

THE EFFECTS OF MONITORING AND ACCOUNTABILITY ON FUNDS
DISBURSEMENT IN UNIVERSAL PRIMARY EDUCATION
SCHOOLS: A CASE STUDY IN MBARARA DISTRICT

BY

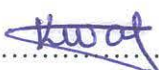
KABANANUKYE LUCY
BBA/32912/123/DU

A RESEARCH PROPOSAL SUBMITTED TO THE COLLEGE OF
APPLIED ECONOMICS AND MANAGEMENT SCIENCE IN
PARTIAL FULFILMENT OF THE REQUIREMENTS FOR
THE AWARD OF A BACHELOR'S DEGREE IN
BUSINESS ADMINISTRATION OF
KAMPALA INTERNATIONAL
UNIVERSITY

JUNE 2014

DECLARATION

I, Kabanankye Lucy declare that this dissertation is my original work and that it has not been presented in any other University for a similar or any other degree.

Signature: 

Date: 14/06/2014

KABANANUKYE LUCY

APPROVAL

This is to certify that this dissertation has been submitted in fulfillment of the requirements for the award of the degree of Bachelor of Business Administration with my approval as University Supervisor.

Signed 

Date.....18/06/2014.....

MUSHAGARA AGGREY MPORA

ACKNOWLEDGEMENT

The successful completion of this study would not have been possible with the encouragement, guidance support and cooperation of various people to whom an greatly indebted

I would like to extend my sincere and exceeding gratitude to my supervisor Mr. Mushagara Aggrey Mpora for his outstanding exemplary and parental spirit. I really cherished his valuable time, professional guidance and his encouragementt

I am equally indebted to all authors and publishers of the books that appear in the reference for the factual information that form this research.

I owe heartfelt sincere gratituted and highly value the material financial, moral and spiritual support tendered by my mother Grace Akiiki my husband crispus Katemba and then my friends Musabe Geofry, Odongo Santos, Kaneete Apoplia, Ndolerire Yoweri and lastly Mugabo Godwin.

...God bless you all...

TABLE OF CONTENTS

Declaration.....	i
Approval.....	ii
Dedication.....	iii
Acknowledgement.....	iv
Table of contents.....	v
List of Tables and figures.....	vii
Abbreviations and Acronyms.....	viii
Abstract.....	ix

Chapter One: Introduction

1.0	Background to the study	1
1.2	Statement of the problem.....	3
1.3	Purpose of the study	3
1.4	Objectives of the statement	3
1.5	Research questions	4
1.6	Scope of the study	4
1.7	Significance of the study	5
1.8	Conceptual frame work	6

Chapter Two: Literature review

2.1	Introduction	16
2.2	Relationship between funds disbursement and accountability.....	18
2.3	Relationship between monitoring and accountability	19
2.4	Relationship between funds disbursement and performance	21
2.5	Relationship between accountability and performance.....	22
2.6	Relationship between monitoring and performance	24

Chapter Three: Research Methodology

3.1	Introduction	27
3.2	Research design	27
3.3	Population size.....	27
3.4	Sampling design and procedure	27

3.5	Data sources	28
3.6	Data collection instruments.....	29
3.7	Measurement of Research variables	29
3.8	Reliability and Validity analysis	29
3.9	Data Analysis	30
3.10	Limitations to the study.....	31
Chapter Four: Data Presentation, Analysis and Interpretation of findings		
4.1	Introduction.....	32
4.2	Descriptive Analysis.....	32
4.3	Model summary.....	39
4.4	Correlation Analysis	40
4.5	Regression Analysis.....	43
Chapter Five: Discussion, conclusion and Recommendation		
5.1	Introduction.....	45
5.2	Discussion of Study findings.....	45
5.3	Conclusion.....	51
5.4	Recommendations	52
5.5	Area for further research.....	55
RERERENCES		

LIST OF TABLES AND FIGURES

	Page
1.0 Figure1: Conceptual model.....	6
2.0 Tables1: Reliability and validity table.....	29
3.0 Table 2: Sex of respondent.....	32
4.0 Table 3: Level of education.....	33
5.0 Table 4: Location of school.....	34
6.0 Table 5: Title of respondent.....	34
7.0 Table 6: Founder of School.....	35
8.0 Table 7: Grade of the school.....	34
9.0 Table 8: Number of teachers.....	34
10.0 Table 9: Number of children.....	37
11.0 Table 10: Number of classrooms.....	38
12.0 Table 11: Model summary.....	39
13.0 Table 12: Pearson correlation coefficient.....	41
14.0 Table 13: Regression Analysis table.....	43

ABBREVIATIONS AND ACRONYMS

ANPPCAN	African Network for the Prevention and protection against Child Abuse and Neglect
BoGs	Board of Governors
DEO	District Education Officer
DES	Directorate of Education Standards
DSC	District Service Commission
ESC	Education Service Commission
FY	Financial Year
GoU	Government of Uganda
LG	Local Government
MFPED	Ministry of Finance Planning and Economic Development
MoES	Ministry of Education and Sports
PLE	Primary Leaving Examinations
PCR	Pupil Classroom Ratio
PTR	Pupil Teacher Ratio
SFG	School Facilities Grant
UNEB	Uganda National Examination Board
UPE	Universal Primary Education

ABSTRACT

The study examined funds disbursement, monitoring, accountability and performance of UPE schools in Iganga district. The purpose was to examine the extent to funds disbursement, monitoring, and accountability explain performance of UPE schools in Iganga district.

The study was cross sectional and a structured questionnaire consisting of funds disbursement, monitoring, accountability, and performance of UPE schools was used to obtain data from 113 respondents. The data was analyzed using SPSS and regression and correlation analysis was run because of its capacity to indicate precisely what happens to the conceptual model as different predictor variables are introduced.

The findings revealed that monitoring and accountability are strong predictors of performance of UPE schools and they account for 69 percent of variance in performance. However, the findings also showed that funds disbursement has no significant effect on the UPE school performance. The study can help government through MoES to investigate why funds disbursement is not significant in predicting performance of UPE schools and identify other possible variables.

The study proposes the establishment of a department responsible for ensuring the appropriate involvement of all stakeholders to achieve regular monitoring and timely accountability practices since they affect school performance.

deliberately inflated by the head teacher in order to attract more capitation grant from government, (Ariko and Wasike, 2000). Similarly the Iganga District Executive engineer approved a ghost primary school, allegedly constructed under UPE programme, (IGG's report, 2004). The incidences of inflating school enrollment registers to get more funding lead to enormous wastage of finances and defeats the purposes of the budget as a control tool. This has led to poor financial and non financial performance. Financial performance proxied by budget performance and non financial performance proxied by test scores, teacher pupil ratios, pupil classroom ratios among others. This is manifested by reduced budgetary allocation to deserving schools and unfulfilled targets, (The *EastAfrican* March, 2011). There have also been delays in funds disbursement which results into negative implications on the budget and inconsistency in the funds disbursement returns because of poor accountability practices. The problems of erratic disbursement and back-loading of commitments are detrimental non financial performance of schools, (IFAPER, 2003). The mismatch between, school needs, timing, size, and predictability of disbursements has a negative impact on schools' operational efficiency to deliver quality education. Consequently, schools either resort to credit purchases, which increase costs, or postpone spending, (World Bank, 2005).

Similarly, the weaknesses in monitoring systems have contributed to incidences of unprofessional conduct of disclosure of false information that translates into a wide variation in quality. It further creates problems of contractors bribing technical staff to approve substandard or ghost work. For instance, at Butansi P/S gauge 30 of iron sheets was used instead of gauge 29, yet there is persistent shortages in infrastructure,

(ANPPCAN, 2010). Consequently, poor performance of UPE schools due to failure of utilizing the funds disbursed properly.

1.2 Statement of the problem

Since the introduction of Universal Primary Education in 1997, Uganda's education system has experienced an exponential growth. Nonetheless, reports have continued to point at the poor quality of educational performance indicators in the sector, (Munene, 2009; Kasirye, 2009; Nanyonjo, 2007; Nishimura, Yamano and Sasaoka, 2008).

Some stakeholders have attributed the poor performance to lack of effective monitoring systems which lead to unprofessional conduct of disclosure of false information that perpetuates wastage of resources on the part of the recipients and skepticism on the side of the Government. These affect the timely disbursement of funds to the schools. The UPE quality is still worrying given the existence of inadequate capacity of accountability by school management and limited transparency among stakeholders to fully illustrate the extent to which the resources accorded to the sector have contributed to its performance level in Mbarara district, (ANPPCAN, 2010).

1.3 Purpose of the study

The study seeks to establish the relationship between funds disbursement, monitoring, accountability and performance of UPE schools Mbarara district

1.4 Objectives of the study

To establish the relationship between funds disbursement and accountability.

To establish the relationship between monitoring and accountability of UPE schools in Mbarara district.

To establish the relationship between funds disbursement and performance of UPE schools in Mbarara district.

To establish the relationship between accountability and performance of UPE schools in Mbarara district

To establish the relationship between monitoring and performance of UPE schools in Mbarara District

1.5 Research Questions

What is the relationship between funds disbursement and accountability in Mbarara District?

What is the relationship between monitoring and accountability of UPE schools in Mbarara District?

Is there a relationship between funds disbursement and performance of UPE schools in Mbarara District?

Is there a relationship between accountability and performance of UPE schools in Mbarara district?

v. What is the relationship between monitoring and performance of UPE schools in Mbarara District?

1.6 Scope of the study

Geographical scope

The study was conducted from the selected schools in both urban and rural areas of Mbarara District.

Subject scope

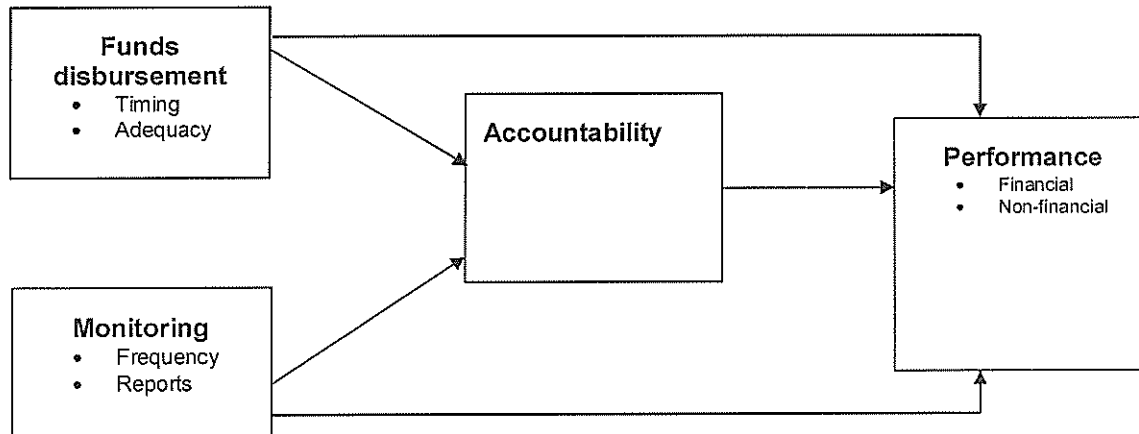
The study examines funds disbursement, monitoring, accountability and performance of UPE schools in Iganga district.

1.7 Significance of the study

The findings of the study may be of great value to educational research managers in the Government of Uganda Ministry of Finance Planning and Economic Development; Ministry of Education and Sports; and Government of Uganda Donor Development partners, to establish the most appropriate funds disbursement, monitoring, and accountability systems.

The findings of the study may be of great value to academicians and future researchers in literature review to enhance further research.

Figure1.1 Conceptual framework



Source: Self developed from literature of Baguma (et al. 2000), (Munene, 2009) and (Hanushek, 2003)

1.8 Conceptual framework

This conceptual framework is developed from the organizational improvement models of Hanushek, 2003 and Munene, 2009. It hypothesizes that with adequate and timely funding, proper monitoring and accountability systems, organizational performance is likely to significantly improve. According to Munene, 2009 effective and continuous monitoring of activities guarantee optimal utilization of resources through effective accountability while also ensuring effective sharing of correct and timely information and the identification and resolution of conflicts. The concept is pegged on the hypothesis that there is a relationship between educational inputs and outputs, that with greater resources to education in form of physical and virtual infrastructure, more quantity and quality output and hence more performance, (Hanushek, 2003).

1.9.1 The historical perspective of UPE policy in Uganda

The Ugandan education system in 1960s rose to supremacy in the whole of East and Central Africa due to the different changes that the then government effected, (Syngellakis and Arudo, 2006). Nonetheless, the system was marred with stark inequalities as quality education remained a preserve of a few elites and children of the kings and chiefs while majority of the poor were disposed to illiteracy or poor quality education. At independence (1962) and shortly thereafter, the first indigenous government proposed to change the education system with intent to make it relevant to the local community needs and equitable. This led to the institution of the Castle commission of 1963 with equality, opportunity to education for all people, expansion of girls' education and provision of adult education; as its pillars, (Government of Uganda, 1992). Many secondary schools and colleges were set up as a result but due to limited resources, the reforms were implemented at a slow pace.

Uganda's education suffered shortly after independence when the military junta overthrew the then government in early 70s disposing some of the achievements into disarray. Moreover, the economic war that followed compounded the education state as most of the aid was curtailed and most of educational collaborations also affected. The new government of 1986 made education its focus besides security and economic recovery. In order for the need to address the deficiencies in education in education system, the government appointed the education Policy Review commission (EPRC) headed by Professor Ssentenza Kajubi in 1987. The commission produced the government

White paper, (MoES, 1992), which adopted large number of recommendations aimed at improving quality, equity, accessibility and relevancy of education.

The most significant and radical recommendations was that government should provide free UPE by 2000. Among the tasks was to raise the enrolment especially at the primary level. This commitment was illustrated by the signing of the Jomtien declaration of the 1990, the institution of the education reform commission of 1991 and finally the inclusion of education as a universal human right in the 1995 constitution, (Nannyonjo, 2007).

The universal primary education (UPE) was launched in 1997 as a result of the afore mentioned reforms with government committing itself to pay for four (4) children at primary school level of whom two were meant to be girls. However, the policy of sponsoring four children per family was not enforceable as most of the families had on average more than that and moreover given the fact that not much in structural terms was in place to enforce the policy, government opened up and hence made primary education universal in the public schools for any school age going child in Uganda. Originally, according to the government white paper on education (1992), UPE was to be introduced on the pillars of offering free primary education, increasing enrolment, enforcing compulsory school attendance, ensure effective use of resources and provision of adequate educational facilities, instructional materials and qualified teachers. However, policy makers have been pre-occupied with growing enrolment with little focus on quality of output.

The UPE era has enabled Uganda to among other things narrow the gap between boys and girls attending school, increase in enrolment by close to a multiple of three in just a decade. These successes came with challenges of lack of adequate infrastructure and human resource to match the surge in enrolment. It is for this that education continues to attract the biggest share of the national budget (Kasirye, 2009). It is imperative to note that most of the reforms in Uganda's education have been expansionary-trying to increase enrolment and quantity of the available infrastructure. To date, in the face of the unprecedented expenditure towards education, many reports and studies, (Munene, 2009, Kasente, 2003; Kasirye, 2009; Nannyonjo, 2007) continue to point at the steady deterioration in Uganda's educational quality and hence productivity. To illustrate Kasirye, (2009) has reported a significant fall in literacy and numeracy levels especially at the primary subsector. Moreover this is reinforced by the unprecedented failure rates in the primary leaving examinations over the recent past. The fact that Uganda is a heavily indented poor country (World Bank, 2010), the cost of its debt is a significant competing factor for the would-be available resources for education.

To this end therefore, any expectation of further budgetary allocation to the education sector many be untenable. This therefore leaves the education stakeholders with virtually one option—to effectively maximise the use of the available resources in order to reverse the status quo. This can only be by re-channeling resources towards particular inputs that have been empirically proven to add more value to educational performance.

1.9.2 The disbursement of the UPE funds

The UPE funds are supposed to be disbursed strictly in accordance with Poverty Alleviation Fund (PAF) general guidelines issued by Ministry of Finance, Planning and Economic Development (MFPED), (2003) and UPE capitation grant and SFG guidelines issued by the Ministry of Education and Sports, (2003). The PAF general guidelines provide for the planning, disbursement, monitoring and accountability for the funds.

The budgeting for the UPE funds follows a structured bottom-up process. At the school level the budget is formulated by the school finance committee in conjunction with the head teacher and approved by the School management Committee. The various school budgets are consolidated into the sub-county /divisional UPE budget and then submitted to the district. The Local governments then submit budgets to MoES, for analysis and approval, (MFPED, 2003 and MoES, 2002).

The government through Ministry of Finance Planning and Economic Development releases funds to Local governments, who in turn release funds to schools according to approved work plans. The MoES reviews and approves work plans and accountabilities for the funds from Local governments before advising the MFPED to release the funds to local governments. The MoES has set a formula the basis on which funds are released to schools, (MoES, 2003).

In 1997-2002, schools received Ug. Shs.5,000 a year for each pupil between P.1-P.3 and Ug.shs.8,100 a year for P.4-P.7. However, from 2003 -2004 a new formula was developed. Each government aided school now receives a flat rate of Ug. Shs. 100,000 per month (for 9 month in a year out of the approved total national UPE capitation grant and then the balance is shared among the schools based on school enrolment.

1.9.3 Expenditure of the UPE funds by primary schools

The MoES, has issued guidelines, (MOES, 2006) stipulating eligible expenditures on which the UPE capitation grant and SFG can be made. It is perceived that adherence to the guidelines by schools will lead to the attainment of the stated objectives of the UPE funds. The eligible expenditures for the UPE capitation grant are as below:-

Extra instructional materials/ scholastic materials/ supplementary book or readers, teachers reference books, syllabi, lesson preparation books, ball pens, makers, teaching aids, slates, Chalks. Black boards, teachers tables and chairs, maps, wall charts, duplicating paper-35%. These materials are meant to supplement those that are procured by MoES, and sent to schools.

Co-curricular activities for example games, sports, music, dance& drama, art & craft and clubs-20%

Management of the school (registers, record books, wall clocks, stapling machines, file cover/folders, marks cards, cumulative cards, paper& ink, ledger books, vote book, banking books, stationery, work books, brooms, consumable items such as chalk, stationery, replacement of school furniture e.t.c)-15%

Administration (imprest, hire of transport, allowance official travel, electricity, water, telephones, posters, Head teachers' official travel, emergencies (sickness) etc. This will not exceed 10% of the total capitation releases.

Provided schools spend minimum amounts or some or all the expenditure categories specified above, they will have the discretion to keep some money for contingency expenditure (up to 20% of the total UPE capitation release). This contingency expenditure must be focused on items that improve teaching and learning for example instructional materials co-curricular activities etc and not on irrelevant expenditure like extra allowances to teachers or funeral services.

The eligible expenditure for School Facilities Grant to UPE schools is mainly infrastructure development.

1.9.4 Monitoring of UPE funds

The District Local Government are responsible for the monitoring the UPE implementation process in their respect districts regarding adherence to enrolments and utilizations of resources including funds, personnel and physical infrastructure. They are supposed to carry out regular inspections of UPE schools to ensure that government is getting value for money out of the exercise. The District Local governments are reinforced by MoES through the Directorate of Education Standards.

1.9.5 Accountability for UPE funds

The government has put in place mechanism for enforcing the proper use of funds. The first mechanism is that schools are supposed to submit financial accountability reports and the auditor general is supposed to carry out regular audits. The second mechanism relies on stakeholder participation in monitoring the utilization of funds so as to ensure that head teachers adhere to the guidelines. Financial accountability for the funds is carried out at 2 levels, the Local government level and School level. Local governments

are responsible for controlling the school Bank accounts, receiving UPE funds transfers from the central government, making and accounting for the UPE payment to schools under jurisdiction. The Local government then submits their accountability to MoES. At the school level UPE funds account is managed by the chairperson school management committee, and the head teacher. The head teacher must account for the funds to the Local governments.

In order to promote participation by the public in monitoring the utilization of the UPE funds, and to ensure that the local governments and school managements are accountable to the public, the government insists on publishing information regarding funds, (MoES, 2002).

The MoES must publish in public media the UPE funds transferred to each district as well as the formula applied on quarterly basis.

The Local government must publicly display on notice boards amounts received from the central government full list of schools receiving funds, budget request and up-dated enrolments.

Schools must display pupil enrolment and daily attendance by class. School budgets, UPE funds received from district against school enrolment, amount received as extra charge in case of municipality, which collects fees and a copy of school quarterly report to the District Education Officer/MoES.

The UPE guidelines spell out the roles of various stakeholders who include central government, Local governments, lower councils, parents, and SMC in monitoring the utilization and enforcing the accountability for UPE resources.

1.9.6 The roles of the Ministry of Education and Sports

The MOES is supposed to regularly visit the districts/municipalities to verify and assess compliance to UPE guidelines, progress of UPE implementation and provide support where necessary.

1.9.7 Performance of primary schools

As a result of the support given to the schools through the UPE funds, the UPE programme has been able to realize some objectives. The abolition of tuition fees has led to tremendous increase in the school enrolment. Accordingly the enrolment in primary schools rose from approximately 3.1 million to over 7.4 million pupils within just a decade (Uganda Bureau of Statistics, 2009). The programme has also to some extent succeeded in promoting equity. The number of girls and children with learning disabilities, accessing primary education has increased. However, most important to note is that the disbursement of funds to schools has not led to significant improvement in the quality of education being delivered under UPE. This is attributed to unsatisfactory accountability and lack of effective monitoring systems in use of UPE funds which lead to inefficiency and ineffectiveness of the budget. Studies conducted by Ministry of Education and Sports, (2010) revealed a number of deficiencies in the management of UPE funds, which includes:-

Delays by district in transferring the funds to schools, some districts do not transfer all funds to school accounts.

Amounts received do not tally with enrolments and failure to display releases and expenditure, over-invoicing or overstating purchases and purchasing of sub-standard goods, construction of sub-standard classroom and spending on ghost items like furniture, classrooms and teachers.

In a number of schools the School management are either non-operational or they are simply ignored by Head teachers. The School Management Committees are ineffective because most of them are functionally illiterate and have no knowledge of accounting or what is going on.

Since the School management Committee members are nominated by the head teachers they fail to perform their duties and become accountable to the head teacher.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents the definitions of the variables of the study. It further presents the relationship between funds disbursement, monitoring, accountability and performance as variables of the study.

2.1.1 Funds disbursement

This is the transfer of funds to the school at the beginning of the first term. Subsequent transfers for the first term are dependent on the submission of adequate returns on the actual enrollment for the school in the course of the term. For the second and third terms, based on the enrollment levels as established in the first term, funds are transferred to schools at the beginning of term. Efforts should, however, be made to confirm that these enrollment figures have not changed because of attrition (Armah-Attoh, 2005). Lawal (2002) opines that the government disburse funds in order to provide essential social services to the citizens. Budget allocations or funds may be allocated adequately when there is accountability or strong institutions, (Devarajan and Reinikka, 2002). In spite of the increase in public funds disbursement, developing countries still have very poor financial, infrastructural development and delivery of social services expected by the rural dwellers. This situation is not unconnected to the mismanagement and embezzlement of these funds by the officials of the local government councils (Lawal, 2002).

2.1.2 Monitoring

Monitoring means keeping track of the performance of a system, largely the use of performance indicators focused on outcomes (Gibbon, 2004). A performance indicator can be defined as an item of information collected at regular intervals to track the performance of a system (Gibbon, 2004). Monitoring is the regular observation and recording of activities taking place in a project or program and findings out whether the project activities are systematically progressing with in the stated objectives (Hanson, 2010).

The information gathered while monitoring is helpful in giving feedback to the respective stakeholders of the project for the decision making. Monitoring helps to keep truck the work on track and lets management informed of what is going on wrong.

Monitoring provides a useful tool for evaluation of projects when done according to the stated objectives and enables management to determine whether the resources available are sufficient and being well utilized to capacity, (Chris, 2010).

2.1.3 Accountability

Ackerman (2005) describes accountability as a pro-active process by which public officials inform about and justify their plans of action, their behavior and results, and are sanctioned accordingly. Accountability requires that public servants have clear responsibilities and are held answerable in exercising those responsibilities, and if they do not, face predetermined sanctions.

Accountability is the liability one assumes for ensuring that an obligation to perform- a responsibility –is fulfilled (Frost, 2000). Accountability is therefore a requirement to answer for what the agent has accomplished or not the principal as answers are of significance and value for decision making (Hanson, 2010). Kaplan (2009) explains three different forms of accountability as physical, technical and financial accountability. Accountability refers to the obligations of those in authority to report to stakeholders on whose behalf they exercise such authority, for the discharge of the responsibility entrusted to them, (Evennet, 2010). The systems of accountability requires adherence to laws, regulations and codes of conduct, (Herman, 2010).

2.1.4 Performance

This was assessed using the financial and non-financial measures (Lau and Elsevier, 2009). The financial was determined by the timing and adequacy of funds disbursed in line with budget utilization while non-financial was measured by extent to which schools spend in line with approved guidelines to establish school facilities like classrooms, furniture and textbook.

2.2 The relationship between funds disbursement and accountability

According to Nwadiani and Igbineweka, (2005) there is a strong relationship between funds disbursement and accountability systems. Public expenditure is channeled through government departments which are authorized to budget and spend money in the provisions of public utilities, (Esser, 2010). The weak aspect of financial reporting that occurs on funds disbursement alters spending pattern to the optimal pattern given by their needs thus generating inefficiencies, (World Bank, 2005). The systems where resources

are properly managed, substantial benefit accrue to schools by way of high productivity and reduced wastage, (Nwadiani and Igbineweka, 2005).

The information flow both down to schools as well as from bottom up in order to keep accountability relationship between different actors involved must be in place, (The Cambodian Corruption Assessment Report USAID, 2004). Public entities that utilize public resources for public service delivery can only be coerced to account for the resources allocated, used and spent through monitoring by external agencies (Mullins, 2010). Gautam (2009) describes the ways used by public agencies in overseeing the use of public funds as involving the total adherence to internal controls as measures put in place to limit the potential risk of fraud and mismanagement of finances. The systems where resources are properly managed, substantial benefit accrue to schools by way of high productivity and reduced wastage. Methods and sources of research funds can be expected to affect the incentives for the particular types of work (Huffman and Just, 2000). Poor academic performance in most primary schools seems to have reached an epitome in the wake of the alleged inconsistencies in funds disbursement due to inadequate monitoring, (World Bank, 2005).

2.3 The relationship between monitoring and accountability

The dimensions of service monitoring tools have positive relationship with accountability (U.S General Accounting Office and Van Slyke 2003). Government agencies frequently lack the capacity to adequately monitor the performance of contractors hence the greatest disadvantage with contracting experienced by government officials (Brown and Potoski

2006). This is also in agreement with Ferrer, (2009) that there is a link between monitoring and accountability by stressing that contractor accountability is ensured when the poor people decide whether the service was delivered as contracted to guarantee payments to the contractor. Dubnik, (2010) explains various modes of enforcing financial accountability using sources of control which are either internal or external and degree of control being tight or loose. Regular measuring and monitoring the achievement of results should provide information to government which enables it to improve decision making at every level, and identify actions which enhance the impact, effectiveness, efficiency and economy of public sector programmes, (Williamson, 2003).

Unless there is a mechanism by which clients can monitor and discipline the providers (that is, the short-route of accountability is working), the result is that teachers are absent, and primary education suffers, (Ayako, 2006). The problem is that in many poor countries the legal and financial institutions are weak and among the most corrupt, (Reinikka and Svensson, 2005). The degree of control involves putting up cash limits which a given department should spend above which the head quarter approves on behalf of a department and all this is aimed at minimizing fraud, corruption and abuse of public for the private gain (Raples, 2009). The accounting regulators clearly link the concepts of control and accountability and view control as the appropriate criterion for determining the components of the whole-of-government entity for the purposes of providing useful financial information. Jamil, (2010) notes that external mechanism for enforcing accountability in public places include legislative of the parliament probing into the use

of funds, control of political executives over public agencies, public hearings , interest groups, opinion polls and the use of media.

2.4 The relationship between funds disbursement and performance

Smith and Street (2006), after analysing efficiency in secondary schools concluded that higher funding per pupil had a significant impact on the quality of education and hence productivity. Similarly, Cassen and Kingdon, (2007) in their study of tackling low education achievement in the United Kingdom, agree to the fact that more funds per pupil significantly aid educational achievement. This is reinforced by the Charles A. Dana Centre (2000), in Texas who found that level one districts(with higher educational expenditure) had better educational performance than level two and three districts (with lower per pupil expenditure). Funds are disbursed as per budgets and these entail value for money as work which is due for payment is paid for and reconciled with the budgets in case of deficits, (Kaplan, 2010). The unavailability of funds in the required amount and at the right time creates uncertainty in planning, disrupts school operation and greatly increases cost of education. Some scholars view it as a problem of poor management of available resources because of existing dysfunctional school resource management policies and structures (Ikoya, 2000).

Indeed, several empirical and related studies (Ejiogu, 2001; Yoloeye, 2000), appear to show that non-availability of physical facilities in many schools may not necessarily be due to inadequate fund, but inefficient management of available funds. The contracts awarded for the provision and management of schools facilities are done without proper

planning. Ogunsaju (2000) and Ehiamezor (2005) report that many contracts are awarded to non-professionals who lacked fundamental knowledge of quality education materials. Disbursement, use and monitoring of funds should be improved by streamlining the procedure and providing guidelines for developing, processing and management of production (Kisauzi and Sengooba, 2003). Interruptions in research activities have been linked to the funds disbursement mechanisms amongst other causes (Kisauzi and Sengooba, 2003). Cybulski *et al.*, (2005), stresses that many state school funding programmes must be under legal scrutiny to ensure accountability for improved management techniques, both structurally and in policies to enhance efficient and effective utilization of resources. As financial constrain tighten, the funding that is available must be used with the greatest care. Financial management systems in developing countries have been badly neglected, unless these are improved, scarce resources will be wasted and the accountability of institutions will be subjected to questions, (World Bank, 2005).

2.5 The relationship between accountability and performance

According to Frost, (2000) there is a strong relationship between accountability and service delivery. This is because accountability improves service delivery- the goal of accountability is to improve performance, not to place blame and deliver punishments.

Systems of budget reporting have been established with the accounting for public expenditures, and the provision of information on performance for use by implementers, managers and politicians (Williamson, 2003). The mismanagement and embezzlement of funds by the officials of the local government councils has contributed to poor financial

performance, (Lawal, 2002). Shan (2002) argues that for accountability to be effective, action should be taken upon institutions, which render inadequate accountability. There may be a functioning electoral system, but due to information asymmetries or social polarization, the outcomes may still be biased against the poor (Keefer and Khemani 2005).

Nzabona, (2009) sights an example of contracts and financial accountability in Rwanda where the local community has the authority to verify work done before payments are effected on every phase completed. This has ensured quality work done and reduced *Ghost contractors. The wide range of cost estimates itself hints at an insufficient level of accountability in these programs, while also provoking the important question of what society is receiving as a return on its substantial investment in special education. Effective accountability to Parliament requires that public servants support their minister through their actions, advice and information (Segsworth, 2003). Effective and useful accountability measures must be unambiguous, either monotonically increasing or decreasing measures of either costs or benefits; i.e., we all agree whether we want more or less of whatever it is and be linked to indicators of quality. To ensure accountability, the compliance model requires that every step of the education process be thoroughly documented, (Hendricks, 2007). Formulators and overseers of policy are “principals” who delegate the task of actual implementation of policy to subordinates, or “agents.” Principals and their agents are assumed to have more or less diverse, even divergent preferences and goals for policy implementation. At the extreme, some rational-choice theorists contend that agents will tend to “shirk” the implementation work, “subvert” the

policy goals of their principals in order to further the agents' own purposes, and even "steal" whatever program resources they can. To solve this "agency problem," the designers and overseers of policy need to operate an accountability system that will mitigate the supposed tendency of subordinates to shirk, subvert, and steal. The "agency problem" is essentially an accountability problem (Williamson, 2000). The operators who actually deliver services to people might not do so in the proper way if left to their own devices, we must design a system to compel their proper behavior or force them to account for improper behavior, (Wolf and Hassel, 2000). Although both agency and stewardship theories offer a lens for understanding accountability, they are based on fundamentally different assumptions about human behavior. Hendricks (2007) has pointed out ultimately, if one wishes to complete the performance information loop completely, one must not only demonstrate good results, but also that they are the result of what we are doing. Accountability measures are an attempt to assert more direct public control over education. They are primarily concerned with resource allocation and fiscal efficiency. While it is completely appropriate for those who pay the bills--taxpayers, parents, and students to evaluate critically what they get for their money from public education.

2.6 The relationship between monitoring and performance

Smith and Lipsky, (2006) stresses that a number of formal monitoring strategies are linked to overseeing the actions of schools and evaluating the quality of services they deliver. Worthy noting is that external monitoring and evaluation done on projects by external technical personnel like engineers and accountants ensure that funds are used as

per the stated objectives, (Neter, 2010). These include, but are not limited to, collocating public staff at office, using program staff to conduct performance audits, relying on financial audits conducted by the Comptroller's office, contacting providers on a consistent basis, performing site visits on capital projects, requiring quarterly reports such as the Consolidated Fiscal Report, enforcing corrective action plans from providers placed on probation for performance or compliance issues, mandating client surveys as an evaluation tool for demonstrating contractor performance and service quality, reviewing a provider's diagnosis and recommended treatment plans for clients, and relying on feedback from caseworkers in the field and other providers. Frequent contact, feedback, and periodic reporting would also be consistent with techniques suggested by stewardship theory for achieving goal congruence, (Van Slyke, 2003). Monitoring provides decision-makers with timely information on a program's progress, often against set goals or benchmarks. In this context, it is in the best interest of a government agency for the data on a service monitoring tool to be accurate, timely, and complete because this will enhance its ability. In a simple game theoretic model, unless there is public monitoring, impatient governments will be tempted to override or outmaneuver the procedures and create surprise inflation to boost output, (Hanson, 2010).

According to agency theory, agents are motivated by personal goals and focus on extrinsic tangible rewards, which have a measurable market value. Similar to transaction cost theory (Williamson, 2000), agency theory views agents and principals as utility maximizers and assumes that actors have bounded rationality and can act opportunistically, (Barney and Eisenhardt 2008). Opportunism refers to "a lack of candor

or honesty in transaction, to include self-interest with guile" (Williamson 2000). Problems can arise with principal-agent relationships when the goals of the principal and agent conflict and when it is difficult and costly for the principal to monitor the activities of the agent, (Eisenhardt 2008).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The section presents the research methodology used to investigate the relationship between funds disbursement, monitoring, accountability and performance of UPE schools in Iganga district. It describes the research design, area of study and targeted population, research questions, sample characteristics, data collection procedures, administration of research instruments and measures. It further discusses the statistical analysis used in the study.

3.2 Research design

The research study was basically based on cross sectional involving a descriptive design. The data was collected at a point in time. The descriptive approach, correlation and regression was used describe and analyze the relationship between funds disbursement, monitoring, accountability and performance of UPE schools in Iganga district.

3.3 Population size

The population composed of 160 UPE schools both urban and rural schools in Iganga district registered by Ministry of Education and Sports, DEO office Iganga, 2011.

3.4 Sampling and procedure

A sample of 113 UPE schools was determined based on Krejcie and Morgan (1970). Purposively the head teachers, deputy head teachers or member of SMCs was selected

from either urban or rural UPE schools because it gave respondents chance to freely give answers to questions at their convenience.

3.5 Data sources

Data was collected from primary sources

- **Primary data**

Primary data was obtained from respondents using self administered questionnaires served to 113 UPE schools in Iganga district.

3.6 Data collection instruments

- **Questionnaire**

Close ended and self administered structured questionnaire were developed out of literature review of the independent and dependent variables funds disbursement, monitoring, accountability and performance. A structured questionnaire consisting of three distinctive but related sections was designed for this investigation. The first part consisted of demographic profile of the respondents; the second part covered the construct of funds disbursement, monitoring, accountability, and performance.

3.7 Measure of Research Variables

Funds disbursement was measured by funds adequacy and timely disclosure of information on public funds, (AFR, 2008 and Milano, 2009).

Accountability was measured by existence of timely and acceptable funds disbursement returns, existence of the budget and minutes of SMC meetings, and transparency by displaying funds received to stakeholders, (Troika, 2004).

Monitoring was measured basing on monitoring framework, review of performance against the set plan and whether monitoring of school activities by management is satisfactory, (Poll, 2006).

Performance was determined in financial and non-financial terms. Financial performance shall be measured by the proportion of actual expenditure/revenue over the budgeted. On the other hand the non financial performance was measured by pupil classroom ratios and test scores, (Lau and Elsevier, 2009)

3.8 Reliability

The research instrument was reviewed in harmony with the guidelines specified by Sekaran, (2000) and pre-tested to check for reliability so as to minimize on ambiguity of the results generated.

Table 1: Reliability and validity table

Variable	Anchor	Cronbach alpha
Funds disbursement	6 Point	.859
Accountability	6 Point	.934
Monitoring	6 Point	.909
Performance	6 Point	.929

For reliability, the researcher used Cronbach coefficient Alpha test to be sure of the internal consistence of the scales used to measure study variables. The Cronbach Alpha is above 0.5, indicating that the research instrument was worth taking to the field.

3.9 Data Analysis

Data was analysed statistically using Microsoft excel and Statistical package for social scientists (SPSS) version 10 following the guidelines of Sekaran, (2000). The results of that analysis were presented in form of tables, graphs for interpretation. Funds disbursement, monitoring, accountability and performance data was transferred to SPSS to ascertain relationship.

Model summary was performed to group the variables and predict their effect on financial and non financial performance in Iganga district. This process helped to identify the underlying factors leading to performance of schools.

Pearson correlation analysis was used to determine the relationship between funds disbursement, monitoring, accountability and performance of UPE schools. Regression analysis was used to determine the relationship and impact of funds disbursement, monitoring, accountability to performance of UPE schools in Iganga district.

3.10 Limitations of the study

It is worthy to note that the study sample has a geographical limitation as the data used was collected only from Iganga district and on relatively small sample. Also, the sample might be biased towards those who belong to low income class compared to others. The study was also limited by resources and time.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS

4.1 Introduction

This chapter presents and explains results from the survey data. The variables analyzed were funds disbursement, monitoring, accountability and performance of UPE schools.

The chapter presents descriptive analysis, factor analysis showing the most important factors of the study variables, correlation analysis and regression analysis ascertaining the relationship of the study variables.

4.2 Descriptive statistics

4.2.1 Gender

Sex was used to establish level of gender balance in the management of school it is assumed that more risk cautions than men.

Table 2: Sex of respondent

Sex of respondent					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	50	61.7	61.7	61.7
	Female	31	38.3	38.3	100.0
	Total	81	100.0	100.0	

Source: primary data

Table 2 reveals that most head teachers and members of SCM in Iganga are men being represented by 61.7% of the respondents and 38.3% were women. This means gender imbalance because it is basically skewed towards men.

4.2.2 Level of Education

The education level was used to establish the respondents' level of competence and the results are shown in table 3 below.

Table 3 Level of education

Level of education					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	O level	1	1.2	1.2	1.2
	A level	1	1.2	1.2	2.5
	Diploma	32	39.5	39.5	42.0
	Degree	44	54.3	54.3	96.3
	Post graduate	3	3.7	3.7	100.0
	Total	81	100.0	100.0	

Source: primary data

Table 3 indicates that majority of the respondents had a bachelors degree (54.3%). This is followed by respondents with diplomas (39.5%). Thus since majority of respondents had at least a diploma this implied that they were knowledgeable enough and understand what they are doing.

4.2.3 Location of school

The location of the school could be used to establish the frequency of inspections by the district officials. Table 4 below shows the results.

Table 4 Location of school

Location of school					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Urban	9	11.1	11.1	11.1
	Rural	72	88.9	88.9	100.0
	Total	81	100.0	100.0	

Source: primary data

Table 4 shows that most schools of Iganga district are rural based. This comprises of 88.9% as compared to 11.1% in the urban. This means few inspections by the district officials because of the related transport costs being relatively high. This could explain the poor performance of most schools.

Title of the respondent

Title of respondents could help to determine management activities in line with funds disbursement, monitoring, accountability and performance of schools.

Table 5 Title of the respondent

Title of the respondent					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Head teacher	50	61.7	61.7	61.7
	Deputy head teacher	27	33.3	33.3	95.1
	School management	1	1.2	1.2	96.3
	Teacher	3	3.7	3.7	100.0
	Total	81	100.0	100.0	

Source: primary data

Table 5 reveals that most respondents interviewed at schools were head teachers represented by 61.7% and deputy head teachers represented by 33.3%.

Founder of school

Founder of schools was used to establish the respondents' level of monitoring of performance.

Table 6 Founder of school

Founder of school					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	C.O.U	49	60.5	60.5	60.5
	Catholic foundation	14	17.3	17.3	77.8
	Government	6	7.4	7.4	85.2
	Moslem	12	14.8	14.8	100.0
	Total	81	100.0	100.0	

Source: primary data

Table 6 indicates that most schools in Iganga district are under the founder body of Church of Uganda represented by 60.5%

Grade of the school

The grade of school dictates number of enrolments, funds disbursed and level of monitoring.

Table 7 Grade of the school

Grade of the school					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Grade 1	46	56.8	56.8	56.8
	Grade 2	21	25.9	25.9	82.7
	Grade 3	10	12.3	12.3	95.1
	Grade 4	4	4.9	4.9	100.0
	Total	81	100.0	100.0	

Source: primary data

Table 7 shows that most schools in Iganga district are grade one represented by 51.8%.

This implied that most schools have high enrolment.

Number of Teachers

This could be used to determine pupil teacher ratio which is derived by dividing the total number of pupils enrolled in public primary schools by the number of available teachers.

Table 8 Number of teachers

Number of teachers					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-10 teachers	13	16.0	16.0	16.0
	11-20 teachers	65	80.2	80.2	96.3
	21-30 teachers	3	3.7	3.7	100.0
	Total	81	100.0	100.0	

Source: primary data

Table 8 indicates that most schools have 11-20 teachers comprising of 80.2%. If compared with table 9 the pupil teacher ratio is 1-99. This implies that the pupil teacher

ratio is high(1-99) in most schools stretching the education system from teachers, facilities like text books, pit latrines, furniture and instructional materials as quality indicators hence ignoring school climate, (Munene, 2009).

Enrollment

This could help to establish the performance of schools in financial and non financial terms.

Table 9 Number of children

Number of children					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-999	48	59.3	59.3	59.3
	1000-1999	32	39.5	39.5	98.8
	2000-2999	1	1.2	1.2	100.0
	Total	81	100.0	100.0	

Source: primary data

Table 9 indicates that schools in Iganga district that have a population ranging from 1000-1999 pupils are represented by 39.5% and 59.3% represents schools of pupils between 0-999. This is relatively high compared to the school facilities. It implies that most schools resort to stretching pupils in one classroom hence a poor learning environment with less committed teachers. This is reinforced by teachers' strikes recently experienced because of poor remuneration hence low level of performance.

Number of classrooms

The number of classrooms was used to determine whether the environment in which pupils learn is attractive. This is used to determine the pupil classroom ratio by dividing the total number of pupils enrolled in public primary schools by the number of available classrooms. This could be used to establish the pressure exerted to the school facilities.

Table 10 Number of classrooms

Number of classrooms					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-10	46	56.8	56.8	56.8
	11-20	34	42.0	42.0	98.8
	21-30	1	1.2	1.2	100.0
	Total	81	100.0	100.0	

Source: primary data

Table 10 indicates the most schools in Iganga district represented by 56.8% and 42% respectively have the least number of classrooms. This implies two consequences. The first is putting pressure on the teacher leading to high levels of teachers stress. The second is pressure exerted on materials resources leading to breakages. To this end, some pupils study in open places that are susceptible to effects of weather changes and hence could impact performance.

4.3 Model summary

The model summary was used to group all the predictors and they were analyzed to establish their effect on the performance of UPE schools in Iganga district. These were grouped in four categories as shown in the table 11 below:-

Table 11 Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.306 ^a	.094	-.021	.86531
2	.608 ^b	.370	.280	.72674
3	.735 ^c	.539	.466	.62571
4	.876 ^d	.768	.727	.44760
A. Predictors: (Constant), founder of school, number of children, sex of respondent, title of the respondent, number of teachers, location of school, level of education, number of classrooms, grade of the school				
B. Predictors: (Constant), founder of school, number of children, sex of respondent, title of the respondent, number of teachers, location of school, level of education, number of classrooms, grade of the school, funds disbursement				
C. Predictors: (Constant), founder of school, number of children, sex of respondent, title of the respondent, number of teachers, location of school, level of education, number of classrooms, grade of the school, funds disbursement, accountability				
D. Predictors: (Constant), founder of school, number of children, sex of respondent, title of the respondent, number of teachers, location of school, level of education, number of classrooms, grade of the school, funds disbursement, accountability, monitoring				

Source: Primary data

The predictors founder of school, number of children, sex of respondent, title of the respondent, number of teachers, location of school, level of education, number of classrooms, and grade of the school showed -2.1% of the variance in performance.

28% of the variance in the performance can be predicted by a combination of founder of school, number of children, sex of respondent, title of the respondent, number of teachers, location of school, level of education, number of classrooms, grade of the school, and funds disbursement

46.6% of the variance in the performance can be predicted by founder of school, number of children, sex of respondent, title of the respondent, number of teachers, location of school, level of education, number of classrooms, grade of the school, funds disbursement and accountability

72.7% of the variance in the performance can be predicted by founder of school, number of children, sex of respondent, title of the respondent, number of teachers, location of school, level of education, number of classrooms, grade of the school, funds disbursement, accountability and monitoring.

In conclusion therefore, a combination of all variables above contribute significantly on performance of UPE schools by 72.7%

4.4 Correlation Analysis

Pearson Correlation coefficient was used to determine the degree of relationship between funds disbursement, monitoring, accountability and performance of UPE schools in

Iganga district. The relationship was established by running independent variables against the dependent variable that is funds disbursement, monitoring and accountability against performance of UPE schools in Iganga district as shown below in table 12

Table 12 Pearson correlation Coefficient

	1	2	3	4
Funds disbursement	1.000			
Accountability	.644**			
		1.000		
Monitoring	.716**	.674**		
			1.000	
Perceived Performance	.557**	.662**	.819**	1.000
**. Correlation is significant at the 0.01 level (2-tailed).				
*.Correlation is significant at the 0.05 level (2-tailed).				

Source: primary data

4.4.1 Objective One: Relationship between funds disbursement and accountability.

Table 12 above reveals that there was a positive and significant relationship between funds disbursement and accountability in UPE schools ($r = 0.644^{**}$, $p\text{-value} < 0.01$).

This means that, the more effective the financial reporting system occurs on funds disbursement, the better the levels of spending pattern to the optimal level amongst schools. This implies that where resources are properly managed, substantial benefit accrue to schools by way of high performance and reduced wastage and on the other hand where there is poor management of resources then low performance occurs, (Igbineweka, 2005).

4.4.2 Objective Two: Relationship between monitoring and accountability.

Table 12 above reveals that there is positive and significant relationship between monitoring and accountability in UPE schools ($r = 0.674^{**}$, $P \leq 0.01$). There was also a more positive significant relationship between funds disbursement and monitoring in UPE schools ($r = 0.716^{**}$, $p\text{-value} < 0.01$). This implies that regular monitoring of schools ensures adequate and timing accountability to help government to improve decision making at every level and hence better performance. It also implies that with effective monitoring of schools, schools could attain adequate and timely funds disbursement.

4.4.3 Objective Three: Relationship between funds disbursement and performance

Table 12 above reveals that there is a relationship between funds disbursement and performance of UPE schools ($r = 0.557^{**}$, $p\text{-value} < 0.01$). This implies that the timeliness and adequacy of funding could affect the quality of education. The unavailability of funds in the required amount and at the right time creates uncertainty in planning, disrupts school operation and greatly increases cost of education.

4.4.4 Objective Four: Relationship between accountability and performance

Table 12 above reveals that there is a significant and positive relationship between accountability and performance of UPE schools ($r = 0.662^{**}$, $p\text{-value} < 0.01$). This implied that as schools correctly and timely become accountable for funds received to the stakeholders in schools, benefits of increase in financial and non financial performance are attained.

4.4.5 Objective Five: Relationship between monitoring and performance

Table 12 above reveals that the most positive and significant relationship is between monitoring and performance of UPE schools in Iganga ($r = 0.819^{**}$, $p\text{-value} < 0.01$). This implies that regular external monitoring in evaluation provides decision makers with timely information on a program's progress which enhance performance of schools. All stakeholders in the running of the school honor their obligations.

4.5 Regression Analysis

Regression analysis revealed the extent to which funds disbursement, monitoring and accountability predicted the performance of UPE schools as shown in the table 13 below

Table 13 Regression Analysis of funds disbursement, monitoring, accountability and performance of UPE schools in Iganga district.

Coefficients ^a							Rsq	Adjusted R Square	F
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.			
		B	Std. Error	Beta			.701	.690	60.318
1	(Constant)	.143	.302		.476	.636			
	Funds disbursement	-.150	.099	-.142	-1.510	.135			
	Accountability	.340	.124	.244	2.750	.007			
	Monitoring	.680	.088	.756	7.772	.000			
A. Dependent Variable: performance									

Source: primary data

The results in the regression analysis table 13 revealed that a combination of predictor variables funds disbursement, monitoring, and accountability explained on average up to 69% variations in performance of UPE schools, (Adjusted R Square =0.690) implying that other than monitoring and accountability, there are other factors affecting performance of UPE schools. However, the study revealed that monitoring and accountability were the only significant predictors of performance of UPE schools, (Beta = 0.756, Sig. = 0.000, and Beta = 0.244, Sig. =0.007). This means that a change in monitoring and accountability leads to 0.756 and 0.244 positive changes in performance of UPE schools. However, funds disbursement (Beta = -0.142, Sig. = 0.135), showed no significant effect on performance of UPE schools. It implied that, there was no relationship between funds disbursement and performance. In general, the regression model fit was significant as observed from the level of significance ($F = 60.318$, Sig. =0.000). This implies that, if UPE school performance is to improve by 10,000units, 6,900 is a result of monitoring and accountability.

CHAPTER FIVE

DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The chapter presents the discussion, conclusion and recommendation arising out of the findings observed and inferred from the data presented in chapter four in respect to the objectives of the study and review of related literature. It also has the suggested areas for further study. The study has generated findings several of which are in line with the existing literature and previous research findings.

5.2 Discussion of Study Findings

5.2.1 Objective One: Relationship between funds disbursement and accountability of UPE schools in Iganga district.

Basing on the different constructs that explained funds disbursement namely timing and adequacy, the results confirm that untimely funds returns by head teachers and transparency affect the performance of UPE schools in Iganga district. The findings support the model by Mario Claasen, (2010), in which performance is affected by accountability practices.

According to Francis Lubanga, Permanent Secretary MoES, many schools missed out government funds due to non-compliance and failure to submit accountability returns timely, (Daily Monitor, 12, 2010). Corrupt tendencies are manifested in the following ways: misappropriation of funds, deliberate delays in release of funds to the final beneficiaries, and short-changing by people in authority, (Sandra Zwart, 2003).

The findings are in agreement with Ministry of Education and Sports that, lack of timely accountability for funds disbursed by MoES to schools and non-compliance are factors contributing to poor financial and non financial performance of UPE schools. Thus, schools that have proper accountability and timely submit their returns are more likely to receive their release from the Ministry adequately and timely.

5.2.2 Objective Two: Relationship between monitoring and accountability of UPE schools in Iganga district.

The general findings show a positive and significant relationship between monitoring and accountability. All the different constructs of monitoring affect the constructs of accountability and the constructs of accountability are positively correlated to performance of UPE schools. The study confirmed that monitoring was the strongest predictor of performance through the regression analysis.

The regression analysis test established significant positive relationships between monitoring and accountability with performance of schools. This is supported by Ferrer, (2009), that there is a positive relationship between monitoring and accountability by stressing that service providers' accountability is ensured when there is monitoring by the poor people whether service was delivered as contracted to guarantee payments to them. If there is regular monitoring of public projects it ensures that workers adhere to better accountability practices which are crucial while reporting to stakeholders, (Sharif *et al*, 2010). The study confirmed that, schools having an effective monitoring system experience better accountability. It implies that, schools to utilize public resources for

better service delivery there is need to coerce them to account for the resources allocated to them through monitoring by external agencies, (Mullins, 2010).

5.2.3 Objective Three: Relationship between funds disbursement and performance of UPE schools in Iganga district.

In this study, funds disbursement showed no significant effect on performance of schools. It is imperative to note that, funds disbursement is insignificant and with a negative relationship at (Beta= -0.142, Sig.= 0.135). This could possibly be due to the related literature of alleged corruption that has been reported in the dispensation of UPE programme. This implies that even when funds disbursement is increased it leaks through ways unrelated to performance. For instance, recently the head of state, (Museveni, 2009) commissioned an inquiry into the probable abuse of UPE funds and interim findings are said to be positive. It could therefore be the case that if corruption especially in education funding is reduced, then there is a likelihood of a significant positive relationship other things constant.

These findings are in agreement with some of the past empirical studies like those done by Subotnik and Walberg (2006), Coleman *et al*, (1966) and Boulding, (1972), who assert that even when United States significantly increased her funding over the four decades (1930-1970) educational performance did not improve earlier as thought. Moreover, a similar view was also held by Hanushek and Luque, (2003) Rivkin, Hanushek and Kain (2005) and partly by Levacic *et al*, (2005) who either found funds disbursement not related to performance of schools as expected or they found it to be

inconsistent depending on subjects investigated, Nannjonjo, (2007) and Kasirye (2009) who found that funds disbursement very weak in explaining performance of schools. Conversely, these results contradict the findings of Smith and Street, (2006); Wilby, (1983) who indicate a significant positive relationship between funding and educational performance.

5.2.4 Objective Four: Relationship between accountability and performance of UPE schools in Iganga district

The findings show a positive significant relationship between accountability and performance of UPE schools. This is in line with Frost, (2000), who found out that there is a strong positive relationship between accountability and service delivery. This is because the goal of accountability is to improve performance. According to Keefer and Khemani (2005) and Williamson (2003), agree that performance is increased through solving agency problem by being more accountable to mitigate the tendency of subordinates to shirk, subvert and steal.

Nzabona, (2010) sights an example of contracts and financial accountability in Rwanda where the local community has the authority to verify work done before payments to contractors are effected on every phase. This has ensured quality work done and reduced*Ghost contractors*. This in line with Hezel, 2010 that delegations of the community to choose resources and purchase technical assistance from any service provider rather than government itself ensures professional conduct by setting limits and reducing subsidies overtime it increase performance.

The study established a significant positive relationship between accountability and performance of UPE schools. The relationship is further confirmed in the regression analysis with monitoring and accountability established as a significant predictor of performance of schools.

This implies that schools where there is effective accountability for instance timely and correct submission of quarterly returns to MoES in a transparent manner that involves all stakeholders like SMCs, PTA and the local community participation, the better the level of performance attained.

This is in agreement with Munene, (2009), that an important policy about community readiness and participation in accountability issues cannot be taken for granted. The central government and local governments need to mount campaigns of awareness and relevance of accountability in UPE schools performance. The inadequate capacity by school management to be accountable cause mistrust in the community hence poor performance in most UPE schools.

5.2.5 Objective Five: Relationship between monitoring and performance of UPE schools in Mbarara District.

The findings showed the most significant positive relationship between monitoring and performance. The construct of monitoring namely frequency of inspections and reports positively correlated to performance of UPE schools. The study confirmed that

monitoring was the strongest predictor of financial and non financial performance of UPE schools in Iganga district.

The results of the study according to Smith and Lipsky, (2006) shows that, a number of formal monitoring strategies are related to overseeing the actions of schools and evaluating the quality of services they deliver. That monitoring provides decision makers with timely information on a program's progress, often against set goals or benchmarks. This would enhance the ability of increasing performance in schools, (Van Slyke, 2003).

The study is in agreement with that of Roudel, (2010) who indicate that public hospitals in New York instituted cameras for monitoring the performance of workers to find out whether they complied and followed internal controls in place. This policy reduced cases of negligence by nurses in labour wards and the rate of abnormal deliveries by women from 4% to 1% hence increasing efficiency and effectiveness of service delivery.

Findings of this study are also in line with Ayako, (2006), that unless there is a mechanism by which clients can monitor and discipline the providers (that is, the short-route of accountability is working), the results is that teachers will be absent and primary education suffers.

The regression analysis model established monitoring as the most significant predictor of UPE schools performance in Iganga district. This is supported by Munene, (2009) that, to enhance monitoring of UPE programmes the SMCs be elected by the community under

However, the findings of the study showed that funds disbursement is not related to performance of UPE schools. Thus, an indicator that much of the expenditure could have been invested in capital goods like school buildings, textbooks and teacher development; all of which take time to yield benefits in form of an increase in performance of schools. Also it could be argued that relative to what other countries spend, the Uganda appropriation, though thought to be significantly increased, may still be insignificant to cause a fundamental change in educational performance. This is also aggravated by the rampant corruption in Uganda which leaks on the allocated funds to the education sector. The study therefore, suggest that there need to strengthen monitoring and accountability because UPE performance is dependent on positive monitoring and accountability.

5.4 Recommendations

Basing on the study findings, the following recommendations are suggested:

The findings serve as inputs to government on how they should formulate and implement relevant UPE policy and strategies towards addressing the nonchalant monitoring and accountability of UPE schools in Uganda.

There is need to find out other factors affecting the performance of UPE schools in Iganga district given that monitoring and accountability explain on average 69% of the variations in their performance.

There is need for government of Uganda to further investigate why funds disbursement is not significant in predicting performance of UPE schools or better still review the monitoring and accountability practices as a cause of unsatisfactory performance.

This research showed that funds disbursement has no significant effect on performance of UPE schools in Iganga district. However, the insignificant relationship between funds disbursement and performance could be a wakeup to government and stakeholders to refocus their interventions aimed at adding value to performance through monitoring and transparent accountability practices. Moreover, this is reinforced by the fact that the International development partners have always advised government to shift from in-put looking to quality output by enhancing measures for the educational improvement.

Therefore, this implies that instead of government and donors staking billions of shillings in form of funding to improve education, issues of monitoring, accountability by school management, quality of teachers, quality of teaching, quality of assessment, harmonization of educational programmes and community participation in UPE school activities need to be incorporated in the performance model.

It is imperative to note that the insignificant relationship found by the research between funds disbursement and performance of UPE schools does not suggest to policy makers to cut funding to schools. Rather, it is an indication that the funds are not being effectively used or even that many coperant factors to school performance remain unexplored.

There is need to reinforces the importance of recruiting more qualified teachers in especially the hard-to-reach districts where the pupil teacher ratios are high. Although a programme aimed at this had been started, it has been weakened due to the fact that teachers posted to such remote areas seek transfer shortly after thereby leaving the status-quo to prevail. This further indicates that it is not enough to just recruit teachers without support services that can enable them perform their duties effectively. Further, this finding is a wakeup call for policy makers in Uganda to possibly abandon any further policy that would call for the closure of some teacher training colleges.

Area for further research

There is need to conduct other studies in the following areas of study:-

There is need to establish other variables that affect performance of UPE schools since a combination of funds disbursement, monitoring and accountability explain on average 69% of variations in their performance. To this end therefore, this study could be complimented if more research is carried out on the “teacher factor”, quality of instruction or classroom practices and performance of UPE schools. Moreover this is reinforced by the fact that most of the international development partners are asking of more interventions that have specific focus quality of education.

There is need for further study to investigate why funds disbursement is not significant in predicting performance of UPE schools and identify other possible variables.

REFERENCES

- Ablo, E. and Reinikka, R. (2002). Do Budgets Really Matter? Evidence from Public spending on Education and health in Uganda. Washington, D.C: *World Bank Report*.
- Ahamed, R. (2009). *Corporate policy: Values and social responsibility. Journal of Management*.
- Alexander, L. and Simmons, J. (1975). The Determinants of School Achievement in in developing countries: *the Educational production Function*. Washington, D.C; *IBRD staff Working paper No.201, IBRD*.
- Cassen, R. and Kingdon, G. (2007). *Tackling low educational achievement*. York: The Joseph Rowntree Foundation.
- Charles A. Dana, A Centre (2000). Resource allocation practices and student achievement (December 4th 2000 ed.): South west Education Development Laboratory Texas.
- Chaudhury and Hammer (2004) Provider Absence in Schools and Health Clinics: Northeast Universities Development Consortium conference.
- Chaudhury, Nazmul and Jeffrey S. Hammer. 2003. "Ghost Doctors: Doctor Absenteeism in Banladeshi health centres." *World Bank Policy Research Working Paper 3065*.
- Chimombo, J. P. G. (2005). 'Quantity versus quality in education: Case studies in in Malawi'. *International Review of Education*, 51, 155-172.
- David M. Van Slyke, (2003). Agency Theory and Beyond: Contracted Providers' Motivations to properly use service monitoring tools, *Journal of public Administration* 19(2):207-227
- Evernest, G. (2010), Financial disclosure by accountable organizations of central governments, *Journal of public sector accounting*, 16(6), 505-501

- Ferrer (2009). Decentralization in Indonesia, *International Journal for decision makers, Journal of public sector evaluation*, 18(1)
- Frost, D and More A. (2000). Gaining competitive advantage through Competence Development. *Journal of management development; Volume 02 issue1*
- Gauntam, M. (2009), Using models as tools in education and training, Wallingford UK, Pretence hall.
- Glewwe, Paul, Naumann Ilias, and Michael Kremer, 2004. "Teacher Incentives." *National Bureau of Economic Research Working paper 9671*
- Hanson, G. (2010). The reason of rules; constitutional political economy, Cambridge University Evans publishers.
- Hanushek, E.A (2003). 'The failure of input-based schooling policies' *The Economic Journal* 113, 64-98.
- Hazel,(2010). The new public management; Improving research and policy dialogue, *Journal of public management*, PP 12
- Herman. T. (2010), Responsible regulation: Transcending the deregulation debate, *Journal of management science*, PP4
- J.C Munene, (2009). The management of Universal Primary Education in Uganda: *Organization for social science research in Eastern and Southern Africa* PP1-36
- Kaplan, N. (2010), Financial reporting in public sector focusing in value for money, *Oxford University Press*.
- Kasirye, I. (2009), Determinants of learning achievement in Uganda: *Economic policy Research centre makerere University*.
- Kinyera, G.A.(2009). *Teachers' work experience and pupils' schooling experience as determinants of achievement in primary schools Kampala: Uganda* National Examination Board.

Ministry of Education and Sports (MoES), 1998. *Guidelines on policy, roles and responsibilities of stakeholders in implementation of Universal Primary Education (UPE)*.

Monitor Newspaper Publication Limited, a nation media group company, Kampala

Mullins, R.(2010). Establishing value for money in public sector service delivery. *Journal Management*, PP12

Mushemea Elijah Dickens, 2003, Financial management of Education in a Decentralized Setting: the case of Uganda. Okidi A. John and Guloba Madina 2006, Decentralization.

Nannyonjo, H. (2007) Education inputs in Uganda. In Africa Human development Group (Vol.WP/98). *Washington DC: World Bank*

Neter, S. (2010). Changes in the public sector. A review of recent alternative accounting Research, *Journal of accounting, auditing and accountability* PP3-11

New Vision Newspaper, The new Vision printing and Publication Company limited, Kampala

Nishimura, M., Yamano, T. and Saaoka, Y. (2008). 'Impacts of the Universal Primary Education policy on Education Attainment and private Costs in rural Uganda in rural Uganda". *Journal of Education*, 29,161-175.

Nzabona, I. (2010). *Accountability in public sector of Rwanda, paper presentation, Kigali*.

Peter.O. Ikoya, (2008). Centralization and Decentralization of school's facilities Management in Nigeria: *Journal of Educational Administration*.

Smith, P.C and Street, A. (2006). Analysis of secondary Education Efficiency. *London: Spending on Education and Health in Uganda. Washington,D.C: World Bank*

Roudel, F(2010).Decntrlaiztion,enablement and local governance in low income Countries, Environment and planning, *Journal of public sector*, PP31

The constitution of the Republic of Uganda 1995

The Education and Sports Annual performance report (ESAPR), *Ministry of Education Sports 2008/2009*

The Local Government Act 1997, and Local Government's Amendments Act, 1997.

APPENDIX I

QUESTIONNAIRE

Dear respondent, I am in the final year of my studies in Kampala International University, and as part of my course am conducting a study on the topic: Funds disbursement, monitoring, accountability and performance: A case of Universal Primary Education schools in Mbarara.

The study seeks to establish whether a relationship exists between, the effects of monitoring and accountability on funds disbursement in universal primary education schools.

As one of the respondents your opinions are very important to this study. The information provided will only be used for academic purpose and will be treated with confidentiality.

Kindly spare sometime and answer the questions by writing in the space provided or ticking against the answer of your choice appropriately.

Thank you for your cooperation

Demographic Characteristics

1. Sex of the respondent

Male

☐

Female

☐

2. Level of Education

'O' Level

☐

'A' Level

☐

Diploma

☐

Degree

☐

Post graduate

☐

Others

☐

3. Location of the school

Urban

☐

Rural

☐

4. Title of the respondent.....

4. Grade of the school.....

5. Number of teachers.....

6. Number of Children.....

7. Number of classrooms.....

8. Number of streams per class.....

9. Founder of the school.....

10. Number of 1st grades in the last 5 years

2010.....

2009.....

2008.....

2007.....

2006.....

11. Number of worst grades (grade 'u') in the last 5 years

2010.....

2009.....

2008.....

2007.....

2006.....

For each of the statements, please use the point scale below to indicate your level of agreement by ticking each one of the given statement.

Extremely untrue	Very untrue	Untrue	Somehow true	Very true	Extremely true
1	2	3	4	5	6
					1 2 3 4 5 6
A Funds Disbursement					
1.	Funds for UPE- programme have been availed to schools in the required amounts.				
2.	Funds have been availed for school activities timely.				
3.	There is no uncertainty in school plans resulting from timing of disbursement of funds of UPE-programme.				
4.	The timing of disbursement of funds currently used on the UPE-programme is most suitable.				
5.	The adequacy of funds disbursed for the UPE-programme is most suitable				
6.	UPE funds disbursed to schools matches pupils' enrolment				
7.	Funds are disbursed to our school after submission of adequate returns				
8.	Funds are transferred to schools' accounts at the beginning of a term				
Section B: Accountability					
					1 2 3 4 5 6
1.	My school follows accounting practices which conform to accepted standards				
2.	The school has a system in place to provide the appropriate information I need to make financial decisions.				
3.	Our school prepares financial statements on a budget to achieve a better understanding of our finances.				
4.	Officials ensure that accurate disclosure is made on all material matters concerning financial and operating results of the UPE-programme.				
5.	The school annual operating budget is consolidated in the overall district budget.				
6.	My school monitors UPE- programs and services through the documentation of expenses.				
7.	My school prepares cash flow projections.				
8.	My school periodically forecasts year-end revenues and expenses to assist in making management decisions during the year.				
9.	At our school we reconcile all cash accounts monthly.				
10.	My school reviews processes to monitor that we are receiving appropriate and accurate financial information.				
11.	Our school has established documented procedures for the periodic billing, follow-up and				

	collection of all money.						
12.	The interests of employees, the government, and the community are noted ignored on issues of accountability.						
14.	My school complies with a policy for identifying authorized cheque signatories and the number of signatures required on cheques.						
15.	All expenses of the school are approved by a designated person before payment is made						
16.	My school has established a reserve of funds to cover at least three months of operating expenses.						
17.	Our school develop an annual operating budget which includes costs for all programs, administration and all sources of funding						
18.	The school team has an operating plan that specifies its functions, activities and objectives.						
19.	School officials return unspent balances at the close of the financial year to the treasury						
20.	The Ministry of Education and sports has procedures in place to ensure that schools meet financial responsibilities.						
21.	Formal review of the financial performance has become an integral part of the culture of our school.						
22.	In a school where the ethical or professional conduct of an official is called into question such official is suspended pending investigation						
23.	School officials bind themselves to uphold honour and respect the code of ethics on first appointment and to resign where their actions are called into question.						
24.	Ministry of Education and Sports ensure that policy documents, personnel and financial manuals on first appointment are reviewed.						
25.	Responsible school officers do submit adequately statutory financial returns to institutions where they are required on time.						
26.	Audit warrant are sought for before transferring money to school accounts						
Quality of service accountability		1	2	3	4	5	6
1.	The school's purpose and activities adequately meet community needs.						
2.	The school has a value statement that is reflected in the school activities.						
3.	The value statement includes standards of ethical behaviour and respect for pupils' interests.						
4.	The school has a clear meaningful written mission statement which reflects its purpose, values and people served.						
5.	My school developed and adopted a written operational plan to achieve its objectives.						
6.	The plan integrates all the school's activities around a focused mission.						
7.	The plan prioritizes the school UPE goals and develops timeliness for their accomplishments.						

8.	The plan establishes an evaluation process and performance indicators to measure the UPE progress toward the achievement of goals and objectives.						
9.	Through school work plans, human and financial resources are allocated to insure the accomplishment of the goals in a timely fashion.						
10.	The school plan is communicated to all stakeholders i.e. pupils, council, staff, volunteers and the general community.						
11.	School programs are in line with the district's mission and strategic plan.						
12.	Sufficient resources are allocated to UPE schools to achieve the established goals and objectives.						
13.	School staff has sufficient training and competence level.						
14.	Programs within the school are integrated to provide more complete services to pupils.						
15.	Each school program has performance indicators to meet its goals and objectives.						
16.	School performance indicators are reviewed termly.						
17.	The school networks or collaborates with other organizations to produce the most comprehensive and effective services to pupils.						
18.	Every term, we evaluate our school activities to determine progress towards goal accomplishment.						
Section C: Monitoring							
		1	2	3	4	5	6
1.	The ministry team reviews the non-financial performance against the agreed plans						
2.	Evaluation of UPE-programme is satisfactory						
3.	The MoES team has procedures in place to ensure that the auditing of UPE-programme is done well.						
4.	Formal review of the funds disbursed performance has become an integral part of the culture of the school management.						
5.	Monitoring of the school activities by MOES team is satisfactory						
6.	Information on UPE funds is prepared, timely audited and disclosed in accordance with the high quality standards.						
7.	A broad range of appropriate performance indicators are used to monitor the performance of UPE funds.						
8.	My school has an established procedure for periodic monitoring of the inventory against theft.						

	Section D: Performance					
		1	2	3	4	5 6
1.	My school improved submission of work plans and budget requests for UPE funds					
2.	Stake holders have a right to know the sources of school funding and the specific ways these funds are allocated to priority areas.					
3.	Is your school adequately using auditing procedures					
4.	The UPE fund costs matches with enrolment of pupils					
5.	UPE performance matches submission of accountability returns					
6.	The UPE school information and processing capabilities have improved					
7.	Our school performance (achievements) has increased over time					
8.	Value for money under UPE is on increase					
9.	End-user confidence in UPE-programme has improved					
10.	There are a number of opportunities for citizen participation in the UPE budget process.					
11.	UPE beneficiaries are given chance to assess the extent to which their needs are taken into account in a particular proposed or approved budget.					
12.	The targeted UPE beneficiaries share information in form of budget amounts and set priorities.					
13.	My school monitors achievements of intended outcomes, and attention to inefficient and waste are carried out appropriately.					
14.	My school always has a report which gives actual budget release performance for both development and recurrent budget on UPE fund.					

Thank you.