CORPORATE GOVERNANCE AND PERFORMANCE OF LOCAL GOVERNMENTS IN UGANDA

A CASE STUDY OF MBARARA DISTRICT LOCAL GOVERNMENT

(2013-2018)

BY

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APRIL, 2019
DECLARATION

I hereby declare that this research report is due to my own knowledge, effort and it has never been submitted by any other person for any award in any University or institution of higher learning.

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APPROVAL

This research report on "Corporate governance and performance of local governments in Uganda: A case study of Mbarara district local government" has been submitted with my approval.

Signature: [Signature] Date: 24/09/2019

MS NAKAWUNGU FARIDAH
(SUPERVISOR)
DEDICATION

This work is dedicated with joy and love to my beloved Miss Rukundo Enid for her friendly assistance, love, care and advice in this research and during my studies.
ACKNOWLEDGEMENTS

I thank the Almighty God for granting me knowledge, wisdom, courage and determination during my studies. May his name be glorified forever! Amen!!!

I also wish to extend my appreciation to my supervisor Ms. Nakawungu Faridah for her parental courage, advice and guidance from topic formulation to the final stage.

I also wish to extend my sincere gratitude to Rukundo Enid and my aunt Doreen Kakeija for their continued support, motivation and inspiration, without their knowledge; I wouldn’t keep the candle burning.

I also extend a vote of thanks to my dear friends especially Miss Stubila Suzan, Ssebata John among others for their time, sacrifice, love, prayers and courage. Your company and constructive ideas made my life very easy at the University.

Last but not least, I also extend my appreciation to my Lecturers, Mr. Kirabo Joseph and Mr. Kawiso Martin for their research methods and practices they taught me in second year, it made an impact, it’s out of these lectures that I got knowledge behind this research report thanks a lot.

Sincere thanks also go to my dear respondents, the CAO and deputy CAO, Mbarara District Local Government who sacrificed their time in giving me relevant information that backed my research.
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<tr>
<td>%</td>
<td>Percentage</td>
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<tr>
<td>MDLG</td>
<td>Mbarara District Local Government</td>
</tr>
<tr>
<td>BEC</td>
<td>Bachelor of Art in Economics</td>
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<tr>
<td>CVI</td>
<td>Content Validity Index</td>
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<tr>
<td>UBOS</td>
<td>Uganda Bureau of Statistics</td>
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<td>ACODE</td>
<td>Advocated Coalition for Development</td>
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<tr>
<td>EAC</td>
<td>East African Community</td>
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<td>CPI</td>
<td>Corruption Perception Index</td>
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<td>LC</td>
<td>Local Council</td>
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<td>OECD</td>
<td>Organization for Economic Co-Operation and Development</td>
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ABSTRACT

This study was about corporate governance and performance of local governments in Uganda. It was based on three specific objectives which included:- to examine the ways in which proper corporate governance is executed in local governments, to examine the effectiveness of corporate governance in enhancing performance of local governments and to establish the relationship between corporate governance and performance of local governments. It was conducted from a sample of 80 respondents selected from Mbarara district local government. The study was based on the descriptive survey as the methodology. A descriptive survey is usually concerned with describing the population with respect to important variables with the major emphasis being the establishment of the relationship between the variables. This design was used to collect data from members of the population and describe existing phenomenon with reference to corporate governance structures.

The study findings indicate the ways in which proper corporate governance is executed in Mbarara District Local Government and these ways include transparency, honesty/integrity, citizen participation, accountability, public participation, openness and ethical conduct. Also the study findings revealed that the effectiveness of corporate governance in enhancing performance is due to fact that ever since Mbarara district local government started ensuring value for money during the procurement process and contract award and that all contracts, performance reports and financial statements are audited by an independent auditor, budgets are well prepared and implemented on most priority basis, citizens’ complaints are adhered to and appropriate, construction contracts are well monitored until their completion, local revenues are accessed and collected in the right manner, there is adequate and skilled staff in order to quicken service delivery 34 (81.0%), there is an appropriate mechanism for information flow from village level to district level and public expenditure is done in an equitable and right manner with much emphasis on priority areas. In addition, the study findings revealed that there is a positive relationship between corporate governance and performance of local governments.

The study concludes that corporate governance has been executed in a proper way in Mbarara district local government where the properness was found to be reflected in terms of openness, transparency, honesty, accountability, citizen participation, respect for the rule of law,
trust/sincerity, ensuring professional and ethical conduct and citizen representation in council meetings which are all indicators of proper corporate governance.

The study recommends local governments to put in place effective budgetary and internal controls in order to reap a significant improvement in performance. Proper controls should be put in place over revenue collection, contract execution, procurement, recruitment and service delivery.
CHAPTER ONE:
INTRODUCTION

1.0 Introduction
The study is meant to establish the relationship between corporate governance and performance of local governments in Uganda. This chapter consists of the background to the study, statement of the problem, objectives of the study, research questions, scope of the study, conceptual framework and significance of the study.

1.1 Background of the study
The Decentralization and privatization of government services are rapidly becoming key features among popular strategies to remedy problems of corporate governance in both developed and developing countries. Decentralization takes four approaches namely: deconcentration, delegation, devolution and privatization. The first three approaches describe the process whereby central government shifts responsibility to a greater or lesser degree to sub-national levels whereas privatization describes private sector involvement in service provision where responsibility over services, previously performed by the public sector, is transferred to private organizations such as trade organizations, religious groups or business firms, (Rondinelli 1992).

In Uganda, decentralization system of governance stems its roots from the colonial period where the country was divided into 13 administrative units: four kingdoms (Buganda, Ankole, Toro, Bunyoro) which had a federal status and nine districts with the central government exercising considerable control over the district councils through district commissioners. Currently, the corporate governance in Uganda represents a hierarchy of local representation. The basic unit of local government is the district and is governed by the District Local Councils, referred to as LC 5. Districts consist of sub-counties LC 3 and sub counties consist of parishes and these are similarly governed by parish councils, known as LC 2. The parishes consist of the smallest political unit, governed by the village councils, known as LC 1. Power originates from the village (LC 1) in both rural and urban areas. All people resident in a jurisdiction area constitute a council at the respective level. At all levels from LC 1 to LC 5, there is an executive committee. These committees consist of line officials: Chairperson, a General Secretary, and Secretaries for
Women, Finance, Security, Youth, Information, Mass Mobilization, Social Services and Education. The committees have statutory power to make decisions pertaining to the development of their local areas, to administer local justice through LC courts, and to mobilize local involvement in development projects (Birungi, Kwagala, Muwanga, et al., 2000).

The major aim of the decentralization system of local governance is to transfer the real power to the districts and thus reduce the load of work on remote and under resourced central officials; to bring political and administrative control over services to the point where they are actually delivered; thereby improving accountability and effectiveness, and promoting people’s feeling of “ownership” of programs and projects executed in their districts; To free local managers from central constraints as long term goals allow them to develop organizational structures tailored to local communities; To improve financial accountability and responsibility by establishing a clear link between the payment of taxes and provisions of services they finance; and To improve the capacity of local councils to plan, finance and manage the delivery of services to their constituencies (Villadesen and Lubanga, 1996).

In general, corporate governance is about building credibility, ensuring transparency and accountability as well as maintaining an effective channel of information disclosure that would foster good corporate performance. It is also about how to build trust and sustain confidence among the various interest groups that make up an organization (Matama, 2008). A key thesis for the proponents of decentralization system of governance is that, when those closest to where decisions are made are empowered to make decisions and given ownership of results, better decisions was made which would result into better performance in terms of service delivery and fiscal performance. The fundamental claim is that increased efficiencies should follow and the quality of services improved. However, these objectives seem have up to date not been met at the local level by the current system of governance in Uganda as performance in most local governments have not improved significantly (Birungi, Kwagala, Muwanga, et al., 2000).

In Mbarara district local government for example, a review of selected service delivery indicators shows that performance of Mbarara district is still low in most of the sectors especially the education, roads and finance (Bainomugisha et al, 2014). The education sector is still performing poorly as shown by a decline in pupil enrolment and poor performance of government primary and secondary schools (UPE), and (USE). In addition, more than 25 per cent
of the 3,572 km district road network (excluding roads in the municipality) was still in a poor state which had impacted negatively on citizen’s access to both markets and service delivery points as the survival of the citizens in Mbarara District depends on easy access to the commodity market. There had also been a lot of Budgetary Constraints as shown by low amounts of locally generated revenues in relation to the total district revenue. Central government disbursements, which dominate the district budget, are mainly in the form of conditional grants. This means that there is little or no room for the re-allocation of funds by the district local government to other service delivery priorities if the organization doesn’t generate its own revenue.

1.2 Problem statement

Uganda embarked in 1993 on radical decentralization as a corporate governance strategy by implementing a system of local councils ranging from village level to district level. The major focus of this system of governance was on empowering citizens to participate in decisions that affect their localities in order to improve the performance of the district in terms of service delivery, fiscal performance and financial management (Nsubuga&Olum, 2009). However, despite this system of governance, the objectives of establishing this system seemed not to be effective when viewed in practice on ground.

For example, the performance of Mbarara district local government was still low in most of the sectors especially education, roads and finance (Bainomugisha et al, 2014). The most significant indicators were a decline in pupil enrolment in government aided primary and secondary schools, poor state of roads, budgetary Constraints and high fraudulent actions in the undertaking and management of most projects in the district especially in the sectors of procurement and finance (ACODE report, 2017). Therefore, the researcher had to examine the relationship between corporate governance and performance of Local Governments in Uganda using Mbarara district Local Government as a case study.

1.3 Objectives of the study

1.3.1 General objective

The general objective of this study is to examine the relationship between corporate governance and performance of Local governments in Uganda.
1.3.2 Specific objectives
i. To examine the effectiveness of corporate governance in enhancing performance of local governments.
ii. To examine the ways in which proper corporate governance is executed in local governments.
iii. To establish the relationship between corporate governance and performance of local governments.

1.4 Research questions
i. What is the effectiveness of corporate governance in enhancing performance of local governments?
ii. What are the ways in which proper corporate governance is executed in local governments?
iii. What is the relationship between corporate governance and performance of Mbarara district local government?

1.5 Scope of the study
1.5.1 Geographical scope
The study was conducted from Mbarara district LG in south-western Uganda. The district is bordered by Ibanda District to the North, Kiruhura District to the East, Isingiro District to the South-East, Ntungamo District to the South-West, Ntungamo District to the South-West, Sheema District to the West and Buhweju District to the Northwest. The district covers a geographical area of 1846.4sq. km. Mbarara District Local Government has 14 sub-counties and one Municipal Council. Mbarara Municipality has three Municipal Divisions of Kamukuizi, Nyamitanga and Kakoba. The District covers a geographical area of 1846.4sk.km. According to the to the 2014 population projections, the total district population stands at 454,800, with an annual population growth rate of 2.8% (UBOS Population Projection 2014).

1.5.2 Time scope
The study was conducted within a time limit of 5 years from 2013-2018. This period was estimated to generate relevant data about the study variables in question.
1.5.3 Contextual scope
The contextual scope of this study was limited to examining the effectiveness of corporate governance in enhancing performance of local governments, the ways in which proper corporate governance was executed in local governments and to establish the relationship between corporate governance and performance of Mbarara district local government.

1.6 Significance of the study
The study will enable the government to know the effectiveness of different levels of governance from the village level to the district level and to identify the levels with good governance and those with poor governance. This will assist policy makers and regulatory bodies to develop policies that streamline the performance of each lower local government and the overall performance.

The study will help the public to understand how tax payer’s money has been effectively and efficiently used to extend services to the public and ensure value for money by examining issues such as transparency, accountability and ethical conduct.

The study enabled the researcher to acquire adequate skills and experience in research and was meant to assist him in accomplishing his university degree.

The study will also add on the existing body of literature about the researcher as it will be used as reference by future researchers.

1.7 Conceptual framework

Figure 1: Showing conceptual framework

<table>
<thead>
<tr>
<th>Independent variable</th>
<th>Dependent variable</th>
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<tr>
<td>Corporate governance</td>
<td>Performance</td>
</tr>
<tr>
<td>• Accountability</td>
<td>• Revenue mobilization</td>
</tr>
<tr>
<td>• Transparency</td>
<td>• Service delivery</td>
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<tr>
<td>• Ethical conduct</td>
<td>• Value for money</td>
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Corporate governance as an independent variable was based on accountability, transparency and ethical conduct. According to Matama (2008), these are the three major components of corporate governance which are responsible for effective performance. He asserted that lack of transparency, poor accountability and poor ethical conduct comprising of high rate of corruption and embezzlement of tax payers’ money will automatically result into poor performance and vice versa. However, his study was based on commercial banks where his assertion may be different when viewed at the local government context. The above conceptual framework will assist in assessing the influence of each of the three dimensions on the performance of Mbarara district local government which was measured using two measures; revenue performance, level/extent of service delivery based on different service sectors and value for money. The researcher hypothesized that under normal circumstances, corporate governance had a direct relationship with each of the above performance measures.
CHAPTER TWO: LITERATURE REVIEW

2.0 Introduction

This chapter presents a number of studies by past researchers about the study variables and objectives. This literature is to help in delivery of a clear explanation of the variables in the study, a review of the past findings from which the findings of the current study were based and relationship developed.

2.1 Overview of corporate governance

Public entities’ Corporate Governance is a concept that is gaining more and more field both in specialized literature and in practice. The public bodies’ Corporate Governance as leadership and control method involves a set of clear rules and principles (integrity, honesty/sincerity, transparency and responsibility), clear risk management and control mechanisms, elements needed to achieve the purpose of public entities, which is satisfying public needs (Matei&Drumasu, 2015).

The term corporate governance and its everyday usage is a new phenomenon that appeared in the last twenty years or so. The basic theories that influenced the development of corporate governance include a variety of areas including finance, economics, accounting, law and management. Corporate governance deals with the ways in which suppliers of finance to corporations assure themselves of getting a return on their investment (Schleifer&Vishny, 1997). A definition from the OECD clearly captures the essence of corporate governance “Corporate governance is the system by which business corporations are directed and controlled. The corporate governance structure specifies the distribution of rights and responsibilities among different participants in the corporation, such as the board, managers, shareholders and other stakeholders and spells out the rules and procedures for making decisions in corporate affairs” (OECD, 2004). Corporate governance is the governance and management of the principles of openness, honesty and responsibility of the management to the shareholders, employees, suppliers, customers, banks, regulators, immediate surroundings and the environment (Lazárová, 2008).
Corporate governance is understood as a response to the agency problems that arise from the separation of ownership and control in a corporation (Elbadry, 2010). In the case of separation of ownership from management there is a set of mechanisms that affect the decision making of managers. Through corporate governance we can influence managers acting in their own interest to implement decisions that maximize the value of owners (Elbadry, 2010). From the perspective of the stakeholder theory, corporate governance is defined as ways in which all parties interested in the well-being of the firm (the stakeholders) attempt to ensure that managers and other insiders take measures or adopt mechanisms that safeguard the interests of all stakeholders, not just shareholders but also creditors, employees, customers, suppliers and so on (Elbadry, 2010).

2.2 Ways in which proper corporate governance is executed in local governments

According to Vannin (2009), Good corporate governance should be executed in line with the internationally accepted standards/principles. These principles are relevant to both public service bodies and private sector entities. They apply equally to all public service bodies, irrespective of whether they are elected or appointed.

2.2.1 Openness

An open approach is required to ensure all interested parties are confident in the local authority. Openness in the disclosure of information leads to effective and timely action and lends itself to necessary scrutiny. Members should be as open as possible about their actions and those of their local authority and should be prepared to give reasons for those actions and decisions, and restrict information only when the wider public interest or the law (i.e. Data Protection Act) clearly demands it. Similar to openness is another principle of Objectivity which states that Members should make decisions on merit, including making appointments, awarding contracts, or recommending individuals for rewards and benefits. Members should take decisions solely in terms of the public interest and should never improperly confer an advantage or disadvantage on any person. They should not take any decisions in order to gain financial or other material benefits for themselves, their family, or their friends (Vannin, 2009).
2.2.2 Honesty/Integrity

This is described as both straightforward dealing and completeness. It should be reflected in the honesty of the local authority’s annual accounts. Minutes of Meetings being made open and available to the public provide the portrayal of a balanced view. The integrity of the business conducted is a reflection of the professional standards within the local authority. According to Trakulmututa and Chaijareonwattana (2013), Members should not place themselves in situations where their honesty and integrity may be questioned, should not behave improperly, and should on all occasions avoid the appearance of such behavior. Members should not place themselves under any financial or other obligation to outside individuals or organizations that might influence them in the performance of their official duties. Members have a statutory duty to declare any pecuniary interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

2.2.3 Accountability

According to Ndungu (2015), accountability is an ethical code for governance. It was often used synonymously as the matter of responsibility, answerability, blameworthiness and liability. The accountability, as an aspect of governance, had been central to the discussions related to problems at the public sector, non-profit corporate, and the private world. This is the process whereby individuals (or Boards) are responsible for their actions. It is achieved by all parties having a clear understanding of those responsibilities, and having clearly defined roles through a robust structure. Members should be accountable to the public for their actions and decisions and the manner in which they carry out their responsibilities and should co-operate fully and honestly with any scrutiny appropriate to their office. In leadership roles, accountability is the acknowledgement and assumption of responsibility for actions, products, decisions, and policies. It also includes with the administration, governance, and implementation within the scope of the role or employment position and encompassing the obligation to report, explained and be answerable for resulting consequences. Administrative accountability means to internal rules and norms.
2.2.4 Duty/rule of law

Members have a duty to uphold the law and act in accordance with the law and the public trust placed in them. They have a duty to act in the interest of the local authority as a whole and the community served by it and a duty to be accessible to all the people of the area for which they have been elected to serve, and to represent those interests conscientiously. According to United Nations Security Council (2004), the rule of law is referred to as a principle of governance in which all of the people, institutions and entities, public and private, including the state were accountable to laws that were publicly promulgated, equally enforced and independently adjudicated; which were consistent with international human rights norms and standards. It required measures to ensure adherence to the principles of supremacy of law, equality before the law, accountability to the law, fairness in the application of the law, separation of powers, participation in decision making, legal certainty, avoidance of arbitrariness and procedural and legal transparency.

2.2.5 Transparency

According to Organization for Economic Co-Operation and Development (OECD) (2005) transparency refers to the work that stakeholders are able to investigate in any process. Transparency in the act of government would help to reduce the corruptions, inefficiency of the civil servants, and it also increases the performance as a whole. Rule of transparency requires civil servants and public officials use powers and resources for the public good, in accordance with the law and government policy. They should be prepared to be accountable for the decisions they make, and to justify their official decisions and actions to a relevant authority, or publicly, as appropriate in the circumstances.

2.2.6 Citizen Participation

This rule intends to encourage the participation of the citizens by giving the opportunity to know, and opportunity to make the decisions on the process of the projects. This rule also means to increase the capacities of the citizens in participating in the procedures that affect the living of the community. Therefore, the participation is an interchanged relationship of communication and opinion between government and its citizens. Generally public participation seeks and facilitates the involvement of those potentially affected by or interested in a decision. This can be
in relation to individuals, governments, institutions, companies or any other entities that affect public interests. The principle of public participation holds that those who are affected by a decision have a right to be involved in the decision-making process. Public participation implies that the public's contribution will influence the decision (Principles of Public Participation and IAP2 Core Values for the Practice of Public Participation, 2012). Public participation may be regarded as a way of empowerment and as vital part of democratic governance. (Principles of Public Participation, 2012) Public participation is viewed as a tool, intended to inform planning, organizing or funding of activities. Public participation may also be used to measure attainable objectives, evaluate impact, and identify lessons for future practice (Principles of Public Participation, 2008).

2.2.7 Value for Money

Value for Money is the term used to assess whether or not an organization has obtained the maximum benefit from the resources available to it. It does not only measure the cost of goods and services, but also takes into account the mix of quality, cost or resources used, fitness for purpose, timeliness and convenience to judge or not. They constitute good value when they are implemented. Achieving Value for Money might be described in terms of the 'three Es' i.e. economy, efficiency and effectiveness (Prommapan, et al., 2004).

2.3 Effectiveness of Corporate governance in enhancing performance of local governments

According to Oxford Dictionary, 2007 effectiveness defined as, the level to which something intended is successful in producing a desired result is success. Meanwhile, efficiency defined by achieving maximum productivity by using available resources in the appropriate way. Nevertheless, effective and efficient are both popular words in service delivery system that been used to evaluate the service delivery performances. Bourn, 2006 summarize that something is effective if it is adequate to accomplish a purpose; producing the intended or expected result. On the other hand, it is efficient if it performs or functions in the best possible manner with the least waste of time and effort. In accordance to Bourn (2006) "Being effective is about doing the right things, while being efficient is about doing things in the right manner.

The effectiveness and efficiency of the public service delivery system is dependent on the quality of the public sector workforce. Towards this end, the Government will further strengthen
competency based human resource management to nurture workforce with the right attitude, skills and knowledge. In addition, appropriate assessment systems adopted to inculcate the positive values and promotion skillful work ethics. Therefore to achieve a competent human resource, the Government will also need to ensure that front line agencies staffed by appropriate personnel who selected according to set criteria to provide efficient and courteous services to their customers. Hence, at the same time, the Government will continue to implement the necessary strategies and initiatives to strengthen individual and organizational performance in the public sector. Overall, competent human resource is explaining about providing good services to the public by portraying and engaging good ethics while performing the task given. This is in line with the teaching of Islam, and promoted as the way of life which highlights excellent principle on ethics that involve the relationship between man and man including ethics of a leader (appointed government) towards the citizen. (Mamat and Mahamood, 2010).

2.3.1 Waste Management
Studies in Malaysia indicate that local governance structures have a high level effectiveness through the collection of solid services every day in the city Centre and by providing solid waste collection services once per two days in other areas. However, they indicate that citizens were not satisfied with local authorities in terms of waste management services primarily in terms of drainage cleaning followed by grass cutting and clearing of tree and branches (Osman et al., 2014). However, similar studies in Kenya show that the sheer volume of waste is the inability of governments and waste-disposal firms to keep up with it. Both financially and physically, cities were unable to provide waste collection/management, especially to the urban poor occupying peri-urban or other geographically inaccessible areas resulting to spatially skewed service provision. Their illegal status, inaccessibility, inability to collect fees and very high waste generation which cannot be handled with available vehicles and equipment make local authorities ineffective to provide them with urban services (Kazungu, 2010).

2.3.2 Licensing and Enforcement
In a similar study by Osman et al., (2014), inefficient services provided in Licensing and Enforcement Department are services related to food premises, market license application and license annulments. Thus, to encounter these problems, definite improvement is needed in order to ensure that services offered could be completed within the time schedule. In a report by EPA
review group 2011 its effectiveness of the licensing procedures has been verified through the internal EPA audit of the Environmental Licensing Unit, and external reviews (OECD 2010; NESC 2010). The EPA undertakes its own separate monitoring of emissions; such monitoring visits form part of its overall enforcement activity, which also includes audits and inspections. Some stakeholders argued that EPA site inspections should always be unannounced, to minimize the risk of malpractice being hidden from the regulator.

The Office of Environmental Enforcement (OEE) audit of licensed operators’ performance is in fact conducted through both unannounced inspections and, when it is important to ensure senior management are available, through prior arrangement; the EPA advised the Review Group that in 2009, approximately 74% of inspections carried out were unannounced. Business interests expressed concern at the relatively high turnover of enforcement Inspectors that can affect continuity and the knowledge of a licensee’s operation. Others expressed concern that the same Inspectors should not be responsible for both licensing and enforcement of a facility. This potential problem was addressed by the setting up of the OEE in 2003, which provided for separate teams of licensing and enforcement Inspectors.

2.3.3 Town Planning and Development Control

Town Planning and Development Control Department have been found to be effective in providing tax bills to taxpayers and handling payment matters to the contractor. However, the department are still lacking in terms of application approval development proposal, issuing the permit for earth work and preparing decision on objection letter which; should be improved in order to promote world-class administrations through citizen-Centre services concept (Osman et al., 2014). According to Yaakup., Johar. F and Yusof. (2010) the study revealed in Malaysia that urban planning in the present system of development control in most local authorities is by granting or refusal of planning permission for development. The local authority is empowered to grant or refuse any planning application in its area. The recent amendment to the Town and Country Planning Act requires that certain planning application shall be accompanied by a development proposal report which include a written statement and a plan to (i) describe the present condition of the land to which the application relates; and (ii) describe the proposed development, in particular on how it would be likely to have a significant effect on the built environment (Ali, 1990).
2.3.4 Front Desk Counter

In a study by Osman et al., (2014) staffs at the front desk counter were able to respond to all complaint received by the public within 7 working days, this statement ranked as the highest that achieve effective service delivery. However, responding to all complaints by Public Complaint Biro within 5 working days ranked the least preferred statement. This finding should be looked in detail in order to improve public service delivery. Even though this statement seems the same but inconsistency on quality of the services rendered to the public could lead to this differences in result. Therefore, these issues need to be stressed in order to ensure the services delivered are consistent, transparent, equal and fair. According to Hecker, Vlaardingen, Netolícky and Třebová (2010) Front desk counter also known as a one stop desk refers to an office where citizens go to obtain or ask for local government products and services. Other descriptions of a one stop desk are ‘public information centre’, ‘municipal shop’ or ‘municipal store’. However a public information centre implies that only information and no product can be obtained, while municipal shop or store implies that customers have the liberty to buy or not to buy a product, like in a normal store. This is mostly not the case in a one stop desk since it enjoys monopoly of the product. Front desk counter is useful for the following reasons:

- It improves the quality of the service delivery of your local government.
- It improves the relationship between the local government and its citizens.
- It organizes the contacts between citizens and the local government organization more efficiently and effectively.

2.3.5 Public Facilities

In addition a study by Osman et al., (2014) indicates that the provision of public toilet was not sufficient in local authorities of Malaysia. However, Local Authorities should take into consideration of providing more public toilet at a strategic location. In addition, Christine, Lonti.&Joumard. (2007) revealed that in their study that majority of Organization for Economic Co-operation and Development (OECD) countries have engaged in some institutional reforms, the empirical evidence of their impact on efficiency is so far limited due to: the lack of resources to conduct evaluations; the lack of pre-reform measures of performance; the complexities in measuring efficiency in the public sector; and the problem of isolating the effects of specific institutional reforms on efficiency from other external influences. Empirical evidence
nevertheless suggests that the following three institutional factors may improve public sector performance in relation to public facilities:

- Decentralization of political power and spending responsibility to sub national governments.
- Appropriate human resource management practices.
- In the education and health sectors, there is evidence that increasing the scale of operations may improve efficiency.

Curristine et al (2007) also revealed that increasing the use of performance information in public facilities is an important initiative that is widespread across OECD countries. Organization for Economic Co-operation and Development countries (OECD) have reported a number of benefits from the use of public facilities that’s;

- It generates a sharper focus on results within the government.
- It provides more and better information on government goals and priorities, and on how different programmes contribute to achieve these goals.
- It encourages a greater emphasis on planning and acts as a signaling device that provides key actors with details on what is working and what is not.
- It improves transparency by providing more and better information to parliaments and to the public, and has the potential to improve public.

2.3.6 Service Delivery

Osman et al., (2014) portrayed that Local Authorities should receive high consideration in improving the service delivery especially in providing services and handling customer’s problems within the time schedule as it’s ranked as the poor services offered by the staff. Majekodunmi. (2010) a study in Nigeria revealed that local government creates an appropriate and conducive environment for the people at the local level through efficient and effective service delivery. The link between the qualities of service that citizens enjoy is very significant and the article examines local government and effective service delivery with special reference to Nigerian local governments. It notes that Local government is the closest government to the people at the grassroots level, so it is expected to play significant roles in providing the social services for the people in order to improve their standard of living. The article observes that despite the strategic importance of local government to the development process through
effective service delivery, there has not been much development in most local governments in Nigeria. The article recommends that local governments need adequate autonomy that facilitates their operations and development of the localities through effective service delivery.

2.4 Relationship between Corporate Governance and Performance in local governments

2.4.1 Concept of performance of local governments

The concept of Performance measurement in a local authority is a complex task because: local authorities offer a wide range of services with both tangible and intangible outputs; customers rarely pay an economical price for the services; there is no profit measure; and there is no apparent direct link between services and cost to electors. Rainey and Steinbauer (1999) proposed a framework that contains a set of factors likely to explain the effectiveness of public agencies. These factors are support and control from external stakeholders, resource availability, organizational culture, leadership, mission valence, and task design. In the same line of thinking, Boyne (2003) proposed that public services performance is likely to be explained by the amount of resources, regulation, differences in market competition, organizational factors, and management.

In terms of managing performance, finance is a resource and, therefore, also very likely to be an end in the performance management framework. As a main assumption of this investigation, we contended that by wisely managing financial resources, managers are more likely to improve the quality of services provided to the public. Some studies associate high quality financial management with several dimensions of performance (Ogden & Watson, 1999; Stanwick & Stanwick, 1998; Waddock & Smith, 2000). This makes it reasonable to assume that good financial management is a determinant factor of superior organizational performance.

According to Zafra-Gómez, López-Hernández and Hernández-Bastida (2009), there are several ways for assessing local government financial conditions, but assets and liabilities are to be taken into account in order to assess sustainability, flexibility and vulnerability. The authors particularly stress the importance of vulnerability as “an organization’s level of dependence on external funding received via transfers and grants” (Bohte, 2001, p. 154). The greater the dependence on external funds, the higher the level of dependence and the lower the level of discretion (Pfeffer & Salancik, 2003) for making decisions and for devising policies. In the same
line of thinking (Kloot, 1999, p. 239) recommended “debt reduction strategies to demonstrate responsible financial management; ‘never to be in the red’; infrastructure and asset management; and long-term economic and social sustainability” as managerial drivers for local governments. Another way of assessing government performance relates to the fiscal health of the city in terms of the risk of bankruptcy, which according to Whitney (2013, p. 191), is the result of “budgetary mismanagement coupled with rising pension and debt costs”. In this vein, vulnerability seems to be a feasible mean for assessing municipality performance.

2.4.2 Measures of Performance of local governments

According to Tudose (2013), performance of local governments is measured basing on the analyzed performance indicators of local authorities in the context of budgetary constraints. Tudose (2013) stresses that the most relevant financial and fiscal indicators specific to local governments can be classified and analyzed in three groups: revenue indicators; expenditure indicators; and result/performance indicators.

2.4.2.1 Revenue based indicators

In the analysis of revenue-based indicators, the focus is on indicators such as: the degree of self-financing of local government, local government revenue generation capacity, and level of own revenue collection and the level of dependence of the local budget on the national budget as explained below.

The degree of self-financing of the local government \( (\text{DSF}_{\text{LG}}) \)

This measure was calculated as the ratio of own revenues generated by Mbarara District Local Government and the total revenue exclusive of capital subsidies expressed as a percentage (Tudose, 2013).

\[
\text{Degree of self-financing of LG} = \frac{\text{Own revenues}}{\text{Total revenues} - \text{Capital subsidies}} \times 100\%
\]
The local government revenue generation capacity (RGC$_{LG}$)

The local government revenue generation capacity is a more complex indicator used in assessing the financial standing of the local authority (including its financial autonomy), as it also factors in the amounts from the share of income tax collected at local level (Tudose, 2013). This indicator was measured by the following formula:

\[
RGC_{LG} = \frac{Ownrevenues + \text{shares on income tax}}{Totalrevenues} \times 100\%
\]

The degree of own revenue collection (DORC$_{LG}$)

The degree of own revenue collection matches up the level of own revenue collection with the budget provisions for the period under consideration. This measure reflects the local government’s capacity to properly forecast and subsequently collect own revenues. The measure also proves useful both in planning budgets and in examining budget execution, becoming established as a conditioner of local expenditure levels (Tudose, 2013). This measure was determined as a ratio of own revenue and projected own revenues as follows:

\[
\text{DORC}_{LG} = \frac{Ownrevenues}{Projectedownrevenues} \times 100\%
\]

The degree of dependence of the local budget on the national budget (DD-LB/NB)

The degree of dependence of the local government budget on the national budget shows the extent to which the support for local government expenditure is conditional upon resources transferred from other public budgets, primarily the central government budget (Tudose, 2013). This measure is determined as follows:

\[
\text{DD-LB/NB} = \frac{Totalrevenues - Ownrevenues - \text{subsidies received by other government authorities}}{Totalrevenues} \times 100\%
\]

2.4.2.2 Expenditure-Based Indicators

The analysis of expenditure-based indicators focuses particularly to the analysis of the following indicators: expenditure rigidity and investment capacity. The role of these indicators is to determine the extent of flexibility or rigidity of the various expenses of a local public authority and respectively to deliver a realistic basis for estimates regarding the development potential of a
local community and “local budgetary policy” (Tudose, 2013). The measures are explained in detail as follows;

**Expenditure Rigidity of the Local Government (ER\textsubscript{LG})**

This measure reflects the limits of the decision-making authority of local government in prioritizing expenditure. Usually, a reduction in the share of staff expenses in the total expenditure leads to optimized management only if it is accompanied by rising own revenues (resulting from local development, increased efficiency in determining and collecting revenue), changes in the allocation policy and savings in staff-related expenses (Tudose, 2013). This is calculated as follows:

\[
Expenditure\text{ Rigidity of } LG = \frac{Staff\text{ Expenses}}{Total\text{ Expenditure}} \times 100\%
\]

**Investment Capacity of the Local government**

The analysis of the investment capacity reflects the extent of local government involvement in promoting local development by investing in different ventures (Tudose, 2013). This is calculated as follows:

\[
Investment\text{ capacity of } LG = \frac{Capital\text{ Expenditure}}{Total\text{ Expenditure}} \times 100\%
\]

2.4.2.3 Results/Budget Performance Based indicators

The main indicators used to assess the results/budget performance of local government are the following: a) the financial management capacity; b) the budget burden of the local government; c) operational reserve funds; and d) primary deficit. The analysis of these indicators provides an overview of the extent and the quality of the involvement of local government in boosting the economic activity of the community. These are explained in detail as follows;
Financial Management Capacity of the Local government (FMC\textsubscript{LG})

The financial management capacity of the local government demands the simultaneous analysis of local budget revenues and expenses. The value of the indicator and its progress over the course of time enables the quantification of the quality of financial management adopted by the authorizing officer of the local government (Tudose, 2013). This measure is determined as the ratio of the surplus of current revenue to current expenses, on the one hand, and revenues, on the other as shown below:

\[
\text{Financial Management Capacity of LG} = \frac{\text{Current revenues} - \text{Capital Expenditure}}{\text{Total Revenues}} \times 100\%
\]

Fiscal Burden of the Local Government (FB\textsubscript{LG})

The fiscal burden of the local authority balances the local authority’s own generated revenues (own tax revenues and break-downs of income tax) and the total revenues collected locally (both for the local budget and for other public budgets). In view of how it is determined, the indicator reflects the efforts of the local community in terms of aiming to provide quality local services and to support the funding and development of public services overall (not just at local level but for the whole society) (Tudose, 2013). This measure is measured as follows:

\[
\text{Fiscal Burden of the LG} = \frac{\text{Own tax revenues + share of income tax}}{\text{Total tax revenues collected locally}} \times 100\%
\]

Operational Reserve Fund of the Local Government (ORF\textsubscript{LG})

Operational reserves refer to the amount of available resources at the disposal of the local government after it has provided all the public services that fall within its remit. They can enable it to provide (additional) funding for local development (providing that the value of the indicator is not distorted by unpaid commitments) (Tudose, 2013). This is determined as the difference between the operational revenues and the operational expenses as shown below:

\[
\text{Operational Reserve Fund of the LG} = \text{Operational revenues} - \text{Operational expenditure}
\]

Primary Deficit of the Local Government (PD\textsubscript{LG})

Primary deficit, as an indicator of Performance, enables the assessment of the capacity of local government to operate autonomously. The indicator serves to reflect the extent to which administrative expenditure are funded by own revenues, generated locally (including shares of
income tax), and defines the parameters of local budget balancing (and serves as a reference in adopting budget balancing decisions). Its size provides an insight into the socio-economic situation of the community, serving as a barometer in establishing the actual budget balancing needs (Tudose, 2013). It is calculated as:

\[
Primary\ Deficit\ of\ the\ LG = Own\ revenues\ locally\ generated + Shares\ of\ income\ tax - Administrative\ expenditure
\]

2.4.2.4 Value for money analysis

Performance in terms of Value for Money are used to assess whether or not a firm has obtained the maximum benefit from the goods and services it acquires and / or provides, within the resources available to it (LGIAM, 2007). It is often defined as achieving the right balance between ‘economy’, ‘efficiency’ and ‘effectiveness’, in essence, spending less, spending well and spending wisely. The delivery of value for money is an integral element of the drive for continuous improvement. From the perspective of residents and service users, the range and balance of services provided, the level of quality to which they are delivered and the extent to which they are tailored to meet local needs, are equally important to the perception of whether the Council delivers value for money. Value for money is about obtaining the maximum benefit over time with the resources available, so that the Council delivers the best services at the lowest possible costs to residents (Epping Forest District Council, 2015). Value for money can be illustrated by the following diagram:
Figure 2: Value for Money Strategy in local governments

Source: Value for Money Strategy by Epping Forest District Council (2015)

**Economy – ‘Spending less’**

Economy is the price paid for what goes into providing a service. This is about delivering services at optimum cost, through minimizing the cost of resources.

**Efficiency – ‘Spending well’**

Efficiency is a measure of productivity and performance i.e., how much is got out in relation to what is put in.

**Effectiveness – ‘Spending wisely’**

Effectiveness is a measure of the impact that has been achieved, which can be either quantitative or qualitative. This is about outcomes for customers that should be equitable across communities.

The term value for money is used to assess whether or not the Council has obtained the maximum benefit from the goods and services it acquires and provides, within the resources available to it. The concept of value for money not only measures the cost of goods and services, but it also takes account of the mix of quality, cost, resource use, fitness for purpose, timeliness and convenience, to judge whether or not, together, they constitute good value (Epping Forest District Council, 2015). Value for money is therefore about achieving the right local balance between economy, efficiency and effectiveness or, spending less, spending well and spending wisely to achieve local priorities for services. Value for money is high when there is an optimum
balance between all three elements, when costs are relatively low, productivity is high and successful outcomes have been achieved (Epping Forest District Council, 2015).

Value for money can be achieved in different ways and is also specific to different contexts. A key component in assessing effectiveness is relevance to and impact on local priorities and what is value for money for one local authority or locality, may not be for another. The concept of value for money is not about reducing the level of service delivery or providing lower quality services. Whilst value for money maximizes outputs and outcomes from the application of resources, it also increases opportunities to provide resources for new investment and the development of services to meet priorities (Epping Forest District Council, 2015).

2.4.3 Relating Corporate Governance to Performance of local governments

According to Mussa, Musová and Debnárová (2015), many organizations today have realized that if they want to be successful, they must have a sense of responsibility not only for their business activities but also for the development of the whole society. Honesty, fairness, integrity and the people – consumers, customers, clients, community, the public, the company and their needs and interests are gradually taking top ranks in the charts of corporate values. This approach is entirely consistent with the concept of socially responsible business, of which corporate governance (in the economic field) can be considered an integral part.

2.4.3.1 Openness and Performance

Openness relates to the consultation and participation practices and is focused on the input side of government work. Openness is closely related to the concept of responsiveness – the government is open to the information and feedback given by citizens, engages in a dialogue with them, and takes into account suggestions when designing and implementing public policies (OECD, 2001; Bannister, Connolly, 2010). Openness is more closely related to policy formulation and evaluation, and in this way to political power. It is about presenting information, reaching, explaining and justifying decisions and results of the political process (UNPAN, 1999, cited by Bannister and Connolly, 2010).
2.4.3.2 Honesty/integrity and Performance

Integrity is regarded as the highest honor of honesty and trustworthiness when discharging official duties (Shafritz, Russel and Borick, 2011, p. 140). It can be traced back from its origin of its word ‘integrity’, which comes from the Latin word ‘integer’ (adjective) with a meaning referring to the whole or complete (Aulich, 2011, p. 42). Integrity is best served through a systematic set of legislation, policies, government institutions and non-governmental institutions specifically selected and designed to look at issues relating to integrity, honesty and trustworthiness as moral base of public institutions. According to the UN (2005, p. 1), the UN countries have collectively and individually noted the concepts of accountability, transparency, honesty and integrity through the eyes of distinguished public administration principles and that of the United Nations (UN) countries.

Matsiliza (2013, p. 4) posits that public officials have a moral obligation to serve the public ethically by instilling an ethical culture and codes of conduct as pillars of good governance. In the context of this study, integrity is the highest honor of honesty that is associated with human behavior. It can be noted that public officials who have integrity must be able to distinguish from what is right or wrong, know what their core beliefs are, and what they will decide on cannot compromise what they believe in. To avoid unethical behavior, Anwar (2013) posits that there are benefits for public service that can be acquired from using ethical codes with a clear statement of values, roles and duties, rights and responsibilities, assist in resolving possible ethical dilemmas. Some of the benefits can surface as a sense of responsibility towards citizenry by officials.

Ethical codes and honesty are foundations of public administration and are recognized as principles that can enhance integrity for good governance. A Theory of obligation informs this study, and it can be noted as an interesting account of ideas emanating from the field of ethics and humanities disciplines. The theory of obligation is the basis on which a person or organization commits good and bad choices (Shafritz et al., 2011, p. 177). In essence, theories of obligation concern what is permissible, forbidden, wrong and right. There is also value judgment considering a person or organization to decide on a moral judgment. For example, it assists in distinguishing what ought to be the self-conscious thoughts in one’s mind when an act is committed, and what are the motives for doing that and what applies one’s values in the moral
decision-making. A genuine person is not someone prodded with obligatory law enforcement and sanctions to do what is right and wrong.

However, in a corrupt society, where leaders are probed with bribes to serve the people, the government must set up prescripts and laws as part of the integrity system to enhance good government and fight corruption. There is a connection between obligation and integrity, both have an element that informs decisions as to which issues are morally permissible in pursuing them, and the pragmatic element which guides us on how resources can be used efficiently. Public officials are obliged to comply with the laws of the country and serve the society in an ethical manner while upholding the integrity of the institutions and agencies they are attached to.

2.4.3.3 Accountability and Performance
Accountability is a standard of public life, where holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their offices (Armstrong, 2005). The Oxford Dictionary describes accountability as an act of one’s responsibility for actions (Oxford Dictionary, 2015). Public officials and political office bearers are expected to be accountable for their actions to their constituencies and superiors, and largely to the public they serve. Shafritz, Russel and Borick (2011, p. 139) posit that accountability is the extent to which one must answer to the highest authority regarding his/her doings, either legal or organizational or institutional with delegated legislation. When public officials or political office bearers fail to account for their actions, a disciplinary action or sanctions may be imposed to them to address the failure to account. Sometimes accountability can be used as a counter action when an unethical behavior or maladministration have occurred, especially in public administration. As part of being accountable and answerable for their actions, public officials are expected to report for their use of public resources and failing to meet their expected performance targets without being investigated or probed to do so.

According to Venugopal and Yilmaz (2010), the increasing number of local government administration units is bringing service delivery closer to the local people. Local communities are, therefore, called upon to be more involved in local government performance and service delivery at all levels if quality is to be improved, financial accountability is an obligation placed on managers to report on the usage of financial resources to the owners (Elia, 2005).
The reporting can be in form of physical accountability which involves showing the tangible assets or it can be in form of preparing financial statements and reports showing the inflow and outflow of resources from the organization (Kaplan, 2012). Financial accountability therefore entails the acknowledgement and assumption of responsibility for actions, procedures, decisions and policies in relation to the use of financial resources. Financial accountability is distinguished from other forms of accountability because it deals with the use of financial resources like money to create wealth for shareholders. Accountability is therefore considered key to proper functioning of institutions in the public domain and one of the aspects of corporate government which improve Performance of local governments (Pandey, 2012).

2.4.3.4 Variance analysis

Variance analysis is the process of examining in detail each variance between actual and budgeted/expected/standard to determine the reasons why budgeted results were not met. Horngren et al (2007:345) are of the view that managers use comparisons between actual results, master budgets and flexible budget for performance evaluation. In evaluating performance, they try to distinguish between the degree to which a goal, objective or target is met and the degree to which governments uses appropriate amounts of inputs to achieve a given level of outputs. The comparison between actual result and budgeted result is referred to as variance. Okoye (2011:312) defines variance analysis as “the comparison of predetermined cost data and the historic cost data to ascertain the adherence to plans”. There are several benefits that organizations stand to enjoy when they employ variance analysis as a tool for performance evaluation. Some of such benefits according to Putra (2009) include; allowing in cost control and performance evaluation by comparing actual to budgeted figures. The objective of cost control is to produce an item at the lowest possible cost according to predetermined quality standards. It also pinpoints responsibility for undesirable performance so that corrective action may be taken and motivates employees to accomplish predetermined goals and ensures that the organization is in good health (Spafford, 2003).

Variance analysis helps to project future Performance which enables evaluation of financial viability of a chosen strategy (King Clarkson & Wallace, 2010, p. 41). In some local governments, this process is formalized by preparing annual budgets and monitoring performance against budgets. Kabiru, Dandago and Adah (2013) conducted a study to determine
the relevance of variance analysis in managerial cost control within the context of Nigeria. Reviewing of the variances should focus on the most concerned areas so that leaders can become aware of any changes in the government and its Performance.

Local authorities report how much is spent on different services, but this provides only part of the performance story. The expenditure needs to be considered and explained alongside the key services and results, and over enough time (say, 5 to 10 years) to see the performance trends and cause-and-effect relationship between expenditure and outcomes. For example, a service could be cheap to provide, so it is efficient. But, if it fails to achieve the intended impact or outcome, then it may not be effective and cost-effective. To ensure an accurate assessment, the analysis of the overall trend of total revenue per capita must be conducted by taking into account the evolution of each revenue category. Highly useful in this respect are the indicators calculated based on own revenues, global and distinct entity revenues (Tudose, 2013).

2.4.3.5 Transparency and Performance

Transparency usually means that data held by the government and information about its activities are exposed to the public eye and, depending on the character of the data, can be disclosed upon request of the citizen or another entity (company, civil society organization, etc). Citizens are presented with the results of the government activity, but their position is relatively passive (see Héritier, 2003). Transparency refers to unfettered access by the public to timely and reliable information on decisions and performance in the public sector (Armstrong, 2005). Transparency is a key requirement of a modern public procurement system. It gives to the public information concerning, and access to the law, regulation, policies and practice of procurement by government agencies. Lack of transparency in public procurement is a major impediment to sustained economic growth through investment and trade. Lack of transparency in procurement activities can be the source of unwholesome activities such as corruption, scandal and abuse of public resources (Shu, Othman.Omar, Abdul &Husna, 2011). This in turn improves Performance of the local government. The access to key procurement information by civil society, the media and other stakeholders, and the ways in which these can use the information, directly affects accountability and overall performance (UNDP, 2010). Transparency is considered as one of the most effective deterrents to corruption and a pre-condition for ensuring public officials’ accountability and performance (OECD, 2007).
One of the most established areas of empirical research probes the relationship between budget transparency and fiscal outcomes, such as deficits or debt. An important early contribution is the work by von Hagen (e.g. von Hagen and Harden 1995), in which he develops several indices of budget institutions for 12 European Union countries. While the analysis reveals that the quality of the budget process is associated with fiscal outcomes, it does not isolate the effect of fiscal transparency. His measure of the “informativeness” of the draft budget is only a component of the indices developed by von Hagen that he does not analyze separately here or in later updates of this work (e.g. Hallerberg et al. 2009).

2.4.3.6 Citizen Participation and Performance

Heller et al. (2007) evaluates the impact of a campaign for decentralized planning and budgeting introduced in 1996 by the Kerala state government in India. Structures and processes were created in each panchayat (local government) to directly involve citizens in planning and budgeting for devolved local spending. Survey respondents from 72 randomly selected panchayats indicated that service provision had improved significantly, with the greatest improvements perceived in the roads, housing and child services sectors. They also identified projects approved after the start of the campaign as much more appropriate and responding to local needs and priorities. These views were widely shared, including by respondents from opposition parties and civil society. Looking at survey evidence across four states in South India, Besley et al. (2005) examine the effect of village meetings, or Gram Sabhas, that discuss resource allocation. People from disadvantaged groups are more likely to attend these meetings than those from other groups, and these meetings appear to be associated with access to resources and services.

Beath et al. (2012) use a randomized field experiment in 250 villages across Afghanistan to assess the impact of different participatory mechanisms on elite influence and resource allocation outcomes for local development projects. All villages were part of a country-wide National Solidarity Program delivered by the government with assistance from donors to provide grants for village projects. Project selection through a secret-ballot referendum was much less likely to be affected by elite preferences—and therefore better reflects the needs of the majority of the population, as captured in villagers’ satisfaction levels—than projects in villages where decisions were taken in village council meetings, where elites could wield more influence. Olken (2010)
finds a similar pattern in the Kecamatan Development Program in Indonesia, where the use of election-based plebiscites led to much higher satisfaction with selected projects than representative village meetings. The conclusion from these two papers is that direct—rather than representative—participation promotes shifts in resource allocation and service delivery.

2.4.3.7 Value for money and Performance

Value for Money is not paying more for a good or service than its quality or availability justifies as well public spending implies a concern with economy (cost minimization), efficiency (output maximization) and effectiveness (full attainment of the intended results. The most effective way to improve Performance is by reducing the level of irregularity and fraud through improvements in the firm’s systems of internal financial control. Shareholders need to be assured that their resources are being used efficiently and effectively in providing the right service at the least cost (Deakin, 1998).

Value for money is not just about reducing costs. Whilst very important, especially in the current challenging financial climate, it is the interaction between economy, efficiency and effectiveness that helps to improve services and outcomes for communities. The delivery of value for money also helps to free-up resources for investment in new or improved services. Over recent years, value for money has assumed increasing importance both to central and local government. Whilst demand for services has continued to increase, resources are limited and the Council seeks to ensure that money is spent as carefully, wisely and efficiently as possible, in line with the views of local communities (Epping Forest District Council, 2015).

Local authorities must be mindful of the need to deliver value for money throughout their actions and services, and the Council’s external auditors are required to give an annual conclusion as to whether the authority has put in place proper arrangements to secure value for money. To improve the delivery of value for money, it is important that the Council has a good understanding of the relationship between its performance and its costs, and that costs compare well with others, reflect priorities and policy decisions and are commensurate with service delivery, performance and outcomes (Epping Forest District Council, 2015).
This Value for Money Strategy should not be read in isolation. Value for money is one of the Council's core values and is enshrined in all plans and strategies, and in the delivery of all services. The strategy is set in the context of a challenging financial position for local authorities, and is closely linked to the Council’s Corporate Plan, the Medium-Term Financial Strategy and the Procurement Strategy. These are essential elements of the delivery of value for money services (Epping Forest District Council, 2015).
CHAPTER THREE: RESEARCH METHODOLOGY

3.0 Introduction

This chapter explored the approaches and technique used by the researcher during data collection, data analysis and data presentation. These included the research design, target population, data collection methods and data analysis techniques, sample size, measurement of variables, ethical considerations and expected limitations.

3.1 Research design

The study was based on the descriptive survey research design. This design was used to collect data from members of the population and describe existing phenomenon with reference to corporate governance structures.

3.2 Study population

The study population comprised of 100 staff of Mbarara district Local Government which is governed by two arms of leadership, namely: the technical arm and the political arm. On the technical leadership side, the district is led by a Chief Administrative Officer (CAO) who is appointed by the Central Government. The district also has various heads of departments who include the Chief Financial Officer, District Community Development Officer, District Planner and the District Natural Resources Officer. Under the political arm, it is headed by the District Chairperson, Vice Chairperson, District Speaker, Member of Parliament and Woman MP. Decision making is also made by about 31 members of the district council which consisted of 5 standing committees through which the council run the district. The total administrative members therefore approximated to 100 members (ACODE Report, 2014).
3.2.1 Sample size determination

The sample size was determined according to a formula by Balett (2001) which states as follows:

\[ n = \frac{(Z)^2 PQN}{\epsilon^2 (N-1) + (Z)^2 PQ} \]

Where:

- \( n \) = Sample size
- \( Z \) = refer to the normal distribution as 1.96
- \( P \) = proportion of the population which is estimated to be 0.95
- \( Q = 1 - P \) (1 - 0.95) = 0.05
- \( N \) = Total study population
- \( \epsilon \) = was the estimated error. In this case the researcher allowed the error to be estimated as 0.05.

In this case, Sample size (n) was determined as follows:

\[ n = \frac{(Z)^2 PQN}{\epsilon^2 (N-1) + (Z)^2 PQ} \]

\[ n = \frac{1.96^2 \times 0.95 \times 0.05 \times 100}{0.05^2 (100 -1) + (1.96)^2 \times 0.95 \times 0.05} \]

\[ n = 18.2476 \]

\[ n = 80 \text{ respondents} \]

In this case, the researcher used a sample of 42 respondents which was selected from the population using stratified random sampling as shown below:

**Table 1: Showing sample size determination**

<table>
<thead>
<tr>
<th>Category</th>
<th>Population</th>
<th>Sample size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical personnel</td>
<td>30</td>
<td>26</td>
</tr>
<tr>
<td>Political leaders</td>
<td>70</td>
<td>54</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100</td>
<td><strong>80</strong></td>
</tr>
</tbody>
</table>
3.3 Sampling technique

The study employed Snowball Sampling and simple random sampling techniques during the process of selecting study respondents. It also employed Snowball Sampling when selecting Mbarara district heads of departments and leaders from the study area. In this case, the researcher after reaching in the study area selected one respondent from each category who assisted him to get in touch with other respondents as the pattern was followed until a total number of the respondents in the category were made. However, simple random sampling was used in the selection of technical personnel/workers at Mbarara district local government.

3.4.0 Data collection methods

Primary data was collected using structured questionnaires. The questionnaires consisted of both close and open ended questions. Closed questions provided a more structured response. A 2 point rating scale consisting of agree and disagree was used in measuring the extent of the responses provided. The structured questionnaires were then administered through a drop and pick later method and were collected by the researcher after two weeks. To achieve the objective of the study, the dependent variable was measured using performance indicators and other documents of the district to supplement the data collected using questionnaires.

3.4.1 Data collection instruments

Questionnaire: A questionnaire was used to collect data where by a set of predetermined questions was designed to collect data from the study respondents. The respondents filled the questionnaires themselves. This questionnaire tool was used to collect data from Mbarara district workers except heads of department. This method was used because of collecting responses with minimal errors but with high level of confidentiality as the study respondents just answer the questions at their convenient time.

3.4.3 Procedure of data collection

The researcher was issued an introductory letter from the university after proposal approval. The letter introduced the researcher to the study area from where research was conducted. The researcher built the confidence of the respondents by clearly explaining the purpose of the
research and then assuring them that their identity and views was to be kept confidential and that would only be used for academic purposes. The researcher then administered the research instruments around the study area. The instruments were then collected and prepared for analysis.

3.5 Data analysis

3.5.1 Data processing

After collecting data, the collected data was compiled, sorted, edited, classified and coded for accuracy, completeness and relevancy. Editing was done to find out how well the questionnaires were answered in line with research questions in the questionnaire.

3.5.2 Data analysis

The coded data was entered into SPSS Version 17.0 which was used to generate frequency tables with frequencies and percentages. It was also used to compute reliability tests as well as descriptive statistics such as mean.

3.5.3 Data presentation

After data analysis, data was presented in frequency tables showing frequencies and percentages. On the other hand, interpretation was done by explaining the information presented in the tables based on majority responses and comparing the findings with the past findings by other researchers from the literature review.

3.6 Reliability and validity of the data instruments

Reliability. Reliability of the research instruments was determined through a Pilot study test in MDLG which was the selected study area in order to know whether the data instruments can reveal the required data and it only covered two (2) people selected from the study as was required to provide their views regarding the study variables after which the researcher was able to confirm whether the formulated data instruments was reliable for data collection. Cronbach’s Alpha (α) was later used to compute internal consistency and results from the reliability test were presented as shown below:
Table 2: Reliability Statistics

<table>
<thead>
<tr>
<th>Cronbach’s Alpha</th>
<th>No of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>.761</td>
<td>51</td>
</tr>
</tbody>
</table>

Source: SPSS reliability tests, 2018

The researcher therefore considered the instruments as reliable when the computed value of α value of Cronbach Alpha was found to be above 0.70 as recommended by Amin (2005).

Validity: The validity of the instrument was established by using an expert judgment method as recommended by Amin (2005). Validity was determined by contacting a number of selected people to rate the instruments to help the researcher to have a valid instrument. The instrument was regarded valid based on the expert’s advice. The following formula was used to test validity index.

\[
CVI = \frac{\text{No. of items regarded relevant by judges}}{\text{Total No. of items}}
\]

\[
C.V.I = \frac{n}{N}
\]

\[
C.V.I = \text{Content Validity of Instruments}
\]

\[
n = \text{Number of items indicated relevant}
\]

\[
N = \text{Total number of items in the questionnaire}
\]

Table 3: Validity testing

<table>
<thead>
<tr>
<th>Judge</th>
<th>No. of items regarded relevant (n)</th>
<th>Total number of items in the instrument (N)</th>
<th>CVI = n/N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Judge 1</td>
<td>50</td>
<td>54</td>
<td>0.926</td>
</tr>
<tr>
<td>Judge 2</td>
<td>45</td>
<td>54</td>
<td>0.833</td>
</tr>
<tr>
<td>Judge 3</td>
<td>40</td>
<td>54</td>
<td>0.740</td>
</tr>
<tr>
<td>Average</td>
<td>45</td>
<td>54</td>
<td>0.833</td>
</tr>
</tbody>
</table>

Source: Pilot study test (2018)

The research instruments were considered valid when the average rate of the questionnaire was found to be above 0.70 as recommended by Amin (2005).
3.7 Ethical consideration
The researcher conducted his research in a very ethical way. He first sought an introductory letter from the university which he first displayed to the district administrators in order to ask permission for collecting data. The researcher first briefed the respondents about the purpose of the study. In addition, the questionnaires were structured in such a way that they do not expose the identity of the respondent. A statement of strict confidentiality was expressly stated in the questionnaire to indicate that their views are confidential. Response was upon the wish of the respondent.

3.8 Limitations of the study
The researcher experienced various limitations in the course of his study as shown below:

Financial constraints. Like all other unfunded research, financial constraints in terms of transport, data collection, typing, eating, printing, binding and meals were one of the major problems that the researcher encountered during the field. However, by the help of the researcher budget, the researcher was able to source some financial support from his relatives which made his study successful.

Time constraint was another limitation faced by the researcher as the study involved distributing questionnaires to different council members who would be always busy and hard to find in absence of council meetings. The duration within which the research was undertaken was short and thus the researcher was limited to a small sample. However, the researcher was able to collect reliable data which was supported by secondary data from the internet and district resource centre.

Lack of corporation among the respondents was another big problem where some respondents were unwilling to respond and others even delayed in responding to the questionnaires. Others were biased while giving information due to reasons such as privacy and schedules at their work place.

Bureaucracy. Like any other public institutions, bureaucratic, tendencies were high and this affected data collection time. However, the researcher ensured frequent visits and communication to ensure that questionnaires were fully answered as administered.
CHAPTER FOUR: DATA PRESENTATION, ANALYSIS, INTERPRETATION AND DISCUSSION OF THE STUDY FINDINGS

4.0 Introduction
This study sought to examine the impact of corporate governance on the performance of Mbarara district local government. It was conducted from a sample of 42 respondents selected randomly from Mbarara district local government. Analysis was done by using SPSS version 17.0 which was also used to generate frequency tables, descriptive statistics such as mean as well as extracting correlations. The findings are organized in the order of specific objectives which included: To examine the effectiveness of corporate governance in enhancing performance of local governments, to examine the ways in which proper corporate governance is executed in local governments and to establish the relationship between corporate governance and performance of local governments.

4.1.1 Gender of the respondents
The study started by assessing the gender of the respondents in order to know whether the organization is gender sensitive in employment. The findings regarding the gender of respondents as represented in the table below;

Table 4: Gender of the respondents

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>36</td>
<td>45</td>
</tr>
<tr>
<td>Female</td>
<td>44</td>
<td>55</td>
</tr>
<tr>
<td>Total</td>
<td>80</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Primary Data, 2018

As shown in table 4 above, it was revealed that majority of the respondents were females as shown by 44(55%) while the least were males as shown by 36(45%). This is because in Uganda, the birth rates for girls are much higher than that of boys which makes female employees more than male employees. The researcher revealed while administering questionnaires that females were more than males at the operational while males were in top governance positions like chairperson, CAO, CFO among other senior positions.
4.1.2 Age group of the respondents

The age composition of the respondents was also considered in order to know how corporate governance varies with age. Findings regarding age of respondents were presented in the table below;

Table 5: Age group of the respondents

<table>
<thead>
<tr>
<th>Age in years</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 30 years</td>
<td>10</td>
<td>12.5</td>
</tr>
<tr>
<td>31-40 years</td>
<td>26</td>
<td>32.5</td>
</tr>
<tr>
<td>41-50 years</td>
<td>30</td>
<td>37.5</td>
</tr>
<tr>
<td>Above 50 years</td>
<td>14</td>
<td>17.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>80</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Source: Primary data, 2018

According to table 5, it is shown that majority of the respondents, 30 (37.5%) were in age group of 41-50 years followed by 26 (32.5%) of the respondents who were in age group between 31-40, then 14 (17.5%) who were above 50 years while the least 10 (12.5%) were those below 30 years of age. This implies that most of the employees of Mbarara district local government are old people above the youth stage and these were the people in top governance who had spent quite a long time serving/working in the organization. They are the ones responsible for the corporate affairs of the district as regards to planning, budgeting and resource allocation. Their presence in the organization has a significant contribution on the financial performance of the district as they are senior advisors.

4.1.3 Level of education of respondents

The researcher also found it crucial to study levels of education of respondents as this had a direct influence on the knowledge and skills of the employee towards achievement of set goals/objectives. The various levels of education of the respondents are indicated in the table below.
Table 6: Level of education of the respondents

<table>
<thead>
<tr>
<th>Level of education</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>College certificate</td>
<td>6</td>
<td>7.5</td>
</tr>
<tr>
<td>Diploma</td>
<td>26</td>
<td>32.5</td>
</tr>
<tr>
<td>Bachelor’s Degree</td>
<td>38</td>
<td>47.5</td>
</tr>
<tr>
<td>Master’s Degree</td>
<td>10</td>
<td>12.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>80</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Source: Primary data, 2018

The results in table 6 above shows that majority of respondents totaling to 38(47.5%) had attained bachelor’s degree followed by 26(32.5%) who were diploma holders and 10(12.5%) who had a master’s degree while only six (6) respondents accounting for 7.5% of the total respondents had attained other education levels such as ordinary certificates. This implies that most employees of Mbarara district local government were educated to higher levels. Considering their age and period spent, it implies that most employees are highly skilled and can undertake their duties with high level of experience which may increase the financial performance of the entity.

Table 7: Period spent in the organization

<table>
<thead>
<tr>
<th>Period</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than one year</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>1-3 years</td>
<td>12</td>
<td>15</td>
</tr>
<tr>
<td>4-6 years</td>
<td>28</td>
<td>35</td>
</tr>
<tr>
<td>Above 6 years</td>
<td>40</td>
<td>50</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>80</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Source: Primary data, 2018

The study findings in table 7 above indicates that majority of the respondents totaling to 40(50%), had worked for more than 6 years in Mbarara district local government, followed by 28(35%) who had spent 4-6 years while only 12(15%) had spent 1-3 years working with the local government. This implies that most respondents had spent a lot of time working with MDLG and therefore understands how the financial performance of the local government has been influenced by corporate governance. Having worked for a long time is also an implication that
most employees have gained a lot of experience in the execution of their duties which increases financial performance. A long period of service also implies that the top officials of the local government have gain enough skills through experience on how well to corporate governance should be enhanced to improve financial performance of the entity.

Table 8: Position held in the local government

<table>
<thead>
<tr>
<th>Position</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secretaries</td>
<td>10</td>
<td>12.5</td>
</tr>
<tr>
<td>Accountants</td>
<td>12</td>
<td>15</td>
</tr>
<tr>
<td>Administrators</td>
<td>5</td>
<td>6.25</td>
</tr>
<tr>
<td>Finance/Budgeting and fiscal officers</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>Records officers</td>
<td>3</td>
<td>3.75</td>
</tr>
<tr>
<td>District planners</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Drivers</td>
<td>7</td>
<td>8.75</td>
</tr>
<tr>
<td>IT officers</td>
<td>5</td>
<td>6.25</td>
</tr>
<tr>
<td>Procurement officers</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Education officers</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>HR/Personnel officers</td>
<td>2</td>
<td>2.5</td>
</tr>
<tr>
<td>District engineers</td>
<td>3</td>
<td>3.75</td>
</tr>
<tr>
<td>District chairperson/vice C/P</td>
<td>2</td>
<td>2.5</td>
</tr>
<tr>
<td>Projects managers</td>
<td>7</td>
<td>8.75</td>
</tr>
<tr>
<td>Health officers</td>
<td>3</td>
<td>3.75</td>
</tr>
<tr>
<td>District auditor</td>
<td>1</td>
<td>1.25</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>80</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Primary data, 2018

According to the results in table 8 above, it is shown that majority of the respondents were working as secretaries as shown by 10(12.5%). These however had different titles such as senior secretary, administrative secretary, assistant secretary and departmental secretaries in finance, works, human resource and procurement departments as well as secretary in council meetings. Next to secretaries were accountants who comprised of accounts assistant, senior accounts
assistant, accountant and senior accountant all totaling to 12(15%) of the respondents. Other participants included 5 Administrators, 8 Finance/Budgeting and fiscal officers, 3 Records officers, 4 District planners and 7 Drivers each accounting for 8.75% of the total respondents. Furthermore, the study comprised of 5 IT officers, 4 Procurement officers, 4 Education officers, 2 HR/Personnel officers, 3 District engineers, 2 District chairperson/vice C/P, 7 Projects managers and 3 health officers each position consisting of 3.75% of the respondents. The least position covered in Mbarara district local government is that of auditing where only one(1) District auditor participated in the study.

4.2 ANALYSIS AND DISCUSSION OF STUDY FINDINGS ACCORDING TO STUDY OBJECTIVES

4.2.1 To examine the ways in which proper corporate governance is executed in Mbarara District Local Government

The study sought to examine the ways in which corporate governance in executed in MDLG as shown in chapter one of this report. The researcher provided about 20 opinion statements about this objective which required each respondent to either agree or disagree while referring to the actual situation or experience in MDLG. In the interpretation, only majority responses were explain, starting with those who agreed followed by those which disagreed. The results were presented as shown in the table below:

NB: Mean values were computed as \[
\frac{(F_1 \times 1 + F_0 \times 0)}{N}\]
where \(F_1\) & \(F_0\) the no. of respondents who agreed and those who disagreed respectively, while \(1\) & \(0\) = weights for agree & disagree respectively and \(N\)=total number of respondents as per sample size. A higher mean (Mean> 0.500) implies that majority of the respondents agreed while a lower mean (Mean<0.05) imply that majority of the respondents disagreed on the statement.
Table 9: Descriptive Statistics on the ways in which proper corporate governance is executed in MDLG

<table>
<thead>
<tr>
<th>Ways</th>
<th>AGREE</th>
<th>DISAGREE</th>
<th>N</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(F_1)</td>
<td>(%)</td>
<td>(F_0)</td>
<td>(%)</td>
</tr>
<tr>
<td>Transparency</td>
<td>62</td>
<td>92.9</td>
<td>18</td>
<td>22.5</td>
</tr>
<tr>
<td>Honesty/integrity</td>
<td>80</td>
<td>100.0</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Citizen participation</td>
<td>60</td>
<td>85.7</td>
<td>6</td>
<td>14.3</td>
</tr>
<tr>
<td>Accountability</td>
<td>62</td>
<td>92.9</td>
<td>3</td>
<td>7.1</td>
</tr>
<tr>
<td>Public participation</td>
<td>56</td>
<td>78.6</td>
<td>9</td>
<td>21.4</td>
</tr>
<tr>
<td>Openness</td>
<td>42</td>
<td>100.0</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Ethical conduct</td>
<td>68</td>
<td>92.9</td>
<td>3</td>
<td>7.1</td>
</tr>
<tr>
<td>Average response</td>
<td>38</td>
<td>90.4</td>
<td>4</td>
<td>9.6</td>
</tr>
</tbody>
</table>

Source: Primary data, 2018

Transparency

Table 9 above shows that majority of the respondents 62(92.9%) agreed that proper corporate governance in Mbarara district local government is executed through transparency. Transparency is characterized through ensuring that budgets and contracts are disclosed to the public, ensuring all performance reports are disclosed to the public, informing the public about all job opportunities, contracts, budgets and reports. In addition, transparency in local governments gives to the public information concerning, and access to the law, regulation, policies and practice of procurement by government agencies. And failure to be transparent in procurement activities can be the source of unwholesome activities such as corruption, scandal and abuse of public resources. This is in agreement with OECD (2007) who argued that transparency is considered as one of the most effective deterrents to corruption and a pre-condition for ensuring public officials’ accountability and performance. This in turn improves financial performance of the local government. In addition, the access to key procurement information by civil society, the media and other stakeholders, and the ways in which these can use the information, directly affects accountability and overall performance (UNDP, 2010).
**Honesty/integrity**

Results showed that majority of the respondents 80(100.0%) revealed honesty and integrity is executed to improve performance this has been achieved especially when all the decisions on recruitments and contract award are made on merit, when they are truthful, sincere and free from any deceit during the execution of duties and when they perform duties as agreed upon at the time of contract. In addition, integrity is the highest honor of honesty that is associated with human behavior that's it is noted that public officials who have integrity must be able to distinguish from what is right or wrong, know what their core beliefs are, and what they will decide on cannot compromise what they believe in. This is in agreement with Shafritz et al. (2011) who postulated that ethical codes and honesty are foundations of public administration and are recognized as principles that can enhance integrity for good governance. In other wards, an interesting account of ideas emanating from the field of ethics and humanities disciplines is the basis on which a person or organization commits good and bad choices. There is also value judgment considering a person or organization to decide on a moral judgment.

**Citizen participation**

Findings revealed that majority of the respondents 60 (85.7%) in local government especially Mbarara district agreed that citizens are allowed to participate in decision making of the district. Citizen participation is sometimes enhanced through representing the views of the public rather than own interests. And this has improved performance through corporate governance. In addition, People from disadvantaged groups are more likely to attend these meetings than those from other groups, and these meetings appear to be associated with access to resources and services. This is in agreement with Beath et al. (2012) who postulated that use of a randomized field experiment in 250 villages across Afghanistan to assess the impact of different participatory mechanisms on elite influence and resource allocation outcomes for local development projects. Project selection through a secret-ballot referendum was much less likely to be affected by elite preferences —and therefore better reflects the needs of the majority of the population, as captured in villagers’ satisfaction levels —than projects in villages where decisions were taken in village council meetings, where elites could wield more influence.
Accountability

It was revealed from the study findings that majority of the respondents 62 (92.9%) agreed that proper corporate government is executed when there is proper accountability. Proper accountability is achieved when all employers uphold and act in accordance with the law, services are extended in an equitable manner and that all activities are well audited to errors and frauds. This is in agreement with Shafritz, Russel and Borick (2011) who pointed that accountability is the extent to which one must answer to the highest authority regarding his/her doings, either legal or organizational or institutional with delegated legislation. When public officials or political office bearers fail to account for their actions, a disciplinary action or sanctions may be imposed to them to address the failure to account. Sometimes accountability can be used as a counter action when an unethical behavior or maladministration have occurred, especially in public administration. As part of being accountable and answerable for their actions, public officials are expected to report for their use of public resources and failing to meet their expected performance targets without being investigated.

Public participation

The study findings revealed that majority of the respondents 56(78.6%) agreed that proper corporate governance is executed through communicating with citizens normally and involving them in decision making and holding regular council meetings to discuss issues regarding service delivery. The study findings agree with the Principles of Public Participation (2012) that Public participation may be regarded as a way of empowerment and as vital part of democratic governance and as a tool used to measure attainable objectives, evaluate impact, and identify lessons for future practice.

Openness

The study results showed that majority of the respondents 42 (100.0%) agreed that proper corporate governance is executed when offices are open to any member of the public who wants to talk to them, accessibility is achieved through being always accessible to the people they represent when they need help, being responsible for their actions, decisions and policies that govern the entity. This is in agreement with Bannister and Connolly (2010) who mentioned that openness is about presenting information, reaching, explaining and justifying decisions and results of the political process. In other words, openness is closely related to the concept of
responsiveness – the government is open to the information and feedback given by citizens, engages in a dialogue with them, and takes into account suggestions when designing and implementing public policies (OECD, 2001; Bannister, Connolly, 2010). Openness is more closely related to policy formulation and evaluation, and in this way to political power.

**Ethical conduct**

The study findings revealed that majority of the respondents 68 (92.9%) agreed that proper corporate governance is executed in a way that they never engage in any form of corruption and fraud, maintain a watch over any kind of unprofessional conduct, take appropriate course of action against any unethical conduct of staff and that they execute duties in line with the organization’s goals and objectives. This is in agreement with Matsiliza (2013) who pointed that public officials have a moral obligation to serve the public ethically by instilling an ethical culture and codes of conduct as pillars of good governance. In the context of this study, integrity is the highest honor of honesty that is associated with human behavior. In addition, also Anwar (2013) pointed that there are benefits for public service that can be acquired from using ethical codes with a clear statement of values, roles and duties, rights and responsibilities, assist in resolving possible ethical dilemmas. Some of the benefits can surface as a sense of responsibility towards citizenry by officials.

**4.2.2 To examine the effectiveness of Corporate governance in enhancing performance of Mbarara district local government**

The study sought to examine the effectiveness of corporate governance in enhancing performance of Mbarara District Local Government. The researcher provided about fourteen (14) opinion statements about this objective which required each respondent to either ‘AGREE’ or ‘DISAGREE’ while referring to the actual situation or experience in MDLG. In the interpretation, only majority responses were interpreted in descending order of number of responses or percentage or mean which was computed in the same way as in section 4.2 above. Ideally, the statement with the highest number (frequency) of ‘AGREE’ responses received the highest ‘Percentage’ as well as highest ‘MEAN’ and the reverse is true. These were presented in table 10 as shown below. At the bottom of the table 8, the researcher computed the average response taking all the statements into consideration and came up with the final conclusion of
whether corporate governance has been effective in enhancing performance of Mbarara district local government or not.

### 4.2.3 Table 10: Descriptive Statistics on the effectiveness of corporate governance in enhancing performance of MDLG

<table>
<thead>
<tr>
<th>STATEMENT</th>
<th>AGREE</th>
<th>DISAGREE</th>
<th>N</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garbage in town is collected in time and dumped to appropriate places</td>
<td>31</td>
<td>11</td>
<td>42</td>
<td>0.73</td>
</tr>
<tr>
<td>There are adequate machinery for collecting garbage around town</td>
<td>15</td>
<td>27</td>
<td>42</td>
<td>0.35</td>
</tr>
<tr>
<td>Waste materials are dumped and burnt in a healthy and environmentally friendly manner</td>
<td>31</td>
<td>11</td>
<td>42</td>
<td>0.73</td>
</tr>
<tr>
<td>Local revenues are accessed and collected in the right manner</td>
<td>36</td>
<td>6</td>
<td>42</td>
<td>0.85</td>
</tr>
<tr>
<td>Construction contracts are well monitored until their completion</td>
<td>36</td>
<td>6</td>
<td>42</td>
<td>0.85</td>
</tr>
<tr>
<td>We ensure value for money during the procurement process and contract award</td>
<td>40</td>
<td>2</td>
<td>42</td>
<td>0.95</td>
</tr>
<tr>
<td>Citizens' complaints are adhered to and appropriate actions done</td>
<td>37</td>
<td>5</td>
<td>42</td>
<td>0.88</td>
</tr>
<tr>
<td>All public facilities and property are well safe guarded against safety or misuse</td>
<td>29</td>
<td>13</td>
<td>42</td>
<td>0.69</td>
</tr>
<tr>
<td>Public expenditure is done in an equitable and right manner with much emphasis on priority areas</td>
<td>33</td>
<td>9</td>
<td>42</td>
<td>0.78</td>
</tr>
<tr>
<td>Local government staffs well motivated to perform their duties diligently</td>
<td>29</td>
<td>13</td>
<td>42</td>
<td>0.69</td>
</tr>
<tr>
<td>There is an appropriate mechanism for information flow from village level to district level</td>
<td>33</td>
<td>9</td>
<td>42</td>
<td>0.78</td>
</tr>
<tr>
<td>All contracts, performance reports and financial statements are audited by an independent auditor</td>
<td>40</td>
<td>2</td>
<td>42</td>
<td>0.95</td>
</tr>
<tr>
<td>Budgets are well prepared and implemented on most priority basis</td>
<td>38</td>
<td>4</td>
<td>42</td>
<td>0.90</td>
</tr>
<tr>
<td>There is adequate and skilled staff in order to quicken service delivery</td>
<td>34</td>
<td>8</td>
<td>42</td>
<td>0.81</td>
</tr>
<tr>
<td><strong>Average response</strong></td>
<td><strong>33</strong></td>
<td><strong>9</strong></td>
<td><strong>42</strong></td>
<td><strong>0.78</strong></td>
</tr>
</tbody>
</table>

Source: Primary data, 2018

The results in table 10 above shows that majority of the respondents agreed that they ensured value for money during the procurement process and contract award (40(95.2%)) and that all contracts, performance reports and financial statements are audited by an independent auditor (40(95.2%)). This was also indicated by the highest mean of 0.952. This implies that MDLG
ensures economy, efficiency and effectiveness during resource allocation and utilization in order to obtain the maximum benefit their expenditure. This is in agreement with Prommapan, et al., (2004) who explained that value for Money is the term used to assess whether or not an organization has obtained the maximum benefit from the resources available to it. They also explained that achieving value for money might be described in terms of the 'three Es' i.e. economy, efficiency and effectiveness (Prommapan, et al., 2004).

In addition, majority of the respondents agreed that budgets are well prepared and implemented on most priority basis (76(90.5%), Mean=0.905), citizens’ complaints are adhered to and appropriate actions done (75(88.1%), Mean=0.881), local revenues are accessed and collected in the right manner (72(85.7%), Mean=0.857) and that construction contracts are well monitored until their completion (36(85.7%), Mean=0.857). The findings are in agreement with EPA review group (2011) whose effectiveness of the licensing procedures had been verified through the internal auditing and external reviews, monitoring visits for revenue enforcement activities. Osman et al., (2014) also revealed that Town planning and development control department in local authorities were effective in providing tax bills to taxpayers and handling payment matters to the contractors which improved local revenue collections and effective completion of construction contracts.

Furthermore, majority of the respondents also agreed that there is adequate and skilled staff at MDLG in order to quicken service delivery (62(81.0%), Mean= 0.810), Public expenditure is done in an equitable and right manner with much emphasis on priority areas (61(78.6%), Mean=0.786) and that there is an appropriate mechanism for information flow from village level to district level (61(78.6%), Mean=0.786). Similarly, majority of the respondents also agreed that garbage in Mbarara town is collected in time and dumped to appropriate places (69(73.8%), Mean=0.738), waste materials are dumped and burnt in a healthy and environmentally friendly manner (69(73.8%), Mean=0.738), all public facilities and property are well safe guarded against safety or misuse (29(69.0%), Mean=0.690) and that local government staffarewell motivated to perform their duties diligently (67(69.0%), Mean=0.690).

The findings are in agreement with Osman et al., (2014) who portrayed that Local Authorities should receive high consideration in improving the service delivery especially in providing public services and handling public problems within the time schedule as it’s ranked as the poor
services offered by the staff. Majekodunmi. (2010) in Nigeria also revealed that local government should create an appropriate and conducive environment for the people at the local level through efficient and effective service delivery. Curristine et al (2007) also revealed that increasing the use of performance information in public facilities is an important initiative for local authorities.

However, majority of the respondents disagreed about the statement of whether there are adequate machinery for collecting garbage around town (27 (64.3%), Mean=0.357). This implies that much as garbage in town is collected in time and dumped to appropriate places, this exercise might be negatively influenced by absence of adequate machinery which would make waste management difficult. This could be the reason why sewage and waste materials in Mbarara town is still a challenge despite the efforts of the local authorities. This is in agreement with study findings by Osman et al., (2014) in Malaysia which revealed that local governance structures have a high level effectiveness through the collection of solid services every day in the city centre and by providing solid waste collection services once per two days in other areas. However, they indicate that citizens were not satisfied with local authorities in term of waste management services primarily in term of drainage cleaning followed by grass cutting and clearing of tree and branches. Likewise, the findings are in agreement with similar findings by Kazungu (2010) in Kenya which shows that both financially and physically, cities were unable to provide waste collection/management, especially to the urban poor occupying peri-urban or other geographically inaccessible areas resulting to spatially skewed service provision.

On a general note, the study findings revealed that corporate governance in Mbarara district local government is effective in enhancing performance of the entity. This is because majority of the respondents totaling to 59(78.6%) agreed on most of the statements with a higher mean of 0.786. Effectiveness as seen in the findings is highly reflected in value for money, waste management, revenue collection, public expenditure and service delivery.
4.4 To establish the relationship between corporate governance and performance of Mbarara district local government

This was the third and the main objective of this study as shown in chapter one of this report. The study was meant to establish whether there is a significant relationship between corporate governance and performance of Mbarara district. The findings are presented in table 10 and justifications/explanations presented in table 11 as shown below;

Table 11: Relationship between corporate governance and performance of Mbarara district local government

<table>
<thead>
<tr>
<th>Relationship</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive relationship</td>
<td>62</td>
<td>77.5</td>
</tr>
<tr>
<td>Negative relationship</td>
<td>18</td>
<td>22.5</td>
</tr>
<tr>
<td>Total</td>
<td>80</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Primary data, 2018

The study findings in table 11 above revealed that there is a positive relationship between corporate governance and performance of Mbarara district local government as agreed upon by 62(77.5%) of the respondents. It is only 18(22.5%) of the respondents who said that there is a negative relationship but majority said that there is a positive relationship between the two variables. This implies that performance of Mbarara district local government to a greater extent is determined by the effectiveness of corporate governance and how well corporate governance is executed by staff of the local governance.
Table 12: Descriptive Statistics on the relationship between corporate governance and performance of MDLG

<table>
<thead>
<tr>
<th>STATEMENT</th>
<th>AGREE</th>
<th>DISAGREE</th>
<th>N</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ever since we put in place a human resource committee unnecessary expenses have reduced</td>
<td>35</td>
<td>83.3</td>
<td>7</td>
<td>16.7</td>
</tr>
<tr>
<td>Ever since we started preparing books of accounts showing funds inflows and outflows, expenses have monitored well</td>
<td>41</td>
<td>97.6</td>
<td>1</td>
<td>2.4</td>
</tr>
<tr>
<td>Ever since we put in place investigation committee service delivery have improved</td>
<td>36</td>
<td>85.7</td>
<td>6</td>
<td>14.3</td>
</tr>
<tr>
<td>Ever since we started budgeting, finances have put properly distributed creating value for money in the area</td>
<td>35</td>
<td>83.3</td>
<td>7</td>
<td>16.7</td>
</tr>
<tr>
<td>Ever since we put in place physical infrastructures like roads, revenue collection have improved</td>
<td>37</td>
<td>88.1</td>
<td>5</td>
<td>11.9</td>
</tr>
<tr>
<td>Ever since we ensured openness in performing duties corrupt tendencies have reduced</td>
<td>33</td>
<td>78.6</td>
<td>9</td>
<td>21.4</td>
</tr>
<tr>
<td>Ever since we started holding council meetings proper decision making has been ensured</td>
<td>38</td>
<td>90.5</td>
<td>4</td>
<td>9.5</td>
</tr>
<tr>
<td>Ever since we started publicizing on notice boards and newspapers complaints about service delivery have reduced</td>
<td>36</td>
<td>85.7</td>
<td>6</td>
<td>14.3</td>
</tr>
<tr>
<td>Ever since our employees started disclosing their works to supervisors inform of performance reports unnecessary expenses have reduced</td>
<td>34</td>
<td>81.0</td>
<td>8</td>
<td>19.0</td>
</tr>
<tr>
<td>Ever since our employees started adhering to the rules and regulations, corruption and embezzlement of funds has reduced among our staff</td>
<td>31</td>
<td>73.8</td>
<td>11</td>
<td>26.2</td>
</tr>
<tr>
<td>Ever since MDLG imposed strict policies against their conduct, revenue collection and service delivery has improved</td>
<td>38</td>
<td>90.5</td>
<td>4</td>
<td>9.5</td>
</tr>
<tr>
<td>Ever since our staff started acting in a professional manner, local revenue mobilization has increased</td>
<td>36</td>
<td>85.7</td>
<td>6</td>
<td>14.3</td>
</tr>
<tr>
<td><strong>Average response</strong></td>
<td>36</td>
<td>85.3</td>
<td>6</td>
<td>14.7</td>
</tr>
</tbody>
</table>

Source: Primary data, 2018
Corporate governance and Accountability

The study findings in table 12 above shows that ever since MDLG started preparing books of accounts showing funds inflows and outflows, expenses have been well monitored (78(97.6%). This was also shown by the highest mean of 0.976. It was also revealed that ever since MDLG put in place physical infrastructures like roads, revenue collection have improved (68(88.1%), Mean=0.881). Likewise, majority of the respondents also agreed that ever since the institution put in place investigation committee, service delivery have improved (66(85.7%), Mean=0.857). It was revealed that ever since MDLG put in place a human resource committee, unnecessary expenses have reduced (73(83.3), Mean=0.833). Furthermore, the study revealed that ever since MDLG started budgeting, finances have been properly distributed, creating value for money in the entity (73(83.3), Mean=0.833). The findings above imply that there is appositive relationship between corporate governance and accountability at Mbarara District Local Government. This is in agreement with Shafritz, Russel and Borick (2011, p. 139) who postulated that public officials and political office bearers are expected to be accountable for their actions to their constituencies and superiors, and largely to the public they serve.

Corporate governance and Transparency

Majority of the respondents as shown in table 12 above agreed that ever since they started holding council meetings, proper decision making has been ensured (70(90.5%), Mean=0.905) and that ever since MDLG imposed strict policies against the conduct of its employees, revenue collection and service delivery has improved (70(90.5%), Mean=0.905). Majority of the respondents agreed that ever since MDLG started publicizing on notice boards and newspapers, complaints about service delivery have reduced (68(85.7%), Mean=0.857). Furthermore, majority of the respondents also agreed that ever since the employees of MDLG started disclosing their works to supervisors inform of performance reports, unnecessary expenses have reduced (62(81.0%), Mean=0.810). Lastly, the study revealed that ever since the MDLG employees ensured openness in performing duties, corrupt tendencies have reduced (58(78.6%), Mean=0.786). The findings above imply that there is a positive relationship between corporate governance and transparency at Mbarara district local government. The findings are in agreement with Shu, et al, (2011) who postulated that lack of transparency in procurement activities can be the source of unwholesome activities such as corruption, scandal and abuse of
public resources. Transparency is considered as one of the most effective deterrents to corruption and a pre-condition for ensuring public officials’ accountability and performance (OECD, 2007). Transparency refers to unfettered access by the public to timely and reliable information on decisions and performance in the public sector (Armstrong, 2005).

Corporate governance and Ethical conduct

Majority of the respondents in table 12 above agreed that ever since the staff of MDLG started acting in a professional manner, local revenue mobilization has increased (66(85.7%), Mean=0.857), ever since employees started adhering to the rules and regulations, corruption and embezzlement of funds has reduced among the staff of MDLG (54(73.8%), Mean=0.738). The findings above imply that there is a positive relationship between corporate governance and transparency at Mbarara district local government. The findings are in agreement with Anwar (2013) who pointed that there are benefits for public service that can be acquired from using ethical codes with a clear statement of values, roles and duties, rights and responsibilities, assist in resolving possible ethical dilemmas. Some of the benefits can surface as a sense of responsibility towards citizenry by officials.
CHAPTER FIVE: SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS OF THE
STUDY FINDINGS

5.1 Introduction
This chapter entails the summary of the main study findings in chapter four and makes conclusions and recommendations basing on the findings. The chapter also provides suggestions for further studies by future researchers.

5.1 Summary of the study findings according to objectives

5.1.1 To examine the ways in which proper corporate governance is executed in Mbarara District Local Government
The study findings revealed that proper corporate governance in Mbarara district local government is executed by ensuring honesty/integrity 80 (100.0%), openness 80 (100.0%), transparency 62 (92.9%), accountability 62 (92.9%), ethical conduct 62 (92.9%), citizen participation 59 (85.7%) and public participation 57 (78.6%).

5.1.2 To examine the effectiveness of Corporate governance in enhancing performance of Mbarara district local government
The study findings revealed that corporate governance in Mbarara district local government is effective in enhancing performance of the entity where it was revealed that employees of MDLG ensured value for money during the procurement process and contract award and that all contracts, performance reports and financial statements are audited by an independent auditor as show by same frequency and percentage of 60 (95.2%), budgets are well prepared and implemented on most priority basis 58 (90.5%), citizens’ complaints are adhered to and appropriate decisions taken 57 (88.1%), construction contracts are well monitored until their completion 56 (85.7%), local revenues are accessed and collected in the right manner 54 (85.7%), there is adequate and skilled staff in order to quicken service delivery 52 (81.0%), there is an appropriate mechanism for information flow from village level to district level 33 (78.6%) and public expenditure is done in an equitable and right manner with much emphasis on priority areas 51 (78.6%) among others.
5.1.3 To examine the relationship between corporate governance and performance of MDLG

The study findings revealed that there is a positive relationship between corporate governance and performance of Mbarara district local government. It was revealed that ever since MDLG started preparing books of accounts showing funds inflows and outflows, expenses have monitored well 73 (97.6%), imposed strict policies against their conduct, revenue collection and service delivery has improved and started holding council meetings proper decision making has been ensured as shown by the same frequency and percentage of 70 (90.5%), put in place physical infrastructures like roads, revenue collection have improved 37 (88.1%), put in place investigation committee service delivery have improved 68 (85.7%), started publicizing on notice boards and newspapers complaints about service delivery have reduced 68 (85.7%) and ever since MDLG staff started acting in a professional manner, local revenue mobilization has increased 68 (85.7%) among others.

5.2 Conclusions to the study

The study concludes that corporate governance has been executed in a proper way in Mbarara district local government where the properness was found to be reflected in terms of openness, transparency, honesty, accountability, citizen participation, respect for the rule of law, trust/sincerity, not engaging in corruption and fraud, ensuring professional and ethical conduct and citizen representation in council meetings which are all indicators of proper corporate governance.

The study findings concludes that corporate governance in Mbarara district local government is effective in enhancing performance of the entity where the effectiveness was found to be highly reflected in value for money, waste management, revenue collection, public expenditure and service delivery. MDLG ensures economy, efficiency and effectiveness during resource allocation and utilization in order to obtain the maximum benefit their expenditure.

The study concludes that there is a positive relationship between corporate governance and performance of Mbarara district local government. Corporate governance components of accountability, transparency and value for money have helped the organization in proper monitoring of expenses and reduction of unnecessary expenses, improved revenue mobilization
and collection, improved service delivery, proper decision making during allocation of finances, reduction of fraud, corruption and embezzlement of funds and ensuring high value for money.

5.3 Recommendations to the study

The study recommends local governments to put in place effective budgetary and internal controls in order to reap a significant improvement in performance. Proper controls should be put in place over revenue collection, contract execution, procurement, recruitment and service delivery.

MDLG should employ more qualified staff during revenue collection, budgeting implementation, performance monitoring and evaluation and administrative, professional and supervisory roles since these are the key positions that determine the performance of the local governments.

There should be a periodic review in the organization’s mission, vision, goals, core values and objectives to incorporate elements of proper corporate governance especially transparency, accountability, value for money, openness, honesty/integrity, respect for rule of law and citizen participation. This will guide all employees in the execution of their duties.

There should be adequate training of staff to equip them with adequate skills in performing their duties while keeping in mind other human resource practices such as promotions, proper remuneration, compensation, employee retention, recognition and appreciation and other benefits/incentives in order to motivate staff to work hard in achieving organizational goals and objectives.

There should be proper communication among staff regarding organization objectives, roles & responsibilities and all employees should be warned against unethical and unprofessional conduct such as engaging in corruption and embezzlement of funds, absenteeism, late coming, sexual harassment among other behaviors with a clear punishment or course of action against such behaviors.

5.4 Suggested areas for further study

Further study should be made on the following:

- The effect of corruption on performance of local governments in Uganda
- The effect of government policy on performance of local governments in Uganda
- The effect of taxation on performance of local governments in Uganda
References


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IAP2 Core Values for the Practice of Public Participation (2012) Iap2.org. Retrieved -08-06


APPENDICES

Appendix A: Questionnaire tool

Dear respondent,

I am AMANYA DANIEL, a student of Kampala International University pursuing a Bachelor’s Degree of Art in Economics. I am conducting a research study about “Corporate governance and performance of local governments in Uganda: A case study of Mbarara district local government”. I therefore kindly request for your attention and time to fill this questionnaire for the good of the researcher and Mbarara district local government at large. The questionnaire has been designed strictly for academic purposes and your opinions are very important to this study and the information given will be treated with utmost confidentiality.

Thank you in advance

Section A: Bio-Data

1. Gender of the respondent
   i). Male    ii). Female

2. Age of the respondent
   i). Below 30 years    ii). 31-40 years
   iii). 41-50 years    iv). Above 50 years

3. Highest level of education attained
   i). Secondary    ii). Bachelor’s Degree
   iii). Master’s Degree    iv). Diploma
   v). Any other (specify ____________________________)

4. Period spent working with the local government
   i). Less than a year    ii). 1-3 years
   iii). 4-6 years    iv). Above 6 years

5. Position held in the local government

__________________________________________________________
Section B: The ways in which proper corporate governance is executed in Mbarara district local government

6. In which ways do you execute proper corporate governance in Mbarara district local government?

<table>
<thead>
<tr>
<th>Opinion statement</th>
<th>Rating (Tick)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensuring that budgets and contracts are disclosed to the public</td>
<td>Agree</td>
</tr>
<tr>
<td>Ensuring all decisions on recruitments and contract award are made on merit</td>
<td>Disagree</td>
</tr>
<tr>
<td>Representing the views of the public rather than own interests</td>
<td>Agree</td>
</tr>
<tr>
<td>Ensuring all performance reports are disclosed to the public</td>
<td>Disagree</td>
</tr>
<tr>
<td>Ensuring all employees uphold and act in accordance with the law</td>
<td>Agree</td>
</tr>
<tr>
<td>Being always accessible to the people we represent when they need our help</td>
<td>Disagree</td>
</tr>
<tr>
<td>Communicating with citizens normally and involving them in decision making</td>
<td>Agree</td>
</tr>
<tr>
<td>Our offices are open to any member of the public who wants to talk to us</td>
<td>Disagree</td>
</tr>
<tr>
<td>Being responsible for our actions, decisions and policies that govern the entity</td>
<td>Agree</td>
</tr>
<tr>
<td>Being truthful, sincere and free from any deceit during the execution of duties</td>
<td>Disagree</td>
</tr>
<tr>
<td>Informing the public about all job opportunities, contracts, budgets and reports</td>
<td>Agree</td>
</tr>
<tr>
<td>Never to engage in any form of corruption and embezzlement of funds</td>
<td>Disagree</td>
</tr>
<tr>
<td>Maintaining a watch over any kind of unprofessional conduct by any staff</td>
<td>Agree</td>
</tr>
<tr>
<td>Taking appropriate course of action against any unethical conduct of our staff</td>
<td>Disagree</td>
</tr>
<tr>
<td>Holding regular council meetings to discuss issues regarding service delivery</td>
<td>Agree</td>
</tr>
<tr>
<td>Attending to problems and issues of the employees and acting accordingly</td>
<td>Disagree</td>
</tr>
<tr>
<td>Ensuring services are extended to the public in an equitable manner</td>
<td>Agree</td>
</tr>
<tr>
<td>Executing our duties in line with the organization’s goals and objectives</td>
<td>Disagree</td>
</tr>
<tr>
<td>Performing our duties as promised or agreed upon at the time of contract</td>
<td>Agree</td>
</tr>
<tr>
<td>Ensuring all activities are well audited to detect errors and fraud</td>
<td>Disagree</td>
</tr>
</tbody>
</table>
7. Any other way(s) not stated above

Section B: Effectiveness of Corporate governance in enhancing performance of Mbarara district local government (Tick in corresponding box where provided).

8. What is the effectiveness of corporate governance in enhancing performance of Mbarara District Local Government?

<table>
<thead>
<tr>
<th>Effectiveness of corporate governance in enhancing performance</th>
<th>Rating (Tick)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agree</td>
<td>Disagree</td>
</tr>
<tr>
<td>Garbage in the town is collected in time and dumped to appropriate places</td>
<td></td>
</tr>
<tr>
<td>There are adequate machinery for collection garbage around the town</td>
<td></td>
</tr>
<tr>
<td>Wastes materials are dumped and burnt in a healthy and environmentally friendly manner</td>
<td></td>
</tr>
<tr>
<td>Local revenues are assessed and collected in the right manner</td>
<td></td>
</tr>
<tr>
<td>Construction contracts are well monitored until their completion</td>
<td></td>
</tr>
<tr>
<td>We ensure value for money during the procurement process and contract award</td>
<td></td>
</tr>
<tr>
<td>Citizens’ complaints are adhered to and appropriate actions done</td>
<td></td>
</tr>
<tr>
<td>All public facilities and property are well safeguarded against theft or misuse</td>
<td></td>
</tr>
<tr>
<td>Public expenditure is done in an equitable and right manner with much emphasis on priority areas</td>
<td></td>
</tr>
<tr>
<td>Local government staff is well motivated to perform their duties diligently</td>
<td></td>
</tr>
<tr>
<td>There is an appropriate mechanism for information flow from village level to district level</td>
<td></td>
</tr>
<tr>
<td>All contracts, performance reports and financial statements are audited by an independent auditor</td>
<td></td>
</tr>
<tr>
<td>Budgets are well prepared and implemented on most priority basis</td>
<td></td>
</tr>
<tr>
<td>There is adequate and skilled staff in order to quicken service delivery</td>
<td></td>
</tr>
</tbody>
</table>
9. How else is corporate governance effective in enhancing performance?

Section D: The relationship between corporate governance and performance of Mbarara district local government

10. What is the relationship between corporate governance and performance of Mbarara district local government?
   i) Positive relationship  
   ii) Negative relationship  
   iii) No relationship  

11. Support your answer in 10 above by indicating your level of agreement with any of the following opinion statements?

<table>
<thead>
<tr>
<th>Opinion statement</th>
<th>Rating (Tick)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Accountability</strong></td>
<td></td>
</tr>
<tr>
<td>Ever since we put in place a human resource committee, unnecessary expenses have reduced</td>
<td></td>
</tr>
<tr>
<td>Ever since we started preparing books of accounts showing funds inflows and outflows, expenses have been monitored well</td>
<td></td>
</tr>
<tr>
<td>Ever since we put in place physical infrastructures like roads, revenue collection has improved</td>
<td></td>
</tr>
<tr>
<td>Ever since we put in place investigation committee, service delivery has improved</td>
<td></td>
</tr>
<tr>
<td>Ever since we started budgeting, finances have been properly distributed creating value for money in the area</td>
<td></td>
</tr>
</tbody>
</table>

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### Transparency

| Ever since we ensured openness in performing duties, corrupt tendencies have reduced |
| Ever since we started holding council meetings, proper decision making has been ensured |
| Ever since we started publicizing information on notice boards and newspapers, complaints about service delivery have reduced |
| Ever since our employees started disclosing their works to supervisors in form of performance reports, unnecessary expenses have reduced |

### Ethical conduct

| Ever since our employees started adhering to the rules and regulations, corruption and embezzlement of funds has reduced among our staff |
| Ever since MDLG imposed strict policies against their conduct, revenue collection and service delivery has improved |
| Ever since our staff started acting in a professional manner, local revenue mobilization has increased |

12. In which other way(s) does corporate governance influence the Performance of Mbarara district local government?
## Research Work Plan

<table>
<thead>
<tr>
<th>Period</th>
<th>Activity</th>
<th>Topic formulation</th>
<th>Proposal writing</th>
<th>Data collection</th>
<th>Data analysis</th>
<th>Report writing</th>
<th>Submission</th>
</tr>
</thead>
<tbody>
<tr>
<td>November 2017</td>
<td></td>
<td></td>
<td></td>
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<td>AMOUNT(Ugx)</td>
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CURRICULUM VITAE

PERSONAL DETAILS

FIRST NAME: DANIEL
SURNAME: AMANYA
GENDER: MALE
DATE OF BIRTH: 16th, FEBRUARY, 1994
MARITAL STATUS: SINGLE
NATIONALITY: UGANDAN
CURRENT ADDRESS: KANSANGA-KAMPALA
RELIGION: CHRISTIAN

PHONE: +256757097196/0775560644
Email: amanyakatirima11@gmail.com

PROFILE:

I am a strong team player, enthusiastic, talented and passionate about what I do.

I am self-motivated with ability to work both independently and as a team whether under supervision or not.

I am very hardworking, intelligent and creative with ability to manage multiple responsibilities in a fast paced environment with critical deadlines.
CAREER OBJECTIVES

To find a challenging position to meet my competences, capabilities, skills, education and experience.

To also acquire more knowledge and use it to develop the firm.

EDUCATION BACKGROUND

<table>
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<tr>
<th>YEAR</th>
<th>INSTITUTION</th>
<th>AWARD</th>
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<tbody>
<tr>
<td>2015-2018</td>
<td>KAMPALA INTERNATIONAL UNIVERSITY</td>
<td>BACHELOR OF ARTS IN ECONOMICS</td>
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<tr>
<td>2013-2014</td>
<td>PLUS TWO HIGH SCHOOL, BUSHENYI</td>
<td>UGANDA ADVANCED CERTIFICATE OF EDUCATION (UACE)</td>
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<tr>
<td>2009-2012</td>
<td>MBARARA HIGH SCHOOL, MBABARA</td>
<td>UGANDA CERTIFICATE OF EDUCATION (UCE)</td>
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EXPERIENCE AND RESPONSIBILITIES

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<td>JUNE - JULY 2018</td>
<td>BANK OF UGANDA</td>
<td>INTERN.</td>
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LANGUAGE PROFICIENCY

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<th>LANGUAGE</th>
<th>LANGUAGE SPEAKING PROFICIENCY</th>
<th>LANGUAGE READING PROFICIENCY</th>
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<tr>
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<td>EXCELLENT</td>
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<tr>
<td>RUNYANKOLE</td>
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<tr>
<td>LUGANDA</td>
<td>EXCELLENT</td>
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PERSONAL KEYS OF SUCCESS

- Integrity and leadership
- Recognition
- Training
- Team work and communication
- Continuous improvement and adherence to set goals

SKILLS AND ABILITIES ATTAINED

- Computer skills such as Microsoft Word, Excel, Power point, adobe and Can efficiently use about 5 computer programs and can effectively make use internet services.

- Communication skills- can efficiently demonstrate oral and written communication skills at work place.

- Leadership skills- can make effective contribution as both a team member and a team leader in different projects.
- Interpersonal skills. Characterized by good customer care and persuasion ability.

HOBBIES

- Working
- Playing football
- Listening to gospel music
- Watching movies
REFEREES

1. Mrs DOREEN KAKEIJA – NWSC  
   +256779697819

2. Mr. DUNCAN KAWOOYA  
   BANK OF UGANDA.  
   +256793567869

DECLARATION

I Daniel Amany declare that the information given above is true about me and I will be answerable if need arise.