREMENTS FOR THE AWARD OF A DEGREE OF BACHELOR OF BUSINESS  
ADMINISTRATION OF UGANDA CHRISTIAN UNIVERSITY**

**August, 2024**



**UGANDA CHRISTIAN  
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**DECLARATION**

I OKELLO DENIS EMMANUEL declare that this Dissertation is a result of my own investigation and it has never been submitted to any other institution for any reward. Where it is indebted to the work of others, due acknowledgement has been made.

Signature.....


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**APPROVAL**

I certify that the candidate was under my supervision. This work was submitted with my approval as a supervisor for the partial fulfillment of the award of Bachelors of Business Administration Accounting option of Uganda Christian University

Signature.....

Date.....24/08/2024.....

**SUPERVISOR**

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## **DEDICATION**

I dedicate this work to my family members, Guardians and Friends for their moral, Financial and spiritual support towards my life while studying this Course. May the almighty God reward them for their good deeds?

## **ACKNOWLEDGEMENT**

To begin with, I take the pleasure to give special thanks to God Almighty who has been on my side at all times and to whom I owe everything.

With great gratitude I thank my Supervisor Mr. Omache Henry for without his guidance, this work wouldn't have been a success.

My heartfelt appreciation goes to my beloved mother Ogwang Maria, my wife Acheng Beatrice , my aunty Ayugi Judith and my uncle Ochaya Calvin Owilli who have done all to make sure my education was a success

I also owe a great deal of thanks to management and staff of Nakapiripirit District local government for having sacrificed their time amidst their tight schedules to fill my questionnaires. May the Almighty God Bless you

It would also be a disservice to forget not only my group members but also my friends; Engole Sam, Walter Opio, Sawa Joseph, Musingo Mary, Irene, Kitongo Emmanuel, Wonial Denis and many others with whom we have always shared ideas and experiences. I will always cherish you for your contribution towards my bright future.

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## **ACRONYMS AND ABBREVIATIONS**

|        |   |
|--------|---|
| AFDB   | Africa Development Bank                               |
| BoU    | Bank of Uganda  |
| CFP    | Core Financial Plan                                   |
| CIMA   | Chartered Institute Of Management Accounting          |
| GDP    | Gross Domestic Product                                |
| IMPEP  | Integrated Materials Performance Evaluation Program   |
| KCCA   | Kampala Capital City Authority                        |
| MD     | Management Directives                                 |
| MoFPED | Ministry of Finance Planning and Economic Development |
| NTF    | Nigeria Trust Fund                                    |
| OMB    | Office of Management and Budget                       |
| PAR    | Performance and Accountability Report                 |
| PBPM   | Planning, Budgeting and Performance Management        |
| PFM    | Public Financial Management                           |
| PAF    | Personnel Action Form                                 |

## **ABSTRACT**

The purpose of the study was to investigate the effect of Budget management on the performance of Nakapiripirit District Local Government and The specific objectives of the study were; to establish the effect of Budget formulation on performance of Nakapiripirit District Local Government, to determine the effect of budget implementation on performance of Nakapiripirit District Local Government and to establish the effect of budget monitoring on the performance of Nakapiripirit District Local Government. The study used a survey research design and data was collected from 45 employees of Nakapiripirit district Local government .The findings of the study showed that budget formulation improved on the performance of Nakapiripirit District local governments by 77.4% basing from the average index of 3.87. Except that 80% revealed that they don't follow the legal framework in formulating the budget. The findings of the study showed that budget formulation has improved the performance of local governments by 83.8% basing from the average index of 4.19.This is backed by the fact that respondents agreed to all the statements that are used to measure this objective. Furthermore, the findings of the study revealed that budget monitoring improved the performance of local governments by 87.2% except that it was revealed that the district does not ensure proper budget monitoring. The study provided recommendation that, the government should ensure that in the process of budget formulation, a legal framework is followed in order to formulate resourceful budgets, more emphasis should be put on budget implementation as the findings of the study revealed that it greatly improves the performance of local governments and that the district should ensure

## **CHAPTER ONE**

### **INTRODUCTION AND BACKGROUND**

#### **1.1 Introduction**

This chapter presented the overview of the study. They includes the background, statement of the problem, research objectives and research questions, scope, significance of the study, hypothesis to the study and definition of terms.

#### **1.2 Background of the study**

##### **1.2.1 Historical background**

Budgeting is an important part of all businesses and public institutions financial plans.

Budgets are typically set annually and involve allocating anticipated income and resources between different department and business interest. The amount of funding allocated to each area poses restrictions on the scope of a department's development (Bennett, 2017).

Budgeting is integral components of an annual financial plan of all organizations. They indicate the level of resources an institution is committing to a department program. Without allocation limits, expenditures can exceed revenues and results in financial shortfalls (Lokman, 2010)

Public sector policy is implemented on the basis of some objectives, well structure, in which implementation from this point of view management of Budgeting as a tool for financial planning of the activity is that leverage that will ensure enhancing performance. (Kariuki, 2010) suggests that budgeting is a process of planning the financial operations of a business. Budgeting as a management tool is useful for the planning of future activities.

Application of this tool can greatly impact the performance of an institution (Larson, 2013).

There has been major shifts in the size of budgeted expenditures over the years and shifts in their composition towards priority programs. As a share of GDP public expenditures grew from about 17 to 25% between 2015/2016 and 2017/2018 and allocation to PAF program grew from 17.5% to 35% rapidly expanding BOU budget .This can largely be attributed to the formation of PAF and the significant increase in donor inflows that they generated (tax revenue has remained stable as percentage of GDP).

There has been substantial orientation of budgets within local governments towards all the units that involve the health, education, water, roads and agriculture, planning and accounting units the proportion of those institutional budgets going to poor performance characterized by poor service delivery (Ndungu 2014).

In the early 1900s, the emphasis on budgeting shifted from mere planning for the needs to the future establishment in all the sectors (Gay et al, 2006). In other words, budgeting is the product of modern social and economic development. The significant changes pushed forward by the European Industrial Revolution in the eighteenth century greatly promoted the establishment of many large share-holding companies and monopoly trust groups. With the rapid development of productive technology, expansion of operational scope, and large-sized organizations with many managerial levels, heads of companies could not directly carry out supervision so they needed some full-time representatives to do it for them (Aisiopoulos, 1980).

After the 1940s, budgeting entered its golden developing period, in which the theory of budgeting began systematically taking shape and governments started investing in budgeting process critically. From the first authoritative definition of budgeting by the American

Institute of Public Accountants in 1949 to the definitions which still exist in professional pronouncement (APB, 1995), there seems to have been no substantial change of meaning, yet a sea change in the budgeting departments of companies was underway during the 1980s and 1990s. From all the definitions, it is clear that budgeting is the centre of integrated activities within an organization and is best suited for a new role as an agent of change. This can be developed through the growing importance of management efficiency and performance (Cooper, 1996); on the other hand because of the growth of information technology and changes in budgeting methods (Spira and paape, 2003).

Performance Measuring and analyzing plays an important role in turning organizational goals to reality. The performance is usually evaluated by estimating the values of qualitative and quantitative performance indicators (e.g., profit, number of clients, costs) (Nowesnick, 2013).

It is essential for a company to determine the relevant indicators, how they relate to the formulated company goals and how they depend on the performed activities. Nowadays many managers recognize this and put conscious effort in defining company-specific goals, performance indicators and evaluate

them. However in practice such analysis is usually done in an informal, ad-hoc way and will benefit from a more systematic approach (Chan, 2013).

The first step towards an improvement in this area is to make explicit the available knowledge on performance indicators and how they are related. In order to use this knowledge in a modern framework for organization modeling it is necessary to formalize the concept of a performance indicator together with its characteristics, relationships to other performance indicators and relations to other formalized concepts such as goals, processes and roles. This will not only contribute to the design and analysis of organizations and the evaluation of their performance but will also enable reuse, exchange and alignment of knowledge and activities between organizations (for example supply chains). Every task in an organization contributes to the satisfaction of one or more organizational goals through performing its process instances. Each goal is formed based on a certain performance indicator(s) which can be measured (directly or indirectly) during or after the process execution depending on the goal evaluation type in the end or during a certain period of time (evaluation period defined as goal horizon) (Nowesnick, 2003).

## **1.2 .2 Theoretical perspective**

The study employed the multiple theory of budget determination by Richard .A .Musgrave 1956. The theory states that budgeting is partly political, partly economic, partly accounting, and partly administrative. As a political document, it allocates the scarce resources of a society among multiple, conflicting and competing interests. As an economic and fiscal document, it serves as the primary instrument for evaluating a jurisdiction's redistribution of income, stimulating its economic growth and development, promoting full employment, combating inflation, and maintaining economic stability. As an accounting document, it provides a ceiling on government spending and makes it legally binding for it to live within the allocated funds. Finally, as a managerial and administrative document, it specifies the ways and means by which public services are provided, and it establishes criteria by which they are monitored, measured, and evaluated. The theory focuses on reports for a "super budget" as a way to coordinate the increasing tendency for policy actors to carve out and define new packages of activity as budgets in order to assert control over that particular arena. The proponents of this theory examine budget control criteria, including not just economic or political factors but also human interpretation.

### **1.2.3 Conceptual perspective**

The study considered two variables that was budget management and performance of local government in Uganda. The independent variable was budget management and the dependent variable was the performance of local governments in Uganda.

Budgeting is the process of preparing and using budgets to achieve management objectives.

A budget represents management's plan of action for future periods of an organization (Dury, et al 2010). Extensive use of budgeting has been documented in studies of Scarborough et al (1991). They have largely highlighted the significant emphasis which diverse types of organizations in various countries put on budgeting systems, as key elements of management control. In this study budgeting refers to the process by which all integral components to the annual financial plan, or budget, of an organization are drafted. It indicates the level of resources an organization is committing to a department or program. Budgeting will be measured in terms of Budget implementation, Budget formulation, and Budget monitoring.

Performance is a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues. It refers to the degree to which financial objectives being or has been accomplished and is an important aspect of finance risk management (Kayaga 2007). Performance of local governments will be measured in terms of accountability, achievement of goals and control of expenditure.

### **1.2.4 Contextual perspective**

The study was carried out at Nakapiripirit District local Government .The study was carried out at this place because it has been realized that public funds especially for local governments in Karamoja region are embezzled other than the real Budgeting by the government as budgetary performance has continued to worsen in the region (ministry of finance planning and economic development 2017).This generally attracted the researcher to carry out the study in this place.

### **1.3 Problem statement**

Nakapiripirit district local government encountered challenges in budget management and this has affected financial performance, as evidenced by underperformance of 0.9% of the total budget that is to say out of the approved budget of (11,369,582,511/=) for the fiscal year 2021/22, the district absorbed only (9,875,950,360) and balance of (1,493,632,151/=) was swept back to the treasury and this has led to a fall in the budget level by 0.8% in the fiscal 2022/23 as the total budget was reduced from (11,369,582,511/=) to (10,096,350,123/=). Similarly, in the fiscal year 2022/23 the district still under spent the total approved budget by 0.8% that is to say out of the total budget of (10,096,350,123/=), they only absorbed (9,025,354,600/=) and a balance of (1,070,995,523/=) was swept to the treasury according the auditor's general report. Additionally, there is a notable discrepancies in revenues collection with a 0.70% gap between projected and actual revenues in the fiscal year of 2021/22 as evidenced by under collection of (396,589,000/=) from the projected revenues of (565,000,000/=).

In the fiscal year 2022/23, there was a drastic fall in the revenue collection by 2.3% that is out of the projected revenues of (450,000,000/=), the district was able to collect only (198,310,000/=). This financial imbalance poses a threat to essential public services, highlighting the need for a comprehensive analysis of budgetary processes, expenditure patterns, and revenue generation mechanism to formulate effective strategies for improved fiscal stability and sustainable development in the district

### **1.4 General objective**

To asses and improve the overall effectiveness of budget management and performance in Nakapiripirit district, with the aim of ensuring fiscal responsibility, transparent resource allocation, and sustainable economic development for the well-being of the community.

### **1.5 Specific objectives of the study**

The specific objectives of the study were;

i) To establish the effect of Budget formulation on performance of Nakapiripirit District Local Government.

ii) To determine the effect of budget implementation on performance of Nakapiripirit District Local Government.

ii) To establish the effect of budget monitoring on the performance of Nakapiripirit District Local Government.

## **1.6 Research questions**

i) What is the effect of Budget formulation on performance of Nakapiripirit District Local Government?

ii) What is the effect of budget implementation on performance of Nakapiripirit District Local Government?

ii) What is the effect of budget monitoring on the performance of Nakapiripirit District Local Government?

## **1.7 Justification of the study**

Budget development and management for service delivery has remained a major challenge to decentralization at the district local government level in Uganda. The rationale for decentralization was reinforced by the ideals of good governance in which decentralized local authorities were seen as a way to promote local control, accountability, efficiency and effective use of resources for local development (Kakumba 2012). In the wake of continued blame on local governments (LGs) for weak institutional capacity and financial management deficiencies, it is necessary to analyze fiscal decentralization through budget management practices of LGs. Previous studies (Ndegwa 2002; Francis and James 2003; Kakumba 2010) have documented Uganda's high success on the indices of political and administrative decentralization, but no investigation has been done on budget management practices in respect of expenditure management, financial reporting, financial control and risk management towards service delivery. The argument in this article is that increased frugality in fiscal management for LGs can produce actual services on ground. Local authorities have the duty to foster service delivery and local development with block grants funding from the central government. Their mandate also includes considerable financial authority to levy, charge and collect fees and taxes including rates, rents, royalties, stamp duties, registration and licensing fees. With this mandate and resource accession, however, budget management remains an issue of public concern in LGs. As fiscal crises continue to negatively impact LGs in Uganda, it is imperative to analyze the financial prowess demonstrated in the

management of the existing budgets and how this translates into collective service delivery at the LG level.

The present challenge is for LGs to manage balancing local budget realities with decreased revenues, increased service demands and the costs of public discontent which occasionally manifest into public demonstrations. The poor state of collective services in form of poor hospital facilities, poor water and sanitation, and impassable roads among others, dent public trust and are a serious cost to security. The mass media is awash with highly reported cases of corruption, which are exacerbated by the use of poor budget management tools that LGs have traditionally utilized to manage periods of economic crisis. These tools primarily involve conventional budget options of tax increases, service cuts, and or a combination of tax increases and cuts.

### **1.8 Scope of the study**

This sub section covered geographical scope, subject scope, conceptual scope and time scope

#### **1.8.1 Geographical scope**

The study was conducted in Nakapiripirit District at the headquarters in South Karamoja. Nakapiripirit district is located in the southern part of Karamoja. It borders Amudat to the east, Nabilatuk to the west and it is approximately 152 kms away from Mbale City.

#### **1.8.2 Subject scope.**

This study was focusing on the role of budgeting as a control tool for service delivery in Nakapiripirit district. The independent variable in this case was budget management and the dependent variables was performance, achieving organizational goals, efficiency and ability to perform. Respondents were the employees, department heads, team leaders and staff of Nakapiripirit District local government.

#### **1.8.3 Conceptual scope**

The exercise examined the importance of proper and planned budgeting, financial management, challenges faced in budgeting and the effect of budget management on performance of Local governments in Uganda

### 1.8.4 Time scope

The study was covering the periods of fiscal year 2021/22 and 2022/23 as it availed information that were recent.

### 1.9 Conceptual frame work

In regard to conceptual framework the researcher focused on both the independent and dependent variables as illustrated below

#### INDEPENDENT VARIABLE

##### Budget management

- Budget implementation
- Budget formulation
- Budget monitoring



#### DEPENDENT VARIABLE

##### performance of local governments

- Accountability
- Achievement of goals
- Control of expenditures

Source: Adapted and modified from Jankens and Carrim (2003).

The figure above explained how the IV and the DV were measured in the study. The dependent variable was measured in terms of: accountability, achievement of goals and control of expenditure and the independent variable was measured in terms of budget formulation, achievement of goals and control of expenditure.

### 1.10 Significance of the study

Findings of the study will help the government in identifying its inconsistencies towards her local governments' budgetary performance.

The study will add to already existing literature on Budgeting and performance of local governments.

The study will help the regulators and policy makers to formulate appropriate policies which may promote the budgetary performance of local governments.

The study will benefit other academicians and researchers to put it to use for further research.

The study will enable the researcher to gain more knowledge concerning budgeting and performance of local governments

The study will enable the researcher to attain a bachelor's degree of Business administration of UCU as it is part of the requirements

## **1.11 Definition of Key Terms**

### **1.11.1. Budget formulation**

According to Lawrence (2003) refers to the all the steps, actions and documentation in the process of Budgeting.

### **1.11.2. Budget Implementation**

According to Jenered (2009), Budget implementation refers to putting the formulated budget into the prominent use.

### **1.11.3. Budget Monitoring**

According to Gerald 2007 budget monitoring refers to the and fair ability to supervise the budget in order to make sure that it works in stipulated framework.

### **1.11.4. Budgeting**

Budgeting is defined as the act of preparing budget (Garrison and Noreen, 2011). Budgeting is a central process of control in accounting control system. It facilitates the effectiveness and implementation of management functions to achieve the set goals.

### **1.11.5. Budgetary performance**

According to this study budgetary performance refer to the accomplishment of a given task measured against present standards of accuracy, completeness, cost and speed with regard to the budget framework.

### **1.11.6. Achievement of goals**

According to Janan (2013) achievement of goals refers to ability of an institution or organization to attain the set targets in a given period of time.

### **1.11.7. Accountability**

According to markson (2015) accountability is a state where an individual or organization is being accountable of an obligation or activity.

### **1.11.8. Control of expenditure**

According to Reblon 2014, Accountability refers to the ability to ensure transparency in the use of funds .In other words using money for what it is budgeted for.

1.12 Summary of the chapter  
This chapter will starts with an introduction which outlines the key areas covered, it will be followed by the background of the study. The chapter will proceed to capture the problem statement, objectives of the study as well as research questions which will be derived from the research objectives. Scope of the study will consists of the geographical, subject, conceptual and time, the chapter will tackle justification of the research and lastly operational definition of key terms.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter includes the theoretical review, conceptual review and academic literature regarding budgeting and performance of local governments in Uganda and it also presents the related literature about the variables of the study basing from various authors and academicians.

This chapter will review literature on the top understanding, explains the relationship between,

#### **2.2 Theoretical review**

##### **2.2.1. Multiple theory of budget determination.**

The study was guided by the multiple theory of budget determination by Richard A Musgrave 1956, the theory states that budgeting is partly political, partly economic, partly accounting, and partly administrative. As a political document, it allocates the scarce resources of a society among multiple, conflicting and competing interests. As an economic and fiscal document, it serves as the primary instrument for evaluating a jurisdiction's redistribution of income, stimulating its economic growth and development, promoting full employment, combating inflation, and maintaining economic stability. As an accounting document, it provides a ceiling on government spending and makes it legally binding for it to live within the allocated funds. Finally, as a managerial and administrative document, it specifies the ways and means by which public services are provided, and it establishes criteria by which they are monitored, measured, and evaluated. The theory focuses on reports for a "super budget" as a way to coordinate the increasing tendency for policy actors to carve out and define new packages of activity as budgets in order to assert control over that particular arena. The proponents of this theory examine budget control criteria, including not just economic or political factors but also human interpretation (Dalvin, 2000).

The fundamental requirement was honesty in government. Honesty was recognized by reformers because it was deemphasized from the 1840s to 1880s. Honesty was needed to address and to prevent looting, plunder, and less flamboyant types of graft. The second requirement is economy. Economy is a retrenchment and paring down of government, especially to keep the tax rate and government. Based on low expenditures and low revenue, this value is really crude economy. The value of efficiency

is not the same as economy. “A low tax rate is important but it is more important to see that the taxpayer gets full value received for every dollar expended by the city and that important functions are not neglected”. Efficiency emphasized use of resources. The tools used to gain efficiency and minimize waste were scientific management and production reforms. With the efficiency movement, the expert entered government, and a whole train of innovations resulted. Walker attributes the efficiency emphasis to two motivations: “Penuriousness and the desire to expand civic functions (Walker, 1999). The theory emphasized that for any public institution /sector to perform to the expected standards, it should work in the realms if its budget framework and budgeting should involve all the stakeholder in order to formulate a relevant budget that can tackle all the areas necessary to improve the performance (Richard, 1999).

## **2.3 Conceptual review**

### **2.3.1 Budgeting**

Budgeting is the process of preparing and using budgets to achieve management objectives.

A budget represents management’s plan of action for future periods of an organization.

Extensive use of budgeting has been documented in studies of Scarborough et al (1991).

They have largely highlighted the significant emphasis which diverse types of organizations in various countries put on budgeting systems, as key elements of management control.

Planning as part of the budgeting system involves a long range planning, strategic planning and short term planning (Shize, 2010). Planning further emphasizes that short-term budgeting must accept the environment of today, and the physical human and financial resources at present available to the organization.

Budgets are usually developed for 12-month periods. When developing a budget, revenues usually estimated first to determine the level of resources that will be available in the upcoming budget year. Based on the estimated resources, expenditure limits also called budgetary allocations are assigned to each budget category. When developing budget allocations, all needs of the organization are taken into account and decisions are made where to best allocate available money (Dury, et al 2010). Budgets are usually divided into departments and program units. This allows for easier identification of the

resources allocated to specific programs and functions. Each category can be made of several budget allocations for a specific need necessary to support the program or overall department operation.

Budgetary allocations might not always be sufficiently estimated. This can happen when adequate funding for predictable expenses is not included in the budget. This might require the budget to be modified after adoption to account for the shortfall. Typical corrections will include transferring funds from other allocation categories or organization's surplus.

Just as budgetary allocation can be insufficient, revenues can be under estimated. This can happen if a downturn in the economy occurs after a budget is adopted thus harming revenue streams. Insufficient revenue might require the need to reduce budgetary allocations in order for expenditures not to exceed revenues at the end of the budget year. Budgetary allocations should be routinely monitored to ensure the amounts budgeted are sufficient to meet expenditures. It is important to have a tracking system in place for all purchase orders and bills. The bills and orders should be matched regularly against budgetary allocation to ensure sufficient funds exist for the remainder budget year (Jamesmho, 2013)

### **2.3.2 Performance**

According to Meta If, R.W and P1, Titard, (201 1), defined the word performance is derived from the word "par foremen" which means to "to do", "to carry out" or to render. It refers to the act of performing, execution, accomplishment and fulfillment. In broader sense, performance refers to the accomplishment of a given task measured against present standards of accuracy, completeness, cost and speed.

In other words, it refers to the degree to which an achievement is being or has been accomplished. In the words of Frich Kohiar, "Performance is a general term applied to a part or to all the conduct of activities of an organization over a period of time often with reference to past or projected cost efficiency, management responsibility or accountability or the like. Thus, not just the presentation but the quality of results achieved refers to the performance. Performance is used to indicate firm's success, conditions and compliance.

Performance is a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues. It refers to the degree to which financial objectives being or has been accomplished and is an important aspect of finance risk management.

It is the process of measuring the results of a firm's policies and operations in monetary terms. It is used to measure firm's overall financial health over a given period of time and can also be used to compare similar firms across the same industry or to compare industries or sectors in aggregation. Evaluating the performance of a business allows decision-makers to judge the results of business strategies and activities in objective monetary terms (Kayaga, 2007) Performance is largely based on product and customer profitability but also on competitiveness. Various ratios including profitability, liquidity and gearing could be computed as the basis to measure returns on investments and performance (Ddumba Ssentamu, 2004).

## **2.4 Related literature**

### **2.4.1. Effect of Budget formulation on the performance of local governments**

Government institutions in Uganda including the ministries and local governments are entitled to forming budgets for the citizens to achieve prosperity for all like the general slogan of the NRM government .Budgeting in these offices directly determines the quality of output it offers the public. The public has been pointing hands at the government due to cases of corruption, embezzlement of funds and inefficiency in these offices (Adams, 2016).

Past studies have shown that most budget formulation in Africa have not fully successful because local governments have been affected by problems of corruption, nepotism, inefficiency, poor coordination, poor management and institutional capacity, non-existent salary policies and political interference which have affected accountability in general Also long term solutions could be drawn to avoid political interference on key issues meant to improve well-being of the people (Pollitt, 2013).

Olowu (2009) in their research suggested that budget formulation should be a major reform objective.

Stable budget formulation should be practiced such that the government officials carry out agreed tasks according to agreed criteria of performance.

The interest in budget formulation within local government reform was the desire to make staff more accountable for their decisions and actions.

Problems of accountability arise when firstly; tasks to be performed were so complex that implementation will be difficult if not impossible. Secondly, some activities were hidden. Thirdly,

corruption practices were widespread. Fourthly, political and personal loyalty was rewarded more than merit and fifthly, public participation in the running of public affairs was insignificant.

Survey done on resource allocation in Uganda indicated that there were high levels of inefficiencies in the manner in which government spends its funds (Olowu and Therkilsede, 2009).

A budget provides a detailed plan action for an organization over a specified period of time.

By planning, problems are anticipated and solutions thought. This helps to reduce on costs and achievement of goods is enhanced (Mathis, 2010). By budgeting, officials coordinate their efforts so that objectives of the district harmonize with the objectives of its parts.

Andrews (2013), Budget formulation reflect estimates of future events, and what is considered acceptable performance. Comparing actual with budgeted results provides meaningful information and indicates the need to analyze and investigate over and under spending.

Anthony (2012) says that to identify responsibilities and delegate authority to budget managers for the achievement of these plans, budgets are devolved as a means of empowering middle managers because managers can make the best use of resources and savings can be deployed for investment in other areas. The officials cease to be bidders for accountability of resources and instead become the manager of resources which gives more opportunity to focus on outcomes; the students experience an achievement rather than struggle with senior managers over resource allocation that many managers engage in.

For proper accountability of resources various budget formulation should follow the clear processes and it should be done thoroughly to ensure that available funds are dedicated for the real activities, unless the institutions own budgeting mechanisms parallel the devolution of responsibilities to teams explicit in total quality accountability programs in reality that devolution will be little more than a cosmetic exercise. Real delegation requires a real and effective accountability of resources (Sallis2010).

The budget formulation process should not stop when the budgets have been agreed.

Periodically, the actual results should be compared with the budgeted results. Reviews enable management to identify items that were not proceeding according to plan and to investigate the reasons for the difference and formulate new budgets that can reassure an improvement in performance. The difference could be due to the fact that the budget was unrealistic to begin with or actual conditions

were different from those anticipated. And are required to evaluate the actual performance and reappraise the company's future plans (Drury, 2010).

#### **2.4.2 Effect of Budget implementation on the performance of local governments**

The corner stone of achieving goals in most institutions is budget implementation. Budgeting is defined as the act of preparing budget (Garrison and Noreen, 2011). Budgeting is a central process of control in accounting control system. It facilitates the effectiveness and implementation of management functions to achieve the set goals. Budgeting has contributed to planning, control, and communication and performance evaluation thus steady achievement of goals (Weetman, 2008).

Seldin (2010) argues that for the smooth implementation of an organization's budget, budgetary planning, allocation and control must be properly done.

Emmanuel and Otley, (2010), Budgetary and targets tend to be the criteria upon which the performance of organizational member, the superiors in particular are evaluated. These standards and targets provide a basis for appraising selected aspects of organizational performance in terms of achieving goals, since they are the criteria used to guide and motivate it.

Planning as part of the budgeting system involves a long range planning, strategic planning and short term planning (Size 2010). Further emphasizes that short term budgeting must accept the environment today and physical human and financial resources at present available to the organization. Planning involves selecting objectives and action to achieve them. It is looking ahead and preparing for it which links it to. Through planning, the local governments are able to assess where they are supposed to be in terms of objectives and goals. This comes from information system (Mocker, 2010).

Participative budgeting is defined as a process in which managers are involved with and has influence on the determination of the budget (Shields and shields, 2009). Literature suggests that if more responsibility and autonomy is given to a person, the person would be encouraged to be innovative because of the knowing that a person would be identified with any successful result (Thomas, 2000).

Participative budgeting has been defined as a means of communication and influence of officials in the budgeting process and the extent of their influence over the setting and achievement of goals. (Covaleski, 2009).

According to Drury (2016), individual's active participation in budget implementation and using budget as a tool to assist officials in managing their departments can be a strong motivational device by providing a challenge. A major concern was the impact of participative budgetary information, the extent of participation by officials in setting their budgetary targets and the sources of pressure to meet these goals (Lyne's, 2013). The study revealed multiple roles and uses of a budgeting. The relationship between participative budgeting and performance could be contingent upon the presence of moderating factors.

Participation budgeting was mainly investigated using budget participation as an independent variable, associated either directly with dependent variables (Lyne's 2013).

According to Drury (2016), budget monitoring a vehicle through the actions of the different parts of an organization could be brought together, reconciled into a common plan without any guidance. Managers could each make their own decision believing that they are working in the best interests of the organization. Budget monitoring compels managers to examine the relationship between their own operations and those of other departments and in the process, identify and resolve conflict (Drury, 2016).

Budget monitoring is one of the most important processes in management accounting. It facilitates the effectiveness and implementation of management function. It contributes to the planning, control, communication and performance evaluation (Weetman, 2013). The preparation of the budget forces management to implement formal planning procedures which engage all departments to participate in the formation of the overall budget. This planning would encourage departments to behave according to the expectations towards achieving the set goals and attention could be given to those who do not achieve their objectives (Weetman, 2013).

Budget implementation is one of the most important tools for decision making in the organization (Edwardset, 2011). Decision making involves resource allocation, utilization and transparency in the use of funds to achieve the set goals. Therefore if an organization implements a budget framework then the performance improves greatly (Edwardset, 2011)

#### **2.4.3 The effect of Budget monitoring on performance of local governments**

Good budget monitoring is characterized by clear objectives and goals must be simple and comprehensive. The budget monitoring plan should be well balanced and flexible so as to incorporate

changes in the resources and should be time bound. Proper budget monitoring tells what, when and how something is spent (Candan, et al 2010).

Sound budget monitoring mentions priorities and the planning control cycle. Since there are so many activities to be performed, it is imperative that they are listed in order of preference.

Budgets are put in place in advance of the budget period based on anticipated set of circumstances or environment. The major decisions are made as part of the long term planning process (Selznick, 2010). Benefits of budget monitoring accrue to the whole organization if both the short and long term consequences of the budgets are considered to control over expenditure (Otlay, 2010). However, the annual budget monitoring process leads to the fulfillment of those plans, since officials must produce detailed plans for the implementation of the long range plans to cater for all the expenditure patterns in the planned periods. Without the annual budgeting monitoring process, the pressures of the day to day operating problems may tempt officers not to plan for future operations thereby stimulating over expenditure (Scott, 2010).

Budget monitoring ensures that managers do plan for the future and consider how condition the next year might change and what steps they should take to respond to those conditions and avoid spending on unnecessary activities (Scott, 2010).

Kimbrough (2010) describes the procedures for local government budget preparation. He said that workers should be asked to submit items to include in the estimates that the list of estimates by the different stakeholders and heads of departments be assembled, reviewed during a special meeting consisting of the administrators. According to them, plans and estimates must reflect serious considerations when budgeting. This process sets out the various considerations of cash resources available and the cash needs and further ensure that the differences are covered by the available resources. This calls for a coherent budget including all parts and concerned individuals to come up with the right budgets that regulate expenditure (Kimbrough, 2010).

Budget monitoring is therefore the key to success in controlling expenditure. Once not done properly, the organization will not operate properly (Lucy, 2010). This process encourages officials to anticipate problems before they arise and hasty decisions that are made on spur of the moment, based on expediency rather than reasoned judgment to control expenditure organization plan and priorities should therefore be important drivers to the budgetary process( Murphy, 2010)..

According to Aryee (2014), Budget monitoring contributes to cost control procedures when managers spend their approved budget. It would assist effective management of activities as it plans the department work and fulfill department needs.

Budget control is achieved through the monitoring of actual expenditure with plans. A budget assists managers in managing and controlling the activities for which they are responsible.

Budgeting is concerned with internal resource allocation to achieve certain objectives whereas control is concerned with the task of coordinating and using allocated resources to achieve predetermined levels of efficiency. It offered a number of control procedures such as communication, authorization of expenditure and performance evaluation (Moll, 2012). The control procedures are essential for efficiency.

According to Drury (2010), individual's active participation in budget monitoring and using budget as a tool to assist managers in managing their departments can be a strong motivational device by providing a challenge. A major concern was the impact of participative budgetary information, the extent of participation by managers in setting their budgetary targets and the sources of pressure to meet these budgetary targets (Lyne's 2013).

The study revealed multiple roles and uses of a budget monitoring. The relationship between participative budgeting and performance could be contingent upon the presence of moderating factors. Participation budgeting was mainly investigated using budget participation as an independent variable, associated either directly with dependent variables.

Budget monitoring was one of the most important processes in management accounting. It facilitated the effectiveness and implementation of management functions to ensure performance (Murphy, 2010).

## **2.5 Research gaps**

Section 83 (4) of the Local Government Act requires that local governments pass a budget not later than 15<sup>th</sup> June. The finance and planning committee & the executive committee, together with the Budget Desk should take into account this time limit when arranging the budget process. The budget is central to the effective implementation of programmes, and the reading of and subsequent approval by council of the annual work-plan and budget.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 Introduction**

This chapter presents different methods that were adopted in collecting and interpreting data related to the study by discussing choices related to: Research Design, study population, sampling strategies, data collection methods, instruments, data quality control, data analysis and procedure.

#### **3.2 Research Design**

The study employed a cross sectional survey design. The study has adopted a survey research design because data were collected from respondents at a particular time. This survey research design according to Amin (2005) was helpful to the researcher to attain systematic data from a sample. Purposive sampling was used to ensure that the respondents with the right information are selected to participate in this study. Quantitative and qualitative approaches were used because they helped to ensure that data collected was quantitatively analyzed and descriptively interpreted.

#### **3.3 Study population**

The study population comprised of 50 participants purposively selected from the management and employees of Nakapiripirit district headquarters in Uganda who included members from the department of community based services, finance, human resource, procurement, education and works.

#### **3.4 Sample size**

The sample size of the study was determined according to Slovene's formula of sample determination, under this, a target population of 50 was zeroed down to a sample size of 45 respondents respectively as stated by Slovene's (1978). The Slovenes formula was be used to determine the minimum sample size.

$$n = \frac{N}{1 + \frac{N}{e^2}} = \frac{50}{1 + \frac{50}{0.05^2}} = 45 \text{ Respondents}$$

$$1 + \frac{N}{e^2} = 1 + \frac{50}{(0.05)^2}$$

**N=45**

**With n= number of sample**

**N= total population**

**e= level of significance 0.05**

Using the formula above, a sample of 45 respondents was obtained

Table 1: Table for determining sample size from a given population

| Department     | Population size | Sample size | Techniques         |
|----------------|-----------------|-------------|--------------------|
| Community      | 5               | 5           | Purposive sampling |
| Finance        | 10              | 9           | Purposive sampling |
| Human resource | 10              | 8           | Purposive sampling |
| Procurement    | 10              | 9           | Purposive sampling |
| Education      | 5               | 5           | Purposive sampling |
| Works          | 10              | 9           | Purposive sampling |
| Total          | <b>50</b>       | <b>45</b>   | Purposive sampling |

**Source: Nakapiripirit district organizational framework abstract, 2018**

### 3.5 Sampling Techniques and Procedures

The participants in the study were selected using purposive sampling method and simple random sampling. Purposive sampling was preferred because it involved selecting participants that possess the required characteristics and qualities as defined by the researcher (Gay, 2006).

### **3.6 Data Collection Sources**

The researcher used both primary and secondary data sources.

#### **3.6.1 Primary Data**

Primary data is a source of data generated from respondents using questionnaires and interview guide to get opinions, views and suggestions of the respondents.

The researcher used a questionnaire and an interview guide to collect data.

#### **3.6.2 Secondary Data**

Secondary data sources are kind of information that the research study used which is already published in regard to the study topic. It included all written information from text books, internet, newspapers, reports, brochures and news prints, audio and visual information that is readily available on the study.

### **3.7 Data Collection Methods**

The researcher used questionnaires and interviews as the major data collection methods used to get first-hand information.

### **3.8 Research Collection Instruments**

#### **3.8.1 Questionnaire**

This was the main data collection tool. It consisted of questions that were set in relation to the research objectives so as to get the real answers to the set research questions. This was administered to the Management and staff of Nakapiripirit District Local Government. The questionnaires were used because they are easy and convenient to use in collection of data from busy respondents like those at the district.

#### **3.8.2 Interviews**

The researcher carried out interviews with the heads of departments of Nakapiripirit District Local Government. The researcher used interview since it made it easier to get the right information from respondents.

The researcher also used interview since it is highly sensitive hence giving first-hand information.

### **3.9 Ethical consideration**

The researcher was given an introductory letter from the Department of Business Administration, Uganda Christian University which was presented to the management of Nakapiripirit district local government.

For approval by the authorities at the sector; the researcher was given an acceptance letter then started administering the research tools in their organization. The researcher first conducted the interviews with the staff in the Administration, Finance and planning department.

The researcher also distributed questionnaires to respondents. After 2 days, the researcher collected filled questionnaires.

### **3.10 Validity and Reliability**

#### **3.10.1 Validity**

Validity is the ability of the research instrument to measure what it aims or is supposed to measure. According to Amin (2005), the research instrument must be appropriate for the study objectives to be achieved. Validity is the extent to which the instruments used during the study measure the issue they are intended to measure (pollit, 1993). To establish validity, the designed instruments will be availed to the supervisor for review and he give an approval for administration in a pilot survey. The study employed content validity whereby the researcher specified the indicators which are relevant to the concept which were measured.

A representative sample of indicators was selected from the domain of indicators of the concepts of budgeting and performance of local governments

Content Validity Index (CVI) =  $\frac{\text{the number of relevant questions.}}{\text{Total number of questions}}$

### **3.10.2 Reliability**

Reliability of an instrument is the dependability or the trustworthiness of an instrument.

According to Amin (2005), it is the degree to which the instrument consistently measures what it is supposed to measure. This method is picked on a single pre-test group and shows the degree to which the items in the questionnaire are inter-correlated. That is, a respondent with completed questionnaire were again politely asked to complete another fresh questionnaire (retest) after two weeks to prove the answers earlier filled for consistency or how close they were relate (Amin (2005). Internal consistence of the items in the questionnaire was established using Cornbach's formulae to compute the alpha co-efficiency of reliability. To get the reliability, the data was entered in the computer and analyzed using the statistical package for social scientists (SPSS), which was useful for providing a Cronbach Co-efficient Alpha test for testing reliability.

### **3.11 Data Management**

#### **3.11.1 Data Processing**

Collected data were sorted, checked for data arrangement and scrutinized for any arising inconsistencies, so as to obtain an objective and reasonable judgment, edited, entered, coded using SPSS package for analysis.

#### **3.11.2 Data Analysis**

Data analysis in this case was done quantitatively with statistical techniques such as the use of tables, frequencies and percentages in the analysis so as to ensure accuracy, adequacy and completeness of the study.

### **3.12 Limitations and delimitations of the study**

The researcher faced a challenge of non-response by some respondents. There are respondents who intentionally refused to answer the questions given to them.

Limited funds. The researcher had limited finances to move in the field to collect data, typing and printing of questionnaires.

### **3.13 Conclusion**

The chapter introduced and explained the methodological aspects that were followed when carrying out the research constituting research design in which descriptive survey design but cross sectional in nature was used, study population, sample size, sampling techniques used, the data collection methods and instruments that was employed during the study, quality control of the instruments, procedure of data collection, data analysis, measurement of the variables, ethical considerations and limitations to the study. This set ground for chapter four which dealt with presentation, analysis and interpretation of the results of the study.

## CHAPTER FOUR

### DATA ANALYSIS, PRESENTATION AND INTERPRETATION

#### 4.0 Introduction

This chapter presents presentation, analysis and interpretation of the findings to solve the research problem. In the presentation of findings, table frequencies, percentages and pie charts were used to describe the findings. It is from these findings that the study helped the researcher to draw conclusions and make recommendations that can be useful in organizations.

#### 4.1 Characteristics of respondents

The information of the respondents was important because they comprised of both sexes but of different marital status and age groups from various setting among others. This is intended in order to get a variety of views and unbiased responses which made the study a reality. The findings are shown in the figures below

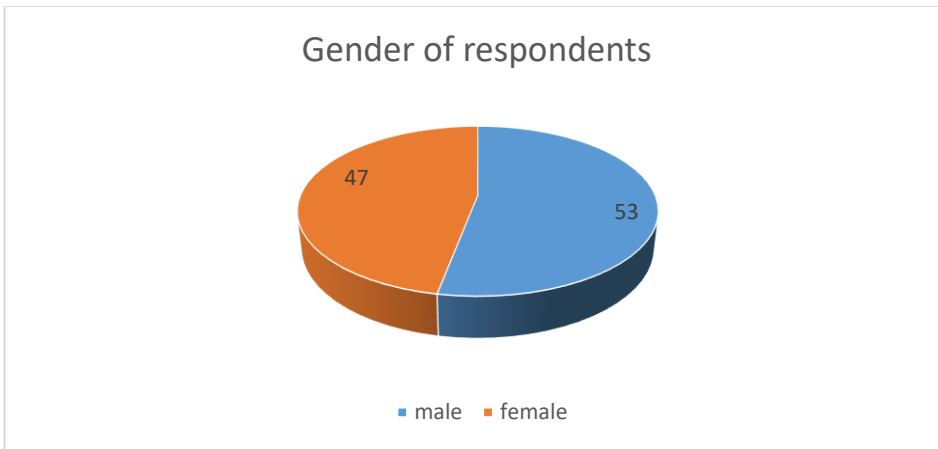
##### 4.1.1 Gender of respondents

**Table 4.1: Gender of respondents**

| Gender | Frequency | Percentage |
|--------|-----------|------------|
| Male   | 24        | 53%        |
| Female | 21        | 47%        |
| Total  | 45        | 100%       |

Source: Primary data2024

**Figure 4.1: Gender of respondents**



According to table 4.1 and figure 4.1, 53% (24) were male and 47% (21) were female implying that male to a greater extent participated in the study.

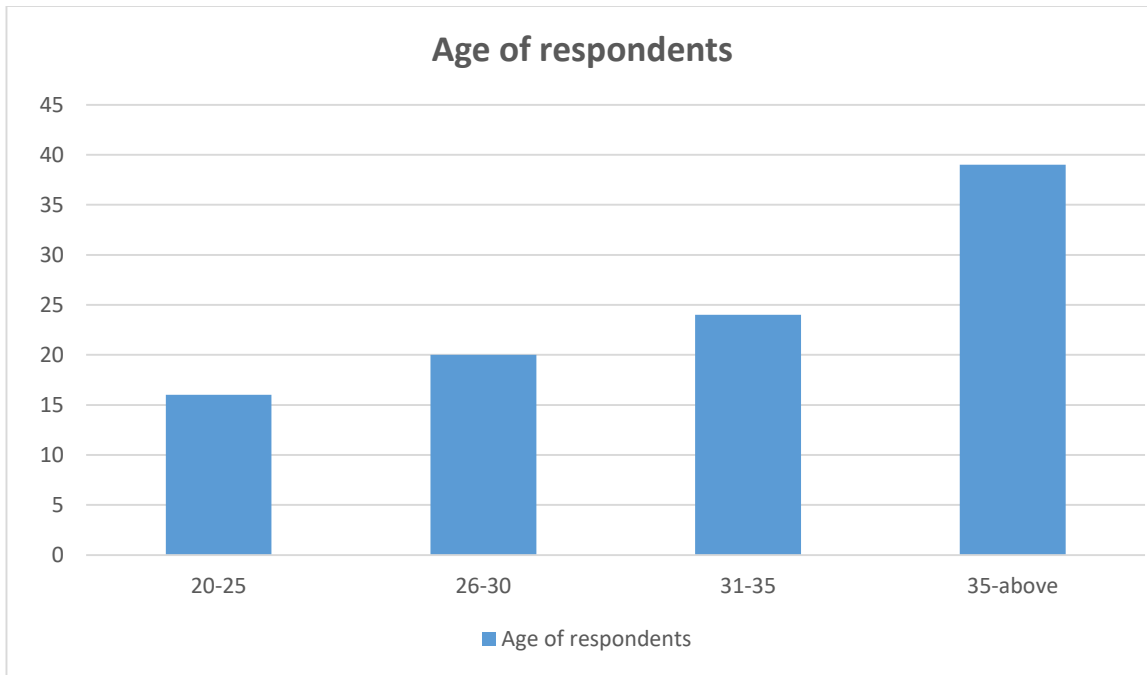
#### **4.1.2 Respondents' age**

**Table 4.2: Respondents' age**

| Age          | Frequency | Percentage |
|--------------|-----------|------------|
| 20-25        | 7         | 16%        |
| 26-30        | 9         | 21%        |
| 31-35        | 11        | 24%        |
| 35 and above | 18        | 39%        |
| Total        | 45        | 100%       |

Source: Primary data2024

**Figure 4.2: bar graph showing age of respondents**



#### Age of respondents

From table 4.2 and figure 4.2 above, 16% (7) of the respondents were between the age of 20-25 years, 21% (9) were between the age brackets of 26-30, 24% (11) were between 31-35 years and 39% (18) were 35 years and above. This implies that most of the respondents were 35 years and above.

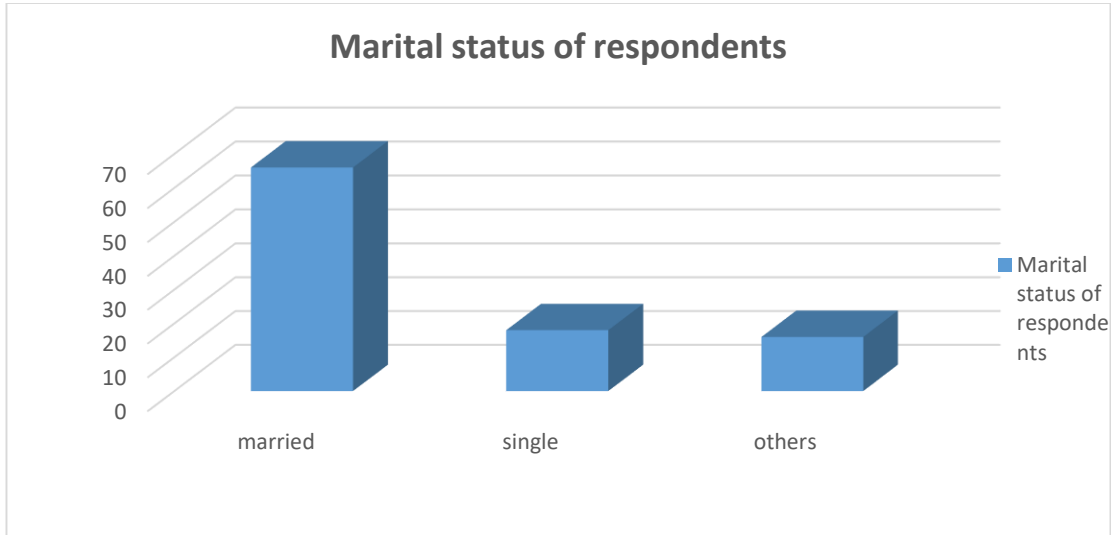
#### 4.1.3 Marital status of respondents

**Table 4.3: Marital status of respondents**

| Details | Frequency | Percentage |
|---------|-----------|------------|
| Married | 30        | 66%        |
| Single  | 8         | 18%        |
| Others  | 7         | 16%        |
| Total   | 45        | 100%       |

Source: Primary data2024

Figure 4.3: Column graph showing marital status of respondents



From table 4.3 and figure 4.3, 66% (30) of the respondents were married 18% (8) were singles and 16 % (7) were neither married nor single thus in lying in the category of widowed, divorced and separated. This implies that majority of the respondents were married represented by 66% of the respondents.

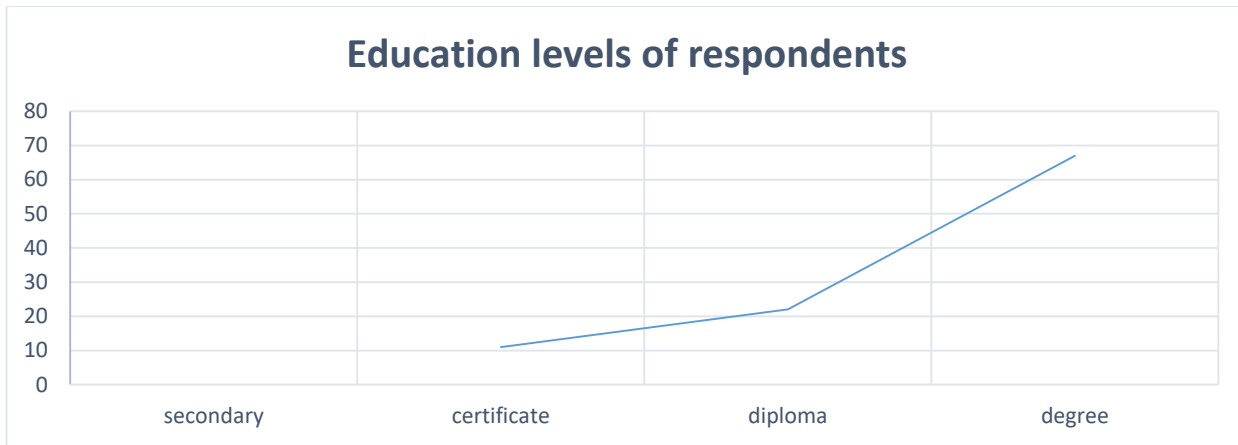
#### 4.1.4: Level of education of respondents

Table 4.4: Level of education of respondents

| Level of education | Frequency | Percentage |
|--------------------|-----------|------------|
| Secondary          | 0         | 0          |
| Certificate        | 5         | 11         |
| Diploma            | 10        | 22         |
| Degree             | 30        | 67         |
| Total              | 45        | 100        |

Source: Primary data2024

**Figure 4.4 Level of education of respondents**



From the table 4.4 and figure 4.4 above, the biggest percentage of respondents had completed degree level of education as it was revealed by 30 (67%) of the respondents, then 10 ( 22%) had completed diploma education, only 5 (11%) had certificates and none of the respondents had secondary as their highest level of education. Therefore all the respondents were elite and had technical knowledge about the study.

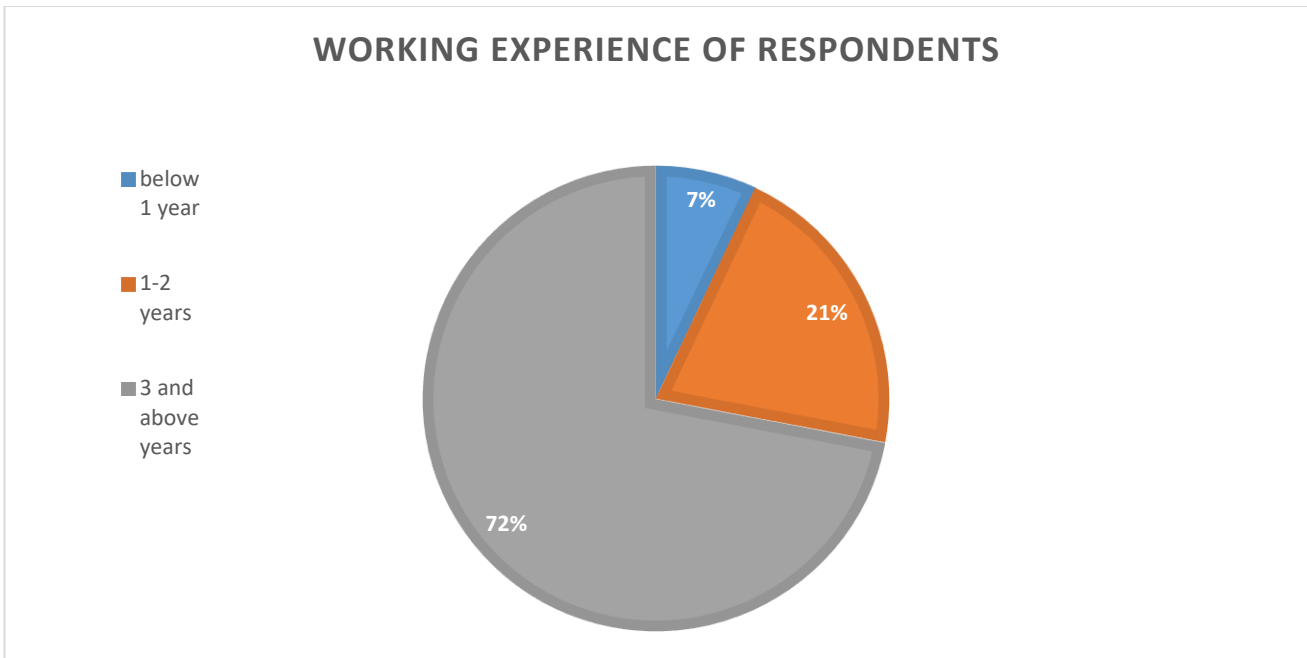
#### **4.1.5 Working Experience**

**Table 4.5: Working experience of respondents**

| Working experience | Frequency | percentage |
|--------------------|-----------|------------|
| Below 1 year       | 3         | 7          |
| 1-2 years          | 10        | 21         |
| 3 and above years  | 32        | 72         |
| Total              | 45        | 100        |

Source: Primary data2024

Figure 4.5: pie chart showing Working experience of respondents



The findings in table 4.5 and figure 4.5 above indicated that out of the 45 respondents, the majority had spent 3 years and above years on their current job (32)72%, they were followed by those who had spent 1-2 years on their current job (9)21 and the least number of respondents had spent less than 1 year on their job and were only (3)7%. This implies that most of the respondents had relevant experience and knowledge about the variables of the study as they had spent relevant time working with this organization.

## 4.2: Effect of Budget formulation on the performance of local governments.

**Table 4.6: Distribution of the responses on the Effect of Budget formulation on the performance of local governments.**

This was one of the key objectives of the study and the researcher wanted to find out the effect of Budget formulation on the performance of local government. In order to achieve this, the researcher asked several questions and the respondents were requested to indicate their level of agreement and disagreement on these effects. The responses on this are indicated in table 4.6 below;

|  | F  | %    | F | %    | F  | %    | F  | %    | F  | %    | F  | %   |
|--|----|------|---|------|----|------|----|------|----|------|----|-----|
| Statements   | SD |      | D |      | NS |      | A  |      | SA |      |    |     |
| A sound budget formulation promotes fiscal discipline by setting clear limits on expenditures and ensuring that revenues and expenditures are balanced | 5  | 11.1 | 6 | 15.5 | 8  | 16.7 | 12 | 27.8 | 14 | 28.9 | 45 | 100 |
| Proper budget formulation helps to avoid wasteful spending by directing funds to the most important and effective programs                             | 27 | 60   | 9 | 20   | 2  | 5    | 2  | 5    | 5  | 10   | 45 | 100 |
| Budgeting helps in formulating measurable goals  | 0  | 0    | 0 | 0    | 5  | 11.7 | 13 | 27.8 | 27 | 60.6 | 45 | 100 |
| Budgeting helps to formulate time bound goals  | 8  | 18.8 | 7 | 16   | 9  | 20   | 8  | 16.7 | 13 | 27.8 | 45 | 100 |
| Budgeting helps to formulate attainable goals  | 7  | 15   |   | 0    | 0  | 0    | 18 | 40.6 | 20 | 44.4 | 45 | 100 |
| Budgeting helps to achieve all the set goals   | 5  | 10   | 6 | 13.3 | 0  | 0    | 20 | 45.6 | 14 | 31.1 | 45 | 100 |
| Budgeting formulation ensures proper resource allocation   | 1  | 2.2  | 2 | 3.9  | 5  | 10.6 | 26 | 59.4 | 11 | 23.9 | 45 | 100 |
| Budgeting formulation enables critical planning for all the departments  | 0  | 0    | 5 | 10   | 7  | 17   | 10 | 23   | 23 | 50   | 45 | 100 |
|  |    |      |   |      |    |      |    |      |    |      |    |     |

*Average index 3.87*

Source: Primary data2024

14(28.9%) of the respondents strongly agreed that sound budget formulation promotes fiscal discipline. This is indicated by the wide spread recognition of the role of budgeting in enforcing financial controls within local governments. This finding is consistent with the argument by Schick (1998) that well-structured budgets set clear financial boundaries that prevent overspending and ensure that expenditures do not exceed available revenues, thereby maintaining fiscal discipline.

5(10%) of the respondents believed that proper budget formulation helps to avoid wasteful spending. The respondents indicated that by aligning expenditures with priorities, local governments can reduce inefficiencies. This aligned with the research by Wildavsky (1978) which suggested that budgeting is essential for eliminating waste by ensuring that all spending is justified and linked to specific goals

27(60.6%) strongly agreed that budgeting aids in formulating measurable goals, which are crucial for tracking progress and evaluating performance. The ability to set measurable goals is a key aspect of performance based budgeting, as highlighted by Joyce (1993), who argued that budget should include clear, quantifiable objectives to facilitate evaluation and accountability.

13(27.8%) of the respondents reported that budgeting assists in setting time bound goals, ensuring that projects are completed within specified timelines. The time-bound goals are critical for effective project management as suggested by the work of Locke and Latham (2002), who emphasized that setting specific deadlines enhances motivation and focus.

20(44.4%) of the respondents indicated that budgeting helps in setting attainable goals by considering the resources available and realistic constraints. This finding aligned with the SMART (specific, measurable, achievable, relevant, time- bound criteria for goal setting as detailed by Doran (1981), which emphasized that goals should be realistic given the constraints faced by an organization.

20(45.6%) of the respondents felt that budgeting facilitates the achievements of set goals by providing a clear financial framework that aligns resources with objectives. Achieving set goals through effective budgeting is supported by the findings of Rubin (1990), who noted that a well- designed budget serves as a roadmap for action, ensuring that resources are allocated in a manner that supports goal attainment.

26(59.4%) of the respondents agreed that budget formulation ensure proper resource allocation, which is critical for achieving departmental objectives. This is consistent with the perspective of Drury (2008), who argued that budget formulation is key to the strategic allocation of resources, ensuring that funds are directed to areas of potential impact.

23(50%) of the respondents stated that budget formulation enables critical planning for all departments, ensuring a coordinated approach to resource allocation and goal setting. This finding is in line with the work of Mintberg (1994), who suggested that budgeting is an integral part of strategic planning, providing a structured approach for departments to align their plans with overall organizational goals.

### 4.3: Effect of Budget implementation on the performance of local governments.

**Table 4.7: Distribution of the responses on the Effect of Budget implementation on the performance of local governments.**

|   | F  | %    | F | %   | F  | %   | F  | %    | F  | %    | F  | %   |
|---|----|------|---|-----|----|-----|----|------|----|------|----|-----|
| Statements  | SD |      | D |     | NS |     | A  |      | SA |      |    |     |
| Budget implementation promote adherences to budget timelines ensuring that projects are completed on schedules avoiding delays that can increase costs and disrupt services | 2  | 5    | 5 | 10  | 7  | 15  | 22 | 50   | 9  | 20   | 45 | 100 |
| Budget implementation facilitate decision making  | 5  | 10   | 2 | 5   | 5  | 10  | 23 | 52   | 10 | 23   | 45 | 100 |
| Budget implementation ensures proper resource utilization   |    |      | 3 | 7.5 | 3  | 7.5 | 27 | 60   | 12 | 25   | 45 | 100 |
| Budget implementation spear heads project management  | 4  | 10   | 4 | 10  | 7  | 15  | 17 | 37   | 13 | 28   | 45 | 100 |
| Budget implementation ensures proper accountability of funds  | 2  | 5    | 2 | 5   | 2  | 5   | 5  | 10   | 34 | 75   | 45 | 100 |
| Budget implementation improves the performance of the organization leading to quality service delivery  |    |      | 5 | 10  | 5  | 10  | 20 | 45   | 15 | 35   | 45 | 100 |
| Budget implementation enables detection of dominant sectors   | 7  | 15.8 | 5 | 10  | 0  | 0   | 15 | 35   | 18 | 39.2 | 45 | 100 |
| Budget implementation helps an organization to work in a planned environment  | 5  | 10.3 | 9 | 20  |    |     | 14 | 30.7 | 17 | 39   | 45 | 100 |
| Average index 4.19  |    |      |   |     |    |     |    |      |    |      |    |     |

Source: Primary data2024

22(50%) of the agreed that budget implementation promotes adherence to timelines, thus avoiding delays that could increase costs and interrupt services. This finding supports the notion that effective budget implementation is critical for timely project completion which prevents costs overruns and service disruptions. This is consistent with the perspective of Ekholm and Wallin (2000), who emphasized the importance of adhering to budget timelines in project management.

23(52%) of the respondents believed that budget implementation facilitates decision making by providing a clear financial framework within which decisions are made. Effective budget implementation provides the necessary information and constraint that guide decision making processes, as noted by Anthony and Govindarajan (2007) who argued that budgets serves as a critical tool for managerial decision-making.

27(60%) of the respondents agreed that budget implementation ensures proper resource utilization by aligning expenditures with priorities. This finding is in line with Drury, (2008), who posits that budget implementation is vital for ensuring that resources are used efficiently and effectively, reducing wastage and optimizing performance.

17(37%) of the respondents indicated that budget implementation spearheads project management by providing the necessary financial structure for executing and monitoring the projects. The role of budget implementation in project management is crucial as it ensures that projects are delivered on time and with budget as highlighted by kerzners (2017).

34(75%) of the respondents believed that budget implementation ensures proper accountability of funds which is critical for maintaining financial integrity and public trust. Ensuring accountability through budget implementation is essential for transparency and compliance, consistence with the findings of Diamond and Khemani (2005) who stressed the importance of accountability in public financial management.

20(45%) of the respondents agreed that budget implementation improves organizational performance and leads to better service delivery. This finding aligned with the research of Kaplan and Nortion (1996), who argued that proper budget implementation enhances organizational performance by aligning resources with strategic objectives, thereby improving service delivery.

18(39.2%) of the respondents strongly agreed that budget implementation helps in detecting dominant sectors within the local government, which can guide strategic planning and resource allocation. Identifying dominant sectors through budget implementation is crucial for strategic planning as it allows for prioritization of key areas, a concept supported by Mintzberg (1994).

17(39%) of the respondents believed that budget implementation help the organization to work in planned environment, ensuring that all activities are aligned with the strategic goals. Working in planned environment is critical for organizational efficiency and effectiveness as argued by Ansoff (1991), who highlighted the importance of in achieving organization success.

#### 4.4 Effect of Budget Monitoring on the Performance of Local Governments.

**Table 4.8: Budget Monitoring and Performance of Local Governments**

|   | F  | %    | F  | %   | F  | %  | F  | %    | F  | %    | F  | %   |
|---|----|------|----|-----|----|----|----|------|----|------|----|-----|
| Statements  | SD |      | D  |     | NS |    | A  |      | SA |      |    |     |
| The district ensures budget monitoring  | 20 | 44.4 | 18 | 40  | 0  | 0  | 5  | 10   | 2  | 5.6  | 45 | 100 |
| All employees are well conversant with budget monitoring                      | 0  | 0    | 3  | 7.2 | 0  | 0  | 28 | 62   | 14 | 30.8 | 45 | 100 |
| Budget monitoring helps to track the performance of employees                 | 9  | 20   | 4  | 8.4 | 0  | 0  | 22 | 50   | 10 | 21.6 | 45 | 100 |
| Budget monitoring ensures working in the set budgetary means                  | 4  | 9.8  | 5  | 10  | 0  | 0  | 23 | 50.2 | 13 | 30   | 45 | 100 |
| Budget monitoring helps to reduce extravagancy of employees                   | 5  | 10   | 3  | 6.6 | 0  | 0  | 18 | 40.4 | 19 | 43   | 45 | 100 |
| Budget monitoring helps in tracking of funds                                  | 5  | 11   | 2  | 5.4 | 0  | 0  | 23 | 50.6 | 15 | 33   | 45 | 100 |
| Budget monitoring ensure clear financial reporting                            | 4  | 9    | 0  | 0   | 0  | 0  | 18 | 40   | 23 | 51   | 45 | 100 |
| Budget monitoring generally improves the performance of this local government | 7  | 15   | 0  | 0   | 5  | 10 | 20 | 45   | 13 | 30   | 45 | 100 |
| Average index 4.36  |    |      |    |     |    |    |    |      |    |      |    |     |

Source: Primary data2024

2(5.6%) and 5(10%) of the respondents strongly agreed and agreed respectively that the district ensures budget monitoring, indicating a strong commitment to oversight. The study revealed effective budget monitoring by the district is essential for maintaining fiscal discipline and ensuring that resources are used as intended. This finding

aligned with the views of Wildavsky (1975), who emphasized the importance of continuous budget monitoring in public administration.

28(62%) of the respondents believed that all employees are well conversant with budget monitoring practices. The finding of the study revealed that employees understanding of the budget monitoring is crucial for the effective implementation of budget controls across all levels of the organization. This is consistent with the argument by Mintzberg (1989) that knowledge and training are key to successful budget monitoring.

22(50%) of the respondents agreed that budget monitoring helps to track employee performance. The finding of the study revealed that monitoring budgets allows management to evaluate employee performance against financial targets and objectives. This is supported by the findings of Kaplan and Norton (1996), who discussed the role of performance metrics in effective management.

23(50.2%) of the respondents believed that budget monitoring ensures adherence to budgetary limits. The finding of the study revealed that ensuring that operations remains within budgetary limits is a fundamental outcome of effective budget monitoring, as Drury (2008) explained, this help to prevent overspending and ensure financial sustainability.

19(43%) of the respondents strongly agreed that budget monitoring helps to curb employee extravagance. The finding of the study showed that by closely monitoring the expenditures, budget monitoring helps in reducing wasteful spending and encourage prudent use of resources. This is in line with Anthony and Govindarajan's (2007) discussion on the role of controls in managing organizational behavior.

23(50.6%) of the respondents believed that budget monitoring is effective in tracking funds. The findings of the study revealed that tracking funds through budget monitoring ensure that all financial transactions are properly recorded and aligned with the budget. According to Diamond and Khemani (2005), this is critical for transparency and accountability in financial management.

23(51%) of the respondents strongly agreed that budget monitoring leads to clear and accurate financial reporting. The finding of the study revealed that clear financial reporting is a direct result of effective budget monitoring as it ensures that all financial activities are properly documented and reported. This is supported by the work of Neely, Bourne and Adams (2003), who highlighted the importance of reporting in performance management.

20(45%) of the respondents believed that budget monitoring significantly improves the performance of local government. The finding of the study revealed that the overall improvement in performance attributed to budget monitoring reflects its role in ensuring financial discipline, enhancing accountability and promoting efficiency.

This was noted by Hopwood (1972), where he expressed that effective monitoring is a cornerstone of successful organizational performance.

## Status of performances in local government

### 4.5 Enhancements of accountability in local governments.

**Table 4.9: Distribution of responses on measuring the level of accountability in local government**

|   | F  | %    | F | %    | F  | %    | F  | %    | F  | %    | F  | %   |
|---|----|------|---|------|----|------|----|------|----|------|----|-----|
| Statements  | SD |      | D |      | NS |      | A  |      | SA |      |    |     |
| Public participation ensures effective decision making processes such as public consultations, town hall meetings and participatory budgeting | 5  | 11.1 | 6 | 15.5 | 8  | 16.7 | 12 | 27.8 | 14 | 28.9 | 45 | 100 |
| Local government regularly publishes detailed budgets and financial statements including how funds are allocated and spent                    | 27 | 60   | 9 | 20   | 2  | 5    | 2  | 5    | 5  | 10   | 45 | 100 |
| The local government complies with national laws and regulations including anti-corruption measures and procurement processes                 | 3  | 6.4  | 1 | 2.5  | 5  | 9.2  | 10 | 21.3 | 26 | 60.6 | 45 | 100 |
| The local government effectively response to community concerns and emergencies   | 8  | 18.8 | 7 | 16   | 9  | 20   | 8  | 16.7 | 13 | 27.8 | 45 | 100 |
| The local government has put in place mechanisms to prevent, detect and punish corrupt officials  | 7  | 15   | 0 | 0    | 0  | 0    | 18 | 40.6 | 20 | 44.4 | 45 | 100 |

Source: Primary data2024

The findings of the study indicated that most of the community members in Nakapiripirit District participates in decision making processes with 14(28.9%) of respondents strongly agreeing to the statement, 13(27.8) agreed

with the statement meanwhile 5(11.1%) and 6(15.5%) strongly disagreed and disagreed with the statement respectively. 8(16.7%) of the respondents were not sure about the statement

The finding further indicated that the local government of Nakapiripirit district does not publishes detailed budgets and financial statements including how funds are allocated and spent on regular basis, this was supported by the fact that 27(60%) of the respondents strongly disagreed with the statement, 9(20%) disagreed with the statement. The finding of the study also revealed that Nakapiripirit district local government complies with national laws and regulations basing on the fact that 26(60.6%) of the respondents strongly agreed with the statement, 10(21.3%) of the respondents agreed with the statement meanwhile 3(6.4%) and 1(2.5%) of the respondents strongly disagreed and disagreed respectively.

The finding of the study indicated that Nakapiripirit district local government response effectively to community concerns and emergencies, this was supported by 13(27.8%) of the respondents who strongly agreed with the statement.

The finding of the study revealed that Nakapiripirit district local government has put in place mechanisms to prevent, detect and punish corrupt officials as this was supported by 20(44.4%) of the respondents who strongly agreed to the statement.

#### 4.6 Achievements of goals in local governments.

**Table 5.0: Distribution of responses on measuring the achievement of goals in local government**

|  | F  | %  | F | %   | F  | %   | F  | %  | F  | %  | F  | %   |
|--|----|----|---|-----|----|-----|----|----|----|----|----|-----|
| Statements   | SD |    | D |     | NS |     | A  |    | SA |    |    |     |
| Bench marking by comparing the performance against similar jurisdictions or national standards | 2  | 5  | 5 | 10  | 7  | 15  | 22 | 50 | 9  | 20 | 45 | 100 |
| Stakeholder feedback through conducting citizen surveys  | 5  | 10 | 2 | 5   | 5  | 10  | 23 | 52 | 10 | 23 | 45 | 100 |
| Analyzing efficiency in resource utilization   | 0  | 0  | 3 | 7.5 | 3  | 7.5 | 27 | 60 | 12 | 25 | 45 | 100 |
| Conducting review and adjustments  | 4  | 10 | 4 | 10  | 7  | 15  | 17 | 37 | 13 | 28 | 45 | 100 |
| Evaluation of outcomes   | 2  | 5  | 2 | 5   | 2  | 5   | 5  | 10 | 34 | 75 | 45 | 100 |

Source: Primary data2024

The finding indicated that bench marking is an important factor in measuring the achievement of goals by the local government as it highlights areas of success and identify where improvements are needed and it also helps in identifying and adopting best practices from other local governments that have successfully achieved similar goals. This was supported by the fact that 22(50%) of the respondents agreed with the statement as well as 9(20%) of the respondents strongly agreed with the statement and this comprised the largest number of respondents that responded positively.

The researcher also interviewed the respondents on how stakeholder feedback through conducting citizen surveys can enhance goal achievement and the respondents gave out their views by saying that citizen surveys ensure that feedback are gathered from citizens in order to gauge their perceptions of how well the local government is meeting its goals, particularly those related to public services. This was supported by 23(52%) and 10(23%) of the respondents agreeing and strongly agreeing to the statement.

The researcher interviewed the respondents on how efficient utilization of resources can lead to achievement of goals and the respondents responded by saying that efficiency ensures that spending is aligned with the planned budget and also ensures that financial resources are allocated and utilized effectively to meet the goals. This was evidenced by 22(50%) of the respondents agreeing and 9(20%) strongly agreeing

Conducting review and adjustments was also an area of interest for the researcher and the respondents responded saying that conducting periodic reviews of progress ensure that the goals remain relevant and achievable by adjusting strategies and resources as necessary based on the reviews. This was supported by 17(37%) and 13(28%) of the respondents who agreed and strongly agreed respectively.

Evaluation of outcomes was another factor that the researcher interviewed with the respondents and the respondents gave out their views saying that evaluation helps in differentiating between outputs for example the number of projects completed and outcomes for example the actual impact on the community and this was supported by the fact that 34(75%) of the respondents strongly agreed

#### 4.7 Expenditure controls in local governments.

**Table 5.1: Distribution of responses on expenditure control in local government**

|   | F  | %    | F  | %   | F  | % | F  | %    | F  | %    | F  | %   |
|---|----|------|----|-----|----|---|----|------|----|------|----|-----|
| Statements  | SD |      | D  |     | NS |   | A  |      | SA |      |    |     |
| Training and capacity building of local government officials    | 20 | 44.4 | 18 | 40  | 0  | 0 | 5  | 10   | 2  | 5.6  | 45 | 100 |
| Expenditure prioritization by the local government institutions | 0  | 0    | 3  | 7.2 | 0  | 0 | 28 | 62   | 14 | 30.8 | 45 | 100 |
| Revenue management by the local government institutions         | 9  | 20   | 4  | 8.4 | 0  | 0 | 22 | 50   | 10 | 21.6 | 45 | 100 |
| Cost management   | 4  | 9.8  | 5  | 10  | 0  | 0 | 23 | 50.2 | 13 | 30   | 45 | 100 |
| Internal controls and audits                                    | 5  | 10   | 3  | 6.6 | 0  | 0 | 18 | 40.4 | 19 | 43   | 45 | 100 |

Source: Primary data2024

Training and capacity building was one of the indicators for expenditure controls that the researcher interviewed the respondents on as ongoing training for local government officials on financial management, budgeting and expenditure control enhance the ability to manage public funds effectively, however this was not taken into consideration by the respondents as an important factor as it leads to diversion of resources which could have been used in other productive activities such as roads maintenance, agriculture, this was supported by the fact that 20(44.4%) of the respondents strongly disagreed with the statement, 18(40%) of the respondents disagreed.

Expenditure prioritization was also another factor that the researcher interviewed the respondents on and the respondents responded by saying that local government should prioritize their spending on essential services like healthcare, education and public safety while postponing non-essential expenditures during budget constraints. This was supported by the fact that 28(62%) agreed with the statement as well as 14(30.8%) strongly agreed with the statement.

Revenue management was also another factor that the researcher interviewed the respondents on as part of expenditure control and the respondents responded by saying that the local government should develop diversified and sustainable revenue streams to ensure that the local government can cover its expenditures without relying too heavily on any single source. This was supported by the fact that 22(50%) of the respondents agreed with the statement while 10(21.6%) of the respondents strongly agreed with the statement

Cost management was also another factor that the researcher brought on board while interacting with the respondents and they responded that local government should perform cost benefit analysis before committing to large expenditures to ensure that benefits justify the costs. This was supported by the fact that 23(50.2%) of the respondents agreed with the statement, 13(30%) strongly agreed with the statement.

Internal controls and audits was another factor that the researcher asked the respondents and the respondents responded by saying that the local government should establish strong internal controls over financial processes including approval hierarchies, segregation of duties and access controls to prevent unauthorized or fraudulent spending. This was supported by the fact that 18(40.4%) agreed with the statement meanwhile 19(43%) strongly agreed with the statement

## CHAPTER FIVE

### DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

#### 5.0 Introduction

This chapter presents the discussions, conclusions, and recommendations drawn from the study findings of the previous chapter.

#### 5.1 Discussion of the findings

##### 5.1.1 Effect of Budget formulation on the performance of local governments.

The finding of the study revealed that effective budget formulation ensured that financial resources are allocated in alignment with the strategic goals of the local government. For example, if a local government prioritized infrastructure development, a well formulated budget would allocate sufficient resources to public works and capital projects, thereby improving service delivery outcomes (Anessi-Pessina, et al., 2016). Conversely, poor alignment between the budget and strategic objectives has led to inefficiencies, where essential services may be unfunded while less critical areas receive disproportionate resources. This misalignment has resulted to delayed or incomplete projects reducing the overall effectiveness of local government operations. (Goddard, 2010). The research question that guided this objective was “Budgeting formulation ensures proper resource allocation”

##### 5.1.2 Effect of Budget implementation on the performance of local governments.

The finding of the study revealed that effective budget implementation has promoted transparency and accountability by ensuring that funds are spent as intended and that there is clear reporting on expenditures and outcomes. Transparency in budget execution has built public trust and ensured that government officials are held accountable for their management of public funds (Folscher, 2007). The study further revealed that lack of transparency during budget implementation has led to high level of corruption among the government officials, misappropriation of funds and reduced public confidence in local government. This has undermined the effectiveness of governance and resulted in poor service delivery (Shah, 2007). The research question that guided this objective was that “budget implementation ensures proper accountability of funds”

### **5.1.3 Effect of Budget Monitoring on the Performance of Local Governments.**

The study of the finding has revealed that budget monitoring has provided valuable feedback on the effectiveness of budget implementation by highlighting areas of success and areas needing improvement. This feedback is critical for refining the budgetary processes, improving resource management and enhanced overall performance over time (Moynihan, 2008). The study also further revealed that effective monitoring has allowed local governments to learn from the past budgetary experiences, using data and insights to inform future budget formulations and implementation strategies. This continuous learning process has contributed to more effective governance and improved service delivery (Behn, 2003). The research question that guided this objective was that “budget monitoring generally improves the performance of this local government”

## **5.2 Conclusions**

### **5.2.1 Effect of Budget formulation on the performance of local governments**

The finding revealed that proper budget formulation ensured that limited resources are allocated in a manner that align with the local government’s strategic objectives such as infrastructure development, social services and economic growth. This alignment has promoted efficient use of funds and has supported the achievement of long term goals (Schick, 1998)

### **5.2.2 Effect of Budget implementation on the performance of local governments.**

The findings of the study showed that transparent implementation processes has enhanced accountability as stakeholders are able to track expenditures and outcomes. This has not only built public trust but has also deterred corruption and mismanagement, thus contributed to better governance and stronger institutional performance (Shah, 2007)

### **5.2.3 Effect of Budget Monitoring on the Performance of Local Governments.**

The finding of the study showed that continuous budget monitoring has allowed local government to identify deviations from the budget in real time, enabling timely interventions and adjustments. This proactive approach has helped in avoiding fiscal imbalances, ensuring that expenditures stays within the allocated limits and that policy objectives are achieved (Behn, 2003)

## **5.3 Recommendations**

### **5.3.1 Effect of Budget formulation on the performance of local governments.**

The local government entities should develop realistic and conservative revenue forecasts to ensure that the budget is sustainable, while putting into consideration historical data, economic trends and potential risks. The local governments should also diversify their revenue sources to reduce dependence on a single source and ensure financial stability.

### **5.3.2 Effect of Budget implementation on the performance of local governments.**

The local government entities should define clear and measurable objectives for each budgetary allocation. This help in evaluating the effectiveness of spending. The local government entities should ensure regular monitoring of budget implementations and evaluate outcomes against set objectives. The allocations should be adjusted if necessary to meet performance goals.

### **5.3.3 Effect of Budget Monitoring on the Performance of Local Governments.**

The local government entities should requires the departments to submit regular activity and financial reports typically on monthly or quarterly basis to truck budget performance against projections. The local government entities should also conduct regular variance analyses to identify differences between budgeted and actual expenditures and address any discrepancies promptly.

### **5.4 Area for further study**

The study was limited on the number of years under study due to unavailable data for longer period. Future research should consider longer study periods for generalizing the results.

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## APPENDICES

### APPENDIX A: QUESTIONNAIRE

#### QUESTIONNAIRE ON BUDGET MANAGEMENT AND FINANCIAL PERFORMANCE OF LOCAL GOVERNMENT

I am Okello Denis Emmanuel a student of Uganda Christian University Mbale campus pursuing a bachelor's degree in business administration (accounting option)

As a requirement in partial fulfillment for the award of the above mentioned course, I am required to carry out a field research study on "Budget management and performance of local governments, a case study of Nakapiripirit District Local government"

Please spare me some time and respond to the questions below as honestly as you can.

Information provided is for academic purposes only and will be treated as private and confidential.

#### SECTION A

##### PERSONAL DATA (1-5)

Please respond by ticking the one you deem appropriate and express your opinion as and when required.

1. Sex

A. Male.

B. Female.

2. Age

A. 20-25.

B. 26-30.

C. 31-35.

D. 35 and above.

3. Marital status

A. Married.

B. single.

C others.

4. Educational background

A. Secondary.

B. certificate.

C. Diploma.

D. Degree.

5. How long have you been working at Nakapiripirit district local government?

A. below 1 year.

B. 1-2 years.

C. above 3 years.

**SECTION B: Effect of Budget formulation on the performance of local governments.**

Direction: Under the following sections, please tick according to your level of agreement.

1. Strongly Agree 2. Agree 3. Not sure 4. Disagree 5. Strongly Disagree

Please evaluate the statement by ticking in the box with the number that best suits your opinion

| Scale  | 1 | 2 | 3 | 4 | 5 |
|--|---|---|---|---|---|
| A sound budget promotes fiscal discipline by setting clear limits on expenditures and ensuring that revenues and expenditures are balanced |   |   |   |   |   |
| Proper budget formulation helps to avoid wasteful spending by directing funds to the most important and effective programs                 |   |   |   |   |   |
| Budgeting helps to formulate measurable goals  |   |   |   |   |   |
| Budgeting helps to formulate time bound goals  |   |   |   |   |   |
| Budgeting helps to formulate attainable goals  |   |   |   |   |   |
| Budgeting helps to achieve all the set goals   |   |   |   |   |   |
| Budget formulation ensures proper resource allocation  |   |   |   |   |   |
| Budgeting implementation enables critical planning for all the departments   |   |   |   |   |   |

**SECTION C: Effect of Budget implementation on the performance of local governments.**

Direction: Under the following sections, please tick according to your level of agreement.

1. Strongly Agree 2. Agree 3. Not sure 4. Disagree 5.Strongly Disagree

Please evaluate the statement by ticking in the box with the number that best suits you.

| Scale   | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Budget implementation promote adherences to budget timelines ensuring that projects are completed on schedules avoiding delays that can increase costs and disrupt services |   |   |   |   |   |
| Budgeting implementation facilitates decision making  |   |   |   |   |   |
| Budget implementation ensures proper resource utilization   |   |   |   |   |   |
| Budget implementation spear heads project management  |   |   |   |   |   |
| Budget formulation ensures proper accountability of funds   |   |   |   |   |   |
| Budget implementation improves the performance of the Organization  |   |   |   |   |   |
| Budget implementation enables detection of dominant sectors   |   |   |   |   |   |
| Budget implementation helps an organization to work in a planned environment  |   |   |   |   |   |

**SECTION D: Effect of Budget Monitoring on the Performance of Local Governments.**

Direction: Under the following sections, please tick according to your level of agreement.

1. Strongly Agree 2. Agree 3. Not sure 4. Disagree 5.Strongly Disagree

Please evaluate the statement by ticking in the box with the number that best suits you.

| Scale   | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Frequent reporting on budget performance increases transparency making it easier to communicate financial status to stakeholders                |   |   |   |   |   |
| Monitoring provides real-time data that supports informed decision-making enabling adjustments to be made based on current financial conditions |   |   |   |   |   |
| Budget monitoring helps to track the performance of employees   |   |   |   |   |   |
| Budget monitoring ensures working in the set budgetary means  |   |   |   |   |   |
| Budget monitoring helps to assess financial risk and implement contingency plans to mitigate potential negative impacts                         |   |   |   |   |   |
| Budget monitoring helps in tracking of funds  |   |   |   |   |   |
| Budget monitoring ensure clear financial reporting  |   |   |   |   |   |
| Budget monitoring generally improves the performance of this local government   |   |   |   |   |   |

**SECTION E: The measures of performances in local governments.**

Direction: Under the following sections, please tick according to your level of agreement.

1. Strongly Agree 2. Agree 3. Not sure 4. Disagree 5. Strongly Disagree

Please evaluate the statement by ticking in the box with the number that best suits your opinion

| Scale   | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| <b>Enhancements of accountability in local governments.</b>   |   |   |   |   |   |
| Public participation ensures effective decision making processes such as public consultations, town hall meetings and participatory budgeting |   |   |   |   |   |
| Local government regularly publishes detailed budgets and financial statements including how funds are allocated and spent                    |   |   |   |   |   |
| The local government complies with national laws and regulations including anti-corruption measures and procurement processes                 |   |   |   |   |   |
| The local government effectively response to community concerns and emergencies   |   |   |   |   |   |
| The local government has put in place mechanisms to prevent, detect and punish corrupt officials  |   |   |   |   |   |
| <b>Achievements of goals in local governments.</b>  |   |   |   |   |   |
| Bench marking by comparing the performance against similar jurisdictions or national standards  |   |   |   |   |   |
| Stakeholder feedback through conducting citizen surveys   |   |   |   |   |   |
| Analyzing efficiency in resource utilization  |   |   |   |   |   |
| Conducting review and adjustments   |   |   |   |   |   |
| Evaluation of outcomes  |   |   |   |   |   |
| <b>Expenditure controls in local governments.</b>   |   |   |   |   |   |
| Training and capacity building of local government officials  |   |   |   |   |   |
| Expenditure prioritization by the local government institutions   |   |   |   |   |   |
| Revenue management by the local government institutions   |   |   |   |   |   |
| Cost management   |   |   |   |   |   |
| Internal controls and audits  |   |   |   |   |   |

Thank you for your time.

May God bless you.



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## BUSINESS DEPARTMENT

To NAKAPIRIPIT DISTRICT  
LOCAL GOVERNMENT

*Permitted to undertake the academic research.*

*29/1/2024*  
FOR CHIEF ADMINISTRATIVE OFFICER  
NAKAPIRIPIT DISTRICT

Dear Sir/Madam,

Re: Academic Research

Christian greetings!

We are honored to introduce to you Mr. Mrs./Miss. OKELLO DENIS EMMANUEL  
Of Registration Number; S22/MUC/BBA/037 pursuing a Masters' Degree/Postgraduate Diploma / Bachelor's Degree  
Bachelor's Degree

He/ she is required to carry out an academic research on the topic  
Budget Management and performance of local governments,  
A case study of Nakapiripit District Local Government  
and thereafter produce a well bound hard cover research report (**MAROON**) in color for undergraduate and three (**BLACK**) copies for Postgraduate students as a University requirement for the award of a degree/diploma in the academic discipline that he / she is pursuing.

We shall be grateful for the help you may offer to him or her accordingly.

Thank you.

Yours faithfully,

  
HEAD OF DEPARTMENT BUSINESS UCU-MUC  
Henry Omache Ogachi

