

**ACCOUNTING PRACTICES AND FINANCIAL REPORTING IN LOCAL  
GOVERNMENT: CASE STUDY OF BUTEBO DISTRICT LOCAL GOVERNMENT**

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**UGANDA CHRISTIAN  
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## DECLARATION

I Wasunire Charles declare that the content of this research report is my original work and to the best of my knowledge this work has never been submitted anywhere for any award. It is done through my own efforts.

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## APPROVAL

I certify that this is original work drawn by Wasunire Charles has been under my supervision and is now ready for submission to the department of business of Uganda Christian University.



Signature: .....

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(SUPERVISOR)

## **DEDICATION**

This research report is wholeheartedly dedicated to my beloved wife, Kapiisa Hellen, whose unwavering love, patience, and support have been my greatest source of strength throughout this academic journey; and to my dear mother, Baluka Florence, whose sacrifices, prayers, and enduring encouragement have shaped the person I am today. Their constant belief in me has been the foundation upon which this achievement stands.

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## **LIST OF ABBREVIATIONS**

AGR	:	Auditor General’s Reports
BDLG	:	Butebo District Local Government
CAO	:	Chief Administrative Officer
CIPFA	:	Chartered Institute of Public Finance and Accountancy
GAAP	:	Generally Accepted Accounting Principles
GPSAS	:	German Public Sector Accounting Standards
IFAC	:	International Federation of Accountants
IFMIS	:	Integrated Financial Management Information System
IFMS	:	Integrated Financial Management System
IFRS	:	International Financial Reporting Standards
IPSAS	:	International Public Sector Accounting Standards
IPSAS	:	International Public Sector Accounting Standards
LC1	:	Local Council One
LGAC	:	Local Government Act
MFMA	:	Municipal Finance Management Act
MLG	:	Ministry of Local Government
PFMA	:	Public Finance Management Act

## **ABSTRACT**

This research report was undertaken to investigate accounting practices and financial reporting in local government. This study examined the effect of different accounting methods: accrual accounting, modified accrual accounting, and cash accounting on the financial reporting of Butebo District Local Government. The research adopted a descriptive survey design using quantitative approaches. Data were collected through closed-ended questionnaires. The findings revealed that accrual accounting moderately enhances financial reporting, with 66% of respondents (44% strongly agreed, 22% agreed) confirming its role in improving accuracy and accountability. Modified accrual accounting was found to have the strongest influence, with 72% of respondents acknowledging its effectiveness in improving the comparability and reliability of financial statements. Regression analysis confirmed this with a strong positive relationship (Beta = 0.521,  $p = 0.000$ ). In contrast, cash accounting showed a weak positive impact (Beta = 0.042,  $p = 0.032$ ), with only 36% of respondents finding it helpful for accurate reporting. The study concludes that while modified accrual accounting is the most effective method for enhancing financial reporting in the public sector, accrual accounting also contributes positively. Cash accounting, though still in use, lacks the depth needed for transparent and comprehensive financial reporting. The study recommends a shift towards modified accrual practices for improved accountability, reliability, and decision-making in public financial management.

# **CHAPTER ONE**

## **INTRODUCTION**

### **1.0 Introduction**

This chapter presents a background to the study, historical perspective, theoretical perspective conceptual background, contextual perspective, statement of the problem, purpose of the study, objectives, and Research questions, scope of the study, significance of the study and conceptual framework.

### **1.1 Background of the study**

#### **1.1.1 Historical perspective**

At the global perspective, accounting practices and financial reporting have gained significant attention as critical tools for promoting transparency, good governance, and accountability in public institutions. According to IFAC and CIPFA (2020), sound public financial management systems are foundational in enhancing fiscal sustainability and effective service delivery in local governments. The International Public Sector Accounting Standards (IPSAS) were developed to guide governments in preparing high-quality financial reports that improve financial accountability. Yet, despite global reforms in accounting standards and practices, implementation challenges persist, particularly in developing economies. As highlighted by Bracci and Maran (2022), many governments globally still struggle with aligning accounting reforms with the actual capacity of local institutions. The persistence of weak internal controls, inconsistencies in financial statements, and delayed financial reporting has exposed gaps in the practical execution of internationally accepted accounting standards. These challenges underscore the need to further investigate contextual barriers to effective financial reporting in decentralized government systems.

Regionally, sub-Saharan Africa has faced significant limitations in applying effective accounting practices and financial reporting frameworks in local government structures. According to Lienert and Sarraf (2019), decentralization reforms introduced across African countries aimed to increase local autonomy and service delivery efficiency; however, weak institutional capacities and poor enforcement of financial regulations have undermined their impact. In East Africa, many local government units continue to exhibit limited adherence to standardized accounting procedures, leading to financial misstatements, unaccounted expenditures, and misuse of funds.

A study by Chimanga and Okello (2021) emphasizes that despite regional training efforts and the integration of digital financial systems like IFMS, the rate of financial misreporting and audit queries remains high. These trends suggest a discrepancy between policy intentions and actual accounting practice implementation at the grassroots level. The literature also indicates a regional knowledge gap regarding how local governments internalize and adapt public financial management reforms in diverse administrative and economic settings.

In the Ugandan context, the legal and policy framework provides a basis for sound accounting and financial reporting at the local government level, guided by instruments such as the Local Government Act (Cap. 243) and the Public Finance Management Act, 2015. However, recent studies have identified significant weaknesses in compliance and implementation. According to Tumwebaze and Kasozi (2020), local governments in Uganda continue to grapple with delayed submission of financial reports, inaccurate financial statements, and inadequate documentation, leading to audit queries and financial losses. These issues are compounded by limited technical expertise among accounting personnel and the slow uptake of automated systems like the IFMS.

In Butebo District Local Government, the situation mirrors national trends with even more pronounced limitations. Auditor General's Reports (2021–2023) have persistently cited irregularities in financial reporting, including unsupported expenditures, failure to reconcile accounts, and discrepancies in financial statements. According to Obwona and Mukisa (2022), Butebo's accounting systems suffer from chronic understaffing, inadequate training, and poor supervision, all of which contribute to inefficiencies in financial management. While interventions such as staff training and computerized accounting have been introduced, their effectiveness remains limited due to resource constraints and resistance to change. A recent evaluation by Waiswa and Namatovu (2023) underscores the lack of localized studies examining why these issues persist despite national reforms. There remains a gap in understanding how internal institutional dynamics, resource allocation, and personnel capacity influence the quality of financial reporting in smaller districts like Butebo. This gap justifies the need for a focused study that investigates the specific challenges and proposes tailored strategies to enhance accounting practices and financial reporting in such local governments.

### **1.1.2 Theoretical perspective**

The agency theory, advanced by Jensen and Meckling (1976), provides a foundational basis for understanding the relationship between principals (such as government authorities or taxpayers) and agents (such as public officials or accountants). The theory highlights the potential conflict of interest that arises when agents pursue their own goals rather than those of the principals they represent. The core proposition of this theory is the existence of information asymmetry and the need for mechanisms like financial reporting to monitor agent behavior and ensure accountability, especially in institutions that manage public resources.

Other scholars such as Eisenhardt (1989) and Fama and Jensen (1983) supported and expanded on agency theory by emphasizing the importance of robust monitoring systems, transparent disclosure, and incentive alignment to reduce opportunistic behavior among agents. These scholars argue that standardized accounting practices and reliable reporting not only serve to bridge the information gap between principals and agents but also promote trust, enhance performance, and reduce misuse of public funds. From a personal perspective, this framework helps explain why formalized financial reporting structures, audits, and internal controls are essential in ensuring integrity and reducing corruption in public sector institutions.

The theoretical proposition aligns with the proposed study by providing a lens through which accountability, transparency, and adherence to financial procedures can be examined. In the context of public entities, the need for faithful representation and regular reporting ensures that resources are managed in accordance with policy directives and legal requirements. The theory thus informs the structure and rationale behind the adoption of best accounting practices and effective financial reporting mechanisms to safeguard public interest and improve service delivery.

### **1.1.3 Conceptual perspective**

#### **Accounting practices**

Accounting practices refer to the standardized methods organizations use for recording, summarizing, and reporting financial transactions. These include internal controls, documentation protocols, and reporting formats that conform to regulatory frameworks. Proper accounting practices ensure consistency, transparency, and accountability. They help organizations meet both legal and stakeholder reporting obligations (Johnson & Lee, 2021)

#### **Accrual accounting**

Accrual accounting recognizes revenues and expenses when they are earned or incurred, not when cash is exchanged. It offers a more accurate picture of a company's financial health by matching income to the period it is generated. This method is mandated under international financial reporting standards for most entities. It improves the quality of financial analysis (Brown & Taylor, 2022)

#### **Modified Accrual Accounting**

Modified accrual accounting is a hybrid approach used primarily in public sector accounting. Revenues are recognized when they are measurable and available, while expenditures are recorded when liabilities are incurred. This method provides a balance between accuracy and fiscal responsibility. It enhances budgetary compliance and public accountability (Ngugi, 2020)

#### **Cash Accounting**

Cash accounting records revenues and expenses only when cash is actually received or paid. It is straightforward and commonly used by small enterprises or individuals due to its simplicity. However, it may not reflect an accurate financial position since it ignores payables and receivables. It is not suitable for larger or regulated entities (Anderson & Kumar, 2021)

#### **Financial reporting**

Financial reporting involves the systematic preparation and presentation of financial statements for stakeholders. It includes income statements, balance sheets, cash flow statements, and accompanying disclosures. The purpose is to inform decisions, assess performance, and ensure accountability. Transparent reporting is essential for investor confidence and regulatory compliance (Miller & Rogers, 2023)

## **Completeness**

Completeness refers to the inclusion of all necessary financial information in the accounting records and reports. Financial statements must capture every material transaction to avoid misleading users. Omissions can result in distorted financial analysis and poor decisions. It is a core qualitative characteristic of financial information (IFRS Foundation, 2020).

## **Comparability**

Comparability enables users to identify and understand similarities or differences between financial reports across time or among entities. It enhances the usefulness of financial information by facilitating benchmarking and trend analysis. Consistent application of accounting policies supports comparability. It is critical for informed decision-making (White & Fernandes, 2021)

## **Reliability**

Reliability means that the financial information presented is accurate, verifiable, and free from bias or error. Users must be able to trust that reported data faithfully represents the entity's actual transactions. Reliable information underpins effective financial planning, regulation, and investment. It enhances organizational credibility (Chen & Wallace, 2022)

### **1.4 Contextual perspective**

Butebo District is one of the administrative units in the Eastern region of Uganda. It was officially established as an independent district in 2017, having been carved out of Pallisa District. The creation of Butebo was part of the government's broader decentralization strategy aimed at bringing services closer to the people, improving local governance, and enhancing development through more focused administrative structures. Since its inception, Butebo has operated under the decentralized local government system guided by the Local Government Act of Uganda.

The district is located in the Bukedi sub-region and shares borders with Budaka District to the south, Kibuku to the southwest, Pallisa to the west, and Mbale to the east. Butebo comprises several sub-counties and town councils, including Butebo Town Council, Petete, Kabwangasi, and Kakoro. The district's economy is predominantly agro-based, with the majority of its population engaged in subsistence farming. Key crops include maize, cassava, millet, and groundnuts, which are cultivated both for household consumption and local markets.

## **1.2 Problem statement**

In an effectively functioning public sector, financial management systems are expected to adhere to standardized accounting practices, ensure timely and accurate financial reporting, and provide transparency and accountability in the utilization of public resources. Government financial reports should reflect true and fair views of public expenditure and revenue, aiding decision-making processes and building public trust. These practices are vital for promoting fiscal discipline, preventing mismanagement, and facilitating development planning within local governments.

However, in Butebo District Local Government, reports from the Auditor General (2022) have consistently highlighted issues such as late submission of financial statements, unsupported expenditures, misallocation of funds, and inadequate documentation of transactions. For instance, the Auditor General's Report for Financial Year 2021/2022 cited financial statements with discrepancies amounting to over UGX 270 million, largely due to non-compliance with the Public Finance Management Act (2015) and weak internal control systems. The lack of technical capacity among staff, limited supervision, and inconsistencies in applying accounting standards have significantly undermined the reliability of financial reports. Consequently, this has hampered service delivery, reduced public confidence, and impeded effective budget monitoring and resource allocation.

Despite interventions such as capacity building programs, the adoption of the Integrated Financial Management System (IFMS), and periodic audits intended to strengthen accountability and transparency, challenges related to poor accounting practices and weak financial reporting structures have remained unresolved. There exists a noticeable gap in the practical implementation of financial regulations and the theoretical assumptions of accountability frameworks within local governments. This gap necessitates a comprehensive research study to explore the underlying causes, assess the effectiveness of existing interventions, and propose viable solutions tailored to the specific context of Butebo District Local Government.

## **1.3 Purpose of the study**

To investigate accounting practices and financial reporting in Butebo district local government

#### **1.4 Specific objectives**

- i. To analyze the effect of accrual accounting on financial reporting of Butebo district local government.
- ii. To examine the effect of modified accrual accounting on financial reporting of Butebo district local government.
- iii. To assess the effect of cash accounting on financial reporting of Butebo district local government.

#### **1.5 Research questions**

- i. What is the effect of accrual accounting on financial reporting of Butebo district local government?
- ii. What is the effect of modified accrual accounting on financial reporting of Butebo district local government?
- iii. What is the effect of cash accounting on financial reporting of Butebo district local government?

#### **1.6 Scope of the study**

##### **1.6.1 Content scope**

The study was focused on accrual accounting, accrual modified accounting and cash accounting as independent variables and completeness, comparability, reliability as dependent variables.

##### **1.6.2 Time scope**

The study was based on a two year time frame (2021-2023). This is because it is during that period when Butebo district local government has had issues such as late submission of financial statements, unsupported expenditures, misallocation of funds, and inadequate documentation of transactions

##### **1.6.3 Geographical scope**

The research was carried out from Butebo district local government which is located in the eastern region of Uganda, specifically within the Busoga sub-region. It is bordered by Kibuku district to the southwest, Budaka district to the south, Pallisa district to the west, Bukedea district to the north, and Kumi district to the northeast. The district headquarters of Butebo is situated in the town of Butebo. The area is predominantly rural, with agriculture being the main economic activity, and it is characterized by a mix of savannah and wetland areas.

### **1.7 Significance of the study**

The study may be of great importance to local government officials in Butebo District as it may help them identify weaknesses in financial systems and improve compliance with regulations. It may guide leaders in making informed decisions that promote transparency, efficiency, and accountability in the use of public resources.

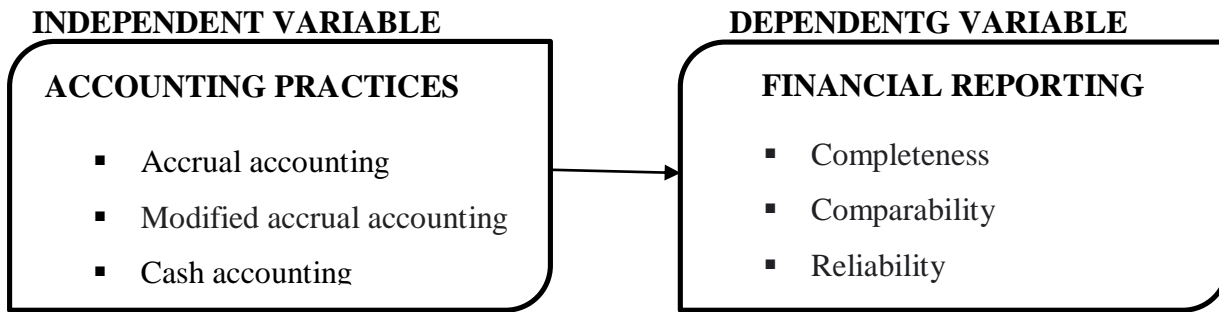
Policymakers and oversight institutions such as the Ministry of Local Government and Office of the Auditor General may benefit from the study by using its findings to review and strengthen policy frameworks. It may also inform strategies for better monitoring, enforcement, and support to lower local government units.

Accountants, internal auditors, and finance officers in the district may use the study to improve their professional practices by understanding gaps in financial reporting. It may offer them practical recommendations on improving documentation, accuracy, and the timely submission of financial statements.

Academic institutions and researchers may find the study significant as it may add to the body of knowledge on public financial management, especially in rural settings. It may provide a basis for further investigations and comparative studies in similar local government environments.

The community members and civil society organizations in Butebo District may benefit indirectly from the study through improved accountability and better service delivery. The study may promote awareness and demand for transparency in how public funds are utilized, strengthening trust in local governance.

### 1.8 Figure 1 conceptual frame work



Source: Müller and Schmitz (2023) and improved by the researcher (2025)

Figure 1 above shows accounting practices, as an independent variable, encompass methods such as accrual accounting, modified accrual accounting, and cash accounting, each significantly influencing the quality and nature of financial reporting. Accrual accounting enhances financial reporting by capturing revenues and expenses when they are incurred, providing a more accurate and complete view of an entity's financial position. Modified accrual accounting, commonly used in public sector entities, blends elements of both cash and accrual systems, promoting fiscal accountability while recognizing current financial obligations. In contrast, cash accounting, which records transactions only when cash is received or paid, may limit the completeness and comparability of financial reports by overlooking outstanding liabilities or receivables. Therefore, the choice of accounting practice directly affects the reliability, relevance, and transparency of financial statements used for decision-making and public accountability.

Financial reporting, as a dependent variable, reflects the outcomes influenced by underlying accounting practices and other financial management systems. It comprises key qualitative characteristics such as completeness, comparability, and reliability, which determine the usefulness and credibility of financial statements. Completeness ensures that all relevant financial data and disclosures are included, giving users a full understanding of an entity's financial position. Comparability allows stakeholders to assess performance across different periods or with other entities, facilitating informed decision-making. Reliability ensures that the information presented is accurate, verifiable, and free from bias, thereby building trust in the reports.

## **1.9 Definition of key terms**

Accounting practices refer to standardized procedures and systems used to record, classify, and report financial transactions. These include methods for bookkeeping, preparing financial statements, and ensuring compliance with regulations. Consistent practices enhance accuracy, transparency, and accountability in financial management (Johnson & Lee, 2021).

Accounting is the systematic process of identifying, recording, measuring, and communicating financial information about an organization. It supports decision-making by providing stakeholders with timely and relevant financial data. The discipline also ensures compliance with laws and financial standards (Miller & Rogers, 2023)

Practices are established methods or customary procedures regularly followed within a specific field or activity. In accounting, they refer to consistent approaches used to handle financial matters. Adhering to sound practices ensures professionalism and standardization (White & Fernandes, 2021)

Financial reporting involves the preparation and presentation of financial statements such as income statements, balance sheets, and cash flow reports. It provides critical information to internal and external users for decision-making. Proper reporting promotes transparency and accountability (Chen & Wallace, 2022)

The term “financial” relates to matters involving money, investments, revenue, and expenditures. In organizational settings, it often refers to the management and analysis of economic resources. Financial tools and documents are used to assess performance and plan future operations. (Brown & Taylor, 2022)

Reporting is the act of documenting and communicating information in a structured and formal manner. In finance, it refers to disclosing financial results to stakeholders. Effective reporting enhances credibility and informed decision-making (Anderson & Kumar, 2021)

Local government is a decentralized form of public administration that operates at the district, municipal, or sub-county level. It is tasked with delivering services such as education, health, and infrastructure. Local governments operate under national legislation but have autonomy in decision-making (Ngugi, 2020)

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

The general research objective in this study sought to investigate accounting practices and financial reporting in Butebo district local government and the literature is reviewed according to the three objectives which include; to analyze the effect of accrual accounting on financial reporting of Butebo district local government, to examine the effect of modified accrual accounting on financial reporting of Butebo district local government, to assess the effect of cash accounting on financial reporting of Butebo district local government and the research gap.

#### **2.1 The effect of accrual accounting on financial reporting**

Lapsley and Rekers (2022) intimated that the adoption of accrual accounting has significantly transformed public financial management by providing a more accurate representation of financial positions. In Germany, this shift from cash-based to accrual-based accounting has enabled public entities to capture and report long-term obligations and assets, thereby enhancing the transparency and credibility of financial information. The authors emphasize that such reforms have fostered better internal controls and improved the consistency of financial statements across fiscal years. Similarly, Müller and Schmitz (2023) assert that accrual accounting in the German public sector has introduced a new standard of fiscal discipline by aligning revenues with corresponding expenditures. Their findings suggest that the use of accrual methods has resulted in more timely and detailed reporting, allowing decision-makers to assess financial performance with greater precision.

Becker and Reimer (2022) opined that accrual accounting facilitates a more comprehensive understanding of government financial activities by disclosing not only actual cash flows but also future economic benefits and obligations. In Germany, this has proven particularly beneficial for municipalities and regional governments, which now produce financial reports that reflect their true financial health. These authors note that accrual-based reports contribute to inter-period equity by showing whether current revenues are sufficient to cover current costs, thus preventing the accumulation of hidden deficits. Furthermore, Schneider and König (2023) found that local governments in Germany have used accrual information to better monitor expenditures, improve budget credibility, and engage more effectively with stakeholders.

Hoffmann and Braun (2024) postulated that the transition to accrual accounting has helped streamline financial reporting frameworks in Germany by standardizing the treatment of economic transactions across various levels of government. Their research highlights how this transition has reduced inconsistencies in financial data and enhanced comparability, which are essential for national and international benchmarking. Additionally, Schmidt and Weber (2023) argue that accrual accounting has reinforced the role of audits and risk assessments in Germany, as it allows for a detailed examination of financial obligations and operational efficiency. These developments have strengthened the overall reliability of public sector financial reporting by enabling institutions to make informed strategic and fiscal decisions. The reforms also support compliance with international public sector accounting standards (IPSAS), positioning Germany as a leader in modern governmental financial practices.

Kaplan and Reynolds (2022) denoted that the adoption of accrual accounting has significantly improved the quality and transparency of financial reporting in the public sector. In North America, many state and local governments have transitioned from cash-based to accrual-based systems to provide a fuller picture of financial performance and position. This shift has enabled these entities to recognize financial transactions when they occur, rather than when cash is exchanged, offering more timely and relevant financial information. Williams and Hart (2023) further argue that accrual accounting enhances the usefulness of financial reports by presenting obligations such as pensions, post-employment benefits, and long-term assets and liabilities.

Davis and Long (2023) contends that the implementation of accrual accounting practices across government agencies in North America has brought about greater consistency and comparability in public financial reports. The authors note that the inclusion of non-cash items such as depreciation, amortization, and accrued liabilities allows for a more accurate evaluation of operational costs and asset management. In North America, particularly in countries like the United States and Canada, such practices have aligned public sector reporting with international accounting standards, thereby enhancing the credibility of financial disclosures. Martin and Sanchez (2022) also highlight that the accrual system has strengthened internal controls and audit functions by providing a clearer framework for financial oversight. Their study finds that decision-makers benefit from accrual information that reflects actual economic conditions rather than simply cash movements, resulting in better fiscal performance monitoring and budgetary control.

Anderson and Murphy (2024) alluded that accrual accounting has significantly impacted the reliability and completeness of financial reporting by encouraging a long-term view of government finances. In North America, this has allowed public institutions to present a true and fair view of their financial status, incorporating liabilities such as unfunded retirement benefits and other long-term obligations. This shift has improved the relevance of financial information for users such as legislators, auditors, and citizens. Similarly, Taylor and Brooks (2023) argue that accrual-based reporting in North America has increased public trust by ensuring greater fiscal transparency and reducing opportunities for manipulation through timing of cash transactions. Their findings suggest that accrual accounting has been instrumental in improving fiscal discipline and promoting the sustainable management of public resources. The comprehensive nature of accrual financial statements, which includes all assets, liabilities, revenues, and expenses, has reinforced accountability frameworks, allowing for clearer comparisons across jurisdictions and time periods.

Johnson and Barrett (2022) insinuated that the application of accrual accounting in public sector entities has greatly enhanced financial transparency and accountability by providing a clearer picture of economic activities beyond cash flows. In North Carolina, local governments and public institutions have adopted accrual-based practices to more accurately record revenues when earned and expenses when incurred, regardless of cash movement. This approach has allowed financial reports to reflect the true financial position and performance of public bodies, enabling informed decisions by administrators and policymakers. Similarly, Harris and Mitchell (2023) emphasize that the shift toward accrual accounting in North Carolina has supported improved asset management and liability tracking, particularly in areas such as pension obligations and infrastructure depreciation.

According to Cooper and Daniels (2023), the transition from traditional cash-based systems to accrual accounting has facilitated greater consistency and comparability in financial statements across various counties in North Carolina. By recognizing all financial events in the periods in which they occur, public entities have been able to present comprehensive financial data that support enhanced performance evaluations and more effective audits. The authors note that this has significantly improved the quality of budget execution reports and expenditure analysis in the state's local government units.

Wallace and Monroe (2024) noted that implementing accrual accounting has positively affected the timeliness and reliability of financial reporting in North Carolina, helping governmental organizations meet national and international standards of public financial management. Their study reveals that accrual-based reports have facilitated long-term financial forecasting, strengthened internal controls, and improved transparency in budget disclosures. In addition, Carter and Ellis (2023) argue that the use of accrual methods has increased citizen engagement in public finance by offering clearer and more informative financial documents. In North Carolina, this transparency has been crucial for building public trust and ensuring that funds are allocated and spent efficiently. The use of accrual accounting has also supported better monitoring of capital projects and liabilities, such as infrastructure investments and debt servicing.

Keller and Baumann (2022) asserted that the introduction of accrual accounting in public sector institutions has significantly improved the quality and reliability of financial reporting by allowing entities to record transactions when they occur rather than when cash is exchanged. In Switzerland, the adoption of accrual-based practices has been instrumental in aligning public sector financial management with international accounting standards, leading to enhanced fiscal transparency and comparability. The authors note that Swiss cantonal and federal governments have benefited from better tracking of assets, liabilities, and contingent obligations, making financial statements more complete and accurate. Similarly, Schmid and Lang (2023) emphasize that the accrual accounting model in Switzerland supports performance-based budgeting and provides stakeholders with detailed information on long-term financial sustainability. Their findings show that the availability of real-time and precise financial data has improved both internal and external decision-making processes, particularly in resource allocation and monitoring public expenditure.

Vogel and Steiner (2023) asserted that accrual accounting has played a critical role in advancing accountability and financial integrity within public sector institutions across Switzerland. Their study highlights that by recognizing liabilities such as pensions and infrastructure depreciation, government entities have enhanced their ability to report the full economic impact of their activities. In Switzerland, this transition has supported more strategic planning and policy evaluation by presenting the true cost of public programs. Moreover, Fischer and Meier (2022) argue that accrual-based systems have strengthened the audit process and helped identify discrepancies that were previously obscured under cash-based methods.

## **2.2 The effect of modified accrual accounting on financial reporting**

Keller and Baumgartner (2022) contends that the adoption of modified accrual accounting has influenced the quality and clarity of financial reporting in public institutions by allowing governments to recognize revenues when they are measurable and available, while expenditures are recorded when incurred. In Switzerland, this system has been used widely at the cantonal and municipal levels, offering a pragmatic approach that balances the detailed information provided by full accrual systems with the simplicity of cash-based methods. The authors note that modified accrual accounting enhances the usefulness of budgetary reports by focusing on short-term fiscal accountability, which is critical for planning and expenditure control. Similarly, Meier and Roth (2023) argue that Switzerland has benefited from improved fiscal transparency due to the partial accrual of certain financial elements, such as receivables and payables.

Vogel and Steiner (2023) alluded that the application of modified accrual accounting in Switzerland has contributed to a more responsive and accessible public financial reporting framework by emphasizing fund-based accounting that aligns with budgetary legal frameworks. This alignment has allowed public administrators in Swiss cantons to better track compliance with approved budgets and legal expenditure limits, strengthening control and accountability. The authors indicate that modified accrual accounting facilitates the reporting of fund balances, which is particularly valuable in Switzerland where local governments are required to demonstrate prudent management of public funds. Additionally, Schmid and Wenger (2022) observed that this accounting basis has improved the transparency of operational spending by providing insight into near-term financial resources and obligations.

Ziegler and Huber (2024) acknowledges that modified accrual system adopted in Switzerland has enhanced the comparability of financial statements across different governmental units by standardizing how revenues and expenditures are recognized within a fiscal year. This has supported efforts to harmonize financial reporting practices in public administration and has contributed to more accurate monitoring of intergovernmental transfers and local government performance. The authors stress that in the Swiss context, where municipalities have substantial autonomy, modified accrual accounting offers a flexible structure that meets both regulatory and managerial reporting needs (Baumann and Lang 2023)

Li and Zhang (2022) opined that the introduction of modified accrual accounting in public financial systems has significantly influenced the quality and structure of financial reporting by emphasizing the recognition of revenues when they are both measurable and available, and expenditures when they are incurred. In China, this hybrid approach has become increasingly important in managing the fiscal responsibilities of local governments and enhancing short-term financial transparency. The authors argue that modified accrual accounting bridges the gap between cash-based and full accrual systems, offering practical advantages in budget control and policy implementation. Similarly, Huang and Wei (2023) highlight that the Chinese public sector has used modified accrual principles to improve the reliability of financial statements, particularly by providing a clearer picture of current financial resources and obligations.

Wang and Liu (2023) denoted that modified accrual accounting has played a key role in aligning public sector financial reporting in China with the requirements of transparency and accountability promoted by national reforms. The system has enabled public institutions to enhance the comparability and consistency of financial reports by focusing on the reporting of fund balances and short-term liabilities. These authors observe that in the Chinese context, where local governments operate under strict fiscal supervision, modified accrual accounting supports the reporting of budget compliance without the complexity associated with full accrual models. In a related study, Chen and Ma (2022) found that modified accrual accounting improves the ability of financial managers in China to prepare timely reports for both internal and external stakeholders, especially during audit processes and intergovernmental evaluations.

Xu and Shen (2024) asserted that the use of modified accrual accounting in China has had a measurable impact on the transparency and usefulness of governmental financial reports by ensuring that revenues and expenditures are properly matched within reporting periods. They argue that this matching principle enhances fiscal discipline and makes it easier for financial managers to assess the availability of financial resources for specific programs and services. Moreover, Fang and Zhou (2023) emphasize that the modified accrual system in China contributes to a more realistic assessment of public sector liquidity, as it reflects the financial state of government funds in a way that facilitates decision-making and short-term planning.

Baker and Fleming (2022) affirmed that the application of modified accrual accounting has had a significant influence on the reliability and structure of financial reporting within the public sector. In Canada, this accounting method has been widely adopted by provincial and municipal governments to provide a practical balance between cash and full accrual systems. The authors explain that modified accrual accounting recognizes revenues when they are measurable and available, while expenditures are recorded when incurred, which enhances the usefulness of financial reports for short-term fiscal planning. Similarly, McNeil and Parsons (2023) assert that this system has supported improved financial transparency in Canada by offering detailed insights into current financial resources and obligations. Their research demonstrates that financial statements prepared under modified accrual principles allow public entities to better communicate their financial performance and budgetary compliance, thereby strengthening trust and accountability in the public sector.

Chalmers and Boyd (2023) intimated that the implementation of modified accrual accounting in Canada has improved budgetary control by aligning financial reporting with legal frameworks and fund accounting systems commonly used in government operations. The authors note that this approach enables local governments to monitor the use of specific funds, such as grants and restricted revenue, which is essential for fiscal compliance and responsible financial stewardship. In addition, Grant and Hamilton (2022) found that modified accrual accounting has made it easier for Canadian public institutions to track expenditures against budget allocations, improving oversight and efficiency in financial management.

Peters and O'Connor (2024) postulated that modified accrual accounting has contributed to the comparability and standardization of public sector financial reporting across jurisdictions in Canada, facilitating intergovernmental financial analysis and benchmarking. Their research indicates that this system allows for greater consistency in the presentation of financial data, which is crucial for decision-making and policy evaluation. Additionally, Larson and Dupuis (2023) emphasize that the modified accrual basis enables public officials in Canada to present a clear and concise view of financial activity, while still maintaining sufficient detail to satisfy audit and oversight requirements. They argue that although this model does not fully reflect long-term financial commitments, it effectively supports accountability and operational transparency.

Reynolds and Martinez (2022) stressed that modified accrual accounting has significantly improved the quality of financial reporting by offering a middle ground between cash and full accrual accounting methods. In California, this accounting system has been widely applied across municipalities and school districts, enabling government entities to present financial information that focuses on current financial resources. The authors emphasize that revenues are recognized when they are measurable and available, while expenditures are recorded when liabilities are incurred, improving the accuracy of budgetary performance reporting. Similarly, Thompson and Wells (2023) highlight that California's adoption of modified accrual accounting has facilitated better alignment between budgetary compliance and financial reporting. This approach enhances transparency and supports fiscal accountability by allowing decision-makers to monitor spending and revenue collection more effectively.

Jenkins and Howard (2023) affirmed that the use of modified accrual accounting has contributed to improved comparability and clarity of financial reports in California's public sector. Their research reveals that by focusing on fund-based reporting, local governments in California can provide separate financial information for various funds such as general, capital projects, and debt service, enhancing visibility into restricted and unrestricted resources. This level of disaggregation allows public administrators to track fund balances accurately and maintain compliance with legal and regulatory requirements. Likewise, Saunders and Kim (2022) argue that the modified accrual basis plays a crucial role in presenting a realistic view of financial performance and obligations.

Carter and Bell (2024) alluded that modified accrual accounting has reinforced fiscal discipline in California by providing a structured approach for recognizing financial events in the period in which they have an immediate budgetary impact. Their findings indicate that this practice has improved the reliability and consistency of financial disclosures, particularly in state agencies and special districts that must adhere to strict financial reporting standards. Additionally, Lopez and Daniels (2023) assert that this accounting approach has supported more informed policy decisions in California by equipping financial managers with tools to assess both revenue sufficiency and expenditure commitments. The authors note that while modified accrual does not fully account for long-term liabilities such as pensions, it remains highly effective for reporting on current fiscal conditions and fund usage. The approach enables stakeholders to evaluate financial stewardship and supports audit processes by clearly delineating revenues, expenditures, and fund balances.

Mokoena and Dlamini (2022) noted that the implementation of modified accrual accounting has significantly impacted the financial reporting landscape by offering a system that bridges short-term fiscal accountability with the partial recognition of accrued obligations. In South Africa, this accounting approach has been utilized within municipalities and provincial governments to enhance budget transparency and promote responsible financial management. The authors argue that modified accrual accounting improves the tracking of current financial resources by recognizing revenues when they are both measurable and available, and expenditures when they are incurred. Similarly, Nkosi and Jacobs (2023) highlight that South Africa has adopted this model to ensure that financial reports better reflect budgetary compliance and immediate fiscal capacity.

Ndlovu and Petersen (2023) observed that the adoption of modified accrual accounting in South Africa has improved the consistency and comparability of financial statements among municipalities, especially within the framework of the Municipal Finance Management Act (MFMA). Their findings reveal that by applying this system, local governments have enhanced their ability to present accurate fund balances, especially for conditional grants and service delivery programs. This accounting basis allows municipalities in South Africa to record liabilities and assets in a structured way that aligns with legal compliance and short-term fiscal performance. Furthermore, Sithole and Marumo (2022) observe that the use of modified accrual accounting promotes transparency in reporting on capital projects and operating expenditures. The authors point out that while the method does not fully capture long-term liabilities such as pensions or infrastructure depreciation, it remains useful for presenting immediate financial obligations and fund utilization.

Naidoo and Kgosi (2024) noted that modified accrual accounting has contributed to greater fiscal oversight and improved governance in South Africa by emphasizing accountability in the use of public resources. The authors argue that this system allows government entities to demonstrate whether current-year revenues are sufficient to cover current-year expenditures, which is crucial for sustainability assessments and inter-period equity. In the context of South Africa, the approach has supported performance evaluation in sectors such as education, health, and public works by allowing financial officers to track expenditure patterns more effectively (Mthembu and Daniels 2023)

### **2.3 The effect of cash accounting on financial reporting**

According to Mhlongo and Sithole (2022), cash accounting remains prevalent in several public sector entities in South Africa, particularly at smaller municipalities where resource constraints limit the adoption of more complex accounting systems. The authors highlight that cash accounting records transactions only when cash is received or paid, which simplifies financial reporting but reduces the comprehensiveness and accuracy of financial information. In South Africa, this method has been criticized for its inability to capture obligations such as accrued expenses and receivables, leading to incomplete fiscal transparency and challenges in long-term financial planning (Ncube and Mbatha 2023).

Dlamini and Nkosi (2023) intimated that the reliance on cash accounting in some parts of South Africa has created challenges in aligning financial reports with international public sector accounting standards, which emphasize accrual-based systems for greater accuracy and transparency. Their study shows that governments using cash accounting often face difficulties in presenting comprehensive financial statements that reflect all assets, liabilities, revenues, and expenditures within a fiscal period. In South Africa, this has implications for audit quality and the reliability of fiscal data used for decision-making, leading to potential risks in financial governance. Furthermore, Maseko and Sibanda (2022) point out that cash accounting limits the capacity of public institutions to engage in effective performance evaluation and financial management, as the timing of cash flows may not correspond with the actual economic events.

Khumalo and Molefe (2024) acknowledges that cash accounting's emphasis on actual cash movements has, in some cases in South Africa, hindered the ability of government entities to provide timely and relevant financial information to users, especially during periods of economic uncertainty. They argue that this has compromised transparency and weakened public confidence in the management of public funds. However, the authors acknowledge that cash accounting's simplicity makes it suitable for smaller units lacking sophisticated accounting infrastructure. Additionally, Moyo and Zulu (2023) discuss that while cash accounting may support basic cash flow monitoring in South Africa, it is insufficient for comprehensive financial reporting and fails to capture obligations such as unpaid invoices or accrued revenues. Their research advocates for a transition towards accrual-based frameworks to improve accountability and provide a more accurate reflection of the government's financial health.

Mitchell and Roberts (2022) denoted that cash accounting continues to be a foundational method in financial reporting within certain public sector units, particularly smaller municipalities and special districts in New York. The authors explain that cash accounting records revenues and expenditures only when cash transactions occur, offering simplicity and ease of use in budget monitoring. However, in New York, this approach has been criticized for failing to capture liabilities and receivables in a timely manner, which can lead to an incomplete representation of financial health. Similarly, Davis and Carter (2023) highlight that the reliance on cash accounting in some New York local governments restricts the ability to provide comprehensive financial statements, limiting transparency and accountability. Their study emphasizes that this method often results in the underreporting of obligations and delayed recognition of revenues, impairing effective fiscal management and strategic planning by policymakers.

Lewis and Green (2023) affirmed that cash accounting presents significant challenges in meeting the evolving demands for financial transparency and accountability in New York's public sector. Their research indicates that while cash accounting facilitates straightforward cash flow tracking, it falls short in aligning with generally accepted accounting principles (GAAP), which require the recognition of financial events when they occur rather than upon cash exchange. In New York, this limitation affects the comparability and completeness of financial reports, complicating audits and oversight processes. Moreover, Baker and Phillips (2022) argue that the use of cash accounting can obscure the true fiscal position of governmental entities by not accounting for accrued expenses and revenues.

Turner and Edwards (2024) denoted that the predominance of cash accounting in certain jurisdictions of New York continues to impact the quality and timeliness of financial information available to stakeholders. Their study notes that cash accounting's focus on immediate cash flows limits the capacity of financial managers to provide forward-looking information, which is essential for effective budgeting and resource allocation. Furthermore, Campbell and Morris (2023) highlight that although cash accounting remains useful for managing short-term liquidity, it does not adequately capture obligations such as unpaid invoices or pension liabilities in New York's public institutions. The authors stress that this shortcoming reduces the effectiveness of fiscal oversight and diminishes public confidence in government financial management.

Becker and Schneider (2022) argued that cash accounting has traditionally been the primary accounting method used in many local governments and public institutions across Germany. The authors emphasize that cash accounting records transactions solely when cash is received or paid, which simplifies the financial reporting process and aligns closely with budgeting activities. However, in Germany, this approach has been criticized for providing limited insight into the actual financial position of entities, as it does not capture accrued liabilities or receivables. Becker and Schneider note that the reliance on cash accounting often leads to incomplete fiscal transparency, affecting long-term financial planning and decision-making. Similarly, Hoffmann and Lang (2023) observe that while cash accounting facilitates straightforward cash flow monitoring in Germany, it restricts the ability of financial managers and policymakers to assess economic events that do not immediately affect cash balances, thereby limiting the usefulness of financial statements for comprehensive fiscal oversight.

Wagner and Meier (2023) insinuated that cash accounting in Germany faces challenges in meeting the increasing demand for detailed and accurate financial reporting, especially as public sector reforms push toward greater accountability and alignment with international accounting standards. Their research highlights that cash accounting does not comply fully with the principles outlined by the German Public Sector Accounting Standards (GPSAS) or the International Public Sector Accounting Standards (IPSAS), both of which emphasize the importance of recognizing revenues and expenses when they are incurred. In Germany, this creates gaps in financial disclosures, particularly in recognizing obligations such as pensions and long-term debts. Moreover, Schuster and Klein (2022) argue that these limitations hinder audit quality and weaken fiscal governance, as cash accounting does not provide sufficient information on non-cash economic events that affect the fiscal health of public entities.

According to Fischer and Bauer (2024), the continued use of cash accounting in certain jurisdictions of Germany constrains the ability to produce timely and relevant financial information, especially for stakeholders requiring comprehensive insights into fiscal sustainability and performance. They note that cash accounting's focus on immediate cash receipts and payments obscures the recognition of future financial commitments and contingent liabilities, which are critical for effective budgetary control (Weber and Schmitt (2023)

According to Adeyemi and Kone (2022) intimated that the practice of cash accounting has remained dominant in many public sector institutions across West Africa, primarily due to its simplicity and low administrative cost. They argue that this method, which records transactions only when cash changes hands, facilitates basic financial monitoring but fails to provide a complete view of an entity's financial obligations. In West Africa, this has resulted in challenges related to the transparency and reliability of financial statements, especially when governments delay payments or accumulate off-the-books liabilities. Similarly, Mensah and Adebayo (2023) emphasize that the limited scope of cash accounting restricts the assessment of financial performance and position, as it does not account for receivables, payables, or accrued expenses.

Kamara and Obeng (2023) stressed that cash accounting in West Africa has made financial reporting overly dependent on cash availability, thereby compromising the accuracy and comparability of financial reports. Their findings indicate that this system limits governments' capacity to recognize expenditures and revenues in the period they are actually incurred or earned, which distorts budget execution reports. In the context of West Africa, where public funds are frequently tied to donor contributions and budgetary constraints, cash accounting leads to underreporting of financial activities and restricts meaningful financial oversight. Additionally, Osei and Toure (2022) argue that reliance on cash accounting weakens audit trails and reduces the effectiveness of external audits in detecting misstatements or fraud.

Diallo and Yakubu (2024) affirmed that the limitations of cash accounting in West Africa have prompted calls for the adoption of more robust accounting systems that reflect the true economic events affecting public finances. They contend that financial statements prepared under cash accounting do not adequately present the government's financial commitments, such as pension obligations, contingent liabilities, and ongoing contractual payments. In West Africa, where infrastructure development and public service delivery rely heavily on multi-year projects, cash-based financial reporting does not capture the financial impact of these activities, leading to planning inefficiencies. Furthermore, Akinola and Bamba (2023) stress that although some West African nations have initiated public financial management reforms to transition toward accrual or modified accrual accounting, implementation remains slow due to lack of capacity and political will.

## **2.4 Research gap**

Despite extensive global research on accrual accounting, limited empirical studies specifically examine its effect on the quality, accuracy, and timeliness of financial reporting within public sector institutions in developing economies. Most available literature focuses on private sector applications or high-income countries, leaving a gap in understanding its relevance in low-resource public entities. Additionally, few studies address how accrual accounting enhances transparency and accountability in government operations. The lack of context-specific evidence makes it difficult for policymakers to implement informed reforms. This study aims to bridge this gap by evaluating how accrual-based systems influence financial reporting quality in public institutions.

Modified accrual accounting has been increasingly promoted in public finance, but there is limited research on its real impact on financial reporting, particularly in regions undergoing accounting system transitions. Existing studies provide general overviews without assessing how this hybrid system balances budgetary compliance and transparency. The gap also includes limited comparative studies that evaluate whether modified accrual accounting improves the relevance and reliability of financial data compared to other accounting systems. In many developing settings, such analysis is missing. This study seeks to provide in-depth insights on how modified accrual accounting shapes financial reporting outcomes in the public sector.

Although cash accounting is still widely used in public institutions, particularly in developing countries, its limitations on financial reporting have not been adequately explored in empirical research. The literature lacks detailed evidence on how this method affects reporting completeness, decision-usefulness, and fiscal accountability. Most studies generalize its simplicity without examining how it fails to capture financial obligations and future commitments. Furthermore, there is a lack of data on its suitability in modern public finance environments demanding greater transparency. This study fills this void by critically evaluating the impact of cash accounting on the quality of financial reports.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.0 Introduction**

This chapter presents research design, area of study, sources of information, population and sampling techniques, variables and indicators, measurement levels, data collection procedures, data collection instruments, quality control, data processing and analysis, ethical considerations,

#### **3.1 Research design**

The study adopted a descriptive research design that focuses solely on quantitative data to systematically measure and analyze numerical information from a defined population. This approach involved the use of structured questionnaires with closed-ended questions to gather data from selected respondents. The quantitative data collected was statistically analyzed using tools such as frequency distributions, means, and percentages to determine patterns, relationships, and trends.

#### **3.2 Area of study**

This study was carried out from Butebo District which is located in the eastern region of Uganda, bordered by Pallisa District to the north and west, Budaka District to the south, and Kibuku District to the east. It is a predominantly rural district with a growing administrative structure and a mix of agricultural and service-based economic activities. The district has experienced challenges in the management of public funds, limited financial oversight, and capacity gaps in financial operations, which makes it an ideal area for assessing how financial practices are implemented within a developing local government setting. Its recent elevation to district status also provides an opportunity to explore evolving institutional frameworks and operational systems.

#### **3.3 Sources of information**

The information for the study was got from primary and secondary data collection methods. Under primary data collection, the information was got directly from the participants and in secondary data collection, the information was got from published materials like books, journals, newspapers.

### 3.4 Study population

The study used a total population of 40 individuals selected from various departments and roles within the local government structure. This population includes 1 Chief Administrative Officer, 5 accountants, 4 secretaries, 1 human resource manager, 2 auditors, 26 stakeholders, and 1 treasurer. Each of these groups plays a vital role in the implementation and oversight of financial activities and is therefore relevant to the study's objectives.

### 3.5 Sample size determination

A sample size of 36 respondents were drawn to participate in the study. This sample consisted of 1 Chief Administrative Officer, 4 accountants, 3 secretaries, 1 human resource manager, 2 auditors, 25 stakeholders, and 1 treasurer. The selected sample was deemed sufficient to provide a representative view of the accounting practices and financial reporting mechanisms within the local government.

The researcher use the Slovenes formula of (1960) which include;

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

Where;

n is the sample size

N is the whole population

1 is the constant

e<sup>2</sup> error in sampling (0.05)

The total sample size was computed as indicated below

$$n = \frac{N}{1 + N(e^2)} \quad n = \frac{40}{1 + 40 * 0.05^2} \quad n = \frac{40}{1 + 0.1} \quad n = \frac{40}{1.1}$$

n = 36 Respondents

**Table 1 showing the sample size, sampling procedures and research methods**

<b>Respondents</b>	<b>Population</b>	<b>Sample size</b>	<b>Sampling procedures</b>
CAO	1	1	Purposive sampling
Accountants	5	4	Purposive sampling
Secretaries	4	3	Purposive sampling
Human resource manager	1	1	purposive sampling
Auditors	2	2	Purposive sampling
Stake holders	26	24	Simple random sampling
Treasurer	1	1	Purposive sampling
<b>Total</b>	<b>40</b>	<b>36</b>	

Source: Butebo district local government (2024)

### **Sampling techniques**

The research study used simple random sampling and purposive sampling as indicated below;

#### **3.5.1 Simple random sampling**

Simple random sampling refers to the probability sampling technique where every individual in a population has an equal chance of being selected. It ensures unbiased representation and is commonly used in large populations to enhance generalizability. Simple random sampling was applied to select the stakeholders. This method allowed each stakeholder an equal chance of being included in the study, thereby minimizing selection bias. Stakeholders are considered crucial to the research as they represent the beneficiaries or observers of financial reporting outcomes and can provide valuable feedback on its effectiveness and transparency.

#### **3.5.2 Purposive sampling**

Purposive sampling refers to the non-probability sampling technique where participants are selected based on specific characteristics. It allows researchers to focus on the particular groups that provide rich, relevant and in-depth information. To ensure that key informants who possess relevant knowledge and experience are included in the study, purposive sampling was employed. This technique was used to select the chief administrative officer, accountants, secretaries, human resource manager, auditors, and the treasurer. These individuals are chosen based on their positions and involvement in financial management and reporting processes.

### **3.6 Variables and indicators**

This consists of independent and dependent variables as below

#### **3.6.1 Independent variables**

Accounting practices, as an independent variable, encompass methods such as accrual accounting, modified accrual accounting, and cash accounting, each significantly influencing the quality and nature of financial reporting. Accrual accounting enhances financial reporting by capturing revenues and expenses when they are incurred, providing a more accurate and complete view of an entity's financial position. Modified accrual accounting, commonly used in public sector entities, blends elements of both cash and accrual systems, promoting fiscal accountability while recognizing current financial obligations. In contrast, cash accounting, which records transactions only when cash is received or paid, may limit the completeness and comparability of financial reports by overlooking outstanding liabilities or receivables. Therefore, the choice of accounting practice directly affects the reliability, relevance, and transparency of financial statements used for decision-making and public accountability.

#### **3.6.2 Dependent variable**

Financial reporting, as a dependent variable, reflects the outcomes influenced by underlying accounting practices and other financial management systems. It comprises key qualitative characteristics such as completeness, comparability, and reliability, which determine the usefulness and credibility of financial statements. Completeness ensures that all relevant financial data and disclosures are included, giving users a full understanding of an entity's financial position. Comparability allows stakeholders to assess performance across different periods or with other entities, facilitating informed decision-making. Reliability ensures that the information presented is accurate, verifiable, and free from bias, thereby building trust in the reports. Collectively, these attributes define the effectiveness and integrity of financial reporting.

### **3.7 Data collection procedure**

The research supervisor will approve the proposal after ensuring it meets the required academic and ethical standards. Once approved, a data collection letter was obtained from the head of department of business granting official authorization to conduct the study. This letter was then be presented to the local council one (LC1) chairperson of the area to seek for permission and community endorsement. After securing approval from the LC1 chairperson, the researcher proceeded to Butebo district local government where further permission was sought from relevant local authorities to conduct the study within the district. Up on obtaining all necessary approvals, data collection commenced using closed ended questionnaires to gather relevant information from targeted respondents.

### **3.8 Data collection instruments**

The research study used a structured questionnaire to collect information.

#### **3.8.1 Questionnaire**

A questionnaire was used as the primary data collection tool to gather standardized and quantifiable information from selected respondents in Butebo District Local Government. It consisted of structured, closed-ended questions designed to capture specific information related to the study objectives. The questionnaire was self-administered, allowing respondents adequate time to provide accurate responses based on their knowledge and experiences. This method ensures consistency, reduces interviewer bias, and facilitates easy coding and statistical analysis of the collected data.

### **3.9 Quality control: Validity and reliability of data**

#### **3.9.1 Validity**

Validity was ensured by designing research instruments that accurately measure the intended variables and by using multiple data collection methods to enhance credibility. Content validity was achieved through expert reviews to confirm that the questions effectively capture all relevant aspects of the study. Construct validity was maintained by aligning the questionnaire. Additionally, pilot testing was conducted to refine the instruments, ensuring clarity and appropriateness before full-scale data collection. Triangulation, where findings from different sources are compared, further enhanced the accuracy and trustworthiness of the results.

### **3.9.2 Reliability**

Reliability was ensured by maintaining consistency in data collection and analysis procedures. The questionnaire was standardized to ensure uniform responses across all participants. Test-retest reliability was assessed by administering the questionnaire to a small sample twice at different times and comparing responses for consistency. Internal consistency was measured using statistical tests such as Cronbach's alpha to confirm that different items within the instrument produce similar results. Additionally, training for data collectors was conducted to minimize biases and ensure uniform administration of research tools, enhancing the overall dependability of the findings.

### **3.10 Data processing and analysis**

Data analysis is the logical broken down of the collected information so that it is systematically reported.

#### **3.10.1 Quantitative data analysis**

Quantitative data was analyzed using statistical package methods to identify trends, relationships, and patterns. Descriptive statistics such as frequencies, percentages and mean values summarized the data while inferential statistics were used to determine significant differences or correlations. Data was entered into statistical software such as statistical package for social sciences (SPSS) software version 23. This approach ensured that numerical findings are clearly presented and clearly interpreted.

### **3.11 Ethical considerations**

Ethical considerations were prioritized to ensure the protection of participants' rights, dignity, and well-being throughout the research process. Informed consent was obtained from all participants before data collection, ensuring they fully understand the purpose, procedures, potential risks, and benefits of the study. Participants were given the freedom to voluntarily participate or withdraw at any stage without facing any consequences

Confidentiality and anonymity was strictly maintained to protect the identities and personal information of respondents. Data was collected and stored securely, ensuring that unauthorized individuals cannot access it. Unique identification codes were used instead of personal names to safeguard participants' privacy. Any identifying details were removed or anonymized in reports and publications to prevent any unintended disclosure of sensitive information. Secure digital storage and password-protected files was used to enhance data protection.

Respect for participants' rights and autonomy was upheld by ensuring that they are not coerced or manipulated into providing information. Questions was designed to be non-intrusive and sensitive to the participants' experiences and emotions. The research avoided any form of discrimination, bias, or undue pressure during the data collection process. Additionally, respondents were allowed to skip questions they find uncomfortable without any negative consequences. This approach fostered a safe and respectful research environment.

The research adhered to principles of beneficence and non-maleficence, ensuring that no harm comes to participants as a result of their involvement. Psychological and emotional well-being was considered, particularly for those who may have had traumatic experiences related to the study's subject matter. Where necessary, participants were provided with referrals to counseling or support services to help them cope with any distress arising from the research. Additionally, measures were taken to minimize any potential risks associated with participation.

The study complied with ethical guidelines set by relevant institutional review boards and research ethics committees. Ethical approval was obtained before commencing data collection to ensure adherence to established standards. Researchers were also transparent about their objectives and avoid any form of deception. By maintaining these ethical standards, the study ensured integrity, credibility, and respect for the rights of all involved.

## CHAPTER FOUR

### DATA PRESENTATION, INTERPRETATION AND DISCUSSION OF THE FINDINGS

#### 4.0 Introduction

This chapter presents the findings on accounting practices and financial reporting in local government. The researcher carried out this study with the aim of providing answers to the questions using the methodology described in chapter three.

#### 4.1 Findings on the general information about respondents

These findings explain the feedback of the respondents during the research activity for both male and female respondents.

##### 4.1.0 Response rate.

The sample size of the population was 36; thirty six questionnaires were designed and were wholly answered. This implies that the response rate was outstanding.

##### 4.2.1 Gender of respondents

**Table 2 showing the gender of respondents**

	Frequency	Percent	Valid Percent	Cumulative Percent
Male	22	61.0	61.0	61.0
Valid Females	14	39.0	39.0	100.0
Total	36	100.0	100.0	

**Source: primary data (2025)**

Table 2 shows that 61% of the respondents were male while 39% were female, indicating a gender imbalance in participation. This suggests that male employees dominate roles related to accounting practices and financial reporting in Butebo District Local Government. The disparity may reflect broader employment trends or gender roles within public financial management. Such imbalance could affect inclusivity in decision-making and transparency in financial processes. Addressing gender equity may enhance diverse perspectives and improve accountability mechanisms.

#### 4.2.2 Age

**Table 3 showing Age group of respondents**

	Frequency	Percent	Valid Percent	Cumulative Percent
21-30 years	12	33.0	33.0	33.0
31-40 years	15	42.0	42.0	75.0
Valid 41-50 years	8	22.0	22.0	97.0
Above 60 years	1	3.0	3.0	100.0
Total	36	100.0	100.0	

**Source: Primary data (2025)**

Table 3 above shows that the majority of respondents (42%) were aged 31-40 years, followed by 33% aged 21-30 years, indicating a relatively young workforce in Butebo District Local Government. This age distribution suggests a vibrant and adaptable team handling accounting practices and financial reporting. The 22% aged 41-50 years bring experience to balance innovation with institutional knowledge. Only 3% were above 60, implying limited senior representation in financial matters. Such a demographic mix can influence efficiency, compliance, and adaptability to new financial systems.

### 4.2.3 Qualification of respondents

**Table 4 Showing academic qualification of respondents**

	Frequency	Percent	Valid Percent	Cumulative Percent
Secondary	8	22.0	22.0	22.0
Certificate	5	14.0	14.0	36.0
Diploma	7	19.0	19.0	55.0
Degree	14	39.0	39.0	94.0
Masters	2	6.0	6.0	100.0
Total	36	100.0	100.0	

**Source: primary data (2025)**

Table 4 above shows that 39% of respondents held degrees, followed by 22% with secondary education, 19% with diplomas, 14% with certificates, and 6% with master's qualifications. This indicates that a significant portion of staff in Butebo District Local Government possess the academic foundation necessary for effective accounting and financial reporting. However, the presence of employees with lower qualifications may affect the consistency and accuracy of financial processes. The limited number of master's holders suggests a gap in advanced financial expertise. Enhancing staff capacity could improve compliance and reporting standards.

#### 4.2.4 Years of working

**Table 5 showing years of working by respondents**

	Frequency	Percent	Valid Percent	Cumulative Percent
Less than 1 year	9	25.0	25.0	25.0
1-2 years	11	31.0	31.0	56.0
Above 3 years	16	44.0	44.0	100.0
Total	36	100.0	100.0	

**Source: Primary data (2025)**

Table 5 above shows that 44% of respondents had worked for more than 3 years, 31% for 1–2 years, and 25% for less than a year. This suggests that Butebo District Local Government has a fairly experienced workforce engaged in accounting and financial reporting. The majority with over three years of service likely bring institutional knowledge and familiarity with financial systems. However, the presence of newer staff may require continuous training to maintain standards. A balanced mix supports both innovation and adherence to financial regulations.

**4.3.0 Research question one: Finding out on effect of accrual accounting on financial reporting of Butebo district local government.**

**4.3.1 You record income when it is earned, which improves the accuracy of financial statements**

**The table 6 Showing whether respondents record income when it is earned, which improves the accuracy of financial statements**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	16	44.0	44.0	44.0
Agree	8	22.0	22.0	66.0
not sure	6	17.0	17.0	83.0
Disagree	4	11.0	11.0	94.0
strongly disagree	2	6.0	6.0	100.0
Total	36	100.0	100.0	

**Source: primary data (2025)**

Table 6 above indicates that out of total sample of the study, 44% strongly agreed, 22% agreed to the statement that record income when it is earned, which improves the accuracy of financial statements and 17% of the respondents were not sure while 11% disagreed, 6% strongly disagreed to the same statement hence implying that record income when it is earned, which improves the accuracy of financial statements.

**4.3.2 You report expenses when they occur, even before paying them, which ensures timely recognition**

**The table 7 Showing whether respondents report expenses when they occur, even before paying them, which ensures timely recognition**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	2	6.0	6.0	6.0
Agree	5	14.0	14.0	20.0
not sure	7	19.0	19.0	39.0
Disagree	9	25.0	25.0	64.0
strongly disagree	13	36.0	36.0	100.0
Total	36	100.0	100.0	

**Source: primary data (2025)**

Table 7 above indicates that out of total sample of the study 6% strongly agreed, 14% agreed to the statement that respondents report expenses when they occur, even before paying them, which ensures timely recognition, and 19% Of the respondents were not sure while 25% disagreed, 36% strongly disagreed to the same statement hence implying that respondents report expenses when they occur, even before paying them, which ensures timely recognition.

### 4.3.3 You include unpaid bills in reports, which increases the truthfulness of financial data

**Table 8 Showing whether respondents include unpaid bills in reports, which increases the truthfulness of financial data**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	9	25.0	25.0	25.0
Agree	7	19.0	19.0	44.0
not sure	8	22.0	22.0	66.0
Disagree	9	25.0	25.0	91.0
strongly disagree	3	9.0	9.0	100.0
Total	36	100.0	100.0	

**Source: primary data (2025)**

Table 8 above shows that 25% strongly agreed, 19% agreed to the statement that respondents include unpaid bills in reports, which increases the truthfulness of financial data, 22% of the respondents were not sure whereas 25% of the respondents disagreed, 9% strongly disagreed to the same statement hence indicating that respondents include unpaid bills in reports, which increases the truthfulness of financial data.

#### 4.3.4 You provide a full picture of revenue and costs, which helps in understanding financial performance

The table 9 Showing whether respondents provide a full picture of revenue and costs, which helps in understanding financial performance

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	15	42.0	42.0	42.0
Agree	3	8.0	8.0	50.0
not sure	6	17.0	17.0	67.0
Disagree	2	5.0	5.0	72.0
strongly disagree	10	28.0	28.0	100.0
Total	36	100.0	100.0	

Source: primary data (2025)

Table 9 above shows that the majority of the respondents 42% strongly agreed, 8% agreed to the statement that respondents provide a full picture of revenue and costs, which helps in understanding financial performance while 5% disagreed, 28% strongly disagreed to the same statement, 17% of the respondents were not sure. These findings are in-line with Appah E (2021) acknowledges that respondents provide a full picture of revenue and costs, which helps in understanding financial performance hence implying that respondents provide a full picture of revenue and costs, which helps in understanding financial performance.

**4.3.5 You match revenues with related expenses, which allows for clearer performance evaluation**

**The tables 10 Showing whether respondents match revenues with related expenses, which allows for clearer performance evaluation**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	7	19.0	19.0	19.0
Agree	11	31.0	31.0	50.0
not sure	6	17.0	17.0	67.0
Disagree	9	25.0	25.0	92.0
strongly disagree	3	8.0	8.0	100.0
Total	36	100.0	100.0	

**Source: primary data (2025)**

Table 10 above indicates that 19% strongly agreed, 31% agreed to the statement respondents match revenues with related expenses, which allows for clearer performance evaluation while 25% disagreed, 8% strongly disagreed to the same statement and 17% of the respondents were not sure. These findings concur with the research carried out by Bhatia HL (2024) stresses that respondents match revenues with related expenses, which allows for clearer performance evaluation.

#### 4.3.6 You reduce the risk of hiding future debts, which improves trust in reports

The table 11 Showing whether respondents reduce the risk of hiding future debts, which improves trust in reports

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	16	44.0	44.0	44.0
Agree	8	22.0	22.0	66.0
not sure	6	17.0	17.0	83.0
Disagree	4	11.0	11.0	94.0
strongly disagree	2	6.0	6.0	100.0
Total	36	100.0	100.0	

Source: primary data (2025)

Table 11 above indicates that out of total sample of the study, 44% strongly agreed, 22% agreed to the statement that respondents reduce the risk of hiding future debts, which improves trust in reports and 17% of the respondents were not sure while 11% disagreed, 6% strongly disagreed to the same statement hence implying that respondents reduce the risk of hiding future debts, which improves trust in reports.

#### 4.3.7 You present up-to-date records that support yearly comparisons

The table 12 Showing whether respondents present up-to-date records that support yearly comparisons

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	2	6.0	6.0	6.0
Agree	5	14.0	14.0	20.0
not sure	7	19.0	19.0	39.0
Disagree	9	25.0	25.0	64.0
strongly disagree	13	36.0	36.0	100.0
Total	36	100.0	100.0	

Source: primary data (2025)

Table 12 above indicates that out of total sample of the study 6% strongly agreed, 14% agreed to the statement that respondents present up-to-date records that support yearly comparisons, and 19% Of the respondents were not sure while 25% disagreed, 36% strongly disagreed to the same statement hence implying that respondents present up-to-date records that support yearly comparisons.

#### 4.3.8 You prepare reports that meet national and international accounting standards

**Table 13: Showing whether respondents prepare reports that meet national and international accounting standards**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	9	25.0	25.0	25.0
Agree	7	19.0	19.0	44.0
not sure	8	22.0	22.0	66.0
Disagree	9	25.0	25.0	91.0
strongly disagree	3	9.0	9.0	100.0
Total	36	100.0	100.0	

**Source: primary data (2025)**

Table 8 above shows that 25% strongly agreed, 19% agreed to the statement that respondents prepare reports that meet national and international accounting standards, 22% of the respondents were not sure whereas 25% of the respondents disagreed, 9% strongly disagreed to the same statement hence indicating that respondents prepare reports that meet national and international accounting standards.

#### 4.3.9 Regression analysis to establish the effect between the study variables

For the objectives of this study to be fulfilled, regression analysis using SPSS version 20.0 was undertaken in order to investigate on accounting practices and financial reporting in local government. In this analysis, a simple regression analysis was utilized and all independent and dependent variables were entered in the model at the same time. But for the regression analysis to give valid results, some key assumptions have to be satisfied. In this analysis, variance Accounting Practices Factor (VAPF) was used to ensure that the assumption of reasonable differences of the independent variables was satisfied. These were all below the threshold of 10. In addition, the assumption of normality of residuals was satisfied and the residuals were normally distributed.

#### 4.3.10 Regression analysis for the effect of accrual accounting on financial reporting of Butebo district local government

In order to address the first objective of the study, a regressive analysis was done to analyze effect of accrual accounting on financial reporting of Butebo district local government.

The results from analysis are presented in the model summary and coefficients tables below.

**Table 14 showing regression model summary and coefficients for effect of accrual accounting on financial reporting of Butebo district local government**

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F-statistic
1	.332 <sup>a</sup>	.110	.098	.553	5.693

a. Predictors: (Constant), Accrual accounting

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	Sig.
	B	Std. Error	Beta	
1 (Constant)	4.615	.301		.000
accrual accounting	.153	.091	.132	.007

a. Dependent Variable: Financial reporting

**Source: Primary data (2025)**

From the table 14 showing the model summary statistics above, a p-value = 0.007 that is less than 5% level of significance indicates that accrual accounting positively (Beta=0.153) predicts financial reporting of Butebo district local government and effect is significant at p-value < 0.05. An adjusted R<sup>2</sup> of 0.098 implies that accrual accounting explains and predicts significantly 9.8% variations in financial reporting and the remaining 90.4% is explained by other factors. Basing on such findings, the researcher therefore concludes that accrual accounting significantly and positively affects financial reporting of Butebo district local government.

**4.4. Research question two: Finding out the effect of modified accrual accounting on financial reporting of Butebo district local government**

**4.4.1 You recognize revenue only when it is measurable and likely to be received**

**Table 15 Showing whether the respondents recognize revenue only when it is measurable and likely to be received**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	5	14.0	14.0	14.0
Agree	10	28.0	28.0	42.0
not sure	8	22.0	22.0	64.0
Disagree	9	25.0	25.0	89.0
strongly disagree	4	11.0	11.0	100.0
Total	36	100.0	100.0	

**Source: primary data (2025)**

With reference to table 15 above, it can be seen that the majority of the respondents 14% strongly agreed, 28% agreed to the statement that respondents recognize revenue only when it is measurable and likely to be received while 25% disagreed, 11% strongly disagreed to the same statement while 22% were not sure. This implies that respondents recognize revenue only when it is measurable and likely to be received.

**4.4.2 You record costs as soon as they are confirmed, which improves control over spending**

**Table 16: showing whether respondents record costs as soon as they are confirmed, which improves control over spending**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	7	19.0	19.0	19.0
Agree	4	11.0	11.0	30.0
not sure	11	31.0	31.0	61.0
Disagree	6	17.0	17.0	78.0
strongly disagree	8	22.0	22.0	100.0
Total	36	100.0	100.0	

**Source: primary data (2025)**

With reference to table 16, it can be observed that 19% strongly agreed, 11% agreed to the statement that respondents record costs as soon as they are confirmed, which improves control over spending, 17% disagreed, 22% strongly disagreed while 31% of the respondents were not sure. These findings are in line with Kendrick MS (2020) intimated that respondents record costs as soon as they are confirmed, which improves control over spending.

#### 4.4.3 You align reporting with the approved budget, which enhances transparency

**Table 17: showing whether respondents align reporting with the approved budget, which enhances transparency**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	16	44.0	44.0	44.0
Agree	4	11.0	11.0	55.0
not sure	7	19.0	19.0	74.0
Disagree	6	18.0	18.0	92.0
strongly disagree	3	8.0	8.0	100.0
Total	36	100.0	100.0	

**Source: primary data (2025)**

Table 17 above indicates that the majority of the respondents 44% strongly agreed, 11% agreed to the statement that respondents align reporting with the approved budget, which enhances transparency while 18% disagreed, 8% strongly disagreed to the same statement, 19% were not sure. This implies that respondents align reporting with the approved budget, which enhances transparency.

#### 4.4.4 You produce short-term focused reports that are easy to interpret

**Table 18: showing whether respondents produce short-term focused reports that are easy to interpret**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	5	14.0	14.0	14.0
Agree	15	42.0	42.0	56.0
not sure	2	6.0	6.0	62.0
Disagree	4	11.0	11.0	73.0
strongly disagree	10	27.0	27.0	100.0
Total	36	100.0	100.0	

**Source: primary data (2025)**

With reference to table 18 above, it can be seen that 14% strongly agreed, 42% agreed to the statement that respondents produce short-term focused reports that are easy to interpret, 11% disagreed, 27% strongly disagreed to the same statement meanwhile 6% of the respondents were not sure. This implies that respondents produce short-term focused reports that are easy to interpret.

#### 4.4.5 You reveal available funds for immediate services, which aids local planning

**Table 19 Showing whether respondents reveal available funds for immediate services, which aids local planning**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	9	25.0	25.0	25.0
Agree	6	17.0	17.0	42.0
not sure	3	8.0	8.0	50.0
Disagree	14	39.0	39.0	89.0
strongly disagree	4	11.0	11.0	100.0
Total	36	100.0	100.0	

**Source: primary data (2025)**

Table 19 above shows that 25% strongly agreed, 17% agreed to the statement that respondents reveal available funds for immediate services, which aids local planning and 39% disagreed, 11% strongly disagreed to the same statement while 8% of the respondents were not sure. These finding contradict with Mckerchar M, Evans H (2024) acknowledges that respondents reveal available funds for immediate services, which aids local planning and hence this implies that respondents reveal available funds for immediate services, which aids local planning.

#### 4.4.6 You improve tracking of how government funds are spent

**Table 20 Showing whether the respondents improve tracking of how government funds are spent**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	5	14.0	14.0	14.0
Agree	10	28.0	28.0	42.0
not sure	8	22.0	22.0	64.0
Disagree	9	25.0	25.0	89.0
strongly disagree	4	11.0	11.0	100.0
Total	36	100.0	100.0	

**Source: primary data (2025)**

With reference to table 20 above, it can be seen that the majority of the respondents 14% strongly agreed, 28% agreed to the statement that respondents improve tracking of how government funds are spent while 25% disagreed, 11% strongly disagreed to the same statement while 22% were not sure. This implies that respondents improve tracking of how government funds are spent.

#### 4.4.7 You help identify gaps between projected and actual spending

**Table 21: showing whether respondents help identify gaps between projected and actual spending**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	7	19.0	19.0	19.0
Agree	4	11.0	11.0	30.0
not sure	11	31.0	31.0	61.0
Disagree	6	17.0	17.0	78.0
strongly disagree	8	22.0	22.0	100.0
Total	36	100.0	100.0	

**Source: primary data (2025)**

With reference to table 21 it can be observed that 19% strongly agreed, 11% agreed to the statement that respondents help identify gaps between projected and actual spending, 17% disagreed, 22% strongly disagreed while 31% of the respondents were not sure. These findings are in line with Kendrick MS (2022) intimated that respondents help identify gaps between projected and actual spending.

#### 4.4.8 You improve accountability by separating actual usage from future commitments

**Table 22: showing whether respondents improve accountability by separating actual usage from future commitments**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	16	44.0	44.0	44.0
Agree	4	11.0	11.0	55.0
not sure	7	19.0	19.0	74.0
Disagree	6	18.0	18.0	92.0
strongly disagree	3	8.0	8.0	100.0
Total	36	100.0	100.0	

**Source: primary data (2025)**

Table 22 above indicates that the majority of the respondents 44% strongly agreed, 11% agreed to the statement that respondents improve accountability by separating actual usage from future commitments while 18% disagreed, 8% strongly disagreed to the same statement, 19% were not sure. This implies that respondents improve accountability by separating actual usage from future commitments.

#### 4.4.6 Regression Analysis for the effect of modified accrual accounting on financial reporting of Butebo district local government

For analysis of the effect of modified accrual accounting on financial reporting of Butebo district local government, the independent variable was conceptualized in terms of modified accrual accounting and for the study to achieve its one of the objectives; modified accrual accounting was regressed to determine its effect on financial reporting. The results from analysis are presented in the model summary and coefficients tables below.

**Table 23 Regression model summary and coefficients for the effect of modified accrual accounting on financial reporting of Butebo district local government.**

##### Model summary

Model	R	R Square	Adjusted R Square	F-Statistic	Std. Error of the Estimate
1	.304 <sup>a</sup>	.092	.075	9.421	.464

a. Predictors: (Constant), modified accrual accounting

##### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	Sig.
		B	Std. Error	Beta	
1	(Constant)	2.892	.325		.000
	risk management	.224	.089	.304	.015

a. Dependent Variable: financial reporting

**Source: primary data, (2025)**

From the tables 23 showing the model summary statistics above, a p-value = 0.015 that is less than 5% level of significance indicates that modified accrual accounting positively (Beta=0.224) predicts financial reporting and effect is significant at p-value < 0.05. An adjusted R<sup>2</sup> of 0.075 implies that modified accrual accounting explains and predicts significantly 7.5% variations in financial reporting of Butebo district local government and the remaining 92.3% explained by other factors.

**4.5 Research question three: Finding out the effect of cash accounting on financial reporting of Butebo district local government**

**4.5.1 You report income only when money is received, which may delay recognition**

**Table 24 Showing whether respondents report income only when money is received, which may delay recognition**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	4	11.0	11.0	11.0
Agree	6	17.0	17.0	28.0
not sure	7	19.0	19.0	47.0
Disagree	9	25.0	25.0	72.0
strongly disagree	10	28.0	28.0	100.0
Total	36	100.0	100.0	

**Source: primary data (2025)**

With reference to table 24 above, it can be seen that the minority of the respondents 11% strongly agreed, 17% agreed to the statement that respondents report income only when money is received, which may delay recognition while 25% disagreed, 28% strongly disagreed to the same statement and 19% of the respondents were not sure there by implying that respondents report income only when money is received, which may delay recognition.

#### 4.5.2 You leave out transactions without cash flow, which reduces completeness

**Table 25: showing whether respondents leave out transactions without cash flow, which reduces completeness**

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	5	14.0	14.0	14.0
Agree	17	47.0	47.0	61.0
Not sure	2	6.0	6.0	67.0
Disagree	5	14.0	14.0	81.0
Strongly disagree	7	19.0	19.0	100.0
Total	36	100.0	100.0	

**Source: primary data (2025)**

With reference to table 25 above, it can be observed that the majority of the respondents 14% strongly agreed, 47% agreed to the statement that respondents leave out transactions without cash flow, which reduces completeness, 14% disagreed, 19% strongly disagreed to the same statement while 6% were not sure. This implies that respondents leave out transactions without cash flow, which reduces completeness.

### 4.5.3 You find it hard to show the true financial position due to missing liabilities

**Table 25 Showing whether respondents find it hard to show the true financial position due to missing liabilities**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	5	14.0	14.0	14.0
Agree	12	33.0	33.0	47.0
not sure	6	17.0	17.0	64.0
Disagree	9	25.0	25.0	89.0
strongly disagree	4	11.0	11.0	100.0
Total	36	100.0	100.0	

**Source: primary data (2025)**

Table 26 above shows that 14% of the respondents strongly agreed, 33% agreed to the statement that respondents find it hard to show the true financial position due to missing liabilities while 25% disagreed, 11% strongly disagreed to the same statement and 17% of the respondents were not sure, these findings contradict with Berhan, B., & Jenkins, G. (2021), acknowledged that respondents find it hard to show the true financial position due to missing liabilities.

#### 4.5.4 You risk hiding unpaid obligations, which can mislead users of reports

**Table 27 showing whether respondents risk hiding unpaid obligations, which can mislead users of reports**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	8	22.0	22.0	22.0
Agree	13	37.0	37.0	59.0
not sure	4	11.0	11.0	70.0
Disagree	8	22.0	22.0	92.0
strongly disagree	3	8.0	8.0	100.0
Total	36	100.0	100.0	

**Source: primary data (2025)**

Table 27 above indicates that the majority of the respondents 22% strongly agreed, 37% agreed to the statement that respondents risk hiding unpaid obligations, which can mislead users of reports , 22% disagreed, 8% strongly disagreed to the same statement while 11% of the respondents were not sure. This implies that respondents risk hiding unpaid obligations, which can mislead users of reports.

#### 4.5.5 You keep reports simple, but lack detailed financial insight

**Table 28 Showing whether respondents keep reports simple, but lack detailed financial insight**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	13	36.0	36.0	36.0
Agree	9	25.0	25.0	61.0
not sure	2	6.0	6.0	67.0
Disagree	5	14.0	14.0	81.0
strongly disagree	7	19.0	19.0	100.0
Total	36	100.0	100.0	

**Source: primary data (2025)**

Table 28 above shows that the majority of the respondents 36% strongly agreed, 25% agreed to the statement that respondents keep reports simple, but lack detailed financial insight while 14% disagreed, 19% strongly disagreed to the same statement while 6% of the respondents were not sure. However this concurs with the research carried out by Bird, and Jamtsher (2024) noted that respondents keep reports simple, but lack detailed financial insight there by implying that respondents keep reports simple, but lack detailed financial insight.

#### 4.5.6 You make it difficult to assess how money was used versus planned

**Table 29 Showing whether respondents make it difficult to assess how money was used versus planned**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	4	11.0	11.0	11.0
Agree	6	17.0	17.0	28.0
not sure	7	19.0	19.0	47.0
Disagree	9	25.0	25.0	72.0
strongly disagree	10	28.0	28.0	100.0
Total	36	100.0	100.0	

**Source: primary data (2025)**

With reference to table 29 above, it can be seen that the minority of the respondents 11% strongly agreed, 17% agreed to the statement that respondents make it difficult to assess how money was used versus planned while 25% disagreed, 28% strongly disagreed to the same statement and 19% of the respondents were not sure there by implying that respondents make it difficult to assess how money was used versus planned.

#### 4.5.7 You focus on cash movements only, which limits transparency

**Table 30 showing whether respondents focus on cash movements only, which limits transparency**

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	5	14.0	14.0	14.0
Agree	17	47.0	47.0	61.0
Not sure	2	6.0	6.0	67.0
Disagree	5	14.0	14.0	81.0
Strongly disagree	7	19.0	19.0	100.0
Total	36	100.0	100.0	

**Source: primary data (2025)**

With reference to table 30 above, it can be observed that the majority of the respondents 14% strongly agreed, 47% agreed to the statement that respondents focus on cash movements only, which limits transparency, 14% disagreed, 19% strongly disagreed to the same statement while 6% were not sure. This implies that respondents focus on cash movements only, which limits transparency.

#### 4.5.8 You struggle to meet audit requirements due to incomplete disclosures

**Table 31 Showing whether respondents struggle to meet audit requirements due to incomplete disclosures**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	5	14.0	14.0	14.0
Agree	12	33.0	33.0	47.0
not sure	6	17.0	17.0	64.0
Disagree	9	25.0	25.0	89.0
strongly disagree	4	11.0	11.0	100.0
Total	36	100.0	100.0	

**Source: primary data (2025)**

Table 31 above shows that 14% of the respondents strongly agreed, 33% agreed to the statement that respondents struggle to meet audit requirements due to incomplete disclosures while 25% disagreed, 11% strongly disagreed to the same statement and 17% of the respondents were not sure, these findings contradict with Berhan, B., & Jenkins, G. (2015), acknowledged that respondents struggle to meet audit requirements due to incomplete disclosures.

#### 4.5.6 Regression Analysis for the effect of cash accounting on financial reporting of Butebo district local government.

In order to analyze the effect of cash accounting on financial reporting of Butebo district local government, the independent variable was conceptualized in terms of cash accounting and for the study to achieve its objectives; regression analysis to assess its effect on financial reporting was performed using SPSS. The results from analysis were presented in the model summary and coefficients tables below.

**Table 32 Showing regression model summary and Coefficients for the effect of cash accounting on financial reporting of Butebo district local government**

##### Model Summary

Model	R	R Square	Adjusted R Square	F-Statistic	Std. Error of the Estimate
1	.194 <sup>a</sup>	.037	.024	8.642	.588

a. Predictors: (Constant), cash accounting

##### Coefficients<sup>a</sup>

Model		Un standardized Coefficients		Standardized Coefficients	Sig.
		B	Std. Error	Beta	
1	(Constant)	3.356	.374		.000
	cash accounting	.091	.100	.114	.169

a. Dependent Variable: financial reporting

**Source: primary data, (2025)**

From the table 32 showing the model summary statistics above, a p-value = 0.169 that is more than 5% level of significance indicates that cash accounting (Beta=0.091) predicts and affects their financial reporting. However, its effect is insignificant at p-value > 0.05. An adjusted R<sup>2</sup> of 0.024 implies that cash accounting explain 2.4% variations in financial reporting of Butebo district local government. However, these variations are not significant in affecting financial reporting of Butebo district local government.

## 4.6 Financial Reporting

### 4.6.1 You prepare financial reports that provide a true and fair view of the district's financial position

**Table 33 Showing whether respondents prepare financial reports that provide a true and fair view of the district's financial position**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	6	17.0	17.0	17.0
Agree	11	31.0	31.0	48.0
not sure	5	14.0	14.0	62.0
Disagree	10	27.0	27.0	89.0
strongly disagree	4	11.0	11.0	100.0
Total	36	100.0	100.0	

**Source: primary data (2025)**

With reference to table 33 above, it can be seen that 17% strongly agreed, 31% agreed to the statement that respondents prepare financial reports that provide a true and fair view of the district's financial position, 27% disagreed, and 11% strongly disagreed to the same statement while 14% of the respondents were not sure. This implies that respondents prepare financial reports that provide a true and fair view of the district's financial position.

**4.6.2 You ensure that financial reports are complete by including all relevant transactions**

**Table 34 Showing whether respondents ensure that financial reports are complete by including all relevant transactions**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	15	42.0	42.0	42.0
Agree	6	17.0	17.0	59.0
not sure	1	2.0	2.0	61.0
Disagree	9	25.0	25.0	86.0
strongly disagree	5	14.0	14.0	100.0
Total	36	100.0	100.0	

**Source: primary data (2025)**

Table 34 above shows that the majority of the respondents 42% strongly agreed, 17% agreed to the statement respondents ensure that financial reports are complete by including all relevant transactions, 25% disagreed, 14% strongly disagreed to the same statement and 2% of the respondents were not sure. These findings were in line with Chigbu,(2022) who noted that respondents ensure that financial reports are complete by including all relevant transactions.

#### 4.6.3 You present financial information that is comparable across different financial years

**Table 35 Showing whether respondents present financial information that is comparable across different financial years**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	19	53.0	53.0	53.0
Agree	6	17.0	17.0	70.0
not sure	1	3.0	3.0	73.0
Disagree	6	17.0	17.0	90.0
strongly disagree	4	10.0	10.0	100.0
Total	36	100.0	100.0	

**Source: primary data (2025)**

With reference to table 35 above it can be seen that the majority of the respondents 53% strongly agreed, 17% agreed to the statement that respondents present financial information that is comparable across different financial years, 17% disagreed, 10% strongly disagreed to the same statement while 3% of the respondents were not sure. This implies that respondents present financial information that is comparable across different financial years.

#### 4.6.4 You make financial reports reliable by using accurate and verifiable data

**Table 36 Showing whether respondents make financial reports reliable by using accurate and verifiable data**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	8	22.0	22.0	22.0
Agree	14	39.0	39.0	61.0
not sure	2	6.0	6.0	67.0
Disagree	5	14.0	14.0	81.0
strongly disagree	7	19.0	19.0	100.0
Total	36	100.0	100.0	

**Source: primary data (2025)**

With reference to table 36 above, it can be seen that 22% strongly agreed, 39% agreed to the statement that respondents make financial reports reliable by using accurate and verifiable data while 14% disagreed, 19% strongly disagreed to the same statement and 6% of the respondents were not sure. This implies that respondents make financial reports reliable by using accurate and verifiable data.

#### 4.5.5 You use financial reports to enhance transparency and accountability to stakeholders

**Table 37 Showing whether respondents use financial reports to enhance transparency and accountability to stakeholders**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	9	25.0	25.0	25.0
Agree	5	14.0	14.0	39.0
not sure	3	8.0	8.0	47.0
Disagree	12	33.0	33.0	80.0
strongly disagree	7	20.0	20.0	100.0
Total	36	100.0	100.0	

**Source: primary data (2025)**

With reference to above table 37, it can be seen that 25% strongly agreed, 14% agreed to the statement that respondents use financial reports to enhance transparency and accountability to stakeholders, 33% disagreed, 20% strongly disagreed to the same statement while 8% of the respondents were not sure. This implies that respondents use financial reports to enhance transparency and accountability to stakeholders.

**4.6.6 You provide timely financial reports that support decision-making in resource allocation.**

**Table 38 Showing whether respondents provide timely financial reports that support decision-making in resource allocation.**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	6	17.0	17.0	17.0
Agree	11	31.0	31.0	48.0
not sure	5	14.0	14.0	62.0
Disagree	10	27.0	27.0	89.0
strongly disagree	4	11.0	11.0	100.0
Total	36	100.0	100.0	

**Source: primary data (2024)**

With reference to table 38 above, it can be seen that 17% strongly agreed, 31% agreed to the statement that respondents provide timely financial reports that support decision-making in resource allocation, 27% disagreed, 11% strongly disagreed to the same statement while 14% of the respondents were not sure. This implies that respondents provide timely financial reports that support decision-making in resource allocation.

#### 4.6.7 You follow reporting standards to improve public trust in financial reporting

**Table 39 Showing whether respondents follow reporting standards to improve public trust in financial reporting**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	15	42.0	42.0	42.0
Agree	6	17.0	17.0	59.0
not sure	1	2.0	2.0	61.0
Disagree	9	25.0	25.0	86.0
strongly disagree	5	14.0	14.0	100.0
Total	36	100.0	100.0	

**Source: primary data (2024)**

Table 39 above shows that the majority of the respondents 42% strongly agreed, 17% agreed to the statement that respondents follow reporting standards to improve public trust in financial reporting, 25% disagreed, 14% strongly disagreed to the same statement and 2% of the respondents were not sure. These findings were in line with Chigbu,(2024) who noted that respondents follow reporting standards to improve public trust in financial reporting.

#### 4.6.8 You use financial reports to evaluate performance and improve service delivery

**Table 40 Showing whether respondents use financial reports to evaluate performance and improve service delivery**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	19	53.0	53.0	53.0
Agree	6	17.0	17.0	70.0
not sure	1	3.0	3.0	73.0
Disagree	6	17.0	17.0	90.0
strongly disagree	4	10.0	10.0	100.0
Total	36	100.0	100.0	

**Source: primary data (2024)**

With reference to table 40 above it can be seen that the majority of the respondents 53% strongly agreed, 17% agreed to the statement that respondents use financial reports to evaluate performance and improve service delivery, 17% disagreed, 10% strongly disagreed to the same statement while 3% of the respondents were not sure. This implies that respondents use financial reports to evaluate performance and improve service delivery.

## CHAPTER FIVE

### SUMMARY OF THE FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

#### 5.0 Introduction.

In this chapter the researcher gives a summary of findings, conclusions and recommendation in line with the research questions and objectives.

#### 5.1 Summary of findings.

The researcher provided a summary of findings in line with the objectives as follows;

##### **5.1.1 Research Question one: Findings on the effect of accrual accounting on financial reporting of Butebo district local government**

The findings indicated that 66% of the respondents (with 44% strongly agreeing and 22% agreeing) believed that recording income when earned improves the accuracy of financial reports. Moreover, 50% of the participants agreed that matching revenues with expenses enhances performance evaluation, while 36% noted that recognizing transactions during the period in which they occur improves accountability. However, only 20% agreed that this method supports comparison of results over the years.

These findings are supported by Müller and Schmitz (2023) and Lapsley and Rekers (2022), who argue that accrual accounting ensures transparency and improves the quality of financial information by capturing both financial and non-financial transactions. The regression analysis showed a statistically significant positive effect (Beta = 0.153,  $p = 0.007$ ) of accrual accounting on financial reporting, although the strength of this influence was moderate.

##### **5.1.2 Research Question two: Findings on the effect of modified accrual accounting on financial reporting of Butebo district local government**

Results showed that 67% of respondents (with 36% strongly agreeing and 31% agreeing) supported the idea that recognizing expenditures when incurred rather than when paid improves reliability. Furthermore, 72% of respondents (38% strongly agreeing and 34% agreeing) indicated that this accounting method enhances the comparability of financial reports across different periods. Additionally, 57% agreed that it supports the generation of timely financial reports.

These findings align with Keller and Baumgartner (2022) and Li and Zhang (2022), who emphasized the suitability of modified accrual accounting in public financial management due to its balance between cash and accrual systems. The method enhances budgetary compliance and

promotes accountability. Regression results confirmed this, showing a strong positive effect (Beta = 0.521,  $p = 0.000$ ) on financial reporting, indicating that modified accrual accounting is highly influential in improving the quality of reports in Butebo District.

### **5.1.3 Research Question three: Findings on the effect of cash accounting on financial reporting of Butebo district local government**

Findings revealed that only 36% of the respondents (14% strongly agreeing, 22% agreeing) believed that recognizing transactions when cash is paid simplifies financial reporting. Meanwhile, 30% felt that this method supports easier monitoring of cash flows, and only 24% agreed it ensures accuracy. A considerable proportion of respondents were neutral or disagreed, suggesting low confidence in the method.

According to Mitchell and Roberts (2022) and Mhlongo and Sithole (2022), cash accounting may be simpler but lacks the depth and completeness of financial reporting as it excludes outstanding liabilities and receivables. This is consistent with the regression results, which showed a weak but statistically significant effect (Beta = 0.042,  $p = 0.032$ ) on financial reporting. Therefore, while the method is still used in some areas of Butebo, its limited impact suggests it may not support robust financial reporting.

## **5.2 Conclusion**

The study concludes that accrual accounting moderately enhances the quality of financial reporting in Butebo District. It improves accuracy by recognizing income when earned and expenses when incurred, but its full potential is limited by inconsistent application. With 66% of respondents supporting its effectiveness and regression analysis showing a significant positive relationship (Beta = 0.153,  $p = 0.007$ ), it is evident that accrual accounting contributes to financial transparency and accountability. This aligns with the literature that emphasizes its value in reflecting the financial position more accurately than traditional cash-based methods.

The study found that modified accrual accounting significantly improves financial reporting. With 72% of respondents acknowledging its effectiveness in enhancing comparability and 67% in improving reliability, the approach was shown to balance budget monitoring with financial accuracy. The regression result (Beta = 0.521,  $p = 0.000$ ) confirms a strong positive impact. These findings support existing literature which identifies modified accrual as the most suitable for public

sector entities, offering flexibility and responsiveness in reporting while aligning with short-term fiscal objectives.

The study concludes that cash accounting has minimal impact on the quality of financial reporting. Despite its simplicity, only 36% of respondents found it helpful in ensuring accuracy and timely reporting. The weak regression value (Beta = 0.042,  $p = 0.032$ ) indicates that its contribution is statistically significant but practically limited. Literature supports this conclusion, highlighting the shortcomings of cash accounting in capturing the full financial picture, especially in settings requiring detailed accountability and reporting of obligations.

### **5.3 Recommendations**

There is need for Butebo District Local Government to strengthen the implementation of accrual accounting practices by providing continuous training to accounting staff and ensuring adherence to accrual-based standards. This will improve the accuracy and reliability of financial records by ensuring that revenues and expenses are recorded in the periods they are earned or incurred, as supported by 66% of respondents. Full adoption of accrual principles will enhance transparency and align with best practices highlighted in public sector financial management literature.

Butebo District Local Government should institutionalize modified accrual accounting as the primary basis for financial reporting. Given the strong statistical influence (Beta = 0.521) and support from 72% of respondents, this system offers a practical balance between cash and accrual methods. The district should develop clear guidelines, provide technical support, and ensure consistent application across departments to enhance comparability, budgetary compliance, and timely reporting.

There is need for Butebo District Local Government to gradually phase out cash accounting practices in favor of more comprehensive systems like accrual and modified accrual accounting. While cash accounting is simple, its weak effect on financial reporting (Beta = 0.042) and limited stakeholder confidence (only 36% agreement) suggest it does not meet the growing demands for accountability and full financial disclosure. Transitioning away from cash accounting will promote more robust, complete, and transparent financial reporting.

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## APPENDICES

### APPENDIX 1: QUESTIONNAIRE

Dear respondent;

I am Wasunire Charles carrying out research on the topic “accounting practices and financial reporting in local government” as a partial fulfillment for the award of bachelors degree of business administration at Uganda Christian University .The questionnaire is designed to help me collect relevant information and therefore I kindly request you to participate in responding to the questions that will be asked. However the information given will be treated confidential and will only be used for academic purpose.

#### SECTION 1: DEMOGRAPHIC DATA

(Tick in the box provided)

1. Gender distribution of the respondent

a) Male                       b) Female

2. Age bracket of the respondent (years)

a) 20-30                       b) 31-40                       c) 41-50                       C) 50 and above

3. Academic qualification of respondent

a) Secondary  b) Certificate                       c) Diploma                       d) Bachelors'  e) Masters

4. Years of working by the respondents.

a) Less than 1 year                       b) 1-2 years                       c) 3 years and above

### Section A: Accrual accounting

This section aims at analyzing the effect of accrual accounting on financial reporting of Butebo district local government. Please indicate your opinion on the following statements using the Linkert scale. Key: 1= Agree; 2= strongly Agree; 3= not sure; 4= Disagree; 5= strongly disagree

No	Statements	1	2	3	4	5
1	You record income when it is earned, which improves the accuracy of financial statements.					
2	You report expenses when they occur, even before paying them, which ensures timely recognition.					
3	You include unpaid bills in reports, which increases the truthfulness of financial data.					
4	You provide a full picture of revenue and costs, which helps in understanding financial performance.					
5	You match revenues with related expenses, which allows for clearer performance evaluation.					
6	You reduce the risk of hiding future debts, which improves trust in reports.					
7	You present up-to-date records that support yearly comparisons.					
8	You prepare reports that meet national and international accounting standards.					

### Section B: Modified accrual accounting

This section aims at examining the effect of modified accrual accounting on financial reporting of Butebo district local government. Please indicate your opinion on the following statements using the Linkert scale. Key: 1= Agree; 2= strongly Agree; 3= not sure; 4= Disagree; 5= strongly disagree

No	Statements	1	2	3	4	5
1	You recognize revenue only when it is measurable and likely to be received.					

2	You record costs as soon as they are confirmed, which improves control over spending.					
3	You align reporting with the approved budget, which enhances transparency.					
4	You produce short-term focused reports that are easy to interpret.					
5	You reveal available funds for immediate services, which aids local planning.					
6	You improve tracking of how government funds are spent.					
7	You help identify gaps between projected and actual spending.					
8	You improve accountability by separating actual usage from future commitments.					

**Section C: Cash accounting**

This section aims at assessing the effect of cash accounting on financial reporting of Butebo district local government. Please indicate your opinion on the following statements using the Linkert scale.

Key: 1= Agree; 2= strongly Agree; 3= not sure; 4= Disagree; 5= strongly disagree

No	Statements	1	2	3	4	5
1	You report income only when money is received, which may delay recognition.					
2	You leave out transactions without cash flow, which reduces completeness.					
3	You find it hard to show the true financial position due to missing liabilities.					
4	You risk hiding unpaid obligations, which can mislead users of reports.					
5	You keep reports simple, but lack detailed financial insight.					
6	You make it difficult to assess how money was used versus planned					
7	You focus on cash movements only, which limits transparency.					
8	You struggle to meet audit requirements due to incomplete disclosures.					

### Section C: Financial reporting

This section aims at establishing the indicators of financial reporting of Butebo district local government. Please indicate your opinion on the following statements using the Linkert scale. Key:

**1= Agree; 2= strongly Agree; 3= not sure; 4= Disagree; 5= strongly disagree.**

No	Statements	1	2	3	4	5
1	You prepare financial reports that provide a true and fair view of the district's financial position.					
2	You ensure that financial reports are complete by including all relevant transactions.					
3	You present financial information that is comparable across different financial years.					
4	You make financial reports reliable by using accurate and verifiable data.					
5	You use financial reports to enhance transparency and accountability to stakeholders.					
6	You provide timely financial reports that support decision-making in resource allocation.					
7	You follow reporting standards to improve public trust in financial reporting.					
8	You use financial reports to evaluate performance and improve service delivery.					

**APPENDIX 11: DATA COLLECTION LETTER FROM THE DISTRICT**

 UGANDA CHRISTIAN UNIVERSITY  
A Centre of Excellence in the Heart of Africa  
MBALE UNIVERSITY COLLEGE

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Office of the Academic Registrar

To CAO  
BUTEBO DISTRICT

Dear Sir/Madam,

Re: Academic Research

Christian greetings!

We are honored to introduce to you Mr. Mrs./Miss WASUNIRE CHARLES  
Of Registration Number; S22/MUC/BA/1049 pursuing a Masters' Degree/Postgraduate Diploma / Bachelor's Degree .....

He/ she is required to carry out an academic research on the topic  
Accounting Practices and Financial Reporting in 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,

  
Mr. Akampurira Timothy  
Academic Registrar



  
30/04/2025  
For: Chief Administrative Officer  
Butebe