



**FINANCIAL MANAGEMENT AND EFFECTIVENESS OF NORTHERN UGANDA
SOCIAL ACTION FUND (NUSAF) PROJECTS IN KITGUM DISTRICT**

**BY
JAMESBOND OKWANY
13/MBA/10/031**

**A DISSERTATION SUBMITTED TO SCHOOL OF MANAGEMENT SCIENCES IN
PARTIAL FULFILMENT OF THE REQUIREMENT FOR THE AWARD
OF A MASTER OF BUSINESS ADMINISTRATION OF
UGANDA MANAGEMENT INSTITUTE**

NOVEMBER 2017

DECLARATION

I, JAMESBOND, OKWANY do hereby declare that this dissertation is the result of my own work and investigation. It is an original work and has not been submitted before to any institution for an award of a diploma or a degree. Any other material not my original work is clearly identified and acknowledged.

Signed..... Date.....

APPROVAL

This dissertation entitled “Financial management and effectiveness of NUSAF projects in Kitgum District” was written and submitted with the approval of the undersigned.

Sign.....Date.....

Edgar Mwesigye Kateshumbwa (PhD)

Supervisor

Sign.....Date.....

Mr. Paddy Mugambe

Supervisor

DEDICATION

To my mother, Mrs. Jerodina Lamon, my father, Mr. Benon Oyet, and my wife. Mrs. Anna Ayubu.

ACKNOWLEDGEMENTS

Whereas this research has been carried out by myself, it owes its existence to my supervisors, Dr. Edgar Mwesigye Kateshumbwa and Mr. Paddy Mugambe, without whom the work could not have achieved its current form. I thank them for their invaluable advice and supervision. Special thanks also go to all the consultants at the Uganda Management Institute who were great sources of inspiration and challenge to me from the beginning of the course till the end. Your words of wisdom really helped me.

My appreciation also goes to the library staff of UMI who facilitated me to have access to all the reading materials. I also wish to recognize the effort of my research assistants, Mr. Aluku Anthony and Ms Mercy Adokorac, for their faithfulness and diligence in rendering data collection services.

I thank my family, especially my wife, Ms Anna Ayubu, who always encouraged me to work hard; my father Mr. Benon Oyet and mother Jerodina Lamon, who encouraged me tirelessly with great words of wisdom; and my brothers, sisters and the children for their spiritual, moral and social support.

This study also benefitted greatly from the cooperation of respondents from the various sub-projects under NUSAF, the Chief Administrative Officer and the Personnel Officer Kitgum District.

Finally, I honestly acknowledge and credit all the authors of work cited in this report for their rich, well researched and elaborate literature that helped me understand the study better. May the almighty God reward your efforts towards the success of this study.

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 ABBREVIATIONSxi
ABSTRACT.....	xii
CHAPTER ONE.....	1
INTRODUCTION	1
1.0 Introduction.....	1
1.1 Background of the study	1
1.1.1 Historical background	1
1.1.2 Theoretical background	2
1.1.3 Conceptual background	3
1.1.4 Contextual background	4
1.3 Statement of the Problem.....	5
1.4 Purpose of the study.....	6
1.5 Specific objectives	6
1.6 Research questions.....	6
1.7 Research hypotheses	6
1.8 Conceptual framework.....	7
1.9 Significance of the study.....	9
1.10 Justification of the study	9
1.11 Scope of the Study	10
1.12 Operational definitions of terms	11
CHAPTER TWO	13
LITERATURE REVIEW	13
2.0 Introduction.....	13
2.1 Theoretical literature.....	13
2.2 Budgeting and effectiveness of the NUSAF projects	15
2.3 Financial management skills of staff and effectiveness of the NUSAF projects	18

2.3.1 Financial reporting and effectiveness of NUSAF projects	19
2.3.2 Supervision in financial management and effectiveness of the NUSAF projects.....	25
2.3.3 Financial monitoring and effectiveness of NUSAF projects	27
2.4 Accountability and effectiveness of NUSAF projects	29
2.5 Summary of literature review	31
CHAPTER THREE	32
METHODOLOGY	32
3.0 Introduction.....	32
3.1 Research design	33
3.2 Study population	33
3.2.1 Determination of sample size.....	34
3.3 Sample size selection and sampling techniques.....	34
3.3.1 Summary of the respondents.....	34
3.4. Sampling techniques and procedures.....	35
3.4.2. Purposive sampling.....	35
3.4.3 Simple random sampling	36
3.5. Data collection methods.....	36
3.5.1 Questionnaire method	36
3.5.2 Interview Method.....	37
3.5.3 Focused Group Discussion Method	37
3.6 Data collection instruments.....	37
3.6.1 Interview guides.....	37
3.6.2. Questionnaire	38
3.7 Reliability and validity of the instruments	38
3.7.1 Reliability.....	38
3.7.2 Validity	39
3.7.2.1 Content validity index results	40
3.8 Procedures of data collection	41
3.9 Data Collection	41
3.10 Data Analysis.....	42
3.10.1 Quantitative data analysis	42
3.10.2 Qualitative Data analysis	42
3.11 Measurement of variables	43
3.12 Ethical Consideration.....	43

CHAPTER FOUR.....	44
PRESENTATION, ANALYSIS AND INTERPRETATION OF RESULTS	44
4.1 Introduction.....	44
4.2 Response rate	45
4.3 Background characteristics of respondents.....	45
4.3.1 Sub-project distribution per Sub-county in Kitgum District.....	46
4.4 Descriptive statistics on budgeting and Effectiveness of NUSAF project in Kitgum District.....	48
4.4.1 Budgeting and Effectiveness of NUSAF project in Kitgum District.....	48
4.4.2 Financial management skills and the effectiveness of the NUSAF projects in Kitgum District .	49
4.4.3 Accountability and Effectiveness of the NUSAF project in Kitgum District	50
4.4 Effectiveness of NUSAF Project in Kitgum District	51
4.8 Research questions.....	51
4.8.1 Research question one.....	52
4.8.2 Research question two	53
4.8.3 Research question three	54
CHAPTER FIVE	55
SUMMARY, DISCUSSION, CONCLUSION AND RECOMMENDATIONS.....	55
5.1 Introduction.....	55
5.2 Summary of main findings.....	55
5.2.1 Budgeting and effectiveness of the NUSAF projects in Kitgum District	56
5.2.2 Financial management skills and Effectiveness of NUSAF projects in Kitgum District	57
5.2.3 Accountability and Effectiveness of the NUSAF projects in Kitgum District	58
5.3 Discussions of research findings.....	59
5.3.1 Budgeting and Effectiveness of NUSAF projects in Kitgum District	59
5.3.2 Financial management skills and effectiveness of the NUSAF projects in Kitgum District	61
5.3.3 Accountability and effectiveness of NUSAF projects in Kitgum District	62
5.4 Conclusion of the study	63
5.4.1 Budgeting and Effectiveness of the NUSAF projects in Kitgum District.....	64
5.4.2 Financial management skills and Effectiveness of the NUSAF projects in Kitgum District.....	64
5.4.3 Accountability and Effectiveness of the NUSAF projects in Kitgum District	64
5.5 Recommendations.....	64
5.5.1 Budgeting and effectiveness of NUSAF project in Kitgum District.....	64
5.5.2 Financial management skills and Effectiveness of the NUSAF projects in Kitgum District.....	65

5.5.3 Financial Accountability and Effectiveness of the NUSAF projects in Kitgum District.....	65
5.6 Limitation of the study.....	67
5.7 Contribution of the study	67
5.8 Areas for further study	68
REFERENCES	68
Appendix 1 Introduction letter	
Appendix 2 Questionnaires and interview guides	
Appendix 3 Krencjie and Morgan (1970) table of sample size determination	

LIST OF TABLES

Table 1: Summary of respondents	34
Table 2: Reliability statistics.....	39
Table 3: Reliability statistics (all variables).....	39
Table 4: Content validity index.....	40
Table 5: Sample and response levels	44
Table 6: Cross tabulation of sub projects and education	45
Table 7: Sub project distribution per Sub County	45
Table 8: Descriptive statistics on Budgeting	47
Table 9: Descriptive statistics on financial management skills	48
Table 10: Descriptive statistics on accountability	49
Table 11: Descriptive statistics ont Effectiveness of NUSAF project.....	50
Table 12: Correlations result for budgeting and effectiveness of NUSAF project.....	51
Table 13: Correlations result for financial management skills and effectiveness of NUSAF project	52
Table 14: Correlations result for accountability and effectiveness of NUSAF project.....	53

LIST OF FIGURES

Figure 1: Conceptual framework showing the relationship between financial management and the effectiveness of NUSAF projects.....	7
Figure 2: Distribution of sub projects in sub counties in Kitgum District.....	47

LIST OF ABBREVIATIONS

CAO	-	Chief Administrative Officer
CDI	-	Community Development Initiative
CRCM	-	Community Reconciliation and Conflict Management
GOU	-	Government of Uganda
IDA	-	International Development Agency
IDP	-	Internally Displaced Persons
LDC	-	Less Developed Countries
MDGs	-	Millennium Development Goals
NDTO	-	NUSAF District Technical Officer
NURP	-	Northern Uganda Rehabilitation Programme
NUSAF	-	Northern Uganda Social Action Fund
OPM	-	Office of the Prime Minister
PEAP	-	Poverty Eradication Action Plan
PFM	-	Public Finance Management
PPAS	-	Participatory Poverty Assessment
PRDP	-	Poverty Reduction and Development Programme
SAF	-	Social Action Fund
SMEs	-	Small and Medium Enterprises
VGS	-	Vulnerable Group Support
WB	-	World Bank
UGX	-	Uganda shilling
PWP	-	Public Works programme

HISP	-	Household improvement support programme
CIR	-	Community infrastructure rehabilitation
MOFPED	-	Ministry of Finance planning and economic Development
FINMAP	-	Financial management and Accountability Programme
DCB	-	Dutch Central Bank
IMF	-	International Monetary Bank
CVI	-	Content Validity Index
IFMS	-	Integrated financial management System
FASB	-	Financial Accounting Standard Board
GAAP	-	Generally Accepted Accounting Principles
NAFM	-	Netherland's Authority for Financial Markets
FSAP	-	Financial Sector Assessment programme
UMI	-	Uganda Management Institute
YLP	-	Youth Livelihood projects

ABSTRACT

This is an investigation into the financial management and effectiveness of the NUSAF projects in Kitgum District. Financial management as an independent variable was operationalized into budgeting, financial management skills of the staff and accountability with the following specific objectives: to establish the relationship between budgeting and the effectiveness of the NUSAF projects in Kitgum District; to evaluate the relationship between financial management skills and the effectiveness of the NUSAF projects in Kitgum District; and to assess the relationship between accountability and the effectiveness of the NUSAF projects in Kitgum District. A cross-sectional research survey design that mainly exploited a quantitative approach supplemented by qualitative approach was used. Data was collected mainly by use of questionnaires and focused group discussions, supplemented by an interview guide. A regression and correlation data analysis, mean and Standard deviation were used to determine the level of relationship between the variables. Literature was reviewed along, budgeting, financial management skills, accountability, monitoring, reporting and effectiveness of NUSAF projects in Kitgum District. The findings revealed that financial management greatly affects effectiveness of the NUSAF projects in Kitgum District. It further revealed that financial management that is budgeting, financial management skills of the staff and Accountability affects effectiveness of sub-projects. The investigation concluded that financial management is essential in improving effectiveness of sub-projects and top management should endeavor to support the proper adherence to financial management to propel sub-projects' effectiveness. The study recommends the building of staff capacity, proper budgeting and accountability to improve performance of the NUSAF sub-projects.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

The study established how financial management affected effectiveness of the Northern Uganda Social Action Fund (NUSAF) projects in Kitgum District. Factors such as budgeting, financial management skills and Accountability and effectiveness constituted variables of the study. This chapter composed of introduction, problem statement, general objective, specific objectives, research questions, hypothesis, conceptual framework, significance, and justification, scope of study, abbreviations and operational definition.

1.1 Background of the study

1.1.1 Historical background

Financial Management since 1890 was part and partial of economics and was not considered as a separate area of study not until recently. Between 1940s and 1950s, financial management remained to be rather of less important in an organization, seen as a branch of economics that contributes more to stakeholders than to managers (Oduware, 2012). But moving towards deep analysis on the subject began during managerial decision designed to maximize the value of institutions in enhancing effectiveness in an organization ACCA study pack (2010). Currently, financial management continues to experience exciting change and growth. Effectiveness of projects and achievement of goals largely hinges on proper management of available funds (World Bank 2013). In Africa, insecurity, governance problems, capacity constraints, mismanagement of funds in government programmes have combined to discourage production and social sector service delivery leading to ineffectiveness of the numerous projects designed to help the poor, Anthony (2004).

Subsistence levels of production have further declined in most African countries and Uganda in particular; the traditional ways of production have been stretched to the limit Isaac and Micheal,(1981). Because of long insurgency in Northern Uganda, the majority of the population spent over 20 years as paupers with inhuman suffering in internally displaced people's camps (IDP) without any sound economic activities. Subsequently this has called for interventions from government of Uganda and other donor-supported operations which aim at stimulating and supporting the communities to bring them on the path to development and hence effectiveness of projects.

1.1.2 Theoretical background

Currently managers of organizations are obsessed with financial management since their day today businesses are majorly on finances, and most of them ought to know in depth the theory of financial management which would guides them while making those decisions skillfully Kakuru, (1995). This study was guided by the positive theory of accounting which has been divided into three main categories, the inductive theory, deductive theory and prescriptive theory. Many scholars have varying knowledge and ideas on the role of accounting theory. The theory was postulated by Watts and Zimmerman (1980), the theory sought to understand circumstances under which managers select to adopt particular accounting methods and not others while running an organization. The theory was derived from the fields of economics, and key to the proponent of Positive Accounting. "The theory was glorified by economist thinking and their assumptions" in accounting as a key element of financial management.

The suggestion that people are primarily motivated by self-interest, and these also influence their selection of the accounting method to be used in an organization is based on the positive accounting theory. Whereas positive theories are based on practical analysis, others rely on the perception of the researcher' intuition based on a circumstance Karatzimas (2011). Normative theories are those theories that stipulate actions to be taken in a particular situation.

Inductive theory deals with generalization of variables and conclusions are derived from such generalizations. In inductive theory variables are selected correctly, and conclusions are made based on such observations.

According to the inductive approach, at the end of the study, theories are postulated based on the hypothesis (Bernard, 2011).

The deductive approach relies on developing a hypothesis and those theories are subjected to a test before their authenticity are established (Wilson, 2010). Beiske (2007) explains the deductive research theory as a theory which is subjected to a test to confirm if that theory can stand the test of time under intended circumstances or not. Deductive theory follows the course of logic precisely.

Watts and Zimmerman (1980) brought forward accountability, financial management skills and budgeting as an example of inductive theory model. They generally advocate for accountability; financial management skills and budgeting and that financial management applications are made by circumstances and the choice of the managers in an organizations. Basically experiential approaches are applied. Besides management approaches assumed that financial management and accounting disclosure decisions still have impact on the project's success and therefore affects decisions Kelle and Magogo, (2004. Financial management enables a project utilizes it funds effectively and achieve its objectives and goals within the specified period of time notwithstanding the accounting theory it is based on (Saghal and Chakrapani, 2000).

1.1.3 Conceptual background

Financial management is a managerial role that entails planning and controlling of the firm's fund's resources Malinga (2002). Financial controllers are increasingly modernizing and employing new financial management practices. This includes sourcing and utilizing, financing and management of the firm's assets while taking into consideration the goal of the firm. In other words, it involves the functions of planning, organizing, directing, leading and controlling financial resources and obligations in organizations Mordi (2000). In reality, every organization is striving to be the best in its productivity, leading to competition. To withstand competition and achieve their objectives in the global world, managers need to sharpen their financial decisions to enhance their effectiveness by using finances correctly, minimize their costs, and always mind about their competitors (Nelson, Muir & Drown, 2000). NUSAF projects were meant to be consistent with the approaches of improving the livelihood and the plight of the community affected by civil wars leading to lack of basic social and economic services which among others includes education, security, incomes among others. These are believed to be achieved through effective financial management.

1.1.4 Contextual background

The Northern Uganda Social Action Fund (NUSAF) is a project funded by the World Bank and Uganda Government (GoU) which was aimed to complement efforts of other projects under the broad two phases of Northern Uganda Rehabilitation Programmes (NURP I and II) which ran from 1992 to 1997 and Poverty Reduction and Development Plans (PRDP) to fight regional inequalities. NUSAF plan is to lift the standard of living of the rural poor in the context of decentralized development. Implementation of these projects by Uganda government started in 2003 with the sole aim of causing quick recovery and it was programmed to be rolled out in phases: NUSAF1 was valued at 76million US dollars, NUSAFII 100 million US dollars world Bank (2015).

But as the implementation started in 2003, a number of financial management problems eclipsed the project in Kitgum District World Bank, (2009). The NUSAF project was criticized in all the sub-counties in Kitgum District. This was because instead of reaching the rural poor it ended up in the hands of well to do persons such as village leaders, teachers, traders, headmen and other working class of people and paraprofessionals (Jorgensen, 2006). Although community demand for sub-projects was overwhelming leading to many sub-projects being submitted, very few were selected and funded (Manor, 2007). Most community sub-projects failed to make accountability for the funds remitted to them. Several sub-projects were unable to make returns for the funds in Kitgum District after receiving the money from the NUSAF district office six months prior (Ocowun, 2006). These were attributed to mismanagement within the sub-projects; lack of knowledge to make accountability; ‘ghost projects’ and other financial management issues (Uganda Impact Evaluation, 2008). Over UGX 140 million disbursed under the Northern Uganda Social Action Fund (NUSAF) phase one in Kitgum District remained unaccounted for (Blattman, 2008).

1.3 Statement of the Problem

Financial management is vital for the effectiveness of an organization. The Northern Uganda Social Action Fund (NUSAF) instituted financial management policies like budgeting, Accountability, financial management skills such as monitoring, supervision and reporting, among others, to guide and control their operations (Blattman, 2008). Ultimately, the aim is to enable the organization to achieve its objectives. Despite having these financial management policies in place to cover the management of the huge resources sunk in the area where NUSAF operates to bring holistic and tremendous development in Northern Uganda so that the targeted community can catch up with other regions, little or no marked change is seen on the ground in terms of poverty reduction and harmonious living among the targeted communities. Basing upon the reasons the researcher sought to investigate relationship between financial

management and the effectiveness of Northern Uganda Social Action Fund projects in Kitgum District.

1.4 Purpose of the study

The purpose of study was to establish how financial management affected effectiveness of the NUSAF projects in Kitgum District.

1.5 Specific objectives

The following were the specific objectives

- 1) To investigate the effect of budgeting and the effectiveness of the NUSAF projects in Kitgum District
- 2) To assess the effect of financial management skills and the effectiveness of the NUSAF projects in Kitgum District
- 3) To find out the effect of Accountability on the effectiveness of the NUSAF projects in Kitgum District

1.6 Research questions

- 1) What is the effect of budgeting and the effectiveness of NUSAF projects in Kitgum District?
- 2) What is the effect of financial management skills on the effectiveness of the NUSAF projects in Kitgum District?
- 3) What is the relationship between accountability and the effectiveness of NUSAF projects in Kitgum District?

1.7 Research hypotheses

- 1) Financial budgeting positively affects effectiveness of the NUSAF projects in Kitgum District
- 2) Financial accountability affect positively effectiveness of the NUSAF projects in Kitgum District
- 3) Financial management skills affect positively effectiveness of the NUSAF in Kitgum District

1.8 Conceptual framework

The study was conceptualized to link the financial management and the effectiveness of the NUSAF projects in Northern Uganda under the various project components such as vulnerable group support (VGS), Development initiatives of the community (CDI), Reconciliation and conflict management in the community (CRCM), household improvement support projects (HISP), public work programme (PWP), and community infrastructure rehabilitation (CIR). The financial management of these various project components translated to a larger extent in denying the much cherished project to achieve its objectives, perhaps prompting government to take on poverty reduction and development programmes (PRDP) to complement the initiative. The most likely aspects of financial management were believed to be budgeting, financial management skills and Accountability by the project leaders.

The figure illustrates the independent variables (Budgeting, Financial management skills of the staff and Accountability) that influence the Dependent variables (Effectiveness) of Northern Uganda Social Action Fund (NUSAF). The effectiveness is seen along sustainability of the sub- project that were funded and being undertaken by the selected beneficiaries who are among the community, individual benefits that the community derived from the sub projects, community benefits such as infrastructure development and the adherence to the sub project

guidelines to enhance the gains from the subprojects. Below is the illustration of the conceptual framework.

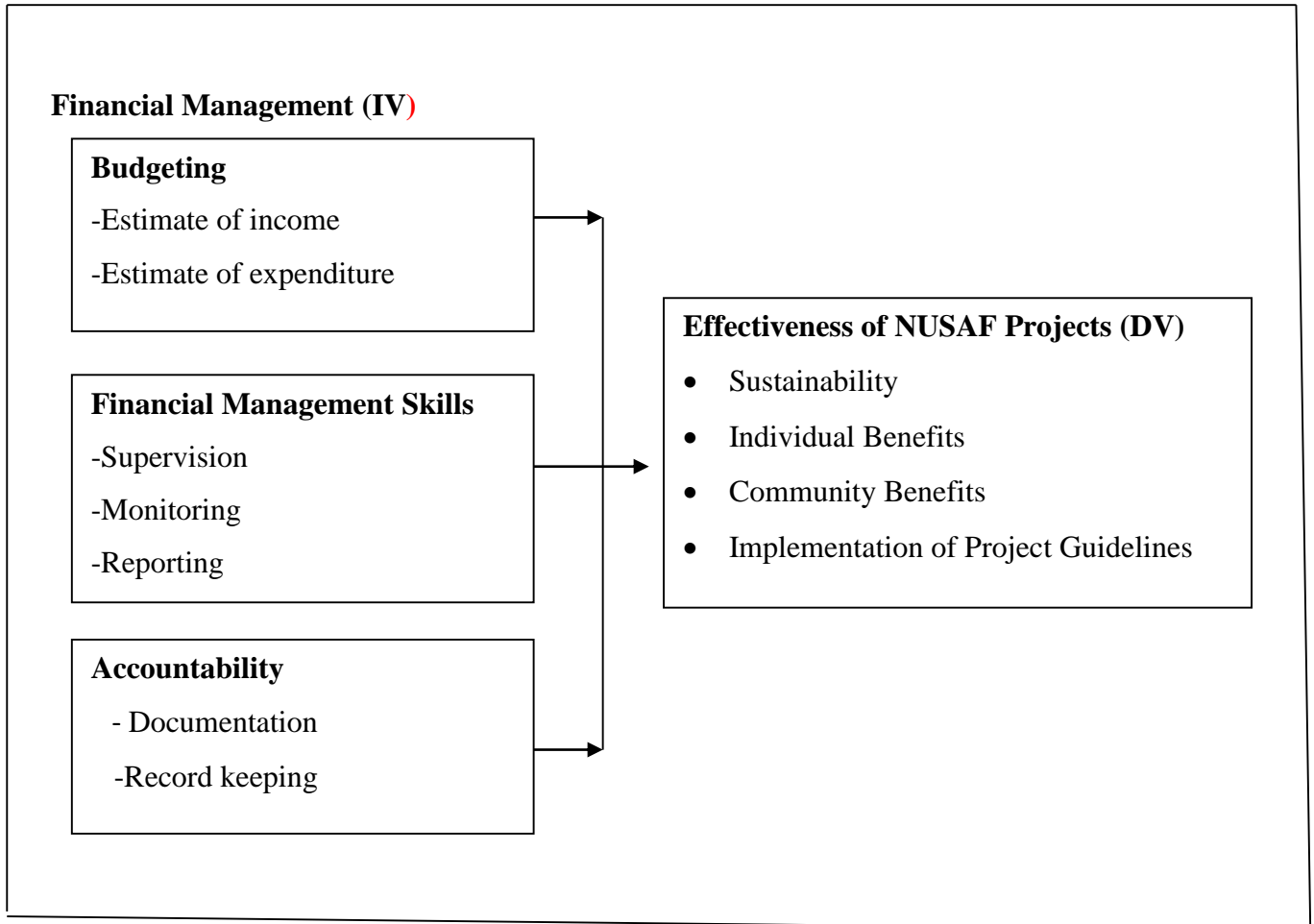


Figure 1: Conceptual framework showing the relationship between financial management and the effectiveness of NUSAF projects

Source: Adapted from Integrated Financial Management System (IFMS) Framework Paper Uganda 2010: Ministry of Finance (MOFPED).

Figure 1 above presents financial management (independent variable) and effectiveness of NUSAF projects (dependent variable). Financial management was categorized into three dimensions namely budgeting with two indicators (estimate of income and expenditure), financial management skills entailing three indicators (supervision, monitoring and reporting) and Accountability as dimension three entailing two indicators (documentation and record

keeping). On the other hand effectiveness of NUSAF entailed four indicators namely sustainability, individual benefits, community benefits and implementation of project guidelines. It was believed that a combination of the three independent variable dimensions (budgeting, financial management skills and Accountability affect the effectiveness of the NUSAF projects in Kitgum District. Ministry of Finance introduced the financial management and Accountability programme (FINMAP) run by the office of the Accountant General was to align such public financial management challenges and supported by the integrated financial management systems (IFMS)

1.9 Significance of the study

The researcher carried out the study with the belief that it could contribute to substantial awareness among a number of people, Prime Minister's Office (OPM), policy makers of Central and Local Governments regarding the implementation of recovery programmes in Northern Uganda.

The study could be of assistance to the Office of the Prime Minister and other policy makers of NUSAF in terms of formulation of policy guidelines as well as strategies and implementation in order to address the challenges and the problems associated with NUSAF in financial management so as to enhance the effectiveness of NUSAF projects in Kitgum District.

Lastly, the study findings may be useful to future researchers who shall be interested in conducting studies on a similar topic since the research findings would provide literature to fellow researchers as a source of relevant information and data as far as NUSAF programmes are concerned.

1.10 Justification of the study

Kitgum District is one of the districts implementing the NUSAF projects. The study provided an empirical explanation on the relationship between financial management and effectiveness of the NUSAF projects in Northern Uganda with a view of addressing identified gaps. It was also to enhance harmonious relationship among policy makers and other stakeholders which ultimately would lead to increased effectiveness of the NUSAF projects to the targeted communities. Increased project effectiveness to the community would gradually lead to change in public attitude towards government programmes and squarely reduce suspicion by the stakeholders hence more funding of the project. Finally, the findings may promote transparency and public accountability in the adherence to financial management, rules and regulations in order to enhance project effectiveness to the beneficiaries.

1.11 Scope of the Study

Geographically, it was conducted in the ten sub-counties of Kitgum District. The district is among those which are benefitting from NUSAF projects and among those hardly hit by the civil war. Kitgum district by 1997 had its population displaced by almost 99% into internally displaced person's camp (NUSAF District Technical Report, 2008).

Kitgum District was purposively selected from the areas where NUSAF is implemented as it is one of the districts most affected by recent conflict and where high poverty levels are particularly high as a consequence of the war (World Bank 2015). In this way Kitgum District is illustrative of the north-south economic divide in Uganda which NUSAF was intended to address (NUSAF District Technical Report, 2008). The subject-matter focused on finding out the effect of financial management on effectiveness of NUSAF projects in Kitgum District and the research data was collected between the months of October and December 2016.

The study focused on budgeting, financial management skills and Accountability in the management of the NUSAF funds. Although NUSAF projects funds beneficiaries for sub-

projects appraised in more than twenty districts in West Nile, mid-northern Uganda and some areas in the eastern Uganda. The study was limited to Kitgum District only because of the time frame and the cost that was required to cover the entire districts that implemented the NUSAF programmes

1.12 Operational definitions of terms

Less-Developed Country (LDC): A country with very low per capita income of the gross domestic product, those countries normally depends on Agriculture for their income and exports.

Northern Uganda Social Action Fund (NUSAF): Is a Social Action fund project that aims to empower the community in northern Uganda after the long civil war that caused mass displacement of the community into the internal displaced camps

Community Development Initiatives (CDI): The community development initiative is a component of the NUSAF that aims majorly in reconstructions of infrastructures destroyed during the insurgency.

The vulnerable Group Support (VGS): Is NUSAF project component which is given to needy persons such as the old, disabled, child mothers and others.

Community Reconciliation and Conflict Management (CRCM): Is the third component of NUSAF projects which was meant for conflict resolutions mechanisms among the community which were torn apart after the insurgency

Internally Displaced Persons (IDP): Persons who are forced out of their homestead but are staying within the borders of their country.

World Bank (WB): An international institution which normally advance grants or loans to developing countries. It is based in Washington DC.

International Development Agency (IDA): Group of donor communities that gives humanitarian assistance to developing countries.

Participatory Poverty Assessment (PPAS): It is a needs assessment of the intended beneficiaries of a particular assistance.

Poverty Eradication Action Plan (PEAP): It is a development plan aimed towards eliminating poverty from the community normally undertaken by government or and NGO

Poverty Reduction and Development Programmes (PRDP): The Government of Uganda strategy to eradicate poverty from northern Uganda especially after the LRA civil War

Social Action Fund (SAF): A grant fund is managed by local authority on behalf of the Office for Civil Society. The Fund aimed to inspire organizations to create new social action opportunities; encouraging people to give what they have, be it time, money, assets, knowledge or specific skills.

Public Finance Management (PFM): Policy framework of how public finances are utilized to ensure equitable development

Millennium Development Goals (MDGs): Are the international development goals which were adopted in the year 2000 as a United Nation declaration following the millennium development summit. The NUSAF projects were aimed at improving the life of persons in Northern Uganda as part of the movement by government to meet the holistic goals by 2015.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

The chapter focused on the review of related literature on assessing the effect of financial management on the effectiveness of NUSAF projects in Kitgum District with the view of knowing what had been written and what gaps were there in the existing literature. It was intended to provide a framework within which the results of the study would be interpreted. The literature is organized mainly along the budgeting in the NUSAF projects, financial management skills, Accountability, and the effectiveness of the projects.

2.1 Theoretical literature

The study was guided by Positive Accounting Theory which has been divided into three main categories which are normative/prescriptive theory, inductive theory and predictive theory. Watts and Zimmerman (1980) particularly emphasized budgeting, financial management skills and Accountability as key elements of financial management and those are seen as an example of inductive theory prototype. Budgeting is that one aspect of financial management practices which are made and explained because of its practical usefulness and management's tools Renz and Hermann R.D. (2010). Pragmatic approaches are used when making budgets in an organization. Despite numerous management theories propositions there is a notion that financial management and accounting disclosure policies within an organization always influences the effectiveness of the project as well as the decisions of the managers Rial (2013). It is based on the theory of financial management and accountability. This study relied on the normative theory process that can be used by projects to assess the financial accountability of organizations. The positive Accounting theories are postulated and later selected by organizations to suit their business and guide them on how the accounting process should be

done within that business. Normative theory focused on the utilization of funds basing on a measurement system and is very prescriptive (Zimmerman, 1980). There are many accounting software packages which have been developed to help in preparing financial statements and make accountability in general and are designed for large and small businesses alike such as Sun system, Excel programs, integrated Financial Management systems(IFMS) which is now being used by Ministry of Finance in Uganda(world Bank, 2013). Usually, in projects the aspect of accounting is a tedious process which requires knowledgeable and skills persons to operate and produce results within the required period but these cannot be avoided within some part of the process (Sahgal and Chakrapani, 2000). In the world of computer even small projects need to budget and acquire some computerized packages that suit their business or in one way or the other use some automated systems in their business at the earlier stage but as the business grows, they need to acquire a more advanced systems that can be used in the organization. Good accounting packages should suits the need of the projects and user friendly and one that has the capabilities of expanding into other areas of financial management. The study by Wilson (2004) the integrated financial management and accountability program (FINMAP) being operated under the Ministry of Finance captures the key elements of financial management including reporting supervision and monitoring of funds remitted to government agencies, ministries departments and local governments. World Bank (2013) noted that computerizing the Financial systems at the sub projects were practically impossible since the communities lacks the basic knowledge and skills leave alone the facilities to support the computer systems. The integrated financial management systems which is adopted and used widely even at the local governments helps in transfer of funds, monitoring the various activities and constantly Interfaces with internal accountability system and financial disclosure that later relays the information to stakeholders. The accounting and financial management

reports are disclosed and examined by both the internal and external parties and decisions are then made.

The organization relies on this accounting system to develop the financial information which is useful to stakeholders and all the interested parties to run the projects (Gordon & Khumawala, 2000). Ashman (2001) emphasizes the importance of financial management and accountability reports that guides the leaders in running the projects effectively and efficiently for a long period of time. Besides, it enables the organization follows its policies and stay abreast with the global economy which is full of competition and other challenges Boice (2004) identified some key stakeholders in a projects which he says includes beneficiaries, staff, clients and volunteers but they would move nowhere without proper financial management policy guidelines in place.

2.2 Budgeting and effectiveness of the NUSAF projects

Budgets are the key management tools that every organization are bound to use when dealing with their resources and revenues that are important 1 to the organization's operations. Budgeting is the drawing of plans for a given future period in financial terms, getting into details how the organization will run for a specific period of time normally one year,

Schick .A. (2001). It is the project's management tool and also defines how the organization will be operational throughout a certain period of time so that both their income and expenditures are taken care of so as to achieve their goals (Opio, 2011). Budgets aggregates income and expenditure within the period of time and outline guidelines for its execution (Brigham and Ehrardt, 2007). Budgets are important because they coordinate approved plans within the organization, International Monetary Fund's (2014), outline strategic plans and transform them into action and categorize resource usage. But Shah. A. (2010) cautioned on

the over reliance on budget that can be exploited to divert the resources for some selfish reasons and deny the principles of equitability.

Budgeting is seen as a means for establishing influence by an individual or an organization especially managers who are entrusted with the task of running the projects Allen .R. (2009). This implies that it is a management tool through which accountability can be achieved; however, it has varied over years (Arigapudi, 2008). The term budgeting means in accountability as a quantitative expression of a plan of action prepared in advance relating to the period (Lawson .A. (2011). All stakeholders such as Politicians, lawyers, accountants and among others who manage and preside over public resources are seen as being accountable to the public with regard to exercise of their responsibilities (Coy and Pratt, 1998).

Ireland (2005) asserts that projects ought to have a flexible budget that consists of alternative budgets for different expected levels of activities to enhance continuity of activities at lower levels, and this makes it possible to obtain money for new programs. A flexible budget should capture all the unforeseen costs that normally come in during the course of implementation of projects and at tandem with the level of activity attained since organizations operate in a volatile environment. However, Armstrong .A. (2004) notes that some budget needs to be fixed so that crucial tasks are executed without giving room to managers to divert such resources to non priority areas.

McMillan (2008) notes that since sub-projects do not have constant flow of income, they have to adapt to pay much attention on their budgeting ways to ensure that their activities are not halted due to finances. He explains ways in which management may deal with these issues of raising resources in the organizations to ensure sustainability of the project operations. But Fozzad (2004) noted that sub projects have to make simple budgets only to accommodate their plans of action and what the project managers are capable of funding such budgets so they have to balance their level of activities and the available funds.

Agripudi (2008) asserts that financial accountability in organizations entails budgets, periodically published reports on finances among other general reports prepared by recognized bodies. He further identifies budget types that an organization can use which include fixed, flexible, activity-based, zero-based budgeting incremental budgeting, among others. This should be followed by adhering to the budgeting process, costing priorities, implementation and budget evaluation. But Batley W. (2007) asserts that operation of such projects the immediate oversight bodies is the community who normally acts as the watchdogs of project effectiveness and progress

Every organization need to use a rights-based result framework thus framework for planning, budgeting and reporting which describes comprehensively the results the organization plans to achieve through a hierarchy of pre-defined goals, objectives and outputs. A budget as a financial tool conforms to the finding that financial management is essential to the effective performance of the projects.

Brody (2000) explains that budgeting and accountability involve financial honesty and control of embezzlements and should makes sure that funds usage is recorded and spent as agreed and according to appropriate rules and that reports are always declared to stakeholders; it therefore comprises the accounting system and reporting standards that needs to be followed. An organization's measures to improve downward financial management should comprise of strengthening capacity of the beneficiaries in budgeting, and public financial management, setting procedures and policies for control on transfer of funds, enforcing transparency in the transfers, declaring audit findings and the subsequent follow-up and setting clearly defined rules for budget implementation of sub-projects funds (Serdar & Beris, 2008).However, Andrew M. (2013), contends that community prior knowledge is vital for such details in sub project implementation but where majority of the beneficiaries are illiterate, adherence to such guidelines becomes a hindrance to project success

Finally, Serdar and Beris (2008) add that budgeting and accountability enhance effective, efficient, transparent rules based on organizational financial management. The term organizational financial management details all the activities that relates to the processes of management of funds for the sub projects geared towards the achievement of its objectives and goals But Bernard H.R. (2011) refutes the notion and emphasizes the political and economic situations prevailing in the country that matters especially when it comes to the effectiveness of the projects and the political thinking of the beneficiaries..

2.3 Financial management skills of staff and effectiveness of the NUSAF projects

Scarlatti (1997) asserts that financial management skills are the basic principle of fund management. He states that quality financial management skills are a process above ones qualification. Effective financial management skills normally include honesty and integrity as an essential element of their professional fabric. He also agrees that lack of moral behavior and commitment to the principle such as monitoring of sub-projects, evaluation and supervision renders all other skills meaningless. Financial management skills are essential elements of fund management that promote and support the success of the project. Financial management is observed in the context of building trust and maintaining credibility in the World Bank-funded projects. But Babcock (2007) observed that integrity in financial management goes beyond skills, competence and experience.

According to Covey, (2009) honesty is doing the right thing in the eyes of the public and always not telling lies to the people. Integrity in financial management is upholding our moral rights in offering our services to the rural poor and this can be seen in what we say and what we do in our day today life. Without honesty and integrity an administrator cannot build trust to the people. Public confidence makes it possible for projects to succeed and it is the catalyst that makes it probable for an organization to function. Public trust in the project is the one that binds the management and the beneficiaries together. Public support in projects is always seen in

their response and how they embrace it. However, Therkilson (2004) notes that public support can be met through sensitization and rallying all the stakeholders in the project irrespective of political divide. This is also refuted by Drury, (2000) who asserted that with proper approaches to proper project implementation rallying support becomes meaningless.

2.3.1 Financial reporting and effectiveness of NUSAF projects

Collins and Collins (2009) emphasized the importance of financial statements in sub projects in order for them to make sound decision about the project; these reports should be published and presented before the group to enable them analyze the performances and the financial position of the sub project. But Coe .C.K (2011) refuted the claim and instead said that small sub projects whose main objectives was to improve the life of the individuals could not prepare books of accounts since the sub projects was an intervention to empower individuals improve their living conditions within that period, therefore they are not a going concern .

Field (1997) agrees that financial reports should be comprehensive to include all aspects of the projects and accompanied by audited financial statements or at a minimum a comprehensive financial summary that identifies all revenues, expenses and the balances. The demand for such financial statements are supported by Financial Accounting Standard Board (FASB) which issue guidelines from time to time on, the financial statements for donor funded projects requiring them to prepare primary financial statements namely, balance sheet, income and expenditure accounts and statement of cash flows. The balance sheet highlights the financial position, the income and expenditure statement indicate the financial performance and the statement of cash flows explains how the project's cash flows have changed during the year. There is also a fourth or additional financial statement. This is the statement of change in net asset or fund balances. This represents the net of assets over liabilities. But Couple M.T. (2000) refutes the notion of such guidelines to small rural community groups who lacks the skills and

the expertise to organize themselves to the level of preparing books of accounts for running the sub projects.

Keating and Frumkin (2003), say it was difficult sometimes to believe in the financial statements to determine the performance of a subproject since some of them are falsified to suit the interest of the managers. Policy makers conventionally lay down safeguards that meet the objectives and goals of the organization. Generally accepted accounting principles (GAAP) looks at accounting information to be reliable and they should be verified to enable them be free of errors and biasness. Information in accounts must reflect the financial position and the state of affairs of the organization and such reports should be timely, to guide the beneficiaries understand the progress of the sub projects. The report should meet the standards required and used externally. However, Goldratt (2006) notes that community assistance cannot be run as an enterprises that requires a standardized systems since an enterprises can employ skilled personnel to run its affairs as opposed to beneficiaries who are not well educated..

Levitt (1997) asserts that reporting should meet international reporting standards to be accepted namely: a comprehensive generally accepted basis of accounting; high quality standards and comparability and transparency leading to full disclosure; and the standards must be regularly interpreted and be functional But David .O. (2010) looks at such demand as a hindrance to support to the community who are still recovering for civil wars..

Grant (2008) asserts the importance of information in an organization and the likely repercussions incase of such gaps between the beneficiaries and the managers of the funds. He further emphasized that such challenges could even lead to disorganization of the sub projects since the sub groups also lacks information technology facilities in their locality. He noted that four accounting errors or revenue recognition issues in the financial statements and omission of such elements of financial statements misleads the projects .However, Therkildson.O. (2001) notes that the decentralization system were in place and that the government

have administrative structures up to the grassroots level to help coordinate the activities of the projects in any case rendering such information technology meaningless.

Bradley (2003) points out that much concern about the public sector seems to return frequently to the question whether organizations in the sector are utilizing their funds in a way that effectively advances their mission other than about financial accountability. This act of neglecting financial accountability is experienced almost by all the NUSAF projects as far as their financial management systems are concerned.

According to Ahmad and Singh (2006), fiscal decentralization relies on the capacity of the smaller administrative institutions to handle their affairs efficiently and effectively. However, Peterson, (2011), asserts that the sub project funds were directly given to the community sub groups that do not require any administrative structures at the grassroots to handle such funds and this had cut off some corrupt elements that could have been created as a result of such demand.

Baltaci and Yilmaz (2006) state that when an organization lacks sound financial management system, budgeting, accountability becomes a real problem and automatically undermines the operation of the sub projects and they become vulnerable to waste, inefficiency and finally corruption will set in. The challenges for running such sub projects includes the absent of a control system against abuse, misuse, fraud, inefficient cash management, collusive practices in procurement among others. But Williamson (2003) notes that the staffs of NUSAF at the district level were funded well to help train beneficiaries learn basic financial management skills to run the sub project funds hence achieve the objectives.

Ramrayka (2000) highlights the importance of financial budgeting and effective communication in building trust and confidence in public institutions. She notes that to build

trust one needs to give feedback to funders on how money is used. Salomon (1999) asserts that when queries are raised about performance and accountability of public funds, public confidence in the sector is undermined. Bothwell (2001); Frumkin and Keating (2003) and Light (2000) all emphasize that financial management is important if the public sector is to realize effectiveness of the project. However, Stephenson Peter (2011) asserts that financial management is a small component of project management and therefore contributes little to the success of the project. Whereas Busby (2002) states that financial management skills and full disclosure to beneficiaries are very crucial for realizing the effectiveness of projects. Good financial management gives them comfort in knowing that the funds are being used properly. In addition, financial reports help to reach and encourage donors and all stakeholders of how finances allocated have been spent.

Carole and Nico (2006) notes that financial management reform is an effective Public Financial Management (PFM) practices which are aligned to maximize the efficient use of resources, create transparency and accountability in public finances that drive the community to economic success. The scholars are in assertions with the view that financial reporting is a control that should be in place when managing public finances to enhance effectiveness of service delivery, improved standard of living hence achieving millennium development goals (MDGs) as was outlined by the United Nations in the Year 2000 summit. But Poister H.T. (2003).Notes that public finance reforms have been carried out for so long and still most developing countries have received little improvement in terms of development.

Tumushabe (2010), note that a concerted move to improve the capacities of Local governments in monitoring and supervision of projects should be undertaken to enable such crucial projects deliver success to the targeted communities. Here they mean monitoring from the core of financial management in the performance of projects in the local government setting for this case NUSAF projects. However, Lopez Acevedo (2011), Notes that the NUSAF projects

integrated local government administrative structures to help monitor and guide the communities on the project which were effectively done.

Carole (2005), identifies some key areas which includes thorough budgeting and transparency; implementation, predictability and control in budget for the available funds. The enforcement of procedures in the implementation of sub projects should lead to project success. This is also in line with the NUSAF funds that the budgeting seems to have been left to people who have less knowledge in budgeting as a financial management tool in fostering performance in NUSAF projects in Kitgum District. However, Steven. M. (2014), notes that the attitudes of the communities who were from the camps was different and little time was spent to sensitize them on the project, meaning even when the financial reform were made the community still looks at those support as relief supplies that would continue for unforeseen period.

Witt and Muller (2006) notes that reforming financial management systems in the project would lead to redesigning the whole project which was subsequently done through the NUSAF1, NUSAF2 and now NUSAF3 but still the community is achieving very little in term of their economic status despite of other government programmes that is being implemented alongside the NUSAF component. But *Prasanna, (2013)* noted that the project design review which led to the subsequent NUSAF 2 and now NUSAF3 is changing the communities and beyond.

Wallace (2001) notes the importance of accountability, Budgeting and the financial management skills of the staff are the driving force for every organization and any projects should start by laying strong foundation on the financial management and then other structures. He adds the objectives and goal of such projects relies on sound management of its funds. In recent years, there has been focuses on the fund management due to corruption tendencies in government impacting on the funding environment and availability of resources after the occurrence of financial crunch in the developed countries. Good financial management

practices are a prerequisite for funding to non-profit organization and require attention to capacity building efforts of the human resources (The Urban Institute, 2001). Financial management requires qualified personnel accompanied by regular trainings to manage organizational resources as well as the capability to handle any eventuality during the operation of the project. This is also in line with the organization of the NUSAF funding before it is remitted to the beneficiaries. However, Symansky. S. (2010), notes that smaller sub projects require little manpower in order to reduce the cost of administration but rather increase funding to sub projects other than training personnel.

Ricardo (1984) observes that Accountability and management are inseparable. Here he means that making proper Accountability and record keeping is a key to the success of an organization. Project Accountability need to be transparent and the information regularly given to the concerned however, Smith (2010), infrastructural development is the beginning of any economic growth and development. He notes that investment could not be effective without prior development of the facilities for production. Some of this, he says, should be improved first such as roads and building infrastructures. This also explains that NUSAF projects were in line to improve the infrastructure of the affected areas and put the people on path to development. But Aziz (2011) notes that the available infrastructures were assessed and found to be enough to implement the project.

Antonin (1963) in the study, “Financing economic Development through soft loans and Grants” notes that a project submitted to the International Development Agency (IDA) for financing is expected to meet technical, economic and financial standards as the World Bank would expect if it were a soft loan or grant for a conventional terms. In addition, local authorities implementing NUSAF projects in communities who have unique problems created by the insurgency. Some scholars have highlighted the fact that Sub-county administration are poorly resourced and that the administration lack the human resources to carry out monitoring and

evaluation of the project (Hughes d'ach, 2002). This means that at the sub county level there are very few government employees who cannot cover the whole of the areas under the project. However, World Bank (2009) notes that NUSAF sub county facilitators were employed and equipped with a transport means to monitor all the sub projects funded and those other related activities.

The local authorities lack the skills of Monitoring projects in their locality and other leaders were relaxed because they wanted to be paid by the project (Hughes, 2002). He notes that Monitoring and evaluation needs skills and expertise that are designed for the projects such as log frame design; indicator setting both qualitative and quantitative, data collecting instruments including questionnaires, focus group discussion guides to enable them make a good report to the project managers. But, World Bank (2013) notes that all the government structures were involved in the monitoring of the project and were properly facilitated to lead the project to success.

Finally, Hughes and Gibbs (2002); note that sub county administration composed of a sub county chief, a local council three chairman, community development officer an accounts assistant and parish chiefs who are very thin on the ground to monitor the government projects alongside such other projects which are implemented. Gillian et al (2003) argues that most projects at sub county levels are not monitored well leading to such mess in their implementation. However, World Bank (2004) notes that guidelines were issued to the local authorities before the implementation of the projects so such gaps should not be an excuse to the community. Besides teams were formed at the district to carry out the monitoring of sub projects.

2.3.2 Supervision in financial management and effectiveness of the NUSAF projects

Supervision plays an important role as it reduces risks of problems that are being identified and managed on time. Supervision involves listening, availability and priority setting and closely following. Therkilden (2001) points out that supervision ensures that the activities are often on the right course and on schedule in meeting objectives and performance targets. This helps in regulating processes and activities in the projects. Supervision of the projects not only refers to the managerial function of overseeing the operation of the projects but it is a detailed close follow up of all project activities in order for the project meet its target . However, World Bank (2015) notes that NUSAF one had a very clear components of supervision of activities and programs which were effectively done despite of challenges that the personnel who were on the ground met in terms of logistics and accessibility.

Riley (2011) argues that supervisors, apart from carrying out their normal work, they should also train the stakeholders especially the beneficiaries on the various activities of the projects. The recent global financial crunch left many questions to be answered by supervisors since they were on the ground closely following banking institutions. Were there safeguards which supervisors put in place to avert the looming crisis or financial supervisors were relaxed in performing their work leading to such crisis. Financial supervisors need to show that inputs can create impacts to projects. Financial supervisors need to perform their duties so that their work is felt by the project managers, World Bank (2013). However, Millichamp A (2008). notes that financial supervisors tend to be expensive especially in development programs since the work involves huge sum of money which may not be cost effective in small sub projects. But, Muller (2006) notes that such supervisory roles were combined alongside other roles of the project staff that did their best in project implementation and their results were contained in the World Bank reports of such projects.

. Supervisor's roles are supported by Netherlands Authority for Financial Markets (NAFM) and the Dutch Central Bank (DCB) who were involved in the follow up of the financial crisis

around the world in 2009. The banks were tasked to display greater openness and transparency to the outside world on their roles of supervisory activities. This means that financial supervisors must not only be sufficiently independent but also accountable for how they perform their tasks (DCB, 2010). That calls for a carefully designed accountability program, in reports compiled by the supervisors and through internal and external assessments like the one of Financial Sector Assessment Programme (FSAP) authored by the International Monetary Fund (IMF) and the Dutch Court of Audit's supervision of markets programme (Hilbers, 2011). However, Wolk Harry (2008) underscores the role of supervision in low income countries instead emphasized the roles of politicians who are always listened to by their communities and have the capacity to mobilize and inspire community to work hard with very little supervision.

Despite of their professional ethics, and the legal requirements, supervisors need to report early enough to their superiors so that actions are taken on time. Practically, most financial supervisors are obliged by statutory duty to keep their report confidential and are thus not mandated to report on some of their actions. Suffice to these challenges, the proponent of performance measurement in financial supervision has long been overdue (Hilbers and Raaijmakers, 2012) But International Monetary fund , IMF (2012) noted that project supervision needs to be locally done for small projects since it's the local community who knows well the areas under supervision.

2.3.3 Financial monitoring and effectiveness of NUSAF projects

Financial monitoring provides the projects to move in the direction to which it is intended and act as an early warning mechanism on policies, rules and regulation of the implementation guidelines, International Monetary Funds, (2007), given the assessment risks during the appraisal stage it was evidenced that NUSAF project needed close monitoring by dedicated teams to enable the project achieve its goals. Regular feedback, guidance and mentoring

opportunities were required to improve systems and controls by implementing financial monitoring recommendations and other oversight bodies including the communities themselves (Prasaana and Chandra, 2008). Financial monitoring is carried out to align the project activities with the objectives and goals of the projects and thus effectiveness of projects. However, Rajaram (2013) notes that monitoring contributes very little to the success of projects since some tools of monitoring are misguided and could not give a positive results.

Williamson (2003) further highlights that financial monitoring enables the organization to identify areas of concern to the project, guides project policy makers on the new dimensions of the projects and helps review of the design and other matters related to the project.

Effective monitoring keep the project work on track and new ideas to implement the projects are always hatched that later leads to recommendations to implement measures in relation to the findings. Lopes. A. (2011) notes that monitoring sub projects in the communities needed time and commitment by the local authorities but in most cases such reports do not reach project authorities. However, International Monetary Funds, (2014) notes that monitoring alone would not have diverted the project goals but emphasized the community acceptance and the political environment plays a role in such a situation.

Kamukama (2008) asserts that it is important to monitor a project which is the first of its kind in the country so that financial management and the effectiveness of sub projects are followed and any deviation in the objectives are identified and immediately corrected. He further asserts that the monitoring should be done using successive monthly or quarterly financial statements and other related reports. Monitoring reports becomes vital since short term decisions are made basing on such information. However, World Bank, (2015), notes that the project nearly went out of control despite the available monitoring reports but heaps the blame on political and corrupt local authorities who turned the project into a political favours.

However, Kamukama (2008) observes that financial statements are prepared after the activities have been carried out and that they show the results of the business after the event and as such they are lagging indicators as opposed to monitoring. But he advises that this statement should be prepared on a regular and consistent basis such as monthly or quarterly and be compared with prior periods to reveal the trends that might not be apparent. This supports the findings which emphasizes that finance staff take keen actions on issues of accountability and monitoring of projects which is important in scanning the problems and risks that may occur and hence lead to good finance management that supports project effectiveness. But World Bank, (2015), notes that all monitoring reports and financial statements were in place and were well presented on time to enable project managers make informed decisions.

2.4 Accountability and effectiveness of NUSAF projects

Independent Sector (2002) asserts that all organization needs to keep its reputation and keep public confidence especially on honesty and gain moral support from the public in using funds and having high level of public confidence. Emerson (2004) warns that if an organization fails to conduct its affairs with integrity it may be held accountable by the government regulatory agencies; by one or more private watchdog organization; by an ever vigilant media; or lastly and perhaps most importantly by informed donors who will simply not support projects that violate their financial policies. No matter where the scandal occurs, when such stories make headlines, the people most affected are the beneficiaries and those who support the projects and react by reducing their support and involvement. Reports of fraud and other ethical and legal violations greatly reduce donor confidence. If you run an organization and the public do not recognize you as credible, your ability to raise funds, function effectively and fulfill your organizational objectives will be severely hindered. Salomon (1999) asserts that when questions are raised about performance and accountability of a public institution, public confidence in the sector is undermined. However, World Bank,(2004), notes that public

relations were put in place to handle all matters of public concerns in the NUSAF projects but since many sub projects were not funded and there were a lot of mismanagement of funds that led to public outcry and affecting the reputation of the projects.

A study by Independent Sector (2002) asserts that there is a relationship between the public confidence in accountability in an organization meaning that they are serious and the perception belief that they are honest and ethical in their use of funds. Several people who express high confidence in charities also do believe that they are good financial system in place in their use of funds. But organizations can have very good accounting policies put in place but that does not mean that they are doing a good work in the community World Bank (2014). World Bank, (2003) notes that accountability procedures and policies under the NUSAF project were put in place but they were abused by the managers and community sub projects were not required to produce reports as at the district level and in the prime Minister's office where the problem arose.

Boice (2004) states that in any World Bank supported programmes, some of the most valuable financial management assets are budgeting, accountability and financial management skills but they would be nowhere without such crucial financial management aspects of funds. It is important that public sector organizations are trustworthy and accountable organizations. Accountability is one of the most valuable assets of any organization. The elements of financial accountability namely, book keeping, timely reporting and submission help stakeholders , government and the general public assess the project's credibility in the use of funds which influences the donors' confidence in the project. If funds received by the sub-projects are not accounted for through a proper accounting system, adherence to financial reporting guidelines, and management losses credibility; this affects donor confidence which is manifested through reduced funding and giving stringent conditions for the utilization of funds. However, Raamkukar. V. (2008) notes that the community need to embrace projects right from the

beginning to enhance success and failures of such vital stage causes mismanagement in the project implementation.

2.5 Summary of literature review

The literature review reveals that in the study of the relationship between financial management and effectiveness of NUSAF projects, most scholars agree that financial management and accountability not only benefits the internal and external stakeholders but the organization itself. Furthermore, it has been shown that scholars unanimously agree that budgets are time-tested and the most widely used control system for financial management in all organizations and projects. Without a sound financial management system, budgeting cannot be ensured.

The literature has shown that financial management skills are manifested in form of accountability with honesty and integrity and these build trust which makes it possible for the organization to perform because it leads to building public confidence. However, such skills are deficient in most organizations in Uganda. The literature has also shown that when public confidence is undermined, the ability of an organization to function or a project to proceed is severely hindered. There is a link between accountability on one hand and honesty and integrity on the other. An emerging issue here is the role of the public in determining the performance of the project.

Whereas the public is not directly involved in the management of the project, it holds a lot of influence in determining the fate of the project especially in the long run. When it comes to financial reporting, scholars point out that financial reporting is all about timeliness, reliability, and relevance. However, some scholars point out a weakness in that financial reports show results after the fact and as such are lagging indicators; though that does not diminish their importance.

All in all, the literature reveals that financial management is an important factor in developing legitimacy in the eyes of external stakeholders. The literature has also shown how accountability, budgeting and financial management skills affect the effectiveness of projects.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter gives an account of the design that was employed in the study of the financial management and the effectiveness of the NUSAF projects in Kitgum District. The chapter composes of research design, population, data collection instruments reliability and validity of instruments, sample, sampling techniques, and data collection methods, procedures of conducting the research, data analysis, ethical consideration and limitation of the study. Triangulation approaches were used to collect and analyze data from both quantitative and qualitative strategies.

3.1 Research design

The study used a cross-sectional survey design, with survey of the population of the community sub-projects in Kitgum District. Across-sectional survey design helped the researcher to gather data from a sample at a particular period in time. It revealed the budgeting, financial management skills of the staff, Accountability of the projects and the effectiveness of the projects. In the study, both quantitative and qualitative approaches were used as postulated by Amin (2005) that using the triangulation method gives the investigator a deeper analysis of the inductive and deductive approaches through qualitative and quantitative perspectives. The notion of combining the qualitative and quantitative technique in a case study offers the assurance of getting closer to the whole of the case in a way that a single method could not accomplish (Brewerton,2001). This idea is based on the triangulation techniques which collects and analyses data from both qualitative and quantitative methods with a view of obtaining convergence on the subject under investigation. The design also enabled the investigator to indicate the picture of the effectiveness and success of the projects, release of funds to the communities, the number of projects so far sustained and how such projects were coping with their activities, the returns and shortcomings of some of the projects. It is thus quantitative and qualitative in nature.

3.2 Study population

Out of the total population of 80 respondents a target population of 76 who received the funds was used to collect the data including the technical staff of the NUSAF projects. Simple random sampling was used to select the respondents in the various sub-counties where the study was carried out.

3.2.1 Determination of sample size

Out of the total population of 80 respondents, a sample size of 76 respondents was selected. Isaac and Michael (1980) and Krejcie and Morgan table of sample size determination suggest a minimum size of respondents in order to enable an investigator reach a logical conclusion and portrays a sample which is representative enough for the study. The table was used to select the sample size.

3.3 Sample size selection and sampling techniques

The respondents were selected using simple random sampling and purposive sampling methods. The samples were selected without bias from the target population Oso and Onen, (2008); Mugenda & Mugenda, (1999); Sekaran, (2004). A sampling frame was obtained from the sub-counties implementing NUSAF projects. Simple random sampling and purposive techniques were used to collect information from the respondents. This is in accordance with Amin (2005) who contends that purposive sampling enables the investigator to select respondents who have wider knowledge about the issues under investigation.

3.3.1 Summary of the respondents

Table 1: Summary of respondents

Category of Respondents	Population	Sample	Sampling Technique
--------------------------------	-------------------	---------------	---------------------------

Vulnerable group support (VGS)	20	19	Simple random sampling.
Community development initiative (CDI)	20	19	Simple random sampling.
Community Reconciliation and Conflict Management(CRCM)	20	19	Simple random sampling.
NUSAF Technical staff	20	19	Purposive sampling.
TOTAL	80	76	

Source: Primary data January (2017)

3.4. Sampling techniques and procedures

The study used both non-probability and probability sampling techniques. In a non-probability sampling technique, the samples were collected in a process that does not give all the individuals in the population equal chances of being selected (Fraenkel, Wallen & Hyun, (2012), the technique that was used under this category was the purposive sampling technique. In the Probability sampling technique, the samples were collected in a process that gives all individuals in the population equal chances of being selected. This was simple random sampling techniques. To ensure representativeness of the samples, randomizations were used to attain the respective sample size from the eighty respondents. The study specifically employed purposive and simple random sampling techniques (Amin, 2005).

Using those sampling techniques in each category, respondents were selected. Simple random sampling were used for the sample of projects beneficiaries, sub-county and district NUSAF staff were selected purposively for the data collection. As a result, a total of 76 respondents were randomly selected from the various sub-projects using technique cited in (Krejcie and Morgan) table (1970) and also cited in Amin (2005). This is to enable the sample be statistically representative of the study population

3.4.2. Purposive sampling

The investigator used purposive sampling (Amin .2005). In this sampling technique, staff from top management and specifically those staff seconded by the district to handle NUSAF projects were sampled. It was believed that some samples are fit for the data collection compared to other individuals who are directly concerned with the project. These were the reasons why the purposive sampling method was employed by the investigator to collect the data.

3.4.3 Simple random sampling

In simple random sampling, every individual has a known and equal chance of being selected as a subject. Each individual in the group of every NUSAF sub projects had the same chance of being selected at any stage during the sampling process (Amin 2005). A thorough sampling of subprojects was believed to make a logical conclusion. The NUSAF beneficiaries were the key respondents and the NUSAF technical officers at the district.

3.5. Data collection methods

The investigator contacted respondents who were also the direct beneficiaries of NUSAF projects for firsthand data using the survey method which involved use of questionnaire and interview guide as well as collection of data using secondary sources on the budgeting, accountability and financial management of the staff and the effectiveness of the NUSAF projects. It also involved seeking the opinion and feelings of the people as well as generating numerical data on the financial management and the effectiveness of the NUSAF projects in the district. As a result, the study used both structured and unstructured instruments which include focused group discussion, questionnaires and interview guides.

3.5.1 Questionnaire method

Open and closed ended questionnaires were used to collect data during the study. The investigator prepared a set of questions regarding the study objectives. The questions covered budgeting, financial management skills of the staff and the accountability. Questionnaire

survey method was preferred because it saved time; besides, the respondent freely answered questions realistically (Amin, 2005). The method was cheaper than other methods and free from the bias of the interviewer.

3.5.2 Interview Method

The subproject group members were selected at random and were interviewed basing on the interview guides. The answers were then recorded for each and every respondents investigated. The method saved time since most of the respondents were unable to read and write what was needed with ease.

3.5.3 Focused Group Discussion Method

The investigator also employed focused group discussion where respondents were called in a group and guided discussions were held. This saved time for the data collection and respondents were motivated to give answers that concern the sub projects

3.6 Data collection instruments

Data collection instruments used included questionnaire, focused group discussion and interview guides.

3.6.1 Interview guides

This involves a face to face interaction with the respondent and reply properly recorded concerning the subject matter. Specifically personal interviews and telephone interview were conducted to the respondents. The investigator conducted face-to-face interviews with project management committees in each of the 76 targeted different subproject respondents in order to get in-depth information. Mugenda and Mugenda (2011) stressed that the open ended interviews permit greater in-depth responses by motivating respondents to give insight into their feelings and opinions. The interviews were structured to comprise a set of issues on which the investigator wished to draw and back up the quantitative data collected. This method was

used continuously, because more data and greater in depth data could be obtained. The interviewer by his own skill overcame the resistance of the respondents who in one way or another feared to reveal information. The interview method produced perfect sample of the general population. There was flexibility, control of the person to answer the question and personal information was extracted.

3.6.2. Questionnaire

The investigator employed self-administered questionnaires to 76 selected members of the subprojects and NUSAF staff at the district as respondents to extract quantitative data for the study. Members were selected from each sub projects and were issued with the questionnaires. The questionnaires consisted of a number of questions printed in a definite order on forms. This helped a lot because questionnaires are cheap even when the target population is large and were spread geographically across the district. They were also free from bias of the interviewer; respondents had adequate time to give well thought out answers. Respondents who were not easily approachable were also reached conveniently. Focused group discussions were organized to the targeted community and their views were also collected.

3.7 Reliability and validity of the instruments

3.7.1 Reliability

This refers to the consistency of the instruments Sekaran (2003) notes that the degree to which a research instrument yields consistent data after repeated tests needs to be established. An instrument is reliable when it can produce the same result whenever it is repeatedly used to measure concept from the same respondent even by other researchers (Sekaran, 2003). In order to avoid ambiguities and some confusing, missing, inappropriate, redundant, inadequate or unanswerable questions that were provisionally prepared by the investigator, the investigator undertook a pretest questionnaire and removed such questions where few questionnaires were

administered to few respondents. All the instruments were subjected to close comments of the supervisor the one independent expert to assess. The recommendation enabled the investigator to modify the question to obtain the data needed. The methods of triangulation involving the use of collective methods of data collection were used. To ascertain reliability, internal consistency of the questionnaires also, interviews were cross-checked. The degree with which the instrument would produce consistent result if used under the same conditions were very vital in the processes.

Table 2: Reliability statistics

Cranach's alpha	No. of items
0.733	10

Source: Primary data (January, 2017)

Table 3: Reliability statistics (all variables)

Variables	Construct	Number of items	alpha
Independent variables	Budgeting	6	0.926
	Financial mgt skills	7	0.933
	Accountability	8	0.893
Dependent variables	Project effectiveness	8	0.581

Source: Primary data (January, 2017)

In Budgeting, six items were selected and their alpha was 0.926, Financial management skills seven items were selected and their alpha calculated to be 0.933, in Accountability eight items were collected and their alpha calculated to be 0.893 while project effectiveness, eight items were collected and calculated to be 0.581 which shows they were all reliable.

3.7.2 Validity

In order to ensure that the research instruments collect justifiable and truthful data for this study, Content Validity was used. Content Validity is concerned with the extent to which items

of the instrument are suitable for gauging the attributes (Odiya, 2009). Content Validity Index (CVI) for each item of research instruments is calculated by rating of the experts (Ahuja, 2005). Specifically, the research used CVI with three experts carrying out the rating. Each expert was asked to rate each item of the instruments for validity by checking whether it is “relevant”, “quite relevant” or “quite irrelevant”. The CVI was then obtained by getting the number of raters reporting the item as relevant divided by the total number of raters who carried out the rating. Items of research instrument with CVI of 0.6 or higher were considered good for the research purpose (Odiya, 2009). Therefore any item of this research whose calculated validity was lower than 0.6 were rephrased, adjusted and some discarded altogether to enable all the instruments be valid in the measurement.

3.7.2.1 Content validity index results

To ensure validity of instruments, the researcher gave a sample of instruments to supervisors and colleagues who guided the investigator on the relevant items to be included in the study to minimize errors in the instruments. Validity was determined using content validity index where questionnaires were given to a group of experts who read through and determined the relevant and irrelevant items. Relying on this outcome, the investigator made corrections on the items. CVI is calculated as (K/N) where, CVI= content validity index, K= number of questions rated relevant and N=number of items included in the instruments. Mugenda and Mugenda (2008) assert that a content validity index of 0.7 above qualifies the item to be good.

Table 4: Content validity index

Variables	Total No. of items	Number of valid items	Content validity index
Budgeting	9	8	0.888
Financial mgt skills	15	13	0.866
Accountability	10	8	0.8
Effectiveness of Projects	13	11	0.846

Source: Primary data (January, 2017)

From the above table, budgeting yielded CVI 0.888, Financial management yielded a CVI= 0.866, Accountability yielded CVI=0.8 and projects performance yielded CVI= 0.846. Since all the variables yielded a CVI above 0.7 accepted for social scientists it was inferred that the instruments were relevant in measuring financial management and project effectiveness. Clarity and accuracy were done through pretesting of the instruments so that data collected gives meaningful and reliable results which are representative of the variables in the study (Mugenda & Mugenda 2000). By measuring validity, the investigator ensured that the questions were relevant.

3.8 Procedures of data collection

The investigator obtained an introductory letter from the School of Management Sciences, Uganda Management Institute. He then moved to seek for permission from the Executive Officer NUSAF Management Unit (NUMU) based in Gulu to carry out the study on the financial management and the effectiveness of the NUSAF projects in Kitgum District. In Kitgum, the investigator met the Chief Administrative Officer (CAO) and NUSAF District Technical Officer (NDTO) who doubles as the principal personnel officer for the same.

3.9 Data Collection

Hand-delivered questionnaires were administered to the respondents concerned with the NUSAF projects and the NUSAF district technical officer in Kitgum District. Interviews were conducted on the financial management to the community sub project in the district, beneficiaries and the community in general so selected on the effectiveness of the projects. Two trained research assistants and the sub county NUSAF facilitators were used to conduct

the interviews. Data from the records on the projects in the district were also collected to consolidate the information got from the primary data.

3.10 Data Analysis

3.10.1 Quantitative data analysis

After sorting and cleaning data, percentages, charts, Pearson Product moment correlation, or a regression and correlation data analysis was employed to analyze the data and establish the relationship between the financial management and effectiveness of the NUSAF projects. All data and information so collected were edited and corrected; a database created for the data to be analyzed. The data were categorized into themes consistent with the study objectives. The data were tabulated and grouped accordingly. Further statistical analysis was carried out using percentage measures, regression and correlation analysis computations to establish the relationship between financial management and effectiveness of NUSAF projects in Kitgum District.

3.10.2 Qualitative Data analysis

Qualitative data were collected through the use of focused group discussion and interviews and the data which were collected through explanation and understanding and interpretation were carefully tabulated and changed into quantitative data. It is normally based on interpretative philosophy. The idea is to examine meaning and symbolic content of qualitative data (Kelle and Seidel, 1995).

Qualitative data were analyzed based on objectives of the study where different themes and codes were used to analyze them. Key opinions, beliefs, ideas, statements and attitudes expressed for each theme were used to come up with patterns and relationships. Answers from different respondents were compared to establish the most occurring. The data were

summarized in narrative form and presented in chapter four to complement quantitative data. Reviewed literature was used to triangulate the findings of the study.

3.11 Measurement of variables

Five-point Likert scale used whereby 5=was to specify “strongly disagree”, 4= was used to signify, “disagree”, 3= was used to signify, “non-committal”, 2=was used to signify “agree” and 1= was used to signify, “strongly agree”. The respondents were instructed to tick the box along the question to indicate their level of agreement or disagreement using the scale and others were to write their opinions in the spaces provided. These were preferred because it eased coding and analysis of the result. Besides, the summated scales are widely used in the study of social attitudes.

3.12 Ethical Consideration

The major ethical issues like informed consent, and privacy, access and acceptance, voluntary participation and the use of acceptable language were addressed. When carrying out the investigation the researcher upheld the moral codes of conduct that guide the study. These include respect of the confidentiality of the respondents, avoiding harm to the respondents, and ensuring quality and integrity of the work. For the interviews, face-to-face interaction was conducted (Cohen et al., 2000). However, the interviewer ensured confidentiality. This means that all the information so extracted through interviews was kept confidential. Permission was also requested for the use of a recorder before conducting the interview. The recordings were later used strictly to transcribe the data collected and then firmly stored and kept out of reach of other persons. Respondents were also guaranteed that all the information would be kept secrets and used only for the purpose it was intended for.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF RESULTS

4.1 Introduction

This chapter presents the findings, analysis and interpretation of data that was collected in response to the research questions in order to fulfill the requirements of the research objectives. David (1982), there are some basic methods for summarizing descriptive narrative data into numerical data categorized as percentages, charts, correlation, Mean and standard deviation analysis and frequency distributions. The study assessed the effect of financial management on

effectiveness of the NUSAF projects in Kitgum District. The central focus of the study was on three factors namely budgeting, financial management skills and Accountability. Data collected was presented using tables, and analyzed using inferential and descriptive statistics. Besides, the researcher used Pearson product moment correlations, mean and standard deviation analysis to establish how budgeting, financial management skills and Accountability affected effectiveness of NUSAF projects in Kitgum District.

4.2 Response rate

Table 5: Sample and response levels

Category of respondents	Sample size	Respondents	Percentages
Vulnerable Group Support	19	19	100%
Community Development Initiative	19	17	89.5%
Community Reconciliation & Conflict Management	19	15	79%
NUSAF Technical Staff	19	19	100%
Total	76	70	92%

Source: Primary data (January 2017)

4.3 Background characteristics of respondents

The characteristics of the respondents are grouped in terms of sub-projects engaged in and the education background. Cross-tabulation was used to determine the distribution of respondents by sub-project and by level of education.

Table 6: Cross tabulation of sub project and education

Count		Education					Total
		Primary	Secondary	Diploma	Bachelor	Others	
sub project	VGS	11	16	4	3	2	36
	CDI	3	10	7	1	2	23

	CRCM	3	4	0	1	3	11
Total		17	30	11	5	7	70

Source: Field Data

The descriptive data in the table above shows that there were 36 respondents that took VGS project, 23 took CDI project and 11 were under CRCM project. The majority of the respondents under the VGS project (16) had attained secondary education, followed by primary education (11). This implies that majority of the beneficiaries were educated persons and those not educated were few in the sub-project awarded due to challenges they met in writing the project proposal.

4.3.1 Sub-project distribution per Sub-county in Kitgum District

Table 7: Sub project distribution per Sub County

Sub county	Frequency	Percentage
Namokora	8	11.4%
Lagoro	5	7.1%
Omiya Anyima	10	14.3%
Labongolayamo	5	7.1%
Labongo Amida	4	5.7%
Kitgum Town Council	17	24.3%
Akwang	3	4.3%
Orom	7	10%
Mucwini	9	13%
KitgumMatidi	2	3%
TOTAL	70	100

Source: Field data (January 2017)

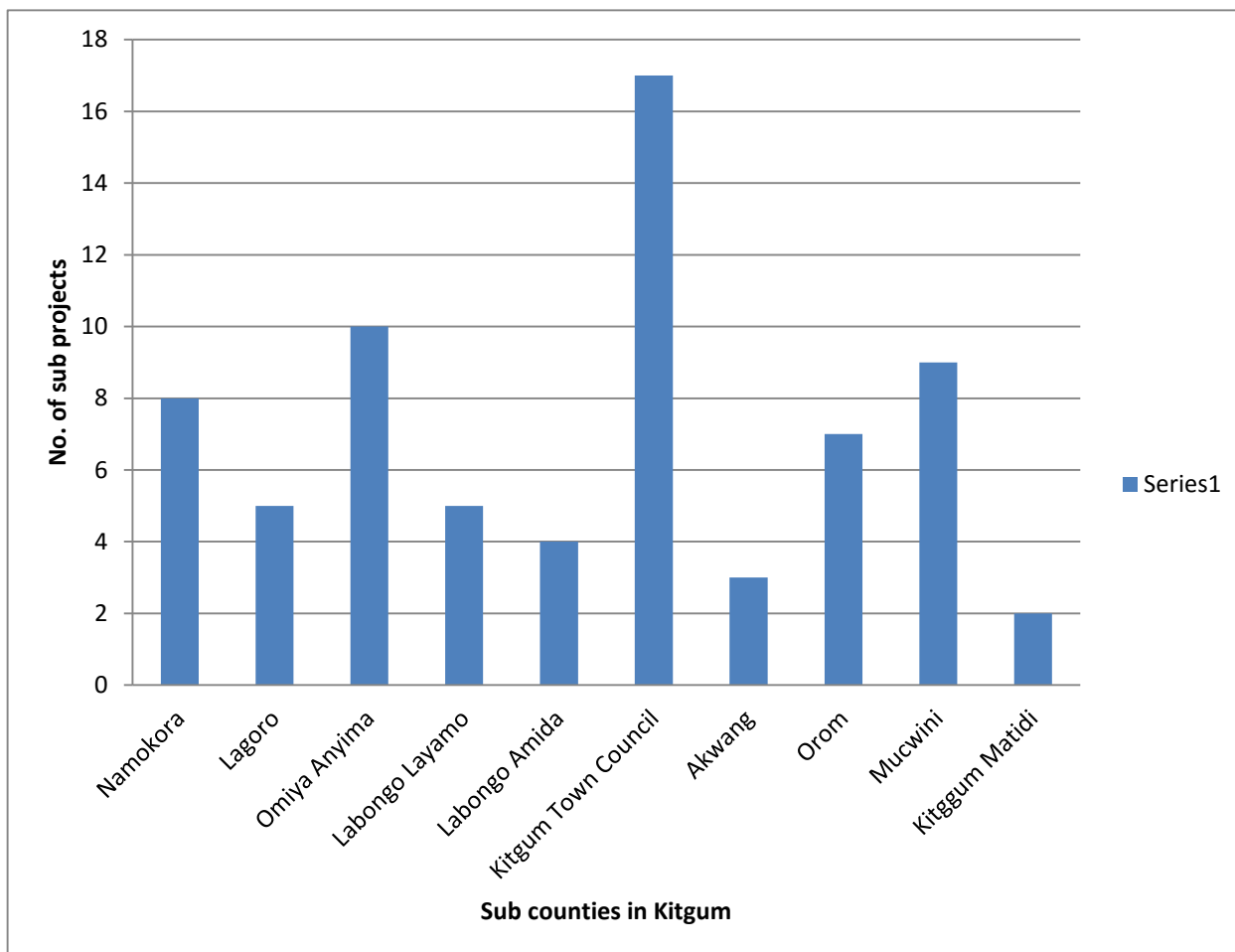


Figure 2: Distribution of sub projects in sub counties in Kitgum District

Source: Primary data (January 2017)

With regard to the sub-project distribution in the sub-counties, more sub-projects were given to Kitgum Municipal Council with 17 different categories of the projects, representing 24.3% ,Lagoro sub county with 5 sub-projects representing 7.1% out of the 51 sub-projects sampled by the researcher under the NUSAF progamme, Akwang had 3 (4.3%) ,Orom 7 (10%), Labongo Layamo 5(7.1%), Kitgum Matidi 2 (3%), Namokora 8 (11.4%), Mucwini 9 (13%) , Omiya Anyima 10 (14.3%). This implies that some subs-counties had fewer sub-project given to them, thereby denying the community to meet the very objectives of poverty reduction in those areas.

4.4 Descriptive statistics on budgeting and Effectiveness of NUSAF project in Kitgum District

The regression and correlation was used to examine the data obtained on the attributes of budgeting, financial management skills, Accountability and effectiveness of NUSAF in Kitgum District. The results are presented in tables that clearly show the variation in means of the attributes of the respective variable.

4.4.1 Budgeting and Effectiveness of NUSAF project in Kitgum District

The study assessed the effect of budgeting on effectiveness of the NUSAF projects in Kitgum District. Respondents were asked questions related to financial management skills and their responses were contained in the Table 8 below

Table 8: Descriptive statistics on Budgeting

Attributes of Budgeting	N	Min	Max	Mean	Std. Deviation
Estimate of income was realistic and appropriate for the sub project	70	1	5	2.24	1.245
Budget estimating were done collectively by community members	70	1	5	1.93	1.081
Estimate of expenditure was realistic and appropriate	70	1	5	2.13	1.179
There is a budgeting process in place and always followed by the community members	70	1	5	2.33	1.176
Budget implementation follows the budget framework of the project	70	1	5	2.14	1.254
Funding of the project is timely and equitably allocated to subproject groups	70	1	5	2.14	1.12
Average	70.00	1.00	5.00	2.15	1.18

Source: Field Data

Table 8 shows the variation in the means of the attributes of budgeting. All the attributes recorded mean above 2.0 except collective budget estimate which was M=1.93. No attribute, however, recorded average mean of 2.5 and above, implying that budgeting was below average

at M=2.15. This also means that budgeting was not properly done, thereby impacting on the effectiveness of the NUSAF projects in Kitgum District

4.4.2 Financial management skills and the effectiveness of the NUSAF projects in Kitgum District

The study also focused on the financial management skills in establishing the effect of financial management skills on effectiveness of the NUSAF projects in Kitgum District. Respondents were asked questions related to financial management skills and their responses were contained in the Table 9 below.

Table 9: Descriptive statistics on financial management skills

Attributes of Financial management skills	N	Min	Max	Mean	Std. Deviation
Sub project staff are qualified in project management	70	1	5	2.36	1.143
Skills possessed by Staff members are sufficient in the running of the project	70	1	5	2.46	1.188
Staff have experiences in sub project management	70	1	5	2.28	1.162
There is continuous supervision of accounts transaction	70	1	5	2.03	1.049
Reports are required for any activities done to support monitoring	70	1	5	2.1	1.169
The actual costs are compared with the budgeted cost of activities	70	1	5	2.19	1.107
Corrective actions is taken immediately whenever there are deviations in activities	70	1	5	2.14	1.254
Average	70.00	1.00	5.00	2.22	1.15

Source: Field Data

Table 9 revealed that “skills possessed by project staff” recorded highest mean (2.46), followed by “sub project staff are qualified in project management” (M=2.36). All the attributes, however, recoded mean above 2.0 but none scored average of m=2.5. The financial management skills generally recorded mean of 2.22 which is below average, implying low level of financial management skills among staff of NUSAF project in Kitgum District.

4.4.3 Accountability and Effectiveness of the NUSAF project in Kitgum District

The study further focused on establishing the effect of Accountability on effectiveness of the NUSAF projects in Kitgum District.

Table 10: Descriptive statistics on Accountability

Accountability	N	Min	Max	Mean	Std. Deviation
Proper documentation of Accountability are made in a timely manner by subproject	70	1	5	2.16	1.187
Financial Reporting are done on a timely manner	70	1	5	2.17	1.167
Feedback of Accountability are submitted on a timely basis to NUSAF offices	70	1	5	2.24	1.245
There is Record keeping for transactions by the subproject	70	1	5	1.97	0.916
Books of accounts are updated regularly to facilitate decision making	70	1	5	2.26	1.236
There is compliance with all relevant policies and regulation regarding accountability	70	1	5	2.23	1.106
Audit work is done regularly to ensure that there are no unauthorized funds expended.	70	1	5	2.07	1.108
All expenditures are recorded and documented	70	1	5	2.06	1.075
Average	70	1	5	2.145	1.13

Source: **Field Data**

The means of the attributes of accountability presented in Table 10 above is 2.145 which are below the average mean of 2.5. The attributes with higher means above the rest are: books of accounts updated regularly, feedback on accountability submitted in time and compliance with policies, among others, in that order.

4.4 Effectiveness of NUSAF Project in Kitgum District

The study further focused on assessing the project effectiveness. Respondents were asked questions on efficient use of resources, compliances with the relevant policies regarding Accountability, financial management skills, budgeting, sustainability of projects, distribution of projects among the communities and their participation and the responses were recorded.

Table 11: Descriptive statements about Effectiveness of NUSAF project

Effectiveness of NUSAF project	N	Min	Max	Mean	Std. Deviation
Subprojects continued to progress after the end of the project.	70	1	5	2.09	1.06
Majority of individuals benefitted from the sub project	70	1	5	2.26	1.163
Conflicts among the community drastically reduced	70	1	5	1.96	0.999
Efficient use of resources to achieve value for money	70	1	5	2.24	1.221
School enrolment greatly increased	70	1	5	2.59	1.375
Youth unemployment reduced	70	1	5	1.77	1.119
Physical accountability is done by staff where documentary evidence is not enough	70	1	5	2.41	1.229
Generally great impact were experienced in term of poverty reduction	70	1	5	2.14	1.088
Increased commercial farming	70	1	5	2.04	1.194
Minimal land disputes among the community	70	1	5	1.93	0.89
Fulfilment of community obligations as expected	70	1	5	2.11	1.149
Adequate provision of clean water and accessibility to the community	70	1	5	2.41	1.346
13. Enough school infrastructures available for learners	70	1	5	2.87	1.327
Average	70.00	1.00	5.00	2.22	1.17

Source: Field Data

The performance of NUSAF presented in Table 11 also registered lower mean (M=2.22). None of the attribute had mean reaching average (M+2.5) except increase in school enrolment (2.59), implying that the effectiveness of NUSAF implementation in Kitgum District was low.

4.8 Research questions

4.8.1 Research question one

What is the effect of budgeting on effectiveness of NUSAF project in Kitgum District? The researcher investigated the effect of budgeting on effectiveness of NUSAF in Kitgum District. The finding was analyzed using Pearson Product Moment correlation statistics and presented in Table 12 below.

Table 12: Correlations results for budgeting and effectiveness of NUSAF project

		Budgeting	Effectiveness of NUSAF project
Budgeting	Pearson Correlation	1	.51
	Significant. (2-tailed)		.674
	N	70	70
Effectiveness of NUSAF project	Pearson Correlation	.51	1
	Significant. (2-tailed)	.674	
	N	70	70
significant at .05 level			

Table 12. Shows strong effect of budgeting on effectiveness of NUSAF project in Kitgum District ($r=.51$, $p<.05$). Positive r value means positive effect, implying that any variation (increase or decrease) in the level of budgeting leads to positive variation in the effectiveness. It is therefore concluded that there is positive effect of budgeting on effectiveness of NUSAF in Kitgum District at 95% level of confidence. This also means that better budgeting leads to effectiveness in the NUSAF projects.

4.8.2 Research question two

What is the effect of financial management skills on the effectiveness of NUSAF projects in Kitgum District? The researcher assessed the effect of financial management skills on effectiveness of NUSAF in Kitgum District. Pearson Product Moment correlation statistics was used for analysis and the result presented in Table 13 below.

Table 13: Correlations results for financial management skills and effectiveness of NUSAF project

		Financial Management Skills	Effectiveness of NUSAF project
Financial Management Skills	Pearson Correlation	1	.249*
	Significant. (2-tailed)		.038
	N	70	70
Effectiveness of NUSAF project	Pearson Correlation	.249*	1
	Significant. (2-tailed)	.038	
	N	70	70
*. Correlation is significant at the 95% level of confidence (2-tailed).			

Table 13 shows significant positive effect of financial management skills on effectiveness of NUSAF project in Kitgum District ($r=.249$, $p<.05$). This means, any increase in the level of financial management skills leads to a proportionate increase in the level of effectiveness and the opposite is true. It is therefore concluded that, there is significant positive effect of financial management skills on effectiveness of NUSAF projects in Kitgum District. A highly skilled project staff leads to effectiveness of the projects to the beneficiaries.

4.8.3 Research question three

What is the effect of Accountability on the effectiveness of NUSAF projects in Kitgum District? The researcher investigated the effect of Accountability on the effectiveness using Pearson Product Moment correlation statistics and the result presented in Table 14 below.

Table 14: Correlations results for Accountability and effectiveness of NUSAF project

		Accountability	Effectiveness of NUSAF project
Accountability	Pearson Correlation	1	.259*
	Sig. (2-tailed)		.030
	N	70	70
Effectiveness of NUSAF project	Pearson Correlation	.259*	1
	Sig. (2-tailed)	.030	
	N	70	70
*. Correlation is significant at the 0.05 level (2-tailed).			

There exists significant positive correlation between accountability and effectiveness of NUSAF project in Kitgum District ($r=.259$, $p<.05$). This means that the more the level of Accountability, the more the effectiveness of NUSAF project and the lower the level of Accountability the lower the effectiveness. It is therefore concluded that there is significant positive effect of Accountability on effectiveness of NUSAF projects in Kitgum District. This also means that prompt accountability made by sub projects would means effectiveness of the projects.

CHAPTER FIVE

SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary, Discussion, conclusion and recommendations of the findings based on the objectives of the study that were to establish the relationship between budgeting and the effectiveness of the NUSAF projects in Kitgum District; to establish the relationship between financial management skills and the effectiveness of NUSAF project in Kitgum District and, to establish the effect of Accountability on the effectiveness of the NUSAF project in Kitgum District. The study also indicates specific areas that require further studies to understand better the financial management and the effectiveness of NUSAF projects.

5.2 Summary of main findings

The study was specifically guided by three objectives namely; to establish the relationship between budgeting and the effectiveness of the NUSAF projects in Kitgum District; to establish the relationship between financial management skills and the effectiveness of NUSAF project in Kitgum District and, to establish the relationship between Accountability and the effectiveness of the NUSAF project in Kitgum District. Through the questionnaires that were administered to the respondents, the findings revealed that financial management significantly affected effectiveness of the NUSAF projects in Kitgum. The investigation further revealed that financial management greatly affected NUSAF project effectiveness through budgeting, financial management skills and Accountability. It further revealed that the district administration were aware of the various financial management gaps that should have been dealt with to enhance project effectiveness. Besides the sub-project distribution per sub-county and parishes shows that more sub-projects were awarded in some sub counties than other areas, meaning that there was some bias in the distribution of sub-projects. For instance, Kitgum

Municipal Council got 17(24.3%) of the 51 sub-projects, well above other sub-counties. The finding of the sub-project components also revealed that support for vulnerable groups was funded more, that is 36(51%) of the total 70 respondents. This means that the project staffs were focusing on improving the income of the community which requires sensitizing the community on financial management for the project to realize its objectives.

Further analysis of the level of education of the beneficiaries revealed that the majority of the beneficiaries (51%) were educated, with a minimum of secondary level. This means that the majority of beneficiaries who benefitted mostly were educated to certain level, leaving the rest of the targeted population to miss out on the project. These findings therefore made a basis for arriving at a conclusion and recommendation.

5.2.1 Budgeting and effectiveness of the NUSAF projects in Kitgum District

The researcher investigated and found out that budgeting had a significant positive effect on effectiveness of NUSAF Projects in Kitgum District at 95% level of confidence ($r=.51, p<.05$). Positive r value means positive effect, implying that any variation (increase or decrease) in the level of budgeting leads to positive or negative variation in the effectiveness of the NUSAF projects.

This was assessed by considering the budgeting systems in place in the NUSAF fund in Kitgum District. From the findings, it can be concluded that budgeting for the fund was inadequate meaning that it was below the average mean $m=2.15$, implying that estimate of income, expenditure, members' participation in budgeting and budgeting process were curtailed, thereby impacting on the effectiveness of the project directly. This is also supported by Peterson (1994) who asserts that budgeting, allocates resources to achieve organizational objectives by assisting managers to assess the impact of particular project strategies on their operational positions to react to any changes in their performance trends such as unexpected

problems in funding reduction. However, Keating and Frumkin (2003) dispute the role played by budgeting in enhancing project performance but suggest that project members ought to know and understand the objectives of the project. McMillan (2008) notes that since projects have fixed amount of funds put in them, they have to make good budget to enable their services run without any interruption from shortages of finances to carry out project work efficiently and effectively through planning. However, Irwin .T. (2012) underscored the role of budgets in effectiveness of the project but instead emphasized the role played by political leaders in such project intervention that contributes more than anything else. Besides, Agripudi (2008) asserts that the elements of financial management are budgeting and financial reports on organizational finances, annual accounts and other reports prepared by independent agencies. But Brody (2000) explains that budgeting cannot enhance the effectiveness of a project without expenditure disciplines and avoidance of fraud that characterize most sub project activities in many developing countries and Uganda in particular. He therefore emphasizes accounting systems and reporting. The hypothesis was tested by computing the mean and the standard deviation between budgeting and the project effectiveness. Pearson product moment correlation statistical technique was used to determine the effect of budgeting on effectiveness of the project and the result revealed that all the attributes of budgeting recorded mean above 2.0, except collective budget estimate which was $M=1.93$. No attributes however recorded average mean of 2.5 and above, implying that budgeting is below the average at only 2.15. The result suggests that budgeting plays a great role in enhancing the effectiveness of the NUSAF project.

5.2.2 Financial management skills and Effectiveness of NUSAF projects in Kitgum District

This objective assessed the effect of financial management skills on effectiveness of NUSAF Projects in Kitgum District and found out that financial management skills had a significant positive effect on effectiveness of NUSAF projects in Kitgum District ($r=.249$, $p<.05$). This means, any increase in the level of financial management skills leads to a proportionate increase in the level of effectiveness and the low level of financial management skills affects the effectiveness of the sub projects. This is also supported by Scarlatti (1997) who asserts that financial management skills are the basic principle of fund management in a project. He states that quality financial management skills are a process beyond technical competence. He on the other hand disputes the notion that financial management skills leads to effectiveness of the project other than ones professionalism and patriotism and love for the work. According to Scarlatti, it is laxity and collusion among the staff that renders such financial management skills and other activities such as monitoring, evaluation and supervision become meaningless in enhancing project effectiveness. On the other hand, Covey (2007) observes that integrity in financial management supersedes skills; but he emphasizes competence and experience that enhances project effectiveness. According to Covey, honesty is paramount in enhancing project performance, and honesty is doing the right thing and telling the truth.

The study pointed out that financial management skill of the staff is a key element of financial management and it positively affects effectiveness of NUSAF projects. The result also revealed that there was a gap in financial management skills of the project staff that later affected the effectiveness of the NUSAF projects. These financial management skills identified included staff qualifications, skills, experience in the sub- project supervision of accounts transactions and the production of the relevant reports to support monitoring and taking corrective actions immediately whenever there are deviations in activities.

5.2.3 Accountability and Effectiveness of the NUSAF projects in Kitgum District

There exists significant positive effect of Accountability on effectiveness of NUSAF projects in Kitgum District ($r=.259$, $p<.05$). This means that the higher the level of accountability, the more the effectiveness of NUSAF projects and the lower the level of accountability the less the effectiveness. It is therefore concluded that there is significant positive effect of Accountability and effectiveness of NUSAF projects in Kitgum District. The study findings revealed that accountability is essential for the effectiveness of the project. The emphasis of Accountability and documentation of all transactions helps project members run the project effectively and enables them make sound decisions.

5.3 Discussions of research findings

The results of the study findings relied on the three research questions posited in chapter one. These findings are discussed basing on the objectives

5.3.1 Budgeting and Effectiveness of NUSAF projects in Kitgum District

The objective was to establish the effect of budgeting on effectiveness of NUSAF projects in Kitgum District. Findings from question 5(i-vi) of the questionnaire and the subsequent correlation performed (see Table 7) revealed that NUSAF sub-projects do not make appropriate budget, and as a result performance and efficiency regarding the project is greatly affected. This is in line with the qualitative data findings where most of the respondents indicated that there was limited participation, consensus and transparency in the budget making process of the sub-projects in the district. This, inevitably, affects negatively the way the sub project activities are carried out and greatly hampers all efforts to realize performance and efficiency in the project.

The results from the foregoing observation are in agreement with Barsky and Bremser (1999) who advanced that inclusion of members in the budget making process helps in aligning project members' action with the NUSAF project goals. This is mainly because during the budget

design process dialogue among the members to harmonize issues is possible, limits in which project tasks are to be executed are established and the strategic direction to be followed is articulated. This goes a long way in enabling the project to realize its objectives and goals. The vulnerable group support of the project component was phased out due to lack of proper budgeting for the funds. The study findings also agree with Mordi (2000) who advanced that any sound budget of any project should act as a translation of the overall objectives of the project into a detailed feasible plan of action. To this end, the process of preparing and agreeing to budgets in a project group is actually paramount. It requires a collective effort and responsibility by all the members and the community involved in resource mobilization and utilization. If this is done, we see that commitment and work morale from the staff could result in effective and efficient execution of project activities and tasks.

Most of the respondents indicated that there is limited say and involvement in the budget implementation process of the project. The findings from the foregoing revelations are in line with Van Horne (1996), cited in Emojoorho (2004), who advances that there is little that can be achieved in the project if no appropriate and effective budget implementation measures are adopted. Furthermore, the findings of the study are in consonance with Ching (2007) that good budget implementation should be achieved through management's effort of fostering team work, cooperation and harmonious work relations among all project members in the group. It also shows that the project does not have appropriate and effective budget monitoring and evaluation principles and practices; as such this jeopardizes the project operation. This realization is congruent with the qualitative data findings where most of the respondents indicated that there is inadequate monitoring and evaluation of the budget activities in the projects. The findings of this study are in agreement with Anthony and Govindarajan (2004) that projects should measure and evaluate how well they are doing regarding the attainment of their goals and objectives in relation to the allocated resources. Malinga (2002) concurs with

the foregoing observations and argues that effective budget monitoring and evaluation greatly assists in achieving set goals. The findings show that sub-project budgets were actually not monitored by the district authorities and in any case some projects were closed as soon as they received the funding from the district and disappeared without a trace. The findings are also in agreement with Ruhanga Taremwa (2002) who advances that budget monitoring and evaluation makes it possible to know what is going on at the different sub-projects. At the end of each activity level, results are reported, studied and their implications noted and adjusted accordingly so as to improve the effectiveness of the projects.

In summary, from the foregoing observation, it is fair to say that appropriate budgeting and effective budgeting for funds is critical if a project is to carry out its mandated task and activities effectively and efficiently. No matter how good the budget design and implementation plan may be, if the monitoring and evaluation is not properly carried out during the sub project implementation period, more challenges would be met by the beneficiaries and this will lead to failures of the sub projects to achieve the objectives and goals.

5.3.2 Financial management skills and effectiveness of the NUSAF projects in Kitgum District

The study findings revealed a significant positive effect of financial management skills on effectiveness of the NUSAF projects in Kitgum District. This is because the variables were discovered to be moving in a positive same direction which meant that financial management skills were instrumental in realizing effectiveness of the NUSAF projects and, as a result, when the project staffs perform well, then the project effectiveness would be enhanced.

According to Renz and Hermann (2010), the hardest part in financial management skills is enhancing the staff knowledge on the project in a continuous process. This is because most of the projects that came into the district require special skills and experience for their effective

implementation. Therefore project staffs are tasked to design techniques that will enable the operation throughout the project implementation period. Most of the project staff were seconded from Kitgum District Local Government whose financial management skills were not enhanced through training and development, leading to poor management and leadership, delays in service delivery and the staff lacking teamwork to deliver and enable the NUSAF project achieve its objectives. The staffs were not well motivated and they were thin on the ground, thereby affecting service delivery. Accounts transactions were found not sufficiently supervised, which meant that transactions were easily subjected to manipulation and fraud since there was limited supervision of sub-projects. There were hardly any sub-project reports to support monitoring of the sub project. In most cases, the project staff doubled as Kitgum District Local Government staff. This is against the NUSAF project implementation guidelines since the staff would not concentrate in a particular task.

5.3.3 Accountability and effectiveness of NUSAF projects in Kitgum District

The study findings pointed out that accountability is one of the key element of financial management and it positively affects the effectiveness of the NUSAF projects, in this case Kitgum District. The findings in Table 10 show that the majority of the respondents were aware that financial Accountability were not properly made to support the transactions. Although there had been some discussion in the academic literature on the effect of Accountability on effectiveness of projects, it is clear that Accountability is a requirements for project work since all projects are intended to achieve and fulfill a particular objectives. Furthermore, most of the studies on this aspect have been concentrating on long-term strategic plan, and no attention being directed to financial Accountability based on budgeting. The result of the study involving Accountability and budgetary control processes shows that they have significant impact on the effectiveness of projects and a crucial attempts by managers to enforce them would lead to a greater effectiveness Karatzimas, (2011) emphasizes the importance of Accountability which

has been a nightmare in NUSAF project in Kitgum District, There was slow and poor level of accountability for the funding received by the community sub-projects. The study revealed that most sub project members failed to account for funds remitted to them for the groups making other group members to disappear with the funds (Ocowun, 2006). Failure to submit accountability by the sub-project members was as a result of mismanagement within the sub-projects by the project leaders of those groups, ill knowledge to make accountability for submission to NUSAF district office and to some extent presence of 'ghost projects' (Impact Evaluation 2008). When such reports were exposed by the audit of the projects. Community members got frightened to continue writing project proposals since wind of arrest were blowing to sub project members who were implementing the projects (Kavuma, 2010); However, World Bank (2009) noted that most important factors to the communities in the project areas were illiteracy about project proposal writing thereby giving room for well informed leaders to exploit the situation. The results of the study agree with the findings of Millichamp (2008) who notes that financial Accountability are critical requirements for successful running of the project and they ensure that transactions are carried out with proper authorization; properly recorded; financial reporting made on a timely basis and the subsequent updating of the books of accounts; access to assets are permitted only in accordance with proper authorization; errors and irregularities are avoided; rules and regulation are put in place and followed. These will ensure system compliance to rules to enhance effectiveness of the NUSAF project. The finding revealed that accounts were not prepared at the sub-project, meaning income and expenditure was not properly recorded, which led to challenges in planning and monitoring of the projects.

5.4 Conclusion of the study

The findings illustrated clearly that financial management (budgeting, financial management skills and Accountability) are essential elements for good project effectiveness and this reminds

management to focus on proper financial management to enhance effectiveness towards the attainment of project objectives and goals.

5.4.1 Budgeting and Effectiveness of the NUSAF projects in Kitgum District

The study concluded that Budgeting is an essential element of financial management for project effectiveness since there was positive effect of budgeting on effectiveness of the NUSAF projects in Kitgum District.

5.4.2 Financial management skills and Effectiveness of the NUSAF projects in Kitgum District

The study findings revealed that the financial management skills had a positive effect on effectiveness of the NUSAF projects in Kitgum District

5.4.3 Accountability and Effectiveness of the NUSAF projects in Kitgum District

The study findings also revealed that Accountability are also key to realizing project effectiveness without which project performance is undermined.

5.5 Recommendations

After critically analyzing the data, the study came up with the following recommendations.

5.5.1 Budgeting and effectiveness of NUSAF project in Kitgum District

There is need for NUSAF project management team to prioritize the budgeting of project funds to the sub-project members and make sure that the budgeting processes are followed to enable the project deliver as per the objectives and goals. The status quo of allocating a block sum of money to beneficiaries without proper budgeting jeopardizes the principles of budgeting. That oversight was the reason why the vulnerable group support project component was abandoned. The community procurement method run by the community procurement committee could not

help much since it felt short of helping the sub-project achieve its objectives due to challenges in budgeting by the beneficiaries.

5.5.2 Financial management skills and Effectiveness of the NUSAF projects in Kitgum District

NUSAF management should ensure that financial management skills training is a continuous process to all the beneficiaries throughout the project's life. This will enhance the performance of the project and ensure that the objectives and goals of the project are achieved with ease. Since the beneficiaries lack basic knowledge in financial management, this will be an opportunity for them to learn and apply the knowledge immediately. Low level of staffing at the local government and low capacity to handle such projects were experienced. To fill that gap of staffing some contract staff were recruited among which positions were technical officer, an accounts assistant, an administrative assistant and a driver to facilitate project activities alongside the district staff during project implementation. These interventions were not enough in Kitgum District Local Government because of very low staffing levels. There were urgent needs for the Project Management Unit in the district so as provide much-needed district guidance and support. All the district staff should have been encouraged to get involved to support the lower Local Government level at the sub counties.

5.5.3 Financial Accountability and Effectiveness of the NUSAF projects in Kitgum District

The NUSAF management should also ensure that there is mass sensitization of the beneficiaries on simple book keeping and general accounting techniques to enhance their knowledge in financial accounting and internal control systems such as approval of payments, verification of documents and segregation of duties. This should be adhered to so that project members do not mess up Accountability for the project. The study concludes by offering sets of

recommendations. The first set provides recommendations to guide reflection on programme design options which could be adopted to improve the existing programme in the short term over the remainder of the programme period: i) clarifying and prioritizing objectives and revising associated design features, ii) reviewing the terms of employment and remuneration, and improving both, iii) coordination, and iv) management. These entail changes in the following design areas: targeting processes, wage and remuneration, duration and seasonality of employment provided the process for the selection of assets, targeting criteria, administrative procedures, and investment in local and district capacity.

The second set of recommendations provide guidance on rethinking programme design more fundamentally in the medium term and sets out the implications of moving towards an employment guarantee style intervention, drawing on international experience.

However, even with such a shift in the model of NUSAF project adopted, it is not certain that the current constraints to effective programme financial management and implementation identified in the study can be overcome until the fundamental issue of underdeveloped government capacity at district level in Northern Uganda is addressed, as financial management and implementation capacity is the key determinant of programme viability. In the light of this, it is important to consider whether NUSAF projects are an appropriate instrument for addressing poverty and livelihoods promotion in the region, and to assess the potential contribution of NUSAF project-based provision alongside a range of alternative interventions such as PRDP, Youth Livelihood Projects (YLP), among others. Several financial management challenges were identified especially in the implementation of community sub-projects. These were attributed to disgruntlement of those who are educated are within the target project members in Kitgum District. Limited banking services in Kitgum District also was identified since subprojects were in the villages and were required to open accounts in banks whose

services were only in Kitgum Town, this also led to lengthy delays in accounting for project funds.

To reduce on the problems the community members faces in Accountability project managers should carryout proper sensitization to potential project members on ways of making proper accountability for the funds, publishing all sub-projects details by the sub county authorities, improved monitoring of the sub project by the local leaders, continuous strengthening of financial management systems by the NUSAF managers, regular auditing of the sub projects and, Rapid reporting to enforce transparency and accountability. This will rally the community members to work hard for the success of the project. It should be non partisan and encompass all the community members without discrimination. There should be proper needs assessment to enable what is chosen for the community is fully supported and embraced

5.6 Limitation of the study

The study only assessed budgeting, financial management skills and Accountability as key financial management elements to facilitate the effectiveness of the NUSAF projects in Kitgum District yet there are a numbers of internal and external factors that significantly could affect the effectiveness of NUSAF projects such as political influence, corruption, donor conditionality exhibited in the grant, low absorption capacity of the finances among other factors.

5.7 Contribution of the study

The study, despite the limitations, clearly brought out the effect of budgeting, financial management skills and Accountability as part of financial management elements that are crucial to effectiveness of the NUSAF projects. It has been seen that inadequate budgeting, gaps in financial management skills of project staff and poor Accountability lead to poor financial management and directly affect the performance of the NUSAF project as a result

chronic ineffectiveness and inefficiency in project management, thus leading to dissatisfaction of donors, beneficiaries and other stakeholders in the credibility of the project.

5.8 Areas for further study

Since the relationship between financial management and effectiveness of NUSAF projects have been analyzed, the researcher suggests further studies should be made on the Peace Recovery and Development Plan (PRDP) effectiveness in Northern Uganda. Second, study should be made of non-governmental organization activities and their impact on poverty alleviation in Northern Uganda since 1986. The third study should be on the impact of the Youth Livelihood Project in Northern Uganda: a case of Gulu District.

REFERENCES

- ACCA Study Pack. (2010). *Level 2 Paper 214, Cost and management accounting II*. London: Financial Training Courses Ltd.
- Adrian Fozzad and Aziz (2004) . *Approach to resource allocation in public sector and their implications for pro-poor budgeting*: overseas development Institute 111 Westminster Bridge Road London.
- Ahmad, E., Albion-War, M. & Singh, R., (2006). Sub national public financial management:

- Institutions and macroeconomic considerations*. In: E. Ahmad and G. Brosio, eds. Handbook of Fiscal Federalism. Cheltenham, UK; Northampton, MA, USA: Edward Elgar Publishing Ltd, pp. 405-427
- Ahmad, Ehtisham and W. Batley(2007). Financial management theory in the public sector; Praeger publishers; 88 posts Road, West port, CT, 06881, London
- Ahuja, M. K. (2005). *Moving beyond intentions and toward the theory of trying*: Effects of work environment and gender on post-adoption information technology use, MIS Quarterly, (29: 3).
- Allen, R., 2009, “*The Challenge of Reforming Budgetary Institutions in Developing Countries,*” IMF Working Papers (Washington, DC: International Monetary Fund).
- Amin M. E (2005). *Social science Research: Conception methodology and Analysis*, Kampala, Makerere University.
- Amin, M. E. (2005). Social science research: *Conception, methodology and analysis*. Kampala: Makerere University Printery
- Andrews, M. and Antonin, (2013), *the Limits of Institutional Reform in Development: Changing Rules for Realistic Solutions*, Cambridge: Cambridge University Press.
- Anthony, R. N. & Govindarajan, V. (2004). *Management control systems*, 10th ed., McGraw-Hill Irwin, Boston.
- Antonin, B. (1963). *Financing economic development*, New York: Macmillan, USA.
- Arigapudi, D.Gupta and Lawson. A. (2011), *Evaluation of PEFA programme and Development Recommendation beyond 2011*, “fiscuss public finance consultants LTD and moroko ltd
- Arigapudi, P. (2008). *Public expenditure management*. International monetary Fund (IMF) Washington, D.C., United States of America
- Ashman, D. (2001). *Strengthening North-South Partnerships for sustainable development*, Non profit and voluntary sector quarterly 30(1) Institute for Development Research.

- Ashman and Armstrong .m. (2004). *Managing performances and effectiveness in Action*:
London; Chartered Institute of personnel and Development.
- Baltaci, M. & Yilmaz, S. (2006). Keeping an eye on sub National Governments: *Internal control and audit at local levels*. The International Bank for Reconstruction and Development. The World Bank, U.S.A.
- Baltaci and SerdarYilmaz. (2006) *Decentralization and service delivery; World Bank Research paper 3603, Washington DC. World Bank*
- Barsky, N. P., & Bremser, W. G. (1999). *Performance measurement, budgeting and strategic implementation in the multinational enterprise*", *Managerial Finance*, Vol. 25 Issue: 2, pp.3-15
- Beiske, B. (2007). *Research methods: Uses and limitations of questionnaires, interviews, and case studies* Paperback-September 12, 2007
- Beiske,B.and Babcock, (2007). *Moving beyond expenditure decisions*. Introducing revenue Planning. Paper presented on regional services and participation budgeting March 10th-14th 2008, Durban,South Africa.
- Bernard, H.R. (2011).Leadership and Governance in South Africa public Service: An Overview of the Public Finance Management system. Economic and management sciences , University of Pretoria.
- Bernard, H.R. (2011). *Research methods in anthropology.*, 5th ed. Alta Mira Press.
- Blattman, C. (2008). Northern Uganda Social Action Fund: *A randomized impact evaluation* World Bank and Yale University. *The Quarterly Journal of Economics* 129(2): 697-752.
- Bothwell, R. O. (2001). *Trends in self-regulation and transparency of nonprofits in the U.S.* The International Journal of Not-for-Profit Law 2(3)
- Bowling and Therkilden. (2004). *Between Naivety and Cynicism*. A pragmatic Approach To donor support for public sector capacity development. Copenhagen, Ministry Of foreign Affairs.
- Bothwell and Steyn Herman, (2001). *An investigation into fundamentals of critical chain project Scheduling*; international journals of project management 363-369

- Boice** Gardner, R. (2004). *Behavior Research Methods, Instruments, & Computers*
- Blattmann and Coe. C.K. (2011). *An introduction in non Profit financial management .A*
Practical guide. John Willey & sons INC Hoboken NY, USA.
- Bradley, J. (2003). *Stakeholder perceptions of corporate social responsibility*. Journal of
accounting, auditing and finance, 6(3): 387–406.
- Bradley and Drury (2000). *Management and Cost Accounting edition*, Taxman publication
(p) LTD 59/32. New lotarik Road New Delhi
- Brewerton, P., & Millward, L. (2001). *Organizational research methods*. Great Britain: Sage
Publications Limited
- Brigham, E. & Ehrhardt, M. (2007). *Financial management: Theory and practice*, Cengage
Learning publishers
- Brody, E. (2001). *Property-tax exemption for Charities*, Washington DC., Urban Institute
press, 2002
- Brody & Couple M.T. (2000), Developing Strategies for sustainability; implication for*
Governance and Accountability, 13th Ed. Researching the voluntary sector conference,
Sheffield Hallam University.
- Brooke, P., (2003), “*Study of Measures Used to Address Weaknesses in Public Financial*
Management Systems in the Context of Policy-based Support,” Bannock Consulting
for PEFA.
- Busby, J. S. (2002). *The responsibility for taking precautions against the risks of Engineering*
Design., International conference on research in ethics and engineering.,
- Busby and Goldratt (2006) .*Essays on the theory of constraints*. (Great Barrington, MA),
North River Press ISBN-0-88427-159-5.
- Carole, S. & Nico, P. (2005). *Public financial management reform literature*, United
Kingdom Department for International development evaluation working paper
- Cohen, L . Manion, L. & Morrison, K (2000). *Research methods in Education*. Fifth
Edition London: Roulledge Falmer
- Collins D. J. & Collins, R. H. (1978), *A guide to Church accounts*, Bocardo & Church Army
Press Limited, Oxford

- Collins and Therkildson. O. (2001), *Efficiency Accountability and implementation*, Public sector reform in East and Southern Africa Geneva UNRISD,
- Covey, S. R. (2002). *The seven habits*. Journal, publisher: Simon & Schuster Limited
- Coy, D. & Pratt, M. (1998). An insight in accountability and politics in Universities: *A case accounting, auditing and accountability.*, Journal 11(5) pg 540-561
- Coy, Pratt and David .O. (2010), *the Jossey-Bass Handbook of Nonprofit leadership and Management* 3rd Edition ISBN-10; 047039509
- David, B. (1982). Quantitative and qualitative research in the built environment: *Application of mixed research approach.*, Sage Publications, London.
- Diamond, J. and Khemani, P., (2005) “*Introducing Integrated Financial Management Systems in Developing Countries,*” IMF Working Paper Washington, DC: IMF FAD.
- Dutch Central Bank (2010). Dutch Central Bank: *Supervisory*, Amsterdam Netherlands
- Edward Hedger and Paolo de Renzo (2010), *Background note on public financial management Assessment.*
- Emerson, J. (2004). Developing fundraising policies and procedures: *Best practices for accountability and transparency*, New York: Wiley Publishers
- Emerson L. N.and de Renzo, P. (2005), *Linking policies and Budgets; implementing medium term expenditure frameworks in a PRSP context*. London, ODI
- Field, M (1997). *Financial Reporting*, CIMA Study Text, London: BPP Publishing
- Fraenkel, J. R., Wallen, N. E., & Hyun, H. H. (2012). *How to design and evaluate research in education* (8th ed.). New York: Mc Graw-Hill
- Fritz, V., Hedger E., and Lopes A., (2011) “*Strengthening Public Financial Management in Post-conflict Countries,*” Washington DC: World Bank.
- Keating, E. K. & Frumkin. P. (2003), *Re Engineering non-profit financial accountability: Towards a more reliable foundation for regulation*, Journal Of Public Administration Review, Vol. 63, No 1 Pp 3-15.
- Gibbs, D., Napp, D., Jolly, D., Westover, B. & Uhl, G. (2002). *Increasing evaluation*

- capacity* within community-based HIV prevention programs. *Evaluation and Program Planning*, 25, 261-269
- Gibbs and Shah, A (, 2010), *Budgeting and Budgetary institutions*, Washington DC, World Bank.
- GILLIAN, McKinney, Jerome .B. (1995). *Effective Financial management in public and Nonprofit agencies*, Westport, CT, quorum Book River, NJ Prentice Hall
- Gordon, Khumawala and Mzwanele (2005). *Assessing Public financial management and Accountability in the context of Budget transparency in Africa*.
- Gordon, T., Khumawala, S. Kraut, M.A. & Meade, J.A.. (2000). The quality and reliability of form 990 data: *Are users being misled*. *Academy of Accounting and Financial Studies Journal*. 11. 27-49.
- Grant, and Minhli Le. Rajaram (2013), “*A diagnostic Framework for assessing Public Investment management*”; World Bank working paper, Washington DC, World Bank policy research working paper.
- Grant, G. H., Miller, K.C., & Alali, F. (2008). *The effect of IT controls on financial reporting*, *Managerial Auditing Journal*, Vol. 23 Issue: 8, pp.803-823,
- Hilbers, P., Raaijmakers, K. (2012). *Measuring the effect of financial sector supervision*, DNB Working Paper, No. 288
- Hughes d'ach, (2002). *The challenges of capacity development*, working towards Good practice, Paris, OECD-DAC Network on good governance.
- Hughes-d, A.(2002). *Evaluation of HIV/AIDS peer education projects in Zambia*. *Evaluation and program planning*, 25, 397-407
- Independent Sector (2002). *Accountability: A Challenge for charities and fundraisers* opening plenary address, Independent Sector Annual Conference
- Integrated Financial Management System (IFMS). *Framework Paper Uganda* (2010). Ministry of Finance Planning and Economic Development, Kampala Uganda
- International Monetary Fund (2007), “*The IMF Code of Good Practice on Fiscal*

- Transparency (ROSC),*” Washington, DC: International Monetary Fund
- International Monetary Fund, (2012), “*Fiscal Transparency, Accountability and Risk,*” Policy Paper (Washington, DC: International Monetary Fund).
- International Monetary Fund, (2014), “*The Fiscal Transparency Code and Fiscal Transparency Evaluation,*” (Washington DC: International Monetary Fund).
- International Monetary Fund, (2014), “*Budget Institutions in G-20 Countries: an Update,*” Press Release No. 14/233 (Washington, DC: International Monetary Fund).
- International Monetary Fund (2007), “*The IMF Code of Good Practice on Fiscal Transparency (ROSC),*” Washington, DC: International Monetary Fund
- International Monetary Fund, (2012), “*Fiscal Transparency, Accountability and Risk,*” Policy Paper (Washington, DC: International Monetary Fund).
- International Monetary Fund, (2014), “*The Fiscal Transparency Code and Fiscal Transparency Evaluation,*” (Washington DC: International Monetary Fund).
- International Monetary Fund, (2014), “*Budget Institutions in G-20 Countries: an Update,*” Press Release No. 14/233 (Washington, DC: International Monetary Fund).
- Ireland and Raksaka mahi (2005). *Managing local revenue in Indonesia*, paper presented at a conference sponsored by international studies program, Andrew Young, school of policy studies, Georgia state University.
- Ireland (2005). Irish fiscal advisory council: *Budgeting*, OECD Journal on budgeting also available at: <https://www.oecd.org/gov/budgeting/Ireland.pdf>
- Irwin, T., and Mokdad, T., (2010), *Managing Contingent Liabilities in Public-Private Partnerships: Practice in Australia, Chile, and South Africa*. Public Private Infrastructure Facility, Washington, DC: World Bank.
- Irwin, T., and Mokdad, T., (2010), *Managing Contingent Liabilities in Public-Private Partnerships: Practice in Australia, Chile, and South Africa*. Public Private Infrastructure Facility, Washington, DC: World Bank.

- Isaac, S. & Michael, B. W. (1981). Handbook in research and evaluation, 2nd Ed. San Diego, EDITS publishers
- Jorgen and Schiavo, Campo.S. (2008), *of mountains and molehills, the medium term expenditure Framework*” conference on sustainability and efficiency in managing public expenditure. Honolulu, 20th September.
- Jorgensen, B.S., & Stedman, R.C. (2006). A comparative analysis of predictors of sense of place dimensions: *Attachment to, dependence on, and identification with lakeshore properties.*, *Journal of environment management* 79 (2006) 316-327
- Kakuru.J. (1995) *.Introduction to Finance*, Kamukama Nixon Arinaitwe (2008) *Cost and Management Accounting*.
- Kamukama Nixon and Schick, A. (2010).*A contemporary Approach to public expenditure Management*; Washington DC, World Bank Institute.
- .Kamukama, D. (2008). The financial management and accountability programme (FINMAP) Kampala-Uganda.
- Karatzimas, S. (2011). The role of human resource department in budgeting: Evidence from Greece., *Journal of Human Resource Costing & Accounting* 15 (2), 147-166
- Kavuma, R. (2010). Northern Uganda Social Fund. The scenes behind NUSAF success or Failure? NUSAF Office of Prime Minister, Kampala Uganda
- Kavuma and opio (2011), Article on how political influence affects financial management and budgetary control in Local government in Uganda
- Keating, Elizabeth Frumkin .K. Peter* (2007). Financial management theory and practice 12th Edition.
- Kelle, K., U., & Seidel, J. (1995). Different functions of coding in the analysis of data in Kelle ed., *Computer Aided Qualitative Data Analysis: Theory, Methods, and Practice*.Thousand Oaks, CA: Sage Publications
- Kelly, K., Magongo, B. & Mavuso, M. (2004) Assessing country-level capacities for

- HIV/AIDS programme monitoring and evaluation: *The case of Swaziland. Selected conference proceedings of the African Evaluation Association Conference*, Cape Town, 1–4 December 2004
- Khumalo Magogo and Schwartz, (2015), *Public Investment and public private partnership*, Basingstoke and Washington DC: Palgrave Macmillan and international monetary fund
- Krejcie, R.V. and Morgan, DW (1970). *Determining Sample size for research activities*, Educational and psychological measurement 30,607-610.
- Levitt and Thomas McLaughlin (1997) *Financial basics for nonprofit managers 3rd edition*. John Willey & Sons, Inc. USA
- Jim Willey (2011). *An Introduction to financial Management*
- Levitt, T. (1997). The Globalization of markets, Harvard Business Review, Vol. 61, No. 3, May-June, p. 92.
- Malinga, F. (2002). Managing the accountability challenge: *The Uganda education sector experience under sector wide approach (SWAP) to development*". Forum on accountability and risk management under programme based approaches. Ottawa Marriot Hotel. 19 the 21st June
- Manor, J. (2007). Driven Development in Conflict and Post-Conflict Conditions: *The Northern Uganda Social Action Fund Project*, Publisher World Bank., USA
- McMillan, E. J. (2008). Not-for-profit budgeting and financial management ., 4th Revised edition John Wiley & Sons Inc
- Millichamp A (2008). *Auditing, Tenth Edition*, Andover UK: Cengage Learning.
- Mordi (2000). Outcome Budgeting: *Assessment of its Goals and Objectives across Government Levels* pp. 1 – 21
- Mugenda, O. Mugenda (2009) *Research Methods: Quantitative and Qualitative Approaches*. Nairobi: African Centre for Technology Studies (ACTS).
- Mugenda M.O & Mugenda, A. G. (2005). *Research Methods: Quantitative and qualitative approaches* Nairobi, African Centre for Technology Studies (ACT)
- Mugenda, O. M. & Mugenda, A. G. (2003). *Research methods: Quantitative and qualitative Approaches*. Nairobi: African Centre for Technology Studies (ACTS) Press.
- Mugenda, O. M. & Mugenda, A. G. (1999). *Research Methods: Quantitative and qualitative approaches*. Nairobi: African Centre for Technology Studies (ACTS) Press.

- National Social Action Fund (2008). NUSAF District Technical Report, Kitgum District-Uganda.
- Nelson, F. H., Muir, E., & Drown, R. (2000). *Venturesome capital: State charter school finance systems*. Washington, DC: Office of educational research and improvement, U.S. Department of Education.
- Ocowun, C. (2006). The first phase of NUSAF winds up in Feb 2008 also available at https://www.newvision.co.ug/new_vision/news/1134620/phase-nusaf-winds-feb-2008
- Odiya, N. J. (2009). *Scholarly writing: Research Proposals and Reports in APA or MLA Publication Style*. Kampala, Uganda: Makerere University
- Oduware, U. (2012). *International Financial Reporting Standards (IFRS) adoption in Nigeria and optimizing the gains of global Investment Climate.*, Lagos Nigeria
- Onen, D. (2014). *How to write a successful doctoral research proposal: The Makerere Format*, Kampala Uganda
- Oso, W. & Onen, D. (2008). *General guide to writing research proposal and report: A Hand book for beginners.*, 2nd ed., Kampala: Makerere University Printery.
- Poister H.T. (2003). *Measuring performances in public and nonprofit organizations*, John Wiley & sons public Finance performances (2008).
- Prasanna, C. (2008). *Financial Management: Theory and practice*, 7th ed., Tata McGraw-Hill Publishing Company Limited, New Delhi, 2008.
- Ramkumar, V. (2008), *Our Money, our responsibility, a citizen's guide to monitoring Government expenditure*; Washington DC, international Budget partnership.
- Ramrayka, L. (2000). *Throughput Accounting*, North River press p.160 ISBN 978-0-88427-1-158-1
- Ramrayka, L. (2000). *Reports on the launch tomorrow of a campaign to revive flagging: Public donations to charities.*, Plan for giving., London United Kingdom available: <https://www.theguardian.com/society/2001/jul/18/guardiansocietysupplement>
- Renz, D. O & Herman, R.D. (2010). *The Jossey-Bass handbook of non-profit leadership and management*, 3rd Edition., 872 pages, Jossey-Bass
- Rial (2013), *Budgeting and Reporting for public private partnerships international transport*

- forum discussion paper7, Paris; OEDC
- Ricardo, and Lopez Acevedo (2011), *the nuts and bolts of Government monitoring and Evaluation systems*; Washington DC, World Bank
- Riley, M. (2013). *Supervisee responsibilities in supervision*. Unpublished Master's Thesis. Griffith University
- Ruhanga Taremwa, A. (2002). *Long on policy, short on implementation.*, Uganda Debt Network., Kampala Uganda
- Saghal, V. & Chakrapani, D. (2000). Public financial accountability. The World Bank, Washington, D.C., USA
- Scarlatti and Prasanna, (2013).Financial management, Theory and practice 7th Edition*
- Scarlatti, J. (1997). Beyond technical competence: *Honesty and integrity*, Henrietta, New York, USA
- Sekaran, U. (2004). Research methods for business: *A skill building approach*. 4th edition. New York: John Wiley and Sons
- Serdar, Y., Beris, Y. & Serrano-Berthet, R. (2008). Local government discretion and Accountability: *A diagnostic framework for local governance, local governance & accountability series paper No. 113 / July 2008*
- Simson. R., Sharma,N. and Aziz (2011), *A guide to public financial management literature*. For Practitioners in Developing counties, London; Overseas development institute
- Smith, S. (2010). City planning and infrastructure: *Once and future partners*, SAGE publications, Journal of Planning History
- Salomon, J. F. (1999). Empirical evidence of long-termism and shareholder activism in UK unit trusts, *Corporate Governance: An International Review*, Vol. 7 No. 3, pp. 288-300.
- Stapenhurst. R. (2004), *the legislative and the Budget*; Washington DC, World Bank Institute
- Stevens. M. (2014), *Institutional and incentive issues in public financial management reform in Poor countries*; Report to PEFA.
- Steven Covey, and Irwin, (2013), *Shining a light on the mysteries of the state*”, the origin of Fiscal transparency in Western Europe, IMF working paper WP13/219 Washington DC, International monetary Fund.

- Symansky. S. (2010), *Donor funding and public financial management reform in post-conflict Countries*, ODI Discussion paper.
- Therkildsen, O. (2001). Efficiency, accountability and implementation: *Public sector reform in East and Southern Africa*, Draft copy of democracy, governance and human rights programme paper No. 3, United Nations Institute for Social Development
- Therkildsen Ole; and Ramkumar .V. (2010), *A Guide to transparency in Government Budgets Reports*; Washington DC; international Budget partnership
- Tumushabe, G. (2012). Strengthening the Local Government System to improve public service delivery accountability and governance, ACODE Policy Research Series, No. 53, 2012, Kampala
- Tumushabe, and Penchard A. (1993), *Public Expenditure management*, Washington DC
IMF
- Van Horne, S. and Urban Institute (1996). *Giving to charity: Questioning the donor decision process*", *Journal of Consumer Marketing*, Vol. 13 Issue: 2, pp.4-13,
- Wallace, D. (1991). *Value based management with corporate social responsibility*.
University City Science Center, Philadelphia, PA 19104-2688
- Wallace and Robson. M. (2007), *Performance Budgeting, Linking funding to results*; London;
Palgrave Macmillan in Association with the IMF.
- Watts, R. L. & Zimmerman, J. L. (1980). *Positive accounting theory: A ten year perspective*,
The accounting review Vol., 65, No. 1, pp, 131
- .Watts Ross L and Zimmerman (2013) *Positive Accounting Theory: A Perspective. The Accounting Review*. Vol. 65, No. 1 (Jan., 1980), pp. 131-156
- Williamson, R., (2003). *Culture, openness, and finance*, *Journal of Financial Economics*,
Elsevier, vol. 70(3), pages 313-349
- Wilson, C. (2004). Collaboration of public sector agencies: *Reporting and accountability Challenges*, *International Journal of Public Sector Management* (17:7), December 2004, pp. 621-31
- Wilson, J. (2010). *Essentials of business research: A guide to doing your research project*.
SAGE Publications
- Wilson, Ireland .J. (2005) *Principles of Accounting*, for undergraduate study in

Economics, management Finance and the Social sciences, London School of Economics and political sciences, University of London.

. Williamson R.M and Swedish international Development cooperation Agency, (2007),

Fiscal Decentralization and Local influence on Public Finance management in Sida;
Finance management in development cooperation-Stockholm-SIDA

Witt, M. & Müller, I. (2006). Implementing the Paris Declaration in Public Finance:

Challenges by capacity development. Eschborn: GTZ. German

WITT, MULLER AND Irwin. T. (2012.), “*Accounting devices and fiscal illusions*” IMF

Staff Discussion note SDN/12/02. Funke and I,

Wilson, J. (2010). *Essentials of Business Research: A Guide to Doing Your Research Project.* SAGE Publications.

Witt and Müller (2006) include oversight and control as well as intergovernmental fiscal relations. The complexity of PFM relationships and multiplicity of PFM

Wolk Harry I, Dodd James L and Rozycki John J (2008).*Accounting Theory: Conceptual Issues in a Political and Economic Environment, 7th edition,* Sage Publications Inc. California

World Bank (2015) “, *Second Northern Uganda Social Action Fund Project*” World Bank Website.

World Bank, (2009), *Project Appraisal Documents on proposed credit in the amount of US \$100 Million to the Republic of Uganda for Second Northern Uganda Social Action Fund project;* Washington DC; World Bank.

World Bank (2013), *Beyond the Annual budget;* global experience with medium term Expenditure Frameworks Washington DC; World Bank.

World Bank, (2013), *Transforming Finance Agencies in poor countries;* a political Economy Approach: Washington DC. World Bank.

World Bank, (2015), *Public Financial Management Performances Assessment Framework (PEFA),* Washington DC; PEFA Secretariat, World Bank.

World Bank (2004), *Public expenditure tracking surveys,* Application in Uganda, Tanzania, Ghana

and Honduras-Washington DC, World Bank.

World Bank, (2004), *Monitoring and Evaluation*, Some tools, methods and Approaches; Washington DC World Bank.

World Bank, (2003),” *Country Financial Accountability Assessment (CFAA) guidelines of staff*” Washington DC, World Bank.

World Bank, (2013), *Public expenditure Tracking and Facility surveys*; A general Note, Washington DC. World Bank.

World Bank (2001), “*Features and Functions of supreme audit Institutions*”, PREM note, Washington DC, World Bank.

World Bank (1998), *Public expenditure management Book*, Washington DC, World Bank