



UGANDA MANAGEMENT INSTITUTE

**FINANCIAL MANAGEMENT AND SERVICE DELIVERY IN
LOCAL GOVERNMENT SYSTEMS IN UGANDA:
A CASE STUDY OF LIRA DISTRICT**

BY

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REG. NO 10/MMS PAM/21/095

**A DISSERTATION SUBMITTED TO THE HIGHER DEGREES
DEPARTMENT IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE AWARD OF MASTERS
DEGREE IN MANAGEMENT STUDIES (PUBLIC
ADMINISTRATION AND MANAGEMENT)
OF UGANDA MANAGEMENT INSTITUTE**

JANUARY, 2012

DECLARATION

I, Eunice Akongo declare that this dissertation is a result of my own research and has not been published or submitted to any other institution for any academic award.

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APPROVAL

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DEDICATION

This dissertation is dedicated to my father, Mr. G.B. Odongkara and my beloved children: Daisy, Daphine, Daniel and Doris.

ACKNOWLEDGMENT

This dissertation was prepared with support from many people of good will. I am particularly grateful to Mr. Michael Kiwanuka and Dr. David Onen who guided this research; they dedicated their time and provided guidance, comments and ideas towards this work. My indebtedness extends to UMI for offering me an opportunity to undertake this work-based research which has helped me to gain skills in investigating and analyzing societal problems with hope of redress. I would also like to thank the students of UMI with whom I shared studies for their efforts in directing this research.

My sincere appreciation and thanks also go to the staff of Lira District Local Government who gave data/information as the primary source of data and encouragement during this research, especially the Chief Finance Officer Mr. James Ekonga and Senior Internal Auditor, Ms Aloba Josephine.

In a special way, I would like to thank Akumu Jennifer for her support and Akullo Miriam for the time she took to type this dissertation and all the resources she gave during and after fieldwork.

Special thanks also go my mother Rose Lalango Odongkara and to my family members: Mr. Acuma Francis the Town Clerk of Otuke Town Council for being patient and tolerant while I carried out research and my four children Akello Daisy Gifty, Aloyo Daphine Fourtunate, Acuma Daniel and Guma Doris.

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ABBREVIATIONS

ANOVA	Analysis of Variance
MOFPED	Ministry of Finance and Economic Development
LDLG	Lira District Local Government
LGA	Local Government Act
LGFAR	Local Government Financial and Accounting Regulation
CAO	Chief Administration Officer
CBOs	Community Based Organizations
RDC	Resident District Commissioner
SMC	School Management Committee
HUMC	Health Unit Management Committee
NDP	National Development Plan
NGOs	Non Governmental Organization
NAADS	National Agricultural Advisory Services
NUSAF	Northern Uganda Social Action Fund
LGPAC	Local Government Public Accounts Committee
IGG	Inspector General of Government
HODs	Head of Departments
DTPC	District Technical Planning Committee
DSC	District Service Commission
SPSS	Statistical Package for Social Scientists
PAF	Poverty Action Fund
HPPG	Harmonized Participatory Planning Guide

ABSTRACT

The purpose of the study was to establish the relationship between financial management and service delivery in Local governments of Uganda using Lira District as a case study.

The study was aimed at achieving the following objectives: To examine the relationship between financial planning and service deliveries in Lira District. To assess the relationship between financial mobilization and service delivery in Lira District, to investigate the relationship between financial control and service delivery in Lira District. The study adopted a case study research design, where quantitative and qualitative approaches were employed. The District political leaders, RDC, CAO, Head of Departments, the Sub-county political leaders, and technical staff and parish development committee (PDCs) were part of the study population. Data were collected using questionnaires, interview guide and documentary checklist and analyzed using linear regression, financial planning had no significant relationship on service delivery; financial mobilization had significant relationship with service delivery and financial control had no significant relationship on service delivery. Hence, it was concluded that there was a significant relationship between financial management and service delivery in the sectors of health, education and water. Recommendations were made mainly focusing on the need to improve service delivery through efficient and effective financial managements. District council and sub county councils were recommended to ensure that there is regular monitoring of approved projects to avoid shoddy work and ensure value for money. Local government public accounts committee (LGPAC) should increase the number of sitting to examine audit reports and other report of commissions of inquiry. Besides, the Chief Administrative Officer (CAO) should ensure that financial advances given for activities are accounted for immediately after implementation.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

Financial management is a fundamental function of managing any organization and it is considered an important element for the successful delivery of services in the District. Finances are needed to ensure that Local Councils are able to deliver services that were decentralized; hence it is necessary to find out the relationship between financial management and service delivery. Financial management is the operational activity of a business that is responsible for obtaining and effectively utilizing the funds necessary for efficient operation (Massie 2001) Financial management refers to financing decision (acquiring finance), investment decision (allocating Finance), and conserving finance (controlling resources) (Pandy, 2005). The study was an investigation into relationship between financial management and service delivery in local government systems in Uganda: A case study of Lira district. Financial management was conceived as an independent variable while service delivery was a dependent variable. This chapter presents the background to the study, statement of the problem, purpose of the study, objective of the study, research questions, hypothesis, scope of the study, justification/rational of the study, significance of the study and the operational definition of terms and concepts.

1.1 Background to the Study

Historical Background

Globally, in the last three decades, there has been increasing reference to the term “Financial management” in public sectors especially in local governments in both developed and developing countries (Smoke, 2003) Better provision of public services like primary education, primary health care services, water and sanitation are reasons why most countries decentralized management of finance to local government systems (fiscal decentralization). In, Brazil, financial decentralization has been used to capture the views of the citizen as a means of making government responsive to public interest and also monitoring the quality of public services (Shah, 2007). In Africa, many countries have likewise adopted decentralized financial management in local government system at different time. Kauzya (2007) reports that South Africa, Ghana, Nigeria, and Rwanda are among the top African countries that have decentralized powers and resources to a great degree in search of inclusive, involving and participatory governance that is able to enhance quality of public services.

Before Decentralization, the financial planning, decision making, financial mobilization and control and other functions in local governments were centrally controlled by the minister responsible for local governments (Decentralization Secretariat, 1993) and as a result of these, institutions lacked autonomy and technical capacity to plan, manage, attract and retain competent and qualified personnel capable of financial management (Nsibambi, 1998).

Local governments, was operationalised by the Constitution of Uganda (1995) and the Local Government Act, (1997) which intended to improved financial management. Under this system Local governments can formulate, approved and execute its own budget provided it is balanced (LGA, 1997), monitor and evaluate its financial performance maintained proper books of accounts (LGFAR1998). In Lira district services are provided to the community by the district council and depend on funds from locally generated revenue, grants, donor funds and borrowing but there has been persistent queries raised in Audit reports and persistent criticism from the public about the quality of service delivery.

Theoretical Background

System Theory

The systems theory proposed in the 1940s by Ludwig von Bertalanffy, focuses on understanding the organization as an open system that transforms inputs into outputs. It also focuses on the organization as a whole; it's interaction with environmental factors and its need to achieve equilibrium. The theory was supported by Ross Ashby (1956).

The theory has had significant effects on management science and understanding organizations. A System is comprised of interacting sub- systems, all of which are in complex interaction with the relevant external environment (Lerman & Turner, 1992). Organizations are pictured as “input-Transformation-output systems” that compete for resources. The survival and prosperity of an organization depend on effective adaptation to the environment, which means identifying a good strategy for marketing its outputs (products and services), obtaining necessary resources, and dealing with external threats. First of all, a system is a collection of part unified to accomplish an overall goal. If one

part of the system is removed; the nature of the system is changed as well. For example, a functional car is a system and when you remove the battery, you no longer get a working car.

The systems approach views organization as a system composed of inter-connected parts and thus mutually dependent sub-systems. Sub-systems can have their own sub-systems (Bertalanffy, 1968). The organization utilizes, transforms and joins together a set of human, material and other resources for problem solving. The main function of an organization is to satisfy specific human needs in interaction with other sub systems of human activities and resources in the given environment (Bakke, 1959). System share Feed back among each of these four aspects of the system and internal and external Environment affects the organization. Inputs include resources such as raw materials, technologies/equipments, people, time, financial (funds) these inputs go through a process where they are planned, organized, coordinated and controlled, ultimately to meet the organization's goals. Outcomes would be products or services. Feedback would be information's from human resources that carry out the process among others. Feedback also comes from the larger environment of the organization for example; influences from government, society, economy and technologies. This overall system framework applies to any system, including sub-systems, Departments and programs in the overall organization (Kuhn, 1974). It should be noted therefore that the system theory is applicable in local government systems since the finance available in the organization should be allocated to all sectors/Departments to improve service delivery for they work as a system for instance in Educational institutions there is need for water, sanitation and

health services to make the institution operational hence management should finance all the sectors based on priorities.

Conceptual Background

The key variables in the study were financial management and service delivery in Lira district. Financial Management refers to financing decision (Acquiring finance), investment decision (allocating Finance), and conserving finance (Controlling resources) (Pandy, 2005). Financial management is that managerial activity of obtaining and effectively utilizing the funds necessary for efficient operation (Horne and Wachowicz, 2008). Financial management is Financing or where do you get money from, investing or where do we allocate funds and dividend or how much to distribute and what to retain. In this study financial management was the independent variable that had three dimensions: Financial planning, with indicators as decision making and budgeting, financial mobilization with indicators of internal financial mobilization, External financial mobilization and Borrowing finance, and Financial control with indicators of accountability, monitoring, reporting, auditing that is value for money (internal and external) and investigation by Local Government Public Accounts Committee (LGPAC). The study, examined the contribution of moderating variables inter-governmental relations, central government policies, conditions and guidelines on financial management and service delivery. The moderating variable influences the relationship between financial management and service delivery in local government systems.

Service delivery is providing for the needs of the community by organizations, services such as education, health, water and sanitation, roads are to be provided efficiently and

effectively (Davas , Alam, Delay , venkatachalam and koranteng,2008). In this study the indicators of service delivery were efficiency and effectiveness in the sectors/departments of health (PHC), education (primary), water and sanitation in Lira District Local Government.

Contextual Background

Local Governments are mandated to provide permissive and mandatory services to the people and decentralization empowers Local governments in Uganda to access revenue for effective financing of devolved responsibilities (The Constitution of Uganda 1995 and Local Government Act 1997). The Local government financial planning have been decentralized at all levels and mandated to produce three years rolling development plan through participatory and bottom up approached to enhanced community ownership of projects /programmes and assisted by the technical planning committee (DTPC) and approved by council which is the planning authority in local governments. The development plan and district budget are mandated to be consistent (District Development Plan, 2010 and HPPG 2). Activities that are planned, budgeted and approved, for departments by council are implemented. Local Government in Uganda execute their functions using resources raised/mobilized locally (internally), external revenue from the center through inter –governmental transfers and funds from development partners (NGO and CBO) and borrowing from financial institutions. Funds transferred from the center to local government largely comprise of the PAF which is spent on centrally determined priorities like Education, roads, health, production, water and sanitation (Constitution of Uganda 1995, LGA 1997, LGFAR 2007). Local government financial control are guided by the local government financial and

accounting regulations 1998 and the local government financial and accounting manual (2002) Financial control reduces the rate of corruption and diversion of funds from intended purposes to personal use.

In water sub-sector, the coverage is at 63 % and the functionality rate of all the water sources stands at 68.4 % but the average supply is inadequate and poorly distributed. In hygiene and sanitation, Latrine coverage is at 58% (District Development Plan FY 2010/11). In health sector, infrastructure gap still exists particularly in distant locations in remote sub- counties. Geographically access to health care has remained stagnant and is limited, about 31.4% of the population living within 5 km radius of health facility, which is lower than the national coverage of 49% and even among the existing health facilities; many do not provide the full range of essential primary health care services. Only 36.8% of the population can have access to maternity services. With the target mid year population of 559,600, Doctors to patient's ratio, midwife to patients ratio and Nurses to patient's ratio remain high (District status report 2008). In the education sector, In spite of the massive government intervention in the education sector, the school infrastructure in the district is still low and the classroom: pupil's ratio, Pupils: Latrine stance ratio, text books: Pupils ratio, Pupil: desk ratio and Pupils: Teachers ratio, are higher than National ratio (District Development Plan 2009). In water sub-sector, the coverage is at 63 % and the functionality rate of all the water sources stands at 68.4 % but the average supply is inadequate and poorly distributed. In hygiene and sanitation, Latrine coverage is at 58% (District Development Plan FY 2010/11).

1.2 Statement of the Problem

Management of Finance has remained poor for instance large amount of unaccounted for funds, revenue shortfall, excess expenditure, wasteful expenditure, poor recovery of personal advances, lack of insurance policy for money on transit, failure to conduct annual board of survey at the end of the financial year to determine cash balances and missing vouchers among others (Auditor General Report 2008) due to such, the chief administrative officer, Ag. Chief finance officer, Principle internal auditor, District NAADS Coordinator, district planner and procurement officer are for interdiction on allegation for causing financial loss to the district.

In water, Health and Education sectors services have remained inadequate (District Development Plan 2009) If this trend continues, inadequate clean water will cause water born diseases leading to high death rate, in education sector the number of school drop outs will increased, hence higher level of illiteracy, poor qualities in grades in school, poor quality however not only produces poor educated students but also results in excessive repetition and low completion rates at government costs (Decentralization Policy strategic framework, 2006). Low access to malarial drugs, inadequate antenatal care and limited anti-retroviral drugs, lead to high maternal mortality rate, high child mortality rate and high death rate in the district. The study therefore aims to find the relationship between financial management and service delivery in Lira District Local Government.

1.3 General objective of the study

The study explored the relationship between financial management and service delivery in Lira District.

1.4 Specific objectives of the study

The study was aimed at achieving the following objectives:

1. To examine the relationship between financial planning and service delivery in Lira District.
2. To assess the relationship between financial mobilization and service delivery in Lira District.
3. To investigate the relationship between financial control and service delivery in Lira District.

1.5 Research Questions

The study was guided by the following research questions:

1. What is the relationship between financial planning and service delivery in Lira District?
2. What is the relationship between financial mobilizations and service delivery in Lira District?
3. What is the relationship between financial control and service delivery in Lira District?

1.6 Hypotheses of the study

The study verified the following research hypotheses:

1. There is significant relationship between financial planning and service delivery.
2. There is significant relationship between financial mobilization and service delivery.
3. There is significant relationship between financial control and service delivery.

1.7 Scope of the study

The scope of the study was categorized into content, geographical and time scope.

Geographical scope: The study was conducted at the district Headquarter and three sub-counties of Adekokwok, Barr and Lira.

Content scope: The study covered management of finance and its effects on service delivery in Local Government system this included financial planning, mobilization and control. Service delivery with indicators of efficiency and effectiveness in the three priority programs areas of primary health care (PHC), primary education, and water and sanitation sectors

Time scope: The study covered two financial years 2008/09 and 2009/10. This period was chosen because information obtained indicates that during this period, There were numbers of queries raised by the Auditor General Reports on Management of Finance in Lira District Local government for instance unaccounted for fund and the period is convenient for the research.

1.8 Justification/Rational of the study

Financial management is a fundamental function of managing any organization and it's considered an important element for the successful delivery of services in the District. Finances are needed to ensure that Local Councils are able to deliver services hence it's necessary to find out how financial management affects service delivery.

1.9 Significance of the study

It was hoped that the results of the study would assist other Local Governments to improve on their management of Finance and mobilized more funds from the Donor Community, central government and the tax payers who are the principal sources of the Local Government Finance necessary for service delivery. To the academia, it was hoped that this study would be beneficial to future researchers on the likely knowledge to be generated and gaps addressed by the study. The study findings and recommendation may contribute to body of knowledge in finance management in Local Government system in Uganda. To Lira District Council, it was hoped that the results of this study would help improve management of finance to facilitate achievement of better service delivery results.

1.10 Operational definitions

Fiscal Decentralization refers to the transferring of national responsibility for generating revenue, and allocating expenditures to local governments.

Devolution refers to transfer of power from central government to local government to manage their own affair that's Plan, mobilized and control their finance.

Planning is designing the future, anticipating problems and imagining success and choosing a course of action from available alternatives.

Financial mobilization refers to revenue acquisition from different local government revenues sources.

Budget means the process by which local governments set levels of efficiently collective revenue and allocate the spending of resources among all sectors/departments to meet natural/local government objectives.

Efficiency; refers to the optimal use of scarce resources in attaining policy and programs objectives.

Effectiveness; refers to the level of out put produced which meets the required standards and also whether objectives are achieved.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter included; Theoretical review, conceptual review/frame work, actual literature review and summary of literature review. In this case, the researcher reviewed literature from textbooks, circulars from ministries, audited financial reports, Internet, manual and participants research from different workshops that are on management and finance related.

2.1 Theoretical Review

Wolman propagated governance of values theory. The theory attaches improvement of service delivery to the governance values. Governance values like responsiveness and accountability, diversity and political participation, foster citizen participation, management of finance in Local Government system places allocation decision making closer to the people. This therefore foster greater responsiveness of Local government officials, accountability to citizens and therefore improving the quality and volume of service delivery, this is because local decision makers are expected to be more knowledgeable about problems and needs of their local area than centralized decision makers. Further, there is accountability through local elections, which are driven by issues of local allocation (Kee, 2003).

2.1.1 Systems Theory

The systems theories focus on understanding the organization as an open system that transforms inputs into outputs. Inputs include resources such as raw materials, technologies/equipments, people, time and financial (funds) these inputs go through a process where the planned, organized, coordinated and controlled, ultimately to meet the organization's goals. Outcomes would be products or services. Feedback would be information's from human resources that carry out the process among others. Feedback also comes from the larger environment of the organization for example; influences from government, society, economies and technologies. This overall system framework applies to any system, including sub-systems, Departments and programs etc in the overall organization (Kuhn, 1974). This theory is supported by socio technical theory and contingency theory and this study was guided by the system theory.

2.2 Conceptual Framework

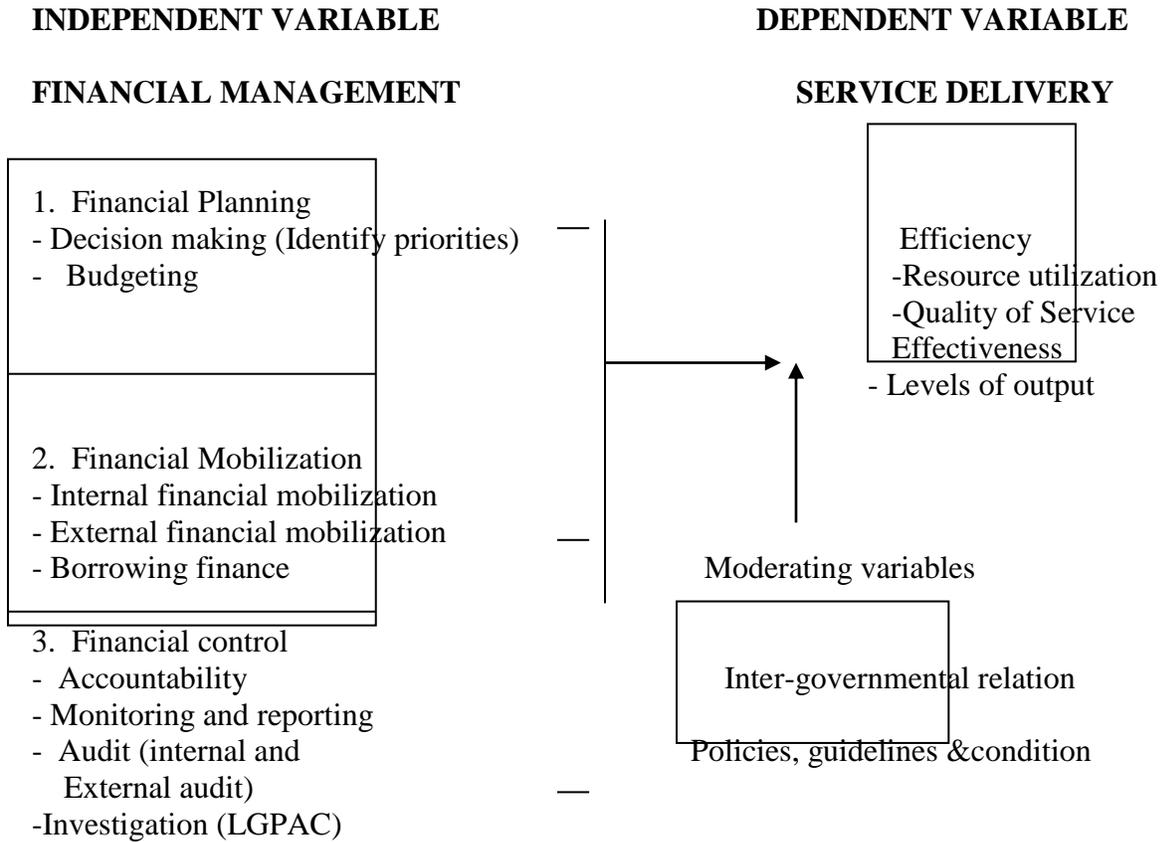


FIGURE 2.1 Conceptual Framework of Financial Management and Service Delivery in Local Government Systems

Adopted and modified from Pandey (2005)

FIG.2.1 above shows the relationship between financial management as an independent variable with indicators of financial Planning, financial mobilization and financial control and service delivery as a dependent variable measure with efficiency and effectiveness with inter governmental relation as a moderating variable.

2.3 Actual Literature review

2.3.1 Financial Planning and Service Delivery in Local Governments

Managers have to think of the future, set priorities, encourage creativity, set clear objects and forecast the future in terms of anticipated problems and political realities. It involves choosing a course of action from available alternatives. Planning is essential for organization survival. Local Governments recognizes the importance of having the three (3) year rolling development plan which is mandatory requirement in the Ugandan constitution 1995 and in line with the local government act 1997). The planning is bottom-up and participatory (consultative) approach (Harmonized participatory and planning Guide HPPG).The planning is in line with the District vision and the National Development Plan (NDP).

Decisions making

Decision making are concerned with the certainty, conditions of risk, or conditions of uncertainty, managers while making decision under condition of certainty they need to have sufficient or complete information and know exactly the outcomes of their decision. Most managerial decision involves degree of uncertainty. They must decide what goals or opportunities will be pursued, what resources are available and who will perform designated tasks. Decision-making consists of several steps. Identifying and defining the problem, developing various alternatives, evaluating alternatives, selecting an alternative, implementing the alternative and the evaluating but the actual decision and the decision making process. However, managers can vary their approach to decision making depending on the particular situation.(Schwella, Burger, Fox and Muller 1996).

Budgeting

Budgeting includes management function of Fiscal Planning, accounting and revenue, and expense controls. Budgeting requires specific planning; thorough understanding of objectives and future programmes the budget then becomes a guide, which however may always be in a state of change. Revision of estimate is through virements, reallocation and supplementing estimates (The Local Government Financial and Accounting Regulations, 2007). Budget reflect the planned programme, public policy and planned priorities the purposes are to balance revenue and expenditure, accountability control and instrument of government policy, good management and planning (Schwella, Burger, Fox and Muller 1996).

Just as Local Government has power to collect revenue the Local Government Act cap. 243 (2006) to formulate approved and execute their budgets and development plans. Local Governments are however, required to accord national priority programme areas, (water, roads, Agriculture extensions, Education, health and environmental protection). Budgeting include costing programmes and projects, facilitating the requisition of funds and enabling the control of implantation of various programmes so that there is no encroachment on other programs funds MOFPED Government out lays analysis, annual report (Government of Uganda 2007). Budgeting control system provides a regular accountability of the implementation of policies and plans (Goddard, 2004). Budget Act (2001) bars Local Governments from accessing Funds from Ministry of Finance and Economic Development (MOFPED) without approved budgets.

According to Budget Act (2001) the budgeting process and cycle of Local Governments is consultative, participatory and bottom up in nature. It commences with consultation

between Local Governments and central Government followed by a budget conference that captures all the wishes of stakeholders and set local Government priorities for the Financial Year. The appropriate legislative body reviews plan and adopts/approved a program and administration starts implementation of the budget and reports findings to the legislative body and External review body audits and evaluates the executed programme and reports findings to the legislative body (Shah, 2007).

2.3.2 Financial mobilization and service delivery in local governments.

Local Governments revenue is regulated by constitution of the Republic of Uganda 1995 and the Local Governments Act 1997 as Amended 2001. Local Government Councils have the following revenue sources internal, external and borrowing.

Internal Revenue mobilization

Internal revenues are mainly local revenues such as levy, charge, fees and fines on licenses and permits in respect of any services rendered or regulatory power exercised by the Local Council, and any other revenue which maybe prescribed by the local government and approved by the minister and every manager to ensure official receipt, ticket or licenses is issued for all money paid, revenues are promptly collected and banked and brought to account and al books of accounts updated. Government of Uganda (The Local Governments Financial and Accounting Regulations, 2007 and Local Government Act Cap 243as amended 2006).

External revenue mobilization

External revenues sources, for Local Government mainly includes Central Government transfers to Local Governments (intergovernmental transfer) and donor funding from

development partners. Inter-governmental transfers are central government grants to local governments, presented and approved by parliament and paid out of the consolidated fund as unconditional grant, conditional grant and equalization grant (Constitution of Uganda 1995, Local Government Act 1997 and Local Government Financial and Accounting Regulations 1998) and Due to increased responsibilities under decentralization and limited local revenues of local government to provide services, this generate a need for local government to obtain inter- governmental transfer system (Nsibambi 1998) and Shah (2005) agree that the way inter governmental transfer are designed, contributes a critical role for quality and equity of local service delivery .to, bridge fiscal gaps, grant design should include tax based sharing ; to reduce regional disparities, there is need for fiscal capacity equalization and set national minimum standards block transfers and conditions on service standards.

Conditional grants consist of money agreed upon by Local Government and central government for specific programme. (Shah 2005) Conditional grants from government shall be part of local government revenue but planned for, recorded and accounted for according to the grant conditions. Conditional grants shall be budgeted following an agreement between government and the local governments; accountability and reporting for conditional grants shall be agreed with the responsible line ministry or donors (LGFAR, 2007). It's more appropriate for the responsibility of redistribution and equity to lie with the central government (Shah 2005). The World Bank (2004) however notes that accountability for conditional grants may be poor as citizen may not have adequate information on the grants since they are not the specific tax payers and the grants has

condition and guidelines which make it difficult for communities to follow the utilization of fund.

Donor funding to local government are mainly conditional grant for specific sectors or projects. The Local Governments that receive donor funds shall ensure that those funds are spent solely on the objectives and activities specified in the agreement between the donor and respective local governments. Donor funds shall be treated according to the conditions attached /agreed upon and separate accountability statement shall be submitted to the donors in accordance with the terms agreed upon, which shall include the format of reporting where necessary and copies of the statement shall be given to the auditor general, the minister and Resident District Commissioner (LGFAR, 2007).

Unconditional grants are paid to council to finance council's decentralized services and considered as part of the local government budget, to be spent on priority programme areas (LGFAR, 2007). The World Bank 2004, reports that the central policies must consider local conditions and capacities. The discrepancies existing amongst Local government can be addressed through unconditional grants to improved service delivery. It also observes that when LGs. have access to unconditional grants with powers to adjust the allocations to budget items independently, it enhances the efficiency in the public sector finances and the quality of services delivered. The IMF (2006), however, reports that corruption and poor financial management at all levels in Uganda have called for conditions and stringent requirements and this weakened the ability of Financial Decentralization to improve quality service delivery.

Borrowing

Subject to the provisions of the constitution of the republic of Uganda 1995, and the Local Government Act 1997, Local Governments may borrow money for carrying out its functions and services. Local Governments may be permitted to borrow. For legitimate infrastructure purposes if they have the capacity to service their debt without requiring assistance from higher governments however proper debt and borrowing policy is crucial to reduce local spending for continuing services including those that are absolutely crucial for the community (education, poverty reduction, public health, public safety, water and sanitation and roads (Shah 2007). Although borrowing can be excellent way to finance long term capital infrastructure, it can create continuing problem of debt servicing/management due to high interest rate unless local governments facilitate local borrowing by pooling risk, to obtain lower interest costs and provide technical efficiencies in borrowing (Shah, 2007).

2.3.3 Financial control and service delivery in Local Governments

Accountability

Accountability has been defined as the art of recording, classifying and summarizes in a significant manner and in terms of money, transactions and events which are of a financial character and interpreting the results therefore (Millichamp, 1997). Accountability has been identified by scholars, as one of the measures of performance in organizations. Meigs (1996) describes accounting as the means by which we measure and describe the results of economic activities. He contends that governments use accounting as a basis for controlling their resources and measuring their accomplishments. This view is backed by (Goddard 2004) who says that accounting is the most important mechanism

for communicating and coordinating the accounts and ensuring accountabilities. Meigs (1996) and Millicamp (1997) concur that accounting provides a basis for managers in decision making in the utilization of scarce resources. The researcher agrees with the authors because it is applicable in local governments where the head of finance department (CFO) is supposed to present monthly financial report/statements to the standing committee of finance, planning and administration (LGFAR, 2007). Administrative advances to council employees authorized by the chief executive to implement council activities such as for purchased of works, goods and services are accounted for within a month and can not authorize any advance to a council employee who has not accounted for any advance of the previous advance (LGFAR, 2007). Accounting, leads to improved service delivery of local governments that finances are used as budgeted and its evidence that the activities are implemented as planned.

Monitoring

Government of Uganda (The Local Government Act, 1997) section 27 (d) and (j) empowers executive committee of the local government to monitor the implementation of policies, programmes and projects and take action where necessary. Section 27 (f) of the Act empowers the Executive Committee to evaluate the performance of the Council against approved work plans and programmes Government of Uganda (2007) states that monitoring is a continuous function that involves collection and analysis of data about project implementation that will lead to timely decision making, ensuring accountability and quality services. However, Local Government lack appropriate mechanism for monitoring and monitoring plan not in available in Local Government whereas monitoring of projects are carried out monitoring reports are not produced at time or not

implemented hence leading to shoddy work by contractors and these contractors are never black listed and payment are made to such contractors leading financial lost to the district and poor service delivery, however monitoring should be responsibility of every stakeholder.

Reporting

The quality of a report reflects the quality of work about which a report is written. Sussans (1986) advocates that you cannot do a bad job and then write a good report about it and vice versa. However, he also observes that no one will know or remember how well the job was done if there is no other permanent record of the work. In other words, a written report is a form of accounting for one's actions. Reports provide an account of an investigation and information, which is required for decision-making.

The Local Government Act Chapter 243 (2006) also emphasizes quarterly reporting by statutory bodies (DSC, LGPAC, Land Board & Contract Committees) to the district Council. Adams, 2007 points out the factors which hinder reporting as:-Lack of knowledge as to what constitutes best practices reporting and understanding of the Financial and Economic indicators. If good reports must be provided to managers it should be on a timely basis to improve service delivery, they should be accurate and complete to enable mangers get clear picture of results and take necessary actions. An advantage, which was not mentioned by the authors, was that good reporting reduces the need for speculation and guesswork about actions and this promotes trust, confidence and improved service delivery in the organization.

Auditing

Financial audits include financial statements, accounts, accounting, receipts, and other financial related issues and assesses the internal control systems that ensure the quality of accounting information and financial reporting in conformity with the accounting standards (Shah, 2007). The accounts of every Local Government Council and administrative Units are to be audited by Internal Auditor and the Auditor General (External) Government of Uganda 2007 (Local Government Act Cap 243).

Internal Audit has been defined as “an activity designed to add value and improve an organization’s operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes (The Local Government Internal Audit Manual, 2007). Internal Auditors should produce reports at the end of each audit exercise. The objectives of reporting are to notify management of the councils of the results of the audit and to make recommendations, where appropriate and submit them to the Council giving a copy to the Local Government Public Accounts Committee. Internal Audit offers a continuous internal evaluation and advisory service to all council’s charged establishments and Departments. It is specifically charged with reviewing, appraising and reporting on The effectiveness and adequacy of internal controls, the reliability of Financial and other management information, the effectiveness and the accounting procedures, the extent to which the council’s assets are safeguarded from losses, arising from fraud, waste, extravagance and mal-administration, poor value for money and other causes, the optimal use of council’s resources, compliance with the Local Governments Act and the Local Governments’ Financial and Accounting Regulations and The Local

Governments' Internal Audit Manual, 2007. The Auditor General may carry surprise audits, investigations or any other audit considered necessary on the Local Government.

Investigation (LGPAC)

Local Governments are mandated to appoint members of the Local Government Public Accounts Committees that shall examine the reports of the Auditor General, chief Internal Auditor and any reports of Commissions of inquiry and can require the attendance of any Councilor or Officer to explain matters arising from the reports. (LGPAC Regulation 2000) LGPAC submit its report to the Council and the Minister responsible for Local Government who shall lay the report before Parliament (LGA 1997). LGPAC investigation in Local Government is important to avoid bias by the Internal and External Auditors and give a fair hearing from the management/public officers before actions are taken.

2.3.4 Inter-governmental relations

The Local Government programs has to be in line with government, policies as a strategy of promising efficiency and public accountability, the supervision of Local governments by Central Government agencies such as line ministries is provided for in section 96-100 of the Local Government Act, 1997. The central Government needs to establish equitable means of allocating resources to districts and to ensure the existence of effective mechanisms for quality control. Depending on policy, guidelines and conditions (Shah, 2007).

Line ministries inspect, monitor and where necessary offer technical advice, support supervision and training to Local Governments within their respective areas in order to ensure the implementation of national policies. Methods of administrative supervision include persuasion, consultation, recognition, information, circulars, guidelines, inspection, monitoring, mentoring, education, training, technical assistance, audits, orders and taking over administration of a district (LGA, 1997). Where as LGs are mandated to formulate, approve and executive their budgets provided the budgets are balanced, LGs have to accord national priority programs areas preferential budget outlays. In addition, the principal oversight bodies at the national level the Inspector General, the Public Accounts Committee of Parliament and Auditor General and the RDCs. have direct jurisdiction over Local Governments (Bardhan & Mookherjee, 2006).

2.4 Summary of the Literature Review

The literature indicated that although service delivery has improved due to decentralization, there exist some technical and institutional constraints that actually may affect service delivery and financial management alone can be misleading in explaining outcomes of service delivery when inter governmental relation through policies, conditions and guidelines are also affecting service delivery, therefore for LDLG to effectively implement its service provision role, there exists clear inter governmental relation to help improve service delivery. Although the literature provides a linkage between financial planning, mobilization, control and service delivery, there was no empirical evidence on the extent to which financial management affects service delivery in LDLG.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

Financial management is important for successful delivery of services in local government. This chapter presents the research design, study population, sample size and selection, sampling methods and procedures, data collection methods, instruments, data analysis and measurement of variables.

3.1 Research Design

A case study design adopting the cross sectional sample survey was used to describe the nature and pattern of the study. The case study approach calls for the researcher to make choices from among a number of possible events; people and organization and enabled an in depth investigation. Qualitative and quantitative approaches (triangulation) were used. Qualitative approach promotes greater understanding, Qualitative approach deals with how people understand their experiences and quantitative describe given condition or to investigate relationships, including cause and effect.

3.2 Study Population

The study population was comprised of selected civil servants at the district and sub-counties and because they form part of the leadership, plan and implement Local Government projects. Leaders of Community project beneficiaries, parish development committee, top management at district and sub counties and political leaders were part of

the study population because they are expected to participate in the situation ownership of projects under decentralization.

3.3 Sample size and selection

Respondents were sampled according to the categories specified in the below table to get a fair representation of the study. The sample size was 126 to participate in the study. The number was derived with the use of Krejcie and Morgan's (1970) table for determining sample population. The breakdown is as presented below:

Table 3.1 Category of Respondents sampled for the study

No	Category of Respondents	Population. Size	Accessible size	Sampling techniques
1	District Councilors	23	21	Purposive
2	Top management district chairman, RDCs, CAO and speaker	5	5	Census
3	District HODs/Sections (DTPCs) civil servant	25	25	Census
4	Top management at sub-counties Executives & s/cty speakers	15	13	Simple random
5	Sub-county Technical planning committee	27	22	Simple random
6	Chairpersons sub county investment committee (Community leaders)	3	2	Simple random
7	Leaders of NGOs (development partners.) in the three sub counties	18	15	Simple random
8	Members of Local Government Public accounts committee	5	5	Census
9	Chairpersons of Parish development committee (PDCs)	14	11	Simple random
	Total	134	126	

3.4 Sampling Methods and Procedure

Purposive, census and simple random sampling techniques were used. Purposive sampling was applied at the district level for district councilors, head of departments and sections; random sampling is the process of selecting a sample in such a way that all individuals in the defined population have equal chance of being selected (Mugenda & Mugenda 1999). Simple random sampling was applied to sub-counties, parish and village levels to analyze the participation of various stakeholders. The choice for this method is because of the large population, limited funds and time.

3.5 Data Collection Methods

The data collection methods were quantitative and Qualitative. Structured interviews were used for qualitative data; quantitative data was mainly collected by survey and documentary reviews.

3.5.1 Questionnaire Survey

The choice of a survey was justified by the fact that it is the single best tool in collecting quantitative data from a big number of respondents (Amin, 2005). This was self-constructed questionnaire with semi-structured set of questions, closed ended. Semi-structured questionnaire was used because large samples can be made of use and thus, the results can be made more dependable and reliable, offers the greatest assurance of unanimity, cheaper than other methods and free from bias. A total of 86 questionnaires were distributed to the selected respondents.

3.5.2 Interviewing

Interviewing is a method of collecting data in which selected participants are asked questions in order to find out what they do, think or feel. It enables it to solicit detailed information on the subject under study probing (Mugenda & Mugenda, 1999). It was used because it's flexible and easy way of finding information. This is a face-to-face interaction where the interviewer asks question to the interviewee (Amin 2005). It also permits the researcher to ask more complex questions and it takes into account verbal communications such as attitudes and behaviour of the interviewer in relation to the subject being discussed. Interview guide was formulated covering the three (3) areas of the study.

3.5.3 Documentary Review

This method involves delivering information by carefully studying written documentations or visual information from sources called documents. This could be textbook, newspaper, Journals, articles, advertisement, pictures (Amin 2005). Data from District, sub-county plans, Reports, recent studies, books were reviewed to test and enrich results from other methods as well attain available information on area of study.

3.6 Data Collection instruments

The data collection instruments are tools that the researcher used to collect data from the respondents. A Combinations of instruments were used as appropriate to make use of their different strengths, because none of the methods used exclusively may collect sufficient data. Interview guide, questionnaire and documentary review checklist were used as data collection tools.

3.6.1 Questionnaire

A questionnaire is a carefully designed instrument for collecting data in accordance with the specifications of the research questions and hypotheses. It consists of questions in which the subject responds in writing (Amin 2005). Questionnaire was used and had structured and closed ended questions to capture quantitative data

3.6.2 Interview Guide

An interview guide was used for interviews; the structured interview guide was formulated where specific questions were asked to all respondents. The technique was flexible and easy way of finding out information.

3.6.3 Documentary Review Checklist

Documentary review checklist was produced to review Local Government reports for instance the Internal and External Audit reports, LGPAC reports, monitoring reports, Auditor General reports, budget, work plans and District and Sub-county Development plan and Council minutes related to Finance. This constituted a secondary source of data for the study.

3.7 Quality control (pre-testing)

The research instruments were pre-tested to minimize the random error and increase the reliability of the data collected.

3.7.1 Validity

Validity refers to the ability of the instrument to measure what it is expected to measure. The study used face and content validity to ensure validity of the instruments. Face validity refers to the appropriateness of the instruments by appearance; content validity focuses on whether the full content of a conceptual definition is presented in the measure (Mugenda & Mugenda 1999) and (Punch 2005). In this study, the study instruments were validated by the two supervisors before they were used.

3.7.2 Reliability

This refers to the consistency of the instrument. An instrument is reliable if it produces the same results whenever it is repeatedly used to measure trial or concept from the same respondents even by other researchers (Punch 2005). The study adopted Test – retest to retest the instrument. Reliability was done by administering, The Test retest to the head of departments, then after two weeks the same test was administered to the same group of subjects, internal consistency technique was used, were the researcher administered a single test and the two sets of scores were correlated and results evaluated and corrections were made. Using Alpha Cronbach reliability test a value of 0.8462 was obtained meaning that 84.6% of the items in the questionnaire were consistent and reliable. It is a simple and straightforward method of verifying that the instrument will collect the same data from the same group of respondents upon subsequent administration.

3.8 Procedure of data collection

On getting a letter of introduction from UMI, the researcher proceeded to the Chief Administrative Officer (CAO) of Lira District and requested him to authorize the study

and the CAO introduced the researcher to the selected Sub -county's authorities. After this authorization, recruitment and induction/training of three Research Assistants was done to assist in the data collection and editing from the respondents especially from the Sub-counties. Filing system was introduced, records of how many questionnaires were sent out, to whom they were sent and when they were sent was kept. The researcher collected the data, coded, analyzed and interpreted the findings before writing this report.

3.9 Data Analysis

The study employed qualitative and quantitative approaches in data collection. Each of these approaches had unique technique of data analysis.

3.9.1 Qualitative Data Analysis

The data collected was cleaned, sorted and edited to remove errors, analyzed data into different themes, by source of information, reading through the data to get a general sense and overall meaning, arranged data into categories and labeled those categories for analysis developed description for each category Theme and developed interpretation involving lessons learnt. Content analysis for the qualitative data was done manually. Content analysis consisted of reading and re-reading the transcripts looking for similarities and differences in order to find themes and to developed categories.

3.9.2 Quantitative Data Analysis

Data was coded and organized for easy understanding and presentation of data using a computer statistical package for social scientists (SPSS). It's user friendly and statistical compatibility. This study used linear regression and analysis of variance (ANOVA) to

test the relationship between management of finance and service delivery rendered for all the hypotheses.

3.10 Measurement of variables

The questionnaire was measured on a five interval Likert Scale that is scale of 1- 5 was used. Ranging from strongly agrees to strongly disagree to help the researcher measure the extent to which the research objectives are achieved whereby: 1= strongly agree, 2= agree, 3= undecided, 4= disagree, 5= strongly disagree. Ordinal scale and interval scale (with different intervals) was used to capture personal data of the respondent. The choice of the instrument was that each point on the scale covers a score and it's the most frequently used summated scale in the study of social attitude.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF RESULTS

4.0 Introduction

This chapter presents the results that were obtained from the data that was collected. The chapter is divided into four parts: the response rate, background characteristics, description of respondents view and testing of hypotheses. In the chapter, data are presented in form of tables and figures and the key indicators are pointed out in relation to the study objectives as they presented in chapter one.

4.1 Response Rate

The researcher targeted 126 study populations and the response rate is presented as below.

Table 4.1 Target sampled and response rate

No	Category of Respondents	Target sample	Actual	Response rate in %
1	District Councilors	21	20	95.2
2	Top management district c/person, RDCs, CAO and speaker	5	5	100
3	District HODs/Sections (DTPCs) (civil servants)	25	20	80
4	Top management at Sub counties executives c/person finance committee & s/cty speaker	13	10	76.9
5	Sub-county Technical planning committee Chairpersons Sub-county investment committee	22	18	81.8

	(community leaders)	2	1	50
6	Chairpersons of Parish development committee(PDCs)	11	11	100
	Leaders of NGOs (development partners.) in the three sub counties	15	12	80
	Members of LGPAC	5	5	100
	Total	126	102	80.9

The researcher targeted 126 study population, however due to various reasons the number of respondents who actually participated in this study were as follows: district councilors 20 out of 21, all the top management at district participated in the study that gave response rate of 100%, civil servants (DTPC) 20 out of 25, all LGPAC members participated in the study, out of the 98 questionnaires given out, 79 were returned filled which gave a response rate of 80.6% and the overall response rate was 86.2% According to Amin the response rate of 70% is sufficient for a research. Key informants were interviewed and documents were reviewed.

4.2 Background Characteristics

The researcher collected data on the background characteristic of respondents. This was intended to authenticate the source of research data below is a summary of data on the respondent's characteristics. Data presented in table 4.1 is also in figures, figure 4.1 for respondent's sex, 4.2 for marital status, and 4.3 for age group, 4.4 for education level, 4.5 for employment and 4.6 for period of service. Table 4.2 shows the summary of background data:

Table 4.2: Respondents' personal data

Bio data	Frequency	Percentage
Sex		
Male	51	64.6%
Female	28	35.4%
Marital status		
Married	69	87.3%
Single	5	6.3%
Separated	3	3.8%
Widowed	2	2.5%
Age group		
20-30 years	14	17.7%
31-40 years	31	39.2%
41-50 years	29	36.7%
Above 51 years	5	6.3%
Education		
Primary	1	1.3%
Secondary	7	8.9%
Tertiary	24	30.4%
University	46	58.2%
Others	1	1.3%
Employment		
Civil servant	38	48.1%

Counselor	28	35.4%
Community leader	1	1.3%
Development partner	12	15.2%
Period of service		
Less than 2 years	4	5.1%
2-5 years	23	29.1%
6-10 years	27	34.2%
Over 10 years	25	31.6%

The data presented in Table 4.2 above are also presented in form of figures. On the distribution of respondents by sex, the data are presented in Figure 4.1 below:

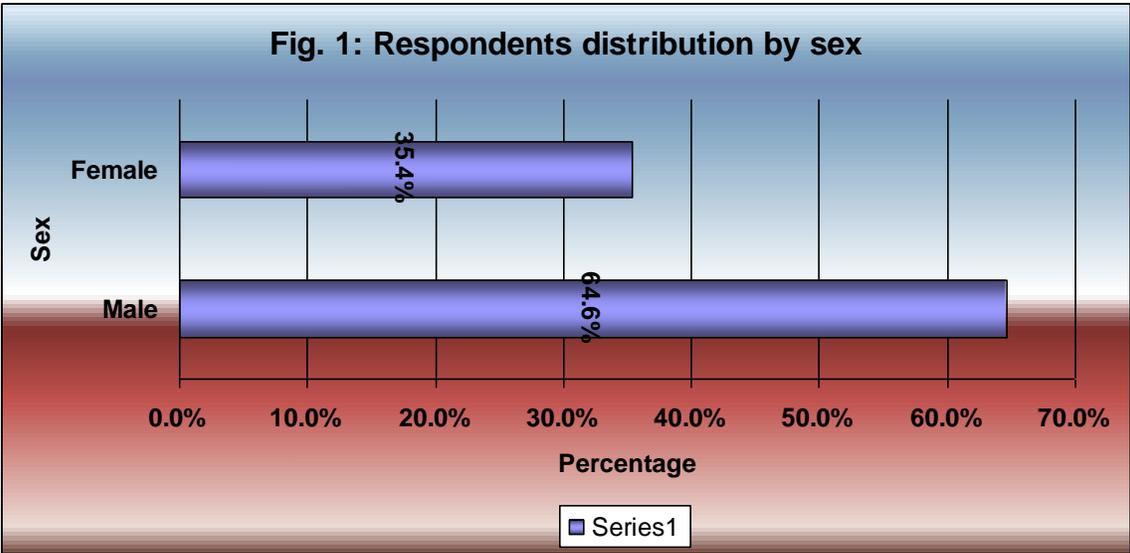


Fig. 4.1 respondent distribution by sex

Table 4.2 and Figure 4.1 show the distribution of respondents by sex. The result revealed that 64.6% of the respondents were males and 35.4% females. More Males participated

in the study because there are more male employees than their female counterparts in the social services institutions in Uganda because of their better levels of education compared to females. Males were also considered to contest for most of council position as directly elected councilors while female fear to compete for directly elected offices but only participate as women representatives this implies that service delivery may not address gender issues.

On the distribution of respondents by marital status, the data presented in Table 4.2 are also presented in Figure 4.2 below:

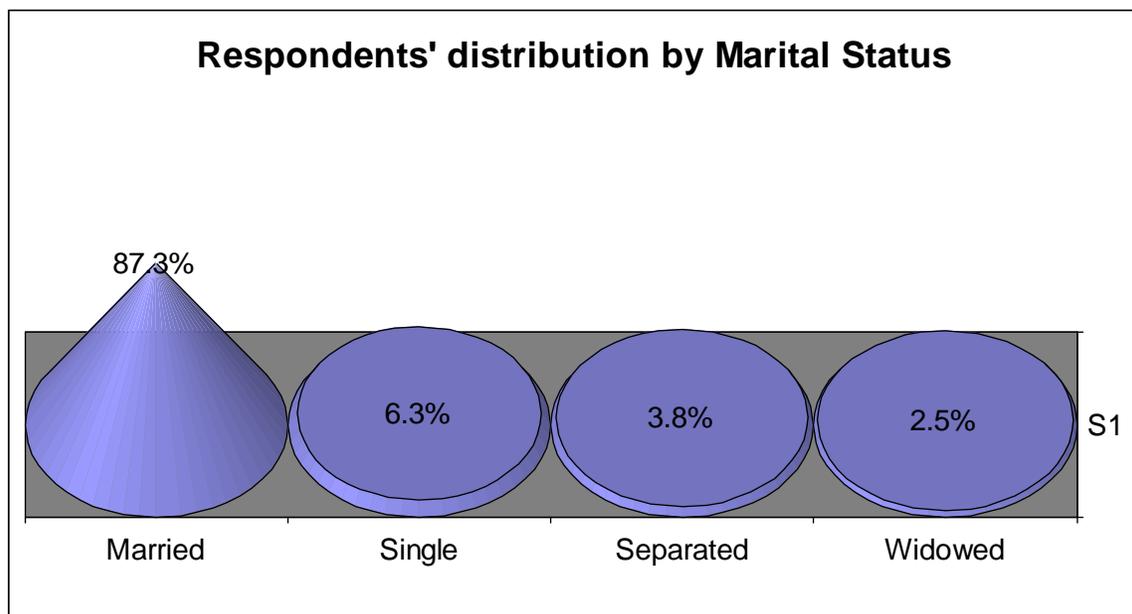


Fig.4.2 Respondents distribution by marital

The Table 4.2 and Figure 4.2 show the distribution of the respondents by marital status. The majority of the respondents 87.3% were married 6.3% single 3.8% separated and 2.5% widowed. It was necessary for the study to capture the marital status of respondents

as it directly relates to their commitment to service delivery. Married couples were engaged in service delivery to get pay for raising their families. This may affect service delivery.

On the distribution of respondents by age, the data presented in Table 4.2 are also presented in Figure 4.3 below:

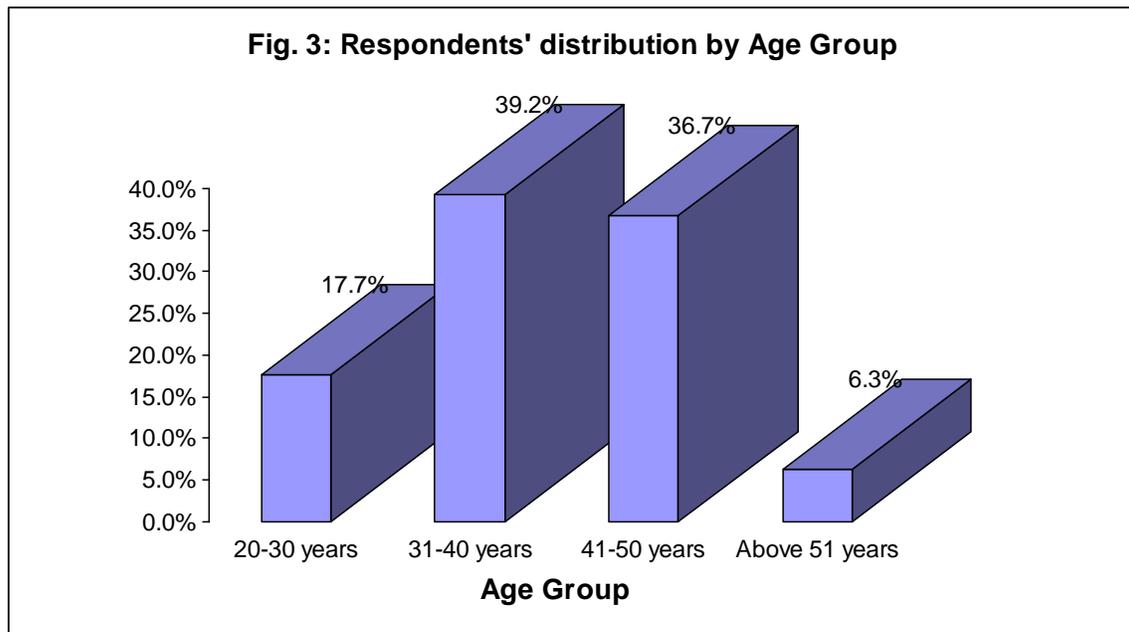


Fig.4.3 Respondents distribution by Age group

The Table 4.2 and Figure 4.3 above show the distribution of the respondents by age. 17.7% aged between 20-30 years, 39.2% aged between 31-40 years, and 36.7% aged between 41-50 years and 6.3% aged above 51 years. This constitutes the active part of the population and so provides services to the community.

On the distribution of respondents by field of employment, the data presented in Table 4.2 are also presented in Figure 4.4 below:

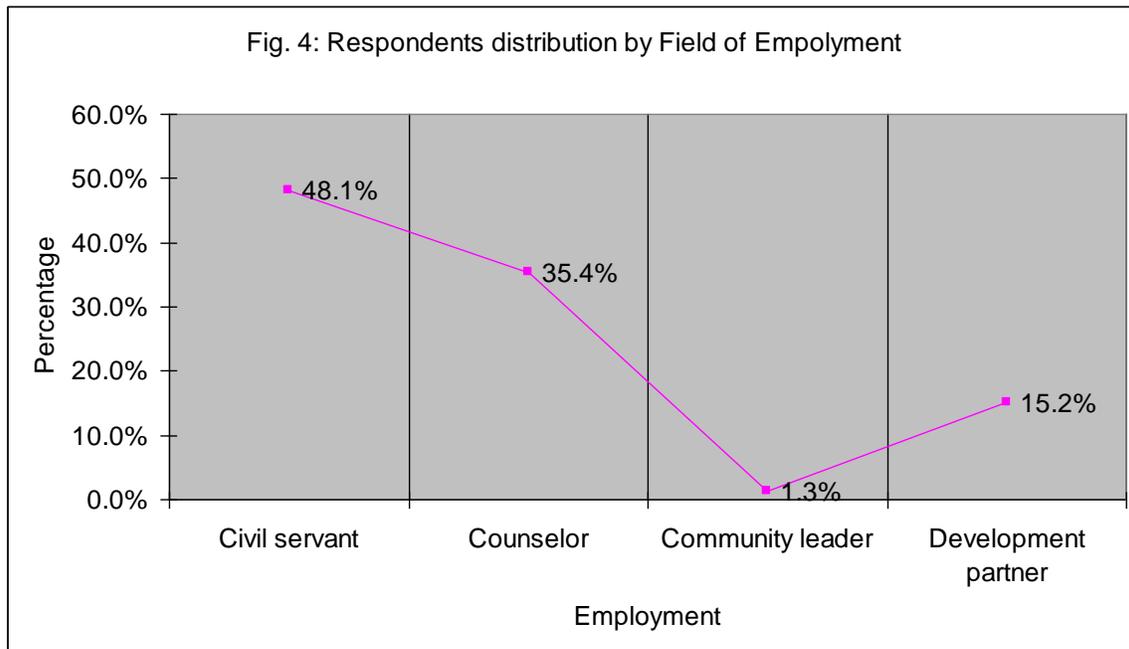


Fig. 4.4Field of employment

The Table 4.2 and Figure 4.4 above show the distribution of the respondents by field of employment. The study further revealed that of the respondents, 48.1% were in position of implementing local government activities (civil servants), 35.4% (Councilors) Policy makers, 1.3% community leaders and 15.2% development partners.

On the distribution of respondents by level of education, the data presented in Table 4.2 are also presented in Figure 4.5 below:

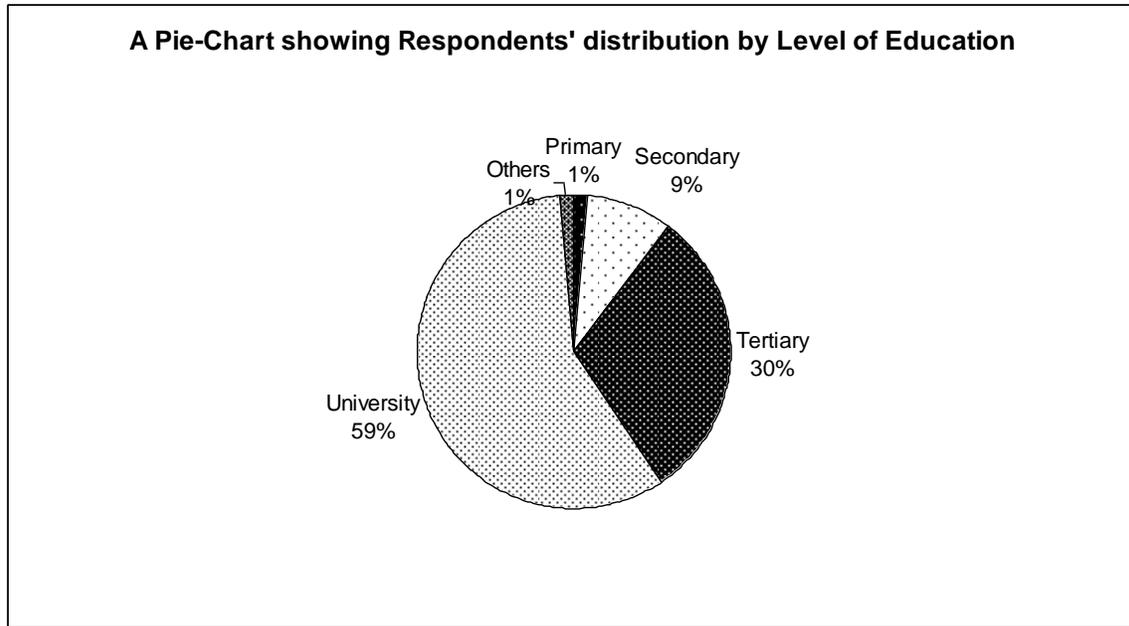


Fig 4.5 Respondent distribution by level of Education

The Table 4.2 and Figure 4.5 above show the distribution of the respondents by level of education. The level of Education of the respondents was found to be good, 59% of the respondents had completed University, 30% had completed Tertiary institution, and 9% completed Secondary Education levels with only 1% having completed primary level education and 1% others. Therefore the literacy rate among the target population was good and thus understood the operation of local government and financial Management to a reasonable extent.

On the distribution of respondents by period of service, the data presented in Table 4.2 are also presented in Figure 4.6 below:

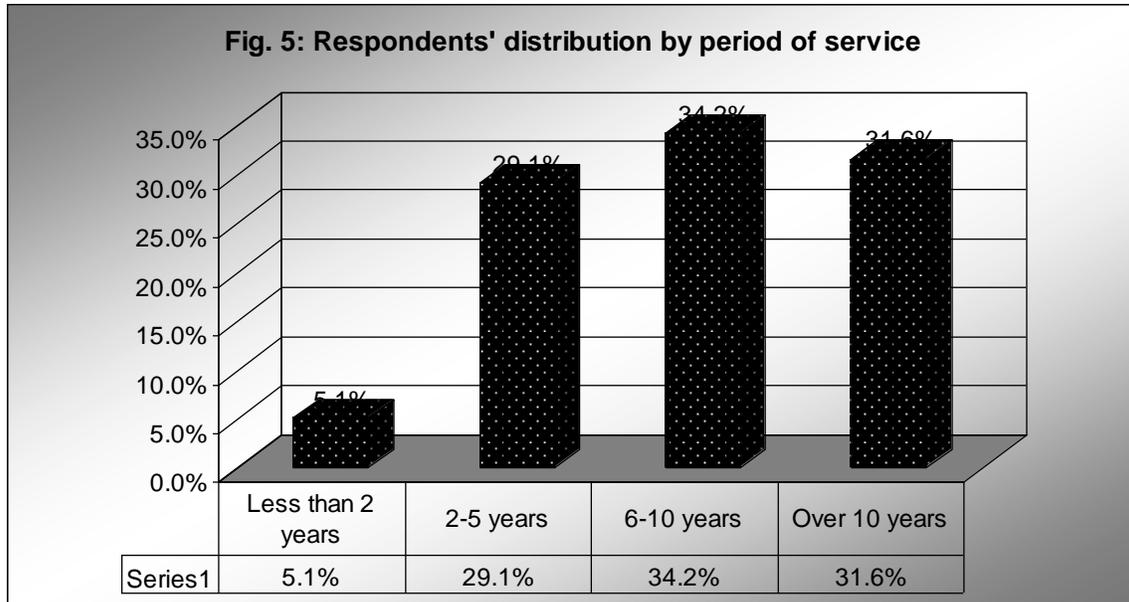


Fig.4.6 Respondent's distribution by period of service

Fig. 4.6 and Table 4.2 above show the distributions of the respondent's period of service, 5.1% less than 2 years, 29.1% had worked with local Government for at least 2-5 years. 34.2% 6-10 years and 31.6% over 10 years. Thus, since the majority of the respondents had work experience of 5 years and above. They were experienced and knowledgeable to provide information relating to the objectives of the study from which the findings, generalization, conclusions and recommendations were made.

4.2 Descriptions of respondent's views to the questionnaire items.

In this section, a description of respondent's opinion per item in the questionnaire is presented. The responses of the sampled population are presented in form of frequency tables in accordance with the research questions as cited in chapter one.

4.2.1 Research question one; Financial planning and service delivery in LG systems

For purposes of description of the results on the table above, the researcher decided to combine strongly agree plus agree to mean agree (SA +A =Agree) and strongly disagree plus disagree to mean disagree (SD + D = Disagree).

Table 4.3 Financial Planning and Service Delivery in LG Systems

Variable	Strongly agree	Agree	No comment	Disagree	Strongly disagree
Decisions are made at all levels of management in Lira district local council.	15 (19%)	55(69.6%)	1 (1.3%)	6 (7.6%)	2 (2.5%)
Decision-making contributes towards service delivery in LDLG.	32(40.5%)	40(50.6%)	1 (1.3%)	4 (5.1%)	2 (2.5%)
Decision-making in LDLG is largely consultative in nature	10(12.7%)	50(63.3%)	8 (10.1%)	9 (11.4%)	2 (2.5%)
In Lira district Council budget are approved in a transparent manner	19(24.1%)	53(67.1%)	1(1.3%)	5(6.3%)	1(1.3%)
Budgeting is relevant to service delivery in LDLG	36(45.6%)	37(46.8%)	0 (0%)	4(5.1%)	2 (2.5%)
Budgets always guide all financial activities in LDLG.	24(30.4%)	43(54.4%)	6 (7.6%)	5(6.3%)	1(1.3%)

Budgets are usually presented to Council by the 15 th June yearly	7 (8.9%)	51(64.6%)	4(5.1%)	14(17.7%)	3(3.8%)
Budget in Lira District Local Government is wastage of time and resources	5(6.3%)	14(17.7%)	3 (3.8%)	40(50.6%)	17(21.5%)

Source: Primary Data

Findings presented in the Table 4.3 above shows that the majority of the respondents 91% agree that decision making affects service delivery; in addition 92% of the respondents pointed out that budgeting is relevant to service delivery in Lira district local government. The results further revealed that budget are approved in a transparent manner as pointed out by 91% of the respondents. The findings also pointed out that budget always guide all financial activities as given by 84.8 % of the respondent's , 76% of the respondents revealed that budget in LDLG is not a wastage of time and 73.4% agreed that budgets are usually presented to council by the 15th June yearly. The findings point towards a conclusion that financial planning has a contribution towards service delivery in the district.

In some instances, community priorities are implemented after planning and budgeting due to political interest however; most of them are decided at higher levels with authority and not all community priorities are taken into consideration. (The parish development committee (PDCs) Barr sub county).The sub county chairperson (Adekokwok sub county) Noted that not all activities and/or projects budgeted for are implemented in a transparent way this is because many stakeholders have different interests in the different activities budgeted for and above all work plans are not shared with other stakeholders. In

addition to this, misappropriation of funds is greatly affecting LG project/activity implementation in Lira district; however, planning and budgeting is done before any government funded project starts; *the LGPAC member*. Monitoring of the project/activities progress in the district or sub-counties is done but not on a regular basis; this justifies the many issues of shoddy/sub standard work by contractors in Lira District Local Government for profit maximization and high levels of corruption (Resident District Commissioner)

In documentary review the researcher observed and recorded the following; - Lira district local government had approved budget and development plan signed by the district chairperson and the chief administrative officer and sub counties also had the approved budget and development plan. The budget is consistent with the development plan since only what has been planned is budgeted for implementation. It should be noted that the development plan used to be three (3) years but has been revised to (5) years however LDLG and the sub- counties usually comply with the guideline because of assessment from ministry of local government in order to received local government development grant and failure to comply leads to penalty and reduction in funding while compliance lead to bonus & increased in funding.

4.2.2 Research question two; Financial mobilization and service delivery

Respondents were requested to provide their opinion on items related to financial mobilization and on service delivery. This was done using 5 likert scales ranging from strongly agree to strongly disagree. There responses are presented in the table 4.2 below

Table 4.4 Financial mobilization and Service delivery

Variable	Strongly agree	Agree	No comment	Disagree	Strongly disagree
Revenue collection impacts on Local Government operations.	24 (30.4%)	42 (53.2%)	2 (2.5%)	7 (8.9%)	4 (5.1%)
Developmental partners (NGOs and CBOs) contribute revenue towards service delivery in Lira District Governments.	16 (20.3%)	46 (58.2%)	6 (7.6%)	10 (12.7%)	1 (1.3%)
Borrowing Funds by LGs from financial institution like banks can contribute towards service delivery in Lira District Local Government.	11 (13.9%)	39 (49.4%)	13 (16.5%)	12(15.2%)	4 (5.1%)
Conditional grants contribute towards service delivery.	26 (32.9%)	45 (57%)	2 (2.5%)	5 (6.3%)	1(1.3%)
Unconditional grants contribute towards service delivery.	17 (21.5%)	51 (64.6%)	6 (7.6%)	5 (6.3%)	0 (0%)
Equalization grants contribute towards service delivery.	15 (19%)	57 (72.2%)	4 (5.1%)	3 (3.8%)	0(0%)
Locally raised revenue contributes towards service delivery.	17 (21.5%)	49 (62%)	6 (7.6%)	4 (5.1%)	3 (3.8%)

Source: Primary Data

There was need to statistically established how financial mobilization and affects service delivery for purpose of description of the results on the table above, the researcher decided to combine the researcher decided to combine strongly agree plus agree to mean agree (SA +A =Agree) and strongly disagree plus disagree to mean disagree (SD + D = Disagree). Findings presented in table 4.4 above show that 83.6% of the respondents

agree that revenue collection impacts on local governments operations, 14% of the respondents did not agree with the statement. This shows that LDLG collect relatively low level of awareness that LGs can collect revenue to finance local priorities. However, the findings further revealed that 78.5% of the respondents agree that Development partners (NGOs & CBOs) contribute revenue towards service delivery in Lira District Local government. The results further revealed that 63.3% of the respondents agree that borrowing funds by Local governments from Financial Institution like Banks could contributes towards service delivery in Lira District Local Government. While 89.9% of the respondents revealed that there conditional grants form the Central Government to Local Government contributes towards service delivery ad 86.1% of the respondents agree that unconditional grants form Central Government to Local Governments contributes towards serviced delivery. The findings further revealed that 91.2% of the respondents agree that Equalization grants contribute towards service delivery in Lira District Local Government. Further results, however, relatively show that 83.5% of respondents agree that locally raised revenue contributes towards service delivery

Although there is an approved revenue enhancement planned to guide the collection of revenue in Lira district, revenue collection is not well performing and not all the revenue approved by the council is collected; this is so because of poor taxpayer education and sensitization coupled with poor esteem and interest and Inaccurate data upon which revenue is ascertained (District chairperson, sub county chairpersons and LGPAC members).

Financial mobilization increases as LGs become better equipped to collect taxes in sub national jurisdictions. The efficiency of revenue collection may also be greater when

citizens are involved in decision taken by LGs through participatory processes. This would be reflected in an increased willingness to pay for service through local taxes. Internal revenues are mainly local revenues such as levy, charge, fees and fines on licenses and taxes.

District states of affairs are in placed; the district chairperson and sub county chairpersons are mandated to produce the state of affairs once a year and debated upon by the council. However the sub-counties were not having the state of affairs. In the state of affairs the district chairperson noted that most funding are from central government in term of conditional grants, unconditional and equalization grants that constitute about 80% of the budget of FY 2009 and local revenue performance had been poor due to low mobilization and sensitization and finance committee should always mobilized revenue to improved service delivery since some department depend on local revenue to facilitate operation. Minutes were available but at sub counties it's of poor quality and mostly not up to date especially Council and TPC minutes. Government policies and guidelines were available mainly for projects funded by central government such as NUSAF II, LGMSDP and NAADS and development partners.

4.2.3 Research question three; Financial control and service delivery

Respondents were requested to provide their opinion on items related to financial control and service delivery. This was done using 5 likert scales ranging from strongly agree to strongly disagree. There responses are presented in the table 4.4 below

Table 4.5 Financial control and Service delivery

Variable	Strongly agree	Agree	No comment	Disagree	Strongly disagree
Funds are released for activities as advance.	6(7.6%)	53(67.1%)	6(7.6%)	11(13.9%)	3(3.8%)
Advances are accounted for within one month (31days) after activities.	6(7.6%)	28(35.4%)	18(22.8%)	24(30.4%)	3(3.8%)
Accountability contributes towards service delivery	18(22.8%)	49(62%)	1(1.3%)	10(12.7%)	1(1.3%)
District/ sub-county executive Committee monitored the implementation of council budget	11(13.9%)	51(64.6%)	6(7.6%)	10(12.7%)	1(1.3%)
Standing committees regularly monitored projects in their sectors.	6(7.6%)	46(58.2%)	3(3.8%)	24(30.4%)	0(0%)
Monitoring projects has an effect on service delivery	25(31.6%)	45(57%)	3(3.8%)	6(7.6%)	0(0%)
Internal controls have been strengthened in Lira District Local Government and sub-county due to auditing of accounts	13(16.5%)	55(69.6%)	6(7.6%)	5(6.3%)	0(0%)
Investigation of financial loss have improved in Lira District Local Government as a result of LGPAC	10(12.7%)	55(69.6%)	9(11.4%)	5(6.3%)	0(0%)

Source: Primary Data

Respondents were requested to provide their opinion on items related to financial control and service delivery in Lira District. This was done using 5 Likert Scale ranging from strongly agrees to strongly disagree. For purpose of description of the results on the table above, the researcher decided to combine A + SA = Agree, SD + D = Disagree and no comment. Table 4.5 above shows respondent's views on the relationship between financial control and service delivery in Lira District Local Government, The researcher wanted to know if Funds were released for activities as accountable advances 74.7% of the respondents agree that funds were released to civil servants/implementers of activities as accountable advance in addition, 43% of the respondents reported that whereas funds ere released for activities as accountable advances, advancers were not accounted for within one month (31 days) after activities as required by Local Government Financial and accounting regulations. The findings also show that 84.8% of the respondents agree that accountability contributes towards service delivery because leaders are held responsible both politically and administratively for their action. Further findings revealed that 78.5% of the respondents agree that the Executive Committee (District and Sub-counties) monitored the implementation of Council Projects/budget while 30.4% of the respondents disagree that standing committees regularly monitored projects in their sectors and 88.6% of the respondents agree that monitoring of projects has an effect on service delivery in Lira District. The results further revealed that 86.1% of the respondents agree that Financial auditing in Lira District have been strengthened as Internal control to reduce corruption and improved transparency and accountability and 82.3% of the respondent agree that investigation of Financial loss have improved in Lira district as a result of Local Government Public Accounts Committee through examining

Internal Audit and Auditor General reports on the Accounts of Lira District Local Government.

Poor financial control has constrain the LGs service delivery systems Since there is inadequate financial reporting in Lira District LG, Government funds are diverted for personal projects and there is lack of transparency in public financial management (the sub-county chairperson Lira sub county). Although audit and LGPAC reports' are available the district council and sub county council do not discussed audit and LGPAC recommendation so that it's implemented however, this practice blocks any attempt to improve financial management in Lira district (The chairperson LGPAC).

4.2.4 Inter-Governmental Relation

Respondents were requested to provide their opinion on items related to intergovernmental relation and service delivery. This was done using 5 likert scales ranging from strongly agree to strongly disagree. There responses are presented in the table 4.6 below

Table 4.6 Inter-Governmental Relations

Variable	Strongly agree	Agree	No comment	Disagree	Strongly disagree
Central government monitor activities of LDLG	10(12.7%)	64(81%)	3(3.8%)	2(2.5%)	0(0%)
The existing policies of Central government on	1(1.3%)	59(74.7%)	9(11.4%)	4(5.1%)	0(0%)

financial management are effective in regulating service delivery in LDLG.					
There is Central Government conditions on local government's financial mobilization.	7(8.9%)	63(79.7%)	5(6.3%)	3(3.8%)	1(1.3%)
There is Central Government guidelines on local governmental financial control.	17(21.5%)	50(63.3%)	3(3.8%)	7(8.7%)	0(0%)

Source: Primary Data

The findings in table 4.6 above revealed that 93.7% of the respondents agreed that Central Government monitor activities of Lira District Local Government as some central government staffs are based in the district to monitoring Local Government activities for instance the Resident District Commissioner, the IGGs, the Auditor General and also the Parliamentary Public Accounts Committee examine Audit reports on Lira District Accounts despite the formation of Local Government Public Accounts Committee that tend to be doing the same work. However, 76% of the respondents agree that the existing policies of Central Government on Financial management are effective in regulating service delivery in Lira District Local Government. Further more 88.6% of the respondents reported that there was Central Government conditions on Local Governments' Financial mobilization where as Local Government was empowered to

raise its own local revenue to finance service delivery, Central government have to approve the sources of revenue to be collected by Local Government and can abolished other sources of revenue of the Local Governments for instance abolition of Graduated tax that was the main source of revenue for Local Governments. The findings also show that 84.8% of the respondents agree that there was Central Government guidelines on local government Financial control because the reporting formants are designed by Central Government and Local Governments are to provide quarterly reports to Ministry of Finance and Local Government before funds are released for another quarter, monitoring of projects also done by Central Government, Auditing by Auditor General and Parliamentary Accounts Committee examine accounts of Local governments and other guidelines on Local Governments Financial control.

The Central Government policies, conditions, guidelines and control on LGs are good. However, most of the power and authority of LGs are in the hands of central, which Means, decision-making and program/project implementation is done by central Government (CAO).

4.2.5 Efficiency and Effectiveness in Service Delivery by Local Governments

Respondents were requested to provide their opinion on items related to efficiency and effectiveness of Local Governments in service delivery in Lira District. Efficiency and Effectiveness of service delivery by Local Governments was observed in key sectors that help the community and those involved; health, education, water and sanitation. This was done using 5 Likert scales ranging from strongly agree to strongly disagree.

Table 4.7 Service deliveries in the Health sector in Lira District

i) Health

Variable	Strongly agree	Agree	No comment	Disagree	Strongly disagree
The healthcare services are within geographical reach	3(3.8%)	31(39.2%)	3 (3.8%)	38 (48%)	4 (5.1%)
Health personnel are always on duty	14 (17.7%)	7 (8.9%)	47 (59.5%)	11(13.9%)	0 (0%)
The required essential drugs like ARVs and malarial drugs are usually available	1(1.3%)	9 (11.4%)	4 (5.1%)	55(69.6%)	10 (12.7%)
Delivery of primary healthcare services as expected	0 (0%)	17 (21.5%)	6 (7.6%)	48(60.8%)	8 (10.1%)
You build trust and confidence in the medical personnel and tell them your health problems.	3 (3.8%)	29 (36.7%)	6 (7.6%)	36(45.6%)	5 (6.3%)
Antenatal care is usually available in all health centers.	3(3.8%)	23 (29.1%)	4 (5.1%)	45(57%)	4(5.1%)
Availability of public health facilities in all sub-counties	1(1.3%)	9(11.4%)	1(1.3%)	53(67.1%)	15(19%)

Source: Primary Data

The table 4.7 above shows that more than 53.1% of the respondents disagree that the Health services are within geographical reach whereas 59.5% of the respondents had no comment when asked whether the health personnel are usually on duty and 13.9% disagree that the health personnel are usually on duty, and 82.3% of the respondents disagree that the required essential drugs like ARVs and malarial drugs are usually available in Health Centers. Whereas 70.8% of the respondents disagree that Primary health services are delivered as expected, Further findings revealed that 86.1% of the respondents disagree that all parishes in the Sub-counties has health centers. This indicates that the health sector in Lira District is still lagging behind, hence showing inefficiency in service delivery. This is contrary to the PEAP (2004) Reports; significant improvements in the health sector outputs reflecting improved access and utilization of the minimal population. This indicates that there could be increased utilization of health services but the quality of health services is poor. This implies that if the situation is not solved. The district is likely to experience high mortality rate, increase infant mortality, and high death rate.

Health services in Lira district is inadequate this is because, the distance to public health facilities is very long and there are still few health facilities throughout the district, Inadequate supply of essential drugs and insufficient drugs in public health facilities, (Members of PDCs *Adekokwok sub-county*). Poor condition of medical equipments and devices, other health centers lack midwifery to conduct antenatal care hence no maternity services, there is high midwife to patient ratio, doctors to patient's ratio and nurses to patient's ratio (Executive committee members in Barr, Lira and Adekokwok-sub counties)

Health workers' absenteeism is one of the major constraints to service delivery in the health sector as noted by a sub-county chairperson Lira sub county. Limited staff houses, limited number of staffs and insufficient drugs at these facilities makes service delivery in the health sector wanting. Patients have to cover long distance to health facilities to receive treatment and some women deliver at the road site before reaching health centers (the district speaker).

Table 4.8 Service Delivery in Education sector in Lira District

ii) Education

Variable	Strongly agree	Agree	No comment	Disagree	Strongly disagree
Primary education services are within geographical reach	1(1.3%)	28 (35.4%)	2 (2.5%)	46 (58.2%)	2 (2.5%)
Teachers are usually on duty	1(1.3%)	11 (13.9%)	4 (5.1%)	49 (62%)	14 (17.7%)
There are enough classrooms in schools	0 (0%)	4 (5.1%)	0(0%)	58 (73.4%)	17 (21.5%)
There are enough teachers in primary schools	0 (0%)	8 (10%)	1 (1.3%)	56 (70.9%)	14 (17.7%)
There are enough textbooks in schools	1(1.3%)	6 (7.6%)	4 (5.1%)	48 (60.8%)	20 (25.3%)
PLE performance is good	0 (0%)	7 (8.9%)	2 (2.5%)	44 (55.7%)	26 (32.9%)

Source: Primary Data

Data presented in table 4.8 reveals that 94.9% of the respondents disagree that there was enough class rooms for pupils in the primary schools and 78.7% disagree that Teachers are usually on duty and 86.1% of the respondents report that there are not enough text books in schools. It is further observed that 88.6% of the respondent disagree that primary leaving examinations are as expected hence pupils do not perform better in primary schools. While 60.7% of the respondents disagrees that primary education services are within geographical reached. The qualities of services delivered in this sector are still not to the required standard. However, with regard to quality there seems to be a decline in the quality of education provided to children due to the fact that teachers are not as expected.

With regards to physical infrastructure, the findings revealed that, although the current education policy look to be good, it tends to discourage parents' contribution; the pupils: latrine stance still high in some schools girls still share latrine with boys, desk: pupils ratio still high compare to national ratio there is low enrollment in primary schools especially the girls and high dropout rates, textbook to pupil ratio is very high, high classroom to pupils ratio, high pupils to teachers ratio, inadequate staff houses and The distance from homesteads to schools is still long. This affects pupil's performance in Lira district. *The district chairperson, CAO and sub county executives*

Table 4.9 Water and Sanitation sector Lira District

iii) Water and Sanitation

Variable	Strongly agree	Agree	No comment	Disagree	Strongly disagree
Water points are within geographical reach	1(1.3%)	12(15.2%)	5(6.3%)	55(69.6%)	6(1.6%)
All people's have access to clean water	1(1.3%)	17(21.5%)	7(8.9%)	46(58.2%)	8(10.1%)
Waiting time at clean water sources is less than 30 minutes	0(0%)	12(15.2%)	9(11.4%)	52(65.8%)	6(7.6%)
All households have latrines at their homes	0(0%)	4(5.1%)	4(5.1%)	61(77.2%)	10(12.7%)
There are no water borne diseases in the area	0(0%)	10(12.7%)	7(8.9%)	46(58.2%)	16(20.3%)

Source: Primary Data

Respondents were requested to provide their opinion on items related to water and sanitation in Lira District. This was done using a 5 Likert Scale ranging from strongly agrees to strongly disagree. For purpose of description of the results on the table above, the researcher decided to combine A + SA = Agree, SD + D = Disagree and no comment. Table 4.9 above shows respondent's views on water and sanitation service delivery in Lira District Local Government, The researcher wanted to know if water points are within geographical reach 71.2% of the respondents disagree with the statement hence people have to walk long distance to faced water in addition, 68.3% of the respondents reported that people do not have accessed to clean water most water points are protected springs and shallow wells. The findings also show that 73.4% of the respondents disagree that waiting time at water sources is less than 30 minutes hence people have to wait for

long hours at water sources. Further findings revealed that 89.9% of the respondents disagree that most households have latrine at their homes that means many household does not have latrine at homes instead the moved to nearby bushes while 78.5% of the respondents disagree that there is no water borne diseases in their villages hence waterborne diseases is common in LDLG.

Although most of the water points are located in the health centers and schools, water coverage still low hence the distance to water sources is still long and many of them are seasonal since they are protected springs & shallow well in other words, they dry up during dry seasons. Some of the boreholes are not operational and needs major repairs, waiting time still very long, whereby in most cases it takes a person over an hour waiting at the water point (Parish development *committee Barr, Lira and Adekokwok sub counties*“ Generally, service delivery in Lira district LG has remained poor”, *noted LGPAC members.*

4.3 Testing of hypotheses

The study verified the following research hypotheses:

1. There is relationship between financial planning and service delivery.
2. There is significant relationship between financial mobilization and service delivery.
3. There is relationship between financial control and service delivery.

Table 4.10 Regression model summary for financial planning and service delivery

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.055 ^a	.003	-.010	.64110

a. Predictors: (Constant), Finplan

The model weakly linked the dependent and independent variable, it generated a very weak correlation between the two variable (R=0.055). This suggests that improvement in financial planning causes slight improvement on service delivery.

Table 4.11 Regression coefficients table for financial planning and service delivery

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.095	1	.095	.230	.633 ^a
	Residual	31.648	77	.411		
	Total	31.742	78			

a. Predictors: (Constant), Finplan

b. Dependent Variable: service

The null hypothesis of this study as per the Analysis of Variance (ANOVA) in regard to this section would be that there is no relationship between financial planning and service

delivery in Lira district but the alternative hypothesis of this study was that there is relationship between financial planning and service delivery in Lira District. Based on the coefficient $P = 0.633 > 0.05$ realized by the Analysis of Variance (ANOVA) at a (1, 77) degree of freedom, the null hypothesis of this study was accepted, which implies that there is no significant relationship between financial planning and service delivery in this district.

Table 4.12 Regression model summary for financial mobilization and service Delivery

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.301 ^a	.091	.079	.61219

a. Predictors: (Constant), Finmob

The model linked the dependent and independent variable, it generated a positive correlation between the two variable ($R=0.301$). This suggests that improvement in financial mobilization causes slight improvement on service delivery. Looking at R -square =0.091. This suggests that 9.1% of the variation in service delivery is explained by financial mobilization.

Table 4.13 Regression coefficients table for financial mobilization and service delivery

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.884	1	2.884	7.696	.007 ^a
	Residual	28.858	77	.375		
	Total	31.742	78			

a) Predictors: (Constant), Finmob

b) Dependent Variable: service

The null hypothesis of this study as per the Analysis of Variance (ANOVA) in regard to this section would be that there is no relationship between financial mobilization and service delivery in Lira district but the alternative hypothesis of this study was that there is relationship between financial mobilization and service delivery in Lira District. . Based on the coefficient $P = 0.007 < 0.05$ realized by the Analysis of Variance (ANOVA) at a (1, 77) degree of freedom, the alternative hypothesis of this study was accepted, which implies that there is a significant relationship between financial mobilization and service delivery in this district. The level of significance is less than 0.05 in Table 4.13 hence the model best fits that data fits financial mobilization explaining 31.7% of the variation in service delivery, the same result showed a significantly positive contribution of financial mobilization to service delivery leading to rejection of the null hypotheses in favor of the research hypotheses.

Table 4.14 Regression model summary for financial control and service Delivery

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.196 ^a	.039	.026	.62956

a. Predictors: (Constant), Fincont

The model weakly linked the dependent and independent variable, it generated a very weak correlation between the two variable (R=0.196). This suggests that improvement in financial planning causes slight improvement on service delivery. Looking at R-square = 0.039. This suggests that 3.9% of the variation in service delivery is explained by financial control.

Table 4.15 Regression coefficients table for financial control and service delivery

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.224	1	1.224	3.088	.083 ^a
	Residual	30.518	77	.396		
	Total	31.742	78			

a. Predictors: (Constant),

Fincont

The null hypothesis of this study as per the Analysis of Variance (ANOVA) in regard to this section would be that there is no relationship between financial control and service delivery in Lira district but the alternative hypothesis of this study was that there is relationship between financial control and service delivery in Lira District. . Based on the coefficient ($P=3.088>0.05$) realized by the Analysis of Variance (ANOVA) at a (1, 77) degree of freedom, the null hypothesis of this study was accepted, which implies that there is no significant relationship between financial control and service delivery in this district.

CHAPTER FIVE

SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

The study investigated the relationship between financial management and service delivery a case study of Lira District Local Government. This chapter presents the summary, discussions and recommendations of the study. It also provides suggestion for further study/research and draw conclusions and recommendations on the subject.

5.1 Summary of Findings

5.1.1 Financial planning and service delivery

Based on the coefficient $P = 0.633 > 0.05$ realized by the Analysis of Variance (ANOVA) at a (1, 77) degree of freedom, the null hypothesis of this study was accepted, which implies that there is no significant relationship between financial planning and service delivery in this district. The model weakly linked the dependent and independent variable, it generated a very weak correlation between the two variable ($R=0.055$). This suggests that improvement in financial planning causes slight improvement on service delivery.

5.1.2 Financial Mobilization and Service Delivery

Based on the coefficient $P = 0.007 < 0.05$ realized by the Analysis of Variance (ANOVA) at a (1, 77) degree of freedom, the alternative hypothesis of this study was accepted, which implies that there is a significant relationship between financial mobilization and service delivery in this district. The level of significance is less than 0.05 in Table 4.13

hence the model best fits that data fits financial mobilization explaining 31.7% of the variation in service delivery, the same result showed a significantly positive contribution of financial mobilization to service delivery leading to rejection of the null hypotheses in favor of the research hypotheses. Hence financial mobilization significantly influences service delivery in Lira district and there is a significant relationship between financial mobilization and service delivery in this district.

5.1.3 Financial Control and Service Delivery

Based on the coefficient ($P=3.088>0.05$) realized by the Analysis of Variance (ANOVA) at a (1, 77) degree of freedom, the null hypothesis of this study was accepted, which implies that there is no significant relationship between financial control and service delivery in this district. This means that financial control does not significantly influences service delivery in Lira district and there is no significant relationship between financial control and service delivery in this district. . Looking at R-square = 0.039. This suggests that 3.9% of the variation in service delivery is explained by financial control.

5.2 Discussion of Findings

5.2.1 Financial Planning and Service Delivery

Considering that financial planning in this district is very important, in any case planning is the primary function that set the stage for subsequent implementation of activities since it enlists the details of what is to be implemented, from where, at what time and by whom. Financial planning in LDLG in this study was critically analyzed it was found that, LDLG put in place well laid out plans before procuring works, goods and services

Planning is essential for organization survival and the finding that financial planning significantly influences service delivery in Lira district local government is in line with (Shah, 2007) who submitted that planning is important for service provision and appropriate legislative body should reviews plan and adopts/approved a program and administration starts implementation of the budget and reports findings to the legislative body, he noted that External review body audits and evaluates the executed programme and reports findings to the legislative body. In the same issue Marshall, (1992) also supported the finding that planning influences service delivery since it helps in combining resources to achieve the overall objectives of an organization. The planning is bottom-up and participatory (consultative) approach (Harmonized participatory and planning Guide HPPG) and in line with the District vision and the National Development Plan (NDP). It should be noted that planning focuses on the activity of a specific unit and involves what needs to be done, by whom, when, and at what cost and its important for organization survival, the planning process and cycle should be consultative, participatory and bottom up in nature if service provision has to improve in LDLG. However it was found out that most planning are done by central government since over 70% of budgetary funding is from central government in term of conditional grants.

The finding that budgeting significantly influences service delivery is supported by Schwella, Burger, Fox and Muller (1996) that without budget organization can not achieve its objectives and that Budget reflect the planned programme, public policy and planned priorities the purposes are to balance revenue and expenditure, accountability control and instrument of government policy, good management and planning. Goddard, (2004) also noted that budgeting control system provides a regular accountability of the

implementation of policies and plans. In LGs it commences with consultation between Local Governments and central Government followed by a budget conference that captures all the wishes of stakeholders and set local Government priorities for the Financial Year. Lira district uses IFMS {Financial management system} and it's not possible to spend when there is no budgetary allocation for the activities however supplementary estimate can be made incase there is fund for additional activities.

It was discovered that although plans are always prepared and in place, they are not prepared and implemented properly, for example most key people working in projects have not participated in the planning process including beneficiaries of services and at times funds are diverted to other used for instance paying court cases. It should be noted that planning and budgeting should be participatory and consultative if provision of services has to be improved by LDLG and planning process should aimed at obtaining value for money.

5.2.2 Financial Mobilization and Service Delivery

The finding that financial mobilization significantly influences service delivery is in line with Nsibambi (1998) who submitted that financial mobilization is important for service delivery, Local government have to generates its revenue in order for community to demand for accountability from its leaders . The system theory also support the findings that mobilization significantly influence service delivery in that input (finance) go through a process where they are coordinated (mobilized) ultimately to meet the organizations goals. Pandey (2005) stated that financing decision (acquiring finance) is important for organization survival. It should be noted that Local governments have to

mobilize its local revenue through taxes and licenses for service provision so that local community can demand for accountability from the elected leaders since the pay taxes for service provision. Revenue mobilization has remained to be a key factor in revenue generation in Local Government; however the Local Governments have been left with few options of innovation after abolition of graduated tax that used to contribute up 63.3% of local revenue. This has left most of the Local Governments to depend on remittance from the Central Government thus making it hard for the Local Governments to Finance budget deficits (MOLG, 2007). Robinson (2003) argued that resources mobilization increases as LGs become better equipped to collect taxes in sub national jurisdictions. The efficiency of revenue collection may also be greater when citizens are involved in decision taken by LGs through participatory processes. This would be reflected in an increased willingness to pay for service through local taxes.

Internal revenues are mainly local revenues such as levy, charge, fees and fines on licenses and permits in respect of any services rendered or regulatory power exercised by the Local Council, and any other revenue maybe prescribed by the local government and approved by the minister and every manager should ensure official receipt, ticket or licenses is issued for all money paid, revenues are promptly collected and banked and brought to account and all books of accounts updated. However it should be noted that after abolition of G-tax local revenue performance have reduced and it constitute below 5% of the budget every year and this has affected service provision in LDLG. However, one respondent in Adekokwok sub-county said that, “Though local revenue helps to provide service delivery especially, in local planned projects, its collection is becoming extremely difficult due to political interference and lack of will among the people to pay

taxes. In 2005/2006 Financial Year the incumbent President Y.K. Museveni suspended Graduated Tax for all peasants for 10 years. This was followed by the suspension of the Boda-boda tax. This shows that there is still low level of awareness that Local Governments can levy their own tax. Since, Local revenue is expected to be having a tremendous contribution on service delivery. External revenues sources, for Local Government mainly includes Central Government transfers to Local Governments (intergovernmental transfer) and donor funding from development partners. Intergovernmental transfers are central government grants to local governments, presented and approved by parliament and paid out of the consolidated fund as unconditional grant, conditional grant and equalization grant (Constitution of Uganda 1995, Local Government Act 1997 and Local Government Financial and Accounting Regulations 1998)

Due to increased responsibilities under decentralization and limited local revenues of local government to provide services, this generate a need for local government to obtain inter- governmental transfer system Nsibambi (1998) and Shah (2005) agree that the way inter governmental transfer are designed, contributes a critical role for quality and equity of local service delivery, to bridge fiscal gaps, grant design should include tax based sharing ; to reduce regional disparities, there is need for fiscal capacity equalization and set national minimum standards block transfers and conditions on service standards. Conditional grants consist of money agreed upon by Local Government and central government for specific programme. Shah (2005) Conditional grants from government are part of local government revenue but planned for, recorded and accounted for according to the grant conditions. Conditional grants shall be budgeted following an

agreement between government and the local governments; accountability and reporting for conditional grants are agreed with the responsible line ministry or donors (LGFAR, 2007). It's more appropriate for the responsibility of redistribution and equity to lie with the central government (Shah 2005). The World Bank (2004) however notes that accountability for conditional grants may be poor as citizen may not have adequate information on the grants since they are not the specific tax payers and the grants has condition and guidelines which make it difficult for communities to follow the utilization of fund.

Donor funding to local government are mainly conditional grant for specific sectors or projects. The Local Governments that receive donor funds ensured that those funds are spent solely on the objectives and activities specified in the agreement between the donor and respective local governments. Donor funds are treated according to the conditions attached /agreed upon and separate accountability statement are submitted to the donors in accordance with the terms agreed upon, which include the format of reporting where necessary and copies of the statement are given to the auditor general, the minister and Resident District Commissioner (LGFAR, 2007).

Unconditional grants are paid to council to finance council's decentralized services and considered as part of the local government budget, to be spent on priority programme areas (LGFAR, 2007). The World Bank 2004, reports that the central policies must consider local conditions and capacities. The discrepancies existing amongst Local government can be addressed through unconditional grants to improved service delivery. It also observes that when LGs. have access to unconditional grants with powers to adjust

the allocations to budget items independently, it enhances the efficiency in the public sector finances and the quality of services delivered.

IMF (2006), however, reports that corruption and poor financial management at all levels in Uganda have called for conditions and stringent requirements and this weakened the ability of Financial Decentralization to improve quality service delivery. Local Governments may be permitted to borrow. For legitimate infrastructure purposes if they have the capacity to service their debt without requiring assistance from higher governments however proper debt and borrowing policy is crucial to reduce local spending for continuing services including those that are absolutely crucial for the community (education, poverty reduction, public health, public safety, water and sanitation and roads (Shah 2007). Although borrowing can be an excellent way to finance long-term capital infrastructure, it can create continuing problem of debt servicing/management due to high interest rate unless local governments facilitate local borrowing by pooling risk, to obtain lower interest costs and provide technical efficiencies in borrowing.

5.2.3 Financial Control and Service Delivery

The findings that 3.9% of the variation in service delivery is explained by financial control, is supported by the system theory which states that organizations are pictured as input transformation output systems that compete for resources and the resources are to be controlled to achieve output. Managers have to review and control funds and it involves a lot of paper work and time like supervision of cash receipts and payments and safe guarding of cash balances, custody and insurance policies, record keeping and

reporting. Meigs, (1996) and millicamp, (1997) concur that control is important for the utilization of scarce resources. Pandy (2005) stated that finances have to be controlled for efficient and effective service provision. The researcher agrees with the authors because it's applicable in local governments where the head of finance department (CFO) is supposed to present monthly financial report/statements to the standing committee of finance, planning and administration (LGFAR 2007). Administrative advances to council employees authorized by the chief executive to implement council activities such as for purchased of works, goods and services are accounted for within a month and can not authorize any advance to a council employee who has not accounted for any advance of the previous advance (LGFAR, 2007). However at the close of financial year (2009/10) over 82,000,000 (eighty two million shillings) remained unaccounted by different council employees (Auditor general reports 2010) this implies that activities are not implemented and lead to doubtful expenditure. Accounting, leads to improved service delivery of local governments that finances are used as budgeted and its evidence that the activities are implemented as planned.

Government of Uganda (The Local Government Act, 1997) section 27 (d) and (j) empowers executive committee of the local government to monitor the implementation of policies, programmes and projects and take action where necessary. Section 27 (f) of the Act empowers the Executive Committee to evaluate the performance of the Council against approved work plans and programmes, Government of Uganda (2007) states that monitoring is a continuous function that involves collection and analysis of data about project implementation that will lead to timely decision-making, ensuring accountability and quality services. However, Local Government lack appropriate mechanism for

monitoring and monitoring plan not available in Local Government whereas monitoring of projects are carried out monitoring reports are not produced at time or not implemented hence leading to shoddy work by contractors and these contractors are never black listed and payment are made to such contractors leading financial lost to the district and poor service delivery, however monitoring should be responsibility of every stakeholder. The Local Government Act CAP 243 (2006) also emphasizes quarterly reporting by statutory bodies (DSC, LGPAC, Land Board & Contract Committees) to the district Council. Adams, (2007) points out the factors which hinder reporting as: -Lack of knowledge as to what constitutes best practices reporting and understanding of the Financial and Economic indicators. The Resident District Commissioner noted that if good reports must be provided to managers it should be on a timely basis to improve service delivery, they should be accurate and complete to enable managers get clear picture of results and take necessary actions. And that good reporting reduces the need for speculation and guesswork about actions and this promotes trust, confidence and improved service delivery in the organization.

Internal Audit helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes (The Local Government Internal Audit Manual, 2007). Internal Auditors should produce reports at the end of each audit exercise. The objectives of reporting are to notify management of the councils of the results of the audit and to make recommendations, where appropriate and submit them to the Council giving a copy to the Local Government Public Accounts Committee. Members of LGPAC accepted that

quarterly audit reports were always given to members to review and make recommendations however recommendations are usually not implemented.

Internal Audit offers a continuous internal evaluation and advisory service to all council's charged establishments and Departments. It is specifically charged with reviewing, appraising and reporting on The effectiveness and adequacy of internal controls, the reliability of Financial and other management information, the effectiveness and the accounting procedures, the extent to which the council's assets are safeguarded from losses, arising from fraud, waste, extravagance and mal-administration, poor value for money and other causes, the optimal use of council's resources, compliance with the Local Governments Act and the Local Governments' Financial and Accounting Regulations and The Local Governments' Internal Audit Manual, 2007. The Auditor General may carry surprise audits, investigations or any other audit considered necessary on the Local Government. The Government of Uganda (2007), The Local Government Act CAP. 243.

Local Governments are mandated to appoint members of the Local Government Public Accounts Committees that shall examine the reports of the Auditor General, chief Internal Auditor and any reports of Commissions of inquiry and can require the attendance of any Councilor or Officer to explain matters arising from the reports.

LGPAC investigation in Local Government is important to avoid bias by the Internal and External Auditors and give a fair hearing from the management/public officers before actions are taken.

However it should be noted that funds are given as advance and officer at times does not use the fund for intended purposes as approved by council hence it is difficult to control such funds since paper accountability is clean and at times contractors are paid without evidence that the requirements for the implementation have been met and first payment are not usually made after value for money is realized.

Inter governmental relation

The Local Government programs has to be in line with government, policies as a strategy of promising efficiency and public accountability, the supervision of Local governments by Central Government agencies such as line ministries is provided for in section 96-100 of the Local Government Act, 1997. The central Government needs to establish equitable means of allocating resources to districts and to ensure the existence of effective mechanisms for quality control. Depending on policy, guidelines and conditions (Shah, 2007).

Line ministries inspect, monitor and where necessary offer technical advice, support supervision and training to Local Governments within their respective areas in order to ensure the implementation of national policies. Methods of administrative supervision include persuasion, consultation, recognition, information, circulars, guidelines, inspection, monitoring, mentoring, education, training, technical assistance, audits, orders and taking over administration of a district (LGA, 1997). Where as LGs are mandated to formulate, approve and executive their budgets provided the budgets are balanced, LGs have to accord national priority programs areas preferential budget outlays. In addition, the principal oversight bodies at the national level the Inspector General, the Public

Accounts Committee of Parliament and Auditor General and the RDCs. have direct jurisdiction over Local Governments (Bardhan & Mookherjee, 2006).

5.3 Conclusions

Conclusions were drawn from the discussion of findings:

5.3.1 Financial Planning and Service Delivery

The study established that financial planning had adequately contributed to improved service delivery in the sectors of health, education and water. It should be noted that only activities planned and approved by council are implemented hence services should be provided as planned and approved how ever there is need for participatory planning and bottom up approach for ownership of projects and sustainability if planning should have effect on service delivery. This study also found out that planning was done with few community priorities taken into consideration, some activities are planned from the central government and taken to community without consultation with the communities this reduces ownership therefore difficulty in maintenance of those projects.

5.3.2 Financial Mobilization and Service Delivery

The alternative hypothesis was accepted. This implies that efficient financial mobilization influences the level of service delivery in this district. The positive relationship meant that a directional change in the financial mobilization leads to a similar positive directional change in the level of service delivery. The results also show that most funding are from central government in term of conditional, unconditional and equalization grants however manager have to co-ordinate /follow for the released so that

what is planned and approved is implemented however local revenue should be mobilized by political leaders especially the trading license, hotel tax and local service tax to increased contribution of local revenue in implementation of decentralized services. The study confirmed that, financial mobilization had not been efficiently utilized, the central government does not even released 100% of the allocated IPFs (Indicative Planning Figures) and there has always been revenue shortfall at the end of each financial year hence some activities are not implemented due to that, this partly contributed to low level of service delivery.

5.3.3 Financial Control and Service Delivery

Concerning the third hypothesis the null hypothesis was accepted and the alternative rejected. The finding that 3.9% of the variation in service delivery is explained by financial control, this implies that efficient financial control influenced the level of service delivery in this district. The positive relationship meant that a directional change in the financial control lead to a similar positive directional change in the level of service delivery in this district. Revenue collected should be controlled especially through monitoring, auditing, LGPAC and reporting to reduced corrupt tendency and improved service delivery.

5.4 Recommendations

The following recommendations emerge for due attention and consideration by stakeholders in LDLG.

5.4.1 Financial Planning and Service Delivery

1- Council at district and sub counties should ensure that budget is approved in a transparent manner and as community have priorities.

5.4.2 Financial Mobilization and Service Delivery

1- District council should identify more revenue sources to increase the local revenue base, Boda-Boda tax should be introduced since the earn income, Ireda housing estate should be renovated and rented at higher rate than the current rate to improved local revenue.

2- Central government should reintroduce G-tax so that revenue based for local government increased; when community contribute towards service delivery the make government accountable hence improved service delivery.

3- District finance committee should move to sub-counties to mobilized revenue so that revenue shortfall is reduced and approved activities implemented. The chief administrative officer should ensure that budgeted revenue are collected and bank for council activities.

5.4.3 Financial Control and Service Delivery

1- District Council should ensure value for money and comply with the accounting system in place should facilitate audit department. District council and sub county council should ensure that there is regular monitoring of approved projects to avoid shoddy work and ensure value for money. Local government public accounts

committee (LGPAC) should increase the number of sitting to examine audit reports and other report of commission of inquiry.

2- The Chief Administrative Officer (CAO) should ensure that advance for activities are accounted for immediately after implementation or within 30 days and unaccounted advance are recoverable thereafter and advance for activities are not given to employee that have unaccountable advance to avoid doubtful expenditure and query by audit at the end of financial year.

5.5 Recommended areas for Further Research.

Given limited time and financial constraints, the researcher could not exhaust everything in financial management and service delivery and therefore suggested the following areas for future research:

1. Planning and service delivery in Local Government
2. Revenue mobilization and service delivery in Local Government
3. Financial control and service delivery in Local Government
4. The effect of integrated financial management system (IFMS) on service delivery in Local Government

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APPENDICES

APPENDIX I: Questionnaire for District Councilors, DTPCs, Sub County TPC and Development Partners (NGOs &CBOs)

The researcher is a student of Uganda Management Institute (UMI) pursuing a Master of Management Studies (Public Administration and Management) and conducting a study to explore the effect of financial management and service delivery in Local Government system of Uganda: A case study of Lira District Local Government. You are kindly requested to answer the following questions according to your own perception in relation to management and service delivery in Local Government systems. All the information you provide will be treated with a high confidentiality.

Please circle the most appropriate option that fits your perception in relation to the questions.

Thanks

AKONGO EUNICE

RESEARCHER

SECTION A: PERSONAL DATA OF RESPONDENTS

Please indicate information about your self by circling the appropriate response to the questions set below for example

A- Antenatal care is usually available in health centers

1. Strongly agree 2. Agree 3. No comment 4. Disagree 5. Strongly disagree

1. Your Sex a. Male b. female

2. Your Martial status

a. Married b. Single c. Divorced d. Separated e. Widowed

3. Your Age group

a. below 20 b. 20 – 30 c. 31-40 d. 41-50 e. 51- above

4. Your Level of education

a. Never went to school b. Primary c. Secondary d. Tertiary e. University

f. Others

5. Your job title

a. civil servants b. councilors c. community leaders d. development partners

6. Your years of service

a. less than 2 yrs b. 2-5 c. 5- 10 d. 10 – above

SECTION B: FINANCIAL PLANNING AND SERVICE DELIVERY IN LG SYSTEMS

By circling the statements using the scale below indicate the option you mostly agree with.

1. Decisions are made at all levels of management in Lira district local Council.
 1. Strongly agree 2. Agree 3. No comment 4. Disagree 5. Strongly disagree

2. Decision making contributes towards service delivery in LDLG.
 1. Strongly agree 2. Agree 3. No comment 4. Disagree 5. Strongly disagree

3. Decision making in LDLG is largely consultative in nature.
 1. Strongly agree 2. Agree 3. No comment 4. Disagree 5. Strongly disagree

4. In Lira district Council budget are approved in a transparent manner.
 1. Strongly agree 2. Agree 3. No comment 4. Disagree 5. Strongly disagree

5. Budgeting is relevant to service delivery in LDLG.
 1. Strongly agree 2. Agree 3. No comment 4. Disagree 5. Strongly disagree

6. Budgets always guide all financial activities in LDLG.
 1. Strongly agree 2. Agree 3. No comment 4. Disagree 5. Strongly disagree

7. Budgets are usually presented to Council by the 15th June yearly
 1. Strongly agree 2. Agree 3. No comment 4. Disagree 5. Strongly disagree

8. Budget in Lira District Local Government is wastage of time and resources
 1. Strongly agree 2. Agree 3. No comment 4. Disagree 5. Strongly disagree

SECTION C: FINANCIAL MOBILISATION AND SERVICE DELIVERY

1. Revenue collection impacts on Local Government operations
 1. Strongly agree 2. Agree 3. No comment 4. Disagree 5. Strongly disagree

2. Developmental partners (NGOs and CBOs) contributes revenue towards service delivery in Lira District Local Governments
 1. Strongly agree 2. Agree 3. No comment 4. Disagree 5. Strongly disagree

3. Borrowing Funds by LGs from financial institution like banks can contributes towards service delivery in Lira District Local Government
 1. Strongly agree 2. Agree 3. No comment 4. Disagree 5. Strongly disagree

4. Conditional grants contributes towards service delivery
 1. Strongly agree 2. Agree 3. No comment 4. Disagree 5. Strongly disagree

5. unconditional grants contributes towards service delivery
 1. Strongly agree 2. Agree 3. No comment 4. Disagree 5. Strongly disagree

6. Equalization grants contributes towards service delivery
 1. Strongly agree 2. Agree 3. No comment 4. Disagree 5. Strongly disagree

7. Locally raised revenue contributes towards service delivery
 1. Strongly agree 2. Agree 3. No comment 4. Disagree 5. Strongly disagree

SECTION D: FINANCIAL CONTROL AND SERVICE DELIVERY

1. Funds are released for activities as advance.
1. Strongly agree 2. Agree 3. No comment 4. Disagree 5. Strongly disagree

2. Advances are accounted for within one month (31days) after activities
1. Strongly agree 2. Agree 3. No comment 4. Disagree 5. Strongly disagree

3. Accountability contributes towards service delivery
1. Strongly agree 2. Agree 3. No comment 4. Disagree 5. Strongly disagree

4. District/ sub-county executive Committee monitored the implementation of Council budget
1. Strongly agree 2. Agree 3. No comment 4. Disagree 5. Strongly disagree

5. Standing Committees regularly monitored projects in their sectors
1. Strongly agree 2. Agree 3. No comment 4. Disagree 5. Strongly disagree

6. Monitoring projects has an effect on service delivery
1. Strongly agree 2. Agree 3. No comment 4. Disagree 5. Strongly disagree

7. Internal controls have been strengthened in Lira District Local Government and Sub-county due to auditing of accounts
1. Strongly agree 2. Agree 3. No comment 4. Disagree 5. Strongly disagree

8. Investigation of Financial loss have improved in Lira District Local Government as a result of LGPAC

1. Strongly agree 2. Agree 3. No comment 4. Disagree 5. Strongly disagree

SECTION E: INTERGOVERNMENTAL RELATION

1. Central government monitor activities of Lira district local government

1. Strongly agree 2. Agree 3. No comment 4. Disagree 5. Strongly disagree

2. The existing policies of Central government on financial management are effective in regulating service delivery in LDLG.

1. Strongly agree 2. Agree 3. No comment 4. Disagree 5. Strongly disagree

3. There is Central Government conditions on local government's financial mobilization.

1. Strongly agree 2. Agree 3. No comment 4. Disagree 5. Strongly disagree

4. There is Central Government guidelines on local government financial control.

1. Strongly agree 2. Agree 3. No comment 4. Disagree 5. Strongly disagree

**SECTION F: EFFICIENCY AND EFFECTIVENESS IN SERVICE DELIVERY
BY THE LOCAL GOVERNMENTS**

Choose the best option that fits what you see on the ground.

Health

1- The health services are within geographical reach

1. Strongly agree 2. Agree 3. No comment 4. Disagree 5. Strongly disagree

2-Health personnel are usually on duty

1. Strongly agree 2. Agree 3. No comment 4. Disagree 5. Strongly disagree

3-The required essential drugs like ARVs and malarial drugs are usually available

1. Strongly agree 2. Agree 3. No comment 4. Disagree 5. Strongly disagree

4-Primary health care services are delivered as expected

1. Strongly agree 2. Agree 3. No comment 4. Disagree 5. Strongly disagree

5-You build trust and confidence in the medical personnel and tell them your health problems.

1. Strongly agree 2. Agree 3. No comment 4. Disagree 5. Strongly disagree

6- Antenatal care is usually available in all health centers

1. Strongly agree 2. Agree 3. No comment 4. Disagree 5. Strongly disagree

7-All parishes in the Sub-counties has health center

1. Strongly agree 2. Agree 3. No comment 4. Disagree 5. Strongly disagree

Education

1-Primary education services are within geographical

1. Strongly agree 2. Agree 3. No comment 4. Disagree 5. Strongly disagree

2-Teachers are usually on duty

1. Strongly agree 2. Agree 3. No comment 4. Disagree 5. Strongly disagree

3-There is enough class rooms in primary school

1. Strongly agree 2. Agree 3. No comment 4. Disagree 5. Strongly disagree

4- There are enough teachers in the primary schools

1. Strongly agree 2. Agree 3. No comment 4. Disagree 5. Strongly disagree

5-There is enough text books in the school

1. Strongly agree 2. Agree 3. No comment 4. Disagree 5. Strongly disagree

6-Primary Leaving Examination performances are as expected.

1. Strongly agree 2. Agree 3. No comment 4. Disagree 5. Strongly disagree

Water and Sanitation

1-Water points are within Geographical reach

1. Strongly agree 2. Agree 3. No comment 4. Disagree 5. Strongly disagree

2-All People have accessed to clean water

1. Strongly agree 2. Agree 3. No comment 4. Disagree 5. Strongly disagree

3-Waiting time for clean water at water sources is less than 30 minutes

1. Strongly agree 2. Agree 3. No comment 4. Disagree 5. Strongly disagree

4-All households have latrine at their homes

1. Strongly agree 2. Agree 3. No comment 4. Disagree 5. Strongly disagree

5-There is no water borne diseases in my village

1. Strongly agree 2. Agree 3. No comment 4. Disagree 5. Strongly disagree

APPEXDIX II: Interview Guide

The researcher is a student of Uganda management institute (UMI) pursuing master of management studies (Public Administration and Management) and conducting a study to assess the effect of financial management and service delivery in Local Government systems of Uganda, a case study of Lira District Local Government. You are kindly requested to answer the following questions according to your own perception in relation to management and service delivery in Local Government systems. All the information you provide will be treated with a high confidentiality. So please reserve few minutes and answer the few questions in this document.

Thanks

AKONGO EUNICE

RESEARCHER

1. According to your position in local government do you think all community priorities are taken while planning in Lira District

.....

2. Do you think all activities budgeted are implemented in a transparent way?

.....

3. Why do you think so in question 2 above?

.....

4. Do you carry out planning and budgeting before starting any local government funded project?

.....

5. Do you regularly monitor the progress of projects/activities in the district/sub-counties?

.....

6. Are there issues of shoddy/ sub standard work by contractors in LDLG?

.....

7. Do you have approved revenue enhancement planned to guide collection revenue?

.....

8. Do you think all the revenue approved by council are collected and if no why?

.....

.....

9. What do you say about the design of Central government conditions, policies and guidelines to local governments?

.....

.....

10. How does it affect service delivery in Local Government?

.....

11. Do you feel there is adequate financial reporting in your Local Governments?

.....

12. Are there issues of diversion of funds and lack of transparency in financial management in your Local Government?

.....

13. Do you discuss audit reports and LGPAC reports in council and implement them to improve financial management in Lira District?

.....

14. Generally what is your view on the state of current services provided?

i- Primary education

.....
.....
.....

ii- Health

.....
.....
.....

iii- Water & sanitation

.....
.....

.....

iv- what are your recommendations to improved service delivery in the above sectors?

.....

.....

.....

Appendix III: Documents Review Check List

1. Local Governments budget and work plan 2005-2010
2. District state of affairs/Local performance reports 2005-2010
3. Minutes 2005-2010
4. Government policies on PHC, Primary education, water and sanitation
5. Journals, papers presented in workshops 2005/2010 symposia on PHC, Primary Education, water and sanitation.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.055 ^a	.003	-.010	.64110

b. Predictors: (Constant), Finplan

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.095	1	.095	.230	.633 ^a
	Residual	31.648	77	.411		
	Total	31.742	78			

a. Predictors: (Constant), Finplan

b. Dependent Variable: service

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.301 ^a	.091	.079	.61219

b. Predictors: (Constant), Finmob

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.884	1	2.884	7.696	.007 ^a
	Residual	28.858	77	.375		
	Total	31.742	78			

c) Predictors: (Constant), Finmob

d) Dependent Variable: service

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.196 ^a	.039	.026	.62956

b. Predictors: (Constant), Fincont

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.224	1	1.224	3.088	.083 ^a
	Residual	30.518	77	.396		
	Total	31.742	78			

b. Predictors: (Constant), Fincont

APPENDIX IV: Work Plan and Time Table

This is the schedule or timetable of activities and the period in which the research was conducted with due regard to budgetary limitation. It was presented in a tabular form indicating activities, duration, and dates.

A time schedule refers to how long the researcher will take to finish the research (Mugenda and Mugenda, 2003).

Time table/Work plan

No	Activity	Duration	Date
1	Research proposal writing and Approval	Three (3) months	16 th /08/2010 to 16 th 11/2010
2	Data collection	62days	16 th /11/2010 to 30/02/2011
3	Data analysis and interpretation	30 days	30 th /02/2011 to 16/04/2011
4	Writing of dissertation	2 Months	30 th /05/2011 to 30 th /07/2011
5	Presentation of dissertation for viva and submission	30 days	1/08/2011 to 1/09/2011

APPENDIX V: Budget

The Budget consists of the amount of activities and items that are necessary to carry out the research

Budget

S//No	Item	Quantity	Unit cost	Amount
1	Tuition fees/registration fees and other payments to UMI	1	5,260,000=	5,260,000=
2	Laptop Computer and Internet Modem	1	2,000,000=	2,000,000=
3	Travel/transport (Public means)	4	50,000=	200,000=
4	Cartridge (toner) and Photocopying	2	250,000=	500,000=
5	Stationeries	-	-	200,000=
6	Allowance	200	10,000=	2,000,000=
		1		
	TOTAL			10,160,000=