

**THE IMPACT OF BUDGETING ON FUNDS MOBILISATION IN WAKISO DISTRICT  
LOCAL GOVERNMENT**

**BY  
NKAMUBONA SHILLAH  
1163-05014-06578**

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### DECLARATION

I Nkamubona Shillah, hereby declare that this research report is my original work and in instances where academic work by other people was used, it was properly acknowledged and has never been submitted to any other university or tertiary institution for any academic award.

Signed: Nkamubona Date: 23<sup>th</sup> July 2019

NKAMUBONA SHILLAH

1163-05014-06578

### APPROVAL

This is to certify that, this research report entitled, “**Effect of Budgeting and Financial Resources Management in Kiryandongo District Local Government**” has been submitted for examination with our approval as Institute Supervisors.

Signed: 

Date: 25/07/2019

MR. MASEMBE MUZAMIL

Supervisor

## **DEDICATION**

I dedicate this work to my humble family mostly my lovely Mother Ms. Molly, Uncle Kutesa for their bravery, love and their passion for education and to my brothers and lastly to my friends for their generous support from the start.

## **ACKNOWLEDGEMENT**

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## **ABBREVIATIONS**

CAO	-	Chief Administrative Officer
CFO	-	Chief Financial Officer
CG	-	Central Government
DEC	-	District Executive Committee
DV	-	Dependent Variable
FY	-	Financial Year
HOD	-	Head of Department
IUIU	-	Islamic University in Uganda
IV	-	Independent Variable
LG	-	Local Government
LG FAR	-	Local Government Financial and Accounting Regulations
LGs	-	Local Governments
PAC	-	Public Accounts Committee

## ABSTRACT

*The study examined the effect of Budgeting on Financial Resources Management in Kiryandongo District Local Government with specific objectives used including examining the practice of budget participation, establishing the relationship between budget approval and Financial Resource Management and establishing the relationship between Budget Implementation and Financial Resource Management. Literature on budgeting and Financial Resource Management was reviewed. A case study research design was used supplemented by both the qualitative and quantitative approaches. An accessible population of 42 respondents was identified from which 37 formed the sample size. A questionnaire, interview and documentary review methods were used while the self-administered questionnaire, interview guide and documentary review checklist constituted the instruments. Quality control of the instrument was observed using validity and reliability. Data for the study was managed both qualitative and quantitatively. Key study findings reveal a positive effect of budget participation, positive relationship for both budget approval and budget implementation with financial resource management. The following can be concluded that using fewer stakeholders during budgeting negatively affects financial resource management. The district approved its budget, with budget decisions council and finance department is solely responsible for budgets trimming. In addition, a poorly designed development plan leads to financial resource mis-use in over spending. The following form the recommendations including need to organise more awareness programs including budget workshops and conferences, purchase and installation of essential technologies to foster communication, need to update records, staff need to adhere to finance rules and regulations. In addition, liaising with other departments to ensure budget trimming is important. Budget training is good for local politicians. There is need to formulate an independent resource allocation task force and aiding proper record keeping through purchase of computers, filling cabinets and shelves among others fastens communication.*

## CHAPTER ONE

### INTRODUCTION

#### 1.0 Introduction

The study examined the effect of Budgeting and Financial resources Management in Kiryandongo District Local Government. The chapter comprises of background to the study, statement of the problem, purpose of the study, specific objectives of the study, research questions, significance of the study, scope of the study, conceptual frame and finally the definition of terms and concepts.

#### 1.1 Background to the study

Not too much literature has been documented about Management of Financial resources; however, the roots of the budget system are linked to the emergence of parliamentary control over the crown in Britain. Earlier, the kings especially Charles II used to impose taxes for the prosecution of wars and not for any other thing. Following the revolution of 1688 and the Bill of Rights in 1689, a provision was made that no man shall be compelled to make any gift, loan or benevolence or tax without common consent by Act of Parliament Burkhead (1956). Thus, budgeting was a comprehensive document that formally outlined what economic and non-economic activities a Government wants to undertake with special focus on policies, objectives and strategies for accomplishments that are substantiated with revenue and expenditure projections.

For the case of Uganda, to realize proper financial management, its situation was handled constitutionally sported by the legislature, judiciary and Executive where directives were made where the parliament reserved the right to authorize all expenditures made by the central government. The extension of parliamentary control over Government finance also have been decentralized to districts under the local government act in which power are granted to them to prepare and manage their own budget (Republic of Uganda Constitution, 1995)

Strategically, Kiryandongo district is one of the newly established LGs located in North-western Uganda, North East of Kiryandongo, North-west of Kampala, Uganda's capital city and lying on latitude 1.9500 and longitude 32.1400. The district is made up of four (4) sub counties including Kigumba, Masindi port, Mutunda and Kiryandongo sub counties. In addition are (3) Town councils including Kiryandongo, Bweyale and Kigumba Town Councils respectively. The four administratively units (sub counties) under the control of Chief Administrative Officer (CAO),

Town clerks for urban councils respectively and is the overall see of the budgeting and management of the financial resources in the district.

The issue of budgeting Management of Financial resources within the district is based and in line with Section 35 of the Local Government Act Cap 243, Amendment 2010 which grants powers to the LG authorities to ensure a smooth budget process hence foster preparation of a comprehensive and integrated development plan incorporating plans of lower level Governments for submission to National Planning Authority, and lower level Local Government to prepare and incorporating plans of lower councils in their respective areas of jurisdiction. Many LG staff participates in the preparation of the District Development Plan and Budgeting in the preparation of the district development plan and budgeting (Kiryandongo Development Plan, 2010/2015).

The core function of LGs is to bring social services closer to the locals intended to steer local development. Rural development is a matter of inner emotion which integrates the local people into the plans and policies of Government. To realize all these set plans, all LGs engaged in budgeting and management of financial resources (Uganda LG Act of 1997). The exercise involved preparation for a period of between June/July of each year. The budget reflected how resources of the district would be planned, mobilizes/collected or acquired and utilized over a specified period of time.

For KDLG, financial discipline was practiced which ensure that advanced resources would realize at the district, followed with proper budgeting and finally financial management. This is because budget spelt out how resources would be acquired in the district. Whereas financial management concerns how such resources will be efficiently and effectively managed in the district. which make the two inseparable. Those in-charges of budget formulation therefore struggle constantly to ensure proper budgeting in the district (Kiryandongo DLG Budget Report, 2012). At times, budget desk create a precedent upon which proper budgeting management of financial resources are efficiently administered to ensure proper management of organization of financial resources.

Similarly, LG district budgets including KDLG are drawn and are financed by both the CG and local revenue collected from the local communities businesses among others. The Central Government normally release both the conditional grants and unconditional to the districts which

are supplement by their local revenue collected such as trade licenses, Local service tax, operation permits, market/ gate charges, and so on provided they are lawfully collected.

Finally, it is important to note that Budgeting as a tool of financial resources management was key to ensuring internal controls needed to manage funds or financial resources. However, Kiryandongo District Local Government is faced with several financial management problems related to her sources of funds, its utilization and management. The background formed the basis for the study in Kiryandongo district.

## **1.2 Statement of the problem**

Yumi & Beaudry (2007) define a budget as a key management tool for planning, monitoring and controlling the finances of a project or organization. In addition, Harris & Griffith (2002) define budgeting as a list of all quantify-planned expenses and revenues over a definitive time period. In addition, budgeting gives an overall picture of where the money is coming from, when it is coming in, and how it is being spent. In absence of proper budgeting, organizations including LGs are faced with resource constraints, lack of transparency, timely accountability, payment of employee's salaries and councillor's allowance hence infringing on effective financial resource management (LGFAR, 2007). Budgeting has in one case or another been seen to time and again challenging Kiryandongo LG in ensuring proper financial resource management.

## **1.3 Purpose of the study**

The study examined the effect of Budgeting on Financial Resource Management in Kiryandongo District Local Government, Uganda.

## **1.4 Specific Objectives**

- i. To examine the practice of budget participation in Kiryandongo District Local Government.
- ii. To establish the relationship between budget approval and Financial Resource Management in Kiryandongo District Local Government.
- iii. To establish the relationship between Budget Implementation and Financial Resource Management in Kiryandongo District Local Government.

## **1.5 Research Questions**

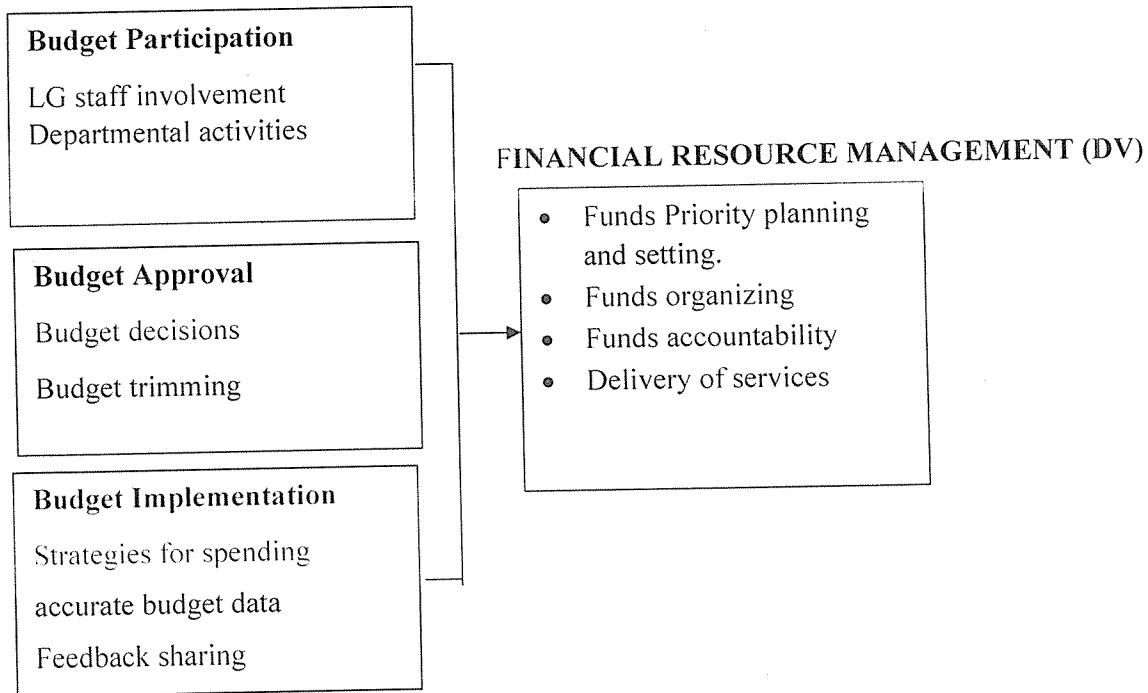
- i. How is budget participation done in Kiryandongo District Local Government?
- ii. What is the relationship between budgeting and Financial Resource Management in Kiryandongo District Local Government?



- iii. What are the practices in Financial Resource Management in Kiryandongo District Local Government?

## 1.6 Conceptual frame work

### BUDGETING (IV)



**Source:** adopted and modified from Allegretti (2011) by the researcher

**Figure 1:** A conceptual framework showing the relationship budgeting and management of financial resources hence the problem under investigation

The framework shows the relationship between Budgeting and Financial resources management. Budgeting, as an independent variable comprises of three dimensions that include budget participation entailing LG staff involvement and departmental activities while budget approval another independent variable dimension entails budget decisions and trimming. Additionally is a budget implementation detailing strategy for spending and accurate budget data. On the other hand, management of financial resources, the dependent variable is conceptualized as having Fund priority planning and setting, organizing, accountability and delivery of services. It is believed that budgeting enhances Financial resources management in a sense that it fosters the prioritizing of funds to ensure that the delivery of key services within the district parameters.

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

The study helps the LG and sub county officials to fully understand the varying stages and parties that get involved in the preparation of the budget.

This study helps the LG. development partners and NGOs officials among others to appreciate benefits of Budgeting and Financial Resource Management in Kiryandongo District Local Government.

It is anticipated that the study helps stakeholders to know the challenges involved or encountered in Financial Resource Management in Kiryandongo District Local Government.

Lastly, the study is helpful to academicians and researchers among others to close the pending gaps that have been identified and for literature review purpose

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

This section provides the geographical, content and time scope of the study as explained below: The study was conducted within Kiryandongo District Local Government parameters specifically Kigumba, Masindi port, Mutunda and Kiryandongo sub-counties. In addition, it is located on the main Gulu-Masindi Highway, approximately 50 kilometres (31 miles), by road, northeast of Masindi. This location is approximately 225 kilometres (140 miles), by road, northwest of Kampala. Uganda's capital and largest city.

This study focused on collecting information on Budgeting and Financial Resource Management as two key variables .The information from local government officials in the district Headquarters, head of departments in NGOs were used for analysis of the Budgeting as a tool of managing an organization's financial resources in order to meet the research objectives.

This study focuses on the issues of Budgeting and Financial Resource Management from 2014/2015 to 2016/ 2017. This is the period when Kiryandongo District Local Government was faced with challenges in financial resources.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

The previous chapter deals with the introduction. Chapter two presents scholarly literature on budgeting and Financial Resource Management guided by the specific objectives of the study in line with the conceptual framework of the study.

#### **2.2 Budgeting and Financial Resources Management**

A budget may refer to a forecast of expected revenue and the expected expenditure for a particular period usually a financial year. In this context, budgeting refers to budget participation, budget approval and implementation by an entity. Below is the scholarly write up in favour or against budgeting and Financial Resource Management based on the specific objectives of the study.

##### **2.2.1 Budget participation and Financial Resource Management**

Budget participation or involvement in the budgeting process is referred to as participatory budgeting or simply “PB.” (Anthony & Govindarajan, 2004). Similarly, in a participative budgeting process, both superiors and subordinates are actively involved as the process includes sharing and exchanging of financial information in line with purely identified tasks (Weil & Maher, 2005). For this study, participation can be seen as having LG staff involvement and departmental activities

Hoque (2005) argues that participation in the budgetary process tends to yield a number of benefits such as increasing employee motivation and commitment to the budget, fostering creativity among all levels of employees, increasing a sense of responsibility, increasing job satisfaction and also performance including managing of financial resources (Weil & Maher, 2005). In addition, participative budgeting helps to ensure that estimates are more accurate and reliable, leading to greater acceptance from organization members (Hoque, 2005). While some studies report a positive link between budgetary participation and performance including financial resource management, others report a negative association hence, this created discrepancies in the way public funds were managed as reflected in the final findings in chapter four.

Other authors including Parkinson & Taggar (2000) have relied on expectancy theory to examine the relationship of budget participation to motivation and performance. Their results are

in conflict with those of earlier studies where Merchant (1981) that found a positive association between budget participation and motivation. These authors go ahead and argue acknowledge that "expectancy models have sometimes shown a rather weak relationship to effort and performance, raising question about their validity in empirical use." Thus, further research may rely on an alternative motivation theory, such as goal-setting theory, to examine the budget participation-management linkage (Murray, 1990). The scholars above focused on relationship between budgeting and financial resource management with less clarity on whether the relationship was either positive or negative. Based on this, the study established that a positive relationship existed between budget participation and financial resource management meaning that more involvement of respondents yielded proper resources management.

Similarly, Lin & Chang (2005) argue that highly committed subordinates in terms of their budget goals are motivated to interact with their superiors and peers who can provide insight into their work environments, performance goals, task strategies and other issues that have an important impact on their performance. Researchers have found different results concerning the effects of goal commitment on the performance of the subordinates. From psychological and cognitive perspectives, there are two basic benefits of subordinates' participation in budget setting. First, owing to identification and ego-involvement with budget goals, participation is related to performance and so, leads to enhanced motivation and commitment to the budget. Second, because of improving flow of information between superiors and subordinates, budget participation leads to higher quality decisions. The study findings reveal that budget participation led to higher motivation, higher commitment, higher quality decisions and hence financial resource management.

Lastly, Woodford & Maes (2002) argue that the disadvantage of not involving staff in the budget preparation is that of deteriorating performance including poor management of financial resources. The scholars go ahead and argue that when managers are highly committed to an organization including participating in decision making for instance budget participation, they will accept organizational goals and involved more effort to attain the goals and then improve their performance. Studies have found a clearly positive relationship between goal commitment and performance. The researcher agreed to the fact that staff commitment was key for improved financial resource management and the study found out that more commitment of district staff in ensuring a better budget process would result into financial resource management.

### **2.2.2 Budget approval and Financial Resources Management**

Budget approval can refer to the ability of the required authorities to sanction the acceptance of planned use of public funds tagged to defined activities. Budget approval, a dimension for this study was measured using budget decisions and budget trimming and below is scholarly literature in favour or against budget approval and financial resource management.

A scholar Gummesson (2000) observes that budget approvals are typically categories which help managers and potential funders to understand how money shall be obtained and spent. The scholar goes ahead and argues that the existing budget information is reliable to managers when planned-actual expenses are measure as this enables managers and programme staff to stay within assigned allocation levels as they accomplish programme goals.

Another author James (1998), defines budget approval as the function of management that involves planning, organizing, staffing, leading, and controlling. The author further argues that every one of these functions is influenced to a great degree by how much money that exists. Managers and programme staff simply cannot carry out their assigned responsibilities effectively without understanding their financial constraints meaning that managers should know what is happening with respect to their financial resources if they are to make informed management decisions. The notion that leaders of extension organizations are accountable to funding partners is tagged to the resources that they sanctioned for approval. This was found to be the case for KDLG.

According to Drucker (1992), it does little good to have a large staff if approved resources are too limited to provide that staff with the means to get something accomplished. The scholar argues that managers might logically address this problem of managing financial resources as this is believed to cause a reduction in the number of expense allocations, thus changing the ratio between salaries and operating expense items among other activities. The researcher argues that it is necessary to change the way activities are defined and key resources allocated. In addition, it is argued that in some situation, district regulations do not make it easy to exchange sector resources for another, or even to avoid unfunded programme. In those situations especially, district staff sought approvals from other alternative funding sources and fully accounted for such resources hence proper resource management.

Lastly, Bruneau & Hilarion (1994), say that the estimated budget is the estimated expenditure required for implementing service plans. The approved or allocated budget is however usually less than the estimated amount. This can be attributed to the fact that funds including public ones

are appropriated to respective department usually less than what is requested. The researcher understood that a well-applied medium term expenditure framework provides a guideline for future allocations, limiting the need to work with reduced budgets, this was evident at KDLG.

### **2.2.3 Budget Implementation and Management of Financial resources**

Budget implementation refers to the process of putting a decision or plan into effect: execution. In this study, budget implementation was defined as constituting strategies for spending and accurate budget data.

In relation to the above, variables including budget implementation and management of financial resources. Granof & Mayper (1991:29) noted that current budgeting practices "...thwart inter-period equity by measuring revenues and expenditures in ways that fail to capture their economic substance." When budgets are prepared on cash or near cash basis, budget manipulation is possible via the timing of expenditures. In addition, the current practice of preparing budgets for individual funds rather than for the Government entity as a whole provides another avenue for budget manipulation. Further the scholars suggested that the legal status held by Governmental dictates that the accounting profession establish rules for formulating budgets as well as require budgets to be audited.

Vazquez & McNab (2003) argue that budget implementation relates with putting in practice the financial ideas that have been approved the executive within any organization. In addition, it can be argued that expenditure at the sub national level is more growth enhancing than the same expenditure at the national level. Similarly, the LGs are not eager to take on the major responsibilities of a taxing authority, and they do not want to put into practice the financial ideas discussed by any task force because they seem not to have the capacity to enforce such budgets. However, much can be done to increase local capability and capacity to the point where Governments and this is what was found out.

Chan (1992) further says that the trend of budgeting process and growing economy can only be restricted to a good implementation plan within the budget process. The same scholar further found out that, a strong and enduring relationship existed between Governmental accounting and budgeting existed. Thus, submitting that the accrual basis of accounting, which takes into account the long-term consequences of current budgetary decisions, should be adopted in the short-term in formulating budgets. The wide acceptance of this view would have a profound impact on Government entity budgets including Kiryandongo DLG. Under this view, implementation still followed the period's budget; but accounting led the budget of the next

period. However, an opinion was that while the accrual basis was a superior method of accounting for the economic resources of any Government entity, including KDLG, it reflected that the cash basis accounting is adjudged useful for short-term fiscal control.

According to the UNCCD (2008), LG development plan provides LGs with support including financial to implement their mandates for instance budget with respect to decentralization service provision and devolution of the development budget. It supports that the GoU's efforts to integrate its development budget with the development budgets of LG units. It further shows that to access LGDP funds, local authorities must have a three-year rolling District Development Plan (DDP) in place and expenditure under the grant must be in line with the approved annual work plans and budgets. The researcher totally agreed with the implementation of a budget. Based on this, the study established how budget implementation was handled in KDLG and details are presented in chapter four.

Lastly, the LG act of 1997, Cap 243 stipulates that one of the aims of decentralization is to enhance the efficiency of resource allocation for the achievement of development goals in line with local priorities thus management of public funds. This can be done by increasing the discretionary powers of local governments to allocate resources and ensuring that local needs and priorities feed back into the national budget. Local Governments in Uganda enjoy 10% flexibility of non-salary conditional grant allocations to recurrent sector budgets and sector budget lines. This clearly revealed how resources are accounted for after being advanced to responsible personnel hence a good financial guidelines implementation act and a practise found operations at KDLG.

### **2.3 Summary of the chapter**

In all the literature that has been reviewed, the authors and researchers have concentrated on the issue of budgeting and management of these finance resources thereafter. The other literature of work on public sector have only made budget preparation, approval and implementation generalizations at LGs without deliberate attempt to link budgeting on management of public funds in decentralized settings at the lower local council level.

Number of challenges or gaps are identified in the discussion held above including a number of discrepancies in budget participation, mismanagement of public funds, the non-level of commitment by some LG staff, how realistically some of the finance goals and task are achieved, issue of determining whether the relationship between budgeting and financial resource management was either positive or negative, as well as finding out how LG staff.

reduced accountability of financial resources and how local expenditures were tracked. This formed a foundation for the study on how budgeting affected financial resource management.



## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 Introduction**

The previous chapter presented a critical review of scholar literature obtained for this study. This chapter presents the methodology which was used to aid the collection of data. It is arranged as follows starting with the research design, study population, sample size and selection, sampling techniques and procedure, data collection methods and instruments, procedure of data collection, data management as well as analysis and ends with measurement of variables.

#### **3.2 Research design**

Research design as the enter process of planning and carrying out a research. The study used a case study research design. This study focuses on a detailed contextual analysis of a limited number of events or conditions and their relationship (Yin, 1984). In addition, it was supplemented by both the quantitative and qualitative approaches where the qualitative approach helped the researcher obtain non numeric data and come up with conclusions on budgeting and financial resource management whereas the quantitative approach was used to facilitate the obtaining of quantified information on budgeting and financial resource management obtained using questionnaires (Amin, 2005).

#### **3.3 Study population**

A study population can be defined as a complete set of individuals, cases or object with some common observable characteristics as argued by Saunders et al, (2000). This study considered an accessible population will of 42 respondents who will include CAO(1) CFO(1), other HoDs (10)DEC(5) and sub-county staffs (25). (Source: Kiryandongo District Personnel Records (2014). The population was preferred because it plays a key role in implementation and financial resource management at all levels.

#### **3.4 Sample size selection**

A sample is a collection of some elements of a population (Amin, 2005). A sample size of 37 from an accessible population of 42 and will be determined using the Krejcie & Morgan (1970) technique of sample size (See Appendix IV) as reflected in Table 3.1 below.

**Table 3.1: Accessible Population, Sample Size and Sampling Technique**

Category of respondents	Accessible Population	Sample Size	Sampling Technique
CAO	1	1	Purposive sampling
CFO	1	1	
Sub county staffs	25	20	Simple random
DEC	5	5	
HoDs	10	10	
<b>Total</b>	<b>42</b>	<b>37</b>	

**Source:** Kiryandongo District Personnel Records (2014) and determined using Krejcie & Morgan (1970)

### **3.5 Sampling techniques/Procedures**

The sampling techniques for the study included simple random, census and purposive sampling as highlighted in Table 3.1. The simple random sampling technique, a technique used where respondents have an equal chance of being selected to form a sample will be used to select respondents who included senior Assistant secretaries, sub Accountants and parish chiefs for a reason that these form the largest sample size. Secondly, it can be argued that the technique tends to limit biasness, it is cheaper to use in terms of costs and can be conducted within the shortest of times.

On the other hand, purposive sampling, a technique used to select respondents believed to possess reliable and valuable information that applied to select a group of respondents including CAO and CFO. This group provided information on budgeting and financial resources management. The choice for this method is linked to the fact that the group is smaller, manageable though takes more time.

### **3.6 Data collection methods**

The study used questionnaire, interview and documentary review methods to support the collection of valuable data as indicated below.

#### **3.6.1 Questionnaire review method**

This method allowed the researcher to come up with a number of closed ended questions on budgeting and management of financial resources. Furthermore, the method was used for

administering numerous questionnaires to a wider group of respondents in quest for appropriate answers (Babbie, 2001). Conclusively, this method allowed the researcher to reach a large number of respondents in a relatively short time, and limit on biasness as well. The group to benefit from this method will include the HoDs, DEC and planning unit in the district.

### **3.6.2 Interview method**

This method is expected to deal with non-numeric data on budgeting and financial resources management. The study plans to use designed non-numeric questions on budgeting and financial resources management. Inform of a conversation with key informants while recordings were made. The respondents for this method included CAO and CFO. In addition, all coordination pertaining to this method was executed by the researcher. Finally, it can be argued that the interviews provided the researcher with the chance to probe the respondents in cases of ambiguous responses.

### **3.6.3 Documentary review method**

This method allowed the use of other sources for information including secondary sources for data linked to budgeting and financial resources management. The method complemented on both the interview and questionnaire method. Among the documents reviewed included copies of final accounts 2010/11, 2011/12, 2012/13, 2013/14 PAC report 2012/13 minutes of DEC and Quarterly financial report by CFO.

## **3.7 Data collection instruments**

A number of instruments were used to aid the study including the self-administered questionnaire, interviews and documentary checklist as detailed in the sub sections below.

### **3.7.1 Self-administered questionnaire**

This instrument was designed with a number of closed questions on budgeting and management of financial resources, not forgetting the number of alternatives that were available for the respondents to select (Sekaran, 2003). A number of closed questions were designed and tagged to a five item likert scale that consisted 5 for strongly agree, 4 for agree, 3 for undecided/not sure, 2 for disagree and 1 for strongly disagree. This was administered to a group of respondents including sub county staffs in search for answers (See Appendix I).

### **3.7.2 Interview**

Mugenda & Mugenda (2003) holds that an interview is an oral administration questions and therefore a research encounters face to face interaction with the respondents. This instrument

allowed the researcher to conduct out face to face interviews with key informants while obtaining information. A number of open ended questions asked on budgeting and financial resources management by KDLG. Conclusively, Mugenda & Mugenda (1999), argues that interviews are advantageous in that they provide in-depth data which is not possible to get using questionnaires (See Appendix II).

### **3.7.3 Documentary review checklist**

This instrument helped the researcher to assess a number of secondary sources from which information on budgeting and financial resources management were obtained. Among the documents to be reviewed included KDLG Budget for FY 2011/12, 2012/13, 2013/14 KDLG Development Plan of 2010-2015 KDLG Tax register of 2011/12, 2012/13 and 2013/14 among others (See Appendix III). The choice for this instrument is that it allows the research obtain information that cannot be obtained using the questionnaire or interview.

### **3.8 Quality control**

Quality Control was done on all study instrument through using validity and reliability as indicated below.

#### **3.8.1 Validity**

Amin (2005) holds that validity is the ability to produce findings that are in agreement with conceptual or theoretical values. The study consulted three experts including the supervisor and two finance experts about the validity of the instrument. These experts role was to provide expert input on budgeting and financial resources management. The exercise entailed removing invalid questions while the valid ones were retained. For a questionnaire was valid as its CVI was above 0.5 as recommended by Sekeran (2003)

#### **3.8.2 Reliability**

Reliability is a measure of the degree to which a research instrument yielded consistent results or data after repeated trials (Mugenda & Mugenda, 1999). The instruments were tested on a group of 10 respondents, not part of the study. Thereafter, the internal consistency or Cronbach alpha technique used to determine reliability. The score was above 0.7 as recommended by Amin (2005) who argued that an instrument is reliable only if it its reliability score is 0.7 and above.

### **3.9 Procedure for data collection**

The researcher wrote research proposal and equally defended it. Thereafter, final corrections were made and she proceeded to IUIU Faculty of Management Studies, Department of Business

Studies to obtain a research attachment letter. After obtaining the letter, the researcher planned to contact Kiryandongo DLG, Office of the CAO to seek for permission to conduct the study. The researcher used three research assistants to aid in administering these instruments while she solely conducted all interviews. The collected data was used to write the next chapters hence a report. The exercise is planned to take 2 months.

### **3.10 Data Management and Analysis**

Data for this study was managed and analyzed using both the quantitative and qualitative techniques as explained in the sub sections below.

#### **3.10.1 Quantitative data management and analysis**

Numeric data from the questionnaires were coded, entered, edited for consistency and easiness in and later analyzed quantitatively using SPSS. After, descriptive statistics including means, frequencies, and percentages were run and presented using tables or figures.

#### **3.10.2 Qualitative data analysis**

In qualitative management and analysis, content analysis was used which will help to edit the data from interviews and reorganize it into meaningful shorter sentences. Non-numeric data was then be typed using a computer, cleared, scrutinize and was grouped to fit them under particular theme based on specific objectives. The results were used to supplement in the quantitative data in chapter four.

### **3.11 Measurement of variables**

Variables including budgeting and management of financial resources were measured using an ordinal scale a based on a five item likert scale running from 5 for strongly agree, 4 for agree, 3 for undecided, 2 for disagree and 1 for strongly disagree (Saunders et al., 2003). While all background information of respondents were measured based on the nominal scale. This is a scale that is used on non-ranked variables for instance age, department, and designation among others.

## CHAPTER FOUR

### PRESENTATION, DISCUSSION, ANALYSIS OF FINDINGS

#### 4.0 Introduction

This chapter presents, discusses and analyses findings based on the specific objectives of the study. It comprises of an introduction, followed by the descriptive findings, discussion and analysis of key findings.

#### 4.1 Background of Respondents

The study respondents were required to provide information about their bio status. This information was linked to variables including respondents, age and department where they were attached. Below are the findings that were obtained

##### 4.1.1 Age category of respondents

Respondents were requested to indicate their age bracket and below are results that were obtained from the data collected.

**Table 4.1: Showing the Age distribution of the respondents**

Age distribution	Frequency (n)	Percentage (%)
21 – 30 years	6	18%
31 – 40 years	14	43.0%
41 – 50 years	12	36.0%
> 50 years	1	3.0%
<b>Total</b>	<b>33</b>	<b>100%</b>

**Source:** Primary Data 2019

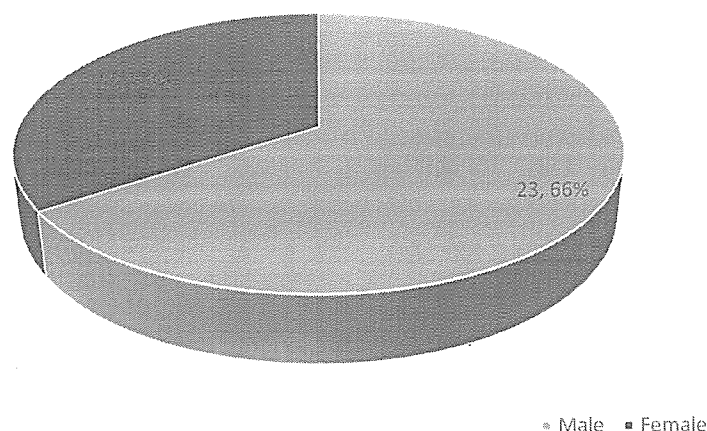
From Table 4.1, it can be observed that respondents of less than 40 years of age dominated the study with 20(61%) and 41 years and those respondents above 41 years of age thus 13(39.0%) were fewer. Based on the results obtained above, it can be said that all respondents in the study were mature as ethically required by research.

Secondly, it can also be said that their maturity could be translated to the fact that they had stayed longer enough in Kiryandongo DLG to fully understand budgeting and mainly financial

resource management including funds priority planning and setting, organising, accountability and timely delivery of services.

#### 4.1.2 Gender of Respondents

The respondents of this study indicated their gender with the findings obtained reflected in Figure 4.1 below.



**Figure 2: Gender distribution of the respondents**

As revealed in the illustration above, study respondents were either male or female with the findings revealing that male respondents 23(66%) were the dominate gender compared with 12(34%) female respondents. Based on the results it can be concluded that a fairly good representation of views were obtained from both sex. Additionally, it can be seen that both male and female are involved in the budgeting and financial resource management as followed by the Kiryandongo District Local Government.

#### 4.1.3 Respondents by Department

In this study, respondents involved were attached to respective departments and presented below are the results.

**Table 4. 2: Respondents by department**

<b>Age distribution</b>	<b>Frequency (n)</b>	<b>Percentage (%)</b>
Administration	22	67%
Finance	8	24.0%
Internal Audit	3	9.0%
Others	0	0.0%
<b>Total</b>	<b>33</b>	<b>100%</b>

**Source:** Primary Data 2019

From Table 4.2, it can be said that many of the participants 22(67%) in this study were attached to the administration department. while finance department had the second biggest with 28(24.0%), and lastly, internal audit department had 3(9.0%).

Based on the results obtained above, it can be argued that study participants were attached to respective department where they were solely involved in budget process. Secondly, such participants were responsible for funds priority planning and setting, organising, accountability and timely delivery of services thus better financial resource management.



## 4.2 To Examine the Practice of Budgeting in Kiryandongo District Local Government

Budget practices a first independent dimension for this study was measured using variables that included LG staff involvement and departmental activities from which a number of questions were asked.

**Table 4.3: Showing responses for Budget participation**

Questions on Budget participation	Percentage responses (%)		
	Agree	Not sure	Disagree
As a district staff, I fully understand the concept of the budgeting in relation to KDLG	91% (30)	0% (0)	9% (3)
KDLG has a budgeting criterion in place that is used to select staff who engage in budgeting	67% (22)	0% (0)	33% (11)
KDLG's budgeting criteria guides its units/sections in actively identifying expected budget revenue and expenditures hence a way to manage resources	91% (30)	0% (0)	9% (3)
A number of sections/units at Kiryandongo district, are actively engaged in the sharing and exchanging of information on budget during each financial year	36% (12)	18% (6)	56% (15)
Each of the district sections/units is entrusted with the task of designing their own budget department activities that would be funded by the budget	63% (24)	0% (0)	27% (9)
These designed budget department activities are intended to ensure that resources are financially well managed	28% (7)	18% (6)	54% (21)

**Source:** Primary Data 2019

Findings obtained and presented in Table 4.3 above can reveal that (91%, n=30) agreed that as district staff, they fully understand the concept of the budgeting in relation to KDLG while (9%, n=3) disagreed and (0%, n=0) were not sure meaning that a number of KDLG staff in their respective department were aware of what and who were involved in the budgeting process including coming up with key activities and their appropriate estimates hence a good gesture for financial resource management.

Majority of the respondent (67%, n=22) agreed that KDLG had a budgeting criterion in place that was used to select staff who engaged in budgeting and (33%, n=11) disagreed. Additionally, KDLG's budgeting criteria guided its units/sections in actively identifying expected budget revenue and expenditures hence a way to manage resources had the following (82%, n=27) agreed, (9%, n=3) disagreed and (9%, n=3) not sure meaning that the district departments including finance, procurement and administration staff among others are required to adhere to a number of LG financial and accounting regulations (LGFAR) while coming up with their respective budgets. This in turn can be translated into better financial resource management. The findings above tend to have a scholarly link with scholarly writing presented in chapter two where for instance Weil & Maher (2005) who argue that participative budgeting process, both superiors and subordinates are actively involved as the process includes sharing and exchanging of financial information in line with purely identified tasks.

The issue of getting several staff involved in the budgeting process tends to ensure that a number of budget activity gaps or tasks are close and be in position to manage finance resources hence a merit. However, the 9% might have seen participation discrepancies in line with budgeting at the district. Such discrepancies might have been tagged to the Local Government Financial and Accounting Regulations (LGFAR) guidelines on who should be involved in the budgeting exercise meaning that much as some of the clauses in guidelines stipulate that budgeting should be participative, fewer of the staff are actually involved.

A number of sections/units at Kiryandongo district are actively engaged in the sharing and exchanging of information on budget during each financial year was another question posed to the respondents with (56%, n=15) disagreeing, (18%, n=6) were not sure and (36%, n=12) agreeing respectively. The results can suggest that each department was mandated to produce its only budget requirements since they were run and managed their core activities different though, all department budgets were integrated into a single final budget upon which resources could be allocated hence good financial resource management. Secondary information sharing was one of the ways of ensuring information flow to all corners of the district creating awareness. *"Our department produce budgets based on what they are going to do. These budgets have time and again differed"* is a statement made by one of the interviewees. This statistical finding above can be linked to Lin & Chang (2005) who argue that highly committed subordinates in terms of their budget goals are motivated to interact with their superiors and peers who can provide insight into their work environments, performance goals, task strategies and other issues that have an important impact on their performance.

The issue of information sharing on budgeting is very crucial to the continued management of resources in any organisation. Nonetheless, it can be argued that much as 36% of the respondents agreed to information sharing, a bigger fraction of 56% disagreed respectively hence a reflection of road blocks as far as information sharing is concerned. The road blocks can be linked to weaknesses in the way budget communication is handled within the district. Communication seems a problem where more of informal ways of communications are used in comparison with the formal ones thus negatively affecting the management of financial resources.

Lastly, (63%, n=24) of the respondents indicated positively that each of the district sections or units was entrusted with the task of designing their own budget department activities that would be funded by the budget, with (27%, n=9) disagreeing and none were not sure. Similarly, (54%, n=21) disagreed to the fact that the designed budget department activities are intended to ensure that resources are financially well managed while (28%, n=7) agreed and (18%, n=6) reserved their comments the results can mean that pockets of financial resource misuse were evident among user department as the nature of the designed activities only aimed at using more resources not compared with the existing resources. In an interview, one official indicated that, *"A number of staff are involved in the design of department activities including training and purchase of equipment among others, some of which are intended to drain away a lot of resources"*.

Both the qualitative and quantitative findings presented above have a link with Woodford & Maes (2002) who argues that the disadvantage of not involving staff in the budget preparation is that of deteriorating performance including poor management of financial resources. They further observed that when managers are highly committed to an organization including participating in decision making for instance budget participation, they will accept organizational goals and involved more effort to attain the goals and then improve their performance.

In addition, the study totally agrees to the findings with the fact that allowing sole departments come up with their budget, be able to monitor and use resources including accountability, then the district is likely to prosper. However, the fraction of respondents who disagreed might have anticipated numerous gaps in activities drew and estimates mapped on each activities. This kind of budget vote planning affects the budget in the long run including the management of resources or funds hence a problem.

### 4.3 To establish the relationship between Budget approval and Management of Financial resources in Kiryandongo District Local Government

Budget approval a second independent dimension for this study was measured using variables that included budget decisions and budget trimming from which a number of questions were asked.

**Table 4.4: Showing responses about Budget approval**

Questions on Budget approval	Percentage responses (%)		
	Agree	Not sure	Disagree
Budget approval at Kiryandongo district, is seen as one of the key stages in ensuring financial management of resources.	36% (12)	0% (0)	64% (21)
The district council is entrusted with the task of undertaking budget decisions intended to monitor financial measures	82% (37)	18% (6)	0% (0)
KDLG calls for budget approval a process which helps managers at the units/sections to understand how financial resources are obtained and spent	76% (25)	0% (0)	24% (8)
As a KDLG staff, I am pleased with the way the council handles budget approval in line with its financial resource management	58% (19)	0% (0)	42% (14)
KDLG staff look at budget approval as one of the ways of trimming section/unit budget resources from the budget	88% (29)	0% (0)	12% (4)

**Source:** Primary Data 2019

Results obtained about budget approval at Kiryandongo district, being seen as one of the key stages in ensuring proper financial management of resources and the following responses that included (36%, n=12) who agreed, (64%, n=21) that disagreed and none were neutral while on whether the district council was entrusted with the task of undertaking budget decisions intended to monitor financial measures in place had the following scores including (82%, n=37) that agreed, (18%, n=6) nor agreed and none disagreed meaning that the district council was solely responsible of ensuring that budget operations were signed off and sanctioned according. Further still, it can be seen that the council was in charge of ensuring that the task of preparing and

adopting a local government's budget often fell under the responsibilities of all respective departments in line with determining which public priorities to be addressed each year and how public funds will be generated and who will pay.

Further still, KDLG as an institution calls for budget approval a process which helps staff at the units/sections to understand how financial resources are obtained and spent was another question posed to the respondents with (76%, n=25) agreeing, none neither agreed nor disagreed and (24%, n=8) who disagreed to the statements respectively meaning that responsible staff were aware of the required budget line items that are aligned with accounting (statement of accounts) line items. and how the structure of the full operating budget would match the chart of accounts (the structure of the accounting system), to ensure effective comparisons between budget and actual, all required for better financial management of resources. The findings above are in line with Gummesson (2000) who observes that budget approvals are typically categories which help managers and potential funders to understand how money shall be obtained and spent. In addition, James (1998), argues that every one of these functions is influenced to a great degree by how much money that exists. On the other hand, it can be argued as reflected by the 24% disagree responses that many of the staff directly committed to identifying the sources of revenue and how such resources are spent seemed an issue. The respondents who disagreed might have seen weakness in the way revenue is collected and spent thereafter. The weaknesses might be linked to poor records including tax registers among others hence a gap that contributes to more fund misuse.

In addition, (58%, n=19) of the respondents agree, while none were not sure and (42%, n=14) disagreed that as KDLG staff, they were pleased with the way the council handled budget approval in line with its financial resource management. The statistically findings can hold that most staff were in agreement with budget decision undertaken by the council in ensuring proper management of resources. This meant that district staffs were confident of the availability of resources to cater for all administrative operations of the district. To further complement on the quantitative information above, one official said, *"The council comprising of local district officials and local politicians are responsible for ensuring good budget approval. This is their duty and responsibility"*. To support the findings is Drucker (1992), who acknowledged that it does little good to have a large staff if approved resources are too limited to provide that staff with the means to get something accomplished. Nonetheless, a fraction of the disagreed respondents can be a point of concern for the district as a whole. The reason to this would be due

to financial priority gaps where resources might for one activity are diverted to cater for another none critical or urgent activity.

Lastly, (88%, n=29) of the respondents agreed to the fact that KDLG staff looked at budget approval as one of ways of trimming section/unit budget resources from the district budget while (12%, n=4) disagreed and none were not sure meaning that district staff were aware that as a means to ensure proper financial resource management, there was need to minimize on expenses by mainly ensuring that what had been planned for spending had been budgeted for in the overall budget. This can be further supported by the fact that most budget activities are mapped to budget votes which helps in the allocation of resources hence proper management of funds. The positive responses obtain and reflected in the phrase above reveal a linkage with Bruneau & Hilarion (1994), who say that the estimated budget is the estimated expenditure required for implementing service plans. The approved or allocated budget is however usually less than the estimated amount. This can be attributed to the fact that funds including public ones are appropriated to respective department usually less than what is requested. The researcher agrees to the fact that some designed budget activities are trimmed to align with the existing resources. However, the proportion that disagreed might have cited deliberate failure to consult budget holders on what should be trimmed. The trimming might have affected essential activities and compared to no-essential hence negatively affecting the management of resources

#### 4.4 To establish the relationship between Budget Implementation and Management of Financial resources in Kiryandongo District Local Government

Budget implementation a third dimension for this study was measured using variables that included strategies for spending and accurate budget data from which a number of questions were asked.

**Table 4.5: Showing responses on Budget Implementation**

Questions on Budget Implementation	Percentage responses (%)		
	Agree	Not sure	Disagree
Budget Implementation is seen by many at the district as the ability of KDLG to put the budget into practice	82% (27)	9% (3)	9% (3)
Budget implementation constitutes financial strategies for spending and proper management of such financial resources	85% (22)	15% (5)	0% (0)
The district appropriately allocates funds to the development plan activities as laid by various departments/units	57% (19)	0% (0)	43% (14)
Kiryandongo district boasts of a development plan upon which every activity has got its own vote.	88% (29)	12% (4)	0% (0)
Kiryandongo district finance department is entrusted with the task of timely release of resources to the planned activities	88% (29)	0% (0)	12% (4)
Most of the district's financial data on allocated – spent financial resources are well monitored	43% (14)	0% (0)	57% (19)

**Source:** Primary Data 2019

Table 4.5 can reveal that respondents totalling (82%, n=27) agreed that budget implementation is seen by many at the district as the ability of KDLG to put the budget into practice while both (18%, n=3) disagreed and were not sure respectively. In addition, (85%, n=22) of the respondents agreed that budget implementation constituted financial strategies for spending and proper management of such financial resources while 15% (5) and none disagreed respectively. The above statistics can mean that all district staff were entrusted with the task of ensuring that the budget was fully honoured meaning that implementation of the budget involved taking responsibility for certain accounting operations and procedures. In addition, it can be said that implementation of the district budget was supposed to be done in accordance with the provisions

of the LG financial and Accounting regulations as made pursuant to LG Act of 1997, cap 243. In an interview held, one official argued that, *"It is important for key beneficiaries to own responsibility and within the limits of the appropriations, having regard to the principles of sound financial management"*. The above findings can be supported by Granof & Mayper (1991:29) who noted that current budgeting practices "...thwart inter-period equity by measuring revenues and expenditures in ways that fail to capture their economic substance" and Vazquez & McNab (2003) argued that, budget implementation relates with putting in practice the financial ideas that have been approved the executive within any organization. The researcher agrees to the above findings as the presence of financial strategies tends to positively affect the distribution of resources to the planned activities. However, pockets of disagreement were collected indicating a budget implementation weakness. This kind of weakness might be attributed to lack of accounting skills by some local politicians that leads to over stretching financial resources and widening the gap of financial management.

In addition to the above, (57%, n=19) of the participants in the study agreed that Kiryandongo district appropriately allocated funds to the development plan activities as laid by various departments/units with (43%, n=14) disagreeing. Similarly, when asked whether Kiryandongo district boasts of a development plan upon which every activity got its own vote. It is intended to ensure proper financial management, (88%, n=29) agreed, (12%, n=4) were undecided and none disagreed meaning that the district boasts of a 3-5 years development plan upon which its key activities are tagged. In addition, it can be argued that the district development plan guides and informs day-to-day administrative decisions as to whether or not planning permission should be granted. The numeric findings can be supported by Chan (1992) who says that the trend of budgeting process and growing economy can only be restricted to a good implementation plan within the budget process.

To further complement, LG act of 1997, Cap 243 stipulates that one of the aims of decentralization is to enhance the efficiency of resource allocation for the achievement of development goals in line with local priorities thus management of public funds. Much as there are measures or controls or guidelines in place to aid the proper management of funds, some of the funds are being handled mis-appropriately raising the doubt whether development activities are equally allocated proper resources that were budgeted for. Secondly, the issue of re-allocation of funds was found to be a major issue within the study area where funds planned for



one activity where channelled to other areas driven by district officials hence creating fund insufficiency.

Kiryandongo district finance department is entrusted with the task of timely release or allocation of resources to the planned activities was another question posed with the following answers obtained including (88%, n=29) that agreed, none were not sure and (12%, n=4) that disagreed. The results can relate to the fact that delay in the release of funds meant that a number of planned activities had been hampered due to delay of allocation of the resource hence poor budgeting affecting the management of financial resources.

Lastly, results obtained on whether most of the district's financial data on allocated – spent financial resources are well monitored has the following responses that included; (43%, n=14) that agreed, none neither agreed nor disagreed and (57%, n=19) that disagreed. The results can be linked to the fact that many of the district staff understood the consequences that could arise as a result of bad record keeping including financial data. In addition, it can be seen that every district transaction must be tracked based on existing records for instance tax registers, receipt books and vouchers among others. The inability to maintain books translates into poor financial resource management. The findings can be supported by UNCCD (2008) which highlights that LG development plan provides LGs with support including financial to implement their mandates for instance budget with respect to decentralization service provision and devolution of the development budget, however all these should be well documented.

Proper documentation including record and data keeping provide a platform for current and future reference. On the other hand, the presence of disorganised documentation creates benefit of doubt in in whatever is being done as reflected by the 57% who disagreed. This kind of record mismatch reveals poor record practices that have engulfed Kiryandongo district LG hence a gap for misusing district financial resources.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.0 Introduction**

This chapter reflects the final chapter for this study. It comprises of the summary, conclusions and recommendations based on the specific objectives of the study.

#### **5.1 Summary of findings**

This section provides a summary of the key findings of the study based on the specific objectives.

##### **5.1.1 Budget participation and Management of financial resources**

Most district staff had an idea of what budgeting was, district staff followed Local Government Financial and Accounting Regulations (LGFAR) to process any funds. The staff adhered to the LG Act of 1997 while each department was responsible for its own budget designing and budget information flow was encouraged amongst district staff.

##### **5.1.2 Budget approval and Management of financial resources**

The second objective of the study was to establish the relationship between budget approval and Management of Financial resources in Kiryandongo District Local Government and below are summaries of budget approval. These include the council having the right to undertake budget decisions and approve the district budget. In addition, it was found out that department heads were the in-charge during budget drawing and finally the finance department was responsible for trimming budget expenses.

##### **5.1.3 Budget implementation and Management of financial resources**

Objective three of the study was to establish the relationship between Budget Implementation and Management of Financial resources in Kiryandongo District Local Government. The following can be said about budget implementation and management of financial resources. These include stakeholder involvement leads to a successful implementation of any budget. Budget implementation constitutes financial strategies for spending and proper management of such financial resources including allocation, timely release of such resources and storing of data linked to a five year district development plan.

## **5.2 Conclusions**

This section provides lessons learnt from the study based on the specific objectives these include:

### **5.2.1 Budget participation and Management of financial resources**

Based on the discussions held earlier on the following can be concluded about budget participation including fewer stakeholder involvements in budgeting means more budget activity gaps translated into budget discrepancies therefore mandatory budget participation would result into a successful budget.

### **5.2.2 Budget approval and Management of financial resources**

The following are concluded about budget approval including the district budget is approved at strategic level by an executive. Most budget decisions made by the council are decisions intended to monitor finances. Lastly, the finance department is solely responsible for trimming department budgets.

### **5.2.3 Budget implementation and Management of financial resources**

The following can be concluded about Budget Implementation and management of financial resources that poor budget implementation leads to financial resource mis-use. Complex financial strategies can led to over spending and mis-management of such financial resources and a poorly designed development plan coupled with delays in the release of resources and absence of financial data makes accountability for funds difficult

## **5.3 Recommendations**

This section provides the key recommendations for a number of gaps identified earlier based on the specific objectives of the study. These include:

### **5.3.1 Budget participation and Management of financial resources**

These below are some of the recommendations that the study came up with inline with budget participation:

- The researcher recommends that the Office of the Chief Administrative Officer with the Finance-Procurement and Planning Units or departments organise awareness programs including budget workshops and conferences for all respective department. This is intended to ensure that staff numbers up during the budgeting period.
- With the issue of communication, the researcher recommends that Office of Chief Administrative Officer- IT and planning unit come up with essential technologies to foster communication. Such technologies would include use of instant emails, alerts, reminders

and phone SMS to staff as an easier way of communication. Such communication will close on the insufficient communication gap.

- The researcher recommends that Kiryandongo Management formally advises all its key departments to liaise more with its procurement and planning unit to work together during the budgeting exercise. This is intended to ensure that only key department activities are drawn with good cost estimates which will foster better financial resource management.

### **5.3.2 Budget approval and Management of financial resources**

The study came up with a number of recommendations to close gaps identified on budget approval, some of these are indicated below.

- The researcher recommends that the district council in line with both the finance-planning departments and units work together to ensure that the existing records are reviewed and made up-to-date. This is intended to ensure a sounding revenue base or source for its expected expenses.
- The researcher recommends that the district council formally communicates to its finance department indicating the need of its staff to adhere to the internal finance rules and regulation as it's intended to enable other department obtain allocated funds appropriately thus proper financial resource management.
- Lastly, the researcher recommends that its district planning and finance departments liaise with other departments to ensure that budget trimming is based on the knowledge of the budget holders and not trimming and informing them. This is likely to reduce on the problem of slashing/trimming key budget activities.

### **5.3.3 Budget implementation and Management of financial resources**

The following are recommendations for proper budget implementation at the district

- The researcher recommends that district authorities (Office of CAO) sanctions for more capacity building (its local politicians) in management and accounting courses for instance financial management for non-financial staff. This is likely to equip such persons with knowledge and skills translated into proper use of public funds.
- The researcher recommends that Kiryandongo district instructs the formulation of resource allocation task force whose role will be independently oversee the collection-distribution of funds based on the budget. This will be intended to limit on departments going over their budgets thus proper financial resource allocation.

- Lastly, the researcher recommends that the district council liaises with the personnel office and ensure that staff attached to the registry or records unit training requirements are well documented. The essence is to ensure that staff record skills, knowledge and equipment use are improves. Secondly, to aid proper record keeping for instance computers, filing cabinets and shelves among others should be purchased and installed. This is intended to promote better record keeping.

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- KDLG Development Plan of 2010-2015 KDLG
- Kiryandongo District Personnel Records (2014)
- Kiryandongo District Minutes of DEC 2014
- Kiryandongo District Quarterly Financial Report 2013 by CFO
- Kiryandongo District Tax register of 2011/12, 2012/13 and 2013/14
- Local Government Financial and Accounting Regulations (2007).
- Republic of Uganda Constitution (1995)
- Uganda LG Act of (1997).

## APPENDICE

### Appendix I: Questionnaire

Dear respondent,

You been selected to participate in this study on, “**Impact of Budgeting on Financial Resources Management Kiryandongo District Local Government**”. This is intended for purely academic purposes and will be treated with utmost confidentiality. Please provide appropriate choices of answers to the enable me obtain data on the study

#### SECTION A: Bio-data of the respondents

##### 1. Gender of respondents

Male ☐

Female ☐

##### 2. Age of respondents

Below 25 years ☐ 26 – 30 years ☐ 31 – 35 years ☐

36 – 40 years ☐ 50 above years ☐

##### 3. Unit/Section

Administration ☐ Finance ☐ Others ☐



## SECTION B:

### Budgeting and Financial Resources Management

The questions below are based on a five item rating including 5 (*SA-Strongly Agree*), 4(*A-Agree*), 3(*UD-Undecided*), 2(*D-Disagree*) and 1(*SD-Strongly Disagree*). Please choose the most appropriate answer to the question asked.

	<b>BUDGETING as an Independent Variable</b>					
	<b>Budget Participation</b>	<b>5</b> <b>(SA)</b>	<b>4</b> <b>(A)</b>	<b>3</b> <b>(SD)</b>	<b>2</b> <b>(D)</b>	<b>1</b> <b>(SD)</b>
1	As a district staff, I fully understand the concept of the budgeting in relation to KDLG.					
2	KDLG has a budgeting criterion in place that is used to select staffs who engages in budgeting.					
3	KDLG's budgeting criteria guides its units/sections in actively identifying expected budget revenue and expenditures hence a way to manage resources.					
4	A number of sections/units at Kiryandongo district are actively engaged in the sharing and exchanging of information on budget during each financial year.					
5	Each of the district sections/units is entrusted with the task of designing their own budget department activities that would be funded by the budget.					
6	These designed budget department activities are intended to ensure that resources are financially well managed.					
	<b>Budget Approval</b>	<b>5</b> <b>(SA)</b>	<b>4</b> <b>(A)</b>	<b>3</b> <b>(SD)</b>	<b>2</b> <b>(D)</b>	<b>1</b> <b>(SD)</b>
7	Budget approval at Kiryandongo district, is seen as one of the key stages in ensuring proper financial management of resources.					
8	The district council is entrusted with the task of undertaking budget decisions intended to monitor financial measures in place.					
9	KDLG as an institution calls for budget approval a process					

	which helps managers at the units/sections to understand how financial resources shall be obtained and spent					
12	As a KDLG staff, I am pleased with the way the council handles budget approval in line with its financial resource management					
13	KDLG staff look at budget approval as one of ways of trimming section/unit budget resources from the district budget					
	<b>Budget Implementation</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
		<b>(SA)</b>	<b>(A)</b>	<b>(NS)</b>	<b>(D)</b>	<b>(SD)</b>
13	Budget Implementation is seen by many at the district as the ability of KDLG to put the budget into practice					
14	Budget implementation constitutes financial strategies for spending and proper management of such financial resources					
15	The district appropriately allocates funds to the development plan activities as laid by various departments/units					
16	Kiryandongo district boasts of a development plan upon which every activity has got its own vote. Its intended to ensure proper financial management					
17	Kiryandongo district finance department is entrusted with the task of timely release or allocation of resources to the planned activities					
18	Most of the district's financial data on allocated – spent financial resources are well monitored					
	<b>FINANCIAL RESOURCE MANAGEMENT as a dependent variable</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
		<b>(SA)</b>	<b>(A)</b>	<b>(NS)</b>	<b>(SD)</b>	<b>(SD)</b>
19	At KDLG, financial resource management is the use of numerous funds released by the Government to fund the delivery of public services.					
20	I believe that KDLG's financial resource management constitutes fund planning and setting, organizing and accountability.					
21	KDLG's financial resource management boasts of budget					

	participation, approval and implementation as its core pillars					
22	KDLG ensures that there is proper funds planning and setting					
23	The LG boasts a good financial management component in funds organizing					
24	KDLG staff have been able to account for any of the public resources that have been advanced to them					
25	The presence of financial resources has resulted into funds released to cater for a number of services delivered to the local communities					

**Thank You**

## Appendix II: Interview guide

### INTERVIEW GUIDE

#### Budgeting and Financial Resource Management

##### **Budget Participation**

- 1) In your opinion how do rate budget participation in line with financial resource management at \_\_\_\_\_ KDLG?

- 2) What do think are the best criterion of identifying staff to actively engage in the budgeting participation? \_\_\_\_\_

- 3) Comment about the departmental activities that are designed to ensure a proper budgeting participation exercise at the district \_\_\_\_\_

##### **Budget Approval**

- 1) What is your say about the existing budget approval process in place as followed by the district staff? \_\_\_\_\_

- 2) What could be some of the budget decisions in place to ensure proper financial resource management at the district? \_\_\_\_\_

- 3) Comment about the way the district has adopted good budget trimming mechanisms that have resulted into proper management of financial resources \_\_\_\_\_

##### **Budget Implementation**

- 1) Give a generally overview of how a budget is implemented at the district \_\_\_\_\_

- 2) Comment about the importance of budget implementation in line with financial resource management \_\_\_\_\_
- 3) What do you have to say about the strategies for spending as adopted by the district \_\_\_\_\_
- 4) Please give a brief remark on the budget implementation in KDLG \_\_\_\_\_

### **Financial Resource Management**

- 1) Comment about how the district has been able to measure whether it has realized its set financial resource management objectives or not?  
\_\_\_\_\_
- 2) Elaborate on the district's ability to deliver services while accounting for advanced resources in its efforts to realise its intended services  
\_\_\_\_\_
- 3) Please explain the quality control measures that the KDLG has put in place to ensure proper financial resource management  
\_\_\_\_\_

**Thank you**

### **Appendix III: Documentary checklist**

KDLG Budget for FY 2011/12, 2012/13, 2013/14

KDLG Development Plan of 2010-2015 KDLG

Tax register of 2011/12, 2012/13 and 2013/14

Kiryandongo District Personnel Records (2014)

Minutes of DEC 2014

Quarterly Financial Report 2013 by CFO

Appendix IV: Krejcie & Morgan Table of 1970

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	246
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	351
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	181	1200	291	6000	361
45	40	180	118	400	196	1300	297	7000	364
50	44	190	123	420	201	1400	302	8000	367
55	48	200	127	440	205	1500	306	9000	368
60	52	210	132	460	210	1600	310	10000	373
65	56	220	136	480	214	1700	313	15000	375
70	59	230	140	500	217	1800	317	20000	377
75	63	240	144	550	225	1900	320	30000	379
80	66	250	148	600	234	2000	322	40000	380
85	70	260	152	650	242	2200	327	50000	381
90	73	270	155	700	248	2400	331	75000	382
95	76	270	159	750	256	2600	335	100000	384