

**BUDGETING AND SERVICE DELIVERY IN LOCAL GOVERNMENT IN EASTERN
UGANDA: A CASE STUDY OF BUSIA DISTRICT**

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**A RESEARCH REPORT SUBMITTED TO THE COLLEGE OF ECONOMICS
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UNIVERSITY.**


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DECLARATION

I, Rashid Emmanuel, declare that the work presented in this research report is my original work and has never received any previous academic credit at this University or any other institution of higher learning to the best of my knowledge.

Signed.....

Rashid Emmanuel

Date.....

Researcher

APPROVAL

This research report titled budgeting and Service Delivery in Local Governments:
a case study of Busia District Local Government has been under my supervision
and is now ready for examination with my approval.

Signed.....

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Date.....

(Supervisor)

DEDICATION

I dedicate this book to the Almighty God for the gift of life without which this book would not have been a success. This project report is also dedicated to my parents, who taught us that the best kind of knowledge to have is that which is learned for its own sake. It is also dedicated, to all my friends and supportive classmates of year 2019.

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I would like to take this opportunity to express my deep regards towards all those who offered valuable guidance in my hour of need. In this regard I would like to express my gratitude to the College of Economics and Management of Kampala International University for its valuable co-operation.

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Special thanks goes to the management of Busia District Local Government who spared their ample time for me during this study.

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TABLE OF CONTENTS

DECLARATION	i
APPROVAL	ii
DEDICATION	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENTS.....	v
LIST OF TABLES	ix
LIST OF FIGURES	x
LIST OF ACRONYMS	xi
ABSTRACT.....	xii
CHAPTER ONE	1
INTRODUCTION.....	1
1.0 Introduction.....	1
1.1 Background to the study	1
1.1.1 Historical perspective.....	1
1.1.2 Theoretical perspective	2
1.1.3 Conceptual perspective	2
1.1.4 Contextual Perspective.....	4
1.2 Statement of the Problem.....	5
1.3 Purpose of the Study	6
1.4 Specific Objectives of the study	6
1.5 Research Questions.....	6
1.6 Research Hypotheses	7
1.7 Scope of the Study	7
1.7.1 Content Scope	7

1.7.2 Geographical Scope	7
1.7.3 Time Scope	7
1.8 Significance of the Study	7
1.9 Operational definition of key terms	8
CHAPTER TWO	9
LITERATURE REVIEW	9
2.0 Introduction.....	9
2.1 Theoretical Review	9
2.2 Conceptual Review	10
2.3 Empirical Review.....	10
2.3.1 Concept of budgeting	10
2.3.2 Procedures followed by Local Governments when Preparing Budgets.....	12
2.3.2.1 The National Budget Framework Paper process	13
2.3.2.2 Budget Framework paper (BFP)	14
2.3.2.3 The Budget Desk.....	16
2.3.2.4: Holding of National Budget Conference	17
2.3.2.5 Issuing of Local Government Budget Call	18
2.3.3 Local government expenditure on basic services	18
2.3.4 The relationship between budget planning and service delivery in Local Government.....	21
2.4 Research Gaps.....	25
CHAPTER THREE.....	26
RESEARCH METHODOLOGY	26
3.0 Introduction.....	26
3.1 Research Design.....	26

3.2 The Study Population.....	26
3.3 Sampling Techniques.....	27
3.4 Sample Size.....	27
3.7 Data Source.....	27
3.8.0 Data collection &Methods	28
3.8.1 Questionnaires.....	28
3.9 Data Processing and Analysis.....	28
3.9.2 Tabulation	29
CHAPTER FOUR.....	30
PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS	30
4.1 Introduction:.....	30
4.2. Background characteristics of respondents.....	30
4.2.1 Sex composition of the Respondents.	30
4.2.2 Age Distribution of Respondents.....	31
4.2.3 Marital status of the respondents	35
4.3. Analysis of study findings according to research objectives.....	40
4.3.1 Procedures followed in Budget planning.....	40
4.3.2 Local government expenditure on service delivery	45
4.3.3 Relationship between Budget Planning and Service Delivery	50
CHAPTER FIVE	55
DISCUSSION OF FINDINGS, CONCLUSIONS AND	
RECOMMENDATIONS.....	55
5.1 Introduction.....	55
5.1 Discussion of findings.....	55
5.1.1 Objective one: To find out the procedures followed when local governments are making budgets	55

5.1.2 Objective two: To find out whether local government expenditure on basic services is in accordance with planned budgets.....	56
5.1.3 Objective three: To establish the relationship between budget planning and service delivery in Local Government.....	56
5.2 Conclusion	56
5.3 Recommendations.....	57
5.4 Suggested areas for Further Research.....	58
5.5. Limitations to the study	59
REFERENCES.....	60
APPENDICES	64
Appendix 1: Research instruments	64
Appendix II: Time Frame	69
Appendix III: The budget.....	70
Appendix IV: Map of Uganda showing the Location of Busia district.	71
.....	71

LIST OF TABLES

Table 3.1: showing composition of persons interviewed.....	27
Table 4.1: showing gender of the respondents.....	31
Table 4.2: Showing age distribution of the respondents.....	33
Table 4.3: showing marital status of the respondents	35
Table 4.4: showing education level of the study population.	36
Table 4.5:showing the number of years respondents worked with organization..	38
Table 4.6: Showing management and staff opinions on the procedures followed by local governments in making budgets.....	41
Table 4.7: Showing the extent to which local governments spend according to budget estimates.....	46
Table 4.8: Showing the extent to which local governments adhered to budget estimates.....	51

LIST OF FIGURES

Figure 4.1: Showing gender of the respondents.....	31
Figure 4.2: Distribution of the Sample Population	33
Figure 4.3: Showing education level of a sample population.....	37
Figure 4.4: Showing number of years worked with organisation.....	39
Figure 4. 5: a line graph showing staff opinion on procedures followed by LGS when making budgets	45

LIST OF ACRONYMS

CAO	Chief Administrative Officer
CFO	Chief Finance Officer
DEO	District Education Officer
FDS	Fiscal Decentralization Strategy
GOU	Government of Uganda
HIV/AIDS	Human Immune Virus/Acquired Immune Deficiency Syndrome
LGBFP	Local Government Budget Framework Paper
LGL	Local Government
MOF	Minister of Finance
MOH	Ministry of Health
MOLG	Ministry of Local Government
MRRH	Masafu Regional Referral Hospital
NAADS	National Agricultural Advisory Services
PAF	Poverty Alleviation Fund
PEAP	Poverty Eradication Action Plan
UWESO	Uganda Women's Effort to Save Orphans

ABSTRACT

The study was carried out on the role of budgetary planning on effective service delivery in local governments of Uganda. A case study of Busia Municipal council in Busia district.

The study accomplished various objectives; to find out the procedures followed by local governments when making budgets, to find out whether local government expenditure on basic services is in accordance with planned budgets, and to establish the relationship between budget planning and service delivery in local governments. Data was collected from management and staff of local government. This data was collected from 96 respondents by using different methods and these included questionnaires, observation, interviews and Focus Group Discussions (FGD), to enable the study to get information regarding budgetary planning and effective service delivery in local government. Both qualitative and quantitative data analysis was used; secondary data was collected from Internet, magazines, books, newspapers, records and documents of organizations and companies and other related documents. From the study, a positive relationship between budgetary planning and effective service delivery was established. This was established through the use of various performance measurements and the responses from the respondents. The researcher went ahead to present a conclusion and recommendation on how budget planning contributes towards the performance of Busia district local government as regards service delivery.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter introduces the background to the study, statement of the problem, purpose of the study, specific objectives, research questions, research hypotheses, scope, significance of the study and operational definition of key terms.

1.1 Background to the study

1.1.1 Historical perspective

Today the modern world emphasizes budgeting as an outstanding feature of modern life. This is because financial management is looked at as a path or channel through which an organization can achieve its desired objectives.

Financial management first developed in the United States of America, Great Britain and later spread to the States of Oregon in 1970's and was finally introduced in the least developed countries of Africa; Uganda inclusive. The word has been used synonymously with "fund and management" thus most organizations such as local governments agree that the budget is the key stone of financial administration and various activities within an organization are correlated through the instrument of the budget, Rumki Basu (2000).

Budgeting is concerned with the management of fund .It is developed within the context of ongoing business and is ruled by previous decisions that have been taken within the long term planning process. (Colin Drury, 2004).

1.1.2 Theoretical perspective

This study was based on Herzberg's two factor theory developed by Herzberg and Maslow's need hierarchy theory developed by Maslow. In Uganda, budgets are prepared every financial year, which is to provide services for the population, especially the poor. These services include education, primary health care, road construction and maintenance, and security services. This is supported by the Poverty Eradication Action Plan (PEAP, 2002), with its four pillars which are interlinked and seek to address all the dimensions of poverty within the country. The pillars include; rapid and sustainable economic growth and structural transformation, good governance and security, increased ability of the poor to raise their incomes and to enhance quality of life of the poor.

Local governments are the institutions of government closest to the everyday lives and problems of the citizens. It's the meeting place between citizens and the state that progress can be made in building broader forms of democratic government, that is, good government (Rodriguez and Winchester, 1998).

It is the sphere of government closest to the people. The officials, for example, local councilors, CAOs, mayors among others, are elected by citizens to represent them and are responsible to ensure that services are delivered to the community.

1.1.3 Conceptual perspective

In this study the independent variable is conceptualized as budgeting and the dependent variable is conceptualized as service delivery. Budgeting is the detailed

plan of how a local government plans to spend funds in line with its objectives, needs and priorities.

Local governments have discretionary planning and budgeting powers, but their plans and budgets need to reflect priorities and objectives set out in national policies, plans and budgets. Consequently, the local government planning and budget cycle has to fit into the national planning and budgeting cycle. This starts in October and ends in June.

Budgeting must be carried out within expected revenues over the medium term, as this helps local governments prioritize programmes and ensure that what is accounted for can be realistically achieved and afforded. This is done through the preparation of the local government budget framework paper (LGBFP, 2006).

Local governments deliver different services to the public; thus, they are charged with the social welfare of the people they govern especially the poor. Social welfare is all organized societal responses that promote the social wellbeing of a population. This would include education, health, rehabilitation, protective services for the adults and children, public assistance, social insurance, services for those with physical and mental disabilities, job training programmes, marriage counseling, pregnancy counseling and numerous other related activities designed to promote the social wellbeing of the people (Abrasion et al 2008).

Archer et al 1972, emphasizes service level budgeting. This model matches spending levels with services. For instance, it helps organizations to identify the

priorities that are already covered or fulfilled by looking at the current years' service level, and then the desirable new programmes are also considered for farming. Busia local government does this because, before drafting the budget for the next financial year, performance evaluation is always made to see what is done and not done as regards to service delivery to the people.

Busia district local government prepares budgets every financial year as required by the central government before funds can be allocated to her to provide services to the population. These services include education, primary health care, road construction and maintenance, and security services.

1.1.4 Contextual Perspective

In many organisation in most part of the world financial procedures exercised by Busia local government, effective service delivery has remained a challenge. Therefore, it has remained concern to every person in Busia because; the budget figures presented do not depict the services provided. For example, primary schools lack text books, there are no science equipment's in schools, low pay for teachers as echoed in the Daily monitor, June 24th 2008. There are also cases of shortage of drugs, few beds in MRRH and health units, yet these are always catered for in the budgets. The researcher therefore wonders whether such services are not budgeted for in the district annual budget.

1.2 Statement of the Problem

Busia district local government is one of the many local governments in Uganda. As a general requirement for all local governments, she prepares her annual accountability budgets as required by the central government before funds can be allocated to her.

However, there is too much public outcry in Busia district regarding the deteriorating public utilities and the general welfare of the people. Public utilities such as hospitals, roads and schools are not well managed in the sense that once you are in need of a service, you may not get it. For example, it was reported that Masafu Regional Referral Hospital (MRRH) was in poor state with few drugs and doctors, yet the number of patients increase day by day; many of whom don't have beds to sleep on because these also are few. In spite of the fact that these services are budgeted for in the district annual budget, quality service delivery offered by our health units has remained a mystery as evidenced by the outbreaks of polio, Hepatitis and other contagious diseases as reported in the Daily Monitor and the New Vision of January 2009. According to Adam Smith 2016, the continued exodus of medical doctors from hospitals has worsened the quality of services offered because government has failed to provide needed facilities and to pay doctors adequately. (Statement in reply to the state of the nation address 2nd July 2017).

This raises concerns as to whether Busia Municipality actually follows her annual budgets in the provision of services. Therefore, this study seeks to

investigate whether services are delivered to people in accordance with the annual budgets.

1.3 Purpose of the Study

To establish the relationship between budgeting and service delivery in local governments of Uganda.

1.4 Specific Objectives of the study

- i) To find out the procedures followed by local governments when making budgets.
- ii) To find out whether local government expenditure on basic services is in accordance with planned budgets.
- iii) To establish the relationship budgeting and service delivery in local governments.

1.5 Research Questions

- i) What are the procedures followed when local governments are preparing Annual budgets?
- ii) Do local governments spend money on basic services in accordance with planned budgets?
- iii) Is there any relationship between financial management and service delivery in local governments?

1.6 Research Hypotheses

Is there a relationship between budgeting and service delivery in local governments of Uganda.

1.7 Scope of the Study

1.7.1 Content Scope

The researcher focused on budgeting and service delivery in local government.

1.7.2 Geographical Scope

The study was limited to Busia district to avoid too much complexity.

1.7.3 Time Scope

The study was limited only to the period between in order to have a variety of issues in such a period for better results.

1.8 Significance of the Study

- i) Future researchers: These will be able to acquire adequate information about financial management and service delivery in local governments. They will relate the information to their research findings thus enabling them to fill gaps in their related literature.
- ii) Researcher: The study report will form partial fulfillment for the award of Bachelor's degree in Business Administration.
- iii) Local government officials: The study will provide some insights into the importance of spending basing on financial records

- iv) Local community: The study findings will create awareness about the basic services meant to be provided for the community.

1.9 Operational definition of key terms

Budgeting: Is concerned with the study about the process of planning and judicious use of financial resources as a view to maximize the value of the firm .managers try to present budget report that shows the effectiveness of their performance in their quest to securing further funds from central government

Services delivery: is the process of providing social service to the people especially low income earners.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introauction

This chapter includes the theoretical review, conceptual review, empirical review and research gaps.

2.1 Theoretical Review

This study will be based on Herzberg's two factor theory developed by Herzberg and Maslow's need hierarchy theory developed by Maslow. In Uganda, budgets are prepared every financial year, which is to provide services for the population, especially the poor. These services include education, primary health care, road construction and maintenance, and security services. This is supported by the Poverty Eradication Action Plan (PEAP, 2002), with its four pillars which are interlinked and seek to address all the dimensions of poverty within the country. The pillars include; rapid and sustainable economic growth and structural transformation, good governance and security, increased ability of the poor to raise their incomes and to enhance quality of life of the poor.

Local governments are the institutions of government closest to the everyday lives and problems of the citizens. It's the meeting place between citizens and the state that progress can be made in building broader forms of democratic government that is good government (Rodriguez and Winchester, 1998).

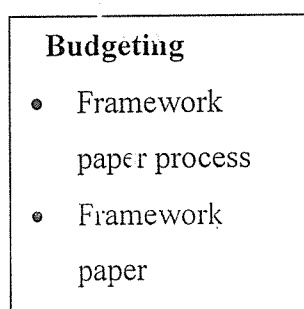
It is the sphere of government closest to the people. The officials, for example, local councilors, CAOs, mayors among others, are elected by citizens to represent them and are responsible to ensure that services are delivered to the community.

2.2 Conceptual Review

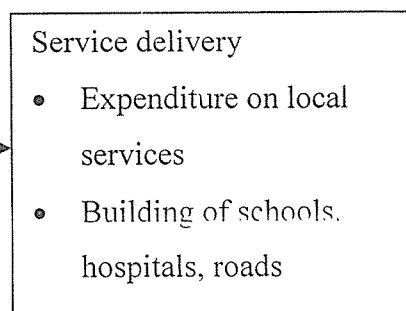
Dependent variable was service delivery. It was determined by assessing the extent to which services were delivered to the community for example road maintenance, education, health and security. Independent variable was budgeting. It was measured by the procedures that are followed when local governments are making financial analysis.

Figure 2.1 Conceptual Framework

Independent variable



Dependent variable



Source: LGBFP, 2006

2.3 Empirical Review

2.3.1 Concept of budgeting

According to illustrated *world encyclopedia page 280*, Henry David (2005) budgeting is a way of putting down on paper the total amount of money that

comes in and then putting down how that money will be spent. It asserts that like one person may make a budget for himself; the government, states and countries also need to make budgets in order to know how much money they will spend and what the money will be spent for. Likewise, local governments are encouraged to spend within the budget while they are to deliver goods and services to the public.

Rumki Basu (2000) urges organizations such as local governments to adopt the budgetary system viewed as a legal and an accounting instrument that will help to consolidate money estimates of expenditure needs from the various departments each year. This is highly embraced by Busia district local government in its move to provide services to the people. However, the researcher wonders why some public utilities such as roads have continued to deteriorate yet there is a budget for such infrastructure.

A budget is a quantitative expression of a plan of action prepared in advance of the period to which it relates. The process of preparing and negotiating budgets is a means of translating the overall objectives of the organization into detailed feasible plan of action.

Richard M Lynch (2000) defines budgeting as the detailed, quantified planning which guides the future activities of the enterprise towards the achievement of its profit goals. Likewise, Busia district local government uses budgeting as an instrument to see how best it can achieve its stated objectives.

Despite the adoption of such a policy, there are still areas of weakness in Busia district local government as regards service delivery to the people and the entire

economy. For instance, there are very many people who are unemployed (both literate and illiterate) and yet one of the policies for the Ministry of Gender, Labor and Social Development is to promote national employment. This research therefore seeks to establish the relationship between budgeting and service delivery in Busia district.

According to the *PEAP, 2000*, government adopted the use of medium term expenditure framework (MTEF) process to re-allocate substantial amount of funding to five priority programs of direct benefit to the poor. These include agriculture, primary education, primary health care, water and sanitation.

2.3.2 Procedures followed by Local Governments when Preparing Budgets

Budgeting is a way of putting down on paper the total amount of money that comes in and then putting down how that money will be spent (world encyclopedia). It asserts that like one person may make a budget for himself/herself: the government, states and countries also need to make budgets in order to know how much money they will spend and what the money will be spent for. Likewise, local governments are encouraged to spend within the budget limit while they are to deliver goods and services to the public. (Rumki Basu 2000).

A local government budget is the detailed plan of how a local government plans to spend funds in line with its objectives, needs and priorities. Local governments

have discretionary planning and budgeting powers, but their plans and budgets need to reflect priorities and objectives set out in national policies, plans and budgets. Consequently, the local government planning and budget cycle has to fit into the national planning and budgeting cycle. This starts in October and ends in June in Uganda.

This guide provides political decision makers (local government councilors and members of civil society) with practical tools to guide them through the steps of the local government planning and budgeting cycle. The new elements of the Fiscal Decentralization Strategy (FDS) are also included. The overall Planning Framework for Uganda is the PEAP, which sets out government's national objectives and strategies for reducing poverty. The following are the procedures followed when local governments are preparing budgets (Johnson A.M Erickson, 2009).

2.3.2.1 The National Budget Framework Paper process

This is a three-year rolling budget system that constitutes the link between PEAP and the budget allocations for the implementation of the various programmes under the plan. Government ensures that these national priorities are reflected in local government budgets through the allocation and transfer of conditional grants to local governments. The highest priority programmes within the PEAP, and the national budget fall under the PAF (Ottawa, 1986).

The two main principles behind the local government planning and budgeting system are, Realistic Budgeting through an integrated 3-Year Budgeting and Planning Framework.

A three-year rolling (medium term) framework for planning and budgeting is used so that services and investments can be planned for and communicated well in advance. The preparation of 3-year district/urban authority development plans, which is fully integrated with the budgeting process, identifies the specific programmes and projects that are to be carried out to address specific communities' local priorities and needs (Timpka, 2007).

2.3.2.2 Budget Framework paper (BFP)

The budget framework paper (BFP) originates from the central government giving guidelines to local governments while preparing their budgets. The budget framework paper (BFP) is revised in the light of the FDS, which implies an increased focus on the political prioritization process and output oriented budgeting. The BFP emphasizes four main purposes and these are:-

- i) Provides the local government decision makers with the information needed to make informed priorities and decisions,
- ii) Constitutes the principal tool to guide the councilors through the prioritization process which is to take place in the budget conference,
- iii) Provides the centre with information needed to ensure that the national priorities and sector grant ceilings are being observed,

- iv) Provides the implementers with a unique management tool as it links together the development plan, the annual work plan as well as the budget.

The Local Government Budget Framework Paper (Bierman, 1986), which articulates a Local Government's 3-year budget strategy, and through integrating planning & budgeting helps ensure that budget decisions reflect a Local Government's longer term objectives. The BFP does so by setting out: previous financial year's revenue performance against revenue budget estimates and revenue projections for the next three years; Sector performance in previous financial years (expenditure and service delivery) measured against set performance targets; Indicative allocations and sector objectives and performance targets for the next three years.

The LGBFP, if properly prepared and used, will provide councilors with the information required to make decisions that link-up inputs and activities with intended results or outcomes (Antheny, 1975).

Planning and budgeting must be carried out within expected revenues over the medium term, as this helps Local Government prioritize programmes and ensure that what is actually planned and budgeted for can be realistically achieved and afforded. This is done through the preparation of the LGBFP.

2.3.2.3 The Budget Desk

The budget desk is a sub set of the technical planning committee and; coordinates and is responsible for the entire planning and budgeting process. It consists of senior officers from the chief finance officer's (CFO'S) office, the planner, the population officer, heads of departments and other members of the technical planning committee seconded by chief administrative officer (CAO).

The specific role of the budget desk in the budget formulation process is therefore to;

Prepare the local government budget call and issue it to relevant stakeholders in due time for them to start their planning and budgeting preparations, the output of which is to fit into the budget framework paper (BFP) and development plan.

Ensure that the information communicated by the minister of Finance, Planning and Economic Development (MoFPED) in the annual regional LGBFP workshop is properly and accurately recorded and presented in the local government budget call (Leppo, Ollilla, Pena., 2016).

Compile local revenue data, including examination of tax registers maintained by sub counties and analysis of previous year's revenue performance. Prepare indicative sector allocations to be included in the local government budget call. Clearly communicate the deadlines set for the various events and submissions during the planning and budgeting process in the budget call. Provide technical

assistance and support to lower levels of local governments, heads of departments and sector committees during the planning and budgeting process (Lili Luo, 2001).

Ensure that sector department inputs to the budget framework paper observe formal requirements set for their preparation. Ensure that the structure and contents of the BFP will provide proper facilitation of political prioritization process, which is to take place in the budget conference (Hung, 2014).

Make sure that the BFP is compiled and prepared in due time before the budget conference is to take place. Ensure that the output of the budget conference is properly recorded and incorporated in the BFP and draft budget.

2.3.2.4: Holding of National Budget Conference

In October the Ministry of Finance, Planning and Economic Development holds the National Budget Conference. The National Budget Conference is one of the key events at the start of the local governments' planning and budgeting process, and districts and municipalities should make sure that key players in the budget process attend this workshop (namely the chairperson, the Secretary to the Planning and Finance Committee, the CAO and the chairperson of the Budget Desk).

2.3.2.5 Issuing of Local Government Budget Call

Within one week of the Regional Local Government Framework Paper Workshop in early November, the Budget Desk should prepare a Local Government Budget Call and circulate it to all stakeholders involved in the budget preparation. The budget call sets out the timing of events in the budget process and what is expected of key stakeholders involved. The budget call also specifies the maximum percentage flexibility fixed by the DEC to be applied for intra sector and inter-sector reallocations in accordance with FDS modalities (General guide to the Local Government budget process, 2010).

2.3.3 Local government expenditure on basic services

Local Governments spend money in order to achieve objectives. By clearly stating the objectives of expenditure and setting measurable targets, this enables local governments to deliver services and choose programmes and investments which are better targeted towards local needs and priorities.

Local governments normally incur expenses while delivering services to the people. Expenditure is on services such as development and maintenance of infrastructure like roads, rail and water transport, energy infrastructure, human development like education, training and health services, security and agricultural development like national agricultural advisory services (NAADS) programme (Local Government Budget Committee, 2011).

Local Government focuses on the education sector to improve the quality of schooling through the construction, provision of instructional materials and improving inspection. Sanitation in primary schools has been identified as one of the most urgent needs that require replacement of latrines. Therefore the government has allocated over 90% of the shillings 21.7 billion school facilities grant to be spent on latrine construction in needy primary schools and the balance on teachers houses. On inspection, the government has to check on future absenteeism and school fires, and continued monitoring of the children in schools. On secondary schools, government provides sufficient resources to cover the anticipated increase in USE enrolment. In addition, the money is spent on construction of seed secondary schools and construction of additional classrooms in over enrolled schools. To increase on quality of secondary education, government secured \$80m for continuation of school construction program and the provision of instructional materials. The above will support the education sector and improve on the quality of education in the country. (Matia Kaija, 2018).

The act mandates the local government to provide education services which cover Nursery, Primary, secondary level, special and technical education (second schedule for district councils, part 2 Function 1 for urban councils, part 3 function 1(c, d, and e) and for lower local government councils part 4 function 1). City or municipal councils may provide education services not devolved to the foregoing bodies (Ministry of Education and Sports Report, 2018).

In the health department, local government improves on the health infrastructure and provision of drugs especially for HIV/AIDS, malaria and tuberculosis. The target of malaria control is to improve the proportion of households having at least one insecticide treated net from current 15% to 80% by 2010, to achieve 100% coverage of indoor residual spraying in the districts which are prone to malaria; Busia in particular, improvement in the proportion of children under 5 years receiving correct treatment for malaria and increase in proportion of expectant mothers receiving the second dose of intermittent preventive treatment, for those attending antenatal care services. However, the government should improve on the human resource management and preventive measures for communicable diseases, and also improve the management of Masafu Regional Referral Hospital (MRRH) to provide better services.

The act directs local government to provide medical and health services. These include hospitals, medical education and training, health centers, dispensaries and other medical service centers, control of the spread of diseases and environmental sanitation. (Second schedule for district councils part 2 functions 2 and 7, for urban councils part 3 function 1(y) and for lower local government councils part 4 functions 7). City/ municipal councils may provide medical services not devolved to the foregoing bodies.

On roads, the government allocated 1 trillion for road works to construct comprehensive road network and improve on the capacity and competence of the ministry of works and national road authority to extensively produce a good road works. This has improved the road networks and as well, business, which has eased transportation and/or means of communication. (New Vision 12th June 2009)

Local governments are charged with the duty to provide road services including the construction, local rehabilitation, and maintenance of roads not under the authority of the central government. Urban councils are mandated to alter, cultivate and maintain works, paths, culverts, bridges, road drains and watercourses on roads. Other bodies that provide much needed services in the district include the district service commission, the contracts committee, district land board and the local government public accounts committee.

2.3.4 The relationship between budget planning and service delivery in Local Government

In 1993, the Government of Uganda moved to a decentralized system of public sector management. A combination of political and administrative decentralization, with selective devolution of public sector management responsibilities, was adopted as the new structural system for governance. The stated aim of this restructuring was to improve the efficiency and effectiveness of service delivery in a number of areas, a key one being health care (Ministry of

Local Government (Chenhal, 1994). Along with the move to decentralization came changes to the financial management. In particular, the devolution of budgeting responsibilities became an important mechanism for operationalizing the new health sector management structure. This paper focuses on the impact of the move to decentralized financial management on budgeting in the Ugandan health sector.

Despite the recognized importance of budgeting and its suggested links to organizational structure, there has been little empirical exploration of how public sector budgeting has developed within increasingly decentralized frameworks of governance. This is particularly the case for developing countries adopting decentralized structures, despite recognition that appropriate budgeting practices are consistent with all societies' legitimate expectations that public resources be employed efficiently and effectively (McDavid, 1998).

Pandey (2008), emphasizes service level budgeting. This model matches spending levels with services. For instance it helps organizations to identify the priorities that are already covered or fulfilled by looking at the current years' service level, and then the desirable new programmes are also considered for funding. Busia local government does this because, before drafting the budget for the next financial year, performance evaluation is always made to see what is done and not done as regards to service delivery to the people.

According to the PEAP, (2002) the budget process in Uganda is coordinated by the ministry of finance, planning and economic development. Here, while the

ministry of finance, planning and economic development estimates how much money will be available for government to spend, the citizens decide the priorities to spend on. They do this through their local councilors, members of parliament and through studies such as participatory poverty assessment and the national service delivery survey where they still express their views concerning service delivery.

In Uganda, as in many other countries (Henley, 1992), public sector budgeting can best be described as “incremental” in its approach (Coombs and Jenkins, 1991). In the health sector, an accepted “base” budget is modified each year without any comprehensive budget review taking place (Ministry of Health (MoH), 1998). While open to a number of criticisms, this incremental approach has been used in the Uganda health sector both before and after decentralization reforms (Coombs and Jenkins, 1991).

Three main groups of actors are involved in Ugandan health sector budgeting. At the highest level, officers of the Ministry of Finance and Economic Planning (MoFEP, Mukono District Annual report) guide and coordinate government ministries and departments to manage the overall government budget. Their involvement in health sector budgeting lies at the level of final budget oversight and approval. The main input to the design and management of health sector budgets comes from officers in the finance department of the MoH, and from district directors of health services. In the pre-decentralization era, the MoH was responsible for total administration of the health care system, including budgeting.

Although the MoH was expected to consult with district directors of health services, the tight time constraints involved in meeting the multiple levels of budget approval meant that consultation was effectively limited. As a result, district directors had minimal input to budgeting processes.

Budgetary discretion at district level depends on the source of funds. However, Article 193(3) of the constitution specifies that a local authority can only use “conditional” grants for the purposes specified by central government (GOU, 1995). District health bodies have no powers to reallocate such funds to any other activity without the authority of the MoH. However, a further “unconditional” grant is paid to local governments to run decentralized services (GOU, 1995). Local authorities (such as district health authorities) may allocate this grant according to their own needs, as long as they make adequate provision for expenditure on areas of national priority (MoLG, 1997). Although it should be recognized that there remain “strings attached” to some amounts of funding, therefore, it is clear that a significant amount of budgetary discretion has now passed to lower-level (district) health managers.

However, despite such criteria that are followed, service delivery in Busia local government has remained a challenge. Thus the study really seeks to establish a relationship between budget planning and service delivery in Busia district

2.4 Research Gaps

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

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter describes the methods that were used in collecting and analyzing data. They included research design, area of study, and population of study, sampling techniques, sample size, data source, methods of data collection, research procedures, data processing and analysis and limitations anticipated in the study.

3.1 Research Design

In order to collect as much data as possible, the researcher used a combination of descriptive and analytical research design based on results from the questionnaires and interviews because these provided more relevant and appropriate views to this study.

3.2 The Study Population

The study will use 102 administrators of which a sample size of 78 was used. This was because they were the people who would provide the real information concerning the study.

3.3 Sampling Techniques

The researcher used both purposive and simple random sampling techniques. This was due to the ease and appropriateness of the study.

3.4 Sample Size

The researcher used a sample of 78 respondents selected from Busia municipality and local government too. The sampling procedure that was chosen was specifically the Sekaron (2000) procedure or formula $Sx = s/n-1$ ^ because the area had a good number of people who understood how services will be provided as shown in table 1 below:

Table 3.1: Showing composition of persons interviewed.

Details	Population	Sample size
Staff	60	47
Sub county accountant	6	4
L.C III Members	12	9
L.C II Members	12	9
L.C I Members	12	9
Total	102	78

Source: Mbale District Annual Report, 2018

3.7 Data Source

Two forms of data was used; primary and secondary data forms.

(i) Primary data

This will be original data that was right from the field using questionnaires and interview guides. It was specifically generated for the research at hand and the data was collected from real respondents by the researcher. It included both qualitative and quantitative data. Qualitative data was obtained from the respondents using interviews while quantitative data was collected using closed ended questionnaires with the aim of collecting firsthand information that was accurate and reliable.

3.8.0 Data collection &Methods

The researcher used the following methods to collect data.

3.8.1 Questionnaires

The researcher prepared questionnaires comprising of questions requiring short answers of Yes, which was relevant to the subject of the study. The researcher himself, to get accurate responses from the respondents, administered the questionnaires. This method was preferred because it was simple to use and time saving.

3.9 Data Processing and Analysis

Data collection was carried out and raw data collected and analyzed and presented in tables using frequencies and percentages. Data analysis was done using statistical methods and techniques of presentation inform of tables, percentages, pie charts and conclusions drawn, which will be appropriate and relevant to the study

3.9.2 Tabulation

The collected data was statistically tabulated to summarize the responses for easier and quick interpretation of the findings, and; degrees and percentages will be used for data analysis.

Microsoft Excel Graphics, tables and charts are included so as to complement the qualitative data.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

4.1 Introduction:

This chapter presents analysis and discussion of study findings from the field. Presentation and analysis have been done thematically basing on objectives. This has been facilitated by computer package especially Microsoft Excel to generate tables and charts to give data presentation more meaning.

The chapter is divided into two sections, which include background characteristics of respondents as well as other analysis of findings; basing on the study objectives.

Background characteristics of respondents were considered by looking at respondents' sex, age differences, marital status, level of education and number of years worked in the organization. The chapter then shows the procedures followed by local governments when making budgets, local government expenditure on service delivery and the relationship between budget planning and service delivery in local government.

4.2. Background characteristics of respondents.

4.2.1 Sex composition of the Respondents.

From the research carried out, it was revealed that the organization employs both male and female employees as shown in the table 4.1 below:

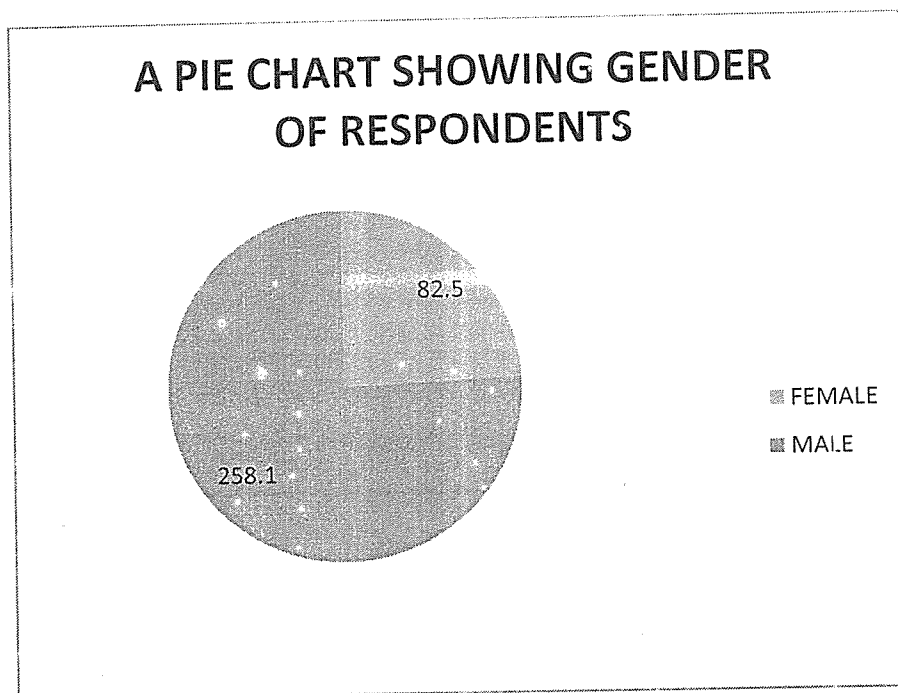
Table 4.1: showing gender of the respondents.

Gender	Frequency	Percentage (%)	Degree
Male	56	71.7	258.1 ⁰
Female	22	22.9	82.5 ⁰
Total	78	100	360⁰

Source: Primary data 2019

Similarly, the information displayed in the table 4.1 has also been shown in the figure 4.1:

Figure 4.1: Showing Gender of the Respondents



Source: Primary Data 2019

The given sex distribution of respondents was in such a way that the males were more than the females. According to study findings, 71.7 %(56) respondents were males while only 22.9 %(22) were females. The men in local governments were found to outweigh women because, initially, the education system saw more men go to school than women. In addition, women got married and instead of going to public sector, they became housewives. Therefore, the given sex distribution of respondents implied unequal participation in local governments.

4.2.2 Age Distribution of Respondents

The age distribution of the respondents revealed that people of all age brackets could be employed to work in/with local governments as long as they were legible to do so. However, teenagers and those who had not yet attained the necessary requirements (documents) from higher institutions of learning were not allowed to work in local governments or couldn't be employed to work there. This has been expressed further in the table 4.2.

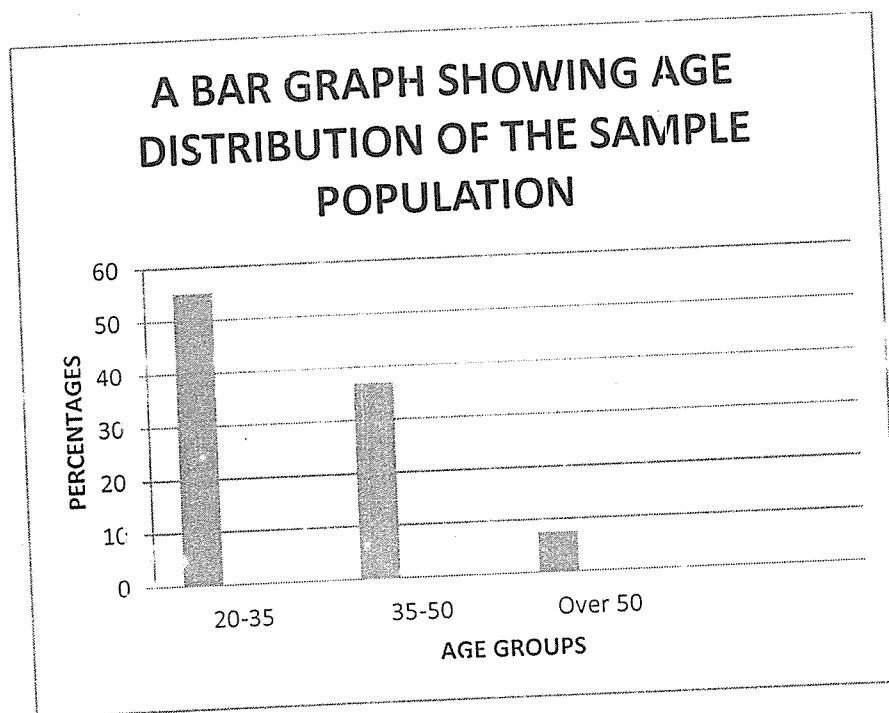
Table 4.2: Showing age distribution of the respondents

Age groups	Male	Female	Frequency	Percentages (%)
20-35	30	13	43	55.1
35-50	20	09	29	37.1
Over 50	06	00	06	7.6
Total	56	22	78	100

Source: Primary Data 2019

The 4.2 has also been illustrated graphically as shown in figure 4.2.

Figure 4.2: Distribution of the Sample Population



Source: Primary Data 2019

Age was analyzed in relation to the respondents' opinions about budgetary planning and service delivery in local governments.

As shown in the table above, most respondents 55.1 %(43) were aged between 20-35 years. These involved mostly intern students from tertiary institutions and Universities.

The other 37.1 %(29) respondents were ranging between 35-50 years. This age bracket involved mostly staff and management of local government (those who had worked with local government for some considerable time).

The age bracket of over 50 years fetched a low percentage of only 7.6 %(6) respondents. This was because, as a culture in Uganda, when an employee clocked 60 years of age, then they should not continue working in public sector but rather; retire. Similarly, in administration of public offices, people a bit aged are good administrators that is to say; administration varies with age can be critical with age as shown in the table above. In addition, the retrenchment policy in which most old people were retrenched was another reason for the low percentage of people above the age of 50. Thus the situation now aims at employing mostly young people who are educated. Also, top management makes most decisions. Therefore, few people were found in top management posts/positions.

4.2.3 Marital status of the respondents

This was categorically looked at, clearly specifying the proportion of both men and women as shown in the table 4.3.

Table 4.3: showing marital status of the respondents

Status	Male	Female	Frequency	Percentages (%)
Single	39	06	45	57.7
Married	15	12	27	35.6
Divorced	00	01	01	1.3
Widowed (ers)	02	03	05	6.4
Total	56	22	78	100

Source: Field Data 2019

According to the study findings, most respondents; 57.7 %(45) were single, 39 of who were males and the remaining 06; females. 34.6 %(27) respondents were married; 15 males and 12 females, 1 %(01) respondent was divorced, being a female while 6.4 %(5) respondents were widowed (ers) that is to say, 02 widowers and 03 widows.

The variation in marital statuses was due to the fact that government embarked on recruiting young people who are technical in certain fields. Therefore, those

without papers were retrenched. This was one of the major reasons why singular status scored a high percentage (57.7%), compared to other statuses.

4.2.4 Education distribution of Respondents

From the field, it was found out that most of the staff working in local governments had at least the minimum papers required to be employed in the organization ranging from certificates to masters degrees. Therefore, administrative duties were in accordance with one's level of education as shown in the table 4.4.

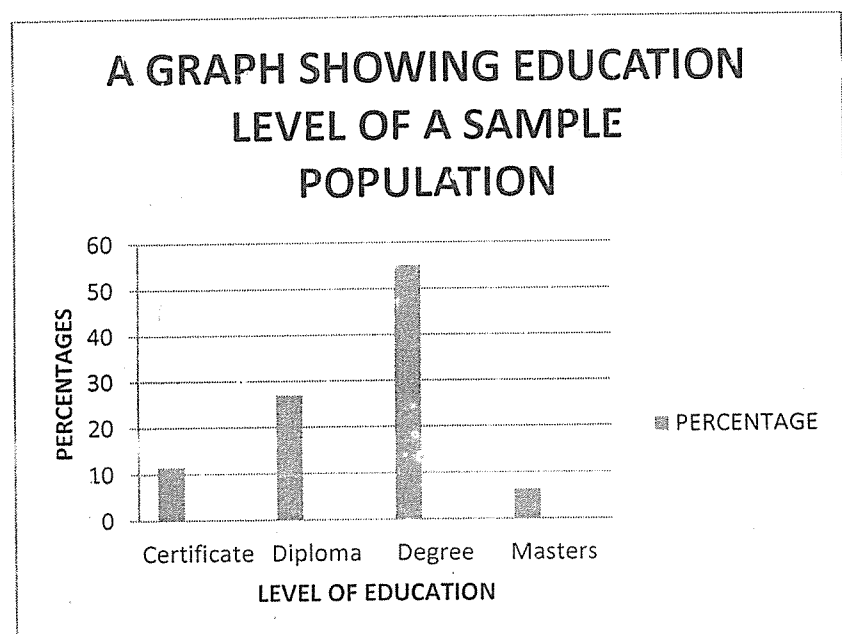
Table 4.4: Showing education level of the study population.

Level of Education	Male	Female	Frequency	Percentages (%)
Certificate	06	03	09	11.5
Diploma	15	06	21	26.9
Degree	30	13	43	55.1
Masters	04	01	05	6.4
Total	55	23	78	100

Source: Field data 2019

The different levels of education have also been expressed graphically as in the figure 4.3.

Figure 4.3: Showing education level of a sample population



Source: Field data 2019

From the field findings, 55.1 %(43) respondents had graduated with degrees in various fields of education. MUST being a near university, most of the respondents have attained degrees thus attributing to the largest number of respondents in this organization. 26.9 %(21) respondents had graduated at diploma level, 11.5 %(09) respondents had certificates and only 6.4 %(5) respondents had masters. Government policy of retrenchment saw many people leave work in local governments because very few had the necessary papers and thus attributed to the smallest number of people with masters.

4.2.5 Number of years worked with the organization

This showed the number of years spent by each staff member working in the organization. It has been summarized as in the table 4.4.

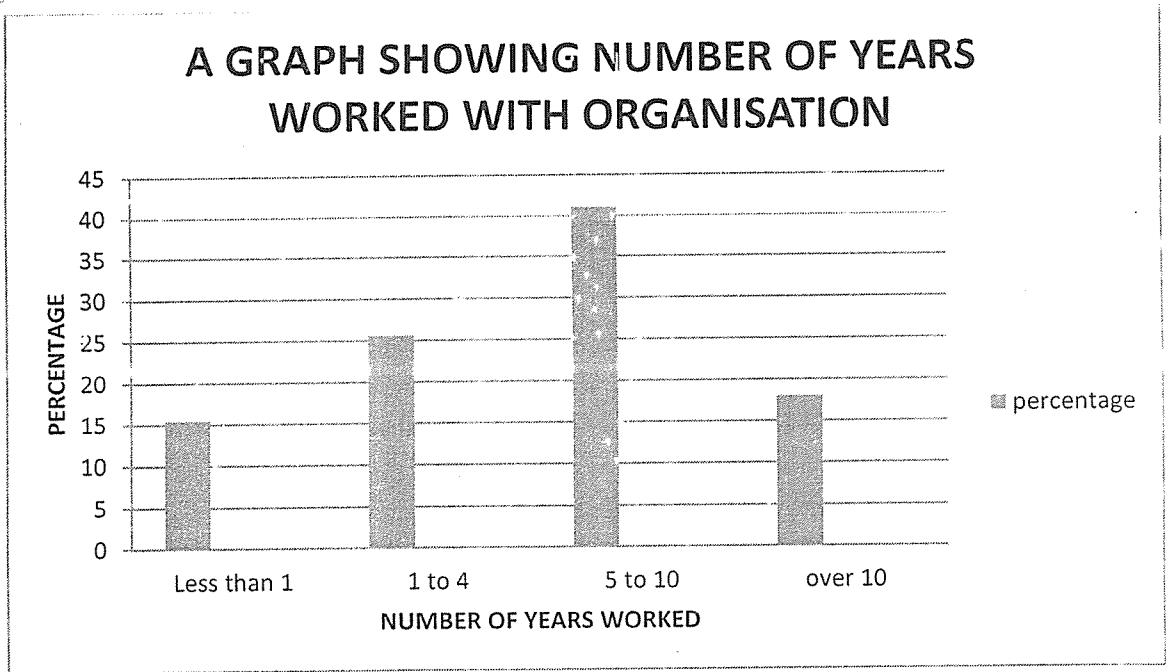
Table 4.5: Showing the number of years respondents worked with organization

Number of years	Male	Female	Frequency	Percentages (%)
Less than 1	9	03	12	15.4
1-4	15	05	20	25.6
5-10	20	12	32	41.0
Over 10	12	02	14	18
Total	56	22	78	100

Source Field data 2019

In a similar way, data relating to the number of years worked has also been portrayed in the figure 4.4.

Figure 4.4: Showing number of years worked with organisation



Source: Field data 2019

The field findings showed that 15.4 %(12) respondents had worked with local governments for less than one year because most of these had just graduated from tertiary institutions. In addition, the recruitment of new staff in local governments was among the major reasons why this percentage of staff had worked with local governments for this period of time.

Another 20 %(25) respondents had worked with the organization between 1-4 years. These included mostly people who had graduated between 2-5 years ago probably because they had gone back for further studies and also; because of the failure to get jobs immediately after school.

41 %(32) respondents had worked with the organization for a period between 5-10 years. This was because they had completed their studies some good years ago. In addition, these had experience and were thus retained in the organization for this long time.

Staff who had worked with the organization for over 10 years constituted 18 % (14) respondents out of the total sample population. These were survivors of the retrenchment and are the most experienced and thus are involved in the planning process. Therefore, because of their paramount role in planning, it thus explained why the smallest numbers of staff that have worked for this long time are involved in the planning process.

4.3. Analysis of study findings according to research objectives

4.3.1 Procedures followed in Budget planning

Objective one: To find out the procedures followed when local governments are making budgets.

This objective was analyzed in view of Staff and management opinion about procedures that are followed when local governments are making budgets. The study findings were thus summarized as shown in the table 4.6.

Table 4.6: Showing management and staff opinions on the procedures followed by local governments in making budgets

Procedure	Agree %	Disagree %	Not sure%	Total %
The MOF often sends indicative planning figures to local governments for budget making process	24.2 %	45.5%	25%	94.7%
Our local government council often sets up a Budget Desk to handle budget proposals	27.3%	9.1%	12.5%	48.9%
Our local government council often holds a Budget Conference	33.3%	13.6%	00%	46.9%
Our local government council often receives Budget Call Circulars	15.2%	31.8%	62.5%	109.5%

Source: Field data July 2019

Indicative planning figures:

These figures are used in the preparation of indicative sector allocations to be included in the local government budget call. The importance of these figures includes; clearly communicating the deadlines set for the various events and submissions during the planning and budgeting process in the budget call and, providing technical assistance and support to lower levels.

According to the findings obtained from the field, out of the 66 respondents who agreed that local governments followed the procedures required of them when making budgets, 24.2% (16) respondents agreed that the MOF often sends these figures to local governments for budget making process. 45.5% (10) out of the 22 respondents who disagreed that local governments followed the procedures required to make budgets, did not approve of the fact that the MOF sends indicative figures to local governments for budget making purposes. On the other hand, out of the 08 respondents who were not sure of the fact that local governments followed certain procedures when making budgets, 25% (02) respondents were not sure whether local governments often received indicative figures from the MOF for budget making purposes.

Budget Desk:

From the research findings carried out, out of the 66 respondents who agreed that local governments followed all the procedures for budget making purposes,

27.3%(18) respondents agreed to the fact that local government councils often set up budget desks to handle budget proposals.

That it consisted of senior officers from the CFO'S office, the planner, the population officer, heads of departments and other members of the technical planning committee seconded by CAO and has the role of ensuring that the information communicated by the MoF PED in the annual regional local government BFP workshop is properly and accurately recorded and presented in the local government budget call.9.1%(02) respondents out of the 22,who did not consent to the fact that local governments followed the necessary procedures required for budget making processes, didn't agree to the fact that the council often set up a Budget Desk to handle budget proposals. Out of the total of 08 respondents who were not sure whether local governments actually followed certain procedures when making budgets, 12.5 %(01) respondent was still not sure whether local governments set up a budget desk to handle budget proposals.

Budget Conference:

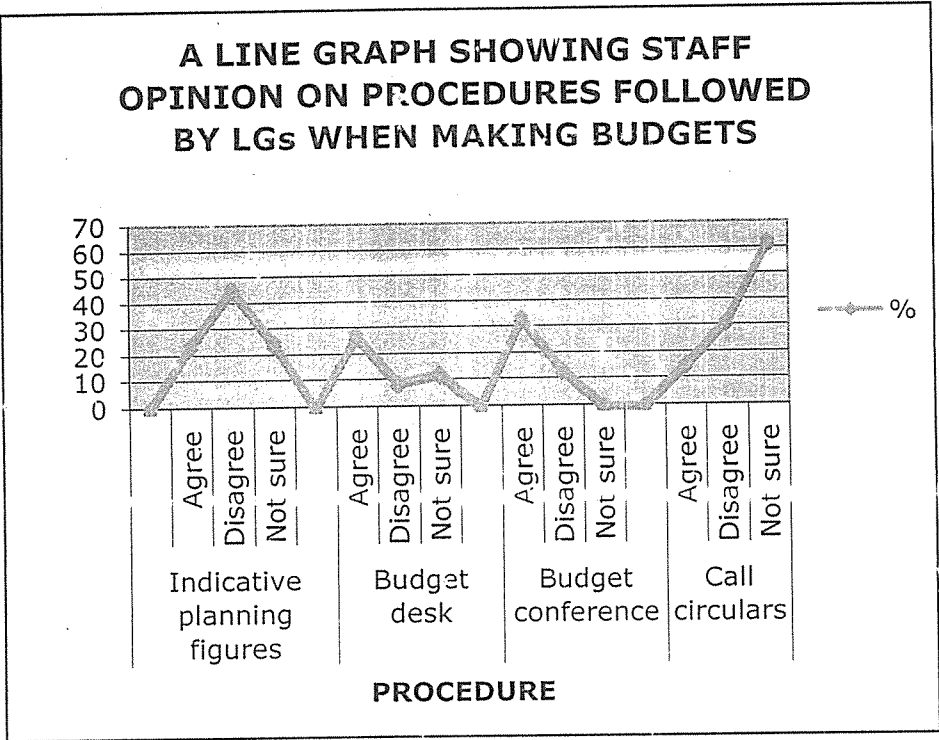
The field findings carried out showed that 33.3%(22) respondents out of the 66 agreed that local government councils often held budget conferences, which was one of the key events at the start of local governments' planning and budgeting process. The purpose of this event was to discuss and communicate local government priorities, overall sector budget ceilings and local government sector allocations. However, 13.6%(03) respondents out of the total 22 who didn't agree

that local governments followed all the necessary procedures for budget making purposes didn't either agree that local government councils often held a Budget Conference. Similarly, of the total of 08 respondents who were not sure whether local governments followed these procedures, 62.5%(05) respondents were not sure whether local government councils often held a Budget Conference as a prerequisite for the process of budget making.

Budget Call Circulars:

According to the research findings carried out, the researcher found out also that 15.2%(10) respondents agreed that local government councils often received Budget Call Circulars and circulated them to all stakeholders involved in the budget preparation. However, 31.8%(07) respondents disagreed that local governments received budget call circulars while 62.5%(05) of the 08 respondents who were not sure of the receipt of these circulars, were still not aware whether local governments often received these circulars for budget preparations. This was due to the fact that most planning decisions were the duty of top management hence rendering the lower level staff unaware of the procedures that are followed when making budgets; as further shown in figure 4.5:

Figure4.5: A line graph showing staff opinion on procedures followed by LGS when making budgets



Source: Field Data 2019

4.3.2 Local government expenditure on service delivery

Objective two: To find out whether local government expenditure on basic services is in accordance with planned budgets.

This objective was analyzed to find out the extent to which local governments spend according to budget estimates. From the field findings, it was found out that some respondents agreed that local governments spend in accordance with their budget estimates while others denied that local governments spend according to the budget estimates. This was because, in the event that the funds allocated for

the provision of certain services was insufficient, then funds from other sectors would be reallocated so as to cater for the most important service(s). Their responses are as shown in table 4.7.

Table 4.7: Showing the extent to which local governments spend according to budget estimates.

Extent	Agree	%	Disagree	%	Total %
Only the amount budgeted for road maintenance is not exceeded	02	5.6%	13	21.7%	27.3%
Only the amount budgeted for improving health sectors is spent and not exceeded	02	5.6%	12	20%	25.6%
The worth of drugs supplied to MRRH is in accordance with budgeted estimates	04	11.1%	04	6.6%	17.7%
All NAADS activities are catered for as stipulated in the budget estimates	07	19.4%	10	16.7%	36.1%
Water projects in the district are often catered for in the annual budget estimates	06	16.7%	00	00%	16.7%
Building of new schools and new school structures in the district is done in accordance with annual budget estimates	03	8.3%	08	13.3%	21.6%
Scholarships and bursaries awarded to excellent students in the district are in accordance with budget estimates	02	5.6%	10	16.7%	22.3%
Salaries for primary and secondary school teachers; and for traditional civil servants is in accordance with budget estimates	10	27.7%	03	05%	32.7%

Source: Field data July 2019

From the fields data conducted, 37.5 %(36) respondents agreed that local governments spend in accordance with budget estimates. This showed that local governments try in as much as they can to carry out almost all their activities as they had been planned for in the annual district budget. However, there were some services that were not considered an obligation of the local government to provide, but as the central government's obligation to deliver them. For example, it was revealed that the local government does not provide drugs to MRRH because it is part of the University and therefore it is the duty of the central government to cater for its wellbeing.

However, 62.5 %(60) respondents argued that local governments do not spend in accordance with the budget estimates. In addition, that budgeting was for the current year but the budgeting process starts in the previous year. Therefore, in the event that the amounts budgeted for providing a given service to the community was not enough, then the local government officials would request for virement or a supplementary budget because a budget is never fixed. Similarly, in case the money budgeted for maintaining say; roads, was discovered not to be enough, then they would reallocate funds from the budgets for services whose delivery could be postponed, for example funds meant for youths in the district.

Road maintenance and construction:

This was done in accordance with budget estimates. However, only 5.6 %(02) respondents agreed that only the amount budgeted for road maintenance and repair was not exceeded. Therefore, where the amount allocated for this service

was not sufficient, then some funds would be reallocated from other sectors or, a supplementary budget would be requested for to fill up the remaining gap. Therefore, the construction of new roads and the maintenance of roads in the district constituted about 3.2% of the total annual district budget.

Health sector improvement:

Health services are in form of health centers, dispensaries and referral hospitals. The amount budgeted for the provision of this service was exceeded because of the ever-increasing rate of sickness among the people in the district and also, given the increasing rate of accidents on our roads, requiring extra services in health centers. However, 16.7 %(06) respondents agreed that local governments do not exceed the amount budgeted for the provision of health services and the improvement of health centers. On the contrary, the field findings showed that these figures were not fixed because, the worth of drugs supplied is not fixed and, not all health centers are under local governments and are thus not responsible for improving them for example, MRRH is not under local government. As such therefore, Health takes about 10.58% of the total district budget.

Education sector:

This consisted of building of new school structures, awarding of bursaries to excellent students and salaries of teachers, which was in accordance with budget estimates. This was supported by the fact that 41.7 %(15) respondents agreed that these services were budgeted for and thus provided as per the budget estimates. Where the funds allocated for provision and improvement of these services were

insufficient, then local governments would request for virement and thus try to meet the most important demands for example, teachers' salaries, which take the percentages as expressed; Total salaries take about 60% of the annual district budget. Therefore, salaries for primary school teachers takes 25% of the total district budget, salaries for secondary school teachers takes about 8.8% of the total district budget and salaries for traditional civil servants takes 6.8% of the total annual district budget.

Water projects:

These involved drilling of boreholes in communities to supply water to the people and to improve their livelihood. These were provided in accordance with budget estimates. Drilling of a borehole in a certain community was entirely in accordance with estimates as clearly shown in table 8 above where no respondent disagreed that this service was provided according to budget estimates. Therefore, water takes 3.8% of the total district budget.

NAADS:

All NAADS activities were catered for as stipulated in the budget estimates. Therefore, provision of agricultural requirements such as seeds to farmers, was done according to the budget estimates drawn earlier.

4.3.3 Relationship between Budget Planning and Service Delivery

Objective three: To establish the relationship between budget planning and service delivery in Local Government.

From the research findings, 100 %(78) respondents agreed to the fact that local governments focused on government priorities when making budgets. This was due to the fact that the central government wouldn't release funds unless it knew what it would be used for. Therefore, the local government had to present its budget and then funds would be released to cater for its activities. Also, they are expected to expend in accordance with budget estimates. The local governments which only approve vote on account at the time of the reading of the budget must ensure that the budget is approved within 3 months statutory deadline, otherwise grant disbursements will be withheld from October. Table 4.8 show a summary of the extent to which local governments adhered to budget estimates.

Table 4.8: Showing the extent to which local governments adhered to budget estimates.

Extent	Agree	%	Disagree	%	Total %
Drugs provided to health centers are usually budgeted for	06	8.8%	03	10.7%	19.5%
Drugs provided to Referral Hospitals are normally budgeted for	03	4.4%	06	21.4%	25.8%
Road repairs made by local governments are usually budgeted for during the previous year	10	14.7%	03	10.7%	25.4%
New roads constructed in the district are usually budgeted for.	04	5.9%	02	7.1%	13%
Scholarships awarded are usually budgeted for in capacity building	04	5.9%	03	10.7%	16.6%
New schools constructed in the district are budgeted for during the year	05	7.4%	04	14.3%	21.7%
Teachers' and civil servants' salaries are budgeted for during the year	17	25%	03	10.7%	35.7%
NAADS activities in the district are usually budgeted for	09	13.2%	02	7.1%	20.3%
Water projects in the district are normally budgeted for	10	14.7%	02	7.1%	21.8%

Source: Primary Data 2019

From the primary data findings, 70.8 %(68) respondents agreed that local governments adhered to budget estimates. For example, from the table of results above, it was shown that all services delivered by local governments were budgeted for and thus their delivery was in accordance with budget estimates. However, when the money initially allocated for the provision of a service was not sufficient, then a supplementary budget would be requested for to cater for the shortage. This was the major reason why the number of respondents who agreed to the fact that local governments adhered to budget estimates was greater.

However, 29.2 %(28) respondents disagreed that local governments adhered to budget estimates. This was because some officials swindled funds that were meant to provide services to the communities for example; the NAADS coordinator of Busia district was last month (March 2010) sacked from his job and even imprisoned for misappropriating NAADS funds. As such, some services were not delivered in accordance with their budget estimates or not delivered at all due to lack of, or insufficient funds.

Health centers:

The study findings showed that local governments always tried in as much as possible to carry out all their duties according to the preset budgets. For example, drugs provided to health centers were usually budgeted for. From the table of results shown above, 13.2 %(09) respondents agreed that local governments usually budgeted for the provision and support of health services in the district.

Road repairs and maintenance:

20.6 %(14) respondents agreed that road repairs and maintenance were also done in accordance with budget estimates made by local governments. This helped them to keep a record of the number of roads requiring repair and those already repaired so that funds could be allocated towards improving the roads that are in dire need of repair.

Education:

Out of the 68 respondents who agreed that local governments adhered to budget estimates, 38.2 %(26) respondents did agree that education services provided by local governments were budgeted for and provided in accordance with budget estimates. For instance, scholarships awarded to bright students, new schools constructed in the district and teachers' and civil servants' salaries were budgeted for during the year. This helped local governments to reduce the possibility of ghost teachers and students so that funds available were used to improve the standards of real teachers and students.

NAADS:

These activities in the district were usually budgeted for. This helped in improving the livelihood of the peasants through provision of agricultural products such as seeds, hoes and sprays to supplement on the people's crops and in turn, poverty would be alleviated. This was backed up by the fact that the number of respondents who supported the fact that local governments normally

budgeted for NAADS activities outweighed those who denied; that is to say, 13.2% and 7.1% respectively.

Water projects:

Like any other services provided by local governments in the district, water projects too were normally budgeted for. In turn the living standards of the people were improved because of the availability of safe drinking water got from boreholes drilled in communities, as these were made available because they were already budgeted for. As pointed out in the table of results above, 10 respondents acknowledged the fact that water projects in the district were budgeted for as compared to only 02 respondents who did not acknowledge this fact.

CHAPTER FIVE

DISCUSSION OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The proceeding section of this study report dealt at length with addressing the study questions covering the three objectives of the study as below,

This chapter also discussed the main findings of the study by making conclusions and recommendations.

5.1 Discussion of findings

5.1.1 Objective one: To find out the procedures followed when local governments are making budgets

From the study findings, it was found out that local governments followed certain procedures when making budgets such as receiving indicative planning figures for budget making process, setting up a budget desk, holding a budget conference and receiving budget call circulars. It was observed that the procedures they followed, led to realistic budgets. Therefore, with a realistic budget, the local government was able to regulate, monitor and evaluate its performance. This was found out to facilitating service delivery in local government.

5.1.2 Objective two: To find out whether local government expenditure on basic services is in accordance with planned budgets

From this study objective, findings revealed that there were variations in the amounts budgeted for services' provision because actual expenditures exceeded planned budgets. Therefore, to fulfill what was planned for, local governments always requested for environment, transfer of funds and supplementary budgets from some redundant activities to facilitate some services for instance, in case of an outbreak of a contagious disease such as Ebola. All this was done to provide quality services to the community(s).

5.1.3 Objective three: To establish the relationship between budget planning and service delivery in Local Government

From the study findings, it was revealed that the relationship between budget planning and service delivery was strong implying that with good budget planning, service delivery could be achieved for example, availability of drugs in health centers and physical existence of roads which were budgeted for as shown in the table 9 above with 14.7% respondents agreeing that road repairs were usually budgeted for. This meant that all services provided by local governments were planned and budgeted for before being delivered.

5.2 Conclusion

From the study findings, it was revealed that there is good budget planning and service delivery in local government.

However, no budget plan though drawn well, can explain why certain services are never delivered by local governments, nor can guarantee efficient service delivery, as evidenced by poor roads, lack of drugs in health centers and poor school structures in the district.

5.3 Recommendations

On the basis of the study findings, the researcher is recommending the following:

- All staff of local government should be given refresher courses on budget planning so that they can be well versed with all the procedures followed when budgets are being formulated, regardless of whether they are among the top management of the council who are responsible for this process or not. This will help remove the confusion that emerges as to whether these procedures are being followed or not

The researcher recommends that local governments should coordinate all staff and departments in budgeting to encompass all activities in the ministry or departments. This will also show that the variance between planned budgets and service delivery is favorable and not adverse.

The researcher recommends that local governments should always communicate expectations of the budget to all stakeholders so that they are informed about the policies, objectives, programs and performance of local government. This will help those people responsible for making budgets know how much resources they have so as to respond to any expected environmental changes.

The researcher recommends that local governments establish a budgetary system in terms of the assigned authorities and responsibilities such that the performance of each manager can be evaluated in terms of the assigned authorities and responsibilities.

The researcher recommends that local governments implement the financial information systems to reduce on errors in budget making. This will also make the system faster.

The researcher recommends that local governments always consult with the civil society or pressure groups for example UWESO and Uganda Debt Network.

— These pressure groups always fight for the rights of the community. By doing this, they will indirectly be involved in the process of budget making. In turn, people will realize that services they receive from local governments are not a form of charity but rather their right.

5.4 Suggested areas for Further Research

1. Factors influencing budget formulation,
2. Multiple functions of budgeting and conflicting roles of budgeting.
3. The budget period and the administration of the budgeting process.
- 4 The various types or classification of budgets
- 5 Computerized way of making budget.

5.5. Limitations to the study

The researcher might meet some limitations while collecting the data. These included: -

- i) Less time within which to carry out research, since the researcher had to study and again prepare for the final exams. However, the researcher tried to ask for extension of submission date to see that the exhaustive research was done.
- ii) The researcher experienced the problem of inadequate funds since most areas like limited public libraries and Internet services required payment before accessing information. However, the researcher borrowed and solicited for financial assistance from parents and friends so that exhaustive research was carried out.
- iii) None response from some officers who were not willing to give out information about the problem. This was likely to limit the chance of getting accurate data that would lead to unrealistic conclusions. To this note therefore, the researcher tried to befriend these officers so that they could disclose all the information required.
- iv) The researcher met some respondents who were suspicious as to why the information was needed thus would led to unreliable findings and conclusions. To overcome this, the researcher tried to convince the respondents that the information was very confidential and purely for academic purposes.

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SECTION I

Background Characteristics

Tick in and or fill in the space provided with most appropriate answer.

1. Gender

(a) Male ☐

(b) Female ☐

2. Age

(a) Under 20 years ☐

(b) 20- 35 years ☐

(c) 36- 50 years ☐

(d) over 50 years ☐

3. Marital status

(a) Single ☐

(b) Married ☐

(c) Others specify.....

4. Level of education

(a). Certificate ☐

(b). Diploma ☐

(c). Degree ☐

(d). Others

specify.....

5. Number of years worked with the organization

(a). Less than 1 year ☐

☐

(b). 1- 4 years

(c). 5- 10 years ☐

SECTION II

Budget Planning

6. Do you think the following procedures are followed when local governments are making budgets?

	Agree	Disagree
The Ministry of Finance often sends indicative planning figures to local governments for budget making Process		
Our local government council often sets up a Budget Desk to handle budget proposals		
Our local government council often holds a Budget Conference		
Our Local Government council often receives Budget Call circulars		

SECTION III

Local Government Expenditure On Service Delivery

To what extent do local governments spend according to budget estimates?

	Agree	Disagree
Only the amount budgeted for road maintenance is not exceeded		
Only that portion included in the budget for road maintenance is spent on the road		
Only the amount budgeted for improving health sectors is spent and not exceeded		
Scholarships and bursaries awarded to excellent students in the district are in accordance with budget estimates		
Building of new school structures in the district is done in accordance with budget estimates		
Building of new schools in the district is done in accordance with annual budget estimates		
Water projects in the district are often catered for in the annual budget estimates		

SECTION IV

Relationship between Budget Planning and Service Delivery

Do local governments always focus on government priorities when making budget estimates?

(a) Yes ☐ (b) No ☐

Do local governments always expend on basic services in accordance with the budget estimates?

(a) Yes ☐ (b) No ☐

State the extent to which local governments adhere to the budget estimates.

	Agree	Disagree
Drugs provided to health centers are usually budgeted for		
Drugs provided to Referral Hospitals are normally budgeted for		
Road repairs made by local governments are usually budgeted for during the previous year		
New roads constructed in the district are usually budgeted for.		
Scholarships awarded are usually budgeted for in capacity building		
New schools constructed in the district are budgeted for during the year		

Thank you very much for participating in this project.

Appendix II: Time Frame

Research Work Plan.

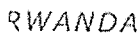
Period (2019)	Activity	Output
march-April	Proposal development Proposal	Completed
April-May	Collection of data	Data collected
April -May	Editing, coding and Analysis of data	Data Analyzed
May	Draft Report writing	Draft report submitted
May –June	Final report writing and submission	Final report submitted and approved

Appendix III: The budget

FINANCIAL BUDGET

Estimated budget for the research proposal

Items	Budgeted	Actual	Variance	Remark
Travel	Expenses	50,000	50,000	N/A
Typing and printing	120,000	70,000	50,000	Favorable
Binding	20,000	40,000	(20,000)	Adverse
Internet	20,000	15,000	5,000	Favorable
Others	50,000	40,000	10,000	Favorable
Grand total	260,000	215,000	45,000	Favorable



IN CASE OF ANY CORRESPONDENCE
ON THIS SUBJECT PLEASE QUOTE REF:



BUSIA DISTRICT LOCAL GOVERNMENT
P.O. Box 124, Busia
www.busia.go.ug
info@busia.go.ug

Your ref:

REPUBLIC OF UGANDA

TOWHOM IT MAY CONCERN

14th August, 2019

Dear Sir/Madam

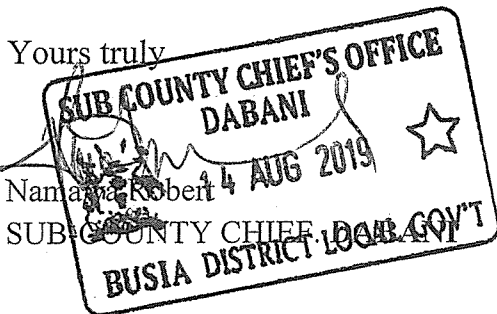
RE :ACCEPTANCE LETTER FOR RASHID EMMANUEL REG. NO. 1163-05014-06212 TO CONDUCT HIS FIELD RESEARCH WITH US.

This is to inform you that **Rashid Emmanuel** with Registration Number **1163-05014-06212** has been given the opportunity to conduct his field study in Dabani subcounty, Busia District under the topic: **"Budgeting and Service Delivery in Local Government in Eastern Uganda, a Case Study of Busia District"**. He is expected to conduct his research while collecting data in line with his set questionnaires.

As he joins Busia district local government, Rashid will be attached to the sub county chief's office in Dabani where he will effectively get integrated into the department.

However while at the Sub County offices, He will be required to meet his personal expenses.

Yours truly



Cc: Sub-County chief
Cc: File



**KAMPALA
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**COLLEGE OF ECONOMICS AND MANAGEMENT
DEPARTMENT OF ACCOUNTING AND FINANCE**

30th/07/2019

To whom it may concern

Dear Sir/Madam,

RE: INTRODUCTORY LETTER FOR RASHID EMMANUEL 1163-05014-06212

This is to introduce to you the above named student, who is a bonafide student of Kampala International University pursuing a Bachelor's Degree in Business Administration Accounting and Finance, Third year Second semester.

The purpose of this letter is to request you avail him with all the necessary assistance regarding his research.

TOPIC: - BUDGETING AND SERVICE DELIVERY IN LOCAL GOVERNMENT IN EASTERN UGANDA

CASE STUDY: - BUSIA DISTRICT

Any information shared with him from your organization shall be treated with utmost confidentiality.

We shall be grateful for your positive response.

Yours truly


DR. JOSEPH B. K. KIRABO
HOD - ACCOUNTING AND FINANCE
0772323344

